

Annual report

ENGLISH VERSION

2022
annual
report

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The Annual Report is to be considered inclusive of the Attachements Group's stakeholder and materiality analysis, "Social Sustainability", "Environmental sustainability", "Economic sustainability" and "GRI content Index" available on our website www.gruppoveronesi.it/en/annual-report, wich contain other quantitative indicators and the GRI content index for a complete and exhaustive reading."

Opening letter

It is with particular pride that we invite you to read this Sustainability Report, as it not only presents the key results achieved in 2022, a turbulent and extremely challenging year for the world, but most importantly conveys the essence of our Group, which has enabled us to achieve such results.

We are a family company, by which we refer to our own family and those families that have grown alongside us, made up of people to whom we owe our gratitude: for the sense of community with which they work, for the skills they generously share, for the passion they employ.

The efforts of all these people allow us to make food available to those who choose us, each day, with confidence, and to supply products loved by generations: delicious, healthy, safe and quality. This dedication dates back decades, supported by our desire and capacity "to never stop investing in people and technology", in keeping with the spirit of our Founder, Apollinare Veronesi.

This Report tells our story of 2022, presenting a journey involving our defence of our leadership position in the relevant markets, our way of doing business, and our ability to contend with an increasingly complex and rapidly changing world.

Numbers and practical examples that testify to our drive to constantly improve, every day, with the goal of remaining a point of reference for the entire sector and promoting its sustainable growth from an economic, social and environmental perspective. Drawing strength from our roots and our values, we look to the future to spread and promote appreciation of our Italian story, at home and abroad, in the many countries where we have enjoyed success.

We are well aware that we sit at the helm of one of the leading agrifood supply chains, and that our work generates value throughout the supply chain in all local areas where we operate.

The Board of Directors

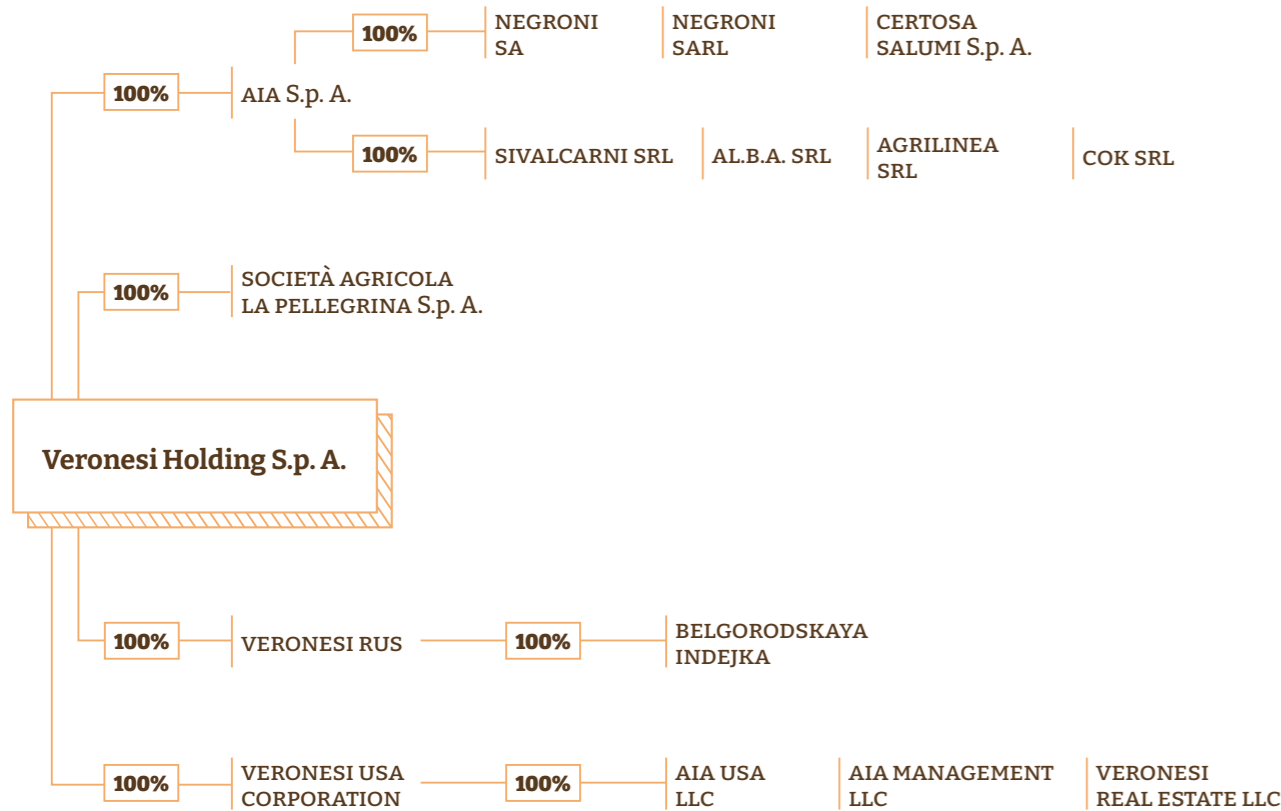


01.

Company structure



Corporate structure



AGRICOLA TRE VALLI
SOCIETÀ COOPERATIVA



The Board of Directors

VICE CHAIRMAN
Tommaso Veronesi

VICE CHAIRMAN
Antonio Nicodemo

CHIEF EXECUTIVE OFFICER
Luigi Fasoli



MEMBER OF BOD
Marcello Veronesi

CHAIRMAN
Mario Veronesi

MEMBER OF BOD
Francesco Ballini

Board of Statutory Auditors

CHAIRMAN
Mauro Melandri

STATUTORY AUDITORS
Primo Ceppellini
Gabriele Fasoli

Auditing company

Deloitte&Touche S.p.A.

Governance

The **Corporate Governance** model adopted by the Group is based on what is referred to as the Italian "traditional model". The subsidiaries of the Group operate under the management and coordination of the parent company, Veronesi Holding S.p.A.



Shareholders' Meeting

The latter is tasked with appointing the Board of Directors and Board of Statutory Auditors.

Each shareholder is personally called upon to work to protect the value of the company business, its growth, and contribute to building and protecting a solid equity base.



Board of Directors

It is tasked with steering strategic management, monitoring the fitness for purpose of the organisational, administrative and accounting structure, assessing general performance. The current BoD has 6 members: representatives of the families of Founder Apollinare Veronesi's 5 children, and an external member who serves as Chief Executive Officer.



Board of Statutory Auditors

It oversees compliance with the law and the Statute, observance of principles of good management and, in particular, the fitness for purpose of the internal control system. It participates in all Board of Directors' Meetings.

In accordance with current regulations, its members are external to the Group.



Auditing Company

This is a company external to the Group, tasked with carrying out the independent audit required by law. The same company is also tasked with auditing the Consolidated Financial Statements of the Group and the Financial Statements of the main companies in the Group.

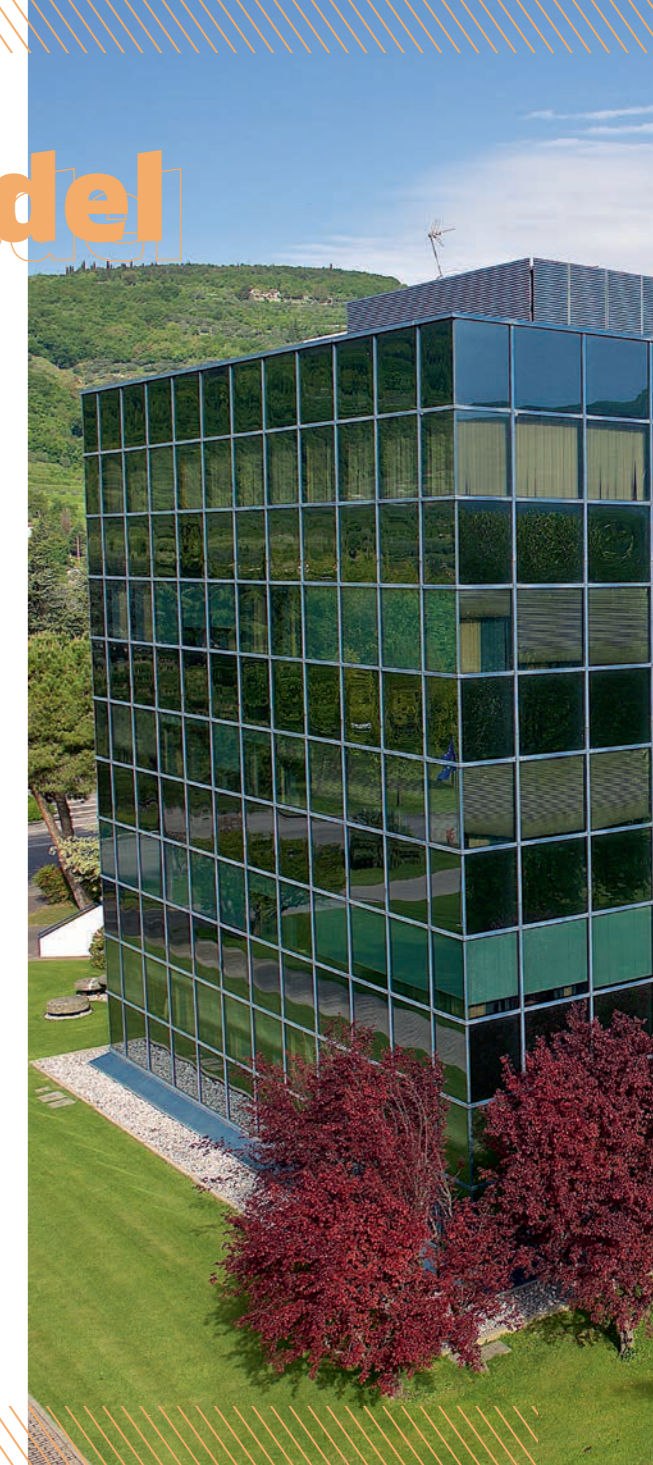
The Organisational Model

The Organisational Model, adopted by the Group's Italian companies, is a set of rules, procedures and operating methods that define the organisational, management and internal control system of the company and aims to prevent or contrast the committing of offences under Italian Legislative Decree 231/01.

The purpose of the Organisational Model is to prevent specific types of offences, apparently committed to the benefit of the Company, that may involve to administrative liability.

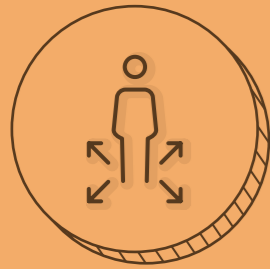
The aim of the Organisational Model is to make all employees and external collaborators of the Group aware of the activities that present a risk of committing an offence and the consequent sanctions. This tool is intended by the Group to disseminate and maintain, by way of oversight, a business culture inspired by lawfulness, and to establish an efficient and balanced organisational structure.

The body tasked with overseeing compliance with the Organisational Model, in each company in the Group, is the **Supervisory Body** (SB). The Supervisory Body consists of a board made up of three members external to the company, and is positioned at the top of the organisational structure in order to guarantee independence from all forms of potential interference. The Supervisory Body has two important tools to highlight potential offences and assess the relevant risk: risk mapping, specific to the various companies in the Group, with the involvement of operating personnel from across all functional areas; a matrix that places the probability of an offence occurring in the context of the impact that such an offence might have on the Group.



Governance of the main Italian subsidiaries is organised in a manner consistent with their operating context and, in the case of foreign companies, takes local legislation into account.

The Group's values



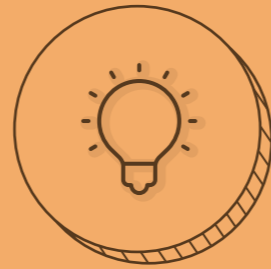
Consumer-centred

Satisfying consumer tastes and expectations is our daily mission, anticipating and exceeding their wishes is the challenge we set ourselves.



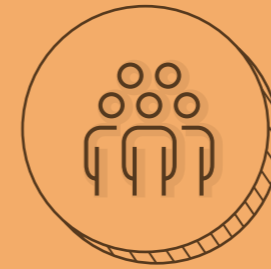
A passion for quality

From the field to the table, we pursue excellence at every stage of the supply chain and select partners that share this passion.



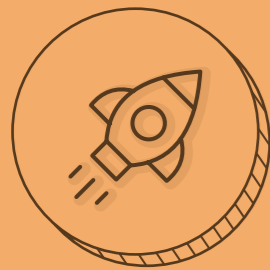
Innovation

An eye for innovation, together with ongoing research, are values rooted in our history and have always formed part of our approach to producing quality. We want to continue to surprise the market with leading versions of traditional Italian food products, and innovative products for new tastes.



The spirit of the group

The motivation and professional growth of our collaborators are key to our success. Respect, trust, propriety and dialogue are the guiding principles that inspire enthusiasm and the spirit of the group.



Efficiency

We pursue efficiency at all times and at every stage of the organisational and production process, combined with an unwavering focus on the health and safety of our collaborators. We engage with the market with a view to continuously improving our performance.



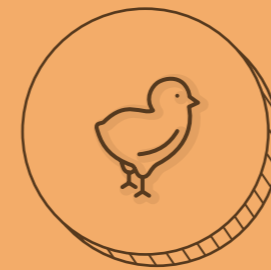
Sustainability

We have always regarded sustainability as a key factor in development, together with a binding commitment to future generations. We believe that economic performance must go hand in hand with environmental protection and people's wellbeing.



Creating value

Ours is a story of success, founded on the value of our brands and the asset represented by our supply chain. We want to continue to pursue fair business profit without compromising on ethical economic and social interactions.



Animal welfare

We regard respect for animals as a core value. We work every day with thousands of livestock farmers to ensure the health of the animals, by keeping them responsibly.

Code of Ethics

This is at the heart of the Group's governance structure, and is the first pillar of the Organisational Model. It encompasses the **values** and **principles** handed down by our Founder: the foundations underpinning the Group's actions, which all collaborators are required to respect, in the knowledge that enduring success is not possible without ethical conduct.

Any serious or persistent breach of the Code of Ethics by those bound by it harms the relationship of trust between the Group and the perpetrator of the breach. It may also give rise to disciplinary sanctions in accordance with the Organisational Model under Italian Legislative Decree 231/01 and, in the event of serious non-compliance, termination of the employment relationship.



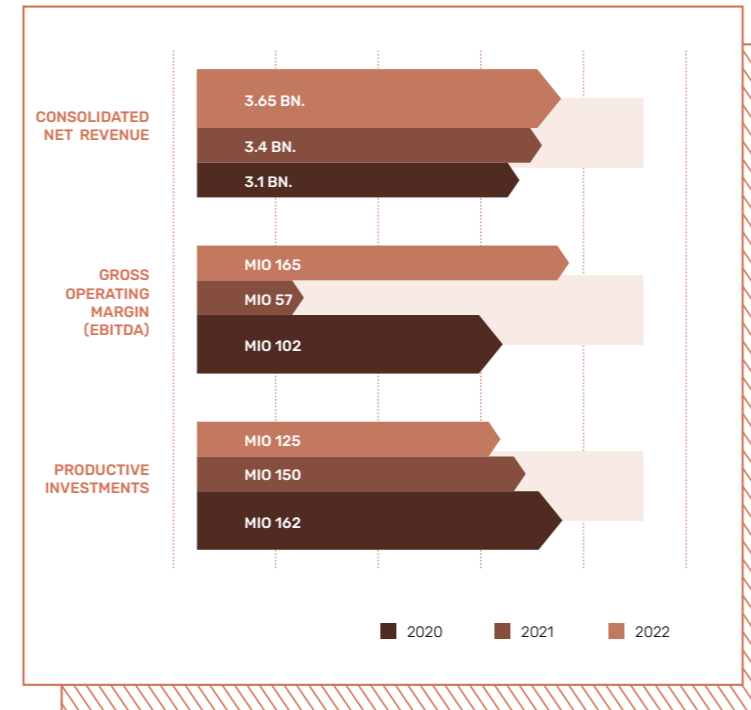
02.

The Group in numbers



Key economic and financial data

Key economic and financial data	2020	2021	2022
Net revenues	3,126,602,412	3,354,647,708	3,653,230,874
EBITDA	101,750,717	56,611,964	164,553,616
Amortization	92,446,479	110,998,221	119,452,409
Net profit	2,266,125	-38,704,206	35,630,437
Cash flow	94,712,604	72,294,015	155,082,846
Fixed asset investments	162,058,788	149,748,693	125,043,211
Net financial debt	398,702,884	425,246,441	526,400,049
Net assets	671,357,019	624,960,275	656,134,608
Operating profit/invested capital	0.47%	-2.85%	2.14%
Net result/Net assets	0.34%	-6.19%	5.43%
Net financial debt/Net assets	0.59	0.68	0.80
Net financial debt/EBITDA	3.92	7.51	3.20



3.65
billions in
TURNOVER

125
milions
in investments

APPROX. **8,400**
THOUSAND
PEOPLE

7
feed mills

200 PEOPLE
devoted to
QUALITY

18 food
production
plants

5 plants of
anaerobic
digestion

52,000
hours
of **TRAINING**

2 analyses
of waters
ON A
THOUSAND self-monitoring basis

0.1%
of waste to
LANDFILL

14% of
exports

100%
OF SEWAGE
FROM POULTRY
recovered

03.

Our
markets



Food products: You might even call them... inspirations

February 1968. For the Veronesi Group, it is a moment that represents a turning point, thanks to a brilliant stroke of inspiration: to move into the poultry farming and poultry meat production and processing sector.

This brilliant stroke of inspiration led to the foundation of **Agricola Italiana Alimentare S.p.A.**, or simply **AIA** as it came to be known in Italy and around the world, in the very first TV adverts in the 1970s, in large distribution, and in the homes of the consumers for whom we remain a point of reference to this day.

Over time, such strokes of inspiration have enabled us to always anticipate and satisfy all demands, receiving constant input from the evolution of the distribution network and ongoing changes in consumer habits. A perfect example: the idea of putting chicken breasts, drumsticks and thighs in packaged trays, resulting in the first self-service anatomical cuts on the market. **Innovative solutions** that, with the advent of the first stores featuring refrigerated counter, represented a turning point for our clients. In other words, we were prescient.

And we remained prescient over the years, with the introduction of pork, or with the acquisition of the **Negroni** company (in 2002), further strengthening the relationship with our consumers, who never tire of the quality and authenticity of Italian products.

Throughout our history, marked not only by inspiration, but also innovation, excellence, tradition and Italian know-how, we have been able to rely on the quality of the products and meats from the livestock farms in our supply chain: this has allowed us to guarantee compliance with food safety and animal welfare standards. And that is not all. Our efforts continue through to the **ingredients selected with care** in order to offer only the best of Italian food tradition. Product after product.



1931

NEGRONETTO

A star is born from an idea of Paolo Negroni: Negronetto, the first branded pocket salami boasting all the quality and characteristics of traditional Cremona salami.



1985

WUDY

AIA expanded its range with Wudy, the first chicken frankfurter-style sausage, which quickly won the hearts and palates of young and old alike with its flavour and lightness. A new way to enjoy chicken, which would become a truly iconic product.



1970

4 CASTELLI DELI-CUT MORTADELLA

4 Castelli deli-cut Mortadella was launched, with its unmistakable fragrance and distinctive flavour. Still hailed today as the traditional speciality of Emilia, it owes its name to the 4 towers in the region associated with Matilda of Canossa.



1990

SPINACINE

A new inspiration hit the tables of Italian homes: chicken and turkey cutlets with leaf spinach in a crispy breadcrumb coating.



1984

PRONTOCUOCI

AIA took on the challenge of bringing quality meat to Italian diners in a convenient form: introducing the ProntoCuoci range. Skewers, chicken nuggets, cutlets and so much more, ready to cook. Better get to the table!



1994

MONVERO SLICED COOKED HAM

The first 100% Italian cooked ham launched by the Veronesi Group, embracing the concept of a supply chain offering maximum transparency to consumers. Coupled with great taste, naturally.



1995

DICED CHARCUTERIE

Diced charcuterie arrived on the scene, an innovation heralding a new way of enjoying pancetta, cooked ham and other versatile ingredients, ideal for pasta and rice dishes and recipes. Initially launched under the Montorsi brand, it joined the Negroni family in 2012.



1996

DURANGO

Inspired by a trip overseas, it would go on to become one of AIA's standout products: lightly spiced chicken wings with an unmistakable flavour.



1996

BONROLL

Good news for novice cooks: a product that ensures that they, too, can impress with a great roast. Introducing Bonroll, a true milestone, the first white-meat roast, easy to cook and available with a range of different fillings.



2015

PETALI

Supplementing the classic diced charcuterie products, "Petali" were launched as a handy new cut offering maximum flavour, designed to respond to a trend for innovating in the kitchen.



2016

PRE-SLICED "ESSENZA" LINE

Take premium charcuterie, thinly sliced, and package it in trays. The result is Gran Crudo, Gran Cotto, Salame and Mortadella Riserva, Culatello, Pancetta and Coppa di Zibello, Negroni's deluxe range. A level of quality also available for the overseas market with the Chiffonnades Montorsi line.



2019

EGGS WITH VITAMIN E

The aeQuilibrium brand expanded to include fresh barn eggs, fortified with vitamin E.



2004

PRE-SLICED "STELLA" LINE

It is the firmament year. The Negroni star range expanded to encompass a wide line of pre-sliced charcuterie meats in handy trays. From cooked to cured ham, salami to mortadella: a full range of quality deli meats in self-service packaging.



2005

AEQUILIBRIUM

A new year, a new invention. aeQuilibrium was launched as the first sliced poultry product, and would go on to become the sliced chicken and turkey product par excellence.

For those in search of a lighter product without compromising on flavour.



2007

AEQUILIBRIUM EGG WHITE

A new idea developed for those on a fat-free diet.

Pasteurised egg white, sold in a carton, rich in protein and free from additives and preservatives, it contains 100% Italian egg.



2009

GRAN COTECHINO

A great classic featuring great Italian meats: the Gran Cotechino, a new recipe with even more flavour.



2020

SEMPLICEMENTE PANATI

Elected Product of the Year 2021, the Oscar goes to Semplicemente Panati, super-tender crispy chicken fillets and chicken nuggets packed full of flavour, to make any occasion special. 100% Italian Poultry meat.



2022

FINGER GOOD

Introducing Finger Good, handy frozen finger food available as delicately spiced Chicken Sticks and Chicken Rings seasoned with onion.



2022

GRAN STINCO

In keeping with Negroni tradition, the "GRAN STINCO Gourmet" was launched: boasting 100% Italian flavour, this pork shank is enhanced with sweet paprika and black pepper.

Raw meat products

"AIA presents... Prontocuoci: all ready-prepared, all fresh!". This is the message delivered by an ad from a few years ago for our raw meat products, obtained from cuts of meat not yet packaged for sale. The Prontocuoci range represents the first AIA branded products: skewers, hamburgers and sausages. It was the 1980s, boom-time, marked by the advent of supermarkets and new consumer demands. People wanted to spend increasingly less time in the kitchen, and preferred classic cutlets or chicken breasts when they did cook. That is until we came up with a different way of using the less popular noble cuts. A triumph. Needless to say, supply never ran out. It draws on an entire innovation hub in which Research & Development focuses on the idea of premium-service products, earning AIA the title of "Italy's largest kitchen".

Raw meat product market share

Veronesi Group	37%
1st Competitor	34.4%
2nd Competitor	6.9%
3rd Competitor	3.3%
Private Label	15.7%
Other products	2.7%



(Source: Information Resource Inc. (IRI) Share by volume 1+S+LS Year Ending Dec. 2022)

Wudy and the frankfurter-style sausage market

In 1985, the AIA range expanded to include a product that would also become an icon abroad: Wudy, Europe's first poultry frankfurter-style sausage. A new, light way of enjoying chicken, popular with Italian palates, year after year. At the end of 2022, Wudy held a 48% share of the poultry frankfurter-style sausage market and over 35% of the overall frankfurter-style sausage market.

Frankfurter-style sausage market share

Veronesi Group	35.3%
1st Competitor	10.2%
2nd Competitor	4%
3rd Competitor	3.7%
Private Label	27.5%
Other products	19.3%



Source: Information Resource Inc. (IRI) Share by volume 1+S+LS Year Ending Dec. 2022)

BonRoll

Italy's favour meat roast. Your Majesty the BonRoll arrived on the scene in 1996. The innovation it brought to the meat market has earned it its own category. It was inspired by a trip to Japan and the stuffed spherical delicacies featured in its cuisine. And the rest is history. Today, Special Editions featuring seasonal ingredients sit alongside the classic versions. An additional offering that further strengthens the undisputed success of this product, season after season, year after year.

Breaded cooked product market share

Veronesi Group	28.3%
1st Competitor	23.4%
2nd Competitor	13%
3rd Competitor	6.3%
Private Label	26.7%
Other products	2.3%



(Source: Information Resource Inc. (IRI) Share by volume 1+S+LS Year Ending Dec. 2022)

BonRoll market share

Veronesi Group	71.4%
1st Competitor	22%
2nd Competitor	5.5%
3rd Competitor	0.6%
Private Label	0.2%
Other products	0.3%



(Source: Information Resource Inc. (IRI) Share by volume 1+S+LS Year Ending Dec. 2022)

Breaded cooked products

Spinacine, Cordon Bleu, Milanese, Viennese and Semplicemente Panati, available as both chicken nuggets and chicken fillets. These are the "Fantastic 5" that, together with Finger Good and Spinacine Party, continue our delicious revolution. New award-winning products, voted for by consumers and recognised as *Product of the Year*, including for example Semplicemente Panati, have been enjoying success on the market. In terms of innovation, goodness and satisfaction, 2022 once again saw the breaded cooked products holding on to their top spot in terms of market share in the category.



Unbreaded cooked product market share

Veronesi Group	52.5%
1st Competitor	17.5%
2nd Competitor	2.3%
3rd Competitor	0.1%
Private Label	26.2%
Other products	1.5%



(Source: Information Resource Inc. (IRI) Share by volume I+S+LS Year Ending Dec. 2022)

Unbreaded cooked products

Non just quality ingredients. Underpinning our unbreaded cooked product range is also significant consumer demand for an ever-greater level of service, combined with a series of trips abroad to research emerging trends, and a healthy appetite for innovation. These ingredients are balanced in just the right quantities to produce the items that earn AIA its place as undisputed leader in the category in question, achieving over 52% of the market share in 2022.

Some examples of our products? Chicken Salad, Kebab, Roast Turkey and Durango, our legendary lightly spiced chicken wings, a true cult favourite.

The pre-sliced cured meats: Stella, Essenza, aeQuilibrium

Take our Group and add the historic Negroni brand, synonymous with quality Italian charcuterie across the world, acquired by us in 2002. This marked the point at which the Veronesi Group portfolio acquired the prestige of one of the leading names in the pre-sliced cured meat market. Thanks to our experience in the charcuterie world, we are now the leading player in the market with brands such as aeQuilibrium, Negroni "Stella" line, Negroni "Essenza" and the legendary Negronetto, the first branded pocket salami in history.

Pre-sliced cured meat market share

Veronesi Group	10.2%
1st Competitor	7.9%
2nd Competitor	6.4%
3rd Competitor	5.7%
Private Label	37.9%
Other products	32%



(Source: Information Resource Inc. (IRI) Share by volume I+S+LS Year Ending Dec. 2022)

Diced charcuterie market share

Veronesi Group	17.9%
1st Competitor	20.7%
Private Label	40.6%
Other products	20.8%



(Source: Information Resource Inc. (IRI) Share by volume I+S+LS Year Ending Dec. 2022)

Diced charcuterie

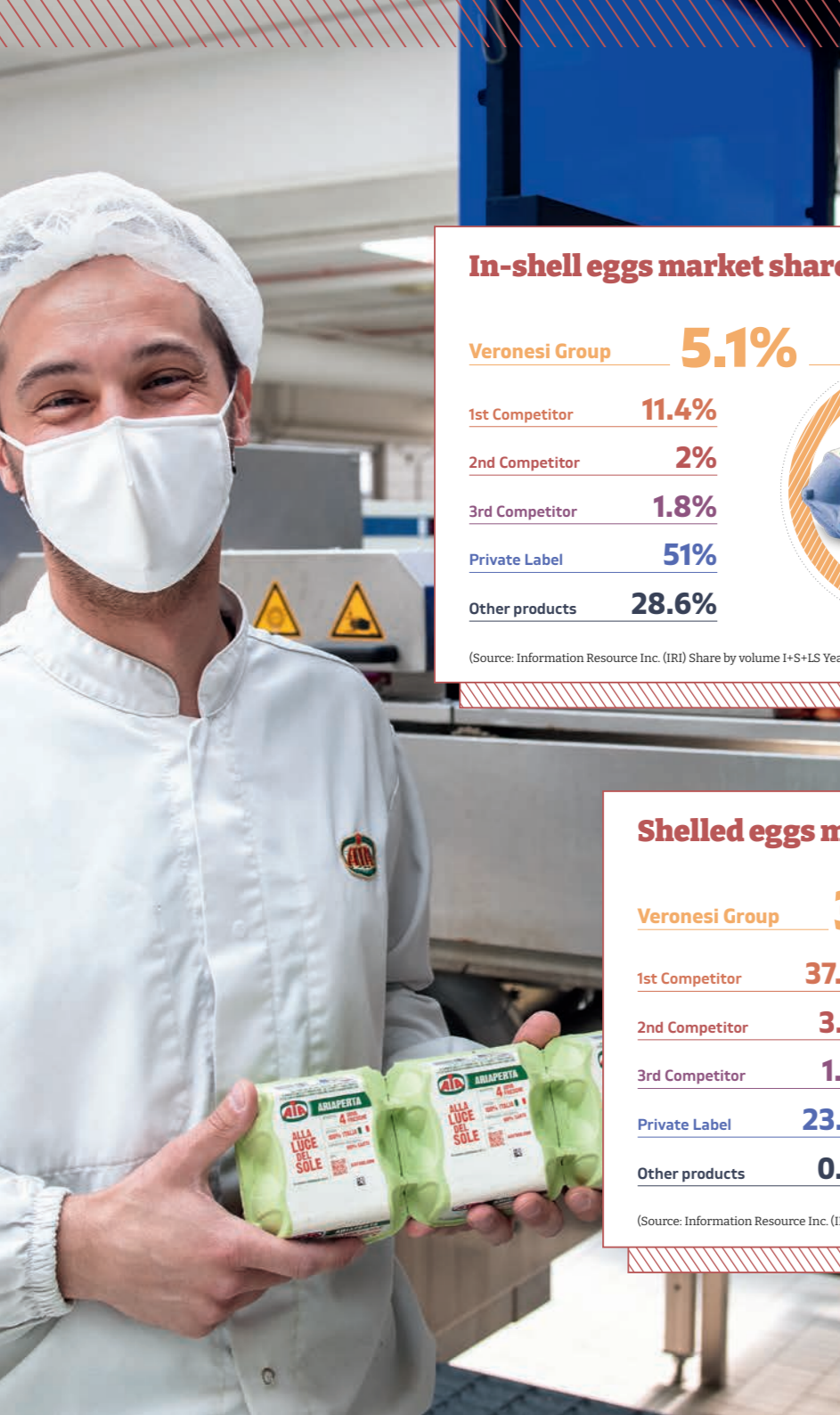
When new challenges arise following acquisitions in the pork world, our research into innovation arrives on the scene. In the shape of a cube. Or rather, a dice: our diced charcuterie meats were launched in 1995. This innovative product heralded an alternative way to enjoy pancetta, cooked ham and other charcuterie meats as versatile ingredients in many recipes. Initially sold under the Montorsi label, and later the Negroni brand, they have remained a real go-to product in Italian kitchens, year after year.

Charcuterie at the deli counter

Monvero and Stella cooked hams, the Zibello specialties (Culatello, Coppa and Pancetta), the salamis (Milano, Napoli and Ungherese). And then there are the mortadella products, including the unmistakable 4 Castelli and Stella Oro, Parma and San Daniele cured hams and, naturally, the aeQuilibrium line with turkey breast and roast chicken breast and the Fior di Arrosto premium line. Our charcuterie products have been a go-to product at the deli counter for Italians for many years.

Cotechino, zamponone and shank

Presenting our trio of pre-cooked specialties. We were among the first to include the traditional Christmas specialties, cotechino and zamponone, among our branded products. Today, together with the Negroni and Fini Salumi brands, we are the market leader, with 100% Italian products. Tradition meets research in the "GRAN STINCO Gourmet": boasting 100% Italian flavour, this pork shank is enhanced with sweet paprika and black pepper.



The eggs

In-shell eggs market share

Veronesi Group	5.1%
1st Competitor	11.4%
2nd Competitor	2%
3rd Competitor	1.8%
Private Label	51%
Other products	28.6%



(Source: Information Resource Inc. (IRI) Share by volume I+S+LS Year Ending Dec. 2022)

Traditional, free-range, organic and yellow-yolk eggs, and eggs fortified with vitamin E. Our acquisition of the Cok brand saw us enter the egg sector, and today we have many types of egg available, to meet a broad range of market demands.

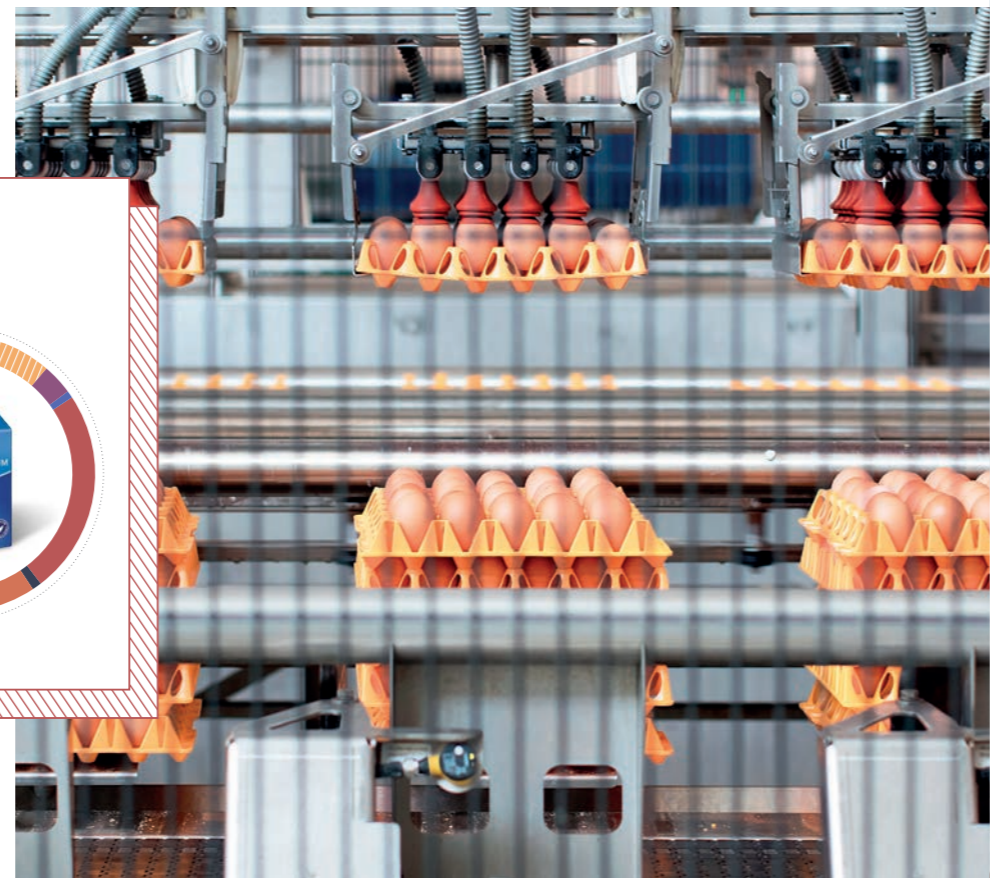
But that is not all. Indeed, for over 20 years, we have been operating in the market of egg products for professional use: a full range that satisfies the performance and convenience needs of professionals. For use in leavened baked goods, we offer a 1 kg carton of pasteurised egg, as well as egg yolk, yellow egg yolk, and organic and free-range products. For cooking, ice-cream making, and pastry making, meanwhile, our range includes Nuvola d'Albume, an egg-white product available in 1 kg cartons and perfect for beating.

Shelled eggs market share

Veronesi Group	33.1%
1st Competitor	37.6%
2nd Competitor	3.5%
3rd Competitor	1.0%
Private Label	23.9%
Other products	0.9%

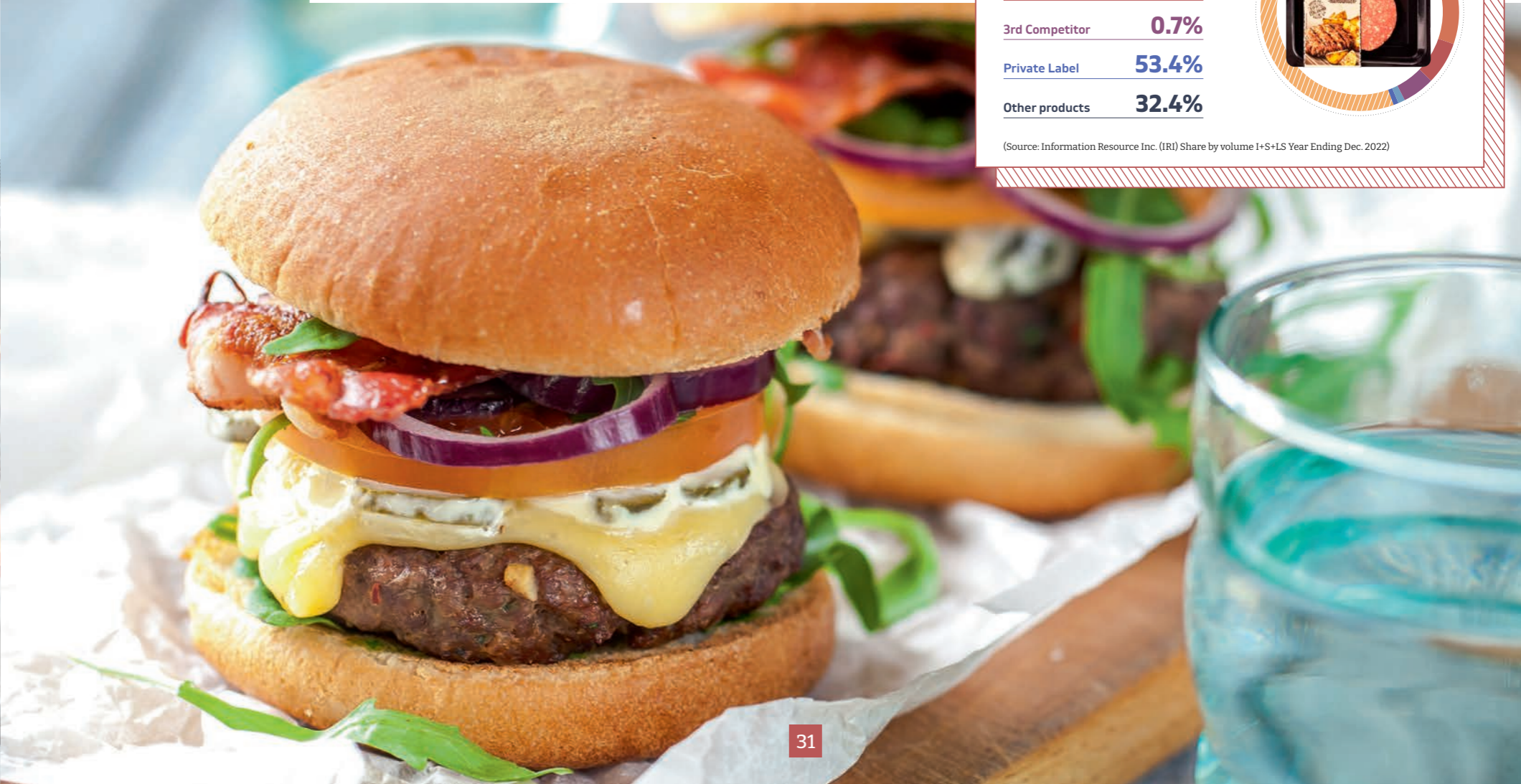


(Source: Information Resource Inc. (IRI) Share by volume I+S+LS Year Ending Dec. 2022)



Other markets

The Group also offers fresh pork, beef and rabbit meat and slow-cook products such as rosemary-marinated legs and BBQ-marinated legs. The Carne al Fuoco brand includes specialities such as "Scottona" burgers with prime heifer-meatburgers and burgers with Parmigiano Reggiano PDO, to satisfy even the most exacting palates.



Red meat product market share

Veronesi Group	7.1%
1st Competitor	5.3%
2nd Competitor	1.1%
3rd Competitor	0.7%
Private Label	53.4%
Other products	32.4%



(Source: Information Resource Inc. (IRI) Share by volume I+S+LS Year Ending Dec. 2022)

The role of feed in our leadership

Ours is a story of Italian entrepreneurship and the capacity to become an industry leader by applying an innovation to every stage of the chain.

We have proven that we can transform small things into big opportunities. Like our Founder Apollinare Veronesi before us: Veronesi considered the bran produced by his first milling business, and saw it as a starting point to open an animal feed business.

Today, animal feed has become a fundamental pillar of our success and our leadership in the sector. We are always researching and developing innovative solutions to ensure sustainable and high quality production.

We take great care in producing the feed, and in all other steps in the supply chain; we are proud of the role we play, and wish to continue to innovate and drive this sector forward, as we have done in the past.



Our strength: range, share, production, distribution

It was 1958. In Quinto di Valpentena, not far from Verona, the animal feed business was launched at our historic plant. Today the site is home to a holding that works with 7 state-of-the-art animal feed mills across Italy. The products are quickly distributed throughout Italy, with fast delivery to major European destinations.



We are **THE ONLY** Italian operator able to produce a **RANGE** of animal feed for any farm animal species.

MORE THAN
2
thousand **our animal feed products**
We supply bulk and packaged feed, to meet the **needs** of **livestock farms** of all sizes.

100
kg
OF ANIMAL FEED PER SECOND

Veronesi is the **LEADER** within Italy with a **SHARE** of **more than 26%** 6th in Europe and 40th in the world.

We are the **LEADING PLAYER** in the Italian free market.

25%
of **animal feed** is sold on the free market,

75%
is destined for animals in the supply chain.

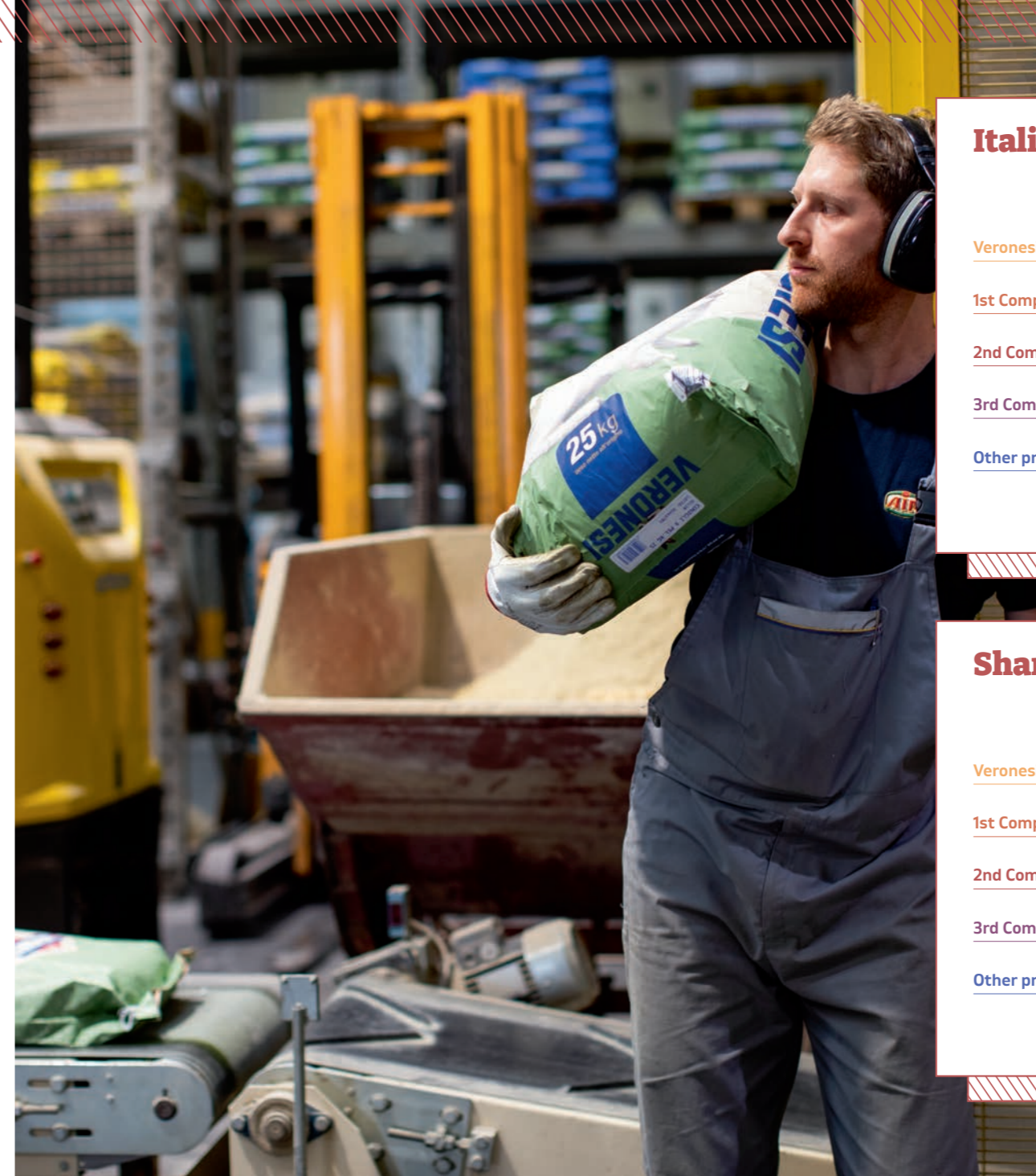
OUR PRODUCTION

is made possible by state-of-the-art feed mills, an **automation system that does not allow for errors** and the unique skills of our personnel. With a system that gives us maximum flexibility to **customise the product**, we supply the precise amount ordered by clients.

We serve more than **7.000** **CLIENTS** in the supply chain and on the free market

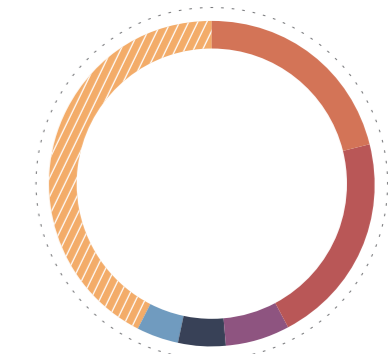
1,300 agricultural retailers across the country, that handle **DISTRIBUTION** **OF OUR PRODUCTS**

Our products are available on the free market to meet the needs of professionals and enthusiasts working in the livestock, from poultry and rabbit to cattle farming, and from pig sector to aquaculture.



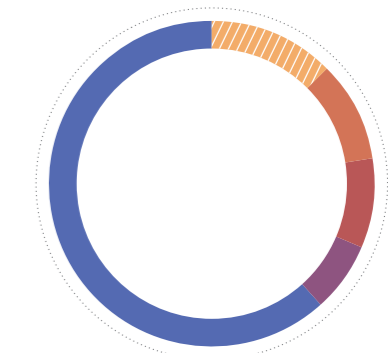
Italian production

Veronesi Group	26.8%
1st Competitor	8.1%
2nd Competitor	6.2%
3rd Competitor	5.1%
Other products	53.8%



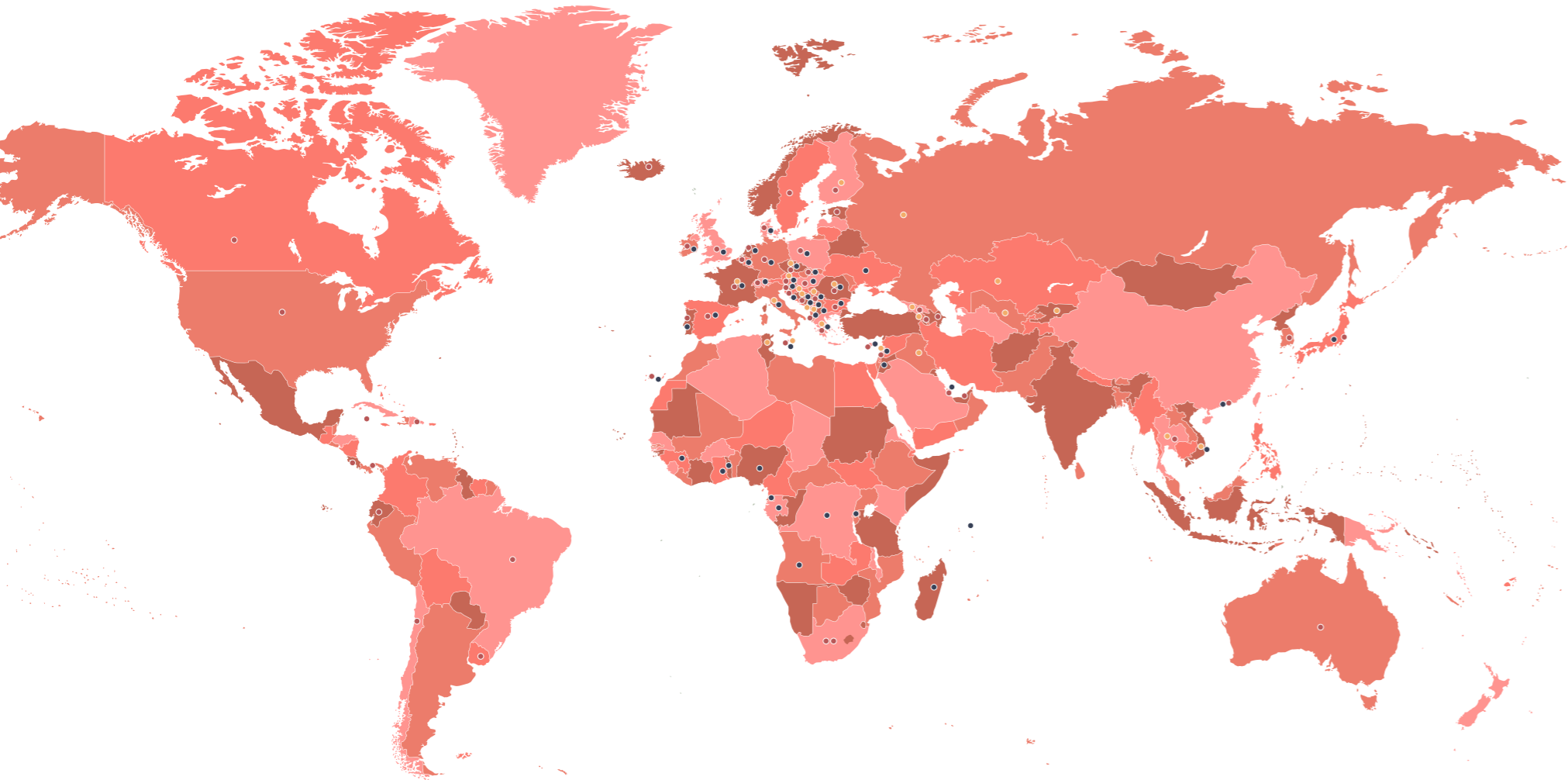
Shares of the free market

Veronesi Group	12.5%
1st Competitor	10.2%
2nd Competitor	8.9%
3rd Competitor	6.8%
Other products	61.6%



Source: our processing of Cerved - Databank data

Exports



we bring **MADE IN ITALY** IN OVER **70 countries**

14% consolidated **TURNOVER**

turnover of **540** OVER **mio/€**

Europe

- ALBANIA ● ● ●
- AUSTRIA ● ● ●
- BELGIUM ● ● ●
- BOSNIA AND HERZEGOVINA ● ● ●
- BULGARIA ● ● ●
- CYPRUS ● ● ●
- CROATIA ● ● ●
- DENMARK ● ● ●
- ESTONIA ● ● ●
- FINLAND ● ● ●
- FRANCE ● ● ●
- GEORGIA ● ● ●
- GERMANY ● ● ●
- GREAT BRITAIN ● ● ●
- GRAN CANARIA ● ● ●
- GREECE ● ● ●
- IRELAND ● ● ●
- ICELAND ● ● ●
- ITALY ● ● ●
- KOSOVO ● ● ●
- LATVIA ● ● ●
- LITHUANIA ● ● ●
- LUXEMBOURG ● ● ●
- MACEDONIA ● ● ●
- MALTA ● ● ●
- MOLDOVA ● ● ●
- MONTENEGRO ● ● ●
- THE NETHERLANDS ● ● ●
- POLAND ● ● ●
- PORTUGAL ● ● ●
- CZECH REPUBLIC ● ● ●
- SLOVAK REPUBLIC ● ● ●
- ROMANIA ● ● ●
- RUSSIA ● ● ●
- SERBIA ● ● ●
- SLOVENIA ● ● ●
- SPAIN ● ● ●
- SWEDEN ● ● ●
- SWITZERLAND ● ● ●
- UKRAINE ● ● ●
- HUNGARY ● ● ●

Asia

- ARMENIA ● ● ●
- AZERBAIJAN ● ● ●
- UNITED ARAB EMIRATES ● ● ●
- PHILIPPINES ● ● ●
- JAPAN ● ● ●
- JORDAN ● ● ●
- HONG KONG ● ● ●
- IRAQ ● ● ●
- KAZAKHSTAN ● ● ●
- KYRGYZSTAN ● ● ●
- KOREA ● ● ●
- LEBANON ● ● ●
- QATAR ● ● ●
- CHINESE POP. REP. ● ● ●
- RWANDA ● ● ●
- SINGAPORE ● ● ●
- TAIWAN ● ● ●
- THAILAND ● ● ●
- UZBEKISTAN ● ● ●
- VIETNAM ● ● ●

Africa

- ANGOLA ● ● ●
- BENIN ● ● ●
- GABON ● ● ●
- GHANA ● ● ●
- EQUATORIAL GUINEA ● ● ●
- MADAGASCAR ● ● ●
- NIGERIA ● ● ●
- REPUBLIC OF THE CONGO ● ● ●
- TOGOLESE REPUBLIC ● ● ●
- REPUBLIC OF GUINEA ● ● ●
- SEYCHELLES ● ● ●
- SOUTH AFRICA ● ● ●
- TUNISIA ● ● ●

Americas

- BRAZIL ● ● ●
- CANADA ● ● ●
- CHILE ● ● ●
- COSTA RICA ● ● ●
- ECUADOR ● ● ●
- CAYMAN ISLANDS ● ● ●
- PANAMA ● ● ●
- DOMINICAN REPUBLIC ● ● ●
- URUGUAY ● ● ●
- UNITED STATES OF AMERICA ● ● ●

Oceania

- AUSTRALIA ● ● ●

● Exports

● Exports

● Exports

04.

Sustainability journey



Our sustainability journey

This Annual Report is a strategic tool that allows us to communicate with our stakeholders and show how the numerous projects undertaken, initiatives engaged in, and strategic lines developed by the Group contribute to achieving many of the 17 **Sustainable Development Goals** (SDGs), set out by the **United Nations Organisation** to promote sustainable development. The SDGs in relation to which the Group has made the biggest contributions are highlighted here below.

Sustainable Development Goals

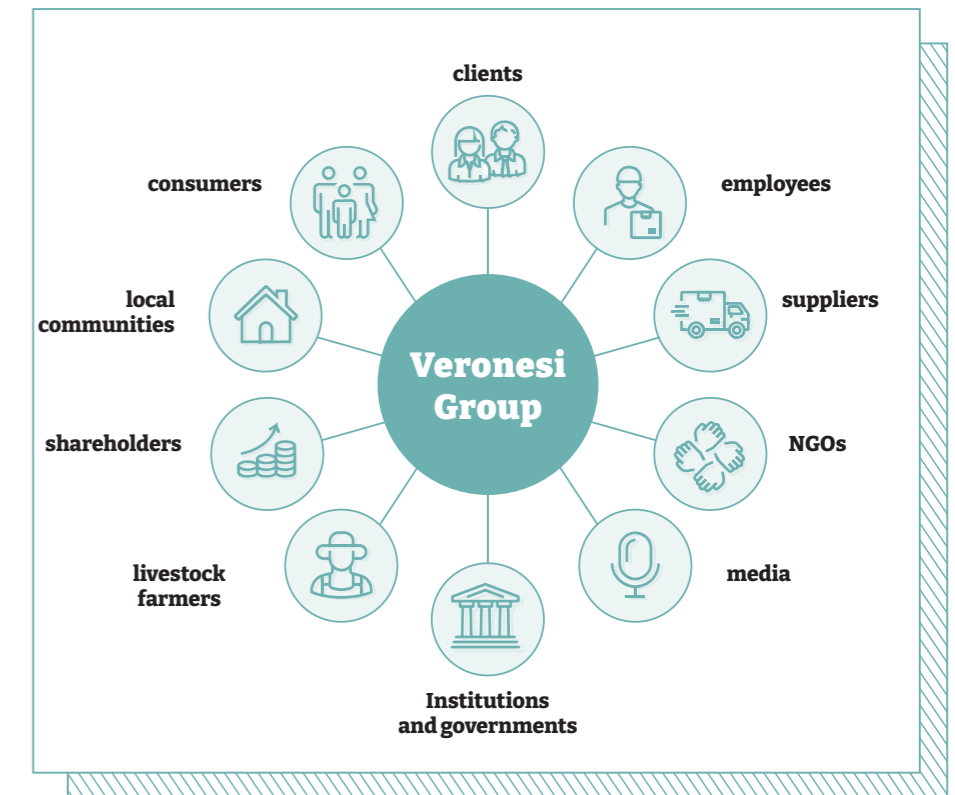


Group stakeholders

Stakeholders have a fundamental part to play in our Group's sustainable development journey.

We recognise the importance of establishing a transparent, two-way and constructive dialogue with our **stakeholders** and all those involved in the life of the organisation. In the context of our strategies and economic, environmental and social goals, we are committed to taking into account their needs, expectations and demands with a view to creating **widespread and sustainable value**. Armed with this knowledge, we carried out a structured analysis of the context in which the Group operates, the relevant sector and its various activities, in order to identify our key stakeholders, listed here below. We maintain an open and ongoing dialogue with these stakeholders, through the day-to-day work of the dedicated offices and participation in discussions and working groups in the context of the trade and sectoral Associations of which we are members.

(For details of our Association membership, see the online version on page 103 of www.gruppoveronesi.it/annual-report).



Since 2017, the Group has embarked on a structured and transparent journey of reporting and communicating its approach to sustainability and its performance in the fields of environmental, social and economic sustainability.

Materiality analysis

In accordance with the **GRI Sustainability Reporting Standards**, the Veronesi Group has carried out a materiality analysis and identified the material topics for the Group from an economic, social and environmental perspective that could significantly influence stakeholders' assessments and decisions.

No changes occurred in 2022 that were significant enough to alter the Group's strategic and operational approach. Updating the materiality analysis in any case involved identifying positive and negative, actual or potential impacts generated, grouped together as material topics. That analysis led to confirmation of the material topics identified in previous years, with the exception of the "Corporate Governance" topic. The latter has not, in fact, been expressly included in the materiality matrix as it is not associated with an impact, but is nevertheless regarded as an essential element for proper management of sustainability topics and more generally for the activities of the Group. As such, it is explored in further detail in this document. For more details, see the "Stakeholders and materiality" annexes section.

The top-right section of the materiality matrix presented here lists the topics regarded as priorities by the Group and its stakeholders:

- **Product safety, traceability and quality**
- **Animal welfare**
- **Occupational health and safety**
- **Ethics and compliance**
- **Economic performance**



05.

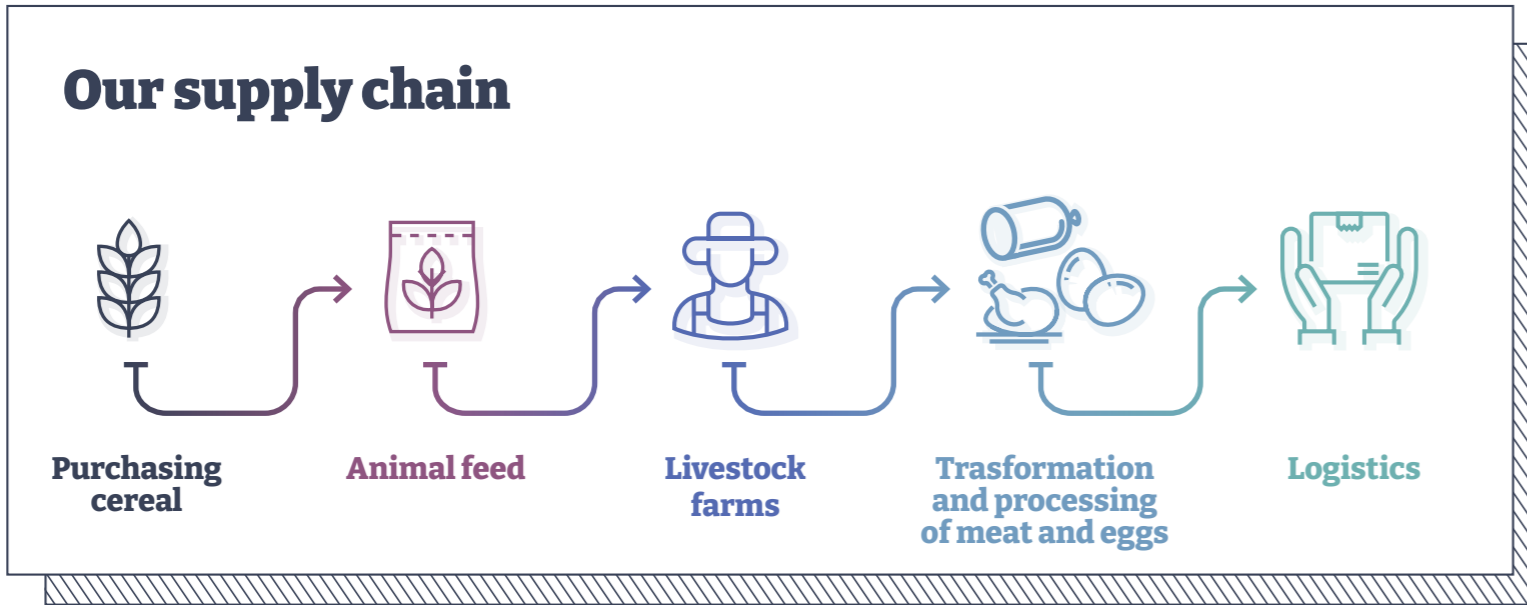
**A quality
supply chain**





Our supply chain: commitment to total quality

Ours is the story of a **complete and integrated supply chain**, which begins with the production of animal feed and ends with the transformation and distribution of meat, eggs and traditional Italian charcuterie around the world. We believe in continuous improvement. In order to achieve it, we are dedicated to furthering the skills of all our workforce each day, because we know this is the only way to continue to offer our clients and consumers the best.



Animal feed, a story of excellence, from the beginning

The Group started out as an animal feed producer in 1958 and, from the very beginning – thanks to the inspiration of its Founder, Apollinare Veronesi – it succeeded in combining innovation and top product quality by way of a production supply chain that spans every stage of the process.

Innovation and technology underpin our approach to animal feed, which involves using rigorous procedures and the most advanced monitoring systems. This enables us to guarantee the absolute goodness of the end product. Our commitment to innovation and **quality** makes us a go-to partner for our clients, helping them make informed and sustainable management and investment decisions. This **unique vision** sees our Group stand out in terms of the skill and professionalism of its services, positioning us at the vanguard of the market and opening up new prospects for the entire sector.





First by choice

ISO 9001:2015, QS, GLOBAL GAP

Our animal feed represents the height of excellence in the sector, guaranteeing the utmost safety and quality of the raw materials used and the production processes. Each Veronesi Group feed mills is certified in accordance with international regulations and the most rigorous food quality and safety frameworks. The quality and safety of our products are at the forefront of our efforts and we are always searching for innovative solutions to further improve our processes.

THE QUALITY TEAM

The safety and quality of our products are the result of ongoing efforts and teamwork by over 20 highly qualified professionals, qualified chemists, laboratory technicians, graduates in zootechnics engineering, and science subjects, and experts from various backgrounds, who work daily to oversee and monitor each stage of the production process, from raw material selection to delivery of the end product.



HACCP

Food safety represents a fundamental value for us. For this reason, all seven of our feed mills have a HACCP manual, in keeping with the ISO 22000:2018 international standard. The HACCP manual is an essential tool for assessing risks throughout the entire production process and identifying control measures aimed at ensuring the goodness and food safety of the end product.

OVER 130 EXPERT CONSULTANTS

Veronesi regards technical and commercial consultation with livestock farmers as fundamental to providing client with the maximum support. The team of experts is made up of over 130 consultants specialised in the various animal species, capable of supporting the livestock farmers to achieve the best possible performances. Their skills and experience enable our experts to offer our clients a tailor-made consultation, supporting them in their management and investment decisions and offering them a comprehensive support service.

Purchasing the cereal: the beginning of the supply chain, and a strategic role

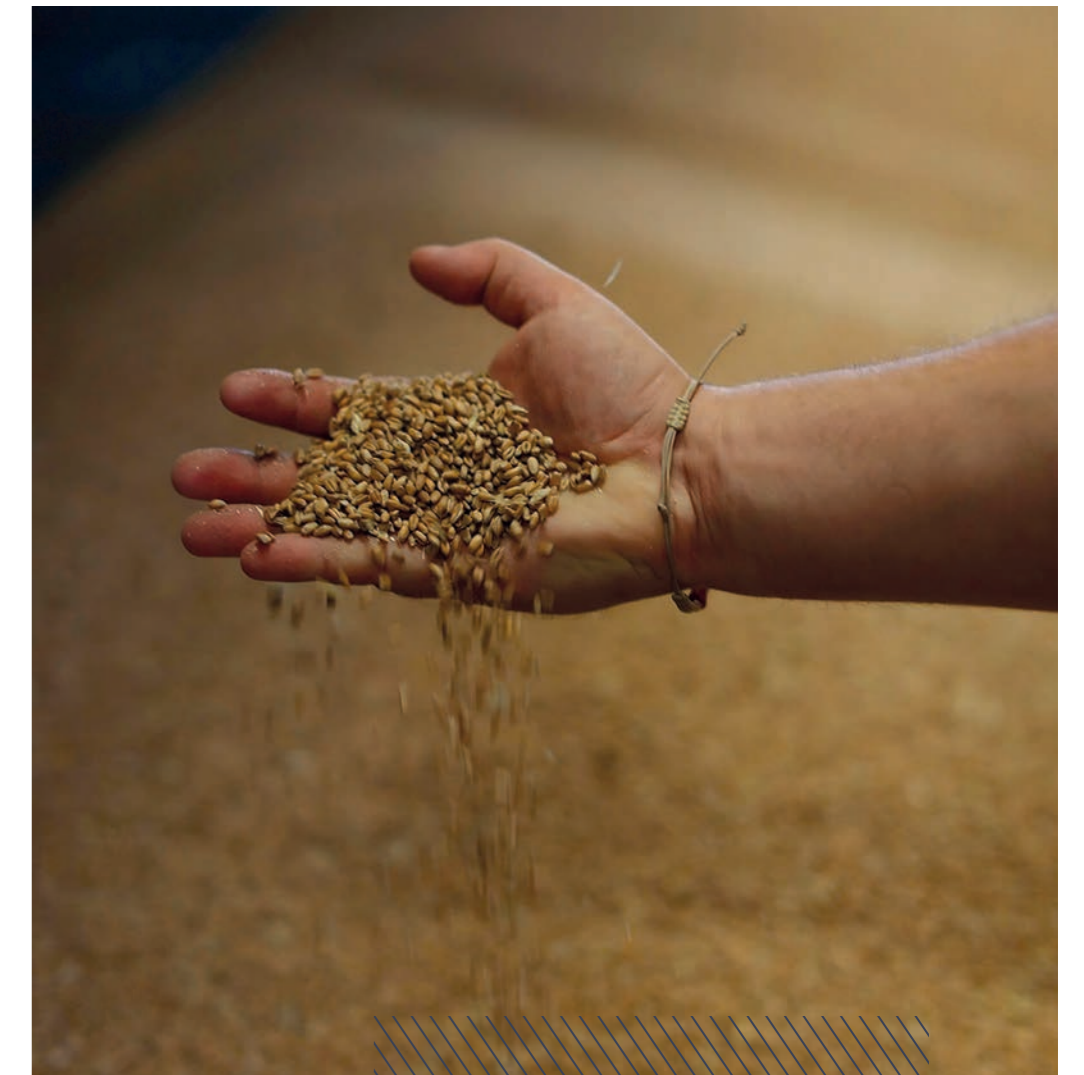
Our purchasing department plays a fundamental strategic role in the Group. It requires a multi-disciplinary approach, which, thanks to the combination of specialist skills, makes it possible to analyse and manage market fluctuations. Our focus on economic dynamics thus allows us to make targeted purchases, based on a careful and ongoing trend analysis, aimed at reducing the volatility of raw material prices.

Over the course of 2022, the production of raw material for global animal feed faced three unpredictable events.

- **Avian flu** - The spread of avian flu caused a reduction in demand.
- **Russia - Ukraine Conflict** - The Russian military intervention in Ukraine meant that road- and sea-based transport had to be reorganised, impacting procurement activities.
- **Global drought** - This element negatively affected market performance over the course of the year.

We mainly use high quality cereals, oil seeds and grain, procured exclusively from carefully selected suppliers, certified in accordance with leading food safety standards. The ingredients we use for animal feed are sourced from sustainable by-products of the human food industry (from the soya oil supply chain, sugar in the case of molasses, wheat in the case of bran, and sometimes also confectionery production), as well as crops obtained in accordance with the most advanced and stringent agrifood principles and specifications.

Our ingredients are subject to strict quality controls and traceability requirements throughout the supply chain, to ensure the maximum safety of the end product. But it is not only the selection of ingredients that makes the difference. Our experience and continuous research also enable us to design and formulate the most appropriate feeds to meet the needs of each animal species, working with a group of experts in the fields of farming and livestock science, chemistry and feed technology, who strive constantly to develop new solutions to further improve our products.





We have led our suppliers on a **certification journey**, with 99% now certified in accordance with the leading recognised international standards.

We have established a vast and qualified pool of suppliers, preferring to purchase from Italian suppliers where possible in order to create value in the local areas in which we operate. All our suppliers must sign contracts requiring them to abide by the principles, values and standards set out in our Organisation, Management and Control Model, and commit to complying with our Code of Ethics.

Our feed mills are equipped with in-house analysis laboratories, in which incoming raw materials are analysed using state-of-the-art methods. Only raw materials that are found to meet legislative requirements, contractual clauses and the standards of the Group can be processed to produce animal feed.



274
SUPPLIERS
of raw materials

99%
CERTIFIED
FAMI QS, GMP+, QS

64%
ITALIAN

OVER 200,000 PARAMETERS ANALYSED (OVER 60,000 ANALYSES)

All raw materials that come into our feed mills are subject to careful laboratory analysis, in keeping with the high quality and food safety standards for which we are known. Each sample analysed is then stored and archived, in order to ensure total traceability of the production process.



Certified sustainability

"DISCIPLINARE TECNICO PRODUTTIVO 112" TECHNICAL AND PRODUCTION SPECIFICATIONS

100% of Italian soya purchased complies with the "Disciplinare Tecnico Produttivo 112" specifications. This standard sets rigorous sustainability criteria for the purchase of soy beans, flour and oil. Since 2022, the value of this project has even been recognised at a European level by FEFAC, the European feed manufacturers' association.

EAN BARCODE 128

The Group has invested heavily in automation, including with regard to managing packaged raw material. Currently, over 90% of additional ingredients and 50% of the items in the catalogue are managed using a barcode system, which identifies the product type (GTIN), supplier, batch number and expiry date. This state-of-the-art technology enables the company to guarantee accurate traceability across the supply chain, from the raw materials purchased to delivery of the end product.

DEFORESTATION-FREE SOY

The Group is the first manufacturer in Italy to sign up to FEFAC's initiative to use 100% certified sustainable and deforestation-free soy by 2025. To achieve this goal, we became members of the Round Table on Responsible Soy Association (RTS) in 2022.

360° production

The animal feed manufacturing process is based on continuous flow and LEAN manufacturing principles, guaranteeing efficiency and optimisation of processes.

Having passed quality control, the cereals are unloaded into the silos on the feed mills and undergo the various stages of the production process. These include **weighing the ingredients**, **grinding** them, mixing **the resulting flour** and subsequently **transforming the mix into pellets**. The feed destined for transportation by truck moves through the finished product silos that, like those used for the ingredients, are managed according to a full/empty system based in response to individual orders. Among other things, this system ensures a robust link in the traceability chain. All production stages are validated by the Quality Control and Quality Assurance teams, which carry out sampling throughout the production process to guarantee the quality of the end product.



JUST IN TIME

Our feed mills operate in response to direct orders from clients. To simplify the feed procurement management process for farmers, we have developed a customised application, known as the ACTIVE PLAN. This solution allows our clients in the supply chain to place orders independently, enabling agile and transparent management of their procurement needs. Free market orders, meanwhile, are placed by agents via dedicated a management platform known as the DIGITAL AGENT. This innovative solution allows us to satisfy our clients' requests increasingly quickly and accurately, ensuring that the production process is as efficient as possible.

CARRY OVER

Our commitment to guaranteeing feed security also includes managing the risk of Cross Contamination, using an innovative and automated solution. Drawing on dozens of analytical tests carried out to accurately map the production processes and minimise the risks of contamination, the software can predict any contamination and guide manufacturing operators to ensure the feed is safe and meets the strictest legislative requirements.

FEEDBACK MANAGEMENT

By periodically collecting and analysing client feedback, we can develop products and services that are even more accurately designed to suit their needs. Corrective action and improvement projects implemented based on the feedback received allow us to offer solutions that satisfy market needs and the needs of customers.



Over more than half a century of experience, we have developed a significant capacity to **guarantee homogeneity of nutritional content** across the various supplies, thanks to the adoption of **state-of-the-art techniques** and the use of sophisticated analysis tools. Homogeneity is a crucial factor for creating feeds capable of yielding identical results, which are consistent over time, and guaranteeing balanced animal growth in keeping with **our clients' expectations**.

To guarantee **proper disposal of packaging**, each pack destined for the end user indicates the proper disposal procedure, in keeping with environmental labelling guidelines.

Among the ingredients used to **manufacture our feeds** are by-products and co-products of human food production, such as molasses, obtained from the sugar supply chain, and soy flour from the soy oil supply chain.

circular approach

Logistics, the sustainability mission

2022 presented a series of critical challenges for the entire logistics sector, which had a major affect on operations. Among these were the avian flu epidemic, the African swine fever, the Russia-Ukraine conflict, rising fuel and energy costs, drought and inflation.

Despite the global dynamics, the Group invested heavily in sustainable projects to reduce the environmental impact of distribution. Projects included digitalisation of delivery documents, increasing use of inter-modal transport via train and ship, optimisation of road-based shipping routes by coordinating outgoing and incoming flows for the feed mills, research into vehicles running on fuels other than diesel, and new projects to expand rail transport routes using the "Super-train". It was a complex year, but we continued with our mission to achieve increasingly sustainable logistics.



Always moving

Each day, 220 Veronesi vehicles make 650 deliveries from our feed mills. With a view to reducing the environmental impact, we also use liquid methane-fuelled vehicles, which reduce nitric oxide emissions by 70%, particulates by 99% and CO2 by 15% compared to an equivalent diesel vehicle.

220
VEHICLES

650
DELIVERIES
per day

-80%
OF CO₂
thanks to the
"Super-train"

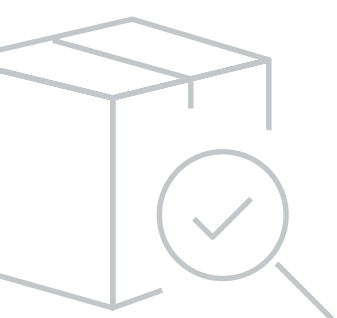
The Super-train

Four out of our seven animal feed mills are connected to the rail network to enable rail-based delivery. The jewel in the crown is our "Super-train", the product of a collaboration with the Rail Traction Company and international freight forwarder MVC: a convoy of 30 latest-generation innovative rail cars weighing 2,500 tonnes. The only one of its kind in Italy's agrifood sector, this system allows us to transport the equivalent of 75 trucks, reducing carbon dioxide emissions by 80% compared to road-based transport for the same quantity of product transported, and to double the quantities normally permitted on traditional trains.



1
SUPER-TRAIN = TRUCKS

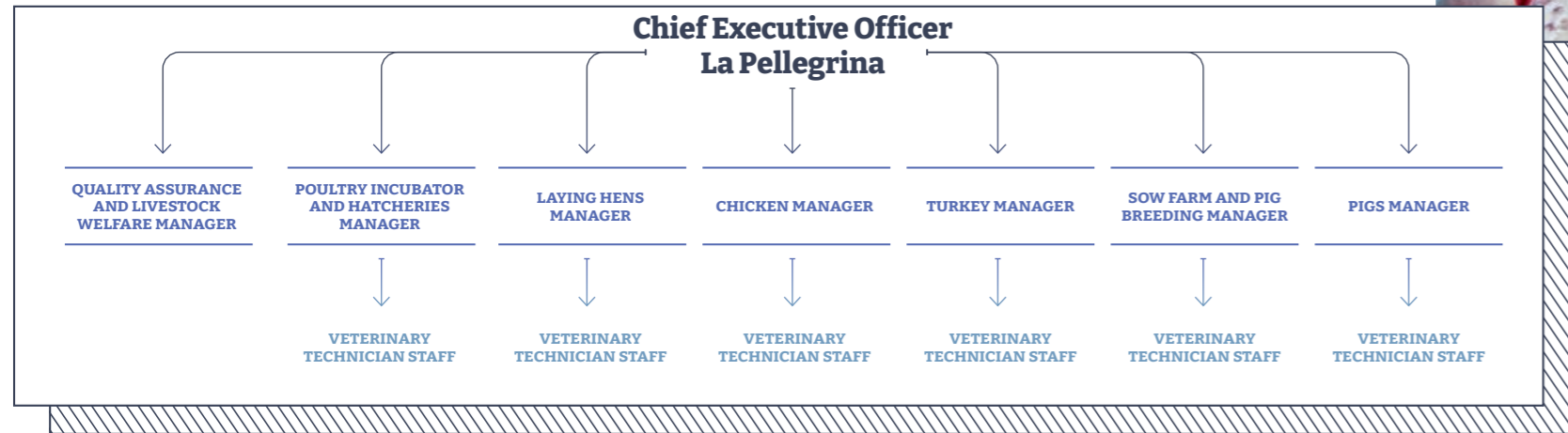
75



The livestock farmers: a supply chain asset

We have always supported the development of a modern system of livestock management, contributing to the local areas and communities in which we operate.

Livestock farmers are a unique asset – a mix of culture, family, knowledge and awareness – and they are key partners of the Group. They also represent an important link in our integrated supply chain: this is why we support them to **grow**, helping them develop a **modern system of zootechny**, a source of wealth for many Italian regional businesses. In this way, we contribute to the growth and innovation of one of Italy's most important agrifood sectors, and support the development of the local areas in which we live, including by managing the image of livestock farming presented to the outside world, in terms of protecting the Italian landscape and the environments in which they are set. Many **family businesses** have grown alongside us through generations of work, focused on quality, dependability and responsibility. Today, they are facing a generational handover that will bring them into the future of agro-zootechny, thus changing the face of our farms.



STRUCTURE

Livestock farmer management is handled by La Pellegrina company, by way of a vertically structured team organised by animal species. The team is the only one of its kind in Italy, in terms of both structure and range of skills, and is made up of specialist technicians, agronomists and veterinarians that work each day in a relationship built on training and sharing knowledge with all of the livestock farmers.



Animal welfare

Respect for the animals is one of the Group's founding values, and we work each day to guarantee it at all stages of the supply chain.

The five freedoms of animal welfare protection

We recognise the 5 freedoms, which are fundamental to protecting animal welfare. What are they? **Freedom from malnutrition, hunger and thirst** ; freedom to **live in a suitable physical environment**; freedom to **receive appropriate treatment in the event of illness**; freedom to **live in conditions that protect them from distress and fear**; freedom to **express normal behaviour** for their species.

To ensure respect for animal welfare, we have developed an integrated approach that involves application of virtuous livestock farming protocols and constant training of livestock farmers and technicians, as well as providing focused support in activities at each stage of the supply chain.



Our commitment at all stages of the process

A group of experts within our supply chain work to ascertain animal welfare at all stages of the process.

During livestock farming

Animal welfare is first and foremost the responsibility of the livestock farmers, who have been appropriately trained to recognise and assess signs of animal welfare and apply the proper farming practices.

Protection of welfare is a fundamental aspect of livestock farming, and we guarantee such protection by employing a specialist team for each species of animal, coordinated by the Quality Assurance Manager, who reports directly to the Chief Executive Officer of La Pellegina company.

Our livestock farms are subject to regular checks by the local health authority veterinary teams, as part of the Multi-Year National Control Plans (Piano Controllo Nazionale Pluriennale – PCNP) by the Ministry of Health.

Additionally, internal controls and audits by independent third parties are scheduled to verify compliance with the various certification systems, including QS, Tierwohl and Global Gap, among the leading forms of animal welfare certification, as well as application of our good practice regulations.

During transport

We have developed a policy and appointed dedicated persons to **guarantee animal welfare during the transportation, loading and unloading of animals.**

Loading operations are managed directly by the livestock farmers, who choose whether to use mechanised systems or teams of specialised personnel. To guarantee a better quality of service, the Group provides a list of suppliers classified according to specific indicators of quality, professionalism and biosecurity protection. These operations are constantly verified by our team, which carries out inspections at the livestock farms and site visits at the slaughterhouses. Results of these inspections are uploaded to the Web Farm platform, which evaluates the state of welfare during loading and verifies that the documentation is in order.

Despite the challenges encountered in 2022, including the spread of avian flu, we increased our number of visits by 15%, implementing programmes and working

with suppliers to fine-tune the layout of the transport vehicles. Vehicle arrival is managed in detail by the Group's internal Planning Department, to minimise wait times for the animals.

The mechanised loading system that the Group has been promoting and incentivising its collaborators to use has yielded positive results in terms of animal welfare and biosecurity, as it lends itself to more efficient and standardised loading operations. All loading activities are verified and checked and subject to audits and inspection reports which are recorded in the system, shared with the farmer and, finally, passed on to the technical department.

	AVERAGE TRAVEL TIME INCLUDING LOADING AND UNLOADING
Rabbit	3:36
Chicken	2:41
Turkey	2:28
Pig	4:28

During slaughter

Additional animal welfare standard checks are carried out on the animals **at the slaughter stage**, and are recorded and visible on the internal management systems. These data serve as an essential tool for our Technical Veterinarian Service as they work with the livestock farmers to continuously improve practices. What happens if the animal welfare standards are found not to comply with the guidelines? Our staff will intervene promptly with a direct inspection of the livestock farm. But that is not all. Each month, the Animal Welfare Manager produces a report for the Technical/Veterinarian Service in which compliance with all standards relevant to the species in question is assessed, and intervention and improvement plans are developed as necessary.

The importance of training

Each individual in our supply chain has a fundamental role in guaranteeing high quality products; training is an absolute priority to ensure that this knowledge is conveyed.

All persons involved in the livestock farming stage, including management, technicians, veterinarians and livestock farmers, regularly take part in specific in-person or remote training courses, which are updated each year.

In particular, senior figures involved in animal management participate in **“Smart Leadership”**, a managerial training programme designed to support them in the overall organisational management of the supply chain. Our technicians take part in refresher courses on **animal welfare** and **biosecurity**, which focus on proper animal management and critical aspects of livestock farming, as well as raising awareness of biological risks that may arise from not following the rules properly.

Livestock farmer **training** is fundamental and delivered continuously by way of visits to the farms, self-assessment via the Web Farm platform, and annual audits to verify compliance with the standards required by the company, various certification programmes, and our clients. In 2022, we trained approximately 1400 livestock farmers on topics relating to biosecurity, animal welfare and the image of the livestock farm presented to the outside world, with the goal of raising awareness of the importance of the natural and residential landscape in which they work, through in-person and online sessions. We believe that listening to the livestock farmers and continuously engaging with them, including through self-assessment initiatives, is fundamental to continuously improving the zootechnical sector, and it is partly for this reason that Web Farm was developed.

USING INNOVATIVE INFORMATION SYSTEMS: WEB FARM

Technological innovation is bound to improve the personal and work lives of people, and our supply chain is no exception. **Web Farm** is an advanced solution that allows us to monitor the performance indicators at a farm in real time. This suite of applications enables livestock farmers, technicians and veterinarians to keep track of data relating to animal management, planning the livestock farming stages and organising transport. Additionally, the Self-Assessment Campaign application allows livestock farmers to independently assess their performance in terms of **biosecurity, animal welfare** and **environmental impact**, a fundamental step in the training of each individual, and in the growth and continuous improvement of the system as a whole.



Drug use in livestock farming: responsible use

Our Group adopts practices for the responsible use of drugs in farming, and works constantly to reduce antibiotic use from a "One Health" perspective.

Drugs are only administered for therapeutic purposes, never on a prophylactic basis, and **according to a very rigid procedure**. The competent veterinarian issues an Electronic Prescription, a copy of which is sent to the Group's Drug Purchasing Department. The drug is then purchased, brought to the farm by select distributors, and administered according to the instructions provided by the veterinarian. Biosecurity and animal health are at the top of our list of priorities. This is another reason why drug use at the farms is fully traceable, thanks to extremely close collaboration among veterinarians, farmers and other individuals in the supply chain.

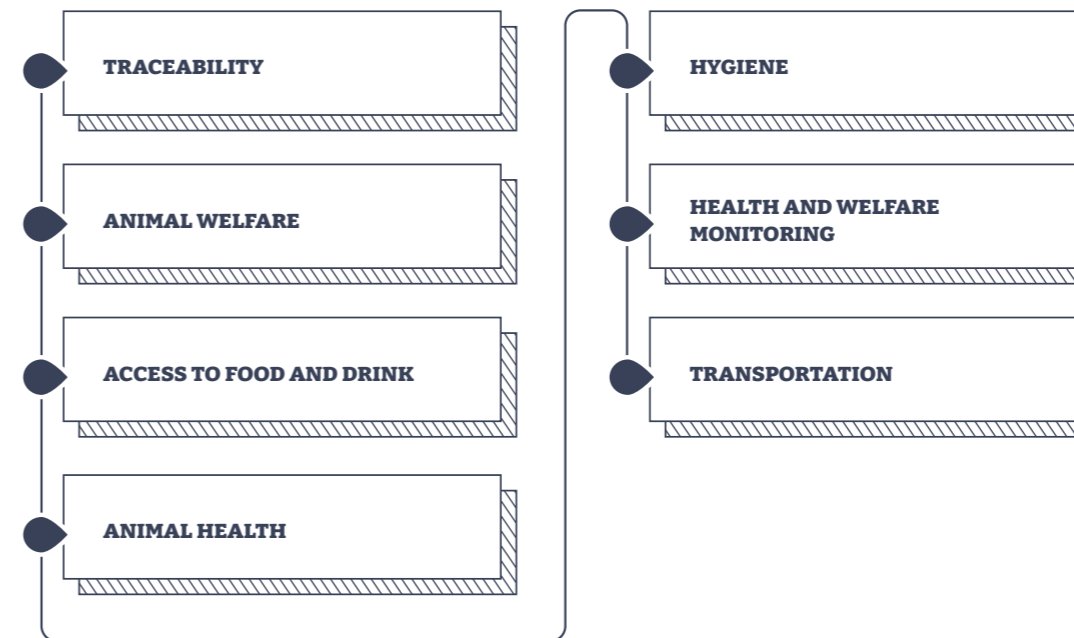
Antibiotics are only prescribed for therapeutic use and never used as growth promoters.

With regard to the **poultry division**, we have signed up to the National Plan for the voluntary reduction of drug use. Established in collaboration with Unaitalia and the Ministry for Health, it has led to a 93.5% reduction (in chickens and turkeys) in recent years, and has become best practice in Europe.



The poultry supply chain: chickens and turkeys

We are the only Italian producer that can boast QS certification for 100% of **the poultry farms in the supply chain**. QS certification is a voluntary scheme of fundamental importance, as it encompasses all aspects of the supply chain, from livestock feed suppliers to feed production, and from meat transportation to food product distribution. Among other things, the standard covers:



In addition to QS certification, some of our production facilities have signed up to the **Tierwohl** initiative, which further focuses on a higher standard of animal welfare. We have also signed up on a voluntary basis to the "Disciplinare di etichettatura volontaria delle carni di pollame" [Guidelines for voluntary labelling of poultry meat] promoted by Unaitalia and authorised by the Ministry of Agricultural, Food and Forestry Policies in 2005.



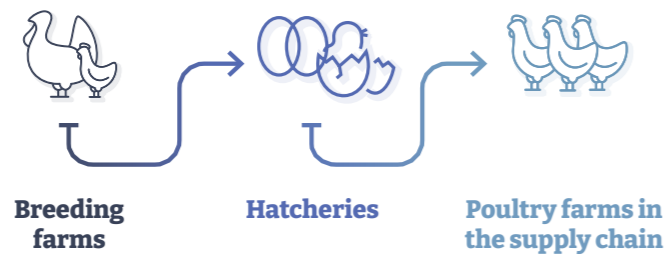
The poultry supply chain is made up of three parts

Where it all begins: the first link in the poultry supply chain is the **livestock breeding facilities**. They supply 100% of the chicken and turkey farms in the supply chain. We make major investments annually in state-of-the-art technology to ensure continuous improvement. All of our breeding farms are equipped with lighting systems with LED lights to improve energy efficiency and provide a better environment for the animals thanks to the anti-flicker feature and the opportunity to adjust light intensity.

Where fertilised eggs are hatched: the **hatcheries**. Recently, the majority of the Group's investments have focused on this stage, from the in-ovo vaccination facility in Isorella (Brescia), to the new incubator facility in Larino, Campobasso, in keeping with Industry 4.0 specifications, and meeting the highest biosecurity standards in the world. With a view to continuously improving the welfare of our personnel, we continue to invest in increased automation and semi-automation in order to improve work quality.

Finally, where the animals are reared: **the poultry farms in the supply chain**. Each year, numerous farms invest in their facilities, yielding improvements in animal welfare, sustainability and the impact of the farm on the surrounding local area. 50% of the poultry manure is used for agricultural purposes (Piano di Utilizzazione Agronomica - PUA), 25% is transformed into fertiliser and the remaining 25% is used in the biogas plants to produce clean energy. All livestock farms are equipped with low energy consumption lighting systems.

The poultry supply chain



DID YOU KNOW THAT...

AIA Oro Natura and **AIA Bio** are two innovative projects to which a number of our facilities are devoted. AIA Oro Natura involves farms in which the animals are reared without antibiotics from birth, are fed with vegetable and GMO-Free feed a, have more than the legally-required amount of space to move, are reared in natural light, and can interact with manipulable material. The second project, AIA Bio, was launched in the South of Italy and applies the organic production principles. The livestock farms involved in this project are located in specific environmental settings, the feed is certified organic, and the animals have fenced-off outdoor space to move around.



The poultry supply chain: laying hens

The Italian poultry market is divided into four types of farm: organic, free range, barn and enriched cages. Our Group has facilities in all categories in order to respond to the full range of market demand.

Laying hen farming involves two stages:

- **Pullet breeding farms:** the chicks are reared in dedicated facilities until they reach maturity and learn to develop behaviours typical of their species.
- **Laying hen farming:** once the pullets reach maturity, they are transferred to specific facilities, that vary based on the type of farming involved.

	2020	2021	2022
Hens in systems other than cages (organic, free range, barn)	65%	68%	81%
Hens reared in enriched cages	35%	32%	19%

Today, almost all our poultry farms use LED lighting.

Our Group has made it a key mission to **convert** all laying hen farms in our supply chain **into facilities using systems other than cages**. This goal has been set in accordance with commitments already made to **farmers**.



The pig supply chain

Since 2004, the livestock production sectors of our Group have voluntarily signed up to the Global Gap standard, which encompasses globally recognised voluntary certification schemes.

Qualifying for certification requires strict controls of various aspects, including traceability, environmental impact and biodiversity, animal health, feed and water monitoring, equipment on the farm, animal welfare – and therefore the provision of enrichment material – and training of livestock farm workers. Currently, 100% of the Group's pig supply chain is **Global Gap** certified.

There are different stages in the pig supply chain, which guarantee safety, quality and welfare. The first stage takes place in the **Boar Centres**, in isolated locations with extremely high biosecurity standards. This is where the Group's own boars are reared.

The next stage takes place in the facilities dedicated to sow breeding and gestation, known as **sow farms**.

Subsequently, the **weaning** stage covers the first phase of animal development following the introduction of solid food. Some farms are dedicated to weaning on straw.

The subsequent stage takes place at the **livestock farms**, where the animals grow to the ideal weight. In 2015, the Group introduced a farming system at certain facilities involving dynamic stalls in which large groups of animals can move freely from resting areas to feeding areas, where there is always food available.

Tooth-clipping is not practised at any farms in the supply chain.

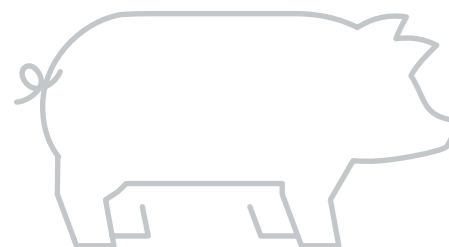
DID YOU KNOW THAT...

We have begun to equip our sow farms with **free gestation and farrowing rooms**, and aim to roll this system out to all facilities in the coming years. We have introduced **DTP 109** specifications, a set of voluntary technical production practices certified by CSQA, which certifies animals reared without the use of antibiotics in their last 120 days of life. Another important project involves the **DTP 144** specifications, which provide for free sow gestation and a ban on tail docking. Additionally, **DTP 129 WELFARE IN LIVESTOCK FARMING** covers responsible use of drugs, free gestation and certified monitoring of antibiotic use.



THE RABBIT SUPPLY CHAIN: A STATE-OF-THE ART PROJECT

Another state-of-the-art project in terms of welfare concerns the rabbit supply chain. Our research led to the certification of an **innovative farming model** based on using parks, **which are raised enclosures** that allow the animals to be reared in small groups and engage in their natural behaviours. Our Group was the first in Italy to introduce this farming model.



Transformation and processing Quality and Safety in the supply chain

Our products are the result of transformation and processing in state-of-the-art plants, involving processes that have been carefully developed, certified and monitored to guarantee that as well as being delicious, the products meet the highest hygiene and safety standards. Our plants constantly open their doors to clients and certification bodies that can verify the excellence of our products – which have earned the trust of the millions of consumers who choose us every day – under conditions of absolute transparency.

We instil a culture of **food safety and quality** in our personnel from their very first day at work with the "Buone Pratiche Alimentari" [Good Food Practices] course, because all operators are responsible for quality. This course is especially designed for new hires, and places great emphasis on hygiene and the proper conduct to be practised in all production and distribution settings. With a view to disseminating that culture, and with reference to the guidelines set out in EU regulations (Reg. EU 382/2021), we have also decided to set out the activities and processes underpinning a healthy and safe product, and convey these to all employees in the Group by way of the "Cultura e Sicurezza Alimentare" [Food Culture and Safety] course. And that is not all. We adopt the HACCP (Hazard Analysis Critical Control Point) system to guarantee maximum food safety, which involves identifying critical control points and continuous management of preparation processes to eliminate and/or reduce chemical, physical and microbiological hazards.

How about some figures? Over the course of 2022, we recorded over 80 inspections at our production plants and invested approximately €3 million in laboratory analyses.



155,223
analyses performed

144,390
microbiological analyses

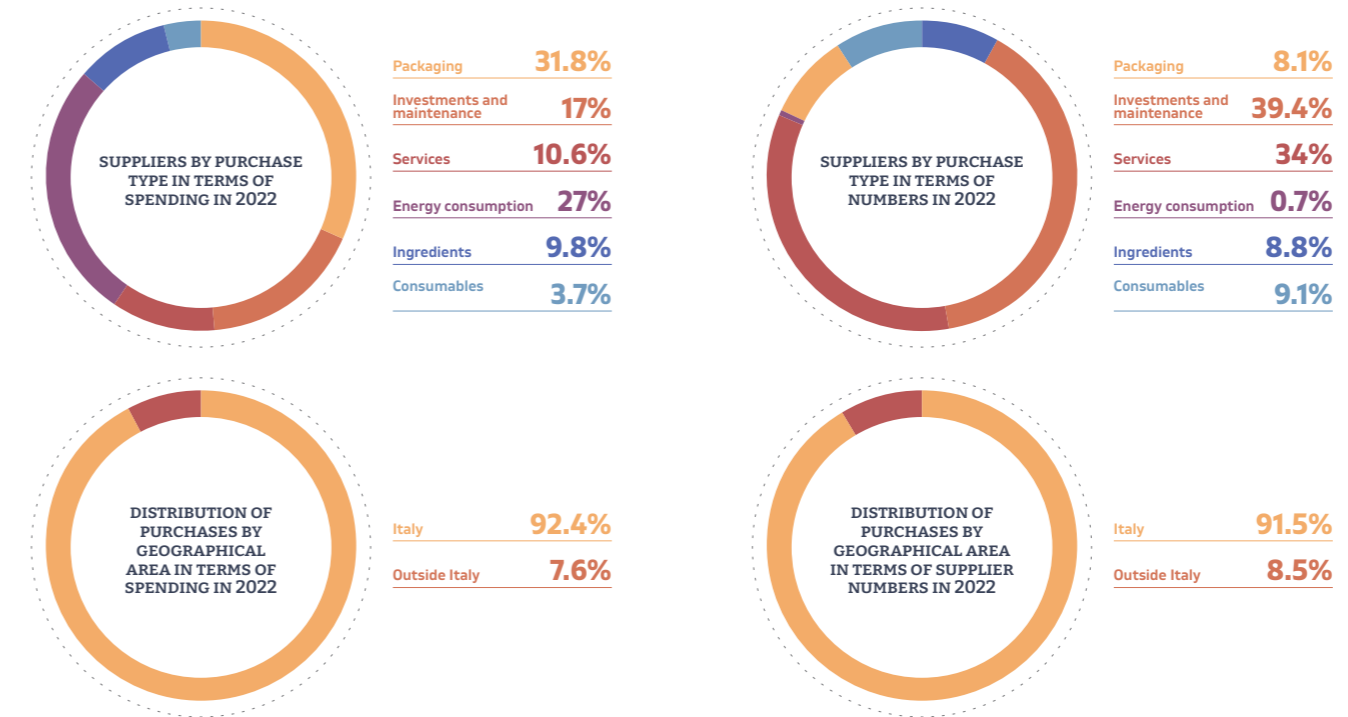
APPROX.
3,000,000
euro invested

11,864
chemical analyses

385,865
parameters applied

Suppliers: our exceptional partners

We have always selected the best suppliers in the market, capable of ensuring a constant and continuous supply of materials, and guaranteeing the quality standards required by our Group. They are scrupulously selected by way of a validation process involving many company teams, culminating in their approval via an accreditation platform, the Supplier Portal. We require that suppliers included on the platform accept our Code of Ethics and endorse the Group principles and values, to indicate compliance with fundamental principles such as worker rights and respect for the environment within their supply chain. The Veronesi Group also engages the support of an external company tasked with verifying the dependability of suppliers by monitoring their economic and financial circumstances. The current supplier selection process requires suppliers to accept the general conditions of supply. Environmental and social practices are not binding criteria in our supplier selection process; as such, new suppliers are not assessed on these criteria.



THE JOURNEY TO BECOMING OUR PARTNER



Evolving goodness and quality: our nutritional profile

Our Research & Development department works tirelessly to improve the nutritional profiles of our products based on targeted projects that draw on research, experience in the field, and the most advanced scientific discoveries.

We have achieved important milestones such as **eliminating gluten** from all pre-spiced cured meats and charcuterie products, **eliminating milk and milk derivatives** from over 100 formulations of salami, mortadella and cooked hams, and **eliminating nitrites and nitrates** from cured hams.

Additionally, with a view to reducing salt and added sugars, we are working to **gradually reduce the use of salt** across all cooked and cured meat-based products. We have already achieved our goal of **eliminating added sugars** from trays of sliced cooked ham, while retaining the flavour that makes our products unique.

We are a member of **consortia** that protect and promote excellence in Italian charcuterie around the world, complying with rigorous third-party checks and production guidelines. Among these are the San Daniele DOP Prosciutto Consortium, the Parma DOP Consortium, the Mortadella Bologna IGP Consortium, the Cacciatore Italiano DOP Consortium, the Culatello di Zibello DOP Consortium and the Salame di Cremona IGP Consortium.



A matter of packaging

We have built a multi-disciplinary team within the Group, dedicated to researching **lower environmental impact packaging** solutions that do not compromise on product safety and quality: we refer to this as the “*good packaging*” path. The goal of our research strategy is to examine packaging to consider alternative and innovative solutions aimed at reducing, reusing and recycling materials, while at the same time guaranteeing food safety, high quality and proper storage for the entire life cycle of the products.

Our pre-sliced cured meat trays, for example, are made using 50% R-PET and won the “*Ecopack 2022*” prize. Using this packaging **enabled the Group to avoid using over 1,400 tonnes of virgin plastic in 2022** across all items for which it was implemented, thus preventing the emission into the atmosphere of over **5,600 tonnes of CO₂ equivalent¹**.

Other projects in which we are involved and that were completed in 2022 include:

- replacing plastic trays with paper trays across a range of aeQuilibrium products, allowing us to save 35 tonnes of plastic and use a sustainable form of packaging.
- creating 97% recyclable packaging for the AIA brand overseas, consisting of a tray, film, and a mono polypropylene label
- changing the composition of our fish feed bag, replacing nylon with a polyethylene-based mono-material, thus increasing its recyclability

¹ The quantity of CO₂ avoided was calculated using an emission factor of 4,031 kgCO₂eq/tonne for “PET”-type plastic (Methodology source: DEFRA 2022).

DID YOU KNOW THAT...

A significant pilot project involves collecting production scraps from expanded polystyrene trays at the Zevio (VR) plant, allowing us to recover over 160 tonnes of recycled material. This system has recently been launched, and is in the process of being analysed with a view to potentially rolling it out to other productions sites in the Group.



Quality Assurance and Control: the Group's tasks

Involving over sixty personnel, including 17 Quality Assurance experts and 45 Quality Control workers, the **Quality Assurance and Control team** collaborates with all parties involved in the production process within and outside the Group, and monitors the safety of processes and products at all stages of production.

It promotes a culture of food safety and quality, guaranteeing that all persons involved in the process are subject to training and supervision and collaborates in the selection and validation of suppliers. It also supports logistics, overseeing compliance with specific parameters such as the cold supply chain, delivery times and product integrity.

The team researches and disseminates food regulations, manages interactions with the institutions tasked with monitoring foodstuff and the Quality contact persons at leading distribution chains in Italy and overseas. Finally, it guarantees that our products always meet the top-quality organoleptic and sensory expectations of our consumers.



Consumers and Clients: always at the centre

The dedication and support we devote to our clients and consumers does not end with the sale of our products.

We diligently manage relevant reports, with a view to providing a prompt response and receiving feedback that we transform into opportunities for continuous improvement.

Client and Consumer management is broken down into two processes involving dedicated people from the Quality team. With regard to **consumer reports**, our dedicated service is available to identify and satisfy the consumer needs. Each report is recorded and analysed, with involvement by other relevant company teams as required. In 2022, we handled over 1,300 communications, between requests for information and reports concerning our products (quality, ingredients, labelling, distribution, etc.). **Reports from clients**, including those forwarded by our salesforce, are handled similarly by a specific working team that serves as a point of reference for our commercial partners.

Sensory analyses: goodness recognised by all five senses

Analytical verification of product quality is not enough for us. In carrying out the sensory test, we also verify compliance and "goodness".

This particular sensory analysis draws on the science of the five senses and enables an objective analysis of whether a product satisfies the quality and "goodness" requirements from an olfactory, visual, taste and tactile perspective.

We are supported in this task by over 80 in-house professionals specialising in tasting (could there be a better job?), trained by a specialist external consultancy firm. 31 tasting panels were organised in 2022, with the process carried out in a dedicated and specially equipped space, with professional counters and aeration systems in full compliance with the rules set out in the sensory analysis guidelines.



Traceability software, an indispensable aid

Our internal traceability software is the product of experience built up over the years, combined with technological support from our IT experts.

Capable of recording thousands of pieces of information for each production batch, it allows us to quickly trace the product history using an 8-digit code, the **GV Batch**.

We can trace the origin of the raw material efficiently and in detail, as well as ingredient batches, production location and stages, and process controls, up to the point of final distribution.

In other words, our ability to keep our promises to our consumers and demonstrate the reliability of the statements made on labels or in contracts with clients is guaranteed by way of careful verifications and records that our traceability system enables us to perform at any time.



Food logistics, the last ring in the supply chain

The grand finale: the logistics and transportation stage represents the final step in our production supply chain. **Our highly innovative** logistics team, operating across Italy, **consists of:**

3
central platforms

over **1**
million packages a day

More than 400 journeys are made each day to end clients, transit points and distribution centres from our central platforms.

11
hours

the time limit for rotating fresh products in the platforms.

6
distribution centres

primarily in the centre/North of Italy, directly managed by the Group. Unlike at the Transit Points, each order is prepared here directly before finally being dispatched to the end clients.

21
transit point

distributed across Italy. Heavy trucks bring the orders here, already divided by client. The products are unloaded and brought to their destination points using lighter vehicles.

periodic audit

all logistics sites are subject to audit by an external company that highlights areas for improvement and plays an important personnel training role, particularly for those working in the peripheries.

The team is divided into "in-house logistics", which handles transport between the Group's production sites and production sites and storage hubs, plus management of orders destined for distribution centres, and "external logistics", tasked with coordinating all of the Group's external facilities (distribution centres and transit points).

DID YOU KNOW THAT...

With a view to ever-greater sustainability, all forklifts currently used within our platforms for package handling are zero-emissions models.

Our logistics team basically never stops: distribution is organised across three shifts, day and night, six days a week. It operates on the basis of a just-in-time model, holding low stocks and with everything always in transit to reach the **18,000 retail outlets** across Italy that we supply each week. Our fresh products spend a maximum of 11 hours on our platforms to ensure the utmost freshness at all times. We handle over a million packages each day, with our vehicles travelling approximately **240,000 km**.

Travelling with quality

Our **products are transported** in two ways: **primary transportation**, involving vehicles that cover the first route of the journey from our central platforms to the distribution centres or transit points and management of supplier transport companies, and **secondary transportation**, covering the route from the distribution centre or transit point to the individual retailers.

Our carriers are all independent professionals with whom we enter into a collaboration agreement, which sets out specific rules to be complied with to guarantee maximum transportation quality. In this way, we can monitor and manage each stage of the process, making sure that the products always arrive at their end point in optimal conditions.

In addition to road-based transport, we operate inter-modal routes involving shipping to Sardinia and Sicily.

The team aims to optimise the routes, and achieved major goals in 2022:

- **Primary transportation:** -10% Km
- **Secondary transportation:** - 5 million km

All our vehicles are coordinated using the FLEET MANAGEMENT system that enables optimisation of consumption.

Eva, Fleet Management, Travel Plan and Palinsesto Consegne: the fantastic four

There are four consolidated application and management systems that allow us to optimise travel and maintain constant dialogue (fully securely) with our drivers on the road:

Eva is an app directly connected to the internal management system. It allows carriers to indicate the outcome of deliveries made and leave feedback

Fleet Management enables geopositioning of vehicles, temperature control and verification of door opening and closing

Travel Plan enables weekly viewing of journeys scheduled for each individual carrier

The **Delivery Schedule** is intended to acquire client preferences in order to obtain precise details to schedule deliveries. An experimental project currently active in Northern Italy.

2 thousand
VEHICLES
an impressive fleet

80%
EURO 6

30
VEHICLES
green fuel



Vallese di Oppeano, a gateway to Europe

We are in Vallese di Oppeano, in the province of Verona. It is home to one of the most advanced storage and distribution hubs for pre-sliced cured meats, eggs, zampone and cotichino products, as well as some of the AIA and Negroni branded fresh products destined for the foreign market.

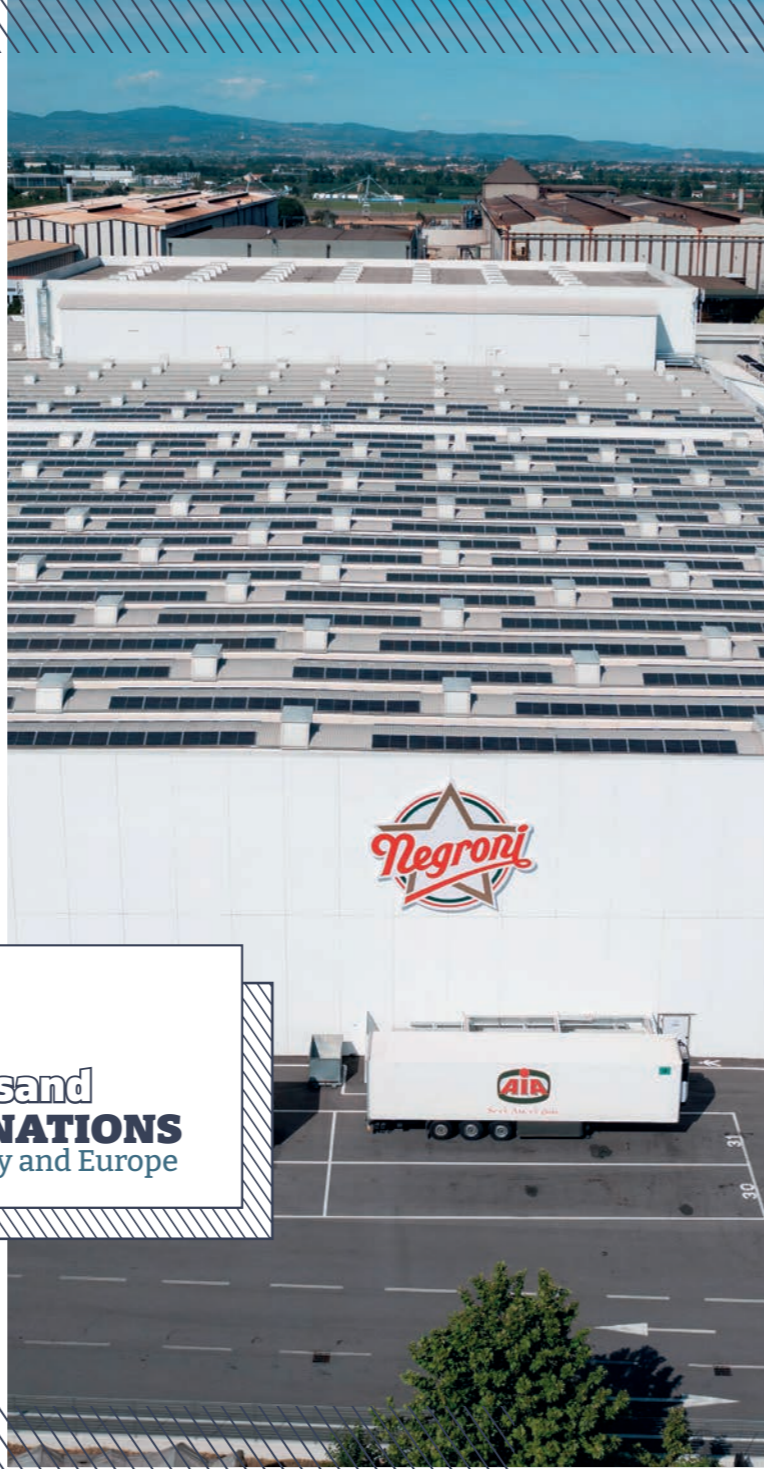
This hub represents the only triple-depth warehousing carrier system in Europe, boasting unique levels of robotisation and computerisation.

The platform is also equipped with a photovoltaic system that can produce 500,000 KWh per year, supplying 100% of the power for the cooling process and capable of generating potential savings of 158 tonnes of CO2 per year.

54
LOADING
bays

250 thousand
PACKAGES
handled each day

5 thousand
DESTINATIONS
across Italy and Europe



- **3 CENTRAL PLATFORMS**
 NOGAROLE ROCCA (VR)
 SAN MARTINO BUON ALBERGO (VR)
 VALLESE DI OPPEANO (VR)
- **2 OUTSOURCING PLATFORMS***
 ISOLA RIZZA (VR)
 CAMPOGALLIANO (MO)
- **6 DISTRIBUTION CENTRES**
 BARI
 CATANIA
 GUIDONIA MONTECELIO (RM)
 NOLA (NA)
 OLBIA (OT)
 TERMOLI (CB)
- **6 DIRECTLY MANAGED TRANSIT POINTS**
 ASSISI (PG)
 CIVITANOVA MARCHE (MC)
 COPERTINO (LE)
 GENOA
 RODANO (MI)
 SIGNA (FI)
- **15 OUTSOURCING TRANSIT POINTS***
 ATENA LUCANA (SA)
 BERTINORO (FC)
 CADORAGO (CO)
 GIAVERA DEL MONTELLO (TV)
 MISILMERI (PA)
 MONASTIR (CA)
 PALAZZOLO (UD)
 PONTEDASSIO (IM)
 RAGUSA
 RIVALTA DI TORINO (TO)
 TRAVERSETOLO (PR)
 TRENTO 1
 TRENTO 2
 VALTELLINA (SO)
 VEROLI (FR)

*These are not included in this report as they are rented, not managed directly by the Group, and not owned by the Group.



A question of chemistry (and more): laboratories of excellence

The Group stands out for its internal analysis laboratories, in which scientific research is always at the forefront, thanks to the presence of extremely specialised personnel.

The **Microbiology and Diagnostics Laboratory** carries out molecular microbiology, serology, food microbiology and diagnostics analyses. There are 46 accredited and certified Proficiency Tests available, which represent an essential resource for animal care, enabling precise identification of the treatments required. Additionally, the Diagnostics unit enables monitoring and verification of all parameters, guaranteeing that high animal health and welfare standards can be met.

The **Central Chemistry Laboratory**: agrifood analyses are carried out here, including analyses of waters, contaminants in animal feed and food products, process controls, nutritional parameters and additives. It has earned accreditation for the first 6 test methods, with issuance of a 1863L certificate by Accredia, the Italian Sole National Accreditation Body.



CERTIFICATIONS

In addition to national and EU provisions, our internal quality management systems guarantee the utmost food safety and meet the high standards set by numerous internationally-recognised voluntary certification schemes. Subject to rigorous certification audits by third-party bodies, including "unannounced" audits, all our production sites and main distribution platforms are awarded maximum points each year.

System certification



ISO 9001: 2015¹



ISO 22000: 2018²



ISO 22005: 2008³

Environmental certification



UNI EN ISO 14001: 2015⁴

Certification of ethical standards throughout the supply chain



1. Acquaneгра Cremonese (CR), Fossano (CN), Ospedaletto Euganeo (PD), Putignano (BA), Quinto di Valpantena (VR), S. Polo di Torrile (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 Castegnere (VI), Zibello (PR)
2. San Martino Buon Albergo (VR)
3. S. Polo di Torrile (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 Castegnere (VI), Lab. Centrale di Chimica, Lab. Corte Pellegrina, Vazzola (TV), Villafranca (VR), S. Giorgio in Bosco (PD), Correggio (RE), S. Maria di Zevio (VR), Tizzano Val Parma (PR)
5. Tizzano Val Parma (PR), Correggio (RE), Magreta di Formigine (MO), San Daniele del Friuli (UD), Cremona (CR)

Production site/supply chain certification



IFS⁶
(International Food Standard)



BRC and IFS logistic⁷



BRC Global Standard for Food Safety⁸



ASC Aquaculture Stewardship Council⁹



Plant-based feed



Non-GMO product



Global Gap_CFM¹⁰



VLOG "Ohne Gentechnik" Standard



QS



Tierwohl



Sustainable cereals and oil seeds¹²



GMO-free feed



Eggs from hens reared without antibiotics



Pigs reared without antibiotics



Controlled poultry supply chain



Livestock products obtained from animals reared according to specified methods

Guidelines



Poultry Meat Labelling Guidelines

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 Martino Buon Albergo (VR), Tizzano Val Parma (PR), Vazzola (TV), Verona (VR), Villafranca (VR), Villaganzerla Di Castegnere (VI), Zibello (PR)
7. San Martino Buon Albergo (VR), Oppeano (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 Castegnere (VI), Zibello (PR), S. Maria di Zevio (VR), Oppeano (VR)
9. Quinto di Valpantena (VR)
10. Fossano (CN), Quinto di Valpantena (VR), San Pietro in Gu' (PD), Acquaneгра Cremonese (CR), San Polo di Torrile (PR)
11. Acquaneгра Cremonese (CR), Putignano (BA), Villaganzerla di Castegnere (VI), Nogarole Rocca (VR), San Martino Buon Albergo (VR), Vazzola (TV)
12. It is hereby noted that the guidelines in question refer to procured soy.

06.

Our

people



The new generations

Our Group offers numerous opportunities for growth and development and has always promoted a series of projects to strengthen ties with academic institutions and raise awareness of the company values and work opportunities.

Young students, apprentices, young women and men are given opportunities for formative and challenging experiences and to engage with the world of work.

To this end, we have designed specific orientation and work integration projects for these individuals. For a number of years, we have been actively collaborating with the ITS training bodies (higher technical institutes) in the Veneto region. We are an **official partner of ITS Veneto**, which provides technical training for specialist roles, skills that are increasingly important in the industrial sector.

We also collaborate with higher technical institutions in the fields of Digital and Logistics. All young people who take part in these courses find the perfect outlet to develop their skills in our organisation.

Other events we take part in that contribute to the development of corporate employer branding are University **Career Days**. In 2022, we took part in 7 Career Days, which brought us into contact with a huge number of students from all over Italy.

These events provide an important platform for the workers of tomorrow to discover a Group that acts as an ambassador for the Made in Italy movement around the world, and to get to know the history of our supply chain and the opportunities we can offer first hand.

We offer **internship** and **apprenticeship** opportunities that allow us to support the young people in their development and orientation journeys. Over the course of 2022, 50 internships and 24 apprenticeships were set up. An important project launched in collaboration with the production sites in Vicenza and Padua involved training young technicians from Southern Italian regions, who were then hired by the company.



New generations

328
new
HIRES

121
UNDER 30

24
APPRENTICES

Personnel

Total number of employees divided by **contract type** (permanent and temporary) and by **gender** as at 31 December.

APPROX.
8,400
TOTAL DIRECT EMPLOYEES



5,269
MEN
in total

4,115 MEN under permanent
PERMANENT contracts
1,154 MEN under temporary
TEMPORARY contracts



3,167
WOMEN
in total

2,161 WOMEN under
PERMANENT contracts
1,006 DONNE a tempo
TEMPORARY contracts



Projects for the people

In 2022, we put systems in place to offer flexible working hours, always with a view to improving the work-life balance.

We wish to promote a positive work environment, with a particular focus on work-life balance. As such, we have launched a series of initiatives to promote **gender equality**, as well as a **welfare plan** – Veroneasy life – that allows employees to convert their performance bonus into goods and services associated with health, education, sport and much more. On a voluntary basis, we have also rolled out an experimental **Smart Working** project, which allows our collaborators to work remotely up to two days a week, thus making it easier to strike the balance between work and personal life. This latter experiment seems to have met with great success, with over 500 people signing up.

The Industrial Relations system is enhanced through constant and participative engagement regarding the objectives and projects of our Group and the people in it. Meetings are held at a national, regional and provincial level. Engagement takes place at all contractual levels, from round tables with National, Regional and Provincial secretaries to individual union representative bodies at the production sites.

Second-level bargaining arrangements are in place at all our sites, which supplement the provisions of the relevant National Collective Bargaining Agreements and cover all our personnel.



A MAJOR NEW INITIATIVE: THE LEAN PROJECT

The **Lean Production** project is one of the most significant new initiatives of 2022, intended to give rise to a cultural shift towards optimising processes and accelerating continuous improvement. Initially rolled out as a pilot scheme at the Correggio pilot site, training was provided to all production workers, before being extended to other teams such as programming, sales and marketing. The success of the initiative at the Correggio plant led to the launch of other projects at various Group sites at the end of 2022. All Lean projects are coordinated internally by the newly established Operational Excellence Team.

THE TRAINING CATALOGUE

2022 was the year of the **Training Catalogue**. We launched a useful tool that is constantly being updated for office workers, middle managers and senior managers, with a view to offering courses specific to our organisation, from technical-operational sessions to those more focused on conduct. Delivered in person, online, or on a hybrid basis, this new tool gives our personnel access to useful training opportunities to develop their skills and continue to invest in themselves.

To promoting the welfare of our personnel, we have included courses and activities on communication, stress management and relationship management in the Training Catalogue. And last but not least, courses are available to improve communication techniques, particularly in business settings.

All-out training

We believe that training is an essential element in the growth and development of all individuals working within our group. Training allows us to disseminate innovation and knowledge, to respond to the challenges associated with change. Over 52,000 hours were delivered in 2022.

The main objective pursued in 2022 was to work on the performance and feedback culture, supporting our personnel and managers with specific training activities, to adopt tools to enable periodic engagement structured around objectives and skills.

With regard to **online training**, we have been using a platform to cover broad-reaching topics concerning cybersecurity (phishing prevention), food security, preventing accidents in the workplace, orientation for new hires, or biosecurity at farms for employees and farmers.

In-person training, meanwhile, has focused on strengthening business skills, with specific courses on negotiation and business coordination. The "Trainer Training" course was also significant, and involved bringing 40 colleagues – ranging from safety managers, HR personnel and plant quality control personnel – into the classroom with a view to building a team of in-house trainers.



Health and safety

Prevention is better than cure, including in our supply chain. Indeed, we believe that prevention is the best way of protecting health and safety in the workplace. As such, we actively involve our employees in identifying preventive measures to improve working conditions, and empower them to disseminate a culture of safety.

We have introduced a series of policies and procedures to manage health and safety in the workplace, including risk **identification** and **assessment**, continuous **training of employees**, health **surveillance** and **accident prevention** and we rigorously apply all applicable laws and regulations on health and safety in the workplace, as well as the **ISO 45001** international standard.

All business relationship with third parties not employed by the Group are governed by art. 26 of Italian Legislative Decree 81/08.

To verify compliance with the regulations, we have implemented a **three-year internal audit plan**, which in 2022 involved 14 units including food production sites, feed mills and farms. The audit is managed in collaboration with the Environment department.



Each food production operating unit has specific persons tasked with implementing the information, training and education processes, a multi-disciplinary team responsible for best managing this important topic. These figures are: The Prevention and Protection Service Manager (Responsabile servizio prevenzione e protezione – RSPP), The Prevention and Protection Service Officer (Addetto al servizio prevenzione e protezione – ASPP), The Environmental Management System Manager (Responsabile sistema gestione ambiente – RSGA), The Quality Assurance Manager (Responsabile assicurazione qualità – RAQ), The Human Resources Training Manager (Responsabile formazione risorse umane – RU). Training programmes, risk assessments, and presentation of statistical analyses regarding accidents, meanwhile, involve the Worker Safety Representatives (Rappresentanti dei Lavoratori per la Sicurezza – RLS).

Each plant also has an Occupational Doctor who assess the fitness of the worker for their role and any potential risks. Each plant doctor responds to the Coordinating Occupational Doctor, who prepares the basic Health Surveillance Protocol, adapted by the doctors to the individual plants.

SAFETY INITIATIVES

The **Safe Work** project aims to increase prevention measures and awareness-raising across all of the Group's plants in the Veneto and Lombardy regions. Compliance and implementation of Workplace Health and Safety Management Systems are constantly verified in accordance with the "Safe Work" operating guide, 2011 Edition, in compliance with the UNI-INAIL guidelines.



07.

Respect for the environment



Environment: our virtuous circle in numbers

We are aware of our impact on the local area, and as such we promote **circular development and responsible** and efficient use of natural resources

2 analyses of waters **ON A** THOUSAND self-monitoring basis

-7.6 thousand TONNES OF WASTE to be disposed of **thanks** to the sludge drying process

over **420** tonnes of

glassine paper recovered amounting to total savings of approximately **815 tonnes of CO₂** equivalent **CERTIFIED BY CYCLE4GREEN**

6 PHOTOVOLTAIC systems

we have the capacity to produce **clean energy** up to annual consumption of approx. **8 thousand FAMILIES**

Biodiversity: an infinite wealth

We protect the biodiversity of the local areas where our production plants are located.

We do so through a series of very specific measures, all analysed in a study carried out in 2022*, and continuously updated, which has also enabled us to assess the **air pollution absorption capacity** of tree and shrub areas, arable areas and meadows located on the land we own.

Our **biodiversity protection measures include** maintaining crops and perennial meadows around the production units, analysing the environmental suitability for species of community interest, a series of periodic monitoring sessions and specific inspections of receptor water bodies.

We also work to maintain the presence of native trees and shrubs in the local areas where we operate, through ongoing planting initiatives and installation of lighting designed not to attract native local insects.

* C. Mastella, A. Rigoni, 2022. Estimated air pollution absorption capacity of trees, hedges, cultivated lands and perennial meadows within the farmlands owned by the Veronesi Group and surrounding their operating units

APPROX. **19,500** TREES SURVEYED on our land

APPROX. **1,800** HECTARES OF PERENNIAL MEADOWS on land owned by the Group

absorption capacity OF APPROX. **8,400** TONNES OF CO₂ equal to approximately 7% of direct emissions

0 OPERATING UNITS within the perimeters of the Natura 2000 sites



Renewable sources: Biogas

The biogas production plants play an essential role in promoting circular use of natural resources.

The water resources used in the production processes are channelled to the company purification systems. Only at this stage the water is returned in a purified state – in accordance with the chemical, physical and biological parameters required by regulations – primarily to the surface waters, contributing to protection of the surrounding environment.

We recover all of the wastewater generated during the slaughter and poultry processing processes. The residual sludge undergoes an additional treatment involving centrifugation to reduce its volume by up to 65%, **thus reducing** the waste to be disposed of **by approximately 9,000 tonnes**. To further improve the waste recovery and management process, we also have plans to develop a third plant to **dry 100% of the sludge**.

Additionally, biogas is used as a supplementary fuel for the natural gas stations. True examples of technological excellence, the plants that manage this process generate power to meet 9% **of the total energy requirements of the Group**.

OVER
20mIn
EURO INVESTED
over the years

5 ANAEROBIC DIGESTION PLANTS
(in San Martino Buon Albergo, Nogarole Rocca and Villaganzerla)

100%
OF THE ORGANIC MATRIX
OF POULTRY
(wastewater purification sludge)
IN 2022

POTENTIALLY
6.6 thousand
TONNES OF CO₂/YEAR
of emissions into the atmosphere
prevented by these plants

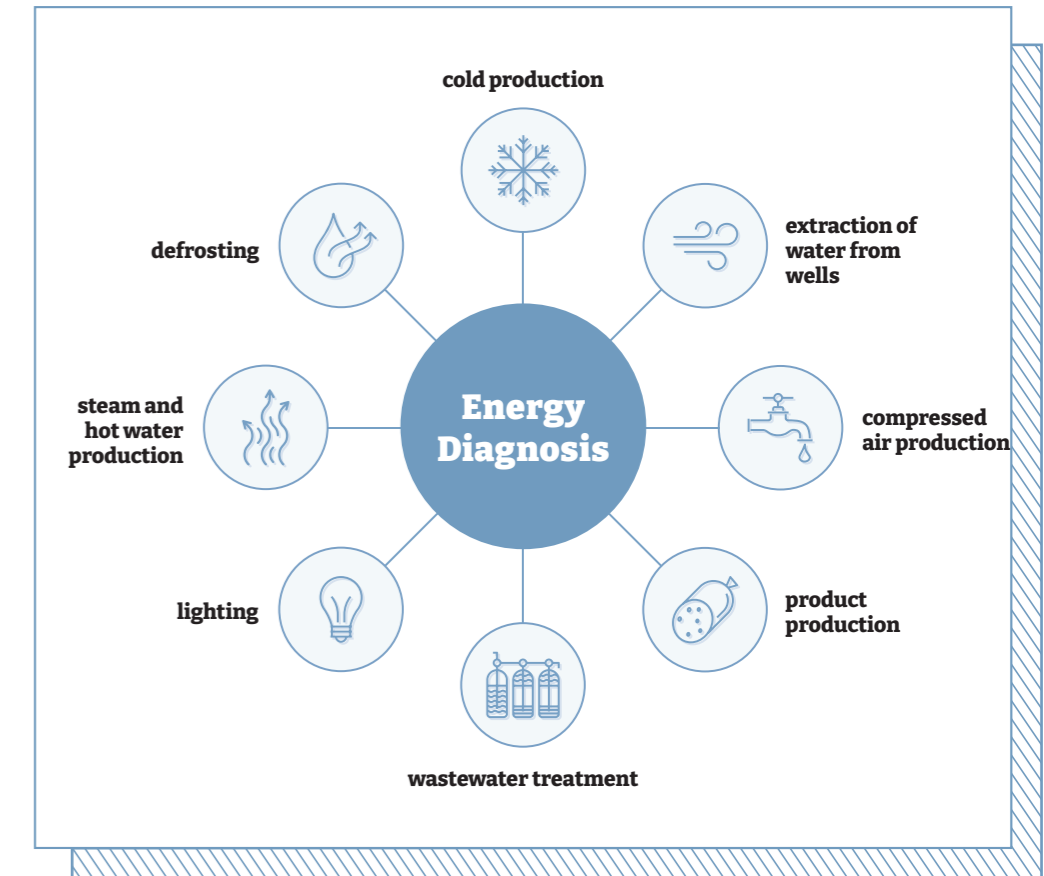


Electricity and gas: responsible energy use

Our electricity and methane gas management policy is based first and foremost on the responsible use of these resources. We constantly monitor all processes and plants to find innovative solutions and **further improve our energy performance**. As well as two new **photovoltaic systems**, we have plants that produce **biogas** and perform a fundamental role with regard to the **circular use of natural resources**.

Processes are analysed by performing an **Energy Diagnosis**, which assesses the energy vectors used (electric energy, natural gas, biogas) and relevant consumption, identifying critical issues and areas for improvement with a view to developing solutions to increase energy performance.

In 2022, **the Group's total energy consumption** as 3,698,017 GJ¹. This figure can be broken down as follows: 3,494,073 GJ of non-renewable fuels in the form of methane, diesel, petrol and LPG, and 203,944 GJ of renewable fuels, biogas used to fuel the boiler, cogenerator and drying room. With regard to consumption of purchased electrical energy, totalling 1,446,388 GJ, this has been included in the calculation of non-renewable energy, as it is not covered by certificates of guarantee of origin.



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





Direct and indirect emissions

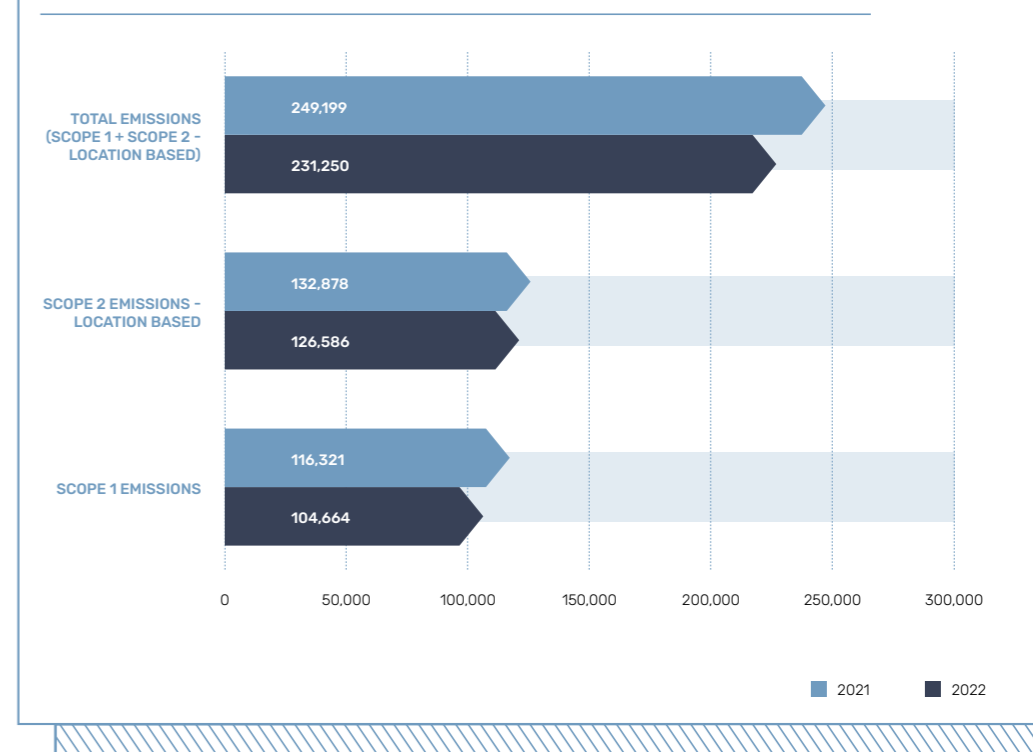
In 2022, direct emissions totalled 104,664 tonnes of CO₂ equivalent (Scope 1)² derived from the consumption of methane gas, diesel, petrol and LPG.

Indirect emissions (Scope 2)³ derived from purchased electrical power totalled 126,586 tonnes of CO₂ according to the Location-based calculation method, and 182,989 tonnes of CO₂ calculated using the Market-based method. Total emissions (Scope 1 and Scope 2 Location-based) amounted to 231,250 tonnes of CO₂ equivalent.

² For information on the emission factors used to calculate Scope 1 and Scope 2, see the Appendix section of this Annual Report.

³ The GRI Sustainability Reporting Standards outline two methods of calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". In order to calculate Scope 2 emissions in accordance with the GRI Sustainability Reporting Standards, both calculation methodologies have been used. The Location-based method is based on average emission factors related to the generation of energy within clearly defined geographical borders, including local, subnational, or national borders. The Market-based method is based on CO₂ emissions emitted by energy suppliers from which the organisation purchases electrical energy via a contract, and may be calculated taking into account: certificates of Guarantee of Origin of the energy and direct contracts with suppliers, emission factors specific to the supplier, emission factors related to the "residual mix", i.e. the energy and emissions not monitored or not claimed. In order to calculate Market-based emissions for Russia, not included in the "European Residual Mixes", a Location-based factor was used, included in the reference source. Scope 2 emissions calculated using the Location-based and Market-based method are expressed as tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalent) as indicated by the technical reference materials.

EMISSIONS SCOPE 1 E SCOPE 2 (tCO₂eq)



Our waters, between safety and efficiency

Water resources also play a fundamental role in the food production process and in guaranteeing appropriate hygiene and environmental conditions, required to ensure a healthy product.

Our commitment to responsible water management extends to all operating units in the supply chain, with specific and clearly defined goals.

Our Group is committed to the continuous improvement of the purification processes to ensure maximum quality of the water discharged. **Wastewater purification** is a fundamental part of the process for the company, which avails of the most state-of-the-art technologies available to ensure every care is taken to protect the environment and ensure sustainability of production activities.

We also work to improve the **efficiency of water extraction**: all consumption is monitored using meters, both at the point of extraction and of discharge.

2,000 analyses are carried out each year to guarantee compliance with regulatory limits regarding the chemical, physical and biological parameters of the water discharged. In 2022, the Group extracted a total of 8,945 megalitres, an 8% decrease on 2021. Of these, more than 87% were extracted from wells. Approximately 87% of water discharge, totalling 5,801 megalitres in 2022 (-12% on 2021), is destined for surface waters.

DID YOU KNOW THAT...

We also have tanks to collect rainwater, which is then treated before being released into the receptor bodies.

Waste: responsible management

Responsible waste management is another aspect of our commitment to protecting the environment.

Among the projects we are particularly proud of include the recovery of glassine paper – i.e. siliconized material used in labels – a process launched in the San Martino Buon Albergo, Nogarole Rocca, Zevio, Magreta, Correggio and Vazzola plants. In 2022, this project allowed us to recover 428,615 kg of glassine, reducing CO₂ emissions by approximately 815 tonnes.

Proper **waste separation** is extremely important to us, to the extent that it is now one of the indicators included among the production bonus criteria. Increasing waste separation allows us to reduce the quantity of material destined for disposal and enable the recovery of materials such as packaging made from paper and cardboard, nylon, wood and plastic.

For years, our commitment to circularity has included **treating animal by-products** resulting from the product processing stages, to transform them into protein powders and animal fats to be used in the pet food production industry.

In our continuous pursuit to reduce environmental impacts, we launched an experimental project at the Correggio site in 2022, which is still running, involving a new method of recovering mixed packaging transformed into solid recovered fuel (SRF). This innovative method of processing waste leads to a reduction of the environmental impact and a 75% reduction in CO₂ eq.

97.9%
non-hazardous waste
THAT WE PRODUCE

ALMOST
91%
of these are destined to
**RECYCLING, COMPOSTING
OR RECOVERY.**
The remaining quantity is disposed of.

LESS THAN
2%
of the total hazardous waste,
**MANAGED IN ACCORDANCE
WITH CURRENT REGULATIONS.**

08.

Economic value



Economic value generated and distributed

The Veronesi Group is constantly committed to creating and distributing value for its stakeholders.

Economic value represents the wealth produced by the Group distributed and divided among stakeholders according to the following methods: reclassified operating costs (primarily purchases of raw materials and services), personnel remuneration (direct remuneration in the form of salaries, wages and severance pay, and indirect remuneration in the form of social security contributions), payments to lenders (interest payable), payments to Public Authorities (income taxes) and Community payments (donations). The value retained by the Veronesi Group primarily consists of profit for the year destined for reserves, amortisation and fund.

The economic value generated directly by the Veronesi Group in 2022 amounts to €3.878 million, an increase of approximately 12% on 2021, of which distributed economic value amounts to €3.723 million. The majority of this value is represented by reclassified operating costs totalling approximately €3.331 million, followed by personnel remuneration (€377 million). Payments to the Public Authority totalled €7 million, while payments to lenders totalled approximately €8 million. The value retained by the Company totalled approximately €155 million.



ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED	2021 ¹ in thousands of euro	2022 in thousands of euro
Economic value directly generated	3,456,709	3,877,765
Economic value retained	52,328	154,675
Economic value distributed, of which:	3,404,308	3,723,090
Operating costs reclassified	2,993,138	3,331,351
Remuneration of personnel	402,655	376,844
Remuneration of financier	3,793	8,113
Shareholder remuneration²	1	0
Remuneration of Community	115	2
Remuneration of the PA	4,678	6,781

¹ In order to improve the data relating to the economic value generated and distributed and guarantee comparability of the data, deferred and prepaid taxes and taxes relating to previous financial periods have been separated out from income taxes and included among the economic value retained. For previously published data, see the Annual Report 2021.

² Over the course of 2021, dividends totalling €8,658,168.30 were distributed to shareholders of Veronesi Holding S.p.A., drawing on the extraordinary reserve included in the financial statements. Over the course of 2022, dividends totalling €3,030,358.91 were distributed to shareholders of Veronesi Holding S.p.A., drawing on the extraordinary reserve included in the financial statements.

2022 investments

We believe in continuous innovation and growth using the most advanced technologies, in keeping with the principles of Industry 4.0. Our Group has always chosen to allocate significant resources to production sites with a view to constantly improving their performance and safety standards. All our investments are aimed at maximising the protection of our personnel and enhancing our competitiveness and efficiency. We have allocated €105 million to our production plants, throughout the supply chain, to carry out major renovation of plants and production lines.



09.

Annexes



Methodological note

The aim of this document is to report and disclose, in a transparent way, the performance of the Veronesi Group with regard to material topics from an economic, environmental and social sustainability perspective, with reference to the 2022 financial year (from 1 January to 31 December). The document has been prepared to outline the activity of the Group, its performance, its results and its impact.

The document has been prepared in compliance with the requirements of the 2021 update to the "GRI Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI), according to the "In accordance" option. As required by the GRI Standards, the Veronesi Group has identified the sustainability topics deemed as material to its stakeholders and the Group by carrying out a materiality analysis, described in the "Materiality Analysis" section of this document.

The scope of reporting of the financial economic data and information corresponds to that of the Consolidated Financial Statements of the Veronesi Group as at 31 December 2022.

The scope of data and information concerning employees covers all companies consolidated on a line-by-line basis in the Consolidated Financial Statements with the exception of Belgorodskaya Indejka (in Russia), Veronesi USA Corporation (US) and Certosa Salumi S.p.A., the data of which are only included in the calculation of the average workforce during the financial year (FTE).

The scope of environmental data and information covers all companies consolidated on a line-by-line basis in the Consolidated Financial Statements. In particular, environmental data and information include 18 food production sites, 6 distribution centres, 6 transit points, 2 laboratories and 1 "Food" business area logistics platform, 7 feed mills in the "Feed" business area and 12 livestock farms and 7 hatcheries in the "Farm" business area.

Subsidiaries, with the exception of foreign ones, are only included with reference to energy consumption, CO2 equivalent emissions and waste disposal indicators, as their impact on other environmental indicators is regarded as immaterial.

With regard to information on the supply chain, the scope of analysis of this Annual Report includes all livestock farms in the Group's supply chain, and excludes purchases on the free market. Any scope limitations regarding individual topics or indicators are expressly disclosed in the text.

To enable the comparability of data and information over time and assess the performance of the Group's activity, a comparison with the previous year is proposed. In the event of restatements of data relating to the previous period, these are expressly indicated. To ensure that data is reliable, the use of estimates has been kept to an absolute minimum and, where used, they have been appropriately indicated and performed in accordance with the best available methodologies.

It is hereby noted that no significant changes have occurred in the Group's governance structure or supply chain.

The Veronesi Group adopts a risk-based approach in all its decision-making and operating processes, in order to monitor and manage risk situations associated to social, environmental, ethics, business integrity and regulatory compliance matters. This approach is an integral part of good corporate management and the creation of a responsible business, both regarded as fundamental to achieve a competitive advantage within a market in which interest around sustainability topics is growing year by year.

The document is published on an annual basis on the Website of the Veronesi Group: www.gruppoveronesi.it. The 2022 Annual Report is subject to a "limited assurance engagement" by Deloitte & Touche S.p.A., in accordance with the criteria set out in the ISAE 3000 Revised standard. The audit has been carried out in accordance with the procedures specified in the "Independent Auditor's Report", included in this document.

For information on the Veronesi Group's Annual Report, contact: comunicazione@gruppoveronesi.it.

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, 2022.

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 (hereinafter "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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the 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 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., Agricola Tre Valli Società Cooperativa and Società Agricola La Pellegrina S.p.A. 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, Nogarole Rocca (VR) production plant for Agricola Tre Valli Società Cooperativa, Acquanegra Cremonese (CR) production plant for A.I.A. Agricola Italiana Alimentare S.p.A. and Isorella (BS) site for Società Agricola La Pellegrina S.p.A., 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, 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, 2022 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
May 15, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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