

GROWING TOGETHER TASTES BETTER

SUSTAINABILITY REPORT AS OF
JUNE 30TH, 2023



-1922-
Bauli



OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

VISION

OUR ICONIC PORTFOLIO OF BRANDS CREATES JOYFUL AND DELICIOUS MOMENTS FOR CONSUMERS EVERYWHERE, ONE TASTY BITE AT A TIME.

MISSION

INSPIRED BY A CENTENARY TRADITION OF ITALIAN QUALITY, OUR BRANDS CREATE DELICIOUS SOLUTIONS TO THE NEEDS AND WANTS OF CONSUMERS AND CUSTOMERS WORLDWIDE. WE DO SO WHILE PROUDLY CARING FOR OUR PEOPLE AND OUR PLANET.

VALUES



ENERGY



735,883 GJ

ENERGY CONSUMPTION



6.59 GJ/ton

ENERGY CONSUMPTION PER TON OF PRODUCT

CLIMATE CHANGE & CIRCULAR ECONOMY



45,532 ton

THE TOTAL EMISSIONS (TCO₂E - SCOPE 1 AND SCOPE 2 LOCATION BASED)



0.38 tCO₂e/ton

GHG EMISSIONS GENERATED PER TON OF PRODUCT IN 2022/2023



11.67%

ELECTRICITY FROM RENEWABLE SOURCES



1,230 kW

THE CAPACITY OF THE PHOTOVOLTAIC SYSTEMS INSTALLED



97% renewable materials

OUT OF THE TOTAL MATERIALS PURCHASED



100% recyclable

THE COLOMBA BAULI PACKAGING

PEOPLE



12.2

RECORDABLE WORK ACCIDENT RATE



96%

EMPLOYEES HIRED ON PERMANENT CONTRACTS AS OF 30 JUNE 2023



47%

WOMAN OUT OF TOTAL GROUP EMPLOYEES AS AF 30 JUNE 2023



12.3

TOTAL TRAINING HOURS PER CAPITA DELIVERED IN 2022/2023

LOCAL COMMUNITY

REGENERATION AND EXPANSION OF THE CAPITOLARE **LIBRARY IN VERONA**



805,757 €

THE REMUNERATION OF THE LOCAL COMMUNITY



17,825 t CO₂

AVOIDED THANKS TO FOOD WASTE REDUCTION INITIATIVES

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LETTER FROM THE CHAIRMAN & THE CEO



THE PLAN O

Dear Stakeholder,

We are pleased to present Bauli Group's new Sustainability Report, which highlights our commitment to enhancing the company's economic, environmental, and social performance. Despite the prevailing economic challenges, the company strives to strengthen its business practices and sustainability efforts.

With a new CEO on board, we have redefined our new core values - Passion, Collaboration, Goodness, Courage, Care, Integrity - and developed a strategy called "ONE BAULI" to strengthen our global presence while continuing to be strongly rooted in our history.

Also, a comprehensive materiality analysis conducted in 2023 has helped identify key sustainability issues and establish strategic guidelines for improvement actions.

We have made significant strides in offering new products annually, expanding our portfolio to prioritize people's wellbeing and health. The creation of the "Health & Wellbeing" Business Unit in 2022 underscores this commitment.

Moreover, the company thoroughly traces potential environmental and social impacts, aligning with EU regulations. Over the past two years, Bauli Group has reduced climate-change emissions by 2,854 tonnes of CO₂ through investments in energy efficiency and increased use of renewable sources from its primary production sites, which now account for 13% of total electricity consumption.

Bauli Group attributes its achievements to its exceptional people. The company values passionate, skilled employees and aims to attract new talent by offering growth opportunities and support for wellbeing. Various initiatives are in place to improve employee work-life balance, increasing corporate welfare services, personalized trainings and development programs.

As we continue to lead in Italian festive products, we are passionate about sharing our traditions with the whole world: our aim is not only to delight customers, but also to uphold our commitment to sustainability and the wellbeing of employees. Together, we will forge a path towards a brighter future.

Michele Bauli
Chairman

Fabio Di Giammarco
Chief Executive Officer

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INTRODUCTION

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1.2 MISSION, VISION & VALUES

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1.1 ABOUT US

The Bauli Group, a leader in the confectionery sector, is the main national player in the seasonal market, with a broad portfolio of own-brand products. The Group also records significant numbers on the international market.

Founded in 1922 in Verona as a small artisan confectioner's shop, the Bauli Group over the years has been able to uniquely combine the enhancement of tradition with economic growth, spreading the excellence and taste of Italian products around the world. The acquisition of historic Italian brands such as Motta, Doria, Bistefani and Alemagna has strengthened this project, while at the same time guaranteeing each brand its own specificity and identity.

Bauli now operates in several market

- The Seasonal market in which Bauli is leader at Christmas with a share of over 38% and at Easter with a share of 33.7%.

- The everyday market through which it offers products for every preference and for different consumption occasions.

- The 'Free-from' market, which include gluten-free, milk-free and/or lactose-free products under the Bauli and Doria brands.

Thanks to its strategy, the Bauli Group closed the 2022/2023 financial year with revenues of EUR 633,588,426 and a net profit of EUR 4,123,111. The Group has 1,263 employees on 30 June 2023, distributed in 7 production plants and 7 sales offices in Italy and worldwide.

100 YEARS OF HISTORY AND ACHIEVEMENTS

The Group has distant roots, in an artisan workshop founded in Verona in 1922, from the passion of founder Ruggero Bauli and an ancient recipe for pandoro. After 100 years of success, the group is now recognized

100+

YEARS OF HISTORY
1922-2022

633,6

TURNOVER (MLN EURO)
2022/2023

1,263

EMPLOYEES AS
OF 30TH JUNE 2023

111,800

TONS OF PRODUCT SOLD
DURING 2023

1,150

PRODUCT
REFERENCES IN 2023

260

TYPES OF PRODUCTS
ON THE MARKET

8,964

HOURS OF NON-
MANDATORY TRAINING
IN 2022/2023

84%

OF ELECTRICITY
PURCHASED FROM
RENEWABLE SOURCES





and loved all over the world: Bauli Group products are in fact present in over 70 countries. 2022 was the year of great celebrations involving not only all the people within the Group, but also all the stakeholders that have been following the development of a strong company like Bauli for years.

Over the course of a century, Bauli has spearheaded revolutions, sparked innovations, and passionately crafted products with an unwavering commitment to quality and excellence. Their enduring dedication to consumer well-being remains as steadfast today as it was a hundred years ago. Bauli continues to draw inspiration from its rich traditions while embracing the future, all the while keeping a keen eye on the planet's health and people's welfare. Throughout 2022, Bauli marked its centenary with a series of unforgettable events and magical moments, including the release of the Group's inaugural Sustainability Report.

A postage stamp, specially dedicated to the Bauli Group, was unveiled by the Ministry of Economic Development as a tribute to celebrate the importance of the Group. This gesture is a sincere

recognition of those who drove the company's exceptional growth and of those who, with dedicated passion, have contributed to establishing the Group, its brand, and its products in the collective imagination of Italy over the course of a century.

Bauli, in partnership with one of the internationally acclaimed Italian artists in the Street Art scene, sought to depict its personal vision of goodness. This creative endeavor culminated in a unique artwork proudly exhibited at the entrance to Bauli's headquarters in Castel d'Azzano. This artistic creation not only serves as a distinctive narrative of Bauli's story through imagery but also adds aesthetic value to their workspace, providing an inviting and iconic image for everyone entering their corporate home.

For Bauli, Christmas holds a special significance, and for their Centenary, they chose to commemorate it in Verona, the city where their grand journey began. Bauli organized a Christmas luncheon, bringing together their employees from Italy and all their global branches, like a large family gathering, a moment in which they

**A SINCERE RECOGNITION
OF THOSE WHO DROVE THE
COMPANY'S EXCEPTIONAL
GROWTH.**

could celebrate the Centenary but also share feelings and emotions all together after the challenging period of Covid.

Furthermore, on Christmas and Easter, both Panettone and Colomba were presented on the tables of millions of Italians with dedicated packaging to share and transmit the emotion of an event such as the Group's 100th anniversary with everyone.

Bauli is equally delighted to introduce the documentary "Bauli, for 100 years creators of goodness" in which their story is told, that of a family that has taken the goodness of Made in Italy all over the world. These first 100 years are just the beginning: Bauli will continue to revolutionize, invent and create goodness, with the same care and the same desire as always.

THE BAULI GROUP OPERATES WITH ITS PRODUCTS IN MORE THAN 70 COUNTRIES AROUND THE WORLD, THANKS TO A PRODUCTION CAPACITY BASED ON 7 PRODUCTION SITES LOCATED IN ITALY AND INDIA AND A COMMERCIAL STRUCTURE THAT CAN COUNT ON 7 OFFICES LOCATED IN FRANCE, SLOVAKIA, THE UNITED STATES, THE UNITED KINGDOM, INDIA AND SINGAPORE.

A WORLDWIDE PRESENCE



7

PRODUCTION PLANTS
WORLDWIDE

7

COMMERCIAL
SITES TO COVER
KEY MARKETS

70

COUNTRIES WHERE
THE GROUP'S
PRODUCTS ARE SOLD

6

BRANDS

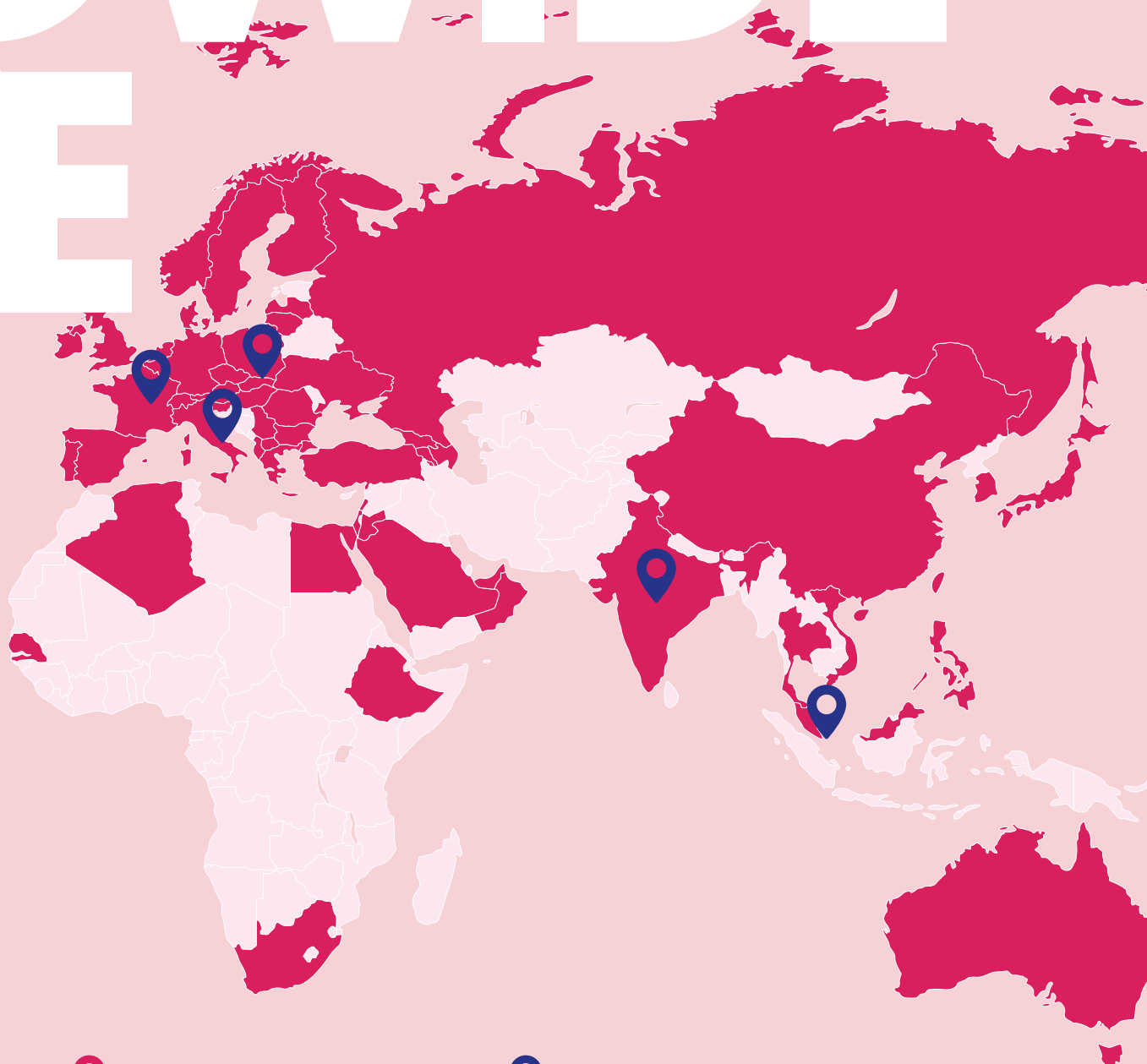
PRODUCTION PLANTS


- Castel D’Azzano (VR)
- San Martino Buon Albergo (VR)
- Romanengo (CR)
- Orsago (TV)
- Altopascio (LU)
- Guarene (CN)
- Baramati (India)


COMMERCIAL SITES

- Marsiglia (France)
- Bratislava (Slovakia)
- New York (USA)
- Londra (United Kingdom)
- Mumbai (India)
- Pune (India)
- Singapore

WORLDWIDE PRESENCE



 Countries where you can find Bauli products

 Countries where Bauli Group is present

OUR BRANDS

The Bauli logo is written in a stylized, cursive script in a golden-yellow color, set against a light purple rectangular background.

Now at its third generation, Bauli is an industrial reality that has managed over the years, thanks to its know-how, passion for the art of confectionery and technological development, to establish itself as a leader in the confectionery sector in the market of recurrence products and croissants. With its one hundred years of passion and quality, Bauli is the brand of reference for those in search of fluffy, pastry-inspired goodness, with attention to every detail, ideal for making sweet everyday and festive moments special.

The Motta logo is written in a bold, serif font in a golden-yellow color, set against a dark blue rectangular background.

Ever since it was founded in 1919 in Milan on the initiative of Angelo Motta, the Motta brand has stood out for its ability to create in the confectionery sector thanks to a wealth of knowledge and technical expertise of the highest level. On the strength of the know-how acquired, Motta has been the protagonist, over the years, of innovations that have gone beyond the product, setting trends in society and language, marking a change in lifestyle

The Alemagna logo features a circular emblem with a crown on top and a large letter 'A' in the center, surrounded by a decorative border. Below the emblem, the word 'ALEMAGNA' is written in a bold, serif font, with 'MILANO 1921' in a smaller font underneath.

The Alemagna legend began in 1921 when Gioacchino Alemagna, together with his brother, decided to open a confectionery business in Melegnano, a town a few kilometers from Milan. This is how the Premiata Pasticceria Alemagna, specialized in the production of naturally leavened pastries, began to make a name for itself with consumers from whom it received an increasingly favorable response, so much so that in just a few years it expanded nationally and internationally. Today, Alemagna is a symbol of artisanal production characterized by superior quality, elegance, and style.

The Doria logo is written in a bold, serif font in a white color, set against a red oval background with a white border.

The story of the Doria brand starts in the late 19th century, when Alessandro Zanin and his family began producing bread and pastries. In 1950 the iconic frollino Bucaneve was born, which in just a few years led the company to establish itself in the confectionery industry, giving birth in 1958 to the company Doria (named after the Swiss biscuit manufacturer Renè Doria). Today, the brand still maintains its values: quality, simplicity, naturalness and product care. A 'family heritage' always in step with the times, preserved and shared between the company and several generations of consumers.

The Bistefani logo is written in a bold, serif font in a golden-yellow color, set against a red oval background with a golden-yellow border and a decorative emblem above the text.

The Bistefani brand was born in 1955 in Casale Monferrato. In its 65 years of history, the brand has remained faithful to its philosophy of high-quality industrial confectionery and still expresses tradition with its evergreen Krumiri biscuits. Today, as then, Krumiri biscuits are manufactured by combining respect for tradition and innovative production techniques that guarantee products that can be indulged in every day.

The Casalini logo is written in a bold, serif font in a white color, set against a blue, rounded rectangular background with a white border. Below the brand name, the phrase 'buono sempre' is written in a smaller, cursive font.

Casalini is the brand which, through F.B.F.'s experience in the process of ingredient selection and natural leavening, guarantees certified quality at an affordable price. F.B.F. is the production reality of the Bauli Group that offers specialization, innovation and service, with high quality standard products to support the Private Label.

OVER THE YEARS WE HAVE TRANSFORMED A LOVE FOR TRADITION AND CRAFTSMANSHIP INTO ENTREPRENEURIAL ABILITY, THROUGH A PATH OF TECHNOLOGICAL INNOVATION AND STRATEGIC ACQUISITIONS OF ITALIAN BRANDS KNOWN AND APPRECIATED IN ITALY AND ABROAD. TODAY WE BRING TO THE WORLD THE TASTE AND PLEASURE OF PRODUCTS RECOGNIZED AND LOVED BY CONSUMERS FOR THEIR QUALITY.

2022 

For 100 years Creators of Goodness. Celebrations for the 100 years anniversary.

2019 

Takeover of MaxSport (Bauli Slovakia).

2017

Establishment of a factory in India, to better reach Southeast Asian countries.

2011 

The Group acquires Fête Latine (Bauli France).

2006 

Purchase of Doria's strong expertise in rollini and crackers.

Nineties

Bauli enters the everyday bakery product market with a new line of croissants.

Fifties

The company developed its activities by starting up its industrial production.

ONE BAULI 2023

Values update and launch of the new Global Strategy.

 **2021**

Acquisition of a majority stake in Dacasto Gran Pasticceria.

 **2018**

Takeover of Alpipan.

 **2013**

The acquisition of Bistefani brings the Krumiri range.

 **2009**

The brands Motta e Alemagna enter the portfolio for bakery and chocolate products.

 **2004**

Strong expansion begins with the acquisition of F.B.F. Casalini.

Sixties

Ruggero's sons Alberto, Adriano and Carlo take over the company.

1922

Ruggero Bauli opens a small workshop in Verona, focusing on the traditional pandoro recipe.

1.2 VISION, MISSION & VALUES

VISION

OUR ICONIC
PORTFOLIO OF
BRANDS CREATES
JOYFUL AND
DELICIOUS MOMENTS
FOR CONSUMERS
EVERYWHERE, ONE
TASTY BITE AT A TIME.

MIS SION

INSPIRED BY A CENTENARY TRADITION OF ITALIAN QUALITY, OUR BRANDS CREATE DELICIOUS SOLUTIONS TO THE NEEDS AND WANTS OF CONSUMERS AND CUSTOMERS WORLDWIDE. WE DO SO WHILE PROUDLY CARING FOR OUR PEOPLE AND OUR PLANET.

THE NEW GROUP VALUES

GOODNESS



WE MAKE DELICIOUS,
HIGH-QUALITY
PRODUCTS

PASSION



WE AIM TO WIN IN THE
MARKET, WITH CUSTOMERS &
CONSUMERS

COLLABORATION



WE PLAY, WIN,
AND LEARN AS ONE
INTEGRATED TEAM

COURAGE



WE DREAM BIG, INNOVATE,
AND DELIVER ON OUR
PROMISES

CARE

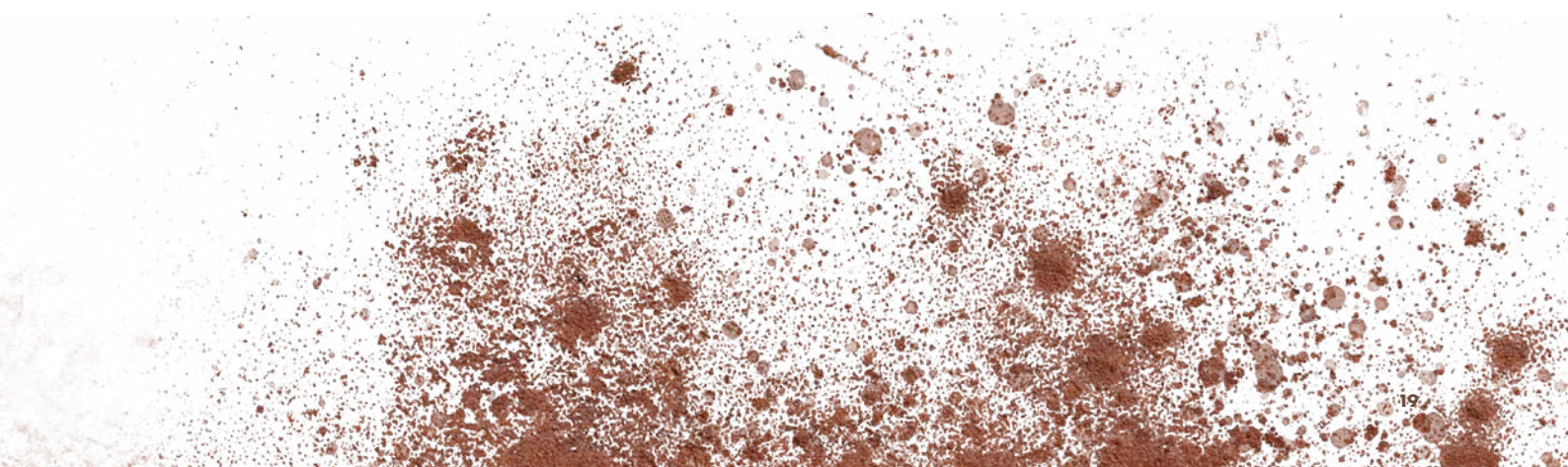


WE TAKE CARE
OF OUR PEOPLE AND
OUR PLANET

INTEGRITY



WE TAKE THE
HIGH ROAD IN
EVERYTHING WE DO



2

ONE BAULI

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2.4 VALUE CREATION	30





IN 2023, BAULI UNVEILED “ONE BAULI”, A STRATEGY DESIGNED TO BOLSTER ITS PRESENCE IN BOTH THE DOMESTIC AND GLOBAL MARKETS. THIS INITIATIVE AIMS TO STREAMLINE THE COMPANY'S ORGANIZATIONAL STRUCTURE AND GOVERNANCE BY IMPLEMENTING CENTRALIZED COORDINATION. THE CORPORATE GOVERNANCE FRAMEWORK OF THE BAULI GROUP IS METICULOUSLY CRAFTED TO FOSTER HARMONIOUS COLLABORATION AMONG ITS VARIOUS COMPONENTS AND IS DEDICATED TO ENSURING A RESPONSIBLE AND TRANSPARENT APPROACH TO COMPANY MANAGEMENT, ALL IN THE PURSUIT OF CREATING VALUE FOR ITS STAKEHOLDERS IN THE MARKET.



80

MEMBERS OF THE EXTENDED LEADERSHIP TEAM



>633,6 M

TOTAL REVENUES (€) IN 2022/2023



0

VIOLATION OF THE CODE OF ETHICS IN 2022/2023

During 2023, Bauli launched a structured process of Group evolution, based on a series of initiatives aimed at strengthening its position in Italy and on international markets: ONE BAULI or, as internally defined, ONE B.

ONE B is intended to be a gradual process of reorganization of the Group, which through greater integration of the consolidated companies, aims to achieve a more fluid corporate organization and governance, with centralized coordination.

Among the first initiatives under ONE B, four new strategic business units have been established in 2023:

- *Health & Wellbeing*: a strategic business unit capable of bringing together all commercial, marketing and sales activities related to the Healthy

Products (gluten-free, lactose-free, no added sugar and protein).

- *Bauli India*: to control the business that the Group has developed in recent years in the easternmost part of the world.

- *International BU*: a completely new function with direct control over the international development of the Group.

- *Business Unit Italy*: all the Sales Organizations of the domestic market are gathered in one direction. The B.U. Italy is designed by channel with four-line responsibilities relating respectively to “Modern Trade”, “Private Label”, “Pharmacies&Specialized channels” (for “free from” products) and lastly the “Away From Home” having the goal to focus on Horeca, Impulse and GTR. This helps to make more integration keeping a huge focus on the specific channel.

ONE B IS INTENDED TO BE A GRADUAL PROCESS OF REORGANIZATION OF THE GROUP.

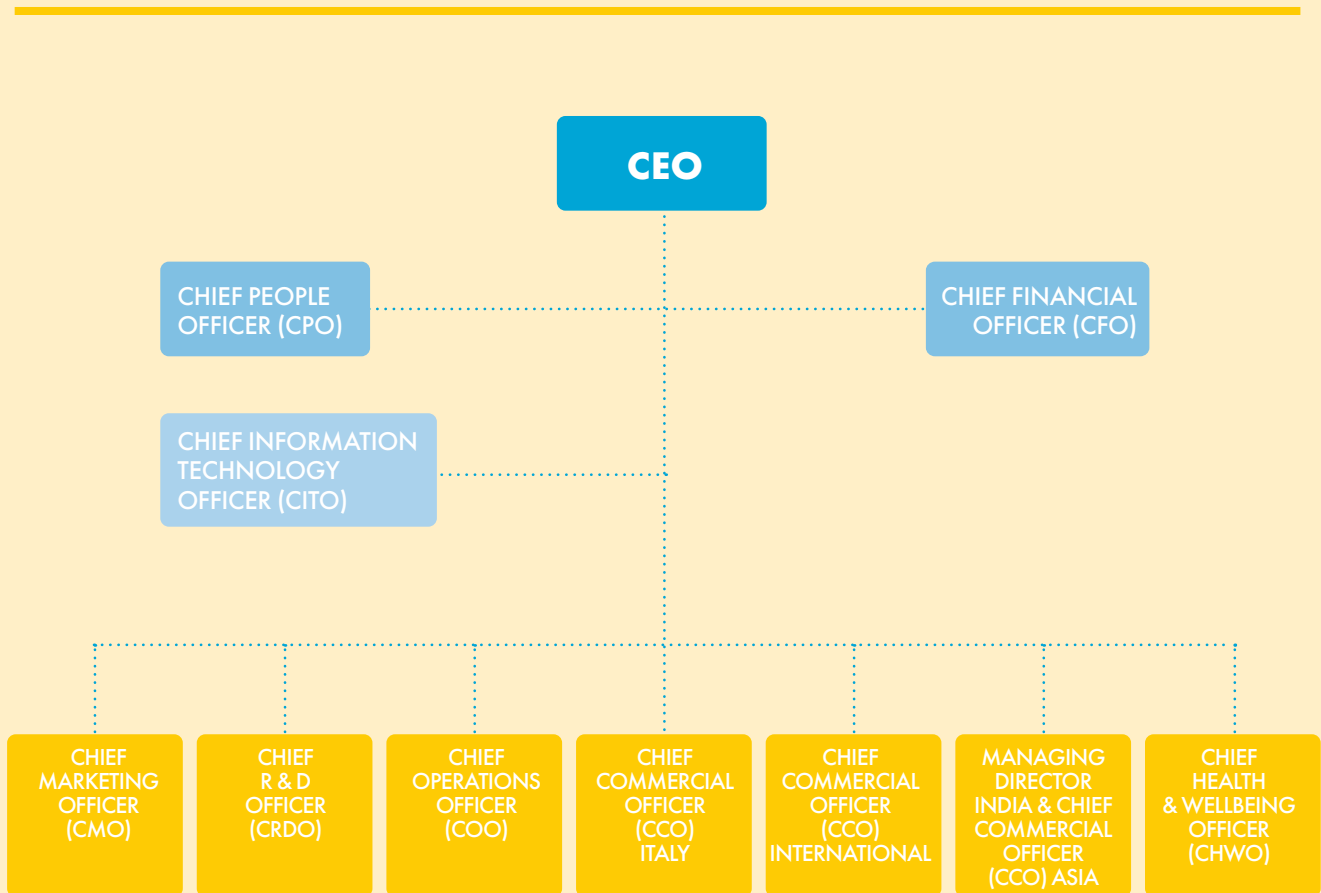
Furthermore, the companies “Bauli France” and “Bauli Slovakia and Czech Republic” formerly known as Fête Latine and MaxSport were respectively defined.

At the operational level, it should also be noted that Operations, Procurement and Quality Assurance activities have been integrated within the Operations Department, to ensure more efficient management of these aspects.

Another novelty is represented by the introduction of a coordination team at the strategic level, composed of the Group’s main function heads both nationally and internationally: the Global Leadership Team.

Bauli’s Leadership Team is also in charge of coordinating data and information collection activities and, with the appointment as Sustainability Group Manager in June 2023, drafting the Sustainability Report with a reporting approach that involves consolidating information and data at Group level. Within this framework, the team holds periodic meetings during the year to share the progress of the Report’s preparation and at the same time examines sustainability performance on relevant economic, environmental, and social issues.

ANOTHER NOVELTY IS REPRESENTED BY THE INTRODUCTION OF A STRATEGIC COORDINATION TEAM AT THE STRATEGIC LEVEL.



2.1 OUR GOVERNANCE

The Bauli Group's Corporate Governance is designed to ensure a balanced collaboration between its components and is aimed at guaranteeing responsible and transparent management of the company in relation to the market and with a view to creating value for stakeholders.

The Bauli Group consists of several companies in which the parent company Bauli S.p.A. holds shares. Among these, there are several companies that are 100% owned, except for Alpipan and Bauli Slovakia in which there is respectively an 80% and 90% ownership. The parent company Bauli S.p.A. is in turn controlled by the holding company Ruggero Bauli S.p.A., owned by the Bauli family, now in its third generation of industrial entrepreneurship.

The Board of Directors of Bauli S.p.A. is entrusted with the strategic management of the Bauli Group. This body is made up of members with executive and non-executive roles.

The current Board, an expression of the shareholders of the parent companies, was elected at the same time as the approval of the financial statements as at 30 June 2021 with the exception of the CEO, appointed at the beginning of 2023. This line-up will remain in office until the approval of the Financial Statements as of 30 June 2024 scheduled for October 2024. Specifically, it consists of 7 members, 6 of whom are men and 1 woman, with an age distribution as follows: 33% between the ages of 30-50, 67% over 50. The Board includes one independent member, who meets the requirements of professionalism, impartiality, and independence. To date, the Group's governance does not envisage any intra-Board committees or self-assessment processes.

The governance structure of the Bauli Group foresees the presence, almost everywhere, of the CEO in the role of legal representative of each Company.

7

MEMBERS OF THE DIRECTORS BOARD, 6 OF WHOM ARE MEN AND 1 WOMAN, WITH AN AGE DISTRIBUTION AS FOLLOWS: 33% BETWEEN THE AGES OF 30-50, 67% OVER 50.

First and last name	Role	Executive	Non-Executive	Independent
Fabio Di Giammarco	CEO	•		
Michele Bauli	Chairman		•	
Carlo Alberto Bauli	Vice President		•	
Enrico Bauli	Vice President		•	
Carlo Bauli	Advisor		•	
Andrea Giuseppe Zocchi	Advisor		•	•
Chiara Laura Bauli	Advisor		•	

There may be other members of the Bauli S.p.A. Board of Directors (in 100% owned companies with a purely commercial nature) or Persons in charge of functions related to the specific entity and part of the GLT or ELT. The expression of the members of the Board of Directors in cases of majority shareholding is declined to pursue a holistic vision of management, administrative, production and expansion strategy processes. Finally, the involvement of the Finance & Controlling Manager and the Group Legal & Compliance Manager is aimed at ensuring adequate information flows to monitor areas of high interest and risk for the majority shareholder.

The remuneration of the parent company's directors is set by special resolutions and approved by the Shareholders' Meeting. All company directors also have a fixed remuneration and a variable portion

linked to the achievement of specific objectives. In the Group companies, the directors expressed by the minority have indemnities set by the shareholders' meeting itself (which may also include variable portions based on the company's performance), while the directors expressed by the parent company do not receive any additional indemnity for their office. Remuneration policies are defined by processes managed by the parent company's HR & Organization Department.

The Board of Internal Auditors is the controlling body in charge of supervising compliance with the law and company regulations, as well as monitoring the adequacy of the company's internal controls and organizational structure. The composition of the Board of Statutory Auditors of the parent company Bauli S.p.A. as of 30 June 2023 is as follows:

President: Giovanni Maccagnani

Statutory Auditor: Alessandro Testa

Statutory Auditor: Franco Valotto

Substitute Auditor: Alberto Mion

Substitute Auditor: Milena Rettondini

To ensure the prevention and possible mitigation of conflicts of interest, management and control relationships between the parent company and the Group companies are disclosed on headed paper as required by law. There are no shareholdings in third party suppliers.

The Group has implemented specific actions to align the methods of administration, management, and

control of the main areas of activity between the parent company and the Group companies. Global Policies were implemented, managed by the Administration & Finance Function, aimed at disseminating good operating and management practices among local and corporate teams, establishing adequate information flows, defining the contents and timing of their sharing and ensuring compliance of all Group entities.

**REMUNERATION
POLICIES ARE DEFINED BY
PROCESSES MANAGED BY
THE PARENT COMPANY'S
HR & ORGANIZATION
DEPARTMENT.**

2.2 GROWING TOGETHER TASTES BETTER

THE GLOBAL LEADERSHIP TEAM CONSISTS OF THE MAIN CORPORATE FUNCTIONS AND IS RESPONSIBLE REPORT DIRECTLY TO THE CEO. IN THIS WAY, BESIDES HAVING CONTROL AND RESPONSIBILITY FOR THEIR OWN AREAS OF INTEREST, THEY ALSO CAN DIRECTLY DISCUSS THE STRATEGIC OBJECTIVES DEFINED AT CORPORATE LEVEL.



Within the Global Leadership Team, alongside the Departments historically present in the Group such as the Administration and Finance Department, the Operations Department, Sales and R&D Department and the IT Department, there are also the organizational functions at the head of the Group's new Business Units: Italy, Bauli India, Health and Wellbeing and the International Department.

To support the Group's internationalization process, a key initiative to guide this new development has been identified: Bauli Together.

This consists in a monthly meeting, shared with all entities of the Group, where all people can share financial results, KPIs, projects ongoing, data or raise questions and concerns to the CEO and the GLT.

A group of people who stand out for their uniqueness and who work together with mutual trust to create goodness for consumers all over the world, putting their skills at the disposal of a common goal: to grow together, as a company and as professionals.

To increase the direct involvement of the Group's managerial levels within the strategic processes, the Extended Global Leadership Team was also defined, a group of about 80 people. Part of this group can report to and exchange directly with members of the Global Leadership Team.

A few Ambassadors (G.I.V.E.R.) also take part in the activities of this enlarged group. Since 2020, they have been enabling internal engagement and discussion activities to clearly identify the Group's Values, Vision and Mission. This Corporate Identity project, through the identification of the G.I.V.E.R., has the task of disseminating these values and being a point of reference for the company's people.

2.3 BUSINESS ETHICS & INTEGRITY

A concrete and constant commitment to the issues of ethics and integrity within the Group's activities is necessary to significantly reduce the risk of potential negative impacts on people, the economy, and the environment that can be generated by any violations of regulations or the adoption of behaviors that do not conform with correct business practices. Bauli has always operated with integrity, complying not only with current laws and regulations, but also with inalienable principles such as fairness, honesty and respect.

All the Group's activities are based on a focus on the company's core values, which, precisely during 2023, have been redefined and integrated considering the Group's position in relation to an international context and its own vision of the future. New projects and ideas are projecting the Group into the future also thanks to development strategies and paths, leveraging the great heritage of quality and credibility in the market. The set of distinctive characteristics and uniqueness that characterize the Group and the guidance of core values are fundamental factors that positively influence people's choices consistently with an ethical and integral approach to every situation.

For this purpose, the Group has developed specific policies and procedures in order to constantly ensure compliance with current values and regulations and oversees the issue through the Compliance function, which has been coordinated for years by a Compliance Officer who, as of 2022-2023, holds the position of Group Legal & Compliance Manager and reports not only to the CEO of the parent company, but also has the ability to interface directly with the Board of Directors.

As part of the One Bauli approach, the Group aims to progressively align corporate culture, approaches, and compliance standards among the various companies. To this end, periodic Compliance Meetings have been initiated, informal meetings attended by the Group Legal & Compliance Manager (and other specialized functions involved from time to time upon request) with the management functions of the Group companies. During these meetings, focused on the priority compliance and governance aspects of the various companies, the status of implementation of safeguards related to specific risk areas is examined and appropriate improvement actions are established, on which adequate reporting must then be provided.

THE ORGANIZATION AND MANAGEMENT MODEL IN ACCORDANCE WITH LEGISLATIVE DECREE 231/01

Since 2012, the parent company Bauli S.p.A. has already adopted its own Organization and Management Model (hereinafter also referred to as the "Organizational Model"), periodically updated in subsequent years in reference to the changed organizational and regulatory structure.

The Organizational Model is a set of principles, rules, procedures and controls designed to prevent the commission of alleged crimes based on the assessment and management of the risks present. In line with current regulations, there is a precise system of disciplinary sanctions applicable in case of violation of the various aspects of the model.

During 2022, with the update of the Code of Ethics, the company also prepared the full update of the Model, which was formally approved by the Board of Directors in February 2023 and will also updated to comply with the new set of values and principles recently issued.

THE CODE OF ETHICS 2.0

The parent company Bauli S.p.A. conducts its activities and relations with its internal and external stakeholders according to the principles and values set forth in the Code of Ethics 2.0.

The Code of Ethics 2.0, which is an integral part of the Organizational and Management Model in accordance with to Legislative Decree 231/01, consists of the following:

- the values and general principles on relations with its stakeholders.
- the criteria of conduct toward each class of stakeholders, which specifically provide the guidelines and standards to which Bauli and its collaborators are required to adhere in order to comply with the general values and principles and to prevent the risk of unethical behavior.
- the implementation procedures, which describe the control system aimed at compliance with the Code of Ethics and its improvement.

The Code of Ethics applies to Bauli and is binding for all its employees, collaborators, and directors, who are required to observe and enforce the principles described in the Code of Ethics itself. Bauli promotes the widest diffusion of the code to all stakeholders and the correct interpretation of its contents, including through activities to verify and monitor its application.

Internal training for employees, in relation to the Code of Ethics and Model 231, takes place along several lines of action. On the one hand, information pamphlets are delivered at the time of hiring, which the employee formally undertakes to know in order to comply with them in terms of behavior. On the other, face-to-face sessions are organized, with profit verification, about the essential elements of Model 231 and the Code of Ethics. Internal training, however, does not end at the time of hiring but remains an indispensable element even throughout each employee's professional career.

Moreover, the Code of Ethics has not only internal but also external value: in fact, the company demands compliance with it from its Stakeholders, such as customers and suppliers. In all stipulated contracts there are specific clauses on compliance with the Organizational Model and the Code of Ethics, the violation of which determines breach of contract and legitimizes the termination of the contract in addition to the claim for damages.

The new version of the Code of Ethics 2.0 was drafted during 2022, in conjunction with the updating of the Organizational and Management Model in accordance with Legislative Decree 231/01 and will soon be updated to comply with 2023 new values.

THE SUPERVISORY BODY

Bauli is committed to ensure maximum dissemination of the Code of Ethics and has established a Supervisory Board, which has the task of enforcing the Organization and Management Model pursuant to Legislative Decree 231/01, of which the Code of Ethics is an integral part. The functioning of the Board is established by specific


Regulations, which assigns it the following tasks:

- monitor the enforcement of the Code of Ethics through audits and collection of reports from internal and external stakeholders.
- forward to corporate management the request for the application of any sanctions for violations of the Code of Ethics.
- report periodically to the Board of Directors on the results of the activity carried out.
- express opinions on revisions of the most relevant procedures to ensure consistency with the principles of the Code of Ethics.
- suggest revisions to the Code of Ethics where necessary.

The Supervisory Board is formed by three members and meets quarterly at the headquarters of the main production sites and with extraordinary meetings in case of relevant events with respect to the topic of business ethics and integrity.

WHISTLEBLOWING

Bauli S.p.A. has adopted since 2019 a special Reporting Procedure (Whistleblowing), which, allows the Company's employees and external stakeholders to report anonymously and without retaliation any conduct harmful to the company or its employees. The Reporting Procedure, updated to comply with the new regulation issued by the Leg.Decree 24/2023, is aimed at properly handling the reporting of any violations and irregularities regarding the Organizational Model or the Code of Ethics, commissions of crimes, serious ethical and professional violations.



THE CODE OF ETHICS APPLIES TO BAULI AND IS BINDING FOR ALL ITS EMPLOYEES, COLLABORATORS, AND DIRECTORS, WHO ARE REQUIRED TO OBSERVE AND ENFORCE THE PRINCIPLES DESCRIBED IN THE CODE OF ETHICS ITSELF.

During 2022, the whistleblowing tool was further improved by adopting it at the corporate level to make it open and accessible for all Group companies¹. Available online, not only its graphical interface has been improved, but also the management of the data and information it requires. Reports, collected anonymously, are handled directly by the Group Legal & Compliance Manager and, after being categorized, are communicated to the Supervisory Board which makes the investigations and informs, if necessary, other bodies. Following the report, the Company takes action through its bodies to reconstruct the facts and take appropriate action.

During fiscal year 2022-2023, three anonymous reports were submitted to the Supervisory Board, but none of them was related to Legislative Decree 231/2001. After investigating, the Supervisory Board determined that these reports were, in fact, concerns raised by blue-collar employees regarding "data protection" and "safety in plants". These concerns were subsequently addressed by the internal departments responsible for these matters.

¹ The Group-wide whistleblowing portal is available at the following link: www.bauligroup.whistlelink.com. Within the Group companies, where the Whistleblowing system is not in place, the Compliance function of the parent company is available in a consultative capacity for the implementation of policies and practices. It should be noted that Bauli Slovakia & Czech Republic has set up a management system similar to an Organisation and Management Model pursuant to Legislative Decree 231/01 for the adoption of internal crime prevention measures, which provides for a direct reporting line via e-mail to the corporate Compliance function.

PREVENTION OF CORRUPTION CRIMES

To prevent any possible circumstances that could generate the risk of corruption episodes, the Group has developed a Gift Policy, with the aim of defining the principles of control and behavior that every employee must adhere to in the management of gifts, gratuities and sponsorships. This policy, which is also cited within the Code of Ethics and Model 231, monitors through precise definitions the conditions for which possible acts of courtesy entering or leaving the Company may or may not be accepted. In all cases, any gifts and/or acts of courtesy must always be authorized and properly documented.

With the aim of maintaining transparency and integrity internally within the Group and externally, the company has also developed a system of control of relations occurring with the Public Administration. All areas of the company have a duty to declare to the Supervisory Board, through appropriate documentation, the type of relationships that have occurred with members of the Public Administration, the needs of the case, the activities carried out and the people involved.

THE CRISIS MANAGEMENT PROCEDURE

Bauli adopts a specific procedure to manage situations that threaten the company's performance and reputation. By putting in place various practices, it is possible to manage and mitigate the negative consequences of a possible crisis or critical situations for the company, which may arise from both unintentional acts and/or accidental phenomena as well as intentional acts of a malicious and culpable nature, thus causing significant economic or image damage. This procedure provides for the involvement of different areas of the company and the participation of the CEO, who may also inform, as part of his role, the entire Board of Directors of the parent company.


TO PREVENT ANY POSSIBLE CIRCUMSTANCES THAT COULD GENERATE THE RISK OF CORRUPTION EPISODES, THE GROUP HAS DEVELOPED A GIFT POLICY.

2.4 VALUE CREATION

The fiscal year ending June 30, 2023 was marked by an exceptionally turbulent economic period, shaped by the Russian-Ukrainian conflict, the transition from the pandemic with its subsequent production challenges, and the increasing global influence of China, which raised concerns in the United States. These factors, alongside others, culminated in a pronounced and uncontrolled surge in raw material costs and their availability during the fiscal year. Prices of energy, particularly gas, and various energy-related resources (including packaging materials), as well as key raw materials exported by Ukraine (such as fertilizers and grains), experienced significant spikes. This resulted in a double-fold impact: a widespread increase in inflation, reaching levels not seen since the 1980s, and reduced profit margins for companies that, due to limited negotiation power with large-scale distributors, were unable to fully pass on the increased production costs to consumers. As of the time of writing this report, price pressures have not completely abated. While energy prices have somewhat moderated compared to early 2023 peaks, they remain considerably higher than previous levels.

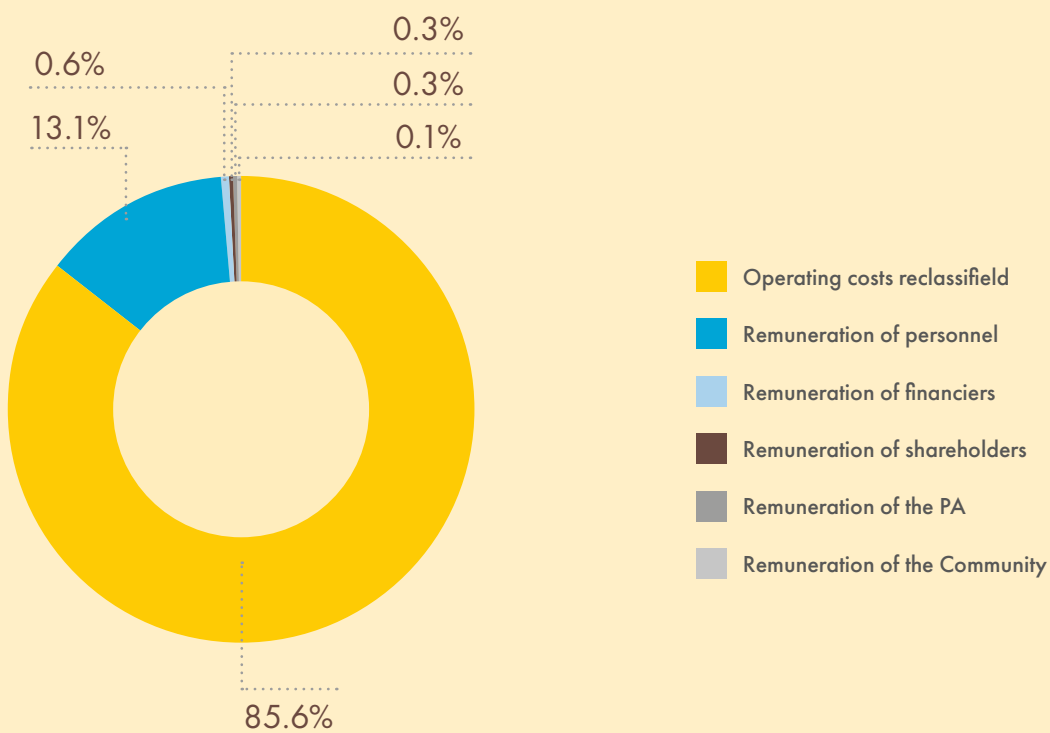
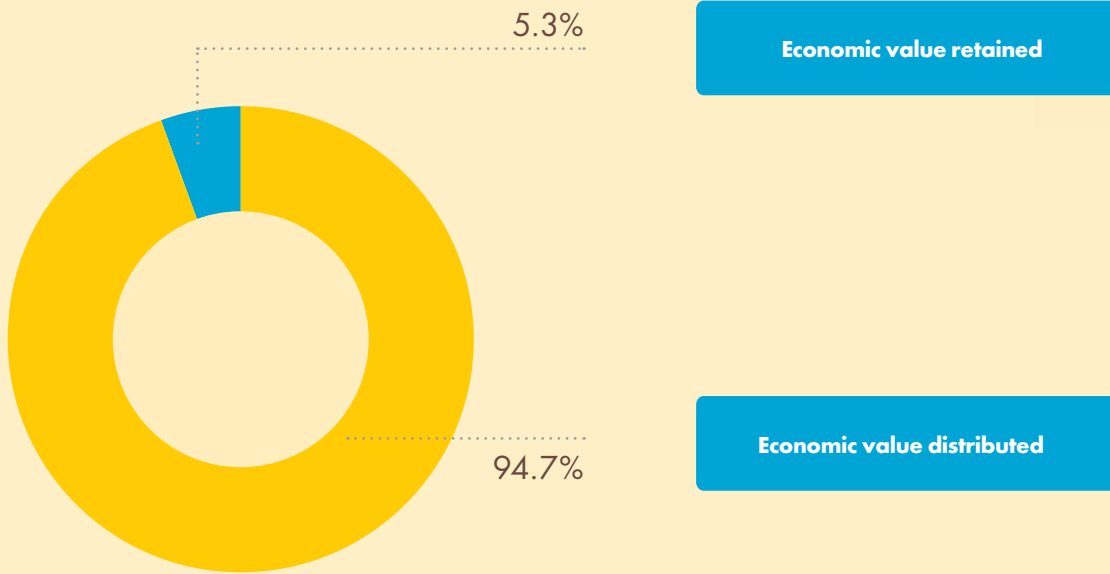
Other commodities display varying behavior, influenced by unique market dynamics. Currently, considerable attention is focused on central banks and their management of interest rates, with anticipation of potential impacts on the real economy. It appears that the significant interest rate hikes witnessed in the past 12 months may have concluded. Nevertheless, it is undeniable that the cost of money generally rose, further aggravating the companies' profits, already stressed by higher operational costs.

Amidst this complex scenario, the Bauli Group has succeeded in making a positive impact on the economic systems in which it operates. The economic value directly generated by the Bauli Group in fiscal year 2022/2023 amounted to 639,144,991 euros, an increase of about 16 percent over the previous year. The economic value distributed, amounting to 605,121,753 euros, is mainly represented by reclassified operating costs of 517,781,966 euros, followed by personnel remuneration 79,286,237 euros. Public administration remuneration amounted to 1,828,774 euros while shareholder remuneration was 1,965,100 euros and, financiers' remuneration, was 3,445,027 euros. The value distributed by Bauli to the community was of 814,649 euros. Therefore, the value retained by Bauli was 34,023,236 euros (equal to 5.3% of the total generated).



AMIDST THIS COMPLEX SCENARIO, THE BAULI GROUP HAS SUCCEEDED IN MAKING A POSITIVE IMPACT ON THE ECONOMIC SYSTEMS IN WHICH IT OPERATES.

Economic value directly generated and distributed by the Group



3

SUSTAINABILITY APPROACH

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3.1 OUR PRIORITIES

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3.2 MANAGEMENT OF OUR MATERIAL TOPICS

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THE GROUP HAS ALIGNED ITS SUSTAINABILITY REPORTING APPROACH WITH THE LATEST VERSION OF THE GRI SUSTAINABILITY REPORTING STANDARDS, OPTING FOR THE “IN ACCORDANCE” OPTION. MOREOVER, THE GROUP HAS CONDUCTED AN UPDATED MATERIALITY ANALYSIS, CONSIDERING CONTEXTUAL FACTORS, IDENTIFYING AND PRIORITIZING ITS IMPACTS, AND DELINEATING THE PERTINENT MATERIAL TOPICS. BAULI ALSO SUCCESSFULLY PARTICIPATED IN THE ECOVADIS SUSTAINABILITY QUESTIONNAIRE, EARNING A SILVER ECOVADIS MEDAL. THIS RECOGNITION POSITIONS THE GROUP AMONG THE TOP 25% OF COMPANIES EVALUATED BY ECOVADIS.



14

MATERIAL TOPICS



3rd

EDITION OF THE SUSTAINABILITY REPORT



Top 25%

OF COMPANIES EVALUATED BY ECOVADIS

3.1 OUR PRIORITIES

THE GROUP'S SUSTAINABILITY JOURNEY

The Bauli Group's sustainability journey has seen a gradual evolution of the tools and approaches used to improve its economic, environmental, and social performance over time. The adoption of integrated management systems on quality, safety and environment, and social responsibility, certified according to ISO9001, ISO14001, ISO45001 and SA8000 was one of the first steps that led the Group to embark on a virtuous path.

In 2021, an exploratory activity on sustainability issues began, resulting in the Group's first Materiality Analysis and in an initial reporting project, the Sustainability Brochure. The following year, the same as the Group's 100th anniversary, saw the publication of the first Bauli Group Sustainability Report.

The 2023 represents the continuation of this structured sustainability pathway which led the Group to increase its dedicated activities, guaranteeing its position at the forefront of current regulations and the main criteria for

2021

AN EXPLORATORY ACTIVITY ON SUSTAINABILITY ISSUES BEGAN, RESULTING IN THE GROUP'S FIRST MATERIALITY ANALYSIS.

sustainable development. In particular, Bauli has initiated a process of analysis to define material issues in line with the GRI Sustainability Reporting Standards, through the identification of the generated impacts most significant for its business. During the year, additional activities were also carried out to deepen the Group’s knowledge regarding its environmental and social impact; specifically, the first Life Cycle Assessment (LCA) study was conducted on some of the Group’s product categories, and the Ecovadis sustainability questionnaire, one of the most widely used ESG rating systems in the world, was drafted for the first time.

people and to develop more inclusive and effective strategic decisions.

Bauli has identified its stakeholders with the aim of involving them in its choices and including them in its business processes. The results of this analysis were integrated and compared with what emerged from a benchmark analysis aimed at mapping current trends also among major competitors and national and international best practices. This led to the identification of 12 stakeholder categories, that were consequently prioritized by Management during the Materiality Workshop.

In accordance with the GRI Sustainability Reporting Standards, the company has used information from its engagement activities with these categories of stakeholders as one of the key inputs necessary to identify and assess its impacts on the economy, environment, and people.

BAULI HAS IDENTIFIED ITS STAKEHOLDERS WITH THE AIM OF INVOLVING THEM IN ITS CHOICES AND INCLUDING THEM IN ITS BUSINESS PROCESSES.

OUR STAKEHOLDERS

An effective and continuative stakeholder engagement allows companies to gather essential information related to their impacts on the economy, the environment, and



THE MATERIALITY ANALYSIS

The Group took action to identify its economic, environmental, and social impacts (including human rights impacts) and related material issues, through an updated materiality analysis process, in accordance with the new GRI Universal Standards 2021. This analysis was carried out independently from the sustainability reporting process and required a constant engagement of key stakeholders. In particular, the process of determining material issues of the Bauli Group was structured into three main stages:

Context analysis

The context analysis of the organization included a detailed analysis of its activities, business relationships and positioning within a sustainability context. A benchmark analysis was carried out on a panel of companies in the sector, as well as considering international sources such as the Sustainability Accounting Standards Board (SASB), Sustainability Reporting Standards (GRI standards), S&P Global Yearbook and UNEP FI's Impact Radar. This activity led to the identification an initial list of 34 impacts presumably relevant to the activities carried out by the Group.

Identification and assessment of impacts

This stage enabled the Group to assess and prioritize its main impacts, current and potential, positive and negative on the economy, environment, and people, including impacts on human rights. The assessment phase included the involvement of the Group's top

management (Global Leadership Team) and a target of stakeholder relevant for the Group, specifically:

- 10 suppliers through a detailed focus group;
- 7 Clients with one-to-one interviews.

The engagement actions allowed to collect quantitative data by assigning to each impact an order of magnitude (from 1 to 5) in relation to its scale, scope and likelihood of occurrence; and qualitative information on the most significant impacts related to the activities and thus the material issues for the Group. The results were appropriately compared with what was obtained from the top management engagement to update the score assigned to the Group's economic, social and environmental impacts.

Material topics

Consumer protection and food safety

Health and safety of workers

Energy consumption, emissions and climate change

Diversity, inclusion and equal opportunities

Waste Management and circular Economy

Sustainable packaging

Economic performance

Training, development and welfare of workers

Responsible marketing and communication

Quality and sustainability of raw materials

Ethics, business integrity and anti-corruption

Responsible supply chain management

Process and product innovation, R&D.

Proper nutrition and consumer well-being



THE THREE MAIN ISSUES FOR THE GROUP WERE “CONSUMER PROTECTION AND FOOD SAFETY” “HEALTH AND SAFETY” AND “ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE”.

Prioritization of the most significant impacts

Following the impact assessment carried out with the involvement of both Group Top Management and representative Stakeholders, impacts were prioritized (from most relevant to least relevant) and the materiality threshold was defined. Impacts identified as significant were finally aggregated into material issues. The prioritization highlighted that the three main issues for the Group were “Consumer Protection and Food Safety” “Health and Safety” and “Energy Consumption, Emissions and Climate Change”.

The extended results were shared and discussed internally by the Global Leadership Team which led the topics “Diversity, Inclusion and Equal Opportunity ” and “Ethics, Integrity in Business and Anti-Corruption” to an increase in their materiality. “Quality and sustainability of raw materials” is also identified as a new materiality theme to represent potential impacts on the consumption of food raw materials for production, ecosystems and soil health, and traceability management of raw materials and products.

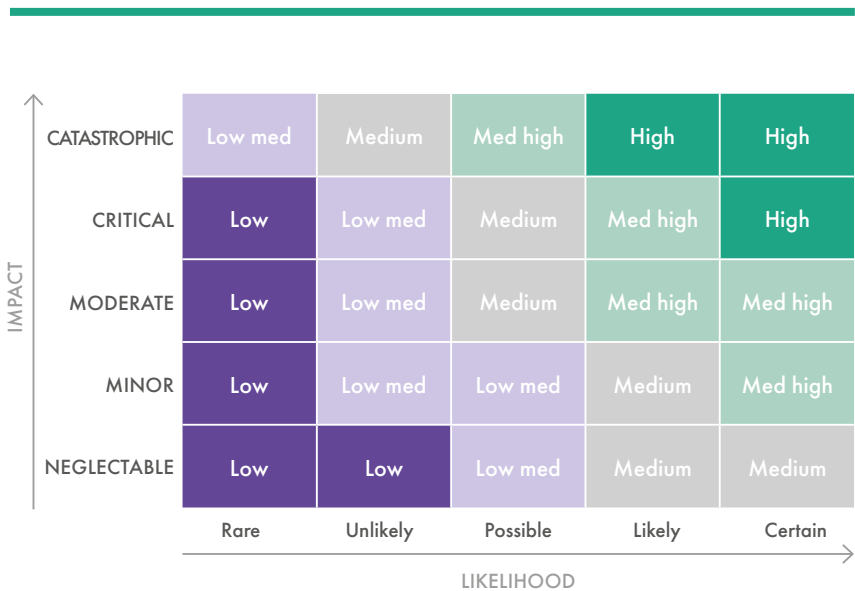
The result of the work carried out is reported in the following List of relevant issues and related current and potential impacts represented by them and approved by the Group Parent’s Board of Directors.

Risk assessment: the risk analysis matrix

During 2022-2023 the Bauli Group has initiated a Risk Assessment process based on an analysis that can assess possible risks in the various areas within the Group, in alignment with the requirements of the ISO9001 standard.

A process of assessing the possible risks associated with the activities carried out daily by individual areas has been initiated to be able to identify actions and safeguards necessary for the mitigation and management of risks and possible causes that may impact the Group’s business.

In this regard, Bauli plans to implement this analysis in the coming years to obtain an increasingly accurate model that can also consider internally the main ESG factors.



3.2 MANAGEMENT OF OUR MATERIAL TOPICS

The Board of Directors (of the Parent company) is responsible for defining corporate values, strategic guidelines on sustainability issues, and approving implementation goals and actions. Strategic planning and supervision of the implementation of sustainability-related projects are entrusted to the Global Leadership Team, composed of the heads of Group business functions and new business units at the national and international levels. Over the years, the Administration and Finance Department and the Operations Department have informally played the role of coordinating and developing these issues for the entire Group. Since June 2023, a Sustainability Group Manager has been appointed to oversee all ESG issues.

On a monthly basis, the Board of Directors holds informal meetings for the purpose of reviewing in detail management performance. These meetings consider, among other things, the Group's performance on economic, environmental, and social issues, as well as any reports received from stakeholders.

At the Board of Directors meeting to approve the Sustainability Report, top management reviews annual performance on economic, environmental, and social impacts and sets or updates Group-wide strategic guidelines.

Starting from fiscal year 2021-2022, the Group has chosen to align the approval date of the Sustainability Report with that of the Consolidated Report. This alignment ensures the involvement of the Group Parent's Board of Directors, who are an integral part of the analysis and reporting processes for the Sustainability Report.

During the year, with the participation of the Board of Directors and the Global Leadership Team, periodic information and update sessions on sustainability issues were held to ensure the growth of top management's knowledge and skills on this subject.

The establishment of the new Leadership Team, which took place during the 2022-2023 fiscal year, led to a full involvement of the Group's companies on sustainability issues by ensuring alignment at a corporate level. In fact, the structure of this Team sees the presence of members from the parent company, who can thus synergistically convey values, strategies, and objectives on sustainability-related issues as well.

Considering the material issues and their related impacts, the Group has identified policies and commitments to prevent and mitigate its potential negative impacts. In addition, Bauli strive to develop actions to enhance actual and potential positive impacts.



THE IMPLEMENTATION OF SUSTAINABILITY-RELATED PROJECTS ARE ENTRUSTED TO THE GLOBAL LEADERSHIP TEAM.



MATERIAL TOPICS	IMPACT MANAGEMENT
<p>CONSUMER PROTECTION AND FOOD SAFETY</p>	<p>Managing the aspects of quality, product safety and consumer protection are top priorities for Bauli. An ironclad approach is taken to ensure maximum safety and satisfaction of end-consumers with utmost care taken in minimizing risks related to the presence of GMOs, allergens and contaminants both within products and within production processes.</p>
<p>HEALTH AND SAFETY OF WORKERS</p>	<p>Adoption of an occupational health and safety management system integrated with quality and environmental management systems, aimed at reducing the risk of serious accidents, increasing workplace prevention and control by reducing the number of accidents, increasing staff satisfaction and improving the business climate.</p>
<p>ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE</p>	<p>Improving energy efficiency in all locations where consumption is closely monitored. The Company has pioneered the adoption of energy-saving solutions such as cogeneration, trigeneration, photovoltaic plants and the future adoption of a UNI EN ISO 50001 certified Energy Management System for the Group’s various sites (to date only for the Castel d’Azzano site). Pursue sustainable logistics through efficient freight transportation, use of environmentally friendly fuels and intermodal solutions that decrease emissions.</p>
<p>DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES</p>	<p>Consideration of the principles of equity and inclusiveness as foundational aspects of its work ethic and on the motivation of its employees. Bauli is committed to providing an inclusive work environment by avoiding all forms of inequality and discrimination.</p>
<p>WASTE MANAGEMENT AND CIRCULAR ECONOMY</p>	<p>These impacts occur both in activities directly managed by the company and within its business relationships such as through transportation services managed by third parties or the consumption of land and the water resource for raw material production.</p>
<p>SUSTAINABLE PACKAGING</p>	<p>Reducing the impact of packaging by encouraging the introduction of more sustainable packaging and packaging material, pursuing the reduction of material consumption. Adoption and promotion of proper waste management through efficient recycling and disposal policies.</p>
<p>ECONOMIC PERFORMANCE</p>	<p>Generating economic value while also ensuring balanced distribution to its stakeholders and interested parties (employees, suppliers, customers, etc.).</p>

ECOVADIS

In 2022-2023, the Group completed the Ecovadis sustainability questionnaire, a globally renowned ESG Rating systems. Bauli achieved a score of 65/100 and was awarded with a Silver EcoVadis Medal. This achievement places the Group in the top 25% of companies assessed by Ecovadis, underscoring its significant accomplishment.

The decision to carry out the EcoVadis questionnaire was made to implement an optimal ESG risk management with a view to achieving corporate sustainability goals and to drive large-scale impact by promoting improvement in the sustainability performance of both the company and the value chain.



MATERIAL TOPICS	IMPACT MANAGEMENT
<p>TRAINING, DEVELOPMENT AND WELFARE OF WORKERS</p>	<p>Carrying out education, information and training activities for employees in order to equip them with knowledge that enhances skills. Promoting people’s well-being and quality of life by preparing various initiatives in line with the latest approaches of Corporate Welfare and Well-being.</p>
<p>RESPONSIBLE MARKETING AND COMMUNICATION</p>	<p>Commitment to make transparent and truthful information available to all its consumers, thereby reducing the possible impacts associated with misleading communications to customers and end consumers.</p>
<p>QUALITY AND REPLACEMENT OF RAW MATERIALS</p>	<p>Responsible sourcing of controlled, high-quality ingredients is critical to ensuring product quality and stakeholder safety and satisfaction. It also helps to ensure high quality, reduce risk and stimulate innovation.</p>
<p>ETHICS, BUSINESS INTEGRITY AND ANTI-CORRUPTION</p>	<p>Significantly reduce the risk of potential negative impacts on people, the economy and the environment. Bauli has always operated with integrity, complying not only with applicable laws and regulations, but also with inalienable principles such as fairness, honesty and respect.</p>
<p>RESPONSIBLE SUPPLY CHAIN MANAGEMENT</p>	<p>Consideration of a supplier evaluation process based on the application of strict control criteria with the aim of selecting the best companies that can achieve the highest results in terms of quality and sanitation safety.</p>
<p>PROCESS AND PRODUCT INNOVATION, R&D</p>	<p>Supervised through a dedicated Research and Development (R&D) team, engaged on various areas of activities related to both the product and the production process.</p>
<p>PROPER NUTRITION AND CONSUMER WELL-BEING</p>	<p>Creation of new products with transparent recipes based on a few, simple and 100% natural ingredients, without flavors, preservatives, dyes and with whole grain flours, and reduced fat content.</p>

Participation in EcoVadis' proposed initiative by the Bauli Group is intended to be a further step toward greater attribution of sustainability value to the supply chain. Thanks to the considerations made by the Group vis-à-vis the score obtained and with reference to the four areas of analysis assessed through the questionnaire: the environment, labor and human rights, ethics, and sustainable sourcing, targeted actions are being structured to concretely develop ESG objectives deemed most significant.



4

CREATING GOODNESS

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BAULI'S DEDICATION TO PRODUCT QUALITY AND SUSTAINABILITY IS EXEMPLIFIED BY THE RIGOROUS SOURCING OF RAW MATERIALS AND METICULOUS CONTROL SYSTEMS INTEGRATED INTO THE PRODUCTION PROCESSES. BAULI PLACES EMPHASIS ON DEVELOPING NEW PRODUCTS FEATURING TRANSPARENT RECIPES. SIGNIFICANTLY, BAULI EMBRACED THE IMPORTANCE OF A QUALITY MANAGEMENT SYSTEM BACK IN 1996, RECOGNIZING ITS PIVOTAL ROLE IN ENSURING CONSISTENTLY HIGH-QUALITY PRODUCTS.



ISO 9001

CERTIFIED QUALITY
MANAGEMENT SYSTEM



27%

OF R&D INVESTMENT
ARE DEDICATED TO NEW
PRODUCTS



>30


NEW PRODUCTS
LAUNCHED EVERY YEAR

4.1 OUR PORTFOLIO

Bauli's expertise is rooted in the art of natural leavening, a tradition that has been an essential component of their most time-honored products for well over a century. Concurrently, they have made strategic investments in research and development, enhancing their skills to usher in innovative processes. The consistent thread running through all their endeavors is the unwavering dedication to crafting top-notch recipes. This commitment is realized through the utilization of Bauli's sourdough starter, the meticulous sourcing of raw materials

with verifiable origins, and the stringent control systems implemented throughout their production processes.

Bauli's primary focus is on the development of light and healthy products. They engage in meticulous consumer research, allowing them to adeptly identify and comprehend evolving consumption patterns, particularly those associated with healthy lifestyles. Their ongoing commitment involves the introduction of products that feature reduced levels of salt and sugar, all without compromising on their inherent goodness.



**THE CONSISTENT THREAD
RUNNING THROUGH ALL
THEIR ENDEAVORS IS THE
UNWAVERING DEDICATION
TO CRAFTING TOP-NOTCH
RECIPES.**





Additionally, Bauli has expanded its capabilities through the acquisition of a specialized facility, allowing them to craft offerings tailored to individuals with gluten, milk, or lactose intolerances. This strategic move underscores their commitment to provide a safe and enjoyable experience for all consumers.

SEASONAL PRODUCTS

Thanks to a wide range of baked desserts for festivities, from the most traditional recipes to the most innovative ones with delicious fillings, Bauli is the leader in the Christmas market, with a share of more than 38 percent, and in the Easter one with 33.7 percent of the market. Thanks to its own brands, Bauli Group has reached the position of second player in Easter Eggs with an offer designed for children, teenagers and adults, with high-quality chocolate recipes and exclusive surprises dedicated to different targets.

With the traditional brands such as Bauli, Motta, Alemagna and Bistefani, the Group can boast in its portfolio some of the most iconic products in the industry: the Pandoro Bauli which is the most loved and the best-selling at Christmas, while the Panettone Motta takes first place in sales of this type of product. These are also joined by the Colomba Bauli, a product that fully expresses the Bauli Method, dedicated to the most

demanding palates and made according to traditional processing methods.

Bauli uses only selected raw materials and adopts artisan-inspired production processes that are based on the ancient tradition of sourdough. A key element of this process is a core of fermented dough to which water and flour are gradually added. This procedure, which takes up to 40 hours, is invariably repeated at the same pace since time immemorial. Thanks to this processing method, Bauli products have a remarkable shelf life without the use of preservatives.

BAULI PRODUCTS HAVE A REMARKABLE SHELF LIFE WITHOUT THE USE OF PRESERVATIVES.



EVERYDAY PRODUCTS

Careful processing, selected ingredients, and continuous research: this is the recipe by which we have been baking everyday products for over a century. Proud to be part of your everyday life, we want you to rediscover unique flavors and make your everyday tastier, with soft and fragrant products for a mouthwatering moment of sweetness.

Croissants, shortbread cookies, snacks, crackers: with its brands, the Bauli Group offers products suitable for every preference, which lend themselves to different consumption occasions, accompanying consumers from breakfast to dinner, from a break to a main meal.

In this market segment, the Group also develops products for health-conscious consumers: thus, a wide range of lighter, lower-fat products is born, ensuring the selection of high-quality raw materials.

Doria's *Semplicissimi* is a concrete example of this strategy; an assortment of sweet and savory offerings, such as Legumes and Rice snacks, made with 90% legumes, less than 3% fat, and baked in the oven.

These new savory snacks feature a strong focus on the environment: raw materials are locally grown and produced by plants running on renewable energy and with paper packaging 100% recyclable.



INTERNATIONAL PRODUCTS

The Group now brings to the world not only the goodness of products beloved for their Italian style, but also recipes adapted and tailored to meet the tastes of the many markets in which the Group operates, such as Southeast Asia.

The process of international growth began in the 2000s and was consolidated with the opening in 2017 of a state-of-the-art production plant in Baramati, India. The approach has been that of a vertical multinational, where on one hand the raw material is sourced locally to ensure freshness of the products and on the other hand Bauli's centuries-old expertise and know-how has ensured the distinctive quality of its products. Currently Bauli India represents the entry point to the Asian market for which major growth is expected in the coming years in several markets.

2000s

PROCESS OF INTERNATIONAL GROWTH.

2017

THE OPENING OF A STATE-OF-THE-ART PRODUCTION PLANT IN BARAMATI, INDIA.



4.2 PROMOTION OF HEALTH & WELLBEING

FOOD PLAYS A FUNDAMENTAL ROLE, BOTH AS AN INDISPENSABLE ELEMENT AND AS A SOURCE OF PLEASURE. THEREFORE, THE PRODUCTION, MARKETING AND CONSUMPTION OF FOOD SHOULD CONTRIBUTE TO THE WELL-BEING AND HEALTH OF CONSUMERS.



To this end, the Group has developed the new “Health & Wellbeing” Business Unit. The creation of the Business Unit stems from the need to strategically consolidate and coordinate the various activities that have developed in recent years in different business areas to promote healthy lifestyles and proper nutrition. “Health & Wellbeing” will also have control of Alpipan and Bauli Slovakia & Czech Republic while maintaining these autonomous units with independent management. This is a cross-category and cross-country role that will require a coordinated and strategic approach to maximize Bauli Group’s international expansion opportunities.

The new Business Unit will respond to the growing demand for gluten free and lactose free products. Precisely to meet the needs of this market, two lines have been created, under the Bauli and Doria brands, dedicated exclusively to “free-from” products and including bread, savory snacks, breadcrumbs, pasta, cookies and breakfast products. Furthermore, Bauli has also ventured into protein-based products, further broadening its offerings to cater to varying dietary preferences and needs.

In 2023 the Company successfully developed a number of new

NEW “HEALTH & WELLBEING” BUSINESS UNIT. THE CREATION OF THE BUSINESS UNIT STEMS FROM THE NEED TO PROMOTE HEALTHY LIFESTYLES AND PROPER NUTRITION.

references, such as Gluten-Free Bucaneve, Lactose-Free Bucaneve, and Added Sugar-Free Bucaneve, by which Bauli intends to spread distribution both on Modern Trade and Pharma&Specialized Channels. In addition, Bauli constantly collaborates with research organizations, universities and other stakeholders

through innovative projects focused on the health and well-being of end consumers. The wellness sector represents one of the main drivers of growth and internationalization for the Bauli Group, currently representing about 5% of total sales. The goal is to further develop this sector with healthy products by exporting them worldwide.

4.3 FOOD QUALITY AND SAFETY

The correct and constant management of the aspects of quality, product safety and consumer protection are the main priorities for Bauli. The company is aware that potential food contamination can have serious consequences for the health and confidence of consumers. Therefore, Bauli takes a steadfast approach to ensure maximum safety and satisfaction of consumers. In particular, the Group pays attention to minimizing risks related to the presence of allergens, and contaminants within both products and the production processes. Furthermore, the Group does not utilize GMOs as raw materials.

In this context, Bauli's integrated Quality Management System has been designed and updated with the aim of "Fare Qualità a 360 gradi" to maintain and improve the Group's own process and product quality standard, increase the level of customer/consumer service, comply with mandatory and voluntary safety and environmental requirements.

Quality is not only a technical issue but is based on everyday behavior and awareness of all the people in the Company. Therefore, Bauli pays utmost attention in the promotion of a culture of quality among its employees. The first step in creating the set of attitudes, values and beliefs that can lead to healthy and conscious choices is to measure the level of awareness.

**"FARE QUALITÀ
A 360 GRADI" TO
MAINTAIN AND
IMPROVE THE GROUP'S.**

QUALITY CULTURE

In the course of 2022, the 'I Bignami della Qualità' survey took place involving employees on multiple aspects, from the Integrated Quality Management System to the main initiatives implemented by the Group. The most relevant aspect that emerged from this first phase of assesment is that the rate of employee confidence in the quality and safety of Bauli products is extremely high.

In addition, based on the information gathered, training initiatives involving all employees will be designed with the aim of filling the gaps found and increasing awareness about Bauli's quality culture.





QUALITY ASSURANCE

As a result of the ONE BAULI corporate restructuring and organization process, the management of quality and food safety aspects will come under the responsibility of the central function called Operations. In particular, all responsibilities in the areas of Food Labelling, Certifications and Audits, Food Safety and Customer Service will be included. The activities carried out are based on precise management and operational procedures that are constantly updated and contained within the Bauli Group Quality Management System Manual.

At the individual production sites, the Group guarantees the presence of specific Quality Assurance experts, who coordinate teams dedicated to overseeing quality and food safety aspects. There are also specific referents on Food Hygiene, who guarantee the application at the site level of the guidelines prepared at the central level, through the definition and coordination of specific sanitization plans and cleaning procedures necessary to guarantee the hygiene of environments and processes.

As early as 1996 Bauli adopted the quality management system. Bauli considers this system fundamental not only for managing system activities, but especially for managing production processes to guarantee products with high quality standards.

Moreover, the Company has been meeting the requirements of the main international product safety and quality management standards for years, through compliance with standards recognized by the GFSI (Global Safety Initiative) such as BRC Food and IFS Food, which are guaranteed by all the production plants of the parent company Bauli S.p.A., as well as by Alpipan when it comes to ISO 9001 and BRC.

THE ACTIVITIES CARRIED OUT ARE BASED ON PRECISE MANAGEMENT AND OPERATIONAL PROCEDURES THAT ARE CONSTANTLY UPDATED.



IN ADDITION, THE GROUP HAS OBTAINED THE FOLLOWING PRODUCT CERTIFICATIONS FOR SOME BRANDED AND PRIVATE LABEL PRODUCTS, INCLUDING:



FAIRTRADE. This certification stems from the realization that what puts farmers around the world in the most difficulty is the falling prices of their products. That is why, Fairtrade has established a mandatory minimum price for each type of products, calculated together with the farmers themselves to cover the costs necessary for sustainable production.



RSPO (Roundtable on Sustainable Palm Oil). Despite its unique qualities as a product and its high demand, palm oil has a mixed reputation. When produced unsustainably, it can have negative impacts on the environment, wildlife and human rights. RSPO is a global organization with volunteer members focused on uniting stakeholders throughout the palm oil supply chain to develop and implement global standards for sustainable palm oil.



UTZ QUALITY FOOD (now part of the Rainforest Alliance). The UTZ label represents more sustainable agriculture and better opportunities for farmers in the cocoa supply chain. Compliance with stringent requirements by UTZ-certified farms and businesses is verified by independent certification bodies making it particularly challenging to obtain this certification. These requirements include good agricultural practices and farm management, safe and healthy working conditions, combating child and forced labor, and environmental protection.



BIOLOGIC. Companies that decide to obtain certification must ensure that processing takes place using ingredients from organic farming and reducing the use of additives, possibly limiting themselves to using those contained in the list authorized by the European regulation. Appropriate processing and packaging procedures must also be adopted, correctly identifying within the production compartment both organic raw materials and finished products.



LACTOSE FREE. This certification protects people with lactose intolerance, who are unable to digest this sugar properly. Lactose free certified products offer a safe alternative for these people, allowing them to enjoy the benefits of dairy products without causing digestive problems.



GLUTEN FREE. This certification is critically important for people with celiac disease or gluten sensitivity, as gluten consumption can cause damage to the small intestine. Certified gluten free products offer a safe option for these people, allowing them to avoid gluten in their diet.

For Bauli, obtaining "lactose free" or "gluten free" certification involved adjusting production processes and internal procedures to ensure that those certified products meet specific contaminant-free requirements, from selecting raw materials, adopting separate production protocols and implementing preventive measures to avoid cross-contamination.

MONITORING AND CONTROL

Monitoring and control activities related to food quality and safety cover all stages of the value chain, from supplier qualification and selection to the collection of documentation, to the continuous analysis and assessment of risk related to these aspects. The types and frequency of controls and analyses are constantly updated and calibrated according to critical issues that emerge and best focus attention and resources.

All incoming raw material compliance analyses, both food-grade and packaging-related, are carried out according to well-defined control plans based on risk analysis, following the procedures set out in the Health Assurance Manual.

For each production site, there is a HACCP section within the Manual that reports the quantitative risk analysis (AOR) based on the assessment of hazards for each raw material, packaging and process step, relative probability of occurrence and significance of potential impact. Based on this analysis, the appropriate Control Plans are then prepared for the purpose of assessing the impacts on consumer health and safety for 100% of the Company's products.

The control plans adopted are specific to each production line and, in the case of recurrence, are defined in detail for each specific product family or type. Each plan contains the parameters to be checked, frequency of analysis, responsibilities, methods of evaluation and recording, and possible response actions in case of non-conformity.



Most of the evaluations are carried out in self-control by the line operators themselves. When carrying out the controls, the operators ensure that the results are recorded on a company computerized system through special devices. All recorded findings can be extracted from the system at any time for analytical and decision-making purposes.

Laboratory analyses required by the control plans, due to the instrumentation and professionalism required, are instead carried out by specialized technicians. These include thousands of chemical and microbiological analyses per year, both at the Company's own facilities and through affiliated laboratories, to check the conformity of ingredients and the absence of, for example, substances such as GMOs, allergens and contaminants in general.

In the Group's most relevant plants, such as Castel D'Azzano and San Martino Buon Albergo, the company has in-house laboratories capable of

EACH PLAN CONTAINS THE PARAMETERS TO BE CHECKED, FREQUENCY OF ANALYSIS, RESPONSIBILITIES, METHODS OF EVALUATION AND RECORDING, AND POSSIBLE RESPONSE ACTIONS IN CASE OF NON-CONFORMITY.

carrying out the chemical, physical and microbiological analyses required by the types of controls performed.

Even before the products are sold, they are inspected and subjected to specific controls: in the Christmas campaign, at the end of the production process, there were about 56,000 analyses including organoleptic, visual, chemical-physical and microbiological.

Product conformity analyses are carried out by means of external audit procedures, by clients, certification bodies and control authorities, or internal, analyzing products and production processes that have been mapped over time.

To ensure compliance with regulations pertaining to food safety and product labeling, the Group maintains an ongoing collaboration with the relevant trade association, Unionfood. This partnership involves active engagement and continuous communication to stay informed about various regulatory developments in the industry.

The company has further solidified its commitment to staying up to regulatory advancements in the food sector by entering into dedicated service agreements with specialized laboratories and consulting firms. Bauli actively collaborates with reputable scientific institutions, including the University of Milan, the University of Verona, and the University of Udine, for comprehensive studies addressing issues related to food hygiene and safety. This multifaceted approach ensures the company's continuous awareness and alignment with industry regulations.

REPORTS AND COMPLAINTS MANAGEMENT

The Company is committed to reduce and possibly eliminate risks resulting from any critical situations that may occur, through careful and rigorous management of complaints and other types of reports or alerts.

A dedicated reporting system is in place to collect any instances of nonconformities on product quality from both customers and end consumers, which will be extended to all foreign companies in the coming years. Reports of non-conformities made by customers are handled by the Sales Department, while those made by consumers are handled

through a dedicated Courtesy Service. Both types of reports flow into a centralized computer system and are checked by the Quality Department, which, if necessary, proceeds with the necessary planned response actions.

Specifically, upon using the Q-Matrix system, the company can prioritize addressing complaints based on their importance and urgency. This allows resources to be focused on nonconformities that significantly affect product quality or consumer experience, ensuring a timely and effective response to their concerns. The notable issues that may arise during the examination of complaints and subsequently require attention from the CEO and the Board of Directors can be communicated through the deliberation of the Management Reporting, where the Key Performance Indicators pertaining to complaints are featured. Based on the data collected, Bauli carries out monthly elaborations and communicates specific KPIs related to food quality, including the number of reports per million units of product sold, which serves as a benchmark for setting performance goals within the respective function.

PRODUCT TRACEABILITY

Bauli has adopted an identification and traceability procedure, supported by a fully computerized system, designed to ensure full traceability both internally and externally to the Group. The procedure guarantees the recognition of raw materials, packaging materials and finished products against the requirements expressed by current regulations, the company's self-control system and customers.

Traceability ensures that it is possible to trace the composition of the product (raw materials, packaging materials, suppliers) and the relevant controls performed, as well as to trace the destination of a product batch. This is possible through the integration of the two traceability recording systems: the

USING THE Q-MATRIX SYSTEM, THE COMPANY CAN PRIORITIZE ADDRESSING COMPLAINTS BASED ON THEIR IMPORTANCE AND URGENCY.

internal system that allows matching individual supplies of raw materials to individual batches of finished product, and the external system that allows recording information about incoming material and the information needed to tie a batch of finished product leaving the warehouse. A "Supplier Portal" project is being developed that will further improve the traceability of raw materials by considering their country of origin.

Specifically, all raw materials, including bulk materials, primary packaging, and those that make up the unit of sale to the end consumer are managed with SSCC labels (so-called "logistics label"); their use in production is recorded by the relevant employees in the electronic traceability system.

Furthermore, during product packaging on the individual consumer sales unit, the production lot and TMC (minimum shelf life) are printed in plain text. The carton or visual box (commercial unit) is identified through a bar code corresponding to the item contained, a plain text lot code and the TMC applied on the production line through automatic or manual markers. Additional information in addition to the daily batch code is printed on cartons and visual boxes, such as, but not limited to, the shift. The computer system recognizes the product in transit by applying a label during palletization, which allows retrieving all traceability and logistics management information (e.g., TMC, palletization quantity, production batch, and SSCC – pallet identification number code).

4.4 PRODUCT & PROCESS INNOVATION

THE BAULI GROUP ACTIVELY OVERSEES PRODUCT INNOVATION THROUGH A DEDICATED RESEARCH AND DEVELOPMENT (R&D) TEAM ENGAGED IN VARIOUS AREAS OF ACTIVITY, SUCH AS: PRODUCT DEVELOPMENT, PACKAGING, SENSORY AND PILOT PLANT.

There are more than 100 continuously active projects managed by the company, with an allocation of projects to the Group's various brands that responds in a balanced manner to their relative size and importance. In addition, there is an internal group dedicated to innovation, composed of the Sales, Marketing, R&D, Operations and Finance departments, with the task of defining and updating a corporate Master Plan on the topic. This activity allows the Group to plan the development of different initiatives with a three-year perspective, calibrating the available resources and avoiding any overlap in new product launches.

The Group carries out a significant number of new product launches (more than 30 each year). In the past three years, the incidence of sales from new products has in fact exceeded 6% of the total, highlighting the company's significant propensity for innovation.

The effectiveness of internal R&D processes is ensured by the application of the "Stage&Gate" methodological approach, which involves several stages of development: idea definition, feasibility study, project approval, development at the pilot plant, industrial testing and finally market launch.

Newly developed products are often distinguished by features aimed at promoting the health and well-being of end consumers, such as natural,

Main areas of innovation

Natural:	All natural products (Semplicissimi), Free from preservatives (Croissants), wholegrain (Croissant, Buondi, Biscuits, Crackers, Snacks)
Lactose free:	Bucaneve Doria, Panettone, Pandoro, Colomba, Croissants e Buondi Motta
No added sugar:	Croissant Bauli, Bucaneve Doria
Low fat:	Snack Semplicissimi Doria
Vegan:	Cracker Semplicissimi Doria
Packaging with low environmental impact:	Snack, Semplicissimi Doria, Colomba e Croissant Bauli
Rich in fiber:	Croissant, Biscuits, treccine, Panettone, Colomba

whole grain, fiber-rich, preservative-free, and "Free-from" products. Doria's "Semplicissimi" line is one of the leading "100% Natural" products, as it is completely free of chemical additives, flavorings, and preservatives.

Regarding packaging, the project to replace paper baking molds with compostable equivalents came to an end in 2023. The main goal was to reduce its environmental impact and to achieve approximately 100 percent recyclability of all the Group's primary packaging.

The Group has also activated several initiatives to reformulate existing product recipes to improve their nutritional and healthiness characteristics. Projects have been implemented to transform product lines such as Buondi through Lactose-Free formulations.

Another area of strong development is related to the creation of new high-quality products with artisanal characteristics. Research in this area is carried out through continuous experimentation on the characteristics of the products, also promoted thanks

to the integration in the R&D team of professionals from the world of Italian haute patisserie.

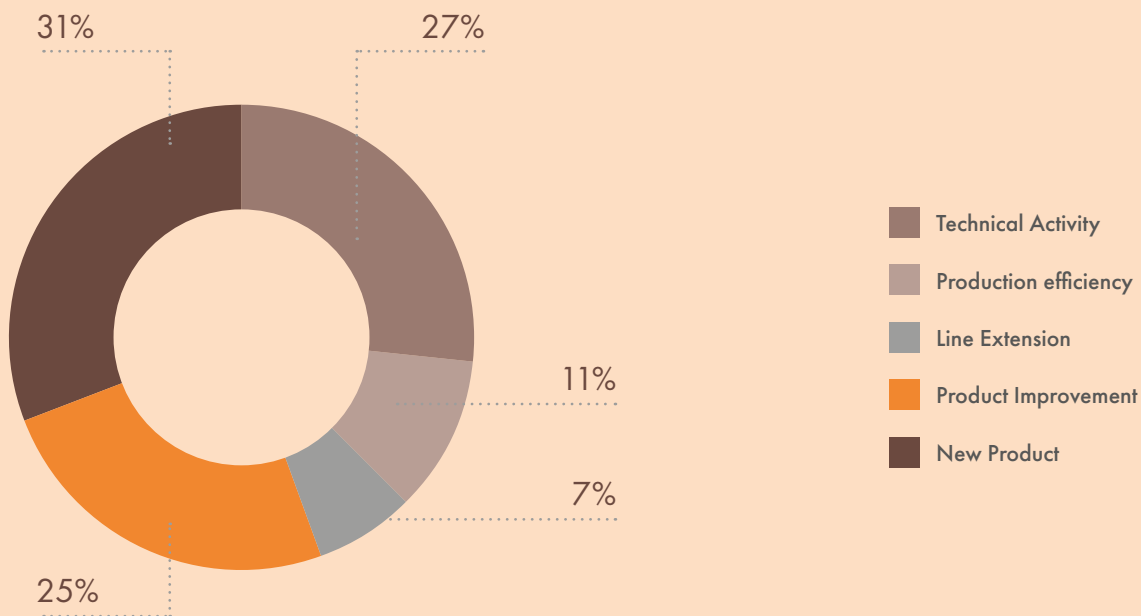
In the process of developing new products, the Group is making increasing use of “Sensory” activities, which involve both the use of sensory analysis (use of human senses in the objective evaluation of food products) and testing with the final consumer. Sensory analysis,

used to profile products in terms of characteristics such as appearance, texture, smell and taste, is conducted within a dedicated laboratory by a panel of trained tasters. Consumer testing, conducted in collaboration with specialized companies, allows for statistical feedback that is associated with the result of sensory analysis for the purpose of product validation and

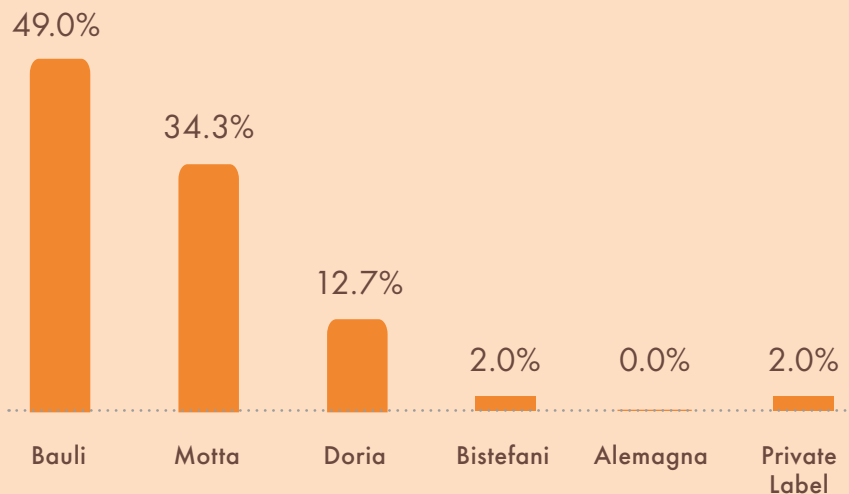
in-depth analysis of consumers’ sensory preferences.

Thanks to constant collaboration among the Group’s companies and with external companies with a view to networking and Open Innovation, Bauli can develop new types of products with know-how, professionalism and specific technologies.

R&D Project by type (2022-2023)



R&D Projects by brand (2022/2023)



The Group during 2023 defined collaborations with “Cast Alimenti” and internationally renowned master pastry chefs to offer cutting-edge training courses to young people and catering professionals by providing notions, teachings and technologies to reconcile theoretical knowledge with practice.

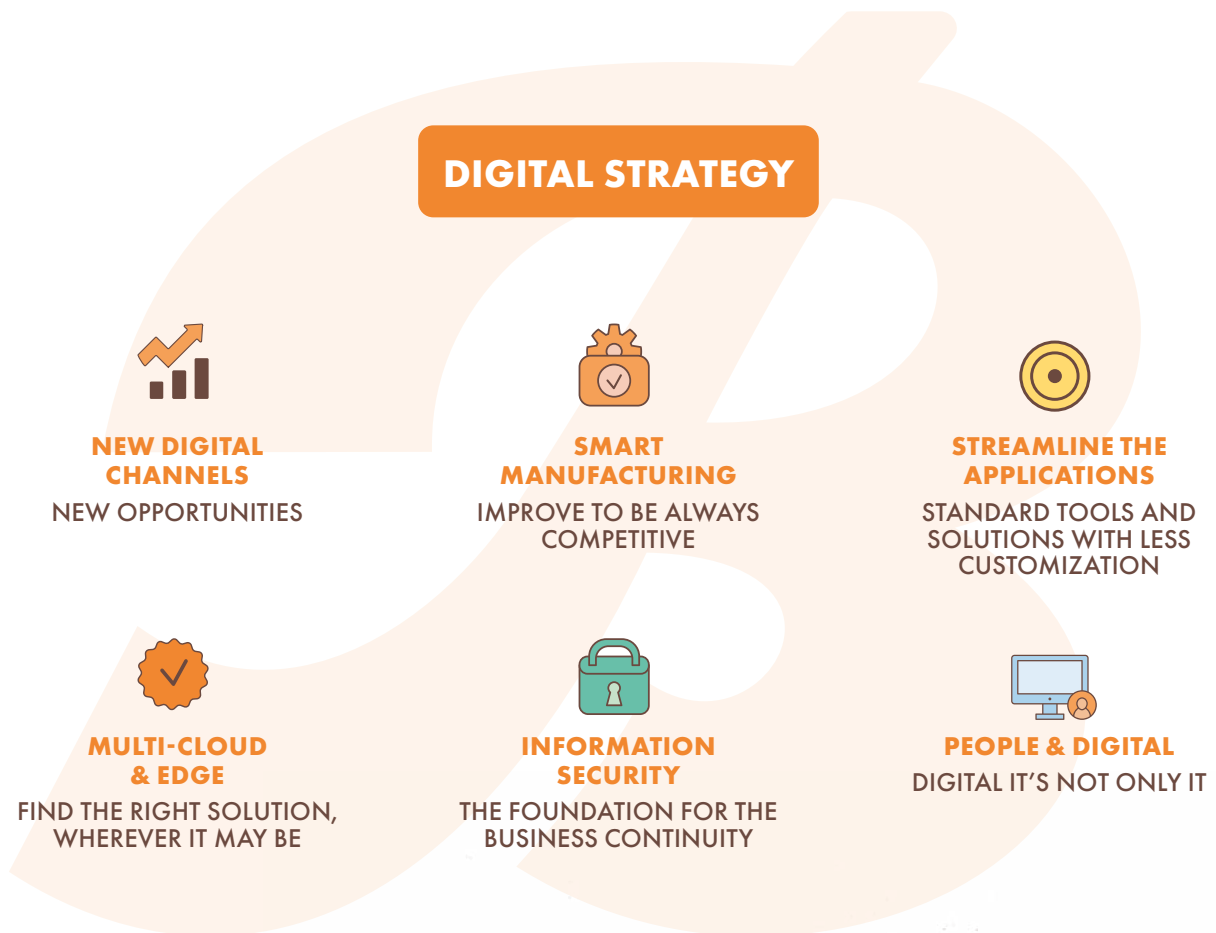
Bauli has also activated fruitful collaborations with several universities, managing over time to consolidate an essential network to support its R&D activities. The projects developed are aimed at solving specific critical issues related to the production process or deepening product-related aspects.

DIGITAL TRANSFORMATION AND INNOVATION

During 2023, the Bauli Group has developed a new digital strategy to stay abreast of technological evolutions and meet customer needs. Bauli’s digital transformation is based on five pillars: New Digital Channels, Smart Manufacturing, Application Simplification, Multi-Cloud & Edge, Information Security.

Specifically, through the simplification of business applications Bauli is committed to providing easier and more intuitive access for employees, facilitating collaboration and innovation. “Click and sign” is a digitalization project aimed at approving and digitally signing documents.

BAULI IS COMMITTED TO PROVIDING EASIER AND MORE INTUITIVE ACCESS FOR EMPLOYEES, FACILITATING COLLABORATION AND INNOVATION.



This initiative is significant not only because it eliminates the need for IT involvement but also because it reduces paper usage and is seamlessly integrated into the cloud. In addition, over the past five years, the Group has made numerous strides in terms of adopting digital transformation solutions. Among the Smart Manufacturing activities underway, it is important to mention the integration of IoT (internet of Things) technologies within traditional manufacturing processes, so that process data can be collected and analyzed in a short period of time. In this way, essential information can be identified to improve the performance of production lines, reduce material and energy waste, strengthen safety at the site level.

In this context, the Group has also embarked on a process of integrating existing manufacturing technologies with sensors that enable it to collect and provide relevant data and information in real time. The introduction of SCADA (Supervisory Control and Data Acquisition) and MES (Manufacturing Execution System) software systems also makes it possible to acquire such data on a running process and perform supervisory operations on it locally or remotely, to the point of interacting in an integrated way with the existing ERP system to optimize production, logistics, and availability and resource control processes. Also, among the factors considered is compliance between cybersecurity and new technologies with the aim of adopting innovative systems with the highest level of security available.

The strategy also includes adopting a Multi-Cloud & Edge approach, which will enable Bauli to take full advantage of the opportunities offered by different cloud platforms and edge technologies to ensure the scalability and flexibility of its digital services. Finally, by opening to new digital channels, Bauli aims to expand its online presence, reaching a broader and more international audience and improving communication with its customers.

As part of these innovation activities, the Bauli Group has developed an ongoing collaboration with the Verona Digital Innovation Hub (Speedhub) founded by Confindustria Verona, which specializes in supply chain and manufacturing issues. A digital training program for the manufacturing industry called Dreamy 4 Skills will be launching in 2023/2024. The program includes customized training through an analysis of employees' digital maturity in the following macro areas:

- ICT Literacy, refers to improving employees' skills in managing new digital technologies and software used
- Cybersecurity and privacy, aimed at increasing risk awareness and the adoption of best practices to ensure the integrity of the Group's digital documentation
- Additive manufacturing refers to the development of skills in three-dimensional printing technologies applied to the simulation and prototyping of new products
- Cobots and wearable devices (smart eyewear/clothing) are cutting-edge solutions that enable work efficiency from most manufacturing companies. The Company's commitment is to put automation at the service of its employees, so that it facilitates and simplifies their work rather than replacing it

BAULI AIMS TO EXPAND ITS ONLINE PRESENCE, REACHING A BROADER AND MORE INTERNATIONAL AUDIENCE AND IMPROVING COMMUNICATION WITH ITS CUSTOMERS.

- Internet of Thing and Maintenance 4.0, with a view to providing the skills needed to remotely manage and monitor production lines and business processes

The digital readiness detected in Bauli demonstrates a high level of attention to the product quality level, a good ability to execute processes, supported by the know-how of the operators. There is awareness of the importance of integrating business information systems and developing automation in production. The next step will be to design ad hoc training courses to develop the skills needed in a rapidly changing environment.

4.5 RESPONSIBLE MARKETING AND COMMUNICATION

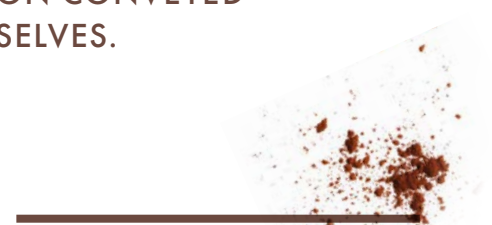
THE BAULI GROUP IS COMMITTED TO MAKING TRANSPARENT AND TRUTHFUL INFORMATION AVAILABLE TO ALL ITS CONSUMERS, THEREBY REDUCING THE POSSIBLE IMPACTS ASSOCIATED WITH MISLEADING COMMUNICATIONS FOR CUSTOMERS AND END CONSUMERS. THIS ATTENTION IS REPORTED BOTH THROUGH COMMERCIAL COMMUNICATION (ADVERTISING ON TV, ONLINE AND SOCIAL MEDIA) AND THROUGH COMMUNICATION CONVEYED THROUGH THE PACKAGING OF THE PRODUCTS THEMSELVES.

Consumer First represents the approach behind all the Group's communication activities and is embodied in the continuous improvement of end-consumer knowledge through constant mapping and dialogue activities aimed at identifying macro-profiles and digital clusters (DMPs). Everything starts from a deep analysis carried out by the CMI function regarding the positioning of the Group's brands and the real needs of consumers, to then activate communication strategies on specific targets and with relevant messages based on their interests. Bauli through a matrix profiling strategy is able to identify the typical consumer considering four macro-clusters.

The gradual increase in consumer-related information, developed through questionnaires, digital tracking, and other interaction tools, allows the Group to constantly enrich its CRM to define targeted content and specific performance indicators (KPIs) for each content, channel and moment of the consumer

interaction path, from a "Consumer Journey" perspective. These activities are carried out by paying constant attention to Consumer Privacy aspects, acting beyond regulatory obligations to ensure respect for personal data and information.

The Group chose to communicate the concrete results of its sustainability efforts, telling in an honest and transparent way what has been achieved. In this sense, during 2021, it began to integrate messages on the packaging of some of its main products to communicate material savings, reduction of emissions and transportation, as well as the 100% recyclability of Colomba Bauli packaging. The Bauli website also hosts a new section dedicated to the "Path of Goodness," a summary of the steps to achieve a more sustainable tomorrow. At the Corporate communication level, of significant importance is the development of a specific LinkedIn editorial strategy, which has enabled the Group to significantly strengthen its follower base and interaction with



THESE ACTIVITIES ARE CARRIED OUT BY PAYING CONSTANT ATTENTION TO CONSUMER PRIVACY ASPECTS, ACTING BEYOND REGULATORY OBLIGATIONS TO ENSURE RESPECT FOR PERSONAL DATA AND INFORMATION.

consumers, as well as the Analytics activity related to the new *Bauligroup* website, which has enabled constant monitoring of the effectiveness of the Group's online communication. Especially on this channel, the Group has started to convey targeted messages to tell about its vision, mission, values, as well as specific projects on sustainability issues.

Communication to the end consumer is developed through specific advertising campaigns through television or digital channels, carried out during specific periods based on the type of brand considered, as well as through communication activities aimed at promoting new products and the use of new sales channels such as e-commerce. On the latter, the company has developed in recent years an e-commerce platform dedicated to the sale of products with handcrafted characteristics, for example through the "TuoBauli" project that allows the end consumer, during the Christmas period, to customize the product and packaging directly on the initiative's website.

RESPONSIBLE LABELING

In terms of product labeling, the Group's activity is carried out in collaboration between the functions of Research and Development, Quality Assurance and Production. The activity related to Food Labeling starts as early as the supply of the raw material, which involves the preparation of a specific data sheet that is sent to the Food Labelling group.

Once approved, the product bill of materials is sent to Quality Assurance. With the support of a specific computer management system, fed by the information contained in the data sheets of the raw materials purchased, the recipe is entered to automatically obtain the lettering and nutritional characteristics of the product.

The indications from Marketing regarding the characteristics to be highlighted and communicated to the consumer through claims are appropriately verified to ensure the correctness and conformity of the communication affixed to the product. Also, in terms of claims related to the sustainability characteristics of the product or packaging, the QA function works closely with R&D and Marketing to develop consistent and truthful communication, ensuring that all evidence is collected to support the messages affixed to the packaging.

During the 2022-2023 reporting period, there were no incidents of non-compliance regarding information and labeling of products and services. In addition, during the same period, there are no reported incidents of non-compliance regarding marketing communications.



**TRUTHFUL COMMUNICATION,
ENSURING THAT ALL
EVIDENCE IS COLLECTED TO
SUPPORT THE MESSAGES
AFFIXED TO THE PACKAGING.**

DIGITAL PR



To celebrate the 100th anniversary of the Bauli Group, a special influencer marketing project was developed with the aim to enhance the visibility of the centenary. This initiative focused on an engaging storytelling that would spotlight the history of the brand and its iconic products, while establishing a distinctive brand identity through influencer-generated content.

Therefore, four influencers were invited to Verona, each representing distinct clusters to engage diverse target audience. They were then guided in a step-by-step tour of the city, aimed at contextualizing the Brand's image among the Symbols of Verona.

The tour, which started from "Minuto di Bauli" in the city center, stopped at the most iconic places in Verona, from Romeo and Juliet's balcony to the Arena, finally reaching the Biblioteca Capitolare, the venue for the press conference. The day then ended at the Castel d'Azzano Plant, where influencers and a group of journalists were able to discover the magic of natural leavening and the creation of the Group products.

5

SUPPLY CHAIN **60**

5.1 OUR INGREDIENTS AND RAW MATERIALS 65

5.2 RESPONSIBLE SOURCING 70





THE GROUP'S DIRECT SUPPLIERS ARE LOCATED PRIMARILY IN ITALY AND EUROPE, FOSTERING ENDURING PARTNERSHIPS GROUNDED IN SHARED ETHICAL VALUES. ENSURING PRODUCT QUALITY, SAFETY, AND STAKEHOLDER CONTENTMENT HINGES ON RESPONSIBLE PROCUREMENT OF RIGOROUSLY CONTROLLED, HIGH-QUALITY INGREDIENTS. BAULI DEVELOPED A SUPPLIER ASSESSMENT SYSTEM THAT INCLUDES PRECISE APPROVAL PROCEDURES, APPLYING STRINGENT EVALUATION CRITERIA TO IDENTIFY TOP-PERFORMING COMPANIES IN TERMS OF QUALITY, HEALTH, AND SAFETY STANDARDS.

Responsible sourcing of controlled, high-quality ingredients is key to ensuring product quality and stakeholder safety and satisfaction. The business benefits of responsible sourcing are clear: it helps ensure the high quality that is a hallmark of Bauli's operations, reduces risk, stimulates innovation and promotes transparency in supply chains. This report represents Bauli's first step to a better understanding and mapping of the critical issue that may arise through its supply chain, from human rights violation to environmental impacts.

The company is firmly committed to initiate a comprehensive process aimed at identifying and addressing potential risks within its operations and supplier network in terms of freedom of Association, child labour and forced labour.

The Group's supply chain, consisting of various levels of sourcing and subcontracting located in Italy and abroad, is based on long-term partnerships with reliable, high-performing suppliers that are constantly monitored through time-tested modes of engagement.



THE GROUP'S SUPPLY CHAIN IS BASED ON LONG-TERM PARTNERSHIPS WITH RELIABLE, HIGH-PERFORMING SUPPLIERS THAT ARE CONSTANTLY MONITORED THROUGH TIME-TESTED MODES OF ENGAGEMENT.



97%

OF THE RAW MATERIAL PURCHASED CONSISTS OF RENEWABLE MATERIAL



40%

OF RELEVANT SUPPLIER WERE ASSESSED THROUGH ECOVADIS



87%

OF THE PACKAGING MATERIAL CONSISTS OF PAPER



Butter

European origin, produced by major dairy cooperatives and transported in concentrated form to maintain maximum quality.



Flour

Sourced from Italy, France, Austria, Germany and partly from East Europe. The flours are then processed at Italian mills from which the Group sources its supplies.



Eggs

Mainly Italian within a few kilometers of the production plants.



Sugar

Sourced mainly from European beet suppliers, who are required within the appropriate specifications to specify botanical and geographic origin.



Dried fruit

Mainly raisins, produced and processed in Turkey.



Cocoa

Produced in Ghana and Côte d'Ivoire, is then processed on European soil and made into chocolate mainly in Italy.



Vegetable fats

Sourced from tropical areas of Southeast Asia.



The Group's approach to purchasing raw materials and packaging-related products involves working with direct producers and importers, depending on the type of material purchased. The ability to make use of strong purchasing contracts with importers, in particular, enables the company to minimize the risks associated with major supplies, related to transportation activities or availability of goods from manufacturers.

Procurement processes for raw materials and packaging are based on the company's ability to constantly analyze market trends and adapt orders to production needs and price changes.

The most significant category of suppliers in economic terms is direct material suppliers (raw materials, packaging materials, third-party finished products, surprises, energy suppliers, etc.) represented by about

180 suppliers. There are about 1,000 suppliers of indirect materials and services (maintenance and investment, car fleet, utilities services, etc.). Total spending on products and services purchased by the Group is about 200 million euros, most of which are related to raw materials and packaging.

The Group's direct suppliers are located mostly in Italy and Europe, the collaborations are long-lasting and based on shared corporate ethical principles. This is also possible thanks to the complexity and reliability of the approval activities, which enables the company to achieve high levels of trust on the technical and sustainability performance of the suppliers used. Regularly, the company conducts targeted scouting to evaluate the inclusion of new, highly competitive suppliers.



PROCUREMENT PROCESSES FOR RAW MATERIALS AND PACKAGING ARE BASED ON THE COMPANY'S ABILITY TO CONSTANTLY ANALYZE MARKET TRENDS TO ENSURE GUARANTEED PURCHASES CONTRACTS.





5.1 OUR INGREDIENTS AND RAW MATERIALS



FLOURS

The flours used by Bauli are mostly of European origin. These are then processed at Italian mills from which the Group sources its supplies, which can guarantee the right blend of different grains to achieve the rheological characteristics necessary for the company's productions. The increasing demand for higher yields, protein and gluten content has resulted in an excessive use of chemical fertilizers, pesticides and fungicides. This intensification of agricultural practices has improved the quality of the products but produced detrimental effects on the environment. Wheat cultivation is the most impacting phase in the production chains of pasta, bread and bakery products.²

Over the years, Bauli has been able to make a gradual transition from flours produced in North America to more proximate raw materials, with positive consequences not only in terms of controls on the raw material and the use of chemical agents but also in reducing the impacts of transportation.

SUGAR

Bauli mainly uses beet sugar for its products. The European Union is the world's leading producer of sugar beet, with about 50 percent of the total quantity. Most of the EU's sugar beet is grown in the northern half of Europe, where the climate is most suitable.

Crop rotation and fertilization practices that promote a favorable balance of soil organic matter are crucial ecological indicators.

However, advancements in technology, heightened chemical usage and market dynamics have exerted pressure on traditional rotation methods in favor of monocultures. Relying on simplified crop rotations leads to ecological imbalances, such as increased pathogen prevalence, decreased soil fertility and heightened weed competition. Unfortunately, the negative consequences are often disregarded as current agricultural practices prioritize immediate market demands rather than considering the long-term environmental impacts of production.³

Bauli buys sugar almost entirely from European suppliers, who are required within special specifications to specify the botanical and geographic origin relative to the raw material, in order to have complete knowledge about quality and provenance. In addition, European provenance guarantees compliance with quality regulations.

BUTTER & EGGS

Butter and eggs are among the most relevant raw materials both in terms of value purchased and in terms of importance in the production process. The butter purchased is of exclusively European origin, produced by the main continental dairy cooperatives and transported in concentrated form to maintain maximum quality. On the other hand, the eggs used (category "A" first quality, in line with national regulations and company practices) are sourced exclusively from Italy within a few dozen kilometers of the production plants.

The challenges facing the agri-food industry with regards to livestock farms have become increasingly complex over the years. Animal welfare, drug consumption, biosafety, along with the associated health risks, are becoming more interconnected, necessitating an integrated approach. The spread of phenomena such as antibiotic resistance has taken on dramatic proportions in recent years, making proactive intervention planning essential and non-negotiable.

In order to guarantee freshness and quality characteristics, Bauli requires its egg suppliers to shell eggs within 36 hours of laying and guarantees their use in production within a few hours. In addition, due to stringent European legislation there is a high focus on issues such as animal welfare protection and antibiotic use compared to non-European counterparts.

VEGETABLE FATS

The vegetable fats used for the Group's products, among which palm oil excels, are refined in Italy from raw productions mainly from tropical areas of Southeast Asia. Palm oils, along with flour and simple sugars, are the predominant ingredients in most of the cakes and baked goods marketed by Bauli.

Palm oil currently makes up approximately 40% of the global demand for vegetable oil, which is used in food, animal feed, and fuel. Despite its high demand, oil palm plantations cover less than 5-5.5% of the total global oil crop area, thanks to the high yields of oil palm trees. However, the expansion of oil palm plantations in forested areas

² Cappelli, A.; Cini, E. Challenges and Opportunities in Wheat Flour, Pasta, Bread, and Bakery Product Production Chains: A Systematic Review of Innovations and Improvement Strategies to Increase Sustainability, Productivity, and Product Quality. *Sustainability* (2021), 13, 2608. Available at: <https://doi.org/10.3390/su13052608>.

³ Patrick Kelly. The EU sugar sector. EPRS European Parliamentary Research Service (2020). Available at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/652040/EPRS_BRI\(2020\)652040_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/652040/EPRS_BRI(2020)652040_EN.pdf)

of Borneo, Sumatra, and the Malay Peninsula, where over 90% of the world's palm oil is produced, has raised significant concerns about deforestation. The extent of oil palm expansion's direct contribution to deforestation varies greatly, with estimates ranging from 3% in West Africa to 50% in Malaysian Borneo. Moreover, oil palm cultivation has been associated with the draining and burning of peatlands in Southeast Asia. These expansions have resulted in documented negative environmental impacts, including biodiversity loss, greenhouse gas emissions, air pollution.⁴

Despite its unique qualities as a product, palm oil certainly has a not insignificant environmental impact. Aware of this, Bauli has for several years participated in the Roundtable on Sustainable Palm Oil (RSPO), a global organization with volunteer members focused on uniting stakeholders throughout the palm oil supply chain to develop and implement global standards for more sustainable palm oil. Therefore, Bauli ensures that all of its direct vegetable fats suppliers are RSPO certified and is committed to mitigating climate change, improving the livelihoods of smallholder farmers, and ending the exploitation of workers along the vegetable fats supply chain.

COCOA

Used in the form of chocolate for the filling of some of Bauli's references and to produce chocolate eggs. Cacao purchased by the Group comes mainly from East Africa, particularly Ghana and the Ivory Coast. It is then processed on European soil and made into chocolate mainly in Italy.

Approximately 5-6 million households engaged in small-scale farming contribute to about 90 percent of global cocoa production. Around 50 million individuals worldwide depend on the cocoa supply chain for their livelihoods

and sources of employment. The structure of the cocoa supply chain resembles an hourglass shape, characterized by a significant number of farmers, a small number of exporters and processors, and millions of consumers. A mere nine traders and processors dominate 75 percent of the global cocoa trade, wielding significant influence over cocoa prices and the industry's sustainability. Cocoa farming typically involves labor-intensive practices heavily reliant on manual labor, resulting in limited financial returns for farmers.⁵

Bauli produces numerous private label products containing cocoa with UTZ Quality food certification (now part of Rainforest Alliance) or Fairtrade Sourcing Ingredient (FSI)- Cocoa Program. The UTZ label represents more sustainable agriculture and better opportunities for farmers in the cocoa supply chain. Compliance with strict requirements by UTZ-certified farms and businesses is verified by independent certification bodies making it particularly challenging to obtain this certification. These requirements include good agricultural practices and farm management, safe and healthy working conditions, combating child and forced labor and environmental protection. Regarding the FSI-Cocoa Program, Fairtrade has established a mandatory minimum price, calculated together with the farmers themselves to cover the costs necessary for sustainable production.

DRIED FRUITS

Prominent among the dried fruits purchased by the Group are raisins, a white, seedless grape that is particularly suitable for drying and used in the preparation of panettone. This raw material is produced and processed mainly in Turkey, the world's leading producer of raisins.

The environmental impact of raisin production primarily depends on the energy consumed during the drying process. While most raisins are dried using natural sunlight, which significantly reduces the carbon footprint, some raisins are dried using mechanical dryers that rely on non-renewable energy sources. Another environmental concern is the substantial water requirement for raisin production, especially through groundwater irrigation, which can contribute to over-extraction and depletion of an already limited resources in Turkey.

Bauli sources from Turkish suppliers who apply traditional practices that ensure natural drying of the product. This practice greatly reduces the energy impact of production and allows the correct moisture characteristics required for Bauli products to be met.

PACKAGING MATERIALS

In addition to the raw materials needed to manufacture products, the Group uses significant quantities of packaging materials. These are represented by paper (for cartons, visual boxes and paper baking molds), various types of plastics (mainly polypropylene, polyethylene and PET) and metal for tin boxes and closing clip band.

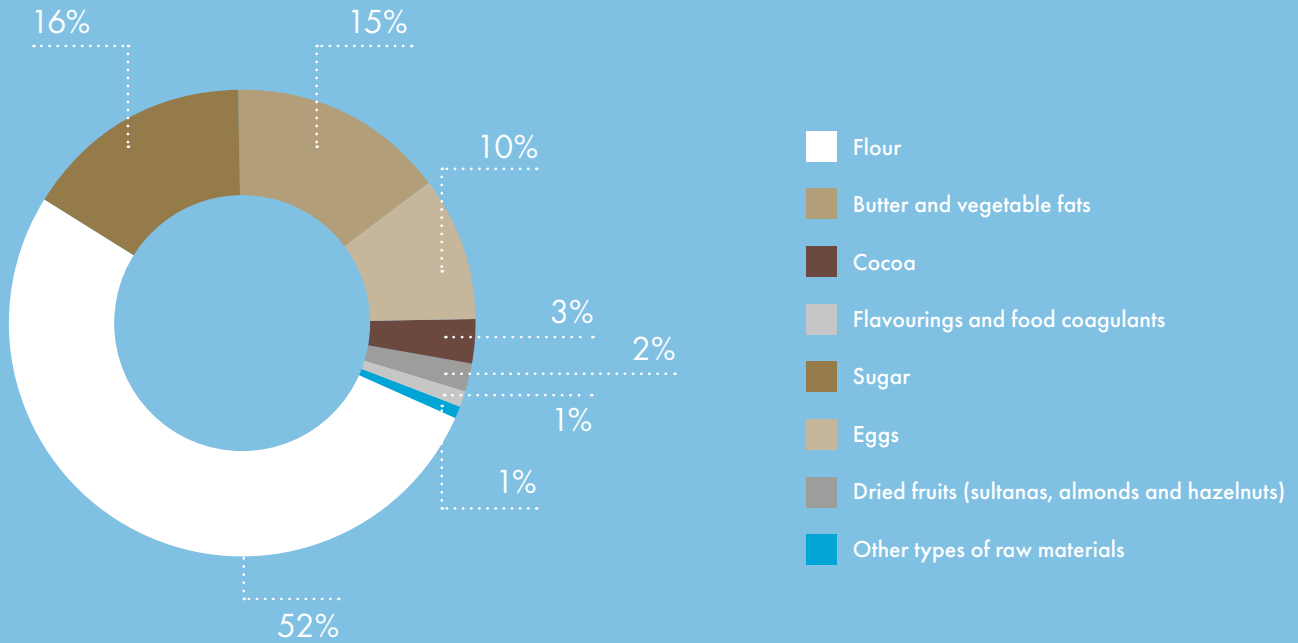
The Group is committed to ensure constant monitoring of the amount of materials used. Specifically, the factories of the parent company Bauli S.p.A. supervise daily and conduct a monthly analysis on KPIs related to the quantities of raw materials and packaging used. With a view to the circular economy, monitoring also covers the volumes of "rework" (raw or cooked dough waste that is reprocessed within the same product) and "zootechnical" (waste sent to the feed industry).

⁴ Meijaard, E., Brooks, T.M., Carlson, K.M. et al. The environmental impacts of palm oil in context. *Nat. Plants* 6, 1418–1426 (2020). Available at: <https://doi.org/10.1038/s41477-020-00813-w>.

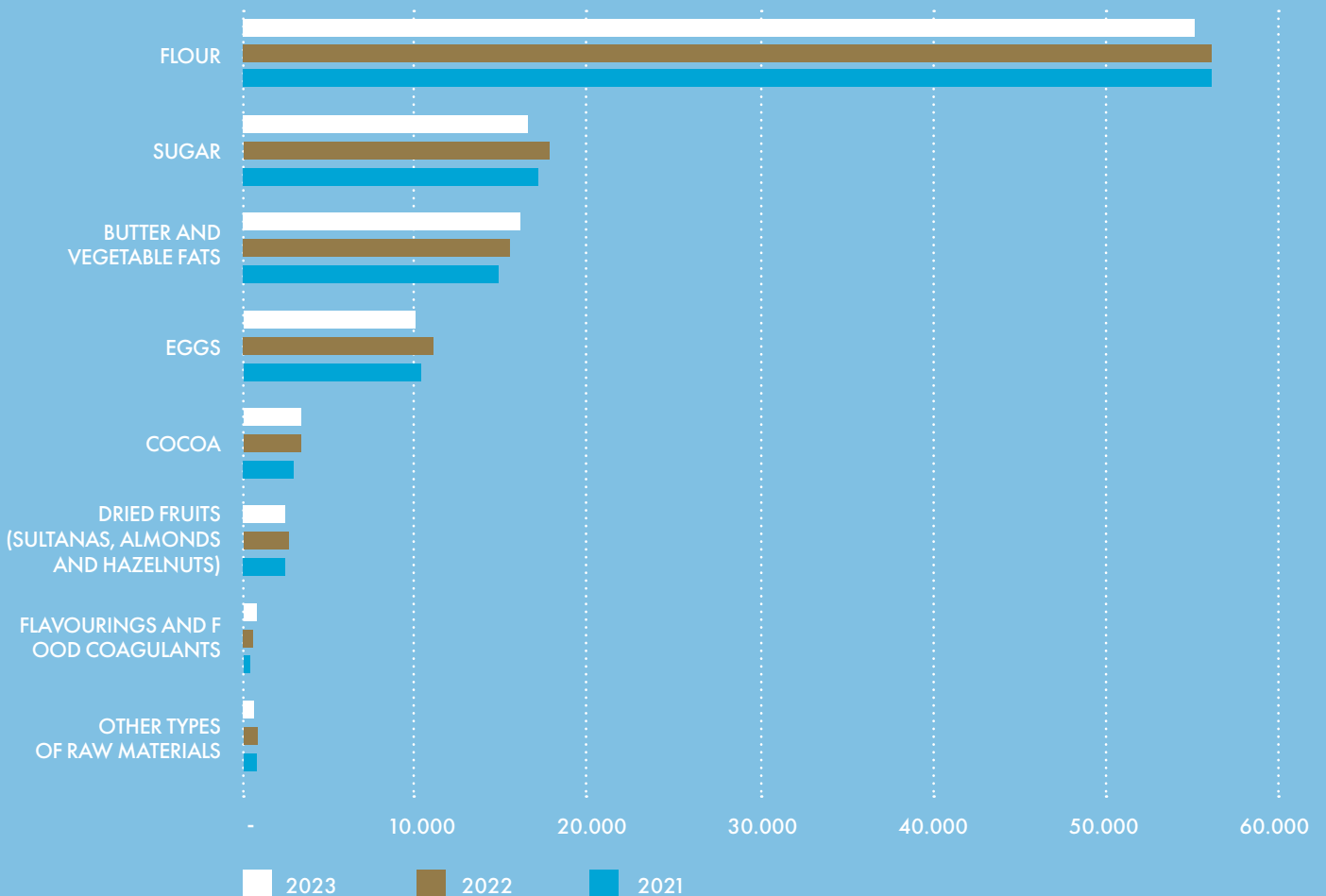
⁵ riskmap.fairtrade.net/countries/cote-divoire

CACAO PURCHASED BY THE GROUP COMES MAINLY FROM EAST AFRICA, PARTICULARLY GHANA AND THE IVORY COAST. IT IS THEN PROCESSED ON EUROPEAN SOIL AND MADE INTO CHOCOLATE MAINLY IN ITALY.

Food raw materials used by the Group (%)⁶

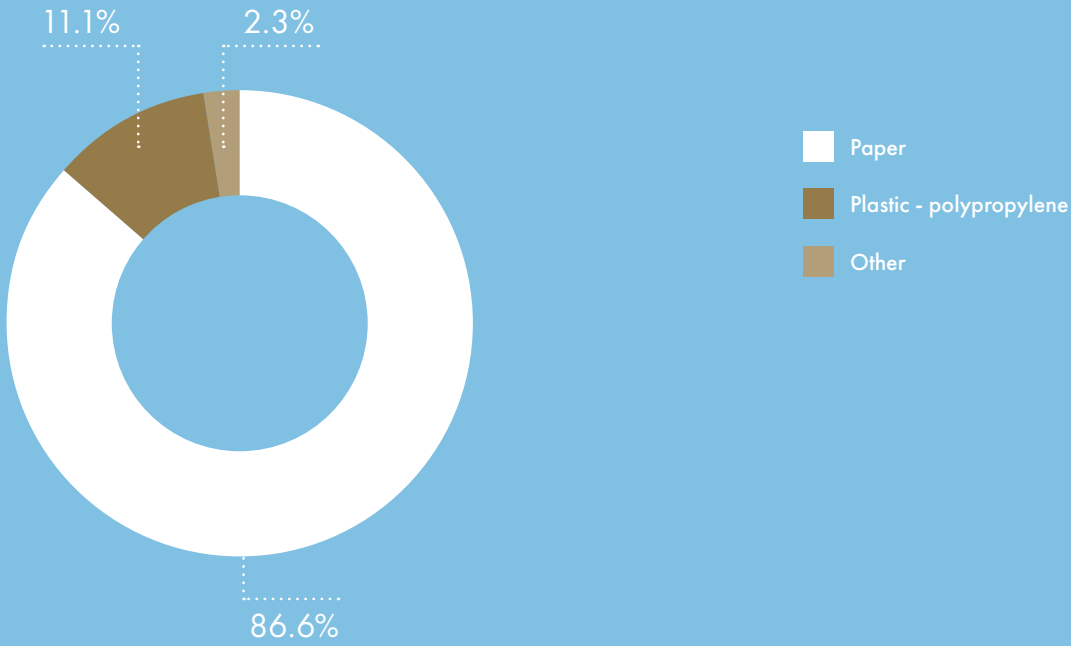


Food raw materials used by the Group (ton)

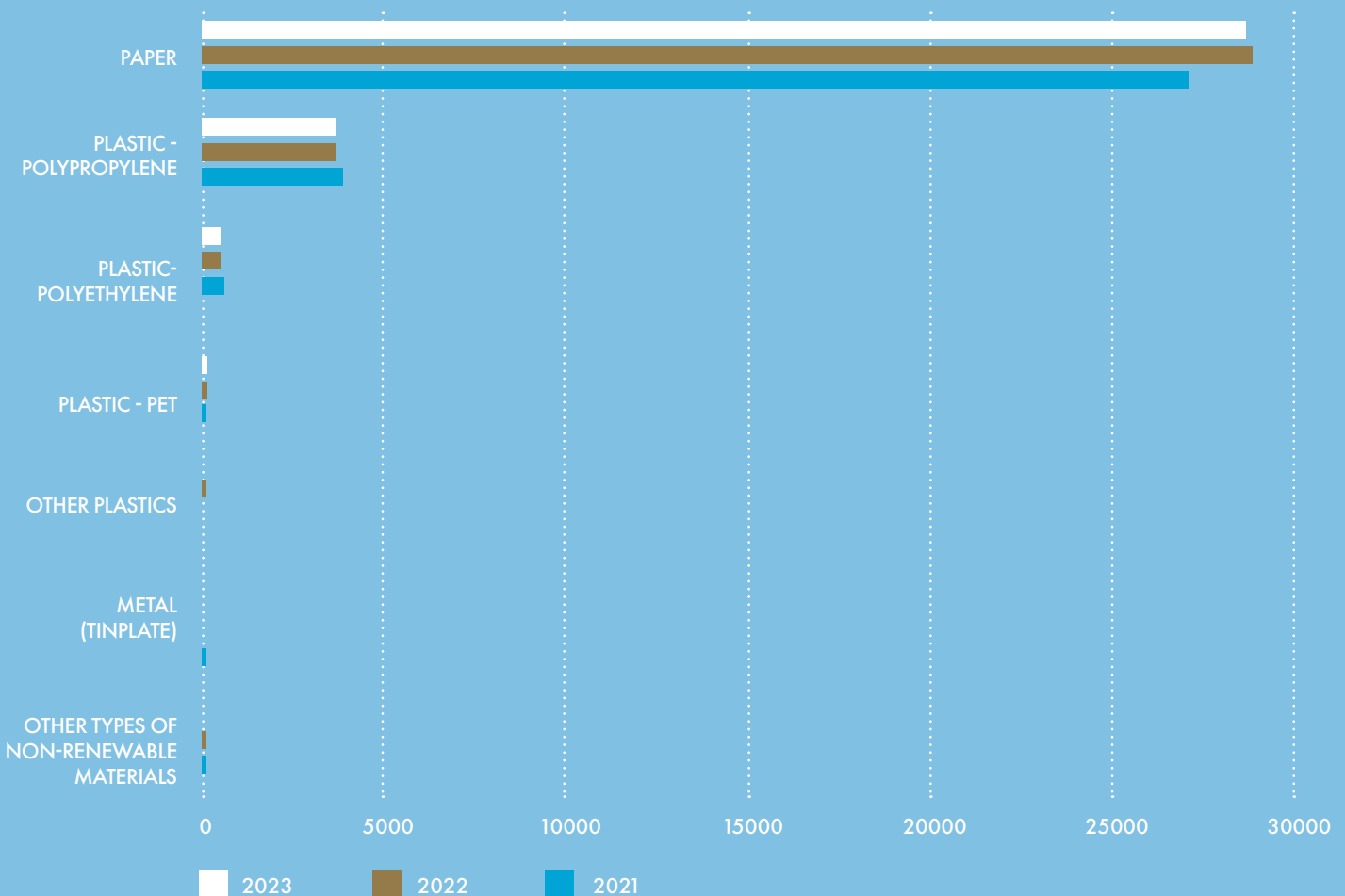


⁶ The scope of the data on total volume of materials used includes the production plants in Italy and the Indian plant. Excluded from the reporting boundary for material procurement data are Bauli France sales offices and Bauli Slovakia & Czech Republic, for which such consumption is not considered significant.

Packaging and other materials used by the Group (%) ⁷



Packaging and other materials used by the Group (ton)



⁷ The scope of data on total volume of materials used includes the production plants in Italy and the Indian plant. Excluded from the reporting boundary for material procurement data are Bauli France sales offices and Bauli Slovakia & Czech Republic, for which such consumption is not considered significant.

5.2 RESPONSIBLE SOURCING

THE SUPPLIER EVALUATION PROCESS INVOLVES A SPECIFIC APPROVAL ACTIVITY BASED ON THE APPLICATION OF STRICT CONTROL CRITERIA, WITH THE AIM OF SELECTING THE BEST COMPANIES CAPABLE OF ACHIEVING THE HIGHEST RESULTS IN TERMS OF QUALITY AND SANITATION SAFETY.

The Group adopts a procedure for evaluating, qualifying and reviewing suppliers that describes the methods and criteria adopted by Bauli for the prior choice, selection and their evaluation in order to ensure compliance with all applicable current regulations, including those governing sanitation, the environment, health and safety. This procedure applies to suppliers of raw materials, packaging, surprises and services (cleaning, pest control, analysis, instrument calibration, transportation, maintenance, assembly, storage, portage and transport).

The supplier approval process is managed through an online supplier portal. In the induction phase, there is a first documentary assessment related to the organization based on the analysis of the company's internal procedures, particularly concerning the ability to guarantee the quality, safety and traceability of productions.

The second stage of the approval process involves a documentary assessment related to the raw material being supplied, referring in particular to compliance with quality characteristics and specific standards, guaranteed by the presence of product certifications.

Depending on the supplier's level of criticality, the evaluation procedure involves only the collection of information in the case of low criticality, while inspection visits, checks or specific activities are carried out in the case of medium-high criticality, in order to monitor the validity of the required quality standards. These inspection visits are carried out by specialized external companies on the basis of checklists defined by the Group, based on the specific characteristics of the type of organizations evaluated.

Within the checklists, aspects related to the SA8000 standard pertaining to social responsibility in accordance with the provisions of the ILO (International Labor Organization), the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, among others, are included. There is also an assessment of specific social and environmental criteria, such as, to name a few, the presence of ethical-social and environmental certifications (e.g., ISO 14001), water resource or waste management and GMO risk assessment on raw materials and finished product. During the year, 20 percent of new suppliers of raw materials, packaging, surprises and finished products were evaluated based on environmental and social criteria. The data refers only to the suppliers of raw materials, packaging, surprises and finished products of the company Bauli S.p.A.

The third and final stage of approval involves an activity of conducting industrial tests, defined from time to time in relation to specificity and criticality of the raw material purchased or of the potential application by the Group. In this phase the integrated evaluation of the various company functions takes place, which in case of the presence of characteristics that do not meet production requirements work synergistically with the supplier to solve the criticalities.

Once the approval procedure is concluded, the supplier must formally sign a specific purchase specification related to the product. This specification is the basis for the quality control activities carried out by the Quality Assurance area, which performs the

evaluation of parameters related to the raw materials subject to the supplies arriving at the plants based on specific control and analysis plans. No goods may be received and stored until the laboratory has completed its testing activities, with the exception of raw materials requiring tests of extended duration, which are stored at the plant until the testing is completed.

In addition, the parent company Bauli S.p.A. has recently undertaken a process of mapping the impacts related to its suppliers using the Ecovadis questionnaire. Initial results show that ten strategic suppliers, covering about 40 percent of the value of purchases, are developing a path to assess their impacts related to the main ESG issues precisely through the completion of the questionnaire. It should be noted that, to date, participation in the Ecovadis initiative is not binding in order to collaborate with the Bauli Group, but the Company will consider the results collected in order to increase awareness of the impacts of its supply chain.

In the case of non-compliance detected in the inspection process, a non-compliance report is issued, which can have two levels of severity: for significant non-compliance, where the commodity cannot be used, the product is returned; in the case of minor non-compliance, the report is still issued but at the discretion of the laboratory, the commodity can be used if there is certainty that it cannot have an impact on consumer health. Non-compliance report, which also include aspects related to logistics, are entered into a special database managed by the purchasing function.

DURING THE YEAR, 20 PERCENT OF NEW SUPPLIERS OF RAW MATERIALS, PACKAGING, SURPRISES AND FINISHED PRODUCTS WERE EVALUATED BASED ON ENVIRONMENTAL AND SOCIAL CRITERIA.

On a biweekly average basis, the Group conducts an overall analysis of the quality of supplies based on various indices, including the value incidence of detected nonconformities on total supplies. This indicator, for each supplier, cannot exceed a value of 0.9%. If the predetermined limit is exceeded, the supplier is contacted by the purchasing department to further investigate the reasons for the nonconformity. In addition, on an annual basis, the Group conducts an overall assessment of the quality of all suppliers based on the collected surveys. This process involves various business functions in an integrated manner and allows suppliers to be classified into four classes: approved, conditionally approved, suspended or excluded.

6

PLANET

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THE GROUP HAS EMPLOYED AN INTEGRATED SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM, ISO 14001 CERTIFIED SINCE 2008, ACROSS ITS MAIN PRODUCTION FACILITIES. THIS SYSTEM AIMS AT PROACTIVELY PREVENT, CONTROL, AND MINIMIZE THE ENVIRONMENTAL IMPACT OF COMPANY OPERATIONS. ADDITIONALLY, THE GROUP OPERATES TWO PHOTOVOLTAIC PLANTS WITH A COMBINED INSTALLED CAPACITY OF NEARLY 1,230 KW. BAULI PLACES GREAT IMPORTANCE ON REDUCING PACKAGING WASTE, ENHANCING REUSABILITY AND RECYCLABILITY, AND EFFICIENTLY MANAGING RECLAIMED MATERIALS TO SAFEGUARD NATURAL RESOURCES. THE GROUP HAS ALSO UNDERTAKEN COMPREHENSIVE LIFE CYCLE ANALYSIS STUDIES FOR TWO OF ITS PROMINENT PRODUCTS, PANDORO BAULI AND BUONDÌ MOTTA.



6.59
GJ/ton

ENERGY CONSUMPTION
PER TON OF PRODUCT



0.38
tCO₂e/ton

GHG EMISSIONS
GENERATED PER TON
OF PRODUCT



<0.2%

THE PERCENTAGE OF
HAZARDOUS WASTE

6.1 OUR ENVIRONMENTAL COMMITMENT

The Group adopts an integrated Safety and Environmental Management System, certified since 2008 according to ISO 14001 in the production plants of Castel D’Azzano, San Martino Buon Albergo, Orsago and Romanengo, to prevent, control and reduce the impact of company activities. The extension of this certification to all the Group’s production sites is under management’s consideration. In addition, the implementation of an Energy

Management System in compliance with the ISO 50001 standard is planned for the headquarter production site of Castel D’Azzano by December 2023; the feasibility for San Martino Buon Albergo plant will continue in 2024. This goal represents an important step forward in the integrated management of all environmental aspects.

Bauli implemented a specific procedure for monitoring its environmental impacts, pursuant to the requirements of the



THE GROUP ADOPTS AN INTEGRATED SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM, CERTIFIED SINCE 2008.



“Autorizzazione Integrata Ambientale” (AIA) and the “Autorizzazione Unica Ambientale” (AUA). The issuing authority perform regular controls on both direct environmental impacts (water withdrawals and discharges, energy consumption and emissions, hazardous substances, noise emissions, waste and refrigerant gases) and indirect impacts (incoming and outgoing materials, packaging materials, solvents used for printing). The plants in Castel D’Azzano (VR) and the one in San Martino Buon Albergo (VR) possess the AIA, while the plants in Orsago (TV) and Romanengo (CR) have been granted the AUA to carry out their activities.

Relevant environmental aspects are subject to constant monitoring of parameters in the main production facilities. Electricity consumption, the efficiency level of cogeneration and trigeneration plants, natural gas consumption, waste production, the quality and quantity of water withdrawn and discharged, raw materials and packaging used, are the most closely monitored areas, with daily visibility on the plants’ performance. On a monthly basis, Technical Managers & Plant Directors of each Bauli’s plant attend to the Energy & Environment Steering Committee dedicated meetings to report on these aspects, in order to analyse parameter, identify trends, share best practices and define any critical issues and possible action to

correct specific inefficiencies. Plant managers, as well as the Controlling, Quality and Operations areas, attend these meetings.

The Company actively engages and has activated all systems (from the internal compliance system to the certification of the environmental management system) to avoid any possible penalty arising from non-compliance with laws and company regulations. During the FY2022-2023, there were no incidents of non-compliance related to laws or regulations.

THE LIFE CYCLE ASSESSMENT (LCA) TOOL FOR ASSESSING THE ENVIRONMENTAL IMPACTS OF GROUP PRODUCTS

Life Cycle Assessment (LCA) is an objective method of assessing and quantifying the energy and environmental loads and impacts associated with a product/process/activity throughout its entire life cycle, from raw material acquisition to end of life, from “cradle to grave.”

The Bauli Group conducted an initial LCA study in 2020 on one of its most representative products, Panettone Motta. This activity was conducted as part of the European project LIFE MAGIS - MAde Green in Italy Scheme, co-funded by the European Union’s LIFE Program to support the dissemination of the “Made green in Italy” scheme,

promoted by the Ministry of Ecological Transition to enhance Italian products with the best environmental performance and the Product Environmental Footprint.

During 2022, the Group undertook the Life Cycle Analysis study of two of the most important products on the market: the Pandoro Bauli and Buondi Motta. The environmental impact studies were carried out following the ISO 14040 and ISO 14044 standards, in accordance with the more stringent Product Category Rules (PCRs) for bakery products. Specifically, the environmental performance of the products was calculated by considering the entire supply chain from the production and cultivation of raw materials to the transportation of the finished product to the shelf and the disposal of the packaging at the end of its life.

The result of the LCA studies allowed for both products to have an Environmental Impact Statement (EPD) verified by a certification body based on the ISO 14025 standard. In 2023, 11 Environmental Product Declarations were published in the database of the world’s leading EPD Program Operator (EPD International), corresponding to the 4 sizes of Pandoro and the 7 variants of Buondi Motta.

The results of the studies conducted are going to be publicly available on the EPD International website: www.environdec.com.

6.2 ENERGY & EMISSIONS

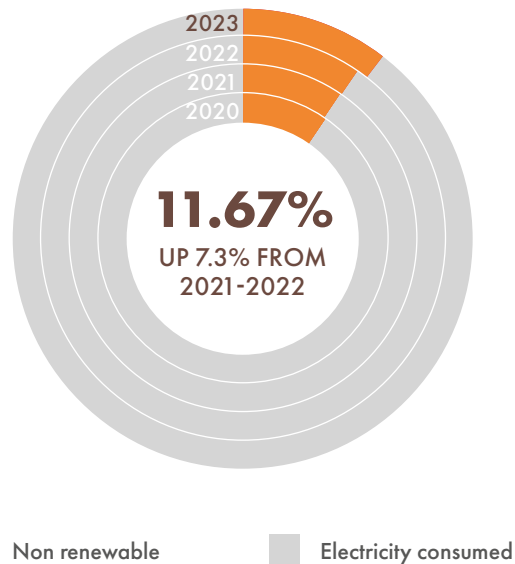
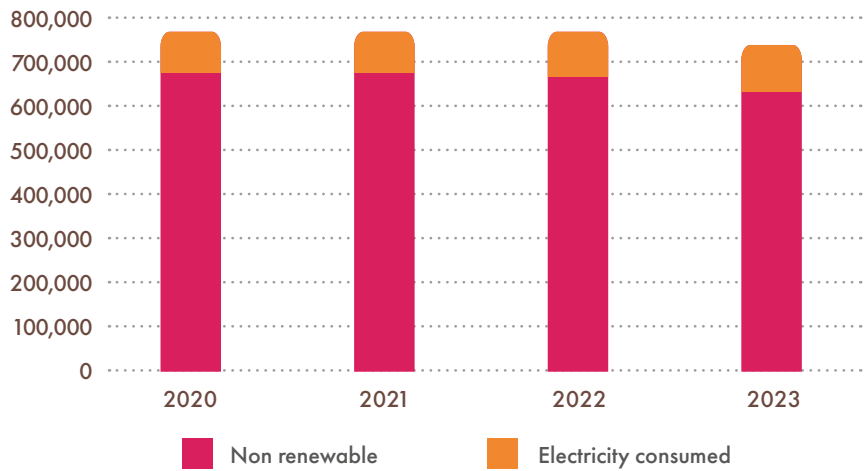
As a global player in the food industry, Bauli plays an important role in achieving the goals of the Paris Climate Agreement to curb the effects of climate change. To do so, the Group is focused on three main dimensions:

- Monitoring and measuring energy flows and climate-change emissions (GHG);
- Use of energy produced from renewable sources;
- Energy efficiency of the processes and facilities.

The Group monthly monitors various parameters related to energy consumption and efficiency through an Energy Committee, formed by all the directors of the main production plants. This committee is responsible to analyze the data collected by dedicated sensors placed in each production site and to elaborate improvement proposals through specific investments with a 6–12-month horizon.

Additional sensors have been installed in 2023 that will allow for centralized and widespread monitoring of the consumption of natural gas, electricity, water and refrigeration energy used in the 4 Italian production sites. The Group’s intent is to continuously improve the quality of the data to enable the preparation of objective and quantifiable energy improvement plans. This information, collected in a granular way, will allow to proceed to the definition of real site energy balances, to have a precise knowledge of all internal energy flows and identify further opportunities for efficiency improvement.

Energy consumption within the organization (GJ)⁸



⁸ See the "Performance Indicators" section of this Sustainability Report for the conversion factors used to calculate energy consumption in GJ.

Bauli's total energy consumption reduced from 760,562 GJ in 2021/2022 to 736,883 GJ in 2022/2023. The energy used by Bauli to operate its baking ovens, power its cogenerators and heat its factories is generated mainly from natural gas amounted to 611,558 GJ, down 5.1% from the previous year. On the other hand, electricity is required to operate machinery, lighting, office cooling and other auxiliary plant consumptions, and amounts to total of 101,240 GJ up 6.7% from the 2021/2022. The installed cogeneration and trigeneration units consumed about 281,370 GJ used directly for electricity and heat production, with only a residual part sent to the grid.

This year Bauli continued to make progress towards renewable energies, with 11.67% of its overall energy consumption covered by renewable sources, up 7.3% from the previous year. Specifically, the parent company Bauli S.p.A. purchases electricity entirely from renewable sources from hydropower and ocean power plants with certificates of origin. The Group can also count on two photovoltaic plants, one in Altopascio and one in Baramati (India), with a total installed capacity of almost 1230 kW. In the pursue toward a decarbonized future, Bauli set the goal to double its installed capacity up to 2MW by the end of 2023, with new photovoltaic plants that will be installed in Castel D'Azzano, San Martino Buon Albergo and Orsago the next year.

Bauli has always devoted significant resources to improve production efficiency and reduce the energy consumption of its production facilities. In particular, the following improvement actions were implemented during 2022-2023:


- U.T.A.'s for cooling workplaces were replaced or made more efficient, and software was installed to efficiently automate the operation in Castel D'Azzano;

- Replacement of electric heaters with heat exchangers fed with hot water recovered from the cogenerator;
- Replacements of lighting systems with more efficient LED lights;
- Two refrigeration units at the Castel D'Azzano plant were replaced with a single high efficiency unit;
- The glycol water generation system was made more efficient through the installation of new pumps;
- The energy efficiency of the Girella cooling tunnel was significantly increased;
- The heat generated from the Castel D'Azzano cogenerator and from the Orsago chimneys was used to generate hot water for the storage of some ingredients and to preheat the air entering the ovens, increasing efficiency by 15%;
- All production line switches have been revised so that individual modules can be easily replaced without incurring energy losses.

The combination of these initiatives planned to be implemented over the next few years, will result in total savings of more than 3,344MWh per year when fully implemented, accounting for about 2% reduction of total energy consumption in 2022/2023.

THE CLIMATE-ALTERING EMISSIONS GENERATED BY THE GROUP

The Bauli Group acknowledges the critical importance of reducing its greenhouse gas (GHG) emissions even as it continues to expand its operations. In the fiscal year 2022/2023, the total emissions for the Group, calculated using the Location-based methodology, amounted to 42,532 metric tons of CO₂ equivalent (tCO₂e), marking a 4.37% decrease from the previous year's emissions of 44,476 tCO₂e. Within this total, the Group's direct emissions (Scope 1) stood at 32,391 tCO₂e.



SPECIFICALLY, THE PARENT COMPANY BAULI S.P.A. PURCHASES ELECTRICITY ENTIRELY FROM RENEWABLE SOURCES FROM HYDROPOWER AND OCEAN POWER PLANTS WITH CERTIFICATES OF ORIGIN.

These emissions primarily stem from natural gas consumption and saw a notable 6.8% reduction compared to the 2021/2022 figures. Conversely, indirect emissions associated with electricity consumption (Scope 2-Location based) experienced a 4.6% increase, reaching a total of 10,141 tCO₂e in the 2022/2023 fiscal year. Scope 2 emissions, calculated using the Market-based methodology, amounted to only 2,852 tCO₂e in 2022/2023 thanks to the extensive utilization of electricity generated from renewable sources, acquired with Guarantee of Origin (GO) certificates. Bauli recognize the importance of accounting the full extent of its carbon footprint and will therefore actively engage in measuring and disclosing Scope 3 emissions in the following years.

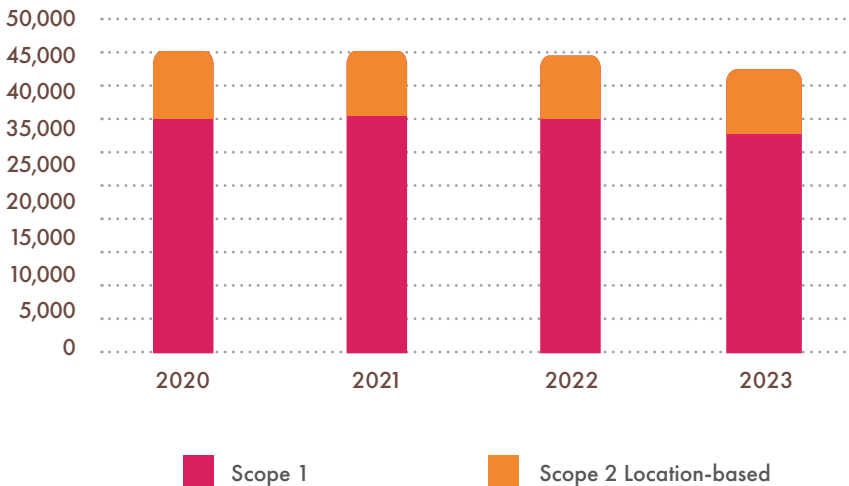
It is worth noting that a significant portion of atmospheric emissions, including nitrogen oxides, originates from combustion processes related to the production activities. The permissible limits for these emissions are set by the AIA (Authorization Integrated Environmental) and AUA (Authorization Urban Environmental) authorizations. To ensure strict compliance with these limits, Bauli works closely with accredited external firms, which oversee the control and monitoring of these emissions.

As part of its ongoing efforts to minimize the environmental footprint of its activities, Bauli places a strong emphasis on closely monitoring its energy and emission intensity ratios. These ratios are critical metrics that help Bauli assess how much energy



6,8%
**REDUCTION OF EMISSIONS
 COMPARED TO THE
 2021/2022 FIGURES.**

**GHG emissions
 (tCO₂e - Scope 1 and Scope 2 Location Based)^{9,10}**



⁹ See the "Performance Indicators" section of this Sustainability Report for the emission factors used to calculate Scope 1 and Scope 2.
¹⁰ The GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method." For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methodologies were used. The Market-based is based on the CO₂ emissions emitted by energy suppliers from whom the organization purchases, through a contract, electricity and can be calculated by considering: energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors related to the "residual mix," i.e., energy and emissions that are not monitored or unclaimed (source: AIB - European Residual Mixes). For India (not in the European Residual Mixes) the Terna International Comparisons factor was used. The Location-based method is based on average emission factors related to power generation for well-defined geographic boundaries, including local, subnational or national boundaries (source: Terna International Comparisons). Scope 2 emissions calculated by the Location-based and Market-based methods are expressed in tons of CO₂, however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents) as inferred from the relevant technical literature.

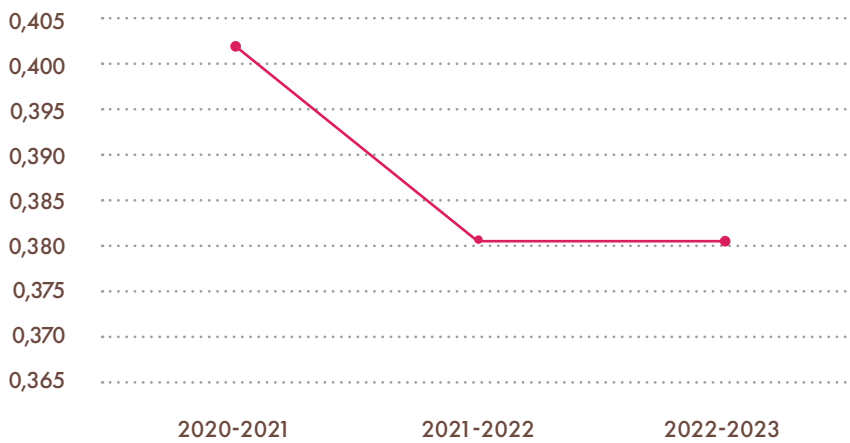
and emissions are associated with its production. In essence, they provide a way to normalize and contextualize the environmental impact data, allowing Bauli to evaluate its operational efficiency not only within the organization but also in comparison to similar entities in the industry.

By calculating and analyzing these intensity ratios, Bauli gains valuable insights on how efficiently it utilizes resources in the production process.

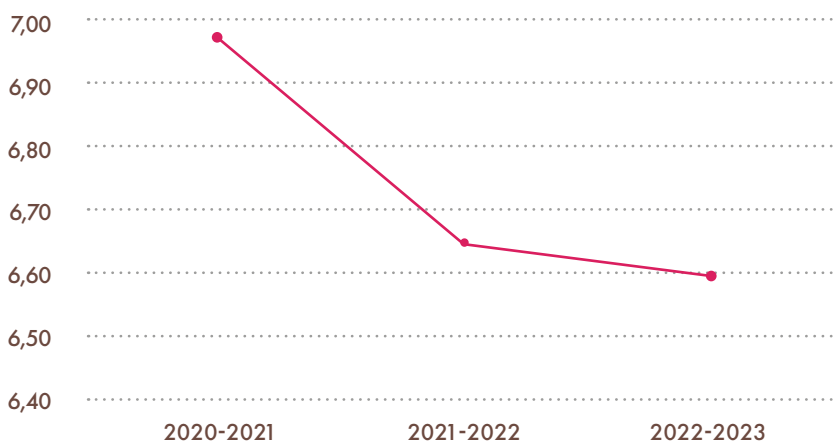
Similarly, examining emission intensity ratios provides a clear picture of the environmental impact of its production. Through the abovementioned initiatives, Bauli has achieved reductions in these intensity ratios. This accomplishment is a tangible demonstration of the company's dedication to sustainable and environmentally responsible business practices, which ultimately benefit both the company and the planet.

Intensity ratios¹¹

Emission intensity index (tCO₂/ton)



Energy intensity index (GJ/ton)



¹¹For the calculation of intensity ratios, the numerator refers the energy consumed within the organization whereas the denominator refers to the Tons of production volumes generated by the company.

TRANSPORT AND LOGISTICS

The logistic is organized through an extensive network throughout the country, designed to ensure compliance with the level of service required by its customers. The fundamental objective is to achieve the highest optimization of distances traveled and vehicle saturation, including using state-of-the-art IT tools.


For Bauli, the availability and flexibility of logistics services, combined with punctuality and speed of delivery to the customer, represent a strategic element of its business model, which responds to the need to distribute significant quantities of product in a short time, particularly at Christmas and Easter campaigns.

The company's logistics model involves direct management of part of the incoming flows, through which the arrival of raw materials and packaging materials at the plant is guaranteed, and the outgoing flows necessary for product distribution, based on a network of hubs and transit points. All trips made for transportation are made by about 40 logistics operators.

Distribution downstream of the production process leverages a wide availability of proprietary warehouses located within the plants and warehouses owned by third-party logistics operators. The company directly manages the transportation of products from production sites to peripheral warehouses or directly to the customer, while transportation from peripheral warehouses to the customer is provided by operators managed by the same warehouse.

Direct flow management allows the company the ability to optimize vehicle loading and reduce empty mileage through the integrated management of deliveries and pickups of packaging materials and pallets. During the last financial year, the number of empty kilometres avoided thanks to the management of incoming flows of more than 1,000 vehicles amounted to more than 52,700. The pallets used by the company for the delivery of anniversary products and for private labels are rented from a company that promotes a high recovery and recycling of wood and quantifies the reduction of the impact in terms of CO₂ emissions. For 2022/2023, more than 900 tonnes of carbon dioxide will be avoided thanks to this pallet pooling activity, up from around 700 tonnes in 2021/2022¹².

Bauli constantly monitors outbound logistics through the "Green Router" software that enables the detection of the climate impact resulting from all vehicles used for transportation. In fact, the system makes it possible to monitor the distances traveled during trips made for all types of business and to obtain data on CO₂ and PM10 emissions produced. According to the data collected during the 2022/2023 financial year, about 73,000 outbound journeys are made by the vehicles managed by the company, for a total of 32,200,242 km travelled and 17,085 tonnes of CO₂ emitted with a 1.85% reduction in CO₂ emissions per km travelled thanks to the improvement of the vehicle fleet and the use of intermodal transport. In particular, Bauli's vehicle fleet consists of 82% of the vehicles are LNG or Euro 6 powered vehicles; specifically, the 14.4% are LNG-fuelled vehicles (5% in 2021/2022).



DURING THE LAST FINANCIAL YEAR, THE NUMBER OF EMPTY KILOMETRES AVOIDED THANKS TO THE MANAGEMENT OF INCOMING FLOWS OF MORE THAN 1,000 VEHICLES AMOUNTED TO MORE THAN 52,700.

Measuring transport-related impacts allows Bauli to evaluate alternative and more sustainable solutions, such as intermodal transport by rail or sea, which are constantly growing. Indeed the percentage of intermodal transport has doubled since last year, reaching a share of about 5% of total product transported by rail.

In the process of selecting its suppliers, the company prefers those with Euro 6 or LNG-powered vehicles. Dialogue and collaboration even with this type of business partner remains fundamental for the management of environmental impacts not directly managed by the Group but closely related to its activities. Witness to this commitment on Bauli's part to the issue is the initiative that saw it collaborate with one of its logistics operators by sponsoring the purchase of two environmentally friendly TIR¹³.

¹²Calculations based on Life Cycle Analysis (LCA) of a CHEP pallet compared to the pallet in interchange. Pallet life cycle analyses are independently peer-reviewed and comply with ISO 14044. CHEP wood sources are certified 100% sustainable by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

¹³ Identified as alternative drive TIR (CNG, natural gas LNG and electric drive).



6.3 WASTE MANAGEMENT & CIRCULAR ECONOMY

Globally, the amount of waste that is inappropriately created or managed is a persistent environmental problem. Bauli is committed to manage waste in accordance with current regulations to curb its negative impacts.

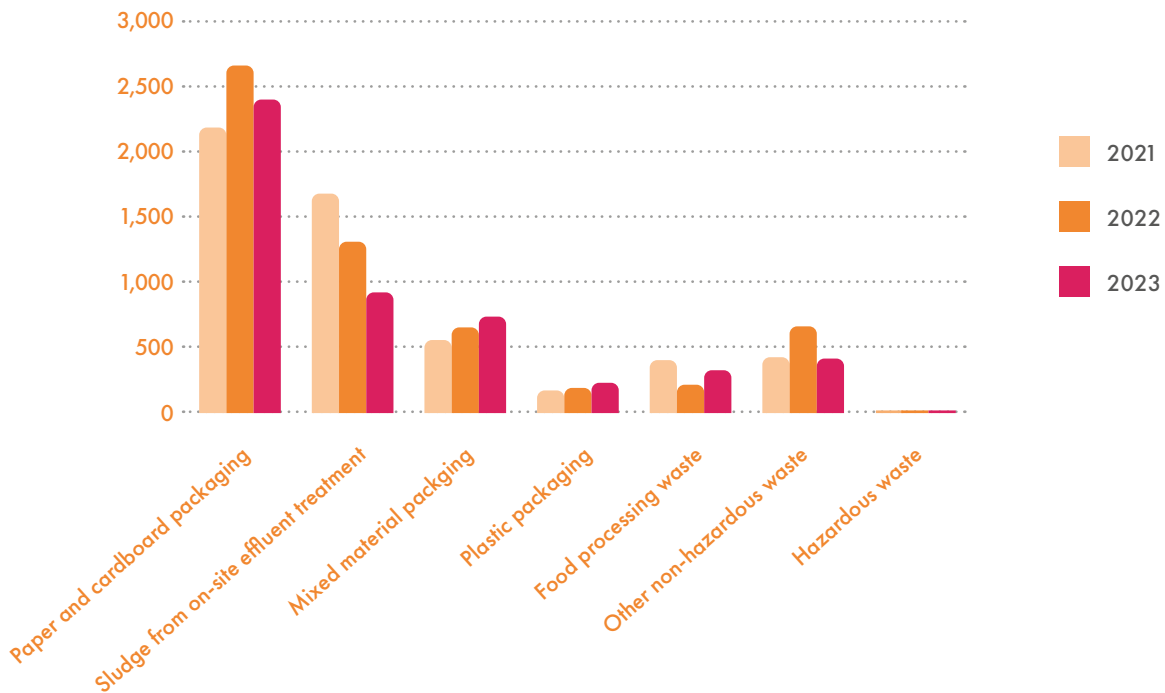
Bauli primarily generates various types of waste, which include food waste resulting from their production processes, paper packaging, plastic packaging, multi-material packaging, and sludge produced during their purification procedures. Most of this waste is considered non-hazardous

and is managed within recycling systems. In the fiscal year 2022/2023, the waste produced by the Group amounted to 4,994 tons, a decrease of 12% from the previous year (5,651 tons). Of this, only 9.42 ton is classified as hazardous.

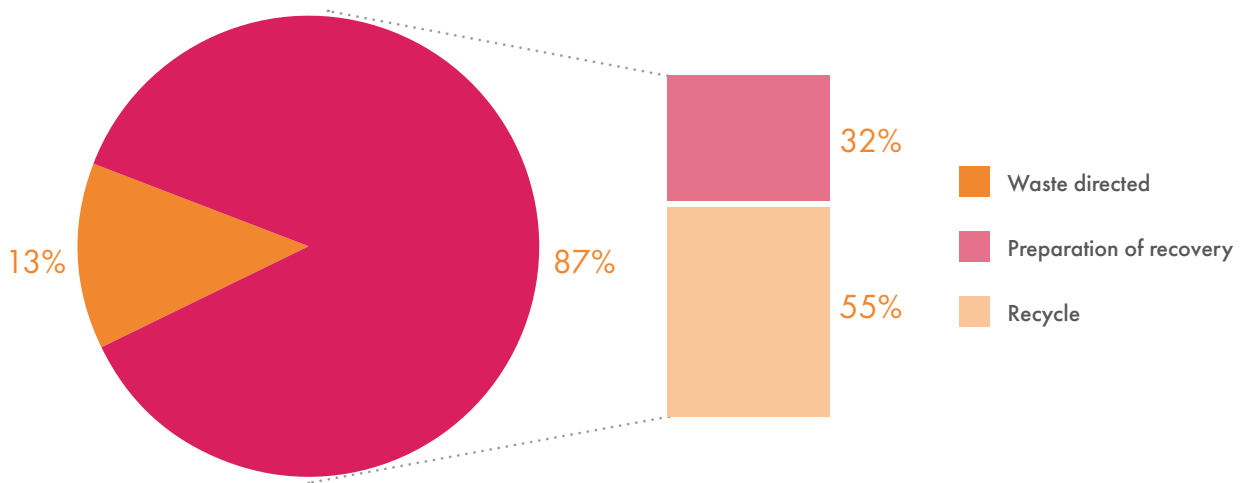
Bauli’s goal of reducing its environmental impact cannot be achieved without a proper waste management system. The waste management hierarchy of Bauli prioritizes waste prevention, followed by recovery operations that divert

waste from being sent to disposal. During the 2022-2023, 87% of total waste was diverted from disposal through recovery operations classified by the Legislative Decree 152/06. A significant amount of waste equal to 4,358 tons was not sent to landfill, of which 2,745 tons was destined to recycling and 1,616 tons was collected and stored to be subject to one of the recovery operations indicated by the D.Lgs. 152/06. It should be noted that energy recovery, although not prioritized over material recovery,

Type of waste generated (ton)



Waste diverted from or directed to disposal (%)¹⁴



has been indicated as necessary by European and national legislation for the implementation of a sustainable waste management system, as it saves fossil fuels and reduces the amount of waste to landfill and therefore is considered by law as a recovery operation.

The food scraps generated during the production process are efficiently managed, either by reintegrating them into internal production cycle or sourcing them from external companies for use in the feed industry as valuable animal by-products (ABP). Typically, these waste quantities average around 2-3% of the production volumes. Bauli has implemented initiatives aimed at eliminating single-use plastics and waste reduction within its facilities. Across all plants, water fountains have been installed in common areas and coffee rooms, accompanied by the provision of aluminum water bottles to all employees to reduce the consumption of plastic bottles.

Additionally, at the Castel D'Azzano plant, a project has been initiated to encourage separate waste collection.

With the aim of promoting concrete circular economy initiatives, starting in 2022, all end-of-life safety shoes will be taken back and, in collaboration with a third company, used as secondary raw materials in order to make recycled plastic products.

To further improve waste management, Bauli has initiated in collaboration with the Milan Polytechnic University and Cyrkl, Europe's largest B2B digital marketplace for industrial symbiosis, a waste valorization project. Specifically, unsold, expired and damaged products were analyzed. Through the application of the food recovery hierarchy, specific solutions were then identified to prevent waste generation and reduce the amount of waste in landfills as much as possible.

DIGITIZATION AND DEMATERIALIZATION OF BUSINESS PROCESSES

The management of IT and digital aspects in the company, carried out in full compliance with regulations related to privacy, is the responsibility of the Group IT area which is composed of a team that deals with the application and infrastructure aspects.

The company has made significant investments in the digital transition of business processes. The projects undertaken have enabled, among other aspects, increasing digitization in both contractual and logistical documentation, with significant benefits in terms of dematerialization and consequent reduction of environmental impacts. In particular, it should be noted that the processes of digitization and digital storage of invoices, expense reports, mandatory records has already been active for several years.

¹⁴Total waste diverted or directed to disposal is classified according to the Legislative Decree 152/06.

At the procurement level, sustainability criteria are also considered when purchasing new IT equipment, such as energy efficiency and recyclability index. In recent years, the company has also initiated efforts to reduce printer-related impacts, initially involving the use of badges to activate printing in order to reduce waste.

Precise internal policies have been established to reduce toner usage through the adoption of black and white as the printing standard and an overall annual limit of colour prints. These activities have led to a significant reduction in the number of copies made and toners used, with positive impacts both from an environmental point of view and a reduction in costs incurred for purchase and disposal. In the last six months (1 January - 30 June 2023), 34 toners were saved and about 995 reams of paper were not used, with more than 610,000 copies avoided.

The company is taking proactive steps to minimize its acquisition of new IT devices. Instead, it's focusing on the repurposing of end-of-life PCs and exploring the utilization of components

in other devices. In the midst of shaping its Digital Strategy for the 2022/2023 period, the company has recognized the use of cloud services as a pivotal solution for dematerialization. This strategic move is geared towards reducing the reliance on hardware media, taking into account the significant environmental footprint associated with such hardware.

6.4 SUSTAINABLE PACKAGING

Packaging helps protect food and beverages, ensuring product quality and safety, as well as preventing food waste. However, the amount of inappropriately managed packaging at the end of its life is a serious environmental threat. Considering this context, Bauli believes it is critical to reduce packaging waste, increase reusability and recyclability, effectively manage recovered materials.

Research and development on packaging, with a strong focus on sustainability, is guided by the four principles of Responsible Packaging defined by the Group:

1. Reducing the amount of materials used

A major project was recently completed that enabled the Group to reduce the size of cardboard and plastic packaging for Bauli Croissants. This innovation allowed a reduction of more than 50 tons of plastic and 200 tons of paper in the year, in

addition to the possibility of avoiding the movement of 1,400 vehicles for transportation thanks to the reduced size of the packs.

2. Use of recyclable materials

For many of the Group's products, particularly belonging to the recurrence products, the packaging has been revamped to single-material, paper or plastic packaging. This approach, in line with circular economy approaches, allows the total recyclability of the packaging at the end of its life, avoiding its undifferentiated disposal.

DOCUMENT DIGITIZATION



Bauli S.p.A. has taken a significant step towards modernizing its human resources processes by digitizing hiring documents, including employment contracts, and implementing grapho-metric signatures. This initiative primarily focuses on eliminating the need for physical documents related to seasonal employees. The overarching goal is not only to free up valuable storage space but also to make a substantial impact on paper conservation.

In the plants operated by Bauli S.p.A. where almost 650 seasonal employees are hired annually, this digital transformation has resulted in the elimination of 10,721 documents each year. This translates to a reduction of over 680 kilograms of CO₂ emissions, according to data from Defra in 2022.

In parallel, the digitization of Transport Documents for outbound logistics was carried out, which resulted in a reduction of 116,773 copies printed in the period between July 1, 22 and June 30, 23, corresponding approximately to 7,500 kilograms of CO₂ (source: Defra, 2022).

3. Use of materials from sustainably managed sources

An important aspect is the use of recycled input materials. Bauli is committed to constantly looking for new ways to reduce the use of virgin resources and to encourage the recycling of materials. In 2022/2023, the Company used recycled paper and cardboard for almost all its needs. The use of virgin paper is only limited to paper components that are in direct contact with the product and to the structural strength requirements of some secondary packaging.

4. Validation of solutions through life cycle analysis (LCA)

In 2022-2023, the Group conducted its initial LCA studies on Pandoro Bauli and Buondi Motta, resulting in 11 EPDs verified by an independent body and published through EPD International, as detailed earlier.

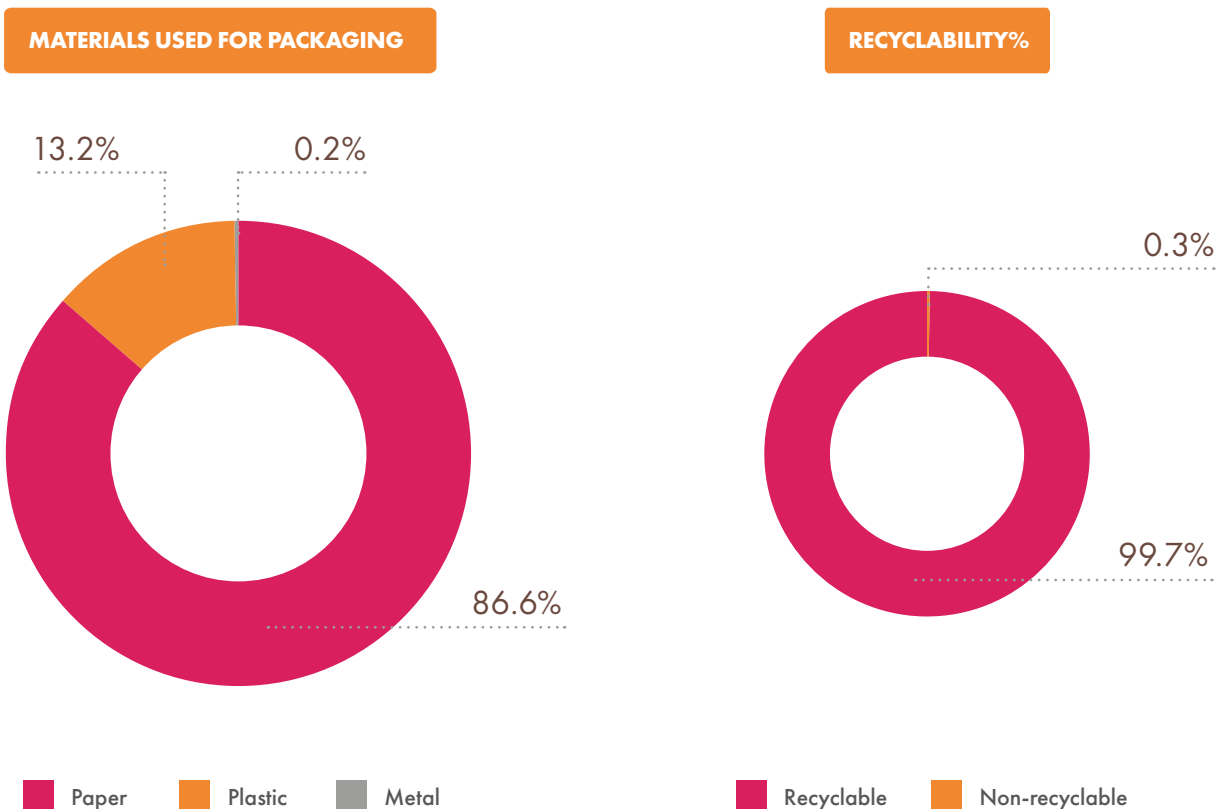
SUSTAIN4FOOD: COLLABORATION FOR SUSTAINABLE INNOVATION

Over time, the Group has taken part in national and European research initiatives, participating as a partner in specific projects. Among these, Sustain4Food, concluded in 2023, aimed to improve the sustainability and level of innovation of the Veneto agrifood sector, a production area of excellence, making use of various strategies and financial interventions designed to incentivize industrial research and experimental development. The project, financed under the Veneto Region's POR-FESR, aimed to develop new food products and processes capable of reducing the problems suffered by the sectors involved as a result of the COVID-19 emergency, strengthening



the sustainability and competitiveness of the supply chains involved, improving the health and well-being of consumers and encouraging a rise in the quality of life in the post-pandemic era. As part of the project, the Bauli R&D team worked on the identification of alternative packaging materials for primary packaging that have a reduced environmental impact but at the same time maintain product preservation, food safety and processability requirements. During the study, consumer behavior and perceptions were also evaluated using specific scientific systems such as neuroscience.

Materials used for packaging and recyclability



6.5 PROTECTION OF NATURAL RESOURCES

THE PROTECTION OF BIODIVERSITY

Biodiversity is of utmost importance to the well-being of the planet and humanity. It contributes to the stability of ecosystems, provides food resources, offers essential services such as water purification and climate regulation, and increases the resilience of the earth system. Preserving biodiversity through ecosystem conservation and sustainable practices is essential to ensure environmental sustainability and our long-term well-being.

Bauli generates indirect impacts on ecosystems primarily through the sourcing of its raw materials. Deforestation for crop expansion, overuse of pesticides and chemical fertilizers, water pollution, and destruction of natural habitats for intensive agriculture are all typical aspects of food supply chains and can lead to loss of biodiversity.

Among the materials used by the Group, the most critical in terms of sourcing are: palm oil, which is often associated with deforestation in tropical areas; sugar, which can involve the intensive use of farmland, the use of pesticides and chemical fertilizers; and milk, butter and eggs, materials linked to animal welfare issues.

To reduce its impacts Bauli wherever possible prefers European or Italian suppliers not only because of the lower environmental impact associated with local sourcing, but also because of the greater ethical and environmental guarantees offered by the European market.

The Group recognizes that the impact on the environment generated by its activities includes aspects that are not, as of today, subject to reporting, but it is

strongly committed to deepening these areas to reduce its environmental impact with a view to continuous improvement and transparent communication.


SUSTAINABLE WATER MANAGEMENT

In terms of water resource management, Bauli uses water for a variety of purposes, including production, washing of machinery, civilian uses and for irrigation. A certain amount of water is also used to generate steam to maintain the humidity level required by the food environment (so-called "culinary steam"). Water is also an ingredient in many preparations: in this case it is not discharged but incorporated into the product or subjected to evaporation during the production process.

The Castel D'Azzano plant makes all its water withdrawals from wells, while the Group's other plants are provided not only with wells but are also connected to the local aqueduct. At the main production sites, water availability from wells is constantly monitored by measuring the groundwater head level, also to collect time series useful for detecting any anomalies.

Water quality monitoring is carried out as required by environmental permits (AIA and AUA) and in accordance with UNI EN ISO 14001. Bauli also conducts some additional checks daily to optimize its management and quality of water consumption.

Bauli is committed to promoting responsible water use. In fact, several factories are equipped with a water recovery system that, through the use of an adiabatic tower, exploits the principle of thermal jump to recover and reuse water in the production process.



AT THE MAIN PRODUCTION SITES, WATER AVAILABILITY FROM WELLS IS CONSTANTLY MONITORED BY MEASURING THE GROUNDWATER HEAD LEVEL, ALSO TO COLLECT TIME SERIES USEFUL FOR DETECTING ANY ANOMALIES.

A project that reuses the hot water produced by the cogenerator as a heat carrier was also completed during 2022/2023 and the fire-fighting reservoir at the Castel D’Azzano plant was restored following the identification of a leak.

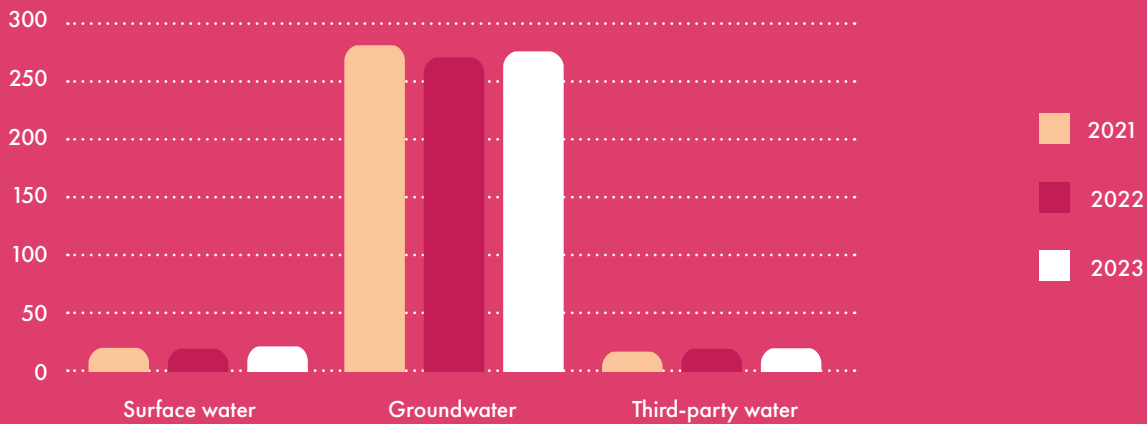
In the period from July 1, 2022 to June 30, 2023, the Group’s water withdrawals amounted to 302 megaliters, up 1% from the previous year (300 megaliters in 2020/2021). Of these, about 8% came from water stress areas, identified particularly in

Indian territory. The Company monitors this closely and has recorded a trend showing that year after year the filling of wells lags, usually between August and September. As part of the recovery plan, the Company for the San Martino Buon Albergo plant has the option to connect to the aqueduct to ensure adequate water supply.

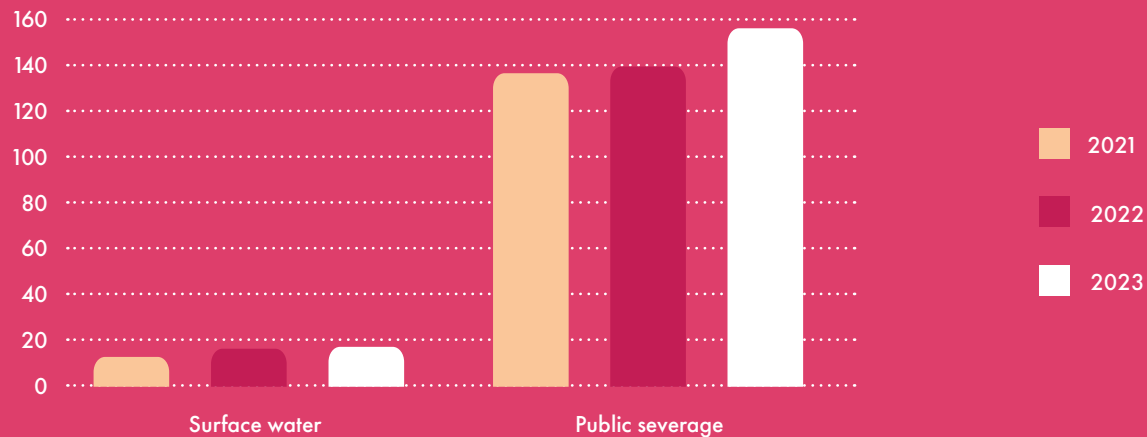
Water discharge into surface water and groundwater is constantly monitored to comply with the legal limits set by the AIA and AUA. In fact, discharges are treated in special purifiers present in

all factories before being discharged into surface water or the public sewer system. In addition, in line with Bauli’s commitment to the timely measurement of its consumption, the management of the purifier at Castel D’Azzano has been digitized, which allows it to be monitored continuously, even remotely and safely.

Water withdrawals by source (Megaliters)



Water discharge by destination (Megaliters)



7

PEOPLE

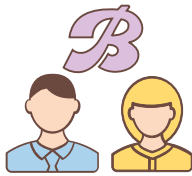
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IN 2022-23, THE GROUP REFINED ITS EMPLOYER VALUE PROPOSITION TO ENHANCE BAULI'S APPEAL TO YOUNG TALENTS AND HIGHLY SKILLED INDIVIDUALS. BAULI INTEGRATES ITS OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM WITH CERTIFIED ISO 45001 QUALITY AND ENVIRONMENTAL MANAGEMENT SYSTEMS. TO PRIORITIZE EMPLOYEE WELL-BEING AND QUALITY OF LIFE, BAULI HAS IMPLEMENTED VARIOUS INITIATIVES ALIGNED WITH CONTEMPORARY CORPORATE WELFARE AND WELL-BEING PRACTICES. THE GROUP ALSO CONTINUED TO STRENGTHEN ITS SYSTEM OF EMPLOYEE SKILL DEVELOPMENT THROUGH TRAINING AND PERFORMANCE APPRAISAL ACTIVITIES, TOWARD AN EVOLVED CAREER DEVELOPMENT FRAMEWORK.



1,263

THE TOTAL NUMBER OF EMPLOYEES



47%

OF EMPLOYEES ARE WOMAN



814,649€

LOCAL COMMUNITY REMUNERATION

Employees represent the beating heart of the Group and one of the main drivers of its success. Bauli considers the principles of equity and inclusiveness as fundamental aspects of its work ethic, aware of the strong positive impact these have on the well-being and motivation of its employees. For this reason, Bauli is committed to provide an inclusive work environment in which people's identities are not only respected but also valued, to prevent any form of inequality and discrimination from potentially having a negative impact on its employees.

Management of the Group's human resources aspects is provided by the Human Resources & Organization Direction, which is also responsible for coordinating the Health and Safety and Security and Plant Surveillance part.

The function is supported by the HR Controlling area for the monitoring of KPIs referring to the Group's people and by the Internal Communication function for initiatives deputed to create corporate culture, also in terms of sustainability; the HR Compensation & Benefit area deals, among others, with the Welfare and Well Being part; the HR Talent management function manages recruiting, training and development, Talent and Performance management activities.

Starting in 2009, the Group began implementing a management system certified on the basis of the SA8000 international standard for the four production sites of the parent company Bauli S.p.A. and, considering the planned development of the ONE BAULI project, there are plans to

extend this certification to all Italian production sites. In fact, this management system is an essential tool for properly managing and constantly monitoring all activities and related processes that impact issues related to workers' conditions, and its requirements also extend to suppliers and subcontractors. SA8000 Ethics Certification refers to nine social requirements: child labor, forced labor, health and safety, freedom of association, right to collective bargaining, discrimination, disciplinary practices, working hours, wages and management system. During 2022-2023, integrated audits were conducted on all sites included in the scope of the management system to obtain certification renewal. It is Bauli's intention to proceed with the expansion of the certification scope to all Group plants.

7.1 OUR EMPLOYEES

As of June 30, 2023, the employees of the Bauli Group amounted to 1,263, a 3.4% decrease from the previous fiscal year, with an average workforce during the year amounting to 1,575 employees, -1.8% from 2022/2023.

Bauli’s workforce is primarily situated in Italy, comprising 85% of their employees, with a headcount of 1,072 as of June 30, 2023. India plays a substantial role within the Bauli Group, accounting for 12% of their total workforce with 153 employees. Slovakia houses 2% of their employees, amounting to 28 individuals and the remainder of Bauli’s workforce is dispersed across France (8 employees), the United States (1), and Singapore (1). Almost all employees (96%) are employed on a permanent contract and are employed full-time (93%). The remaining amount includes fixed-term employment relationships (a decrease

of about 38% compared to the previous year) and seasonal contracts that are activated in the peaks of production near the holiday season.

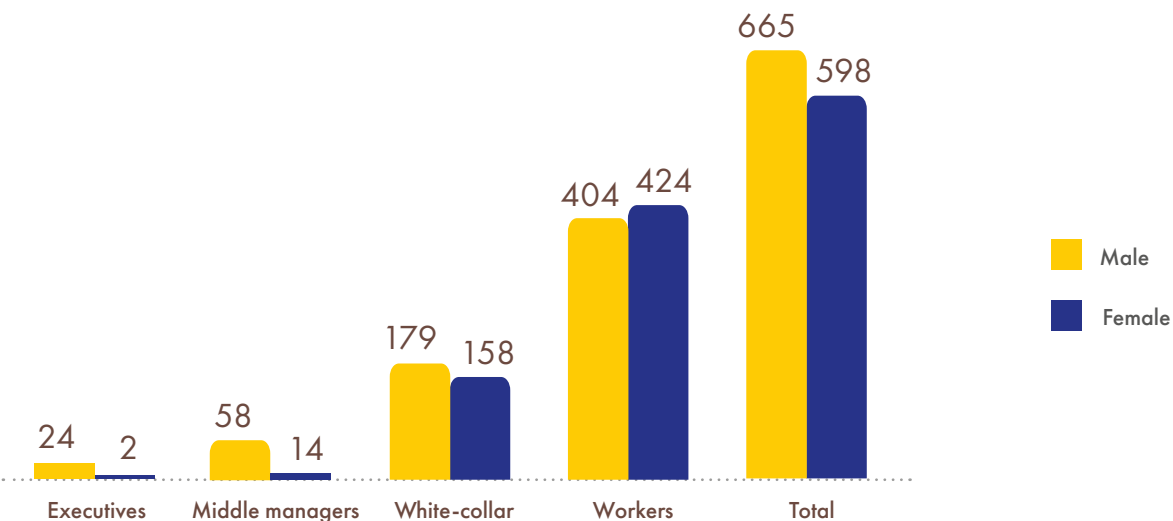
Regarding the overall employee composition, it’s noteworthy that women account for 47% of the workforce, a figure that remains unchanged from the previous year. This reflects a continued commitment to maintaining gender balance within the organization.

When examining the workforce distribution by professional category, roughly 66% of employees fall into the “Workers and Intermediates” category, totaling 828 individuals. This represents a slight decrease of 4.8% from the previous year. White-collar workers make up 27% of the workforce, comprising 337 people, while the remaining 8% consists of middle managers and executives.

Regarding the breakdown of staff by age group, 53% of employees fall in the 30-50 age group (670 people); 38% of staff are over 50 years old (486 people) while 8% fall in the under-30 age group (107 employees). People belonging to protected categories are 44, including 3 white-collar workers and 41 blue-collar and middle-collar workers, in line with the previous year.

The Group extensively relies on external collaborators, with a total of 600 as of June 30, 2023 up 30% from the previous year. This pool includes 371 Agents who work with various product categories, including “Seasonal products,” “Everyday products,” and other independent agents. Furthermore, Bauli also has 223 temporary workers, showing a substantial 81% growth compared to the prior year, in addition to 5 interns and trainees.

Total number of employees by job category and gender as of June 30, 2023 (Headcount)



RECRUITING AND ONBOARDING

The recruitment and induction of new resources are part of a broader Employer value proposition that associates the Group's vision and values with all Bauli's people-related activities, in order to show what kind of Employer Bauli is and to increase Company attractiveness towards all possible stakeholders. The company has developed an effective recruitment system based on a structured selection process while internal evaluation and job rotation processes are in place for internal staff.

As for "blue collar" resources, recruiting is coordinated together with Operations based on production trends. The recruitment process is established by a special procedure drafted during 2021.

The recruitment process is predominantly based on online channels, through an Applicant Tracking System (ATS), which allows for effective management of the recruiting process and channeling of all searches, managing activities with a view to GDPR compliance. Through the ATS in use, open positions can be posted on multiple platforms, such as the Group's website, LinkedIn (from 2023 effectively implemented as recruitment channel also by Indian office) and indeed. The relationship with Employment Agencies is also being expanded. The collaboration of Internal Communication with External Communication plays a key role both to strengthen the presence on LinkedIn and other digital channels (like Indeed and Glassdoor) and to have a clear and effective editorial plan, capable of strengthening attraction and emphasizing #bauliness, or the uniqueness of being part of the Group.

During 2022-23 it has been also defined a more precise and solid Employer Value Proposition, aimed to boost the attractiveness of Bauli towards young talents and highly

skilled people. The new EVP is aimed to give the flavor of the warm and engaging environment of Bauli, highlighting on one side the uniqueness of the Group history and on the other side, the continuous willingness to grow and to be a modern and positive work environment. This is the full formulation of the EVP:

"For over a century, Bauli's main ingredient has been passion. A passion born with Ruggero Bauli back in 1922 and passed down from generation to generation, that the people in Bauli Group continue to nourish today with commitment and loyalty. An international Group of companies, brands and products that works every day with vision and determination to preserve the future and wellbeing of our planet and the communities in which it operates. A Group of people who stand out for their uniqueness and create delicious products for consumers all over the world by collaborating with mutual trust, pooling their skills to achieve the shared goal of everyone growing together as a Company and as professionals.

A chemistry that is renewed every day, because we all work better together

This is Bauli's recipe for success

This is #Bauliness

Growing together tastes better

Always in terms of Employer branding, the company is working intensively in terms of diversifying active recruitment channels. Relationships with universities are being strengthened, both through participation in Career Days (e.g., Bocconi University, University of Padua, Verona) and other partnership activities. There are also important collaborations with high schools and other professional training institutions (e.g., ITS) in the area, which also include school-to-work alternation projects aimed at training and developing



2022-23

HAS BEEN DEFINED A MORE PRECISE AND SOLID EMPLOYER VALUE PROPOSITION, AIMED TO BOOST THE ATTRACTIVENESS OF BAULI TOWARDS YOUNG TALENTS AND HIGHLY SKILLED PEOPLE.



young professionals and strengthening some internal departments.

With a view to Age Management, the company is mapping out key figures and assessment processes in order to develop long-term shadowing projects. During 2022-2023, this activity has intensified, the key figures within each function have been mapped even more thoroughly to flank them with junior figures who can learn the knowledge deemed essential for business continuity.

The Group has intensified its scrutiny of both new employee recruitment and turnover rates, recognizing the pivotal role these metrics play in organizational development. In the fiscal year 2022-2023, the Group welcomed 855 new employees into its ranks, while 881 employees left, resulting in a hire rate and a turnover rate of 68% and 70% respectively. It is crucial to emphasize that Bauli SpA experiences significant business seasonality, with 653 seasonal workers employed in 2023, primarily during the Easter and Christmas periods. During these peak demand seasons, the Group relies on additional labor, which is typically hired on a temporary basis, therefore not resulting as employed as of June 30. This peculiarity can distort the calculated turnover rates and mislead the interpretation of data.

To provide an accurate representation of the company’s ability to retain and attract employees, the turnover rate has been recalculated excluding seasonal workers of the Bauli SpA, showing a hire rate of 16% and a turnover rate of 19%. To calculate these rates the total number of employees at the end of the reporting period was used as denominator. Among the newly hired employees, 21% were under 30 years of age, while 55% fell within the age range of 31 to 50 years old. Additionally, 24% of the new hires were over 50 years old, and notably, women constituted 58% of the total new hires.

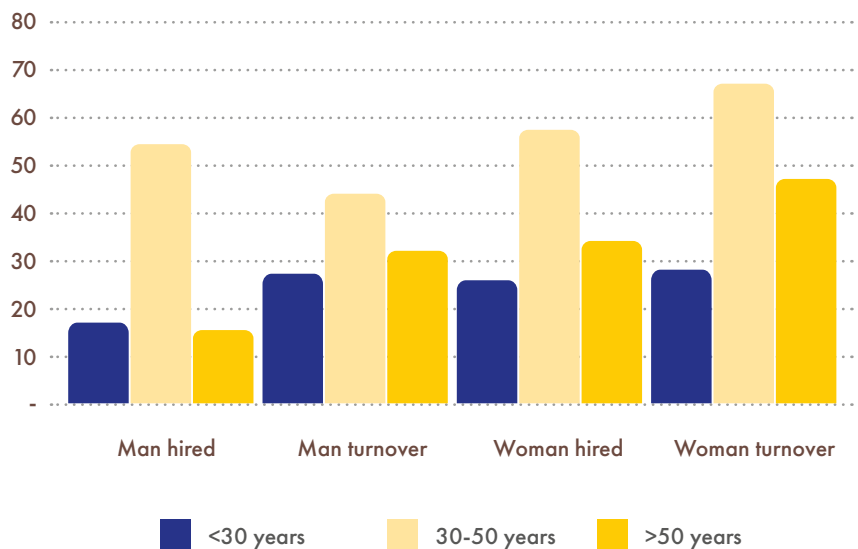
NEW HIRES AND “PHYGITAL” ONBOARDING

Bauli is committed to proactively engage the newly hired employee to foster internal engagement and retention from before entry. This activity makes it possible to reduce the time of “entry” into the new role, while gaining awareness of the company’s mission, vision and values. In this sense, a structured process is ensured to the new hire, particularly with regard to the clerical and managerial part, who is provided with a dedicated welcome kit and built a shadowing process to get acquainted with the reality of Bauli.

From 2022-2023, the new “Phygital” Onboarding initiative is born, which envisages flanking the welcome kit with a digital platform dedicated to new hires in which they can discover the Bauli reality through dedicated videos by key figures of the company such as, for example, their HR of reference or the CEO.

The platform serves as a means to share information about the Group’s fundamental principles and core values, as well as special emotional moments like the centenary video. It also provides access to all the necessary materials for a seamless entry into the company, such as organizational charts and specific documentation. Furthermore, the “Phygital” Onboarding process includes a unique feature – the awarding of a voucher. This voucher grants employees the opportunity to attend a welcome party, where they can meet and interact with their respective directors, fostering a sense of connection and belonging.

New hires and turnover without seasonal workers as of June 30th, 2023 (Headcount)



7.2 ROAD TO ZERO ACCIDENTS



SAFETY FIRST

The issue of Occupational Health and Safety has always been one of the strategic priorities for Bauli. Already in 2013, several initiatives related to health and safety in the workplace were published on the website of the Ministry of Labor, under the section “Collection of Good Practices” and were validated by a special advisory commission.

With the new One Bauli strategy, from 2023 the management of Health and Safety became even more relevant. The Group defined the “Road to Zero Accidents”, which aims to be a process of integrating the topic of safety in all Group locations considering first communication, awareness and training as key drivers.

The Safety-First project aims to define a common strategic approach to create a cultural context in which attention to safety becomes a perfectly integrated aspect in each plant worldwide.

As part of the Bauli Together events, a monthly appointment carried in which all Group workers can participate, the topic of Health and Safety is paramount. In fact, there is a dedicated presentation of data, experiences, and best practices to create a common culture of safety, not only in the workplace but also in daily life.

In this regard, during the month of July 2023, the Golden Rules manifesto was defined, a set of fundamental rules dedicated to the health and safety of all people working and collaborating with the Bauli Group.

The manifesto is an internal tool to better manage the issue of Health and Safety. Through the definition of 10 fundamental rules by the Group, it will be possible to implement internal communication making all people aware of issues such as the use of PPE, fire prevention, and in general on the most appropriate behavior to maintain in order to guarantee high levels of safety at work. The Group plans to develop a specifically dedicated communication campaign starting in October 2023.



The Group adopts an occupational health and safety management system integrated with the quality and environmental management systems, aimed at reducing the risk of serious accidents, increasing prevention and control of workplaces by reducing the number of accidents, increasing employee satisfaction and improving the business climate. The Company has been certifying the management of its activities according to the OHSAS18001 standard. In March 2020, migration from the OHSAS18001 standard to the ISO 45001 standard was carried out.

At the factories of the Bauli S.p.A., a Health, Safety & Environment Committee has long been established, in which the HSE, HR, Operations, Production, Logistics, Plant Managers, RSPPs and plant managers from each production site participate. The committee meets monthly to discuss the progress of specific projects from an H&S perspective and delve into ongoing critical issues. From a One Bauli perspective, it is the Group's goal to expand this initiative across the board.


For the Italian sites, the Group carries out periodic H&S risk assessment activities as part of the so-called risk assessment document (DVR), prepared and updated in accordance with the provisions of Legislative Decree 81/08. Bauli constantly monitors the company's health situation thanks to the supervision of the occupational health services' function. All employees are subject to a medical examination by the Occupational Doctor.

PPE is provided to personnel in accordance with the risk assessment document (DVR), in which there is a special section listing the PPE needed to perform the task. At some sites, in addition to the manual delivery carried out by special appointees, it is possible to carry out the distribution of certain types of PPE (e.g., earplugs) either through appropriately placed dedicated containers, or using specific

dispensers (gloves, masks, ear bows) which allows for automatic traceability of the delivery.

If an injury or accident occurs, the person in charge of the corresponding activity or area will be in charge to complete the "Missed Injury-Medication-Injury Report." The incident is then notified to relevant departments, including the employer, the Head of the Prevention and Protection Service (RSPP), the HSE Function, and HR functions. After internal reporting, the incident is further communicated to INAIL, the National Institute for Insurance against Accidents at Work which safeguards workers against physical injuries and occupational diseases.

The RSPP, once the report is received makes changes if necessary and then confirms the injury, if any. The data collected is used by the RSPP to carry out the appropriate investigations to verify the causes of the event, the compliance with safety regulations by personnel, and the use of personal protective equipment (PPE), as well as their proper use. In addition, these data are analyzed by generating the statistical reports for monitoring the accident phenomenon.



BAULI CONSTANTLY MONITORS THE COMPANY'S HEALTH SITUATION THANKS TO THE SUPERVISION OF THE OCCUPATIONAL HEALTH SERVICES' FUNCTION. ALL EMPLOYEES ARE SUBJECT TO A MEDICAL EXAMINATION BY THE OCCUPATIONAL DOCTOR.



The Head of the HSE Safety Management System, working closely with the RSPP, takes charge of coordinating and supervising the development of safety documents in collaboration with those directly involved. All Functions participate in the drafting and/or subsequent amendments of the safety documents under their responsibility. Worker participation and consultation in the development, implementation and evaluation of the occupational health and safety management system takes place at periodic meetings.

The HSE Function and the RSPP, with the possible assistance of the HR Function for the organizational and administrative part, oversee periodic health and safety training for employees and interns working in all company areas, i.e., in offices, maintenance, warehouses, laboratories, production areas, through special in-person and/or e-learning meetings. Occupational safety training is provided for in a special Training Plan where the training needs, the type of training administered, and the trainer identified according to the type of task envisaged for the Company's employees are made explicit. Upon completion each participant receives a copy of the training course with indications of safety rules to be followed within his or her work area. The purpose of the material is to train the specific functions on the risks present within their various areas and, through the prevention rules adopted by the company, prevent possible accident events and, at the end of the training sessions, participants take a specific 'learning test'.

Each Group site has a specific annual budget for plant modification and upgrading to define and develop specific interventions and projects in terms of health and safety and prevention of incidents. In 2022, several Group sites made significant investments to reduce manual handling

of loads to reduce the physical exertion of people through the rethinking of certain machinery. During 2023, these interventions were consolidated and replicated at other Group sites as well.


Information on workplace risks of external employees is disseminated in accordance with a special procedure "Information on specific risks in the work environment." All visitors, as needed, are given some specific documents and brochures for each individual site of the Company at the entrance.



NETWORKING WITH OTHER COMPANIES ON OCCUPATIONAL HEALTH AND SAFETY ISSUES

For several years now, Bauli has participated in national networks dedicated to the topic of health and safety, with a view to comparing, updating and sharing best practices. In particular, the Group takes part in the working tables of Unionfood, the national association for the direct representation of food product categories, participating in a Working Group with the participation of Safety Managers from many important member companies. This has carried out a study activity to share the interventions and initiatives implemented by individual companies to improve working conditions, such as, for example, adaptation of individual equipment, improvement of workstation comfort, interventions on layouts.

Bauli is a member of the Italian Environment and Safety Association (AIAS), Italy's most important technical and scientific community of professionals inside and outside organizations dealing with safety, health and the environment. The exchange of experience among professionals is also facilitated by the inclusion of associates in AIAS Professional Communities (APCs), which form the basis of the Scientific Technical Committee (STC). Periodic meetings of associates are the main associational engine for the development of technical documents, training courses, services, products, and everything else the AIAS network offers to its members. Within AIAS, Bauli is a member and participates in the activities of the Club of Prevention in Large Organizations (CGPO), which brings together in a network the EHS managers of large public and private, Italian or international organizations based in Italy. The Club's mission is to establish itself as the most important reality existing in Italy to represent the voice of large Italian organizations operating in Italy to give them a physical and virtual place where they can grow together while respecting cultural diversity and market rules.

A smiling woman with long blonde hair, wearing a tan blazer over a light blue checkered shirt, is holding a tablet. She is in an office environment with other people blurred in the background. There are decorative brown particle effects in the top right and bottom left corners.

**IMPROVE WORKING
CONDITIONS, SUCH AS, FOR
EXAMPLE, ADAPTATION OF
INDIVIDUAL EQUIPMENT,
IMPROVEMENT OF
WORKSTATION COMFORT,
INTERVENTIONS ON
LAYOUTS.**

7.3 EMPOWERING PEOPLE

Bauli places a significant emphasis on the training, information, and instruction of both new and existing employees. For new hires, the objective is to equip them with knowledge that, when coupled with hands-on experience, enhances their skill set. As for existing employees, the Group strives to keep them well-informed and engaged, ensuring they are knowledgeable about company matters and can actively contribute to a safe and productive work environment.

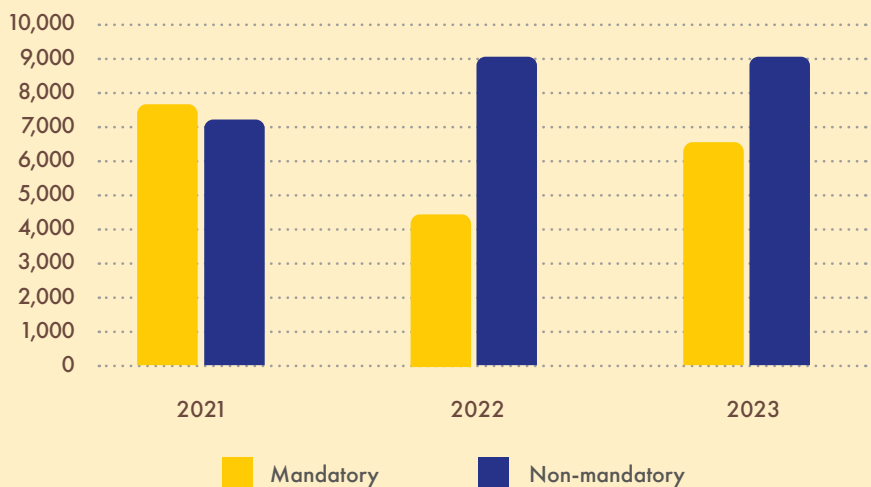
Training activities are conducted according to the different categories identified by the type of collaboration and specifically cover the following aspects: Internal regulations, On-boarding, Corporate quality system, GDPR, Leg. Decree 231/2001 / Corporate Crime Liability, health and safety regulations, Hygiene and HACCP standards, Security food defense, Targeted professional training paths.

The training reserved for the categories deputed to manage production processes, covers activities considered important for product quality, from technical aspects relating to the production to personal safety when the employee is required to operate tools and machinery. The Human Resources Department collaborates with area managers to establish both technical and cross-functional training programs. The organization has established talent development processes and programs aimed at defining activities for nurturing and enhancing the skills and competencies of individuals, with a focus on achieving upskilling, reskilling, and competence growth objectives. These paths are targeted for each employee, with periodic evaluations and improvement plans to

enhance areas of weakness and ensure personal growth and development.

During the reporting period, overall training amounted to 12,3 hours per capita, an increase of approximately 19% compared to the previous period (10,3 hours per capita in the period 2021-2022).

Total number of hours of mandatory and non-mandatory training



Bauli offers a blended approach to employee training, combining both online and in-person sessions, with a preference for the latter. In 2022, a dedicated training facility was built in Castel D’Azzano, capable of hosting up to 200 individuals. This investment has significantly enhanced the ability to deliver in-person training and interactive workshops, providing a with greater flexibility to choose between face-to-face instruction and hands-on learning experiences.

Bauli is proactively developing specialized training initiatives for specific demographic segments. In particular, the company has established the following training academies:

- The Operations Academy is committed to equip blue-collar personnel with essential training and information. Its core objective is to impart knowledge regarding the company's operational procedures, activities within the operations departments, and how these align with the company's mission, vision, values, and strategies. This training initiative empowers employees to gain a comprehensive understanding of the company and contribute valuable feedback for process enhancement.

- The Future Academy is specifically designed for young professionals with up to 5 years of experience and under the age of 32. Its primary objectives include fostering a sense of community, increasing engagement, and nurturing essential soft skills crucial for advancing their careers. This academy serves as a platform where employees are trained to become ambassadors of change within Bauli, with a strong focus on developing their relational, cognitive, and innovation competencies over the course of a one-year training program. Each aspect of work, be it relational, cognitive, or innovative, is reinforced through practical experiences such as games or case studies, supplemented by two to three laboratory sessions.

- The Bauli Professional Academy is for "Bauli Professionals" with the aim of equipping them with advanced tools and skills to expedite the attainment of both their professional and personal objectives. This training initiative serves as a catalyst for integration, growth, and transformation, fostering a sense of unity within the company and its community of key players. It encourages them to collaborate across various departments, emphasizing four core laboratories: project-oriented thinking, solution-driven approaches, effective collaboration, and impactful presentation skills.

- Bauli Leadership Academy: structured differently for newly appointed managers and other managers. An experiential training course for the professional growth and development of the manager role in Bauli. The aim is to acquire managerial tools, models and techniques related to feedback, delegation and motivational and engagement levers. Workshops and role plays aimed at discussion and sharing of managerial experiences in managing employees are the main training tools.

- Bauli Toolkit Academy: an Academy aimed to give all employees tools to better manage their work – focusing on excel, power point, communication skills and soon on project management.

Other projects developed by the Group are:

- Maximize personal efficacy: provide all the fundamental tools to face new work challenges in a fast-paced and ever-changing environment. Focus on time management, problem solving (accountability and creativity and self-management);

- Coaching: to guide managers in strengthening their competences and development areas;

- Short technical course with top institutes (e.g Politecnico di Milano).

Many other individual and/or clustered training activities has been activated, including the activation of further team building activities, both for specific department as well as for cross-departments groups of people.

PERFORMANCE EVALUATION, COMPENSATION AND DEVELOPMENT PLANS

People performance appraisal in Bauli is based on a structured appraisal system that focuses on the assessment of quantitative objectives (business objectives/economic/financial KPIs) and qualitative objectives (competency assessment based on company values). The process makes it possible to:

- Set short-term goals in line with the company's long-term strategy
- Reward top performance

- Integrate personnel development policies
- Strengthen employees' emotional commitment to the Organization

- Maintain high employee engagement through constructive feedback

- Strengthen the promoted culture based on the evaluation of achievements and behaviors implemented within the Organization

- Structure discussion on areas of improvement that have emerged.

Goal setting is associated with mid-year and year-end feedback activities and is based on quantitative and qualitative elements, with the aim of mapping potential talent within "green boxes" and defining development paths. In particular, a part of the assessment based on qualitative objectives is related to the development of soft skills in line with the company values, and Bauli key-competence Model, in order to ensure constant adherence to the aspects of corporate culture and well-being that characterize the Group.

Performance evaluation criteria are constantly evolving in line with the continuous improvement process adopted by Bauli. The evaluation process is one of the factors for the Compensation system, which is divided into annual incentive systems (mainly MBO and sales awards) and a structured annual Salary Review system.

The Group is actively engaged in enhancing its performance appraisal process with the aim of better formalizing individual Career Development Plans. This strategic initiative is designed to bolster the customization of professional advancement, encompassing the development of both soft and hard skills, as well as managerial growth. It is complemented by advancements in total rewards and a continuous commitment to providing training and support for career development. Additionally, as previously mentioned, the company is collaboratively working with the HR function and area managers to foster greater participation in Job Rotation activities.

7.4 CARING & ENGAGEMENT

In order to promote people's well-being and quality of life, Bauli has set up several initiatives in line with the latest approaches of Corporate Welfare and Well-being. The Group considers these activities essential to attract new resources and keep them motivated and engaged over time.

Regarding the possibility of access to services, the parent company Bauli S.p.A. provides all employees with expendable Welfare tools through the Bauli People portal, appropriately developed by the Group. Within the portal, employees can use the Jointly platform to access a network of services based on their needs¹⁵. In addition to that, through the Corporate Benefits portal the employees can obtain products or services at discounted prices¹⁶.

The process of defining the Welfare service offerings presented an opportunity to carry out a specialized climate analysis. This analysis is conducted online and is periodically updated every 3-4 years. It enables to proactively anticipate and, whenever feasible, address the needs of all employees.

Commencing from the year 2022-2023, a significant change has been implemented for all employees entitled to collective bonuses established by Company Collective Agreements. Now, these employees have the option to convert a portion of their result bonus into Welfare benefits. Specifically, a percentage ranging from 30% to 80% of the total annual bonus is distributed to both white-collar and blue-collar

workers. This distribution is based on the achieved EBITDA result. Furthermore, employees can choose to convert up to 100% of the total value of this bonus into welfare credits. For blue collars, a portion of the fringe benefits provided can be converted into welfare credits; while for white collar this possibility falls at least partially within what is identified in the flexible benefits category.

The Group views welfare initiatives as a high-value tool and a key opportunity for its people. In this regard, during 2022-2023, it has developed widespread engagement activities dedicated to training and information on the use of both fringe and flexible benefits within the Jointly platform considering the rich offering it proposes. This initiative has been very successful and has resulted in reaching a percentage of enjoyment of such benefits within the platform equal to 95% of the total bonuses disbursed.

Some more activities have been put in place in 2022-23 regarding Caring and welfare. During the renewal of two of the four Internal Collective Agreements currently in place in the four main location of Bauli Spa, the amounts provided to the employees for being used as welfare credits have been increased and provided "on top", without reference to the achievement of any specific target. It has been also agreed with Unions that, in case of conversion of the 100% of the collective bonus into welfare credits, the resulting amount should be increased by a certain %, providing in this way a further amount of money to be invested into welfare.



THE GROUP VIEWS WELFARE INITIATIVES AS A HIGH-VALUE TOOL AND A KEY OPPORTUNITY FOR ITS PEOPLE.

Furthermore, within the renewal of the Collective Agreement referred to Orsago site, it has been agreed with the Unions to launch a pilot initiative related to the implementation of a "hours solidarity bank". This will allow the employees to "donate" part of their leave / permits entitlement to colleagues who have completely consumed them and have specific needs of taking time-off periods to manage proven family-caring activities. Bauli strongly believes that encouraging solidarity among colleagues will generally contribute to the culture of caring and sense of inclusiveness.

¹⁵The benefits described are provided to blue collar and white collar employees of the parent company, including part-time employees. Seasonal employees are not included.

¹⁶The benefits described are provided to blue collar and white collar employees of the parent company, including part-time employees. Seasonal employees are included in Corporate Benefits.



SMART FLEXIBILITY POLICY 2.0

During 2023, the company updated its policy dedicated to flexible work by defining the Smart Flexibility Policy 2.0, which allows a portion of workers to benefit from flexible working hours and access to Smart Working. Specifically, the initiative now provides, for all employees and executives of the parent company Bauli S.p.A.

- Up to 10 days of Smart Working per month (previously 1 per week), even fractionable during the week, with devices appropriately provided by the company. With a view to people caring, the company has provided the possibility for people in certain peculiar situation (pregnant women, people with children under the age of three, people with specific family caring needs, etc.) to be able to take advantage of more Smart Working days per week.
- Flexibility of hours that can be managed on a weekly basis, in compliance with the planned 40 hours per week and ensuring a minimum of 5 hours per day. Flexibility hours can be made up on the same day or during the week (up to a maximum of 9 working hours per day, no later than 7 p.m. and not during smart working days).

The adoption of the Smart Flexibility Policy 2.0 is intended to be a further step towards the creation of an innovative workplace; in fact, this approach allows the company to offer concrete and meaningful support with a view to work-life balance, parenting and care of frailties, while maintaining a strong focus on the team concept. Demonstrating that the initiative has been implemented correctly, there has been a strong increase in membership over the past year, even from people belonging to functions in which the practice was not initially very successful.

EMPLOYEE ENGAGEMENT ACTIVITIES

The Group constantly strives to ensure a positive and motivating work environment in which respect for people, integrity and fairness must be a prerequisite for well-being and quality of work. Indeed, employee engagement activities play a significant role and are carried out by the HR Department in collaboration with the Internal Communications function.

Among these, of particular importance are internal initiatives to disseminate "good news" information to employees via e-mail, through the intranet portal and company screens in plants and offices, regarding new projects, initiatives and aspects of environmental and social sustainability.

A group of internal Ambassadors the G.I.V.E.R., is engaged on the front of disseminating corporate values as well as supporting the development and internal communication of various sustainability

projects (dematerialization of paper-based processes, water-saving projects, collection of the company's "charity" initiatives also for internal engagement purposes).

Team-building activities have also been developed, which, in collaboration with external partners, aim not only to boost employees' personal growth but want to be opportunities for learning and fun.





PARTNERSHIP WITH GREAT PLACE TO WORK

During 2023, the company activated a partnership with Great place to Work to measure the level of engagement of its employees so that it can work on possible points of weakness and with a view to continuous improvement of the workplace offered. Administered on an annual basis, a company climate analysis survey is conducted to define plans for developing well-being in the company. The initiative, still in its initial phase, is finding great success by reaching a questionnaire response rate of about 87% of the sample to which it was submitted.

The Group has also implemented several engagement initiatives over time aimed at fostering people’s involvement around the Bauli world and particular anniversaries, including:

- Happy Anniversary - celebration of employees’ work anniversaries;
- Easter and Christmas gifts to employees;
- March 8 - internal activities to celebrate Women’s Day;

- Internal Bauli product tasting initiatives;
- Coffee free day - coffee machines are free for free dispensing;
- Beautification of workplaces - beautification of the premises of the Castel D’Azzano office.

HAPPY ANNIVERSARY AND SUSTAINABILITY

Each year the Bauli Group celebrates “the company’s anniversary” by giving each employee a gift chosen considering sustainability and environmental criteria. The Happy Anniversary is designed to celebrate a milestone and a growth made together between people and the company.

For 2023, Bauli has chosen to gift its employees with a backpack made from surplus fine fabrics from major brands developed together with “Quid Impresa Sociale” a nonprofit corporation committed to produce goods by using high-quality wasted materials, realized by workers (mainly women) who have been subject to different kind of social and personal issues.



THE HAPPY ANNIVERSARY IS DESIGNED TO CELEBRATE A MILESTONE AND A GROWTH MADE TOGETHER BETWEEN PEOPLE AND THE COMPANY.

CHRISTMAS LUNCHEON IN HONOR OF THE GROUP’S 100TH ANNIVERSARY

The Bauli Group, in honor of its 100th anniversary, has decided to celebrate Christmas together with all the people who every day contribute with their work to Bauli’s success in Italy and around the world.

The celebration was in Verona, the city where the great dream began, with a Christmas lunch that would bring together Bauli Group employees from Italy and the various foreign Group companies. It was akin to a large family reunion, a moment to gather, extend holiday wishes to one another, and savor moments of genuine magic.



7.5 SUPPORTING OUR COMMUNITIES

For the Bauli Group, social responsibility also means supporting the community in which it operates and the city and territory in which it has now been present for many years. The company has developed numerous actions and projects over the years, which have enabled the company to make the local community share in its success, demonstrating its sense of responsibility and belonging.

To make the Group's commitment on this area more effective and relevant, a specific Donations Procedure has been approved, which regulates how contributions to local entities are selected and disbursed. Among the various activities undertaken, the most relevant are listed below.



CULTURAL ENHANCEMENT OF THE TERRITORY

Regeneration and expansion of the Capitolare Library

One initiative that makes Bauli particularly proud is the support that, for several years now, has been provided to the Capitolare Library in Verona, the oldest library in the world still operating, a precious place in the heart of the Group's hometown and yet still little known.

Bauli celebrated its 100th anniversary with a grand ceremony held right at the Capitolare Library in Verona. Through the establishment of the Capitolare Library Foundation, the Bauli Group contributes to the preservation and increasing appreciation of the treasure hidden in it, with the aim of providing the opportunity to make known to an ever wider public a unique heritage of human knowledge.

Initiative "67 Colonne per l'Arena di Verona"

Once again, the Bauli Group is proud to support "67 Colonne per l'Arena di Verona", an important Fundraising and Corporate Membership project designed to strengthen one of the pivotal institutions of the economy and culture of the city of Verona and its territory.

In collaboration with the Fondazione Arena di Verona, the project plans to ideally rebuild the outermost circle of arches destroyed by an earthquake in 1117 thanks to the support of entrepreneurs and professionals who join an annual membership animated by ever-new supporters united by a desire to contribute to the show and its social value. Culture is regarded as a means of fostering inclusion and participation within the Group. This is precisely why Bauli consider it a privilege to be part of this initiative and to deepen its connection with Verona and its surrounding region.



CREATE JOB OPPORTUNITIES FOR THE YOUNGER GENERATION

Career and Recruiting Days at area universities

The Bauli Group is committed to shape the talents of the future in a meaningful way. During events organized by local universities, potential candidates are given the chance to interact with Group teams and engage with the HR department, which is proficient in addressing questions and elucidating the career opportunities presented by the Group.

Bauli also participates in Job&Orienta in Verona, an event specifically focused on offering career guidance to students, helping them transition into the professional world. During this event, the HR and IT managers from the Group took the opportunity to discuss the primary challenges and opportunities they encounter in their daily work. They shared their enthusiasm and offered valuable insights to students on how to cultivate the essential skills required in a sector that is becoming progressively vital for contemporary businesses.

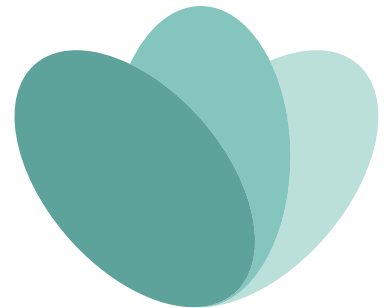


SUPPORT FOR PEOPLE IN FRAGILE CONDITION

Make-a-Wish Italy

Starting in 2019, the Bauli Group supports Make-A-Wish Italia, a non-profit organization that cares for children with serious illnesses. Together with this very special non-profit organization, Bauli will therefore be able to help make a difference in the lives of many children, making their big and small wishes come true. We are proud to have been at the Association's side for four years.

During Christmas 2022, the Group has chosen to support 10 wishes of as many children, with the aim of giving them moments of intense joy capable of bringing strength and hope to the hearts of the little ones and their families.



Too Good To Go

COMBATING FOOD WASTE

Good Giving - Pane Quotidiano ONLUS

The Good Giving - Pane Quotidiano ONLUS platform developed in collaboration with Salesforce, Bocconi University and Corporate Hangar was presented during TUTTOFOOD Milan.

A project that was created to simplify the donation process for companies in the agrifood chain, contain food waste through a computerized system

of organizing the distribution network of surpluses and increase the value generated for the community.

For the Bauli Group, the issue of food waste and the resulting negative impact in terms of social and environmental sustainability is of vital importance, and this is precisely why we decided to join, and be among the early adopters, of the Good Giving platform, to help people in need.

Too Good To Go

Since 2021, the Bauli Group has signed the "Too Good To Go" Pact Against Food Waste, becoming part of a community united in tackling what is a crucial challenge for the well-being of the entire planet.

Bauli promotes with enthusiasm and determination the projects proposed by the initiative not only by contributing with the collection of products but also by organizing internal information moments.

The initiative involves 25 partners including companies, the third sector and consumer associations. Also during 2022 this initiative reached extraordinary numbers saving as many as 67,538 products, the equivalent of 7,131 boxes. In line with the values of sustainability, this cooperation also has an important impact on the Group's emissions: in fact, 17,827.5kg of CO₂ have been saved, the equivalent of 52 Rome/London flights or, thinking bigger, 16 Rome/New York flights.

ABOUT THIS REPORT

THIS DOCUMENT IS THE SECOND EDITION OF THE BAULI GROUP SUSTAINABILITY REPORT (ALSO REFERRED TO IN THE DOCUMENT AS “GROUP” OR “BAULI”) AND AIMS TO TRANSPARENTLY COMMUNICATE THE GROUP’S SUSTAINABILITY APPROACH AND ITS PERFORMANCE IN ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY WITH RESPECT TO THE 2022/2023 FISCAL YEAR (JULY 1, 2022 TO JUNE 30, 2023).

In order to enable the comparability of data over time and the assessment of the Group’s business performance, a comparison with data for fiscal years 2021/2022 (July 1, 2021 to June 30, 2022) and 2020/2021 (July 1, 2020 to June 30, 2021) is also shown. To ensure the reliability of the data, the use of estimates has been limited as much as possible, and where they exist, they are appropriately reported in the document.

The Bauli Group Sustainability Report is prepared in accordance with the requirements of the 2021 update of the “GRI Sustainability Reporting Standards” defined by the Global Reporting Initiative (GRI). As required by the GRI Standards, the Bauli Group has identified sustainability topics deemed relevant through a Materiality Analysis, carried out in 2023 and described in the “Sustainability Approach” section of this document.

The reporting boundary of economic and social data and information is the same as that of the Bauli Group Consolidated Financial Statements as at 30 June 2023. With reference to environmental data and information, the reporting boundary includes the production sites of Castel d’Azzano (VR), San Martino Buon Albergo (VR) and Orsago (TV) for Bauli S.p.A., the production site of Romanengo (CR) for F.B.F. S.p.A, the Altopascio (LU) production site for Alpipan S.r.l., the Guarene (CN) production site for

Dacasto Gran Pasticceria S.r.l., the Baramati (India) production site for Bauli Asia (Bauli India Bakes & Sweets Pvt Ltd.) and the Bratislava (Slovakia) office for Bauli Slovakia and Czech Republic (Max Sport S.r.o.). Excluded from the scope of environmental data and information are the Singapore site for Bauli Singapore Pvt. Ltd., the Marseille (France) office for Bauli France (Fête Latine S.a.S.), the London (UK) office for Bauli International Ltd, the New York (USA) office for Bauli USA Inc., the Calcutta (India) office for Bauli Bakes & Sweets Consulting Pvt Ltd and the company Immobiliare Gravon S.r.l., as they are considered not significant with respect to the environmental impacts considered. Any other boundary limitation with respect to specific topics or indicators is made explicit in the report.

During fiscal year 2022/2023 (July 1, 2022 to June 30, 2023) there were no significant changes related to the Group’s business sector, business relations and/or value chain.

This document is prepared annually and was submitted for approval by the Board of Directors of Bauli S.p.A. on September 26, 2023. The document is not subject to external assurance.

For further information and suggestions regarding this Sustainability Report, you can write to comunicazione@bauli.it.

The document is also available on Bauli’s website: www.bauligroup.com.

KEY PERFORMANCE INDICATORS (KPIs)

ECONOMIC RESPONSIBILITY

DISCLOSURE 201-1 Direct economic value generated and distributed

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (IN EURO)

	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Directly generated economic value	476,558,121	551,649,431	639,144,991
Economic value retained	30,295,815	31,942,992	34,023,236
Distributed economic value, of which:	446,262,306	519,706,440	605,121,753
Operating costs reclassified	354,335,363	432,378,709	517,781,966
Staff Remuneration	78,591,242	77,493,457	79,286,237
Remuneration of financiers	1,061,084	1,095,304	3,445,027
Remuneration of Shareholders	4,416,100	5,014,505	1,965,100
Public Administration Remuneration	7,567,181	3,252,115	1,828,774
Community remuneration	291,334	472,350	814,649

SOCIAL RESPONSIBILITY

DISCLOSURE 2-7 Employees

EMPLOYEES BY GENDER AND REGION (HEADCOUNT)

Region	As of June 30 th , 2021			As of June 30 th , 2022			As of June 30 th , 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	531	601	1,132	516	595	1,111	504	568	1,072
India	158	5	163	143	7	150	145	8	153
France	2	7	9	1	7	8	1	7	8
Slovakia	14	16	30	19	17	36	13	15	28
USA	1	-	1	1	-	1	1	-	1
Singapore	1	-	1	1	-	1	1	-	1
Total Group's employee	707	629	1,336	681	626	1,307	665	598	1,263

EMPLOYEES BY CONTRACT TYPE (PERMANENT, TEMPORARY AND SEASONAL) GENDER AND REGION (HEADCOUNT)

Region	Type of contract	As of June 30 th , 2021			As of June 30 th , 2022			As of June 30 th , 2023		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	Permanent	504	563	1,067	495	552	1,035	483	543	1,026
	Temporary	22	30	52	19	41	60	15	21	36
	Seasonal	5	8	13	2	2	4	6	4	10
	Total	531	601	1,132	516	595	1,111	504	568	1,072
India	Permanent	158	5	163	143	7	150	145	8	153
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	158	5	163	143	7	150	145	8	153
France	Permanent	2	7	9	1	7	8	1	6	7
	Temporary	-	-	-	-	-	-	-	1	1
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	2	7	9	1	7	8	1	7	8
Slovakia	Permanent	14	16	30	19	17	35	13	15	28
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	14	16	30	19	17	36	13	15	28
USA	Permanent	1	-	1	1	-	1	1	-	1
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	1	-	1	1	-	1	1	-	1
Singapore	Permanent	1	-	1	1	-	1	1	-	1
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	1	-	1	1	-	1	1	-	1
Total Group's employee	Permanent	680	591	1,271	660	583	1,243	644	572	1,216
	Temporary	22	30	52	19	41	60	15	22	37
	Seasonal	5	8	13	2	2	4	6	4	10
	Total	707	629	1,336	681	626	1,307	665	598	1,263

KEY PERFORMANCE INDICATORS (KPIs)

EMPLOYEES BY TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME), GENDER AND GEOGRAPHIC AREA (HEADCOUNT)

Region	Type of contract	As of June 30 th , 2021			As of June 30 th , 2022			As of June 30 th , 2023		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	Full-time	527	529	1,056	511	524	1,035	497	491	988
	Part-time	4	72	76	5	71	76	7	77	84
	Part-time (%)	1%	12%	7%	1%	12%	7%	1%	14%	8%
	Total	531	601	1,132	516	595	1,111	504	568	1,072
India	Full-time	158	5	163	143	7	150	145	8	153
	Part-time	-	-	-	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total	158	5	163	143	7	150	145	8	153
France	Full-time	2	6	8	1	5	6	1	5	6
	Part-time	-	1	1	-	2	2	-	2	2
	Part-time (%)	0%	14%	11%	0%	29%	25%	0%	29%	25%
	Total	2	7	9	1	7	8	1	7	8
Slovakia	Full-time	14	16	30	18	17	35	13	15	28
	Part-time	-	-	-	1	-	1	-	-	-
	Part-time (%)	0%	0%	0%	5%	0%	3%	0%	0%	0%
	Total	14	16	30	19	17	36	13	15	28
USA	Full-time	1	-	1	1	-	1	1	-	1
	Part-time	-	-	-	-	-	-	-	-	-
	Part-time (%)	0%	-	0%	0%	-	0%	0%	-	0%
	Total	1	-	1	1	-	1	1	-	1
Singapore	Full-time	1	-	1	1	-	1	1	-	1
	Part-time	-	-	-	-	-	-	-	-	-
	Part-time (%)	0%	-	0%	0%	-	0%	0%	-	0%
	Total	1	-	1	1	-	1	1	-	1
Total Group's employee	Full-time	703	556	1,259	675	553	1,228	658	519	1,177
	Part-time	4	73	77	6	73	79	7	79	86
	Part-time (%)	1%	12%	6%	1%	12%	6%	1%	13%	7%
	Total	707	629	1,336	681	626	1,307	665	598	1,263

DISCLOSURE 2-8 Workers who are not employees

WORKERS WHO ARE NOT EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY (HEADCOUNT)

Types	As of June 30 th , 2021			As of June 30 th , 2022			As of June 30 th , 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary workers	66	31	97	93	30	123	132	91	223
Interns/Trainees	-	2	2	2	5	7	2	3	5
Agents ¹⁷	252	57	309	272	57	329	302	70	372
Total	318	90	408	367	92	459	436	164	600

¹⁷The agent category includes sales agents, represented in particular by recurrence agents and continuous product agents.

DISCLOSURE 405-1 Diversity of governance bodies and employees

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (%)

Professional category	As of June 30 th , 2021			As of June 30 th , 2022			As of June 30 th , 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior executives	88.9%	11.1%	2.0%	92.0%	8.0%	1.9%	92.3%	7.7%	2.1%
Executives	87.1%	12.9%	5.2%	81.5%	18.5%	5.0%	80.6%	19.4%	5.7%
Employees	55.5%	44.5%	25.7%	53.6%	46.4%	26.5%	53.1%	46.9%	26.7%
Workers	48.2%	51.8%	67.0%	48.2%	51.8%	66.6%	48.8%	51.2%	65.6%
Total	53%	47%	100%	52%	48%	100%	52.7%	47.3%	100%

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (%)

Professional category	As of June 30 th , 2021				As of June 30 th , 2022				As of June 30 th , 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior executives	0.0%	37.0%	63.0%	2.0%	0.0%	44.0%	56.0%	1.9%	0.0%	50.0%	50.0%	2.0%
Executives	1.4%	62.9%	35.7%	5.2%	3.1%	63.1%	33.8%	5.0%	0.0%	63.9%	36.1%	5.7%
Employees	9.3%	60.8%	29.9%	25.7%	12.9%	60.2%	26.8%	26.6%	8.0%	62.7%	29.3%	26.8%
Workers	12.0%	46.1%	41.9%	67.0%	10.9%	47.7%	41.4%	66.5%	9.7%	48.2%	42.1%	65.5%
Total	10.5%	50.6%	38.9%	100%	10.9%	51.7%	37.4%	100%	8.5%	53.0%	38.5%	100%

EMPLOYEES BELONGING TO PROTECTED CATEGORIES BY PROFESSIONAL CATEGORY AND GENDER

Professional category	As of June 30 th , 2021			As of June 30 th , 2022			As of June 30 th , 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior executives	-	-	-	-	-	-	-	-	-
Executives	-	-	-	-	-	-	-	-	-
Employees	2	1	3	3	1	4	2	1	3
Workers	12	24	36	15	25	40	16	25	41
Total	14	25	39	18	26	44	18	26	44

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUP (%)

Gender	As of June 30 th , 2021				As of June 30 th , 2022				As of June 30 th , 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	0%	14%	71%	86%	0%	17%	67%	83%	0%	14%	71%	86%
Women	0%	14%	0%	14%	0%	17%	0%	17%	0%	14%	0%	14%
Total	0%	29%	71%	100%	0%	33%	67%	100%	0%	29%	71%	100%

KEY PERFORMANCE INDICATORS (KPIs)

DISCLOSURE 401-1 New employee hires and employee turnover

NEW EMPLOYEE HIRES (HEADCOUNT)

Gender	As of June 30 th , 2021				As of June 30 th , 2022				As of June 30 th , 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	27	52	53	132	25	53	51	129	29	77	64	170
Women	25	215	417	657	37	202	410	649	33	219	433	685
Total	52	267	470	789	62	255	461	778	62	296	497	855

TURNOVER (HEADCOUNT)

Gender	As of June 30 th , 2021				As of June 30 th , 2022				As of June 30 th , 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	23	53	70	146	25	57	74	156	38	66	78	182
Women	23	226	441	690	26	195	433	654	36	227	436	699
Total	46	279	511	836	51	252	507	810	74	293	514	881

DISCLOSURE 404-1 Average hours of training per year per employee

TOTAL MANDATORY TRAINING HOURS BY PROFESSIONAL CATEGORY AND GENDER

Professional category	as of 30 June 2023								
	Training Hours Men	N° of man employees	Hours per capita Men	Taining Hours Women	N° of Women employees	Hours per capita Women	Total training Hours	Total employees	Total hours per capita
Senior executives	24	24	1.00	12	2	6.00	36	26	1.38
Executives	176	58	3.03	70	14	5.00	246	72	3.42
Employees	614	179	3.43	452	158	2.86	1,066	337	3.16
Workers	3,033	404	7.51	2,149	424	5.07	5,181	828	6.26
Total	3,846	665	5.78	2,683	598	4.49	6,529	1,263	5.17
Professional category	as of 30 June 2022								
	Training Hours Men	N° of man employees	Hours per capita Men	Taining Hours Women	N° of Women employees	Hours per capita Women	Total training Hours	Total employees	Total hours per capita
Senior executives	12	23	0.52	12	2	6.00	24	25	0.96
Executives	66	53	1.25	44	12	3.67	110	65	1.69
Employees	485	186	2.61	310	161	1.93	795	347	2.29
Workers	1,432	419	3.42	2,079	451	4.61	3,511	870	4.04
Total	1,995	681	2.93	2,445	626	3.91	4,440	1,307	3.40

Professional category	as of 30 June 2021								
	Training Hours Men	N° of man employees	Hours per capita Men	Taining Hours Women	N° of Women employees	Hours per capita Women	Total training Hours	Total employees	Total hours per capita
Senior executives	22	24	0.90	-	3	0.00	22	27	0.80
Executives	306	61	5.02	94	9	10.44	400	70	5.71
Employees	991	191	5.19	634	153	4.14	1,625	344	4.72
Workers	2,936	431	6.81	2,668	464	5.75	5,604	895	6.26
Total	4,255	707	6.02	3,396	629	5.40	7,650	1,336	5.73

TOTAL HOURS OF NON-MANDATORY TRAINING BY PROFESSIONAL CATEGORY AND GENDER

Professional category	as of 30 June 2023								
	Training Hours Men	N° of man employees	Hours per capita Men	Taining Hours Women	N° of Women employees	Hours per capita Women	Total training Hours	Total employees	Total hours per capita
Senior executives	389	24	16.21	33	2	16.50	422	26	16.23
Executives	1,123	58	19.36	234	14	16.71	1,357	72	18.85
Employees	1,776	179	9.92	1,842	158	11.66	3,618	337	10.74
Workers	2,606	404	6.45	961	424	2.27	3,567	828	4.31
Total	5,894	665	8.86	3,070	598	5.13	8,964	1,263	7.10

Professional category	as of 30 June 2022								
	Training Hours Men	N° of man employees	Hours per capita Men	Taining Hours Women	N° of Women employees	Hours per capita Women	Total training Hours	Total employees	Total hours per capita
Senior executives	318	23	13.80	80	2	40.00	398	25	15.90
Executives	407	53	7.68	37	12	3.08	444	65	6.83
Employees	1,845	186	9.92	1,927	161	11.97	3,772	347	10.87
Workers	3,337	419	7.96	1,072	451	2.38	4,408	870	5.07
Total	5,906	681	8.67	3,116	626	4.98	9,022	1,307	6.90

Professional category	as of 30 June 2021								
	Training Hours Men	N° of man employees	Hours per capita Men	Taining Hours Women	N° of Women employees	Hours per capita Women	Total training Hours	Total employees	Total hours per capita
Senior executives	534	24	22.25	192	3	64.00	726	27	26.89
Executives	674	61	11.05	119	9	13.22	793	70	11.33
Employees	1,355	191	7.09	1,079	153	7.05	2,433	344	7.07
Workers	2,560	431	5.94	676	464	1.46	3,236	895	3.62
Total	5,123	707	7.25	2,066	629	3.28	7,188	1,336	5.38

KEY PERFORMANCE INDICATORS (KPIs)

DISCLOSURE 2-21 Annual total compensation ratio

ANNUAL TOTAL COMPENSATION RATIO¹⁸

Ratio	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Percentage change in total annual remuneration of the highest-paid person	-37.5%	-30.7%	188.5%
Percentage change in median value of annual total remuneration of all employees (excluding the highest paid person)	0.88	2.28%	8.16%
Remuneration ratio	17.48	11.85	31.61
Ratio of annual percentage change	-42.85	-13.47	23.10

DISCLOSURE 2-30 Collective Bargaining Agreements

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Total number of employees covered	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Total number of employees	1,304	1,269	1,263
Number of employees with a collective labour agreement ¹⁹	1,217	1,194	1,153
Total percentage	93%	94%	91%

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

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE²⁰

	As of June 30 th , 2021		As of June 30 th , 2022		As of June 30 th , 2023	
Ratio	1.2	1.1	1.1	1.1	1.2	1.2

¹⁸The annual total remuneration includes the basic salary in the form of the annualized RAL as of 30 June, expected bonuses and the expected cash LTI. Overtime and other components related to non-structural pay factors are excluded. The highest-paid individual in the 2020/2021 and 2022/2023 financial years is the CEO, while for 2021/2022, in the absence of a CEO, the highest-paid top manager was considered.

¹⁹For Italian companies, employees are covered by: The National Collective Labor Agreement (CCNL) for Food Industry, CCNL for Executives of companies producing goods and services, CCNL for Bakery and Pastry Manufacturers, and the company collective agreements of various factories. For Bauli India a Long-Term Agreement is pursued to address workers' demands for improved working conditions and wages that help them cope with inflation, meet basic needs, and provide a decent living for their families. For employees not covered by a CBA, their working conditions are typically determined by the organization through policy and compensation benchmarking. For Bauli France all employees are covered by The Commerce De Gros. For Bauli Slovakia and Czech Republic, the employees are not subject to CBA. Nevertheless, the company diligently abides by labor laws, ensuring that employees' rights, including minimum wage, allotted leave days, and meal compensation during working hours, are fully upheld. Bauli USA and Bauli Singapore were deemed not to be significant to be included.

²⁰Please refer to note 20 for detailed information on the significant locations of operation of the Group and their respective national CBA that applies to each employee.

DISCLOSURE 403-9 Work-related injuries²¹

WORK-RELATED INJURIES

Number of injuries	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Total number of fatalities as a result of work-related injury	0	0	0
Total number of high-consequence work-related injuries (excluding fatalities) ²²	0	2	1
Total number of recordable work-related injuries	42	34	30
Hours worked	2,775,145	2,748,252	2,452,946

WORK-RELATED INJURIES RATES

Rates	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Rate of fatalities as a result of work-related injury	-	-	-
Rate of high-consequence work-related injuries (excluding fatalities) ²³	-	0.7	0.4
Rate of recordable work-related injuries	15.1	12.4	12.2

MAIN TYPES OF WORK-RELATED INJURIES

Types	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Contusion, injury, crushing	35	25	23
Fracture, anatomical loss, burn	4	2	2
Sprain, distraction stress injury	3	7	5

²¹Health and Safety data does not include contractors and other non-employee workers operating at Group sites and/or under the Group's control, due to the availability of such data over which the Group has no direct control. The Group considers deepening the analysis by collecting data from the employers of contractors and suppliers working at the Group's sites and/or under the Group's control, assessing the quality and accuracy of such data.

The 2021 and 2022 injury figures for the Indian company were restated in light of an updated calculation methodology. In particular, those employees who received just a first aid treatment at the plant and did not result in any days away from work were removed from the calculation. For previously published data, please refer to the Sustainability Report 2022.

²²Work-related injuries that have resulted in an injury from which the worker cannot recover, does not recover, or it is unrealistic to expect him or her to recover fully by returning to the pre-accident state of health within 6 months.

²³Work-related injuries that have resulted in an injury from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to the pre-accident state of health within 6 months.

KEY PERFORMANCE INDICATORS (KPIs)

ENVIRONMENTAL RESPONSIBILITY

DISCLOSURE 301-1 Materials used by weight or volume²⁴

FOOD RAW MATERIALS

Renewable raw materials ²⁵				
Type of consumption	Unit of measurement	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Flour	Kg	54,710,826	56,199,460	55,222,715
Sugar	Kg	17,196,084	17,677,239	16,576,635
Butter and vegetable fats	Kg	14,801,191	15,323,401	16,240,934
Eggs	Kg	10,275,503	11,025,236	10,079,461
Cocoa	Kg	2,918,405	3,216,300	3,360,680
Dried fruits (raisins, almonds and hazelnuts)	Kg	2,407,543	2,672,964	2,534,094
Flavours and food coagulants	Kg	469,898	502,654	799,791
Other renewable raw materials	Kg	808,367	875,242	704,859

PACKAGING AND OTHER MATERIALS

Renewable materials ²⁶				
Type of consumption	Unit of measurement	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Paper	Kg	27,121,910	28,874,236	28,685,375
Non-renewable materials ²⁷				
Plastic - polypropylene	Kg	3,740,979	3,775,727	3,685,112
Plastic - Polyethylene	Kg	427,079	494,478	526,384
Plastic - PET	Kg	78,048	100,982	108,849
Other types of plastics	Kg	58,731	66,291	60,693
Metal (tinplate)	Kg	87,000	57,000	53,193
Other types of nonrenewable materials	Kg	97,061	150,817	122,635
Total renewable materials	Kg	130,709,728	136,366,731	134,204,543
Total non-renewable materials	Kg	4,488,898	4,645,295	4,556,867

²⁴The data scope regarding the overall volume of materials used encompasses the production facilities in Italy as well as the Indian plant. The reporting boundary for material procurement data does not encompass the Bauli France and Bauli Slovakia and Czech Republic sales offices, as the consumption of materials in these locations is not deemed significant.

²⁵Renewable materials refer to materials sourced from plentiful resources that naturally regenerate through ecological cycles or agricultural methods. This ensures that these resources and their associated benefits remain intact without any compromise, safeguarding their availability for future generations.

²⁶Renewable materials are material derived from abundant resources that are rapidly replenished through ecological cycles or agricultural processes so that the services provided by these and other related resources are not compromised and remain available for future generations.

²⁷Non-renewable materials refer to resources that do not regenerate in short periods of time. Examples of nonrenewable resources include minerals, metals, oil, gas, or coal.

DISCLOSURE 302-1 Energy consumption within the organization

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Type of consumption	Unit of measurement	As of June 30 th , 2021		As of June 30 th , 2022		As of June 30 th , 2023	
		Total	Total GJ	Total	Total GJ	Total	Total GJ
Nonrenewable fuels			673,406		665,002		634,941
Natural gas	Smc	16,591,937	657,479	16,210,380	643,792	15,253,006	611,558
of which for cogeneration and trigeneration plants	Smc	8,382,388	332,164	7,808,247	310,103	7,017,714	281,370
Of which for other uses	Smc	8,209,549	325,315	8,402,133	333,689	8,235,292	330,188
Diesel fuel for heating	liters	3,293	127	3,819	148	2,902	111
LPG for production	Smc	124,364	11,235	177,810	16,066	197,335	17,835
Gasoline for automotive use	liters	1,855	63	624	21	209	7
Diesel for automotive	liters	118,142	4,501	130,278	4,975	143,603	5,431
Electricity		25,480,748	91,731	26,544,285	95,559	28,317,132	101,942
Purchased electricity	kWh	25,785,676	92,828	26,745,419	96,284	27,958,779	100,652
of which from non-renewable sources	kWh	3,625,324	13,051	4,489,619	16,163	4,445,146	16,003
of which from renewable sources	kWh	22,160,352	79,777	22,255,800	80,121	23,513,633	84,649
Self-produced electricity from photovoltaic plants	kWh	-	-	-	-	465,529	1,676
Self-produced electricity sold to the grid	kWh	304,928	1,098	201,134	724	107,176	386
Of which from renewable sources - produced by photovoltaic plants	kWh	-	-	-	-	94,260	339
from nonrenewable sources - produced by natural gas cogeneration and trigeneration plants	kWh	304,928	1,098	201,134	724	12,916	46
Total energy consumption	GJ		765,136		760,562		736,883
Renewable energy	GJ		79,777		80,121		85,986
Non-renewable energy	GJ		685,359		680,441		650,897
Renewable energy out of total (%)	GJ		10.43%		10.53%		11.67%

KEY PERFORMANCE INDICATORS (KPIs)

CONVERSION FACTORS IN GJ

Units	Conversion units	2020-2021	2021-2022	2022-2023	Source
Electricity/Thermal Energy	GJ/kWh	0.0036	0.0036	0.0036	Costant
Natural Gas	GJ/1000smc	39.626	39.715	40.094	
Natural Gas (density)	kg/m ³	0.8	0.8	0.8	
Methane gas (CNG) for company fleet	GJ/ton	49.60	49.89	50.43	
Natural Gas (CNG) for company fleet (Density)	kg/m ³	175	175	175	
Heating Oil	GJ/ton	45.286	45.286	45.286	
Gasoil (Density)	kg/litri	0.85	0.85	0.84	DEFRA 2020, DEFRA 2021, DEFRA 2023
Gasoil for company fleet	GJ/ton	45.321	45.127	45.412	
Gasoil (Density)	kg/litri	0.84	0.85	0.83	
LPG	GJ/ton	49.327	49.333	49.346	
LPG (Density)	kg/m ³	529.25	529.749	531.098	
LPG (Density)	kg/litri	0.53	0.53	0.53	
Unleaded gasoline for company fleet	GJ/ton	46.211	46.176	45.577	
Gasoline (Density)	kg/litri	0.74	0.74	0.75	

DISCLOSURE 302-3 Energy intensity²⁸

	Unit of measurement	2020-2021	2021-2022	2022-2023
Total energy consumption	GJ	777,330	774,692	736,803
Total volumes produced	ton	111,603	116,585	111,789
Energy intensity ratio	GJ/ton	6.965	6.645	6.591

²⁸The indicator shows data related to the manufacturing Companies of the Bauli Group; in particular, it includes Bauli SpA, Dacasto Gran Pasticceria, Alpipan and Bauli India.

DISCLOSURE 305-1 Direct GHG emissions (Scope 1)

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

SCOPE 1 AND SCOPE 2 EMISSIONS (tCO₂e)²⁹

Emission sources	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
SCOPE 1	35,170	34,786	32,391
Natural gas	34,182	33,486	31,092
Gasoil for heating purposes	9	11	8
LPG for production	669	957	926
Gasoline for automotive use	4	1	-
Diesel for automotive use	306	330	365
SCOPE 2			
Electricity - Location based	9,667	9,690	10,141
Electricity - Market based	2,343	2,832	2,852
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)	44,838	44,476	42,532
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	37,513	37,618	35,243

EMISSION FACTORS

Unit	Conversion units	2020-2021	2021-2022	2022-2023	Source
Electricity (Location based) - Italy	kgCO ₂ /kWh	0.336	0.315	0.315	Scope 1: DEFRA 2020, 2021, 2023.
Electricity (Location based) - India	kgCO ₂ /kWh	0.709	0.684	0.684	
Electricity (Location based) - Slovakia	kgCO ₂ /kWh	0.196	0.188	0.188	
Electricity (Location based) - France	kgCO ₂ /kWh	0.056	0.056	0.056	Scope 2 Location-based: TERNA 2018 e 2019.
Electricity (Market based) - Italy	kgCO ₂ /kWh	0.466	0.459	0.457	
Electricity (Market based) - India	kgCO ₂ /kWh	0.709	0.684	0.684	
Electricity (Market based) - Slovakia	kgCO ₂ /kWh	0.189	0.218	0.187	Scope 2 Market-based AIB European Residual Mixes 2019, 2020, 2023 or TERNA 2017, 2018, 2019 for countries not in the European Residual Mixes.
Electricity (Market based) - France	kgCO ₂ /kWh	0.043	0.059	0.125	
Natural Gas	tCO ₂ e/m ³	0.00202	0.00202	0.00204	
LPG	tCO ₂ e/ton	2.93881	2.93929	2.56257	
Gasoline	tCO ₂ e/ton	2.94205	2.94762	3.15408	
Gasoil for automotive use	tCO ₂ e/ton	3.02861	2.96907	3.01565	
Heating oil	tCO ₂ e/ton	3.22934	3.23028	3.22658	

DISCLOSURE 305-4 GHG emissions intensity³⁰

	Unit of measurement	2020-2021	2021-2022	2022-2023
Total emissions (Scope 1 + Scope 2 - Location based)	tCO ₂ e	44,837	44,379	42,528
Total volumes produced	ton	111,603	116,585	111,789
GHG emissions intensity ratio	tCO₂e/ton	0.402	0.381	0.380

²⁹The GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methodologies were used. The Market-based is based on the CO₂ emissions emitted by energy suppliers from which the organisation purchases, through a contract, electricity and can be calculated by considering: energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors related to the "residual mix", i.e. energy and emissions not monitored or unclaimed (source: AIB - European Residual Mixes). For India (not included in the European Residual Mixes), the Terna International Comparisons factor was used. The location-based method is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries (source: Terna International Comparisons). The Scope 2 emissions calculated with the Location-based and Market-based method are expressed in tonnes of CO₂, however, the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO₂ equivalents) as can be deduced from the relevant technical literature.

³⁰The indicator shows data related to the manufacturing Companies of the Bauli Group; in particular, it includes Bauli SpA, Dacasto Gran Pasticceria, Alipian and Bauli India.

KEY PERFORMANCE INDICATORS (KPIs)

DISCLOSURE 303-3 Water withdrawal

WATER WITHDRAWAL³¹

Withdrawal source	Unit of measurement	As of June 30 th , 2021		As of June 30 th , 2022		As of June 30 th , 2023	
		All areas	Of which water-stressed areas	All areas	Of which water-stressed areas	All areas	Of which water-stressed areas
Surface water (total)	Megaliters	15.1	15.1	13.8	13.8	14.8	14.7
Fresh water ($\leq 1,000$ mg/l total dissolved solids)	Megaliters	15.1	15.1	13.8	13.8	14.8	14.7
Other water types ($> 1,000$ mg/l total dissolved solids)	Megaliters	0.0	0.0	0.0	0.0	0.0	0.0
Groundwater (total)	Megaliters	279.5	1.8	268.9	1.8	274.9	1.7
Freshwater ($\leq 1,000$ mg/l total dissolved solids)	Megaliters	279.5	1.8	268.9	1.8	274.9	1.7
Other water types ($> 1,000$ mg/l total dissolved solids)	Megaliters	0.0	0.0	0.0	0.0	0.0	0.0
Third-party water resources (total)	Megaliters	15.0	13.1	17.8	14.3	17.7	13.7
Freshwater ($\leq 1,000$ mg/l total dissolved solids)	Megaliters	15.0	13.1	17.8	14.3	17.7	13.7
Other water types ($> 1,000$ mg/l total dissolved solids)	Megaliters	0.0	0.0	0.0	0.0	0.0	0.0
Total water withdrawal	Megaliters	309.5	30.0	300.4	29.9	307.3	30.2

DISCLOSURE 303-4 Water discharge

WATER DISCHARGE³²

Type of discharge	Unit of measurement	As of June 30 th , 2021		As of June 30 th , 2022		As of June 30 th , 2023	
		All areas	Of which water-stressed areas	All areas	Of which water-stressed areas	All areas	Of which water-stressed areas
Surface water (total)	Megaliters	13.0	13.0	16.8	16.8	17.9	17.9
Fresh water ($\leq 1,000$ mg/l total dissolved solids)	Megaliters	13.0	13.0	16.8	16.8	17.9	17.9
Other water types ($> 1,000$ mg/l total dissolved solids)	Megaliters	0.0	0.0	0.0	0.0	0.0	0.0
Third-party water resources (total)	Megaliters	136.2	5.8	139.0	5.3	155.7	5.1
Freshwater ($\leq 1,000$ mg/l total dissolved solids)	Megaliters	136.2	5.8	139.0	5.3	155.7	5.1
Other water types ($> 1,000$ mg/l total dissolved solids)	Megaliters	0.0	0.0	0.0	0.0	0.0	0.0
Total water discharges	Megaliters	149.2	18.8	155.8	22.1	173.7	23.1

^{31,32}Aqueduct, a WRI tool available online at: <https://www.wri.org/our-work/project/aqueduct>, was used to define the water stress areas. For the analysis, the results from the "baseline water stress" column were taken into account, including classes at or above the "Medium-High Risk" level.

DISCLOSURE 306-3 Waste generated

WASTE GENERATED

Type of Waste	Units of Measurement	As of June 30 th , 2021	As of June 30 th , 2022	As of June 30 th , 2023
Non-hazardous waste				
Paper and cardboard packaging	ton	2,185	2,653	2,386
Plastic packaging	ton	173	192	232
Mixed material packaging	ton	560	633	718
Sludge from on-site effluent treatment	ton	1,680	1,300	911
Food processing waste	ton	399	206	321
Other non-hazardous waste	ton	436	661	414
Total non-hazardous waste	ton	5,433	5,645	4,984
Hazardous waste				
Total hazardous waste	ton	11	6	9
Percentage hazardous of total	%	0.21%	0.11%	0.19%
TOTAL waste generated	ton	5,444	5,651	4,993

DISCLOSURE 306-4 & 306-5 Waste directed or diverted from disposal³³

Type of Waste as of 30 June 2023	Units of Measurement	Waste diverted from disposal	Waste directed to disposal
Paper and cardboard packaging	ton	2,164	223
Plastic packaging	ton	166	66
Mixed material packaging	ton	656	62
Sludge from on-site effluent treatment	ton	911	-
Food processing waste	ton	103	218
Other non-hazardous waste	ton	358	56
Total non-hazardous waste	ton	4,358	626
Hazardous waste	ton	8	1
Total waste	ton	4,366	627

³³Total waste diverted or directed to disposal is classified according to the Legislative Decree 152/06.

KEY PERFORMANCE INDICATORS (KPIS)

TOTAL WEIGHT OF WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS³⁴

Recovery operation	As of June 30 th , 2023		
	Onsite	Offsite	Tot
Hazardous waste			
Preparation for recovery	-	8	8
Recycle	-	-	-
Non-hazardous waste			
Preparation for recovery	-	1.613	1.613
Recycle	-	2.745	2.745
Total	-	4.366	4.366

TOTAL WEIGHT OF WASTE DIRECTED TO DISPOSAL BY TYPE OF OPERATIONS³⁴

Disposal operation	As of June 30 th , 2023		
	Onsite	Offsite	Tot
Hazardous waste			
Preparation for disposal	-	0.7	0.7
Landfill	-	0.3	0.3
Non-hazardous waste			
Preparation for disposal	-	619	619
Landfill	-	7	7
Total	-	627	627

³⁴Preparation for recovery refers to the storage of waste for subsequent treatment through one of the operations defined as Recovery Operation by the D.Lgs. 152/06, allegato C. It should be noted that energy recovery, although not prioritized over material recovery, has been indicated as necessary by European and national legislation for the implementation of a sustainable waste management system, as it saves fossil fuels and reduces the amount of waste to landfill and therefore is considered by law as a Recovery Operation.

³⁵Total waste directed to disposal is classified according to the Legislative Decree 152/06. Preparation for disposal refers to a preliminary grouping and reconditioning of waste for subsequent disposal through one of the operations defined as Disposal Operation by the D.Lgs. 152/06, allegato B.

ANALYSIS OF IMPACTS AND ISSUES MATERIALS

GRI CONTENT INDEX

Statement of use	The Bauli Group has prepared this Sustainability Report in accordance with GRI Standards for the period from 1 July 2022 to 30 June 2023
GRI 1	GRI 1: Foundation (2021)
GRI Sector Standard	N/A

GRI Standard	Disclosure	Page	Reason for omissions
GENERAL DISCLOSURES			
GRI 2: General disclosure (2021)	2-1 Organizational details	10-11	
	2-2 Entities included in the organization's sustainability reporting	105	
	2-3 Reporting period, frequency and contact point	105	
	2-4 Restatements of information	105	
	2-5 External assurance	105	
	2-6 Activities, value chain and other business relationships	10-11; 14	
	2-7 Employees	90-91; 106-108	
	2-8 Workers who are not employees	90; 108	
	2-9 Governance structure and composition	22-25	
	2-10 Nomination and selection of the highest governance body	24	
	2-11 Chair of the highest governance body	24	
	2-12 Role of the highest governance body in overseeing the management of impacts	38	
	2-13 Delegation of responsibility for managing impacts	38	
	2-14 Role of the highest governance body in sustainability reporting	38	
	2-15 Conflicts of interest	25	
	2-16 Communication of critical concerns	29	
	2-17 Collective knowledge of the highest governance body	38	
	2-18 Evaluation of the performance of the highest governance body	38	
	2-19 Remuneration policies	25	
	2-20 Process to determine remuneration	25	
	2-21 Annual total compensation ratio	112	
	2-22 Statement on sustainable development strategy	6-7	
	2-23 Policy commitments	27-28	
	2-24 Embedding policy commitments	28-29	
	2-25 Processes to remediate negative impacts	40-41	
	2-26 Mechanisms for seeking advice and raising concerns	28	
	2-27 Compliance with laws and regulations	During the financial year 2022/2023, there were no significant instances of non-compliance for non-compliance with laws and regulations.	
	2-28 Membership associations	The parent company Bauli S.p.A. is a member of Confindustria.	
	2-29 Approach to stakeholder engagement	35-36	
	2-30 Collective bargaining agreements	112	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page	Reason for omissions
MATERIAL TOPICS			
GRI 3: Material topics (2021)	3-1 Process to determine material topics	36-37	
	3-2 List of material topics	40-41	
Tematica materiale: ETHICS, BUSINESS INTEGRITY AND ANTI-CORRUPTION			
GRI 3: Material topics (2021)	3-3 Management of material topics	27-29	
GRI 205: Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	During the financial year 2022/2023, there were no cases of corruption and/or reports of such.	
GRI 206: Anti-competitive Behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the financial year 2022/2023, there were no legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly.	
GRI 407: Freedom of Association and Collective Bargaining (2016)	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During 2022/2023, a supplier screening process was initiated, which will lead to a more precise identification next years. As of 2022/2023 no operations or suppliers were precisely identified to pose a risk to the freedom of association and collective bargaining.	
GRI 408: Child Labor (2016)	408-1 Operations and suppliers at significant risk for incidents of child labor	During 2022/2023, a supplier screening process was initiated, which will lead to a more precise identification next years. As of 2022/2023 no operations or suppliers were precisely identified to be at risk of child labor.	
GRI 409: Forced or Compulsory Labor (2016)	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	During 2022/2023, a supplier screening process was initiated, which will lead to a more precise identification next years. As of 2022/2023 no operations or suppliers were precisely identified to be at risk of forced labor.	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the financial year 2022/2023, 1 data breach incident occurred resulting in notification to the Supervisory Authority. The event did not lead to any violation of customer privacy and/or loss of customer data.	
Material topic: ECONOMIC PERFORMANCE			
GRI 3: Material topics (2021)	3-3 Management of material topics	30	
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	30-31; 108	

GRI Standard	Disclosure	Page	Reason for omissions
Material topic: CONSUMER PROTECTION AND FOOD SAFETY			
GRI 3: Material topics (2021)	3-3 Management of material topics	44-53	
GRI 416: Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	During the financial year 2022/2023, 100% of significant product and service categories were carefully assessed to ensure adequate hygiene and food safety guarantees to its customers.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During the financial year 2022/2023, there were no cases of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.	
Material topic: ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE			
GRI 3: Material topics (2021)	3-3 Management of material topics	76-80	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	76-77; 115-116	
	302-3 Energy intensity	79; 116	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	77-78; 117	
	305-2 Energy indirect (Scope 2) GHG emissions	77-78; 117	
	305-4 GHG emissions intensity	79; 117	
Material topic: WASTE MANAGEMENT AND CIRCULAR ECONOMY			
GRI 3: Material topics (2021)	3-3 Management of material topics	82-84	
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	82-84	
	306-2 Management of significant waste-related impacts	82-84	
	306-3 Waste generated	82; 119	
	306-4 Waste diverted from disposal	82-83; 119-120	
	306-5 Waste directed to disposal	82-83; 119-120	
Material topic: SUSTAINABLE PACKAGING			
GRI 3: Material topics (2021)	3-3 Management of material topics	84-85	
GRI 301: Materials (2016)	301-1 - Materials used by weight or volume	84-85; 114	

GRI Standard	Disclosure	Page	Reason for omissions
Material topic: HEALTH AND SAFETY OF WORKERS			
GRI 3: Material topics (2021)	3-3 Management of material topics	94-96	
	403-1 Occupational health and safety management system	95	
	403-2 Hazard identification, risk assessment, and incident investigation	95	
	403-3 Occupational health services	95	
GRI 403: Occupational Health and Safety (2018)	403-4 Worker participation, consultation, and communication on occupational health and safety	95-96	
	403-5 Worker training on occupational health and safety	96	
	403-6 Promotion of worker health	96	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	95-96	
	403-9 Work-related injuries	113	
Material topic: DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES			
GRI 3: Material topics (2021)	3-3 Management of material topics	90	
GRI 405: Diversity and Equal Opportunities (2016)	405-1 Diversity of governance bodies and employees	91; 109	
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	During the financial year 2022/2023, there were no incidents of discrimination within the company.	
Material topic: TRAINING, DEVELOPMENT AND WELFARE OF WORKERS			
GRI 3: Material topics (2021)	3-3 Management of material topics	98-99	
GRI 202-1 Market Presence (2016)	201-1 Ratios of standard entry level wage by gender compared to local minimum wage	112	
	401-1 New employee hires and employee turnover	92-93;110	
GRI 401: Employment (2016)	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	100-102	
	GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	98-99; 110-111

GRI Standard	Disclosure	Page	Reason for omissions
Material topic: RESPONSIBLE SUPPLY CHAIN MANAGEMENT			
GRI 3: Material topics (2021)	3-3 Management of material topics	70-71	
GRI 308: Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria	71	
GRI 414: Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	71	
Material topic: QUALITY AND REPLACEMENT OF RAW MATERIALS			
GRI 3: Material topics (2021)	3-3 Management of material topics	62-66	
GRI 301: Materials (2016)	301-1 - Materials used by weight or volume	68-69; 114	
GRI 304: Biodiversity (2016)	304-2 - Significant impacts of activities, products, and services on biodiversity	62-66; 86	The indicator is only covered for point A.
Material topic: RESPONSIBLE MARKETING AND COMMUNICATION			
GRI 3: Material topics (2021)	3-3 Management of material topics	58-59	
GRI 417: Marketing and Labeling (2016)	417-2 Incidents of non-compliance concerning product and service information and labeling	59	
	417-3 Incidents of non-compliance concerning marketing communications	59	
Material topic: PROPER NUTRITION AND CONSUMER WELL-BEING			
GRI 3: Material topics (2021)	3-3 Management of material topics	48-49	
Material topic: PROCESS AND PRODUCT INNOVATION, R&D			
GRI 3: Material topics (2021)	3-3 Management of material topics	54-55; 75	
Non-Material topic: WATER			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	114	
	303-4 Water discharge	114	

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