

BAKING A BETTER FUTURE : OUR COMMITTMENT TO SUSTAINABILITY

SUSTAINABILITY REPORT AS OF JUNE 30TH, 2024



-1922-
Bauli

OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

1,309

Employees as of 30th June 2024.

645.8 Mil €

Turnover as of 30 June 2024.

1.4 Mil €

Local Community Remuneration.

47%

Women out of total group employees as of 30th June 2024.

8,942

Hours of non-mandatory training in 2023/2024.

96%

Employees with permanent contracts as of 30 June 2024.

87%

Of electricity purchased from renewable sources.

15.35%

Energy from renewable sources out of total energy used by the Group.

**41,401
tonCO₂e**

Total emissions (scope 1 and scope 2 location based).

**32,821
tonCO₂**

Total emissions (scope 1 and scope 2 market based).

**97%
renewable
materials**

On the total materials purchased.

84%

Of waste diverted from disposal.

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A MESSAGE FROM OUR CHAIRMAN

Dear Stakeholders,

This year has been a transformative chapter for Bauli as we intensified our dual commitment to sustainability and business growth. Rooted in our rich Italian heritage and unwavering dedication to quality, we've embarked on an ambitious journey to forge a more sustainable future for our company and the communities we serve. In the year, the Group faced significant challenges: much like the previous year, the soaring costs of raw materials and energy continued to exert pressure, while unprecedented inflation rates across all markets relentlessly eroded consumers' purchasing power. Yet, Bauli has remained unwavering in its mission to protect consumers, safeguard financial health, and drive deep innovation by launching an inspiring new brand architecture strategy in 2024, to ensure long-term prospects. Bauli's century-long legacy embodies adaptability and resilience. Our company stands out for its exceptional efficiency and solid foundations, thanks to strategic investments in recent years. We are transitioning from a volume-focused strategy to a value-driven vision, aiming to enhance our impact. We have made substantial strides in reducing our environmental footprint, deepening partnerships with local suppliers and enhancing the nutritional value of our products. Through innovative practices and a steadfast focus on sustainability, we continue to delight consumers while reducing our planet's impact.

Looking ahead, we will continue to invest to ensure long-term prospects. We are committed to becoming leaders in sustainable business practices and inspiring positive change in our industry. We envision a future where safety is paramount, waste is eliminated, and our environmental impact is negligible. To increasingly integrate sustainability criteria into our business model, these principles, during 2024, have been included in the Group's sustainability strategy which aims to guide our activities through ESG objectives and targets for 2030-2031, stimulating our commitment to our guiding principles and inspiring us to seek innovative solutions capable of implementing sustainable practices in all our activities.

As a leading Italian bakery company, we see sustainability as more than a strategy it's a fundamental value that benefits everyone. We invite our stakeholders to join us as we forge a path toward a more sustainable future. Thank you for being part of this inspiring journey of quality and innovation.

Sincerely,

Michele Bauli
Chairman



A MESSAGE FROM OUR CEO

Dear stakeholders,

Let me start on a personal note by saying that this second year at Bauli marks the start of a deeply fulfilling chapter, and I am proud to be part of this journey.

As we conclude another pivotal year, I'd like to share the progress and milestones that underscore the Bauli Group's enduring commitment to innovation, sustainability, and growth.

This year, we embraced a significant evolution in our brand architecture, marking a paradigm shift toward a value-centric strategy. By investing in product and format innovation, we have targeted new consumer segments, diversified consumption occasions, and explored alternative purchasing channels. These efforts align with our vision to expand into new categories, markets, and distribution channels, ensuring our brands' relevance in a dynamic marketplace.

Sustainability remains at the heart of our operations. Over the past two years, we have reduced climate-related emissions by 7%, supported by investments in energy efficiency and renewable energy installations at key facilities. Today, 15% of our energy is sourced from renewables. In logistics, we have optimized processes and transitioned to a low-impact vehicle fleet, enhancing the sustainability of our supply chain. Our waste management efforts have recovered 84% of materials, bringing us closer to a zero-waste future.

Our people are our greatest asset. In 2024, we reinforced our commitment to a dynamic and safe workplace through welfare initiatives on the "Bauli People" portal and the introduction of our "Smart Flexibility Policy 2.0." The Group also strengthened its community engagement through job creation, sponsorships, and partnerships, while enhancing supplier evaluation processes to align with our values. Looking ahead, we are formalizing the Bauli Group Sustainability Strategy, with ambitious targets set for 2030-2031. Built on six strategic pillars—Climate Resilience, Product and Packaging Innovation, Waste Management, People, Sustainable Supply Chain, and Consumer First—this roadmap integrates ESG priorities across all activities.

Bauli's journey is above all a human adventure. Today, with the dedication of our 1,300 employees our Group has continued to advance, driven by a spirit of quality and innovation, to meet the needs of consumers worldwide.

Our ambition is to chart a clear path that will make us a benchmark for sustainability in our industry.

With gratitude,

Fabio Di Giammarco
Chief Executive Officer

ONE BAULI



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1922

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

50's

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

60's

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

90's

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

2000

Strong expansion begins with the acquisition of different Italian historic brands.

2010

The development process proceeds not only on the national territory, but also in the rest of the world with the Establishment of a factory in India, to better reach Southeast Asian countries.

2022

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

2023

Launch of the new Global Strategy.



ABOUT US

The Bauli Group, a leader in the confectionery sector, stands as the top national player in the seasonal market, offering a wide range of own-brand products. The Group also achieves strong results in international markets.

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 markets:

- The **Seasonal market** in which Bauli is leader at Christmas with a share of over 39% and at Easter with a share of 32.5% of total volumes.
- The **everyday market** through which it offers products for every preference and for different consumption occasions.
- The **"Free-from"** market, which include gluten-free, lactose-free and/or lactose-free products under the Bauli and Doria brands.

Thanks to its strategy, the Bauli Group closed the 2023/2024 financial year with revenues of EUR 645,755,997 and a net profit of EUR 6,981,840. The Group has 1,309 employees on 30 June 2024, distributed in **7 production plants** and **7 sales offices in Italy and worldwide**.

70

Countries where the Group's products are sold.

7

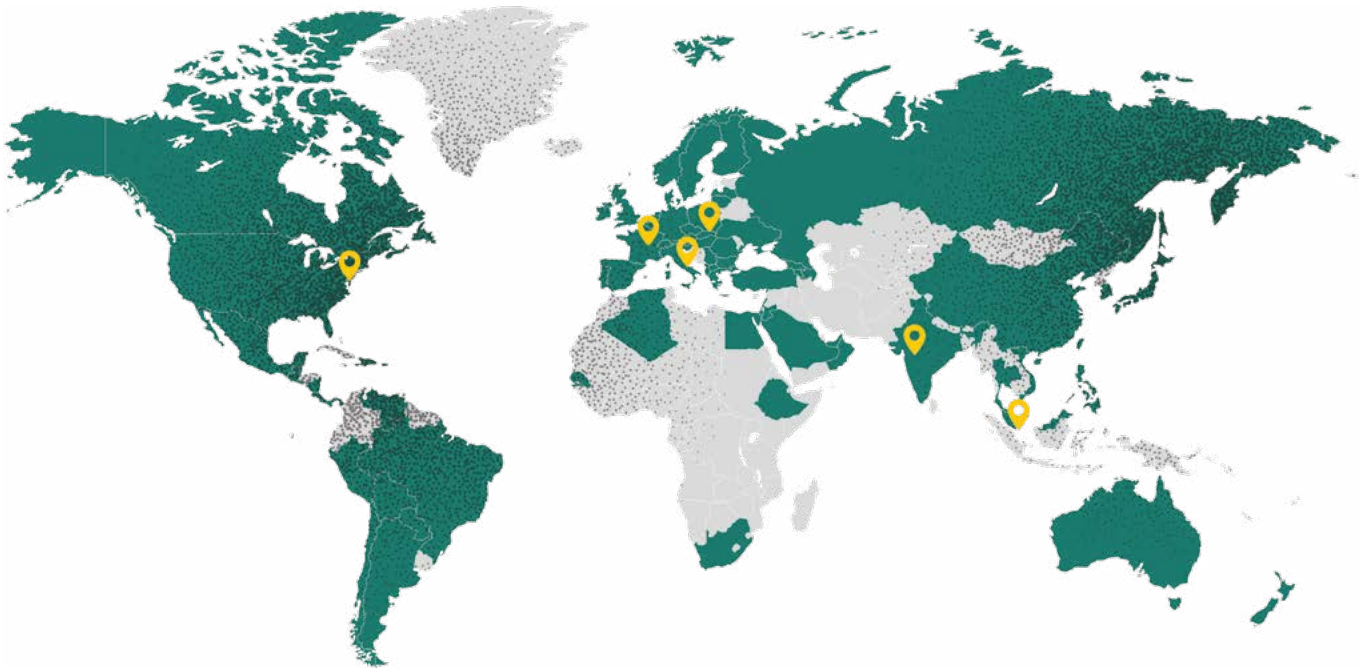
Production plants worldwide.

7


Commercial sites to cover key markets.

A WORLDWIDE PRESENCE

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.



 Countries where you can find Bauli products

 Countries where Bauli Group is present

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



NEW ALIPAN HEADQUARTERS

In the period of 2023-2024, we launched a new factory in Altopascio, within the province of Lucca, specifically designed for **gluten-free production**. An investment of roughly **12 million euros** enabled extensive energy requalification, technological innovation and space enhancement at the new manufacturing site. This was done with the intention of leveraging and optimizing the established skills and expertise of our workforce. The factory, spanning over 10,000 m², is **dedicated to the production of a variety of baked goods including bread, snacks, biscuits**, and more, all **strictly gluten-free**. This new establishment is propelling the diversification of our business lines, reinforcing a strategic sector with significant global growth potential.

OUR BRANDS



Now at its third generation, Bauli is an industrial reality that has managed over the years, thanks to its know-how and 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.



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 Doria brand, originating in the late 19th century with Alessandro Zanin's family bakery, gained prominence in the confectionery industry with the creation of the iconic frollino Bucaneve in 1950.



Established in 1955 in Casale Monferrato. The brand's enduring biscuits embody the tradition based on a blend of respect for tradition and innovative techniques and ensuring everyday indulgence.



In 1921, The Alemagna brothers launched a confectionery business marking the beginning of the Alemagna legend. Based on a naturally leavened pastry, quickly gained popularity. Today, Alemagna represents artisanal production marked by high quality, elegance, and style.



Casalini, through the production experience, the ingredient selection process and the natural leavening process adopted by the Bauli Group, guarantees certified quality at an affordable price. Through strong specialization, innovation and service, it is able to offer high quality standard products to support the Private Label.

VISION, MISSION AND VALUES

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.



GOODNESS

WE CREATE DELICIOUS HIGH QUALITY PRODUCTS

For over a century, we have been exploring and seeking goodness in everything we do. It's the secret of our pastry art, which characterizes all our products. A promise of irresistible taste, the utmost attention to quality, safety, continuous drive for innovation, search for new recipes and distinctive style. Our goodness is constantly evolving.



PASSION

WE WANT TO CONQUER THE MARKET, CUSTOMERS AND CONSUMERS


Passion is our first ingredient. It defines our innovative business vision, the drive to compete successfully in a global market and the determination to give our all for our brands, our people and the values we believe in. We go beyond rationality, we put our heart into it.



COLLABORATION

WE KNOW THAT TOGETHER WE ARE WORTH MORE


Collaboration is our strength. Feeling good together is the prerequisite to achieve our goals. We have inherited the sense of a large family; we leverage each other's skills and synergies between teams and people in every area of our business. There are no barriers, there is trust, listening, continuous feedback and the desire to work towards a common goal.



COURAGE

WE DREAM BIG, WE INNOVATE AND WE KEEP OUR PROMISES


Our founder Ruggero Bauli crossed the ocean in search of a dream: his courage has always inspired us. We are visionaries, we embrace innovative ideas and, most of all, we are fully committed to facing the risks necessary to make them come true. We are fast and love challenges, without ever losing sight of our reference points.



CARE

WE TAKE CARE OF PEOPLE AND OUR PLANET

We care about the physical, social and psychological well-being of our people, we promote respect for equal opportunities and fair treatment of all those who work with us. We care about our planet and are committed to reducing the environmental impact of our activities to zero. This is why we share a sustainability plan with our stakeholders aimed at creating a better tomorrow.



INTEGRITY

WE ALWAYS CHOOSE THE BEST WAY

Integrity guides us in every aspect of our business. We act with responsibility, ethics and transparency towards all stakeholders. We believe that our #bauliness is enriched by diversity and strengthened by inclusion: it's the representation of the uniqueness of our current and future collaborators. We feel free to express our identity and our potential.

GROWING TOGETHER TASTES BETTER



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GROWING TOGETHER TASTES BETTER

In 2023, Bauli embarked on a structured evolution process known as ONE BAULI, or ONE B internally. This series of initiatives is designed to strengthen the Group's position both in Italy and in international markets.

ONE B is envisioned as a gradual reorganization of the Group, aiming to create a more streamlined corporate structure and governance through increased integration of its consolidated companies, all under centralized coordination. In this context, during 2023, the new strategic Business Units (BUs) were established: **BU Italy**, **Bauli India** and **BU International**.

The establishment of a coordination team at a strategic level called "**Global Leadership Team - GLT**", made up of the C-Levels of the Group, allows control of the main business activities at both a national and international level and has the possibility of interfacing directly with the CEO.

To support the Group's internationalization process, a key initiative has been identified to guide the new development: **Bauli Together**. Through this monthly meeting, shared with all entities of the Group, all participants can share financial results, specific KPIs, ongoing projects, data or raise questions and concerns to the CEO and the rest of the GLT members.

80

MEMBERS OF THE
EXTENDED LEADERSHIP
TEAM

The Global Leadership Team also has the task of managing data and information collection activities and, through the supervision of the **Group Sustainability Officer**, of drawing up the Sustainability Report with an approach that involves the consolidation of information and data at Group level. Within this framework, the team holds periodic meetings throughout the year to share the progress of the Report and at the same time examines sustainability performance on relevant economic, environmental and social issues.

To increase the involvement of the Group's managerial levels directly within strategic processes, the "**Extended Leadership Team - ELT**" was defined during 2023. It is a group of managers whose task is to act as a vehicle for the initiatives of the Global Leadership Team and to share corporate values and mission to their collaborators. The Extended Leadership Team aims to train the leaders of tomorrow and is represented by a larger group that is tasked with managing the more operational aspects.



OUR GOVERNANCE

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. 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, reflecting the front lines of the organization. The current Board, an expression of the shareholders of the parent companies, was elected at 20 December 2022 and will remain in office until the approval of the Financial Statements as of 30 June 2025 scheduled for October 2025. Specifically, it consists of 8 members, 7 of whom are men and 1 woman, with an age distribution as follows: 25% between the ages of 30-50, 75% over 50. 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. There may be other members of the Bauli S.p.A. Board of Directors or people in charge of functions related to the specific entity and part of the **Global Leadership Team - GLT** or the **Extended Leadership Team - 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. The Group Legal & Compliance Manager is also involved in order to guarantee adequate information flows to monitor the areas of high interest and risk for the majority shareholder.

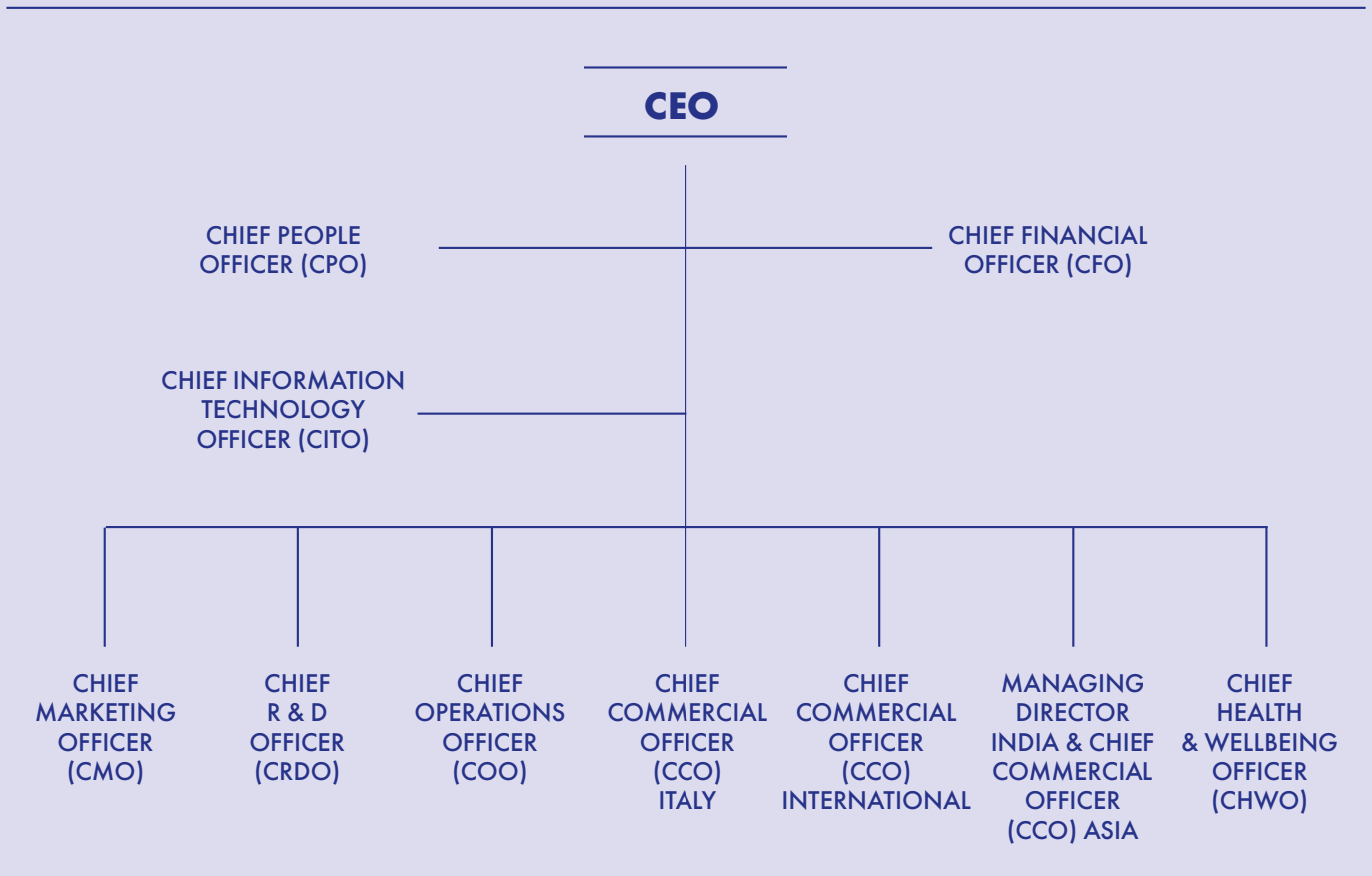
The **remuneration** of the parent company's directors is set by special resolutions and approved by the Shareholders' Meeting. All company directors also have a fixed remuneration and a variable portion linked to the achievement of specific objectives. Currently, the Group does not offer variable remuneration tied to the achievement of ESG objectives. However, as it develops its Sustainability Strategy, the Group is considering the potential inclusion of such objectives within a medium-term timeframe.

The **Board of Statutory 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.

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.

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 CURRENT BOARD OF DIRECTORS*:

- 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)
- Paolo Isolati (Advisor)

* All members of the Board of Directors are non-executive with the exception of the CEO.

** Independent member.

THE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS OF THE PARENT COMPANY BAULI S.P.A. AS OF 30 JUNE 2024

- Giovanni Maccagnani (President)
- Alessandro Testa (Statutory Auditor)
- Franco Valotto (Statutory Auditor)
- Alberto Mion (Substitute Auditor)
- Milena Rettondini (Substitute Auditor)

BUSINESS ETHICS & INTEGRITY

THE COMMITMENT TO RESPECTING VALUES ONLY WORKS IN A CIRCULAR WAY IF WE ARE ALL PART OF IT AND TAKE CARE OF IT TOGETHER.

Bauli Group maintains a steadfast commitment to ethics and integrity within its operations, aiming to **minimize potential negative impacts on people, economy, and the environment due to regulatory breaches or the adoption of behaviors that do not conform with correct business practices.**

The Group's operations are guided by **values** of fairness, honesty, and respect, and compliance with laws, which influence its global standing and future plans. Its distinct features, commitment to values, new projects, and strategic growth drive its future expansion while preserving quality and market trust. This approach ensures ethical, consistent decision-making.

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 now holds the position of Group Legal & Compliance Manager and reports to the Board of Directors. Under the One Bauli approach, the Group is working towards aligning corporate culture, methodologies, and compliance standards across its various companies. This is facilitated through regular Compliance Meetings, involving the Group **Legal & Compliance Manager** and other relevant specialists, along with the management of the Group companies. These **meetings focus on key compliance and governance issues** within the companies, reviewing the implementation status of safeguards for specific risk areas, and setting improvement actions. Adequate reporting on these actions is then required.



The **Code of Ethics** is addressed to employees, collaborators, and administrators, as well as to consumers, customers, and suppliers when they come into contact with the world of Bauli.

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

Since 2012, Bauli S.p.A., the parent company, has implemented its own **Organization and Management Model**, which has been regularly updated to reflect changes in the organizational and regulatory landscape. This model comprises principles, rules, procedures, and controls aimed at preventing potential crimes through risk assessment and management. It **includes a clear disciplinary system for violations**. In 2022, alongside the Code of Ethics update, the company fully revised the Model, which was formally approved by the Board of Directors in February 2023.

THE CODE OF ETHICS 2.0

Bauli S.p.A. operates and interacts with its stakeholders in accordance with the principles and values outlined in the **Code of Ethics 2.0**. This code, a key component of the Organizational and Management Model, outlines the company's values, conduct criteria for stakeholder interactions, and implementation procedures for ensuring adherence to the code and its continuous improvement.

In 2022, the Code of Ethics 2.0 was revised alongside the Organizational and Management Model update. It is mandatory for all Bauli employees, collaborators, and directors, who must uphold its principles. Bauli ensures the code's widespread dissemination among stakeholders and provides guidance on its **interpretation, including monitoring and verification activities**. Employee training on the Code of Ethics and Model 231 is ongoing, starting with information pamphlets at hiring and continuing with regular face-to-face sessions throughout their careers.

The Code of Ethics also extends to external stakeholders, such as customers and suppliers, with compliance required in all contracts. Breaches can result in contract termination and claims for damages.

THE SUPERVISORY BODY

Bauli ensures widespread dissemination of its **Code of Ethics** and has set up a Supervisory Board to enforce the Organization and Management Model with the Code of Ethics being a key component. The Board's operations are governed by specific regulations, and its responsibilities include:

- **Auditing** and gathering reports from stakeholders to monitor the Code of Ethics' enforcement.
- Recommending any necessary sanctions for Code of Ethics **violations to the corporate management.**
- **Regularly reporting** to the Board of Directors on its activities.
- **Providing feedback** on significant procedure revisions to ensure alignment with the Code of Ethics' principles.
- **Proposing necessary revisions** to the Code of Ethics.

The Supervisory Board consists of three members and convenes quarterly at the main production sites' headquarters, with additional meetings scheduled as needed to address significant business ethics and integrity issues.

WHISTLEBLOWING

Since 2019, Bauli S.p.A. has implemented a **Reporting Procedure (Whistleblowing)** that enables employees and external stakeholders to anonymously report any harmful conduct towards the company or its employees without fear of retaliation. Updated in line with Legislative Decree 24/2023, this procedure ensures proper handling of reports concerning violations of the Organizational Model or Code of Ethics, criminal activities, and serious ethical and professional breaches.

The whistleblowing system was enhanced at the corporate level and is now accessible to all Group companies via an online platform. Anonymous reports are processed by the Group Legal & Compliance Manager, categorized, and then communicated to the Supervisory Board for investigation and further action if required.

During the 2023-2024 fiscal year, two anonymous reports were submitted to the Supervisory Board. None were related to Legislative Decree 231/2001, but concerns were raised by blue-collar employees relating to product quality management. These issues were subsequently addressed and promptly solved by the relevant internal departments.

IN ACCORDANCE WITH THE NEW LEGAL PROVISIONS, THE COMPANY HAS ALSO EQUIPPED ITSELF WITH A WHISTLEBLOWING TOOL TO ENSURE THE ANONYMITY OF THE REPORTS, WHICH CAN THUS BE SENT BY ANYONE WITHOUT FEAR OF ANY PERSONAL RETALIATION.

The link for the connection is available: <https://bauligroup.whistlelink.com>

CRISIS MANAGEMENT PROCEDURE

Bauli Group has a specific procedure to manage situations that could harm the company's performance and reputation. The Crisis Management procedure enables the company to manage and mitigate the negative impacts of potential crises or critical situations, whether they result from unintentional acts, accidental events, or intentional malicious actions. The procedure involves various company areas and includes the CEO, who may inform the parent company's entire Board of Directors as part of his role.

PREVENTION OF CORRUPTION CRIMES

To mitigate potential corruption risks, the Group has implemented a **Gift Policy** that outlines control principles and behavioral guidelines for managing gifts, gratuities, and sponsorships. This policy, referenced in the Code of Ethics and Model 231, clearly defines the circumstances under which acts of courtesy can be accepted or declined. All gifts and acts of courtesy must be authorized and properly documented.

To ensure internal and external transparency and integrity, the company has also established a system to monitor interactions with the Public Administration. All company areas are required to report their dealings with Public Administration members to the Supervisory Board, detailing the nature of the relationships, the reasons, the activities carried out, and the individuals involved.

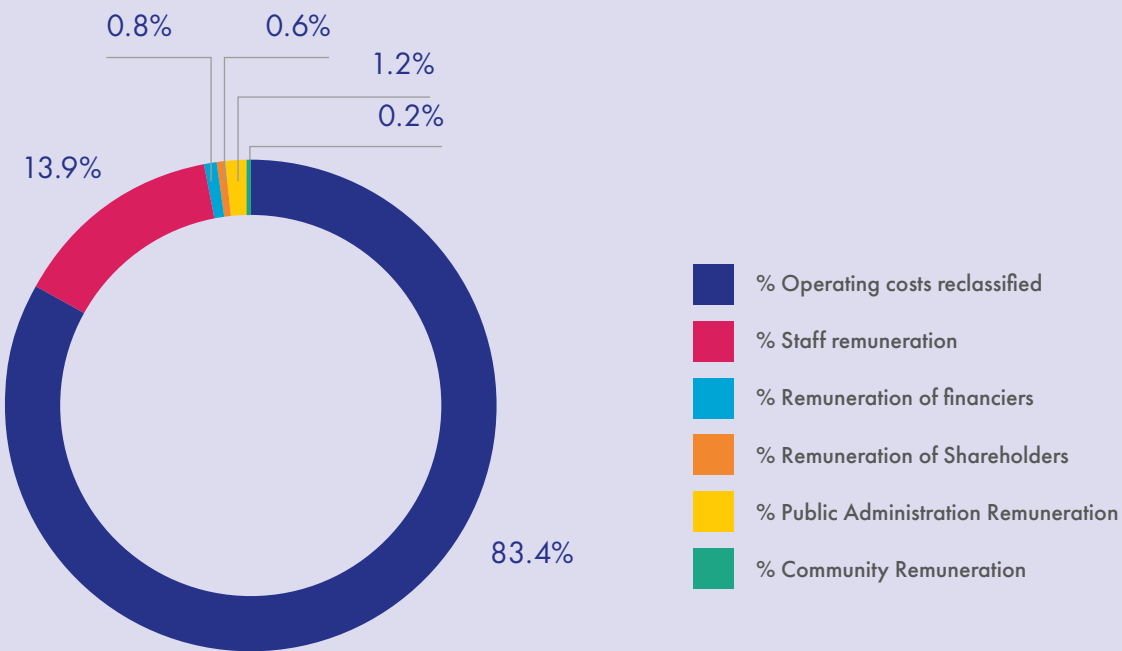
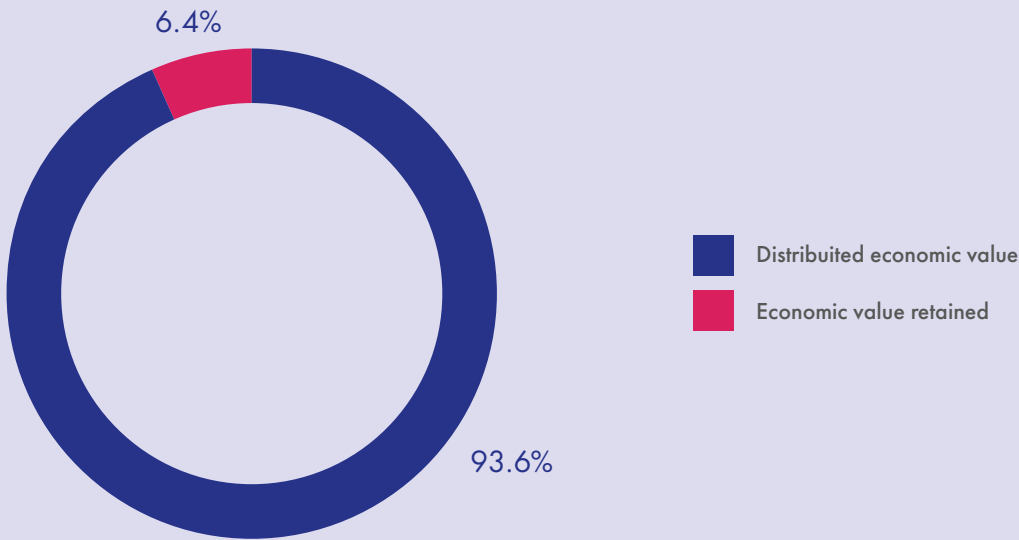
VALUE CREATION

An **economic year** characterized by strong turbulence has ended, influenced by: the end of the pandemic period, which had important repercussions in the first part of the current financial year due to a slow restart of international supply chains; the Russian-Ukrainian war which, after the inflation peak in 2022 linked to energy production and raw materials, saw a cooling of the same which brought with it an improvement in margins; growing tension in the Middle East and in relations with China, instead, generated further tensions on global supply chains, and consequently created sudden inflationary flare-ups on specific materials.

Despite this turbulence, which generated inflationary peaks on specific materials (fertilizers, grains, chocolate, logistics costs), inflation in the European Union countries gradually fell and helped the reduction of production costs and the improvement of the margin. Price tensions have not yet fully subsided: while the price of energy factors continues to decrease compared to the peaks of the first months of 2023, it remains materially higher than the values of the pre-crisis period. The inflationary trend is also having a positive effect on the cost of money with the European and American Central Banks that have begun a path of gradual but consistent lowering of interest rates. The various central banks are managing the trend of interest rates with great attention in order to control the consequences that these moves will have on the real economy: the decisions taken in recent months with a minimal but constant lowering of rates lead us to think that the peak relating to the cost of money has been reached and a lowering is part of the new reality. Despite this, 2023-2024 has been materially impacted by extremely high rates and higher financial charges than the pre-inflationary period.

The **economic value directly generated** by the Bauli Group in fiscal year 2023/2024 amounted to 639,931,128 euro, an increase of about 0.13% percent over the previous year. The **economic value distributed**, amounting to 599,041,968 euro, is mainly represented by reclassified operating costs of 499,312,590 euro, followed by personnel remuneration 83,037,510 euro. Public administration remuneration amounted to 6,918,687 euro while shareholder remuneration was 3,504,500 euro and, financiers' remuneration, was 4,828,048 euro. The **value distributed** by Bauli to the community was of 1,440,633 euro. Therefore, the **value retained** by Bauli was 40,889,159 euro (equal to 6.4% of the total generated).

**ECONOMIC VALUE
DIRECTLY GENERATED
AND DISTRIBUTED BY
THE GROUP**



SUSTAINABILITY APPROACH



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14

Material Topics.

3rd

Edition of the Sustainability Report.

Top 15%

Of companies evaluated by Ecovadis.

19 LCA

Analysis of Life Cycle Assessment (LCA).

THE GROUP'S SUSTAINABILITY JOURNEY: OUR PRIORITIES

Bauli Group's sustainability journey has evolved gradually, with continuous improvements in the tools and approaches used to enhance its economic, environmental, and social performance. 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, the Group initiated exploratory work on sustainability, leading to its first Materiality Analysis and the launch of its initial reporting project, the Sustainability Brochure. The following year, coinciding with Bauli's 100th anniversary, the Group published its first Sustainability Report. In 2024, Bauli began developing its Group Sustainability Strategy, outlining actions to support specific targets and objectives set for 2030.

The year 2024 reflects Bauli's ongoing commitment to its structured sustainability journey, marked by an expansion of dedicated initiatives. This ensures the Group's leadership in meeting current regulations and adhering to key sustainable development criteria. Bauli's Sustainability Report aligns with the GRI Sustainability Reporting Standards (2021), following the 'in accordance' option. The Group has also conducted a comprehensive materiality analysis, considering contextual factors and identifying and prioritizing its most significant impacts, which has helped define key material topics.

For the second consecutive year, Bauli has participated in the **Ecovadis sustainability questionnaire**, maintaining a **Silver Medal**. This recognition affirms the Group's position within the top 15% of companies evaluated by Ecovadis. The Group has expanded its Life Cycle Assessment (LCA) studies throughout 2023 and 2024 to include additional products that have long been part of its portfolio. This ongoing commitment to sustainability highlights the Group's dedication to responsible business practices and its ambition to create a positive impact on both society and the environment.

OUR STAKEHOLDERS

Effective and ongoing **engagement with stakeholders** enables companies to collect crucial information about their effects on the economy, environment, and society, aiding in the formulation of more inclusive and impactful strategic decisions in line with the GRI Sustainability Reporting Standards.

Bauli has determined its stakeholders in order to incorporating them into its decision-making process and integrating them into its business operations. The findings from this analysis were combined and contrasted with insights from a benchmark analysis. This analysis aimed to map current trends among major competitors and identify national and international best practices. As a result, **12 stakeholder categories** were identified and subsequently prioritized by Management during the **Materiality Workshop**.



Stakeholder engagement
with activities that involved the Group’s customers and suppliers

MATERIAL TOPICS

- Consumer protection and food safety
- Health and safety of workers
- Energy consumption, emissions and climate change
- Waste Management and circular Economy
- Diversity, inclusion and equal opportunities
- Sustainable packaging
- Responsible marketing and communication
- Training, development and welfare of workers
- Quality and sustainability of raw materials
- Ethics, business integrity and anti-corruption
- Process and product innovation, R&D
- Responsible supply chain management
- Proper nutrition and consumer well-being
- Economic performance

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 initiatives enabled the accumulation of both quantitative and qualitative data. Each impact was assigned a numerical value from 1 to 5, reflecting its scale, scope, and probability of occurrence. Additionally, these initiatives provided insights into the most significant impacts associated with the Group’s operations, thereby highlighting the Group’s material issues.

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 of workers” and “Energy Consumption, Emissions and Climate Change” and the update of the materiality analysis which took place during 2023/2024 saw the increase in the relevance of topics such as: “Waste Management and Circular Economy”, “Responsible Marketing and Communication” and “Process & Product Innovation, R&D”. The result of the work carried out is reported into a list of relevant issues and related current and potential impacts represented by them and approved by the Bauli Group’s Board of Directors.

MANAGEMENT OF OUR MATERIAL TOPICS

IN 2023, BAULI ESTABLISHED A NEW LEADERSHIP TEAM TO ALIGN SUSTAINABILITY WITH ITS INDUSTRIAL STRATEGY, SUPPORTED BY A DEDICATED SUSTAINABILITY MANAGER.

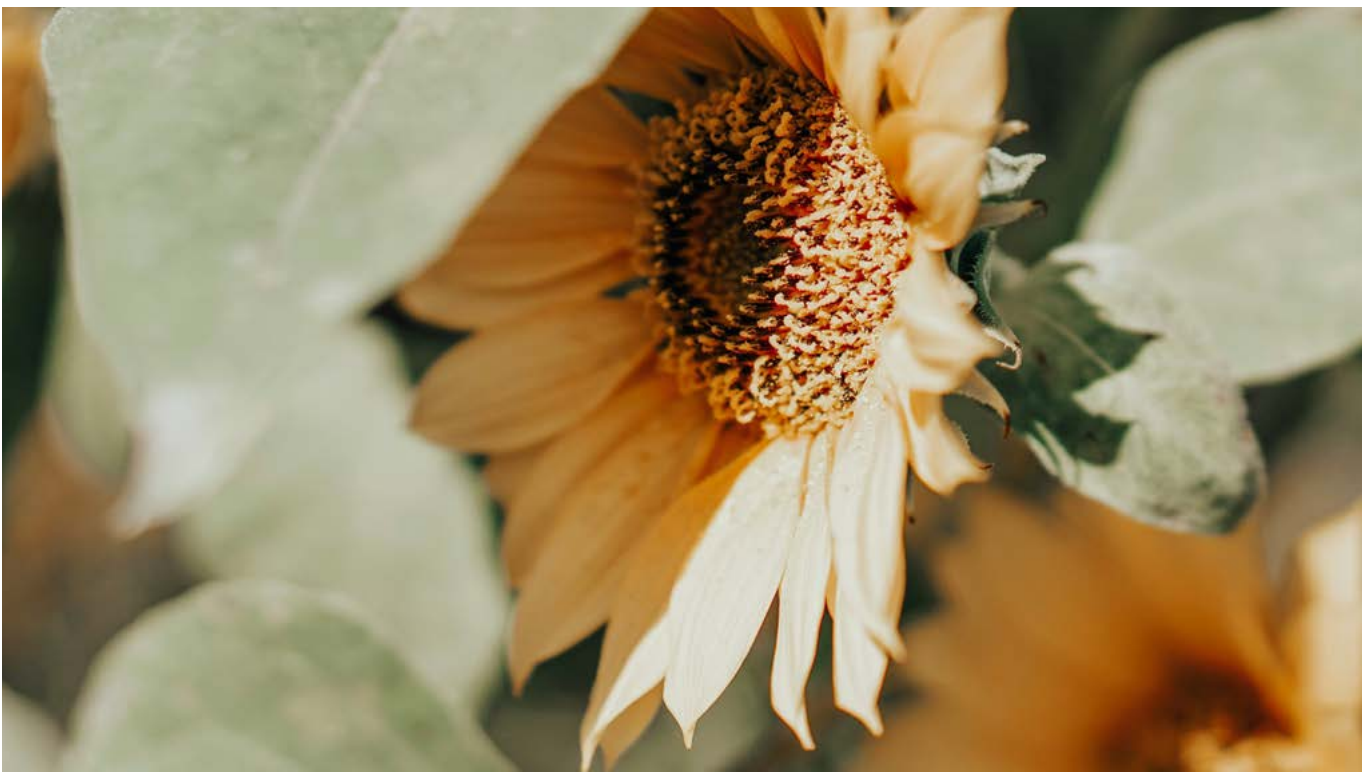
The Board of Directors of the Bauli Group is tasked with establishing corporate values, strategic sustainability guidelines, and approving implementation objectives and actions. The Global Leadership Team, comprising heads of Group business functions and new business units at national and international levels, is entrusted with strategic planning and overseeing the execution of sustainability-related projects.

The Group has assigned a **Group Sustainability Manager** to oversee all ESG issues. The Board of Directors holds monthly reviews of management performance, encompassing economic, environmental, and social aspects, as well as stakeholder reports. During the Sustainability Report approval meeting, senior management assesses annual performance on these impacts and revises strategic guidelines. The approval dates of the Sustainability and Consolidated Reports ensure the Parent's Board of Directors' participation in the analysis and reporting of the Sustainability Report.

Throughout the year, the Board of Directors and the **Global Leadership Team participated in regular sessions to update and inform on sustainability issues**, enhancing top management's understanding and skills in this area.

The establishment of the new Leadership Team, initiated in 2023 and carried forward throughout the 2023-2024 fiscal year, has resulted in the **comprehensive engagement of Group companies on sustainability matters**. This ensures alignment at the company level, not only in terms of structure but also in relation to the industrial development strategy. The composition of this Team includes members from the parent company, enabling the synergistic transmission of values, strategies, and objectives, including those related to sustainability.

Considering the material issues and their **impacts management**, the Group has pinpointed policies and commitments to prevent and mitigate potential negative impacts. Moreover, Bauli is dedicated to devising actions to enhance actual and potential positive impacts.



MATERIAL TOPICS	IMPACT MANAGEMENT
CONSUMER PROTECTION AND FOOD SAFETY	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.
HEALTH AND SAFETY OF WORKERS	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.
ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE	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.
WASTE MANAGEMENT AND CIRCULAR ECONOMY	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.
DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES	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.
SUSTAINABLE PACKAGING	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.
RESPONSIBLE MARKETING AND COMMUNICATION	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.
TRAINING, DEVELOPMENT AND WELFARE OF WORKERS	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.
QUALITY AND SUSTAINABILITY OF RAW MATERIALS	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.
ETHICS, BUSINESS INTEGRITY AND ANTI-CORRUPTION	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.
PROCESS AND PRODUCT INNOVATION, R&D	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.
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	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.
PROPER NUTRITION AND CONSUMER WELL-BEING	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.
ECONOMIC PERFORMANCE	Generating economic value while also ensuring balanced distribution to its stakeholders and interested parties (employees, suppliers, customers, etc.).



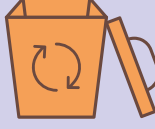



GROUP SUSTAINABILITY STRATEGY: OUR PATH TO 2030

CREATING A MORE SUSTAINABLE FUTURE FOR ALL IS AN ESSENTIAL GOAL FOR WHICH BAULI CAN MAKE A DIFFERENCE.

During 2024, Bauli began a process of defining its **Group Sustainability Strategy**, an ambitious and innovative plan that underlines its long-term commitment to a more sustainable future.

The Group recognizes its responsibility to drive positive change and actively contribute to the creation of a more sustainable world. Its sustainability strategy not only aims to reduce environmental impact, but also focuses on how the company can make a positive difference in the lives of people and the communities in which it operates. This commitment will be reflected in the definition of **objectives** and the identification of **strategic initiatives** in line with the current corporate objectives and those of a future evolution of the Group. Furthermore, through the key objectives identified and the initiatives planned in line with a careful monitoring plan, Bauli is convinced that it can make a difference in **creating a more sustainable future for all**.

In line with its values, Bauli has defined the **six strategic Pillars** that represent the **strategic objectives** of its approach to sustainability: *Climate resilience, Innovation of Product and Packaging, People, Sustainable Supply chain and Consumer first and the fundamental aspect of Waste management* which the Group considers essential in order to minimize the environmental impact directly and indirectly produced.

<p>CARE</p>	<p>PASSION</p>	<p>COURAGE</p>
 <p>CLIMATE RESILIENCE</p> <p>Reduce our carbon footprint</p>	 <p>INNOVATION OF PRODUCT AND PACKAGING</p> <p>Develop a core portfolio of Health & Wellbeing products Create Sustainable packaging solution</p>	 <p>WASTE MANAGEMENT</p> <p>Leading the Charge Towards a Zero-Waste Future</p>
<p>COLLABORATION</p>	<p>GOODNESS</p>	<p>INTEGRITY</p>
 <p>PEOPLE</p> <p>Attract Top Talent & Champion Global Wellbeing and DE&I Road to zero accident</p>	 <p>SUSTAINABLE SUPPLY CHAIN</p> <p>Guarantee traceability and transparency across our Value Chain Source sustainable and certified raw materials</p>	 <p>CONSUMER FIRST</p> <p>Ensure responsible communication</p>



ECOVADIS SUSTAINABILITY SCORECARD

During 2023-2024, the Group completed the Ecovadis sustainability questionnaire, a globally renowned ESG rating system. Bauli obtained a **score of 65/100** and retained the EcoVadis Silver Medal. This result places the Group in the **top 15% of companies** assessed by Ecovadis, underlining its significant achievements.

Participation in the EcoVadis platform allows for optimal management of ESG risk to achieve corporate sustainability objectives and generate large-scale impact by promoting the **improvement of sustainability performance of both the company and the value chain**.

The participation of the Bauli Group in the initiative proposed by EcoVadis aims to be a further step towards a greater attribution of sustainable value to the supply chain. Thanks to the considerations made by the Group with respect to the score obtained and with reference to the four areas of analysis assessed through the questionnaire: environment, work and human rights, ethics and sustainable procurement, defined actions are being structured to concretely develop the ESG objectives considered most significant.

PRODUCT & PACKAGING





PRODUCT AND PACKAGING

Even today, like 100 years ago, we are guided by **tradition** but **looking towards the future**, and we will never stop creating with the health of the Planet in mind and the well-being of people in our hearts. For 100 years the products of the Bauli Group have been synonymous with goodness and quality. We are inspired by an ancient artisan tradition and **use the best technologies**, bringing our products to the tables of **consumers in over 70 countries**. Over time the Group has diversified its business, expanding and enriching its production of festive desserts and treats with other baked goods, both **sweet** and **savory**, which are available all year round. Furthermore, the Group has also been providing products suitable for various consumption occasions, including sweet and savory options that are **gluten-free** and **lactose-free**.



For over a hundred years, Bauli has been creating recipes with an extraordinary taste thanks to what has always remained unchanged, the magic touch of the “**Lievito Madre Futura**”. The exclusive slow leavening is a rediscovery of the value of waiting that often hides the best things.

CREATING GOODNESS: OUR PORTFOLIO

Bauli products have been synonymous with goodness and quality for 102 years, following ancient artisan traditions but use modern technologies to bring products to the tables of consumers in over **70 countries**. The main focus is on developing products obtained through meticulous consumer research to identify continuous evolving consumption patterns, including those associated with healthy lifestyles. Additionally, Bauli has expanded its capabilities to create customized offerings for individuals with gluten and lactose intolerances, demonstrating its commitment to providing a safe and enjoyable experience for all consumers.

Bauli’s expertise lies in **natural leavening**, a tradition that has been an integral part of the most consolidated products for over a century and also through investments in research and development to improve skills and inaugurate innovative processes, meticulous sourcing of raw materials and rigorous control systems.



SEASONAL PRODUCTS

Thanks to a wide range of baked desserts for festivities, Bauli leads the Christmas market with over 39% market share and the Easter market with 32.5% share (by volumes). The Bauli Group has also become an important player in the Easter Egg sector with a market share that has grown continuously in recent years, thanks to an offer designed for children, teenagers and adults, characterized by high-quality chocolate recipes and exclusive surprises.

The Group’s portfolio includes iconic products such as **Pandoro Bauli**, the most loved and best-selling Christmas product, and **Panettone Motta**, the top-selling product of its kind. 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 selected raw materials and artisan-inspired production processes based on the ancient tradition of sourdough. A key element is a core of fermented dough to which water and flour are gradually added. This 40-hour procedure, repeated at the same pace, gives **Bauli products a remarkable shelf life without the use of preservatives**.



EVERYDAY PRODUCTS

Careful processing, selected ingredients, and continuous research define how we have been baking everyday products. We aim to make your everyday life tastier offering: croissants, shortbread **cookies**, **snacks** and **crackers** suitable for every preference and consumption occasion. Thanks to their versatility, Bauli’s products can be enjoyed by everybody throughout the day, accompanying customers from breakfast to snack time and from a sweet or savoury indulgence to dinner.





INTERNATIONAL PRODUCTS

The Group not only offers beloved Italian style product, but also adapt recipes to meet the tastes of the markets in which it operates. The **international growth** process began in the 2000s and was strengthened with the opening of a state-of-the-art production plant in Baramati, India, in 2017. Bauli follows a vertical multinational approach, locally sourcing raw materials for freshness while leveraging its expertise to ensure product quality. With Bauli India the Group expected major growth in domestic markets such as Vietnam, Malaysia, Bhutan, Nepal, Maldives, and Dubai in the coming years.

The Group aspires to **expand its international presence**, not only with confectionery products deeply rooted in Italian holiday traditions, but also by diversifying its approach. This includes considering the enhancement of its offerings with both "sweet" and "savoury" products, all of which will be distinguished by Bauli's hallmark quality.

PROMOTION OF HEALTH & WELLBEING

Bauli is dedicated to creating new products that meet the growing demand for **gluten-free** and **lactose-free** products across all its subsidiaries and has expanded into protein-based products. New products such as Gluten-Free Bucaneve, Lactose-Free Bucaneve, and Added Sugar-Free Bucaneve have been introduced, with plans to expand distribution. Bauli collaborates with various organizations on projects focused on consumer health and well-being and sees the wellness sector as a key growth driver, with plans to develop more healthy products for global export.

BAULI ICE CREAM

During 2024, a new type of product was introduced: **Bauli ice cream** flavored with Pandoro, Panettone and apricot croissant was born from the encounter between the experience of Bauli and Tonitto: a historic brand of Italian ice cream making. The approach to the **world of frozen foods** represents a significant opportunity for Bauli to diversify its offering and exploit the popularity of the ice cream category to further grow its brand. The idea of transforming the classic flavors of panettone and pandoro into summer ice creams is a creative response to the need to adapt to consumer preferences during the warmer months, offering a fresh and tasty alternative to traditional desserts.



PRODUCT & PROCESS INNOVATION

CONSTANT INNOVATION IN PRODUCT FEATURES, ENRICHED BY THE EXPERTISE OF PROFESSIONALS FROM THE WORLD OF ITALIAN HAUTE PATISSERIE.

The Bauli Group actively manages product innovation through a dedicated **Research and Development (R&D) team** involved in **Product and Packaging Development, Open Innovation, Sensory Analysis, Consumer Testing, Sustainability Assessment** and **New Product Prototyping**. The company oversees more than 100 ongoing projects allocating them to Group’s various brands in a balanced manner based on their size and importance. In addition, an internal innovation group, comprising Sales, Marketing, R&D, Operations and Finance departments, defines and updates a corporate Master Plan. This strategic activity allows the Group to plan initiatives over a three-year period, ensuring resources allocation and preventing 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, **new product sales have accounted more than 6% of the total**, demonstrating the company’s strong commitment to innovation.

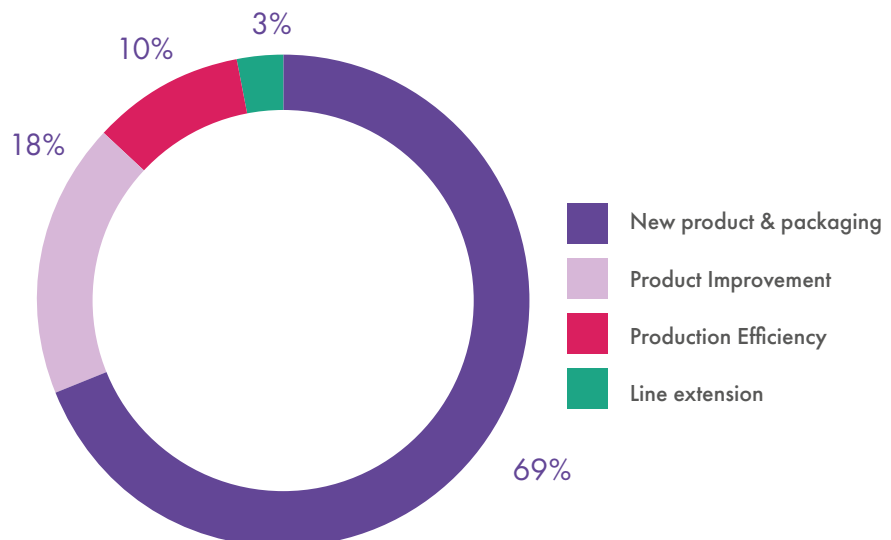
The internal **R&D processes** are effectively managed through the “Stage&Gate” approach, involving stages as idea definition, feasibility study, project approval, development at the pilot plant, industrial testing and finally market launch.

Strong emphasis has been placed on developing new high-quality products with **artisanal characteristics**. Research in this involves continuous experimentation on products characteristics, with the integration of professionals from the world of Italian haute patisserie into the R&D team with product ranges respectively dedicated to the premium segment of Modern Trade and GTR or Traditional Shops.

In the development of new products, the Group is increasing the use of “Sensory” activities, involving sensory analysis (use of human senses for objective evaluation of food products) and final consumer testing. Sensory analysis, involves profiling products based on characteristics such as appearance, texture, smell and taste, conducted by a **trained panel** in a dedicated laboratory. Consumer testing, conducted in partnership with specialized companies, provides statistical feedback aligned with the result of sensory analysis, enabling product validation and in-depth analysis of consumers’ sensory preferences.

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

R&D PROJECT BY TYPE (2023-2024)



**HEALTH AND WELL-BEING
PRODUCT INNOVATION**

Natural

Natural products: Free from preservatives (Croissants), wholegrain (Croissant, Buondi, Biscuits, Crackers and Snacks)

Lactose free

Bucaneve, Panettone, Pandoro, Colomba and Croissants

No added sugar

Croissant Bauli, Bucaneve

Low fat

The entire snack category

**Packaging with low
environmental impact**

Snack, Colomba e Croissant Bauli

Rich in fiber

Croissant, Biscuits, treccine, Panettone, Colomba

In the realm of innovation, the commitment of the Bauli Group to creating products for both the Italian and international markets remains steadfast fostering **relationships with key stakeholders** and players in the supply chain, not only in Italy but also internationally. Their offerings range from festive delicacies such as the incomparable *Pandoro* and *Colomba di Verona*, to treats designed for sweet or savory breaks throughout the day.

Newly developed products often focus on promoting consumers **health and well-being**, featuring attributes like natural, whole grain, fiber-rich, preservative-free, and “Free-from” ingredients.

Regarding packaging, the project to replace paper baking molds with compostable alternatives was completed in 2023, aiming significantly reduces environmental impact and achieve close to **100% recyclability of the Group’s primary packaging**.

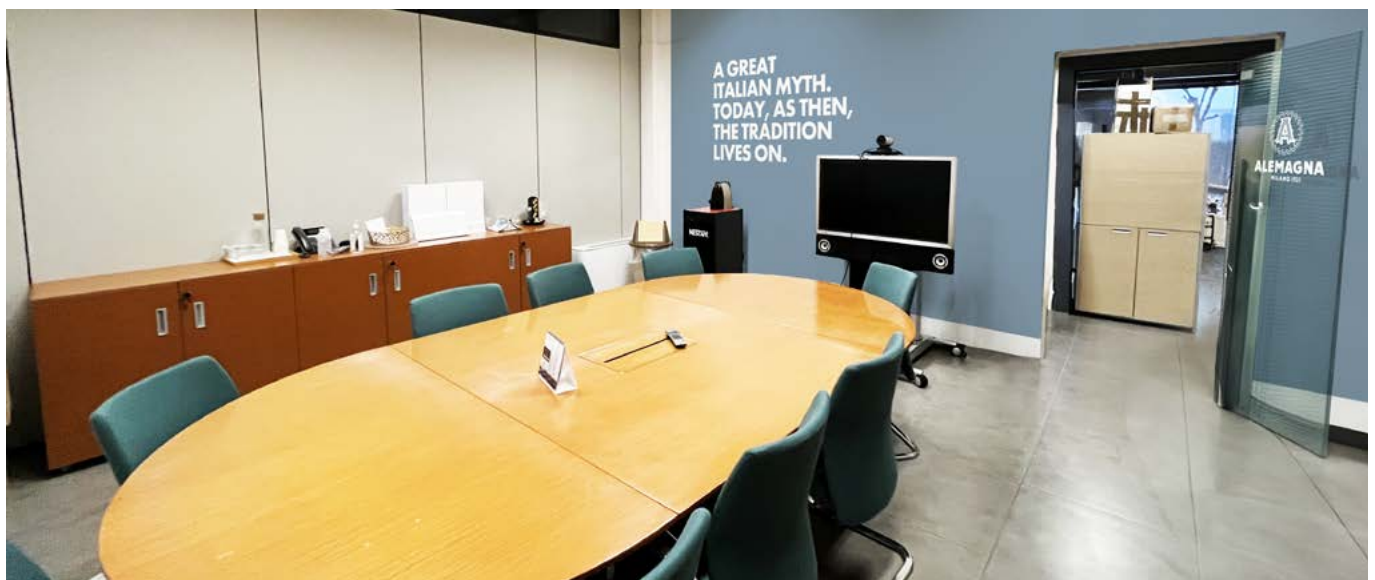
BAULI INNOVATION CENTER

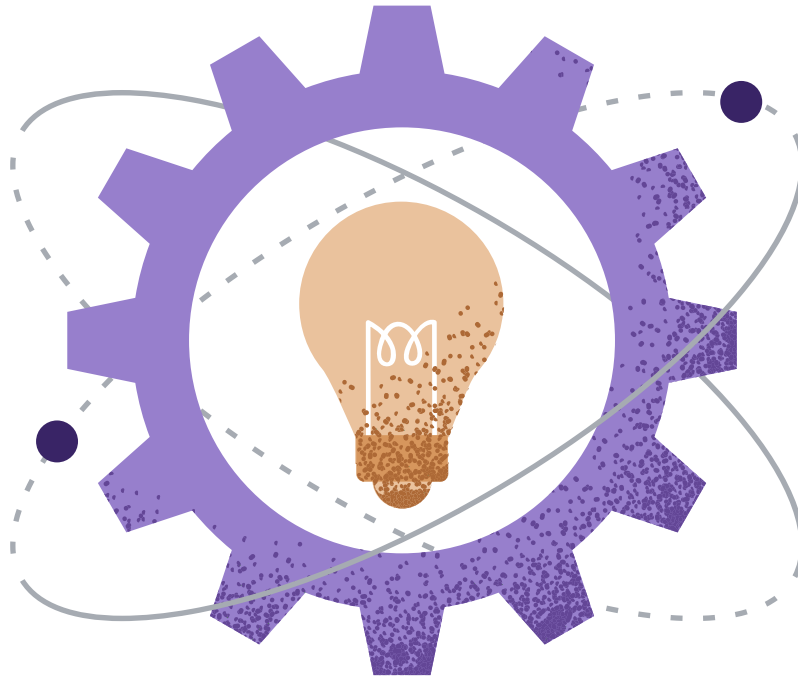
The Innovation Centre, located in the factory of San Martino Buon Albergo (VR) is able to **replicate all of the Bauli Group’s technologies on a smaller scale**. The Centre has the ability to closely study all processes related to different types of dough, long fermentations, different types of baking, and the cooling phase. The laboratory is completed with a large area dedicated to chocolate production and one dedicated to everyday products (e.g. croissants and biscuits). Serving the Innovation Centre is an **analytical laboratory** capable of providing analysis and evaluation of chemical-physical parameters and organoleptic tests. Furthermore, within this area, university students and graduates also have the opportunity to conduct thesis activities or various types of training and internships.

The Group’s development strategy strongly emphasizes innovation, factoring in significant investments for the 2024-2025 biennium with the objective to **expand and modernize the existing facilities** and to incorporate new machinery to fulfil research and development requirements with a special focus on the **implementation of new technologies** and the **enhancement of current** ones.

BAULI PATISSERIE ACADEMY

A project born from the desire to **create new growth opportunities and new professional figures**. A real training plan, carried out in collaboration with CAST Alimenti, a training school for professionals in the food sector and led by Davide Castagnaro as the “captain” of the Bauli Patisserie Team. The Bauli Group’s 12-week training course, focused on creativity, innovation, and managerial skills, aimed to shape successful pastry chefs.





The course, divided into specific pastry preparation modules, was offered to **12 professionals with the prospect of joining the Bauli Patisserie Team**. Funded by the Bauli Group, the Academy provided free access to all participants, fostering the development of high-level pastry skills crucial for the company's future development.

During CIBUS 2024, within the Innovation Area, the Bauli Group participated in the "**Democratic Quality**" event. This gathering brought together chefs and major companies to discuss the new challenges in the food world. The **Research and Development team** from the Bauli Group and the **Bauli Patisserie Academy** had the opportunity to engage in a dialogue with Michelin-starred Chef Bruno Barbieri. This conversation explored the relationship between iconic Made in Italy companies and the world of "starred" craftsmanship. The Group was proud to delve into the **new challenges of the food world alongside a chef like Bruno Barbieri and his insights providing valuable food for thought for the market**.

DIGITAL TRANSFORMATION AND INNOVATION

Bauli Group is in the process of implementing a digital strategy to stay abreast of technological evolutions and meet customer needs. **Bauli's digital transformation is based on six pillars:** New Digital Channels, Smart Manufacturing, Application Simplification, Multi-Cloud & Edge, Information Security and People & Digital.

Bauli is actively simplifying its business applications to enhance employee access and **promote collaboration and innovation**. All the white collars are equipped with new generation, energy efficiency laptops. The on-prem servers and storage are hosted into high efficiency self-cooled server racks. Bauli is pushing on the remote work adoption through the use of cloud SaaS solutions and network connections software that aims to let users connect to on-prem apps from anywhere with the same user experience, reducing the need to travel to the office.

A common habit is now the use of "Click and sign", digital document approval and signing, that reduces paper use, and integrates seamlessly the cloud services.

Over the past half-decade, Bauli has also embraced **IoT technologies**: ensuring cybersecurity compliance to maintain high security levels, more and more we are integrating **sensors** into traditional manufacturing for efficient data collection and analysis. This has resulted in improved production line performance, reduced waste, and increased safety.

The company's strategy also includes a Multi-Cloud & Edge approach to maximize the benefits of various cloud platforms and edge technologies, ensuring the scalability and flexibility of its digital services.

Also, Bauli is rolling-out a new TMS solution: to increase sensitively the full load transportations and to avoid empty returns. It means less impact on our planet.



#BAULINEXT - THE DIGITAL LAB

In its pursuit of innovation, the Bauli Group has created **a physical space in the headquarter, where Technology meets Business**.

We connect people ideas, we find proper solutions and put together our **Digital Innovation Pipeline**: then we build prototypes, and we launch pilot projects. Always keeping in mind that our Business must grow in a sustainable way.

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 **three principles of Responsible Packaging defined by the Group**:

Reduce the amount of materials

A major project completed in the previous fiscal year allowed the Group to significantly reduce the size of cardboard and plastic packaging for Bauli Croissants. This innovation led to a reduction of over 50 tons of plastic and 200 tons of paper, as well as eliminating the need for 1,400 transportation vehicles due to the smaller pack sizes. The Group continues to explore ways to minimize the use of raw materials in packaging, always ensuring that food preservation properties are carefully evaluated.

Use of recyclable materials

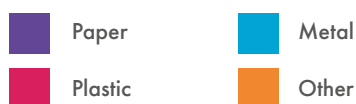
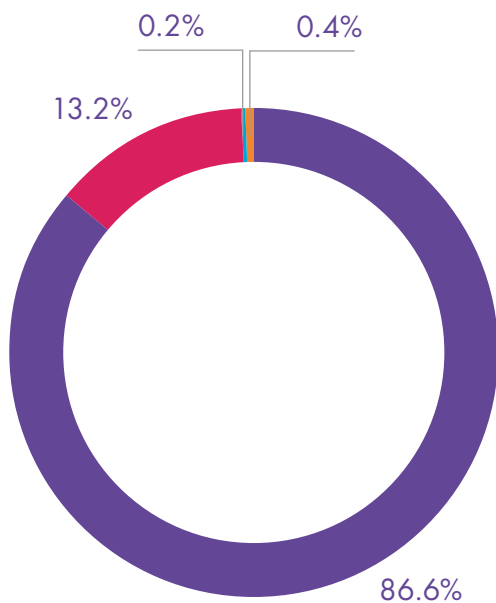
For many of the Group’s products, particularly belonging to the recurrence products, **the packaging has been revamped to single-material, paper or plastic packaging**. This approach, in line with circular economy approaches, allows the total recyclability of the packaging at the end of its life, avoiding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

Sustainably managed sources

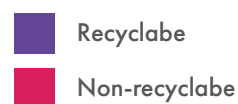
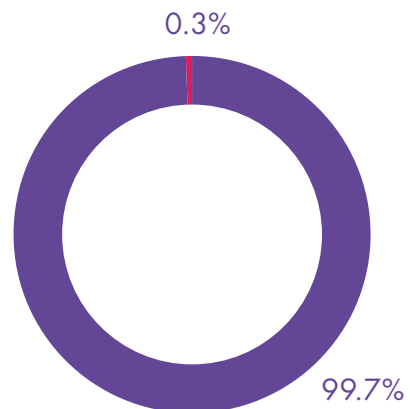
An important aspect is the use of recycled input materials. Bauli is committed to constantly looking for new ways to **reduce the use of virgin resources and to encourage the recycling of materials**. From 2023, the Company used recycled paper and cardboard for almost all its needs. The use of virgin 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.

MATERIALS USED FOR PACKAGING AND RECYCLABILITY

Materials used for packaging



Recyclability %





CONSUMER FIRST



Food Quality and Safety	42
Responsible Marketing and Communication	45

CONSUMER FIRST

ISO 9001

Certified Quality Management System.

0

Incidents of non-compliance concerning the health and safety impacts of products and services.

Bauli’s dedication to quality and sustainability is evident in their **meticulous selection of raw materials** and the rigorous control systems integrated into their production processes. The focus is on developing new products based on straightforward, simple recipes that utilize only a select few natural ingredients. These **products are free from additives, preservatives, and artificial colors**, with an emphasis on using whole grain flours and maintaining low fat levels. As early as 1996, Bauli acknowledged the vital importance of a quality management system, recognizing its essential role in consistently delivering **high-quality products**.

FOOD QUALITY AND SAFETY

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.

Bauli prioritizes the effective management of quality, product safety, and consumer protection. The company recognizes the serious impact of potential food contamination on consumer health and confidence. Therefore, Bauli is steadfast in ensuring maximum safety and consumer satisfaction. This includes minimizing risks related to allergens and contaminants in products and production processes. Additionally, the company does not use GMOs as raw materials.

Bauli’s has designed and updated his **Quality Management System** with the aim of “Fare Qualità a 360 gradi” (“Doing Quality at 360 degrees”) to maintain and improve the Group’s own process and product quality standard, increase customer/consumer service levels and comply with mandatory and voluntary safety and environmental requirements. Quality is more than just a technical matter: it is rooted in the 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 promote healthy and conscious choices is to assess the level of awareness.

QUALITY ASSURANCE

As a result of the ONE BAULLI corporate restructuring and organization process, the **management of quality and food safety will be overseen by the central Operations function**. This encompasses responsibilities in Food Labelling, Certifications, Audits, Food Safety, and Customer Service. These activities are guided by precise and regularly updated operational procedures outlined by the Bauli **Group Quality Management System Manual**.

At each production sites, the Group ensures the presence of specific Quality Assurance experts, who coordinate teams responsible for quality and food safety. Additionally, specific referents oversee Food Hygiene, ensuring the application of centrally prepared guidelines through the coordination of sanitization plans and cleaning procedures to maintain environmental and process hygiene. Since 1996 Bauli adopted a quality management system considering it not only for managing system activities but also for overseeing production processes to guarantee products with high quality standards.

The Company has been following the main international product **safety and quality management standards**, meeting the requirements of standards recognized by the GFSI (Global Safety Initiative) such as BRC Food and IFS Food. These standards are upheld 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 Group has obtained the following product certifications **for branded and private label products**, including:



Fairtrade. 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). 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. It involves compliance with stringent requirements, including good agricultural practices, safe and healthy working conditions, combating child and forced labour, and environmental protection.



Biologic. his certification requires processing using organic farming ingredients, reducing the use of additives, and adopting appropriate processing and packaging procedures in line with European regulations.



Lactose free. This certification offers a safe alternative for people with lactose intolerance, allowing them to enjoy dairy products without digestive problems.



Gluten free. Critical for people with celiac disease or gluten sensitivity, this certification provides a safe option to avoid gluten in the diet, ensuring products are contaminant-free and preventing cross-contamination during production.



Bauli has obtained “lactose free” or “gluten free” certification by adjusting production processes and internal procedures to ensure that certified products meet specific contaminant-free requirements. This involving 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 the entire value chain, from supplier qualification and selection to documentation collection, continuous analysis and risk assessment. The types and frequency of controls and analyses are regularly updated and calibrated based on emerging critical issues to best focus attention and resources. **All incoming raw material compliance analyses**, including food-grade and packaging-related assessment, are conducted according to well-defined control plans based on risk analysis, following the procedures outlined 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, considering the relative probability of occurrence and significance of potential impact. Control Plans are then prepared for the purpose of **assessing the impacts on consumer health and safety for 100% of the Company’s products**.



Control plans, tailored to each production line and product type, outline the parameters for checks, analysis frequency, responsibilities, evaluation and recording methods, and potential responses to non-compliance. Most evaluations are self-conducted by line operators and recorded in a company system for future analysis and decision-making. **Specialized technicians** perform the required lab analyses, including chemical and microbiological tests, to ensure ingredient conformity and the absence of substances like GMOs, allergens, and general contaminants.

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 carrying out the chemical, physical and microbiological analyses required by the types of controls performed. Products undergo thorough **inspections and controls** before sale, including organoleptic, visual, chemical-physical, and microbiological analyses. For instance, around **56,000 such analyses** were conducted during the Christmas campaign. Product conformity is ensured through external audits by clients, certification bodies, and control authorities, as well as internal evaluations of products and production processes over time.

The company maintains food safety and product labelling standards by collaborating with **Unionfood**, a trade association. It stays updated with industry regulations through this partnership. Additionally, the company has service agreements with **specialized laboratories** and consulting firms. It also works with the **University of Milan**, the **University of Verona**, and the **University of Udine** for comprehensive food hygiene and safety studies. This approach ensures the company’s consistent alignment with industry regulations.

INTERFUNCTIONAL QUALITY WORK TEAM

The Group has defined a specific **Interfunctional quality work team** which has the task of managing quality control management considering 3 main themes:

- **Staff training** designed to improve mandatory HACCP training, to make it more interactive and focused on the Bauli reality. These training activities are dedicated to a cluster of employees who are made aware of relevant aspects of their job (for both permanent and seasonal staff) with a dedicated training budget.
 - **Training verification activities** with behavioral audits and dedicated initiatives such as **“quality walks”**, during which quality managers verify the correct behavior of staff with respect to the prepared plan.
 - **Redefinition and implementation of product and process standards** through an approach that aims to dynamize the standards so that they can better follow product and process evolutions.
-

REPORTS AND COMPLAINTS MANAGEMENT

The Group is dedicated to **managing and mitigating risks** from critical situations through a robust management system for complaints and alerts. A reporting system is in place to collect nonconformities on product quality from customers and consumers, with plans to extend this to all foreign companies. The **Sales Department** handles customer reports, while a **Courtesy Service** manages consumer reports. All reports are checked by the Quality Department in a centralized system, which takes necessary actions based on the severity and urgency of the complaints. Key Performance Indicators related to complaints are communicated to the CEO and Board of Directors if necessary. The company uses these KPIs, including the number of reports per million units sold, to **set performance goals** and ensure a timely response to quality concerns.

PRODUCT TRACEABILITY

Bauli uses a specific informatic system for **product identification and traceability**, ensuring compliance with regulations, self-control systems, and customer requirements. This system allows for **full traceability of raw materials, packaging materials**, and finished products within and outside the Group. It records the product's composition, controls performed, and the destination of product batches. This is achieved through the integration of internal and external recording systems, linking raw material supplies to finished product batches and recording incoming material information. A "Supplier Portal" project is underway to enhance raw material traceability 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 the production lot and minimum shelf life (**TMC**) are clearly printed on each consumer sales unit. The carton or visual box is identified with a barcode, a plain text lot code, and the TMC. Additional information, such as the shift, is also printed on these boxes. A label applied during palletization allows the computer system to recognize the product in transit and retrieve all traceability and logistics information, including TMC, palletization quantity, production batch, and the **pallet identification number code (SSCC)**.

RESPONSIBLE MARKETING AND COMMUNICATION

Bauli prioritizes **transparency** and **truthfulness** in its communications to consumers, aiming to avoid any misleading information. This approach is applied in both commercial advertising and product packaging. The "Consumer First" strategy involves continuous improvement of consumer understanding through constant dialogue and profiling, enabling targeted communication strategies.

The Group utilizes a variety of **tools**, including questionnaires and digital tracking, to increase consumer-related information and enrich its CRM. This allows for the creation of targeted content and specific performance indicators for each consumer interaction, always with a focus on respecting consumer privacy. The Group's sustainability efforts are communicated honestly and transparently. Their corporate communication strategy includes a specific LinkedIn editorial strategy and analytics for their website, allowing for effective online communication and interaction with consumers. **End consumer communication** is developed through targeted advertising campaigns on television and digital channels, as well as promoting new products and e-commerce channels. The company has recently developed an e-commerce platform for selling handcrafted products.

RESPONSIBLE LABELING

The Group's product labelling process is a collaborative effort involving Research and Development, Quality Assurance, and Production departments. The Food Labelling activity commences with the procurement of raw materials, which includes the creation of a detailed data sheet that is forwarded to the **Food Labelling team**. Once approved, the product's bill of materials is sent to Quality Assurance. A dedicated computer system, updated with raw material data, is used to input the recipe. This process automatically generates the product's lettering and nutritional information.

The **Marketing department** suggests features for promotion and communication to consumers. These suggestions undergo rigorous checks to confirm their accuracy and compliance before being attached to the product. Regarding claims about the product or packaging's sustainability features, the Quality Assurance function collaborates closely with R&D and Marketing to create accurate and honest communication. This ensures that all supporting evidence is gathered to back up the messages displayed on the packaging.

During the reporting period of 2023-2024, there were no instances of non-compliance related to marketing communications. In the same period, the Group received a report regarding seven instances of non-compliance concerning the labelling of some of its products. These instances, identified as minor, were related to the information on the labels of some products from the most recent acquisition Dacasto Gran Pasticceria S.r.l. The identified situations were appropriately addressed by the Group, which, in addition to resolving the individual cases, also reviewed procedural aspects through concrete actions aimed at preventing the possibility of such situations occurring again.

SUSTAINABLE SUPPLY CHAIN



Our ingredients and raw materials	48
Responsible sourcing	51

SUSTAINABLE SUPPLY CHAIN

97%

Of the raw material purchased consists of renewable material.

40%

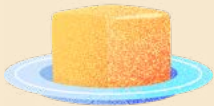
Of relevant supplier were assessed through Ecovadis.

87%

Of the packaging material consists of paper.

The Group's direct suppliers are primarily located in Italy and Europe, where enduring partnerships are built on shared ethical values. Ensuring **product quality, safety, and stakeholder satisfaction** depends on the responsible procurement of rigorously controlled, high-quality ingredients. To achieve this, Bauli has developed a supplier assessment system with precise approval procedures. This system employs stringent **evaluation criteria to identify top-performing companies based on their quality, health, and safety standards.**

OUR INGREDIENTS AND RAW MATERIALS



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.



COCOA

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



SUGAR

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



EGGS

Mainly Italian within a few kilometers of the production plants.



DRIED FRUIT

Mainly raisins, produced and processed in Turkey.



VEGETABLE FATS

Sourced from tropical areas of Southeast Asia.

52,867 Tons

Of flours purchased in 2023/2024.

15,628 Tons

Of sugar purchased in 2023/2024.

9,342 Tons

Of eggs purchased in 2023/2024.

The **well-being of the planet and humanity** is deeply intertwined with biodiversity. It bolsters ecosystem stability, supplies food resources, and delivers crucial services like water purification and climate regulation, thereby enhancing the earth system's resilience. To guarantee environmental sustainability and our enduring well-being, it is vital to preserve biodiversity through ecosystem conservation and sustainable practices. Bauli's sourcing of raw materials could have an indirect impact on ecosystems, potentially leading to biodiversity loss due to issues like deforestation, excessive pesticide use, water pollution, and habitat destruction common in food supply chains. To reduce its impacts, **Bauli favors European or Italian suppliers** whenever possible, not only due to the lesser environmental impact associated with local sourcing, but also for the greater **ethical and environmental guarantees** offered by the European market. The Group acknowledges that the environmental impact generated by its activities includes aspects that are currently not reported, but it is strongly committed to exploring these areas to reduce its environmental impact with the aim of continuous improvement and transparent communication.

FLOURS

The growing global demand for wheat has led to excessive use of chemical fertilizers, pesticides, and fungicides. While this has improved product quality, it has negatively impacted the environment, with wheat cultivation being the most significant contributor in the production chains of pasta, bread, and bakery products.¹

Over the years, Bauli has been able to make a gradual transition from flours produced in North America to those produced in Europe, with positive consequences not only in terms of controls on the raw material and the use of chemical agents but it has also lessened the environmental impact of transportation.

SUGAR

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.²

Bauli predominantly uses beet sugar in its products, sourced mainly from European suppliers. The majority of the EU's sugar beet is cultivated in the northern regions where the climate is most favorable. Bauli's suppliers are required to provide detailed information about the botanical and geographic origins of the raw material, ensuring full traceability and adherence to EU quality regulations.

BUTTER & EGGS

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. Butter and eggs, both significant in terms of purchase value, are key raw materials for Bauli's production process. The butter, sourced solely from major European dairy cooperatives, is transported in a concentrated form to preserve its quality. The eggs are procured exclusively from Italy, within close proximity to the production plants to ensure freshness and quality. In particular, Bauli mandates that its egg suppliers shell the eggs within 36 hours of laying, and they are used in production within a few hours. By sourcing these materials within Europe, Bauli can rely on the **rigorous European legislation** that emphasizes animal welfare and regulates antibiotic use, offering a more controlled product over non-European counterparts.

¹ 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>.

² 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)

12,092 Tons

Of vegetable fats purchased in 2023/2024.

3,376 Tons

Of cocoa purchased in 2023/2024.

2,108 Tons

Of dried fruits purchased in 2023/2024.

VEGETABLE FATS

Palm oil currently makes up approximately 40% of the global demand for vegetable oil, which is used in food, animal feed, and fuel. The expansion of palm oil plantations in forested areas of Borneo, Sumatra, and the Malay Peninsula, where over 90% of the world's palm oil is produced, has raised significant concerns about its environmental impacts, including deforestation, biodiversity loss, greenhouse gas emissions and air pollution.³

Vegetable fats, along with flour and simple sugars, are the main ingredients in most of the cakes and baked goods marketed by Bauli. The vegetable fats used for the Group's products, among which palm oil is the predominant, are purchased mainly from tropical areas of Southeast Asia and then refined in Italy. Recognizing the importance of impacts of its raw materials, **Bauli has long been a member of the Roundtable on Sustainable Palm Oil (RSPO)**, a global organization dedicated to promoting sustainable palm oil standards in terms of climate change mitigation, livelihoods of smallholder farmers and ending the exploitation of workers along the supply chain.

COCOA

The structure of the cocoa supply chain resembles an hourglass shape, characterized by a significant number of farmers, approximately 5-6 million households engaged in small-scale farming contribute to about 90 percent of global cocoa production, a small number of exporters and processors and millions of consumers. Cocoa farming typically involves labor-intensive practices heavily reliant on manual labor, resulting in limited financial returns for farmers.⁴

Used in the form of chocolate for some of Bauli's references and to produce chocolate eggs, cocoa is purchased mainly from East Africa, particularly Ghana and the Ivory Coast. It is then processed in Europe and transformed into chocolate in Italy. **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

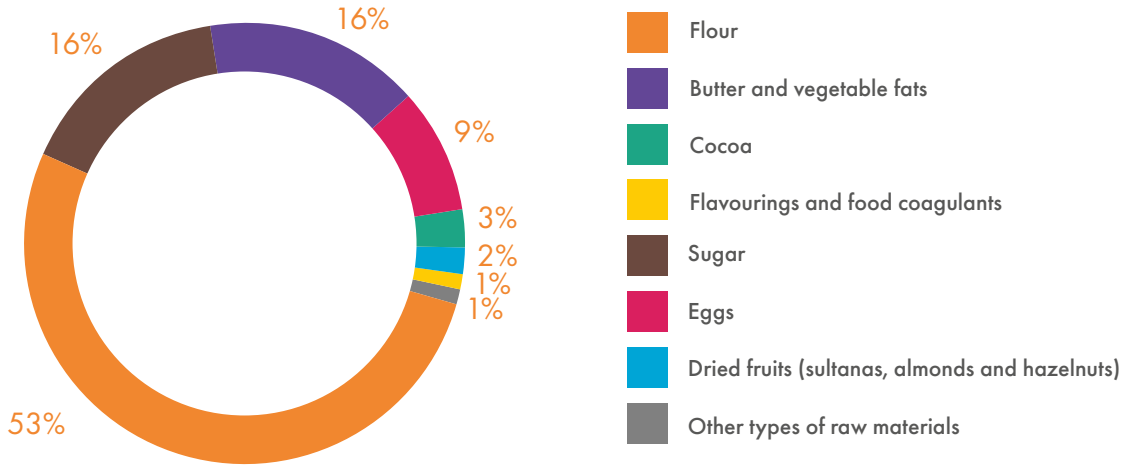
Prominent among the dried fruits purchased by the Group are raisins, a white, seedless grape that is particularly suitable for drying and used in the preparation of panettone. The environmental impact of raisin primarily depends on the energy consumed during the drying process. While most raisins are dried using natural sunlight, some raisins are dried using mechanical dryers. Another environmental concern is the **substantial water requirement** for raisin production, especially through groundwater irrigation.

This raw material is produced and processed in Turkey, the world's leading producer of raisins. Most of Bauli's suppliers 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.

³ 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>.

⁴ riskmap.fairtrade.net/countries/cote-divoire.

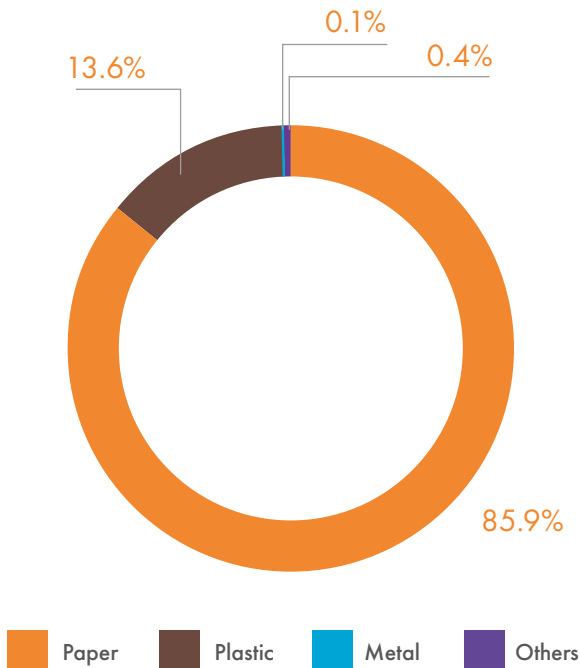
FOOD RAW MATERIALS USED BY THE GROUP (%)⁵



PACKAGING MATERIALS

The Group uses significant quantities of packaging materials. These are represented mostly by **paper** (cartons, visual boxes and paper baking molds) followed by 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” (discard sent to the feed industry).

PACKAGING AND OTHER MATERIALS USED BY THE GROUP (%)⁶



RESPONSIBLE SOURCING

The supplier evaluation process at Bauli involves a rigorous **approval system**, applying strict control criteria to select companies that excel in **quality and safety standards**. Bauli’s procedure for evaluating, qualifying, and reviewing suppliers ensures compliance with all relevant regulations.

The first stage of evaluation is undergone through an online platform in which the supplier is required to upload its environmental and social certification. The second stage assesses the raw materials, ensuring compliance with quality standards and **product certifications**. For suppliers with higher risks, the process includes external Audits tailored to the evaluated organizations’ characteristics. The final stage involves industrial and laboratory tests tailored to the specific raw materials and applications.

If non-compliance is detected, a report is issued. Significant non-compliance results in product returns, while minor non-compliance may allow use if consumer health is not at risk. These reports are logged in a database managed by the purchasing function. **Every two weeks, Bauli analyzes supply quality based on various indices, including non-compliance incidence, which must not exceed 0.9% for each supplier.** Suppliers exceeding this limit are contacted for further investigation. Annually, Bauli conducts a comprehensive assessment of all suppliers, classifying them as approved, conditionally approved, suspended, or excluded based on collected data.

Bauli S.p.A. has recently started **mapping supplier impacts** using the **Ecovadis** questionnaire. Initial results show that ten strategic suppliers, representing **40% of purchase value**, are assessing their **ESG impacts** through this questionnaire. While participation in Ecovadis is not mandatory, the results will help Bauli understand supply chain impacts better.

19% Of new suppliers were evaluated based on ESG criteria during the period 2023/2024.

⁵ 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.

⁶ 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.

CLIMATE RESILIENCE



Our environmental management	52
Reduce our carbon footprint	52
Reduce our water footprint	58

OUR ENVIRONMENTAL MANAGEMENT

6.47 GJ/ton

Energy consumption per ton of product.

0.38 tCO₂e/ton

GHG emissions generated per ton of product (considering Scope 1 + Scope 2 Location based emissions).

ISO 14001

Certified Environment Management System.

ISO 50001

Certified Energy Management System.

The Group operates an Integrated Safety and Environmental Management System, certified to ISO 14001 for the Italian plants, to prevent, monitor, and reduce the environmental impact of its business activities. In 2023-2024, an Energy Management System compliant with ISO 50001 was implemented at the main production site in Castel D'Azzano, with plans to assess feasibility for the San Martino Buon Albergo plant continuing into 2024. This marks a significant step towards integrating all environmental management aspects.

The company maintains robust systems to ensure legal compliance and avoid penalties. Notably, during the 2023-2024 financial year, there were no incidents of non-compliance with environmental laws or regulations.

Bauli actively tracks its environmental footprint in accordance with AIA (Integrated Environmental Authorization) and AUA (Single Environmental Authorization), the two key government-issued permits regulating production activities. Key metrics such as electricity consumption, plant efficiency, waste production, and water usage are regularly monitored. The Energy & Environment Coordination Committee holds monthly meetings with technical managers and plant directors to review trends, address inefficiencies, and optimize performance.

REDUCE OUR CARBON FOOTPRINT

As a prominent entity in the food industry, Bauli is committed to significantly contribute to the objectives of the Paris Climate Agreement in mitigating climate change. The Group concentrates its efforts on **three primary dimensions**:

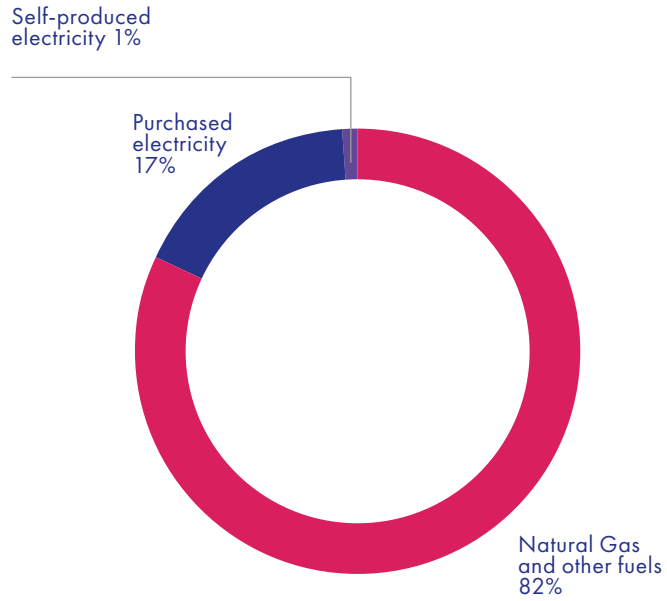
- **Monitoring and measuring** energy flows and greenhouse gas (GHG) emissions;
- **Increasing** renewable energy usage;
- **Enhancing** the energy efficiency of processes and facilities.

Bauli rigorously monitors key environmental performance indicators, with daily data collection across all manufacturing facilities. In 2024, the company significantly enhanced its energy management capabilities by installing additional sensors at its primary production sites. These sensors provide detailed, real-time data on the consumption of natural gas, electricity, and refrigeration, enabling a more comprehensive analysis of energy usage patterns. This **advanced monitoring system** allows Bauli to identify specific opportunities for energy efficiency improvements, implement targeted measures, and further optimize its operations to minimize its environmental impact.

To ensure continuous improvement, monthly meetings are convened with plant management, technical experts, and relevant support functions. These meetings serve as a forum to review performance data, discuss emerging trends, exchange best practices, and collaboratively address any environmental challenges. Through this structured and proactive approach, Bauli aims to achieve greater operational efficiency and further reduce its environmental footprint.

Bauli's **energy consumption** is primarily driven by natural gas, used for baking, cogeneration, and heating, amounting to 552,785 GJ, a 9.6% decrease compared to the previous year. In contrast, electricity consumption for machinery, lighting, and cooling rose by 15.8%, reaching 116,601 GJ. This increase was primarily due to a storm-related malfunction in the cogeneration unit at the Castel D'Azzano site, which led to a 22% decrease in its energy production. Consequently, the overall energy output from the Group's cogeneration and trigeneration units declined to 234,819 GJ, (a reduction of 16.5% compared to the previous year), forcing Bauli to increase its reliance on electricity purchased from the grid. Overall, Bauli's total energy consumption declined from 736,883 GJ in 2022/2023 to 702,747 GJ in 2023/2024.

**ENERGY CONSUMPTION
BY TYPE AS OF 30 JUNE 2024**



**RESPONSIBLE USE OF ENERGY:
THE MAIN INITIATIVES**

Bauli has also 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 2023-2024:

- **Replacement of U.T.A.'s** for cooling workplaces with more efficient ones, and installation of Enerbrain software to efficiently automate the operation at the Castel D'Azzano plant;
- **Improvement of a real-time energy tracking** for production lines at Castel D'Azzano and San Martino Buon Albergo plants;
- **Replacement of traditional lighting** with LED technology at Castel D'Azzano, San Martino Buon Albergo and Orsago plants;
- Installation of a **new utility consumption monitoring system** to track energy usage at the Orsago plant;
- Implementation of **gas consumption monitoring system** at Orsago and Romanengo plants;
- Installation of new, higher efficiency refrigeration systems at Castel D'Azzano and Romanengo plants;
- Roof framing refurbishment to enhance San Martino Buon Albergo's plant energy efficiency;
- Installation of new glycol water pumps, a new 90kWp inverter-driven air compressor, and a new chiller at the Castel D'Azzano plant;
- Transition to water-based heating system to improve chocolate tank energy efficiency at Castel D'Azzano plant;
- Optimization of climate control system based on production line activity.

The combination of these initiatives planned to be implemented over the next few years, will result in total savings of more than 4,108 MWh per year when fully implemented, accounting for about 2% reduction of total energy consumption in 2023/2024.



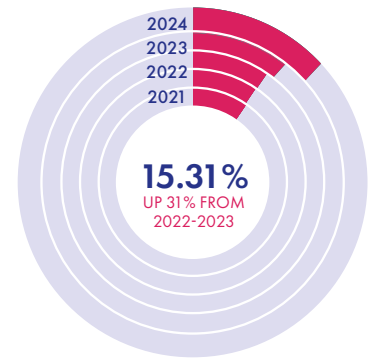
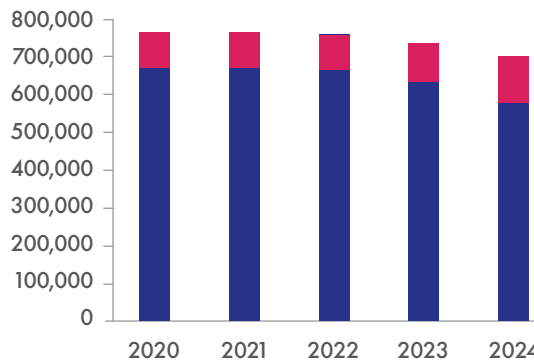
3.45 MW

Installed photovoltaic capacity.

100%

Electric energy purchased in Italy covered by Guarantees of Origin.

ENERGY CONSUMPTION BY SOURCE (GJ)



41,401 tCO₂e

Scope 1 + Scope 2 Location based emissions.

32,821 tCO₂e

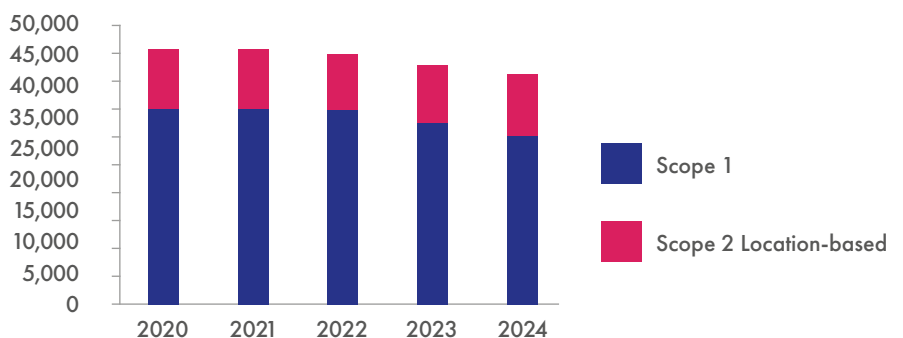
Scope 1 + Scope 2 Market based emissions.

The Bauli Group acknowledges the critical importance of reducing its greenhouse gas (GHG) emissions even as it continues to expand its operations.

The Group’s direct emissions (**Scope 1**), primarily from natural gas consumption, were 28,099 tCO₂e, showing a significant 10% reduction compared to the 2022/2023 figures. Indirect emissions from electricity consumption (**Scope 2-Location based**) saw a 12% increase, totaling 11,323 tCO₂e. Conversely, in terms of Market based emission a reduction of 4% was observed, decreasing from 2,852 tCO₂e to 2,743 tCO₂e. This difference is related to **Bauli S.p.A.’s commitment to purchase electricity entirely from sources with Guarantees of Origin (GO)** which are accounted as zero emissions in the Market-Based calculation methodology.

The changes in Bauli’s greenhouse gas (GHG) emissions are directly related to the abovementioned trends in energy consumption. In fact, the malfunction of the cogeneration unit at Castel D’Azzano led to a reduction in natural gas usage, contributing to the decrease in direct emissions (Scope 1). However, this also resulted in a higher reliance on electricity from the grid, which in turn caused an increase in Scope 2 emissions Location based.

GHG EMISSIONS (tCO₂e)



A significant portion of Bauli’s atmospheric emissions, primarily nitrogen oxides, stems from combustion processes during production. To comply with air pollution limits set by Legislative Decree No. 152 of 2006, **the company collaborates closely with accredited external firms for continuous emissions monitoring and control.**

Bauli recognizes the importance of assessing its full carbon footprint and will begin measuring Scope 3 emissions in 2024. The results of this measurement will be included in the next Sustainability Report.

OUR TRANSPORT AND LOGISTICS

Bauli manages its own logistics for both raw materials and finished products using a **network of warehouses and transportation providers** to move goods from production to customers.

This approach optimizes vehicle loading and reduces empty mileage, saving over 39,200 empty kilometers this year. The company rents pallets to reduce CO₂ emissions, avoiding over 780 tonnes of CO₂.⁷

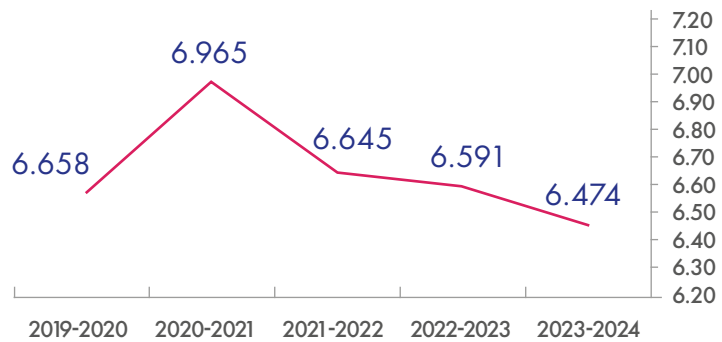
Bauli employs “**Green Router**” software to track the environmental performance of its transportation fleet. In 2023/2024, Bauli managed about 82,000 outbound journeys, covering a total distance of 37.3 million km and generating a total of 18,747 tonnes of CO₂. Through fleet upgrades and increased intermodal transport, emissions per kilometer were reduced by 9.09%. The company’s fleet is composed of 86% by LNG or Euro 6 powered vehicles with a notable growing number of trucks powered by HVO.

Bauli prioritizes suppliers operating Euro 6 or LNG-powered vehicles. Maintaining open communication and collaboration with these partners is crucial for effectively managing the indirect environmental impacts associated with the company’s operations.

Energy and emission intensity

Energy and emission intensity indicators are key tools that enable Bauli to assess the energy and emissions linked to its production. These indicators help normalise and contextualise environmental impact data, allowing Bauli to evaluate its operational efficiency internally and against similar entities. By calculating and analysing these intensity indicators, Bauli gains insights into resource efficiency in its production process. Examining emission intensity ratios also clarifies its production’s environmental impact. Over the years, specific initiatives have led to reductions in these intensity ratios.

ENERGY INTENSITY INDEX (GJ/TON)



EMISSIONS INTENSITY INDEX (tCO₂e/TON)



⁷ Calculations 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).

The Life Cycle Assessment (LCA)

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

The Bauli Group began its journey in 2020 with an initial LCA study on one of its most iconic products, Panettone Motta. This initiative was part of the European project LIFE MAGIS - Made Green in Italy Scheme, co-funded by the European Union’s LIFE Program. The project aims to promote the “Made Green in Italy” scheme, supported by the Ministry of Ecological Transition, to highlight Italian products with superior environmental performance through the Product Environmental Footprint methodology.

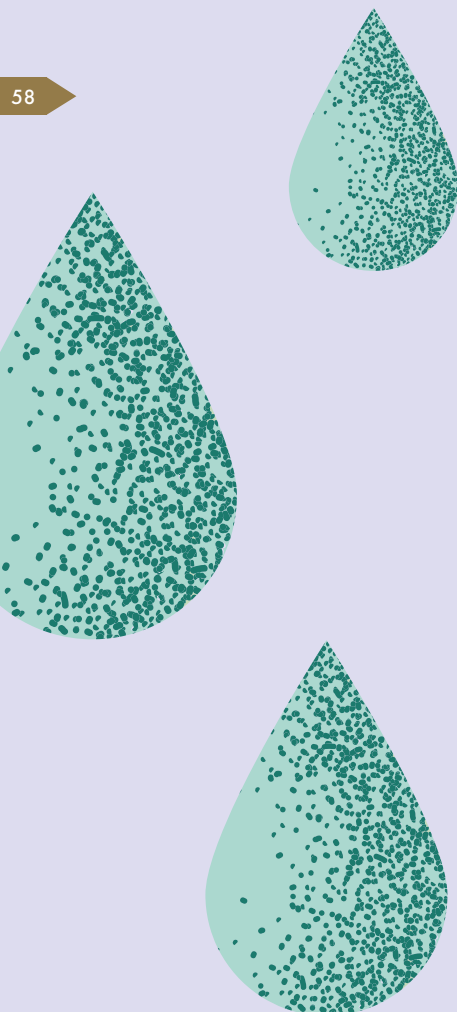
In 2022, the Group conducted its first Life Cycle Analysis (LCA) study for two of the most important products on the market: Pandoro and Buondi. The environmental impact studies were carried out following **ISO 14040** and **ISO 14044 standards**, in accordance with the more stringent Product Category Rules (PCR) for bakery products. The results of the LCA studies allowed both products to obtain an **Environmental Product Declaration (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 four sizes of Pandoro and seven variants of Buondi.

During 2023 and the first half of 2024, the Group undertook a second cycle of LCA studies on three other commercially significant products: Bauli Croissant (in its traditional, cereal and berry, and wholemeal versions), Panettone di Verona, and Traditional Panettone (in its four sizes). The EPDs of these products were also subjected to third-party verification based on the PCR Bakery Products.

With **19 EPDs**, the Group now ranks as the **fourth-largest player internationally in terms of the number of Environmental Product Declarations** published in the “Food & Beverages” category through the EPD International program operator. To continue this virtuous path and gain a more comprehensive understanding of the environmental impacts of its product portfolio, the Group has initiated the process of obtaining a **Process EPD certification**, which will allow it to produce EPDs independently without the need for individual verifications.

Furthermore, the Group has begun developing a simplified information tool aimed at conducting product environmental analyses. This tool is designed to facilitate rapid prospective estimates to use environmental preferability criteria for raw materials and packaging materials, with an eco-design perspective.

The results of the studies conducted will be made publicly available on the EPD International website: www.environdec.com.



REDUCE OUR WATER FOOTPRINT

349.5 megaliters

Water consumption.

3.22Ml/ton

Use of water per ton of product.

Bauli is committed to promote responsible water use, implementing several water recovery systems across its factories.

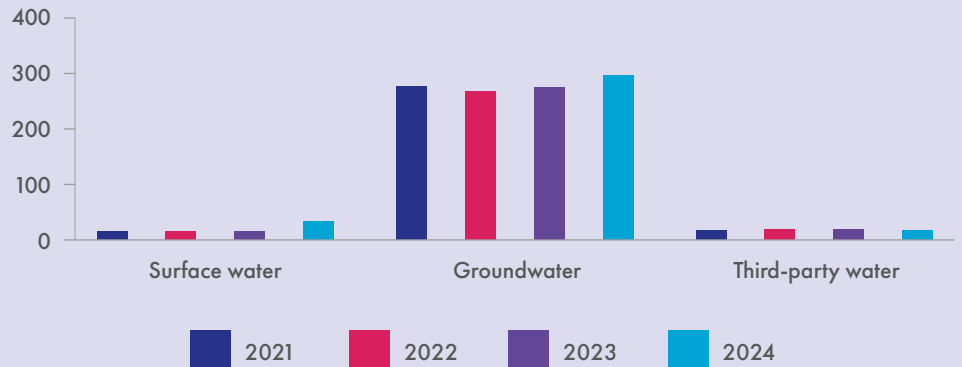
Water is used for production, cleaning, irrigation, and to generate steam to maintain the necessary humidity levels in food production environment. While most water comes from wells, some plants supplement this with aqueduct supplies. **Groundwater levels are continuously monitored to ensure water availability and to detect any anomalies over time.**

In 2023/2024, the Group’s water withdrawals totaled 349.5 megaliters, reflecting a 14% increase compared to the previous year. Of this, 13.7% was sourced from water-stressed areas, primarily from the Group’s plants in India. To address this issue, the company is focusing on well monitoring and exploring potential connections to local aqueducts.

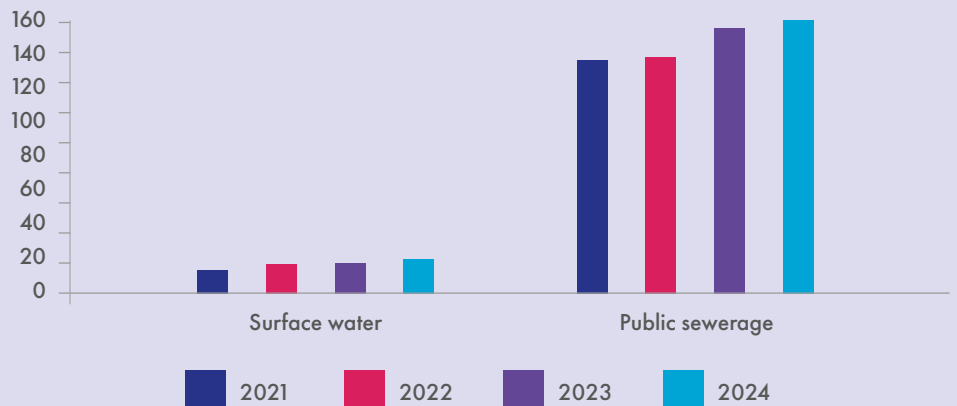
Bauli rigorously monitors wastewater discharges to comply with environmental regulations. **All wastewater undergoes treatment at on-site purification plants before being released.** To further improve water quality, Bauli is upgrading these systems to reduce chemical oxygen demand (COD) and enhance effluent standards. Additionally, the Castel d’Azzano purifier has been equipped with digital monitoring for real-time, remote oversight, enhancing overall water management.

In the 2023/2024 period, Bauli discharged a total of 199.1 megaliters, with 10% released into surface water. By choosing to discharge into surface water, Bauli helps to preserve this precious resource.

WATER WITHDRAWALS BY SOURCE (MEGALITERS)



WATER DISCHARGE BY DESTINATION (MEGALITERS)



WASTE MANAGEMENT

60



84%

Of waste diverted from disposal.

492 tons

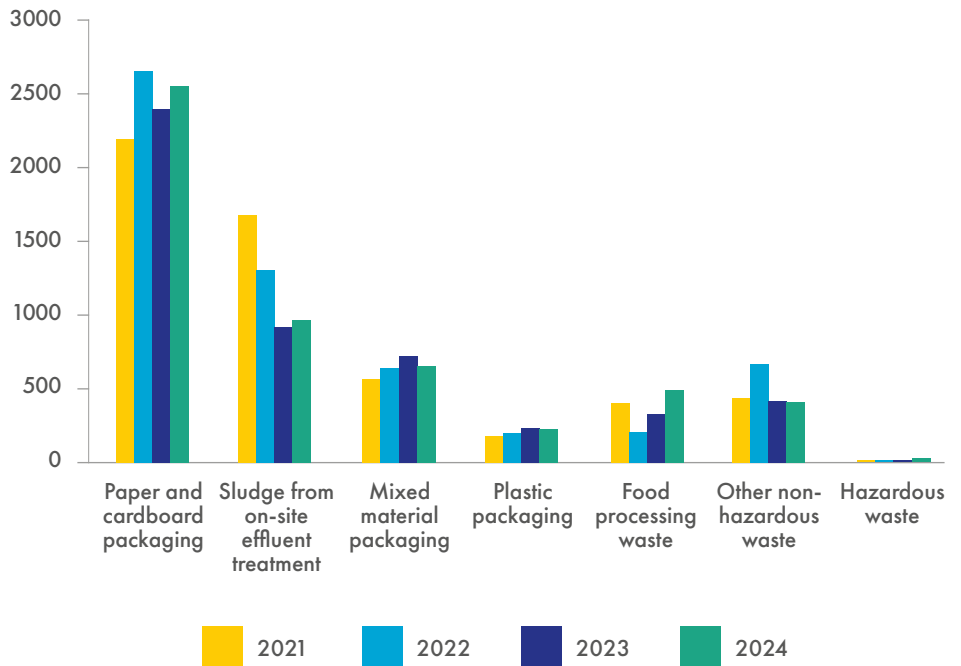
Of food waste.

WASTE MANAGEMENT & CIRCULAR ECONOMY

The food industry is a major contributor to global waste, particularly in term of food waste, which has severe environmental consequences including pollution, climate change, and resource depletion. Given the urgent need to address these challenges, Bauli is committed to implementing rigorous waste management practices that comply with strict regulations. **By minimizing waste and its harmful impacts, Bauli aims to contribute to a zero waste future.**

Bauli primarily generates various types of waste, including food waste from production processes, paper and plastic packaging, multi-material packaging, and sludge from purification procedures. Most of this waste is considered non-hazardous and is managed within recycling systems. In the fiscal year 2023/2024, the Group produced 5,282 tons of waste, marking a 6% increase from the previous year. **Of this total, only 15 tons (0.29% of the total) were classified as hazardous.**

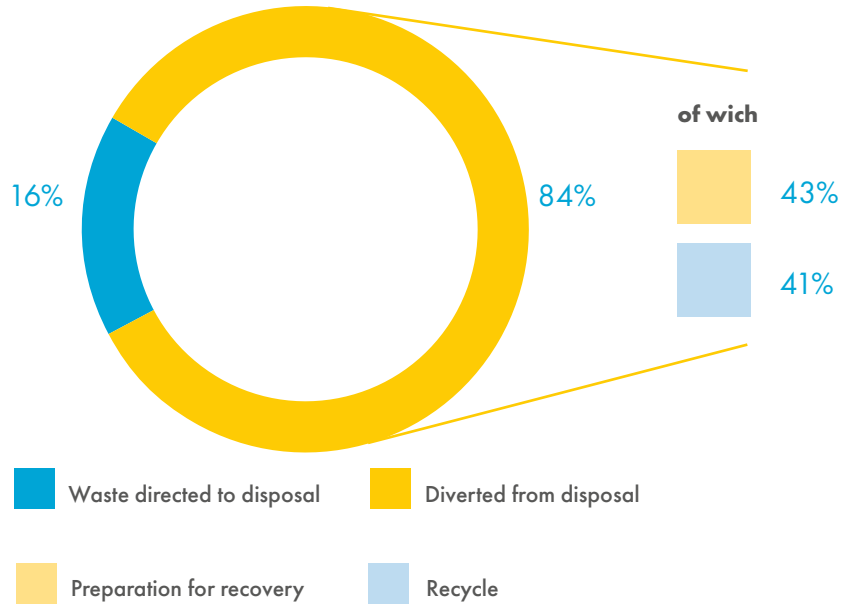
TYPE OF WASTE GENERATED (TON)



Effective waste management is crucial for Bauli to minimize its environmental footprint. The company prioritizes waste prevention and recovery strategies to reduce the amount of waste sent to disposal.

In the 2023-2024 period, Bauli diverted 84% of total waste from landfill through recycling and other recovery operations in compliance with Legislative Decree 152/06. While material recovery is prioritized, energy recovery is also essential for sustainable waste management and thus considered as a recovery operation. It conserves fossil fuels and reduces landfill waste, aligning with European and national regulations.

WASTE DIVERTED FROM OR DIRECTED TO DISPOSAL (%)⁸



DOCUMENT DIGITIZATION

Within Bauli S.p.A., HR processes have been streamlined by **digitizing hiring documents**, including employment contracts for seasonal employees. This digital transformation eliminates the need for paper documents, saving storage space and reducing the company’s environmental impact. It is estimated that over 10,500 physical documents have been saved, which has resulted in the avoidance of over **680 kilograms of CO₂** per year (Defra, 2023). The same process has occurred for **transport documents** relating to outgoing logistics, which avoid the printing of approximately 116,500 copies per year, corresponding to approximately **7,500** (Defra, 2023).

The food scraps generated during the production process are carefully managed. They are either repurposed within the production processes or transformed into valuable by-product for the feed industry. Typically, these waste quantities average around 2-3% of the production volumes.

Bauli has implemented initiatives to reduce waste production within its facilities. Water fountains and reusable aluminum bottles have been provided across all facilities to **minimize plastic bottle consumption**. Additionally, a waste separation project is underway at the Castel D’Azzano plant. Since 2022, Bauli has implemented a **program to recycle end-of-life safety shoes**. Worn-out shoes are collected and transformed into recycled plastic products in collaboration with a specialized partner. The Company is also **prioritizing the reuse of IT equipment over new purchases**. End-of-life **PCs are repurposed or recycled** whenever possible. Additionally, the company has embraced **cloud technology** as a core component of its digital strategy to minimize hardware reliance and its associated environmental footprint.

To further enhance waste management, Bauli initiated a **collaborative project** with Milan Polytechnic University and Cyrkl, a leading industrial symbiosis platform. This initiative focused on analyzing unsold, expired, and damaged products to identify opportunities for waste prevention and reduction. By applying the food recovery hierarchy, Bauli aimed to divert waste from landfills and promote a more circular economy.

⁸ Total waste diverted or directed to disposal is classified according to the Legislative Decree 152/06.

PEOPLE



Our Employees	66
Safety first: Our road to ZERO accidents	69
Recruiting and onboarding	70
People development	72
Caring & Engagement	74
Supporting our Communities	76

1,309

The total number of employees.

47%

Of employees are woman.

96%

Permanent employees.

OUR EMPLOYEES

Employees are the lifeblood of the Group, and their contributions are crucial to our success. At Bauli, the concepts of **fairness** and **inclusivity** underpin our operational philosophy because we recognize the profound positive influence on employee and productivity. Bauli promotes an inclusive work environment where individuals are esteemed not only for who they are but also for their unique identities, thereby mitigating potential negative effects caused by discrimination or inequality.

Overseeing our human capital is the role of the Human Resources & Organization Direction that also coordinate Health, Safety and Security and plant surveillance initiatives. Assisting HR function are the HR Controlling department, which keeps monitored the main KPIs related to our workforce, and the Internal Communication team, employed in fostering a robust corporate culture focused on sustainability of the Group.

The HR Compensation & Benefit division manages the aspects of Welfare and Well Being, while the HR Talent management team is tasked with recruiting, training and development, and handling Talent and Performance management activities.

Since 2009, our Group has been implementing a **management system compliant with the internationally recognized SA8000 standard** across the four production sites of our parent company, Bauli S.p.A. This crucial system manages and consistently monitors all activities, processes and their effects on worker conditions, while also extending its requirements to our suppliers and subcontractors. Furthermore, through the growth and implementation of the **ONE BAULI strategy**, the Group aims to expand the certification's range to encompass all production factories.

Thanks to the **SA8000 Ethics Certification** and the management system, it is possible to manage all the main situation related to child and forced labor, health and safety, freedom of association, right to collective bargaining, discrimination, disciplinary practices, working hours and wages. The renewal process of the certification is based on audits activities that monitor across all certified sites of the Group.

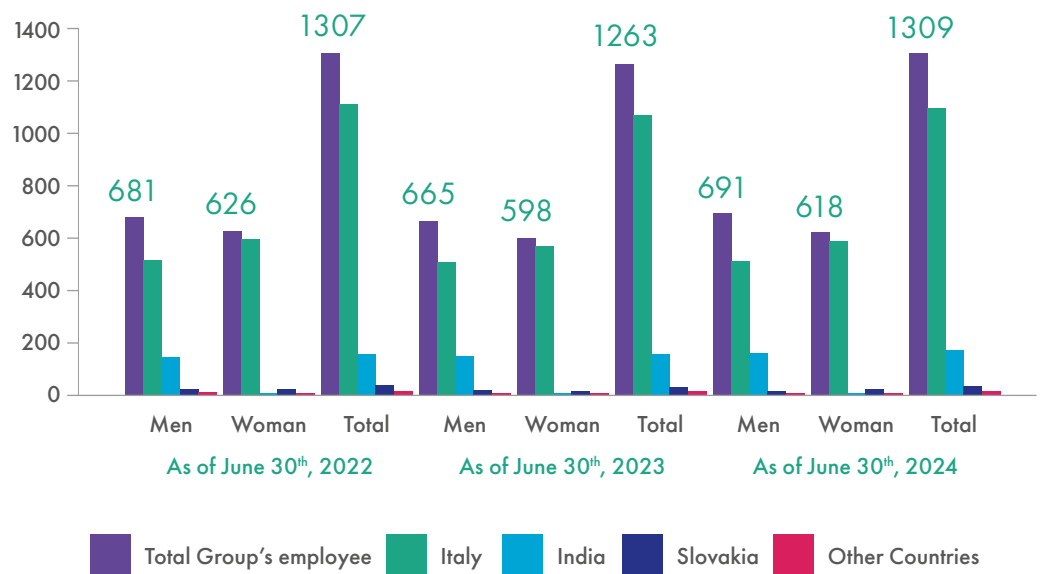
As of June 30, 2024, the **employees of the Bauli Group amounted to 1,309**, a 3.6% increase from the previous fiscal year, with an average workforce during the year amounting to 1,590 employees, - 0.1% compared to 2022/2023.

Bauli's workforce is primarily situated in Italy, comprising 84% of their employees. India plays a substantial role within the Bauli Group, accounting for 13%; Slovakia houses 2.5% of their employees and the remainder of Bauli's workforce is dispersed across France the United States, and Singapore.

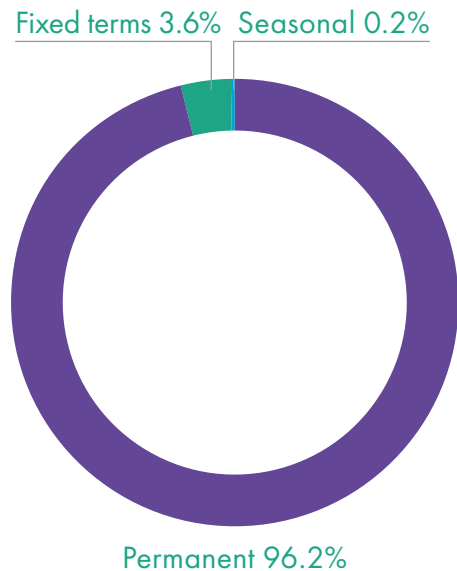
Almost all employees (96%) are employed on a **permanent contract** and are **employed full-time** (94%). The remaining amount includes fixed-term employment relationships (a decrease of about 27% compared to the previous year) and seasonal contracts that are activated in the peaks of production near 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.

WORKFORCE BY PRINCIPAL COUNTRIES AS OF 30 JUNE 2024

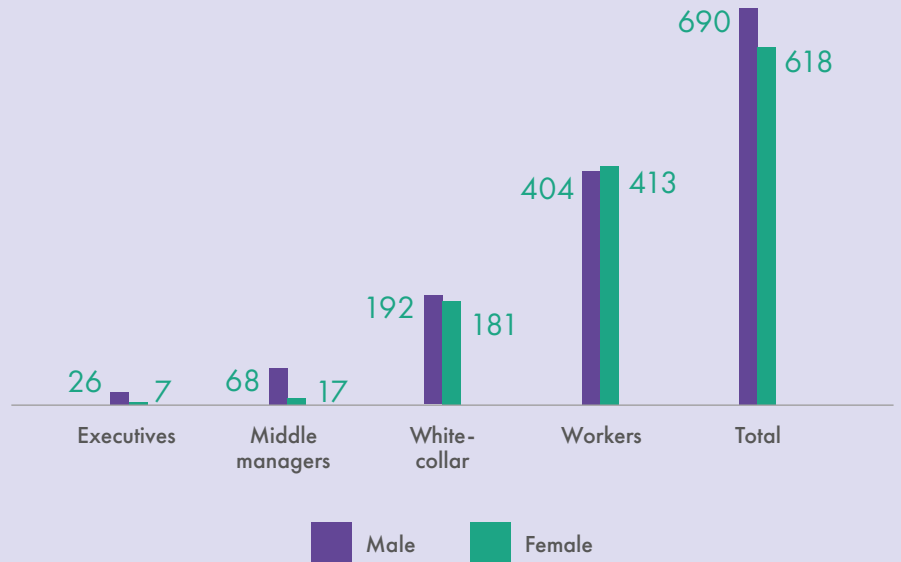


WORKFORCE BY TYPE OF CONTRACT AS OF 30 JUNE 2024

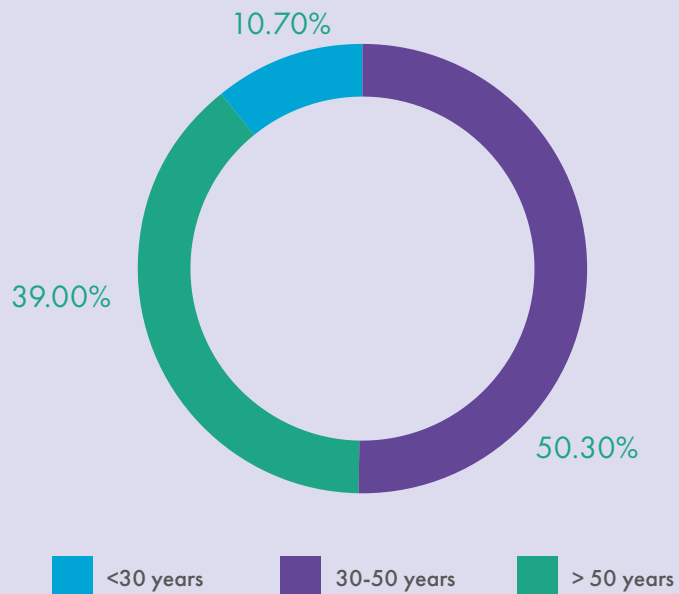


When examining the **workforce distribution by professional category**, roughly 62% of employees fall into the “Workers and Intermediates” category, totaling 817 individuals. This represents a slight decrease of 1.21% from the previous year. White-collar workers make up 29% of the workforce, comprising 374 people, while the remaining 9% consists of middle managers and executives.

WORKFORCE BY PROFESSIONAL CATEGORY AS OF 30 JUNE 2024



WORKFORCE BY AGE GROUP AS OF 30 JUNE 2024



Regarding the breakdown of **staff by age group**, 50% of employees fall in the 30-50 age group (659 people); 39% of staff are over 50 years old (510 people) while 10% fall in the under-30 age group (140 employees). People belonging to protected categories are 49, including 3 white-collar workers and 46 blue-collar and middle-collar workers, in line with the previous year.

The Group extensively relies on **external collaborators**, with a total of 486 as of June 30, 2024 down 19% 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 242 temporary workers, showing a 9% decrease compared to the prior year, in addition to 22 interns and trainees.

ISO45001

Certified Occupational Health and Safety Management System.



IN 2023, THE GROUP DEFINED THE “ROAD TO ZERO ACCIDENTS”, A PROCESS TO EMBED SAFETY IN ALL SITES THROUGH THE KEY DRIVERS OF COMMUNICATION, AWARENESS-RAISING AND TRAINING.

SAFETY FIRST: OUR ROAD TO ZERO ACCIDENTS

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 **ISO 45001 standard**⁹.

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 white collars can participate, the topic of Health and Safety is paramount with 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, 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 in all the Group’s plants.

The Group, since November 2023, developed a specifically dedicated **communication campaign** that plans to delve into security management at multiple levels and aims to present and explore a “new rule” every month based on the specific topic to be covered.

Bauli S.p.A. has a long-established **Health, Safety & Environment Committee** at its factories, comprising members from various departments, including HSE, HR, Operations, Production, Logistics, RSPP and Plant Management. This committee meets monthly to discuss ongoing projects and address critical issues from a health and safety perspective. From a One Bauli perspective, it is the Group’s goal to expand this initiative across the board.

For the **Italian sites**, the Group conducts regular health and safety risk assessments and related documents in line with Legislative Decree 81/08. Bauli’s occupational health services function oversees the company’s health situation, and all employees undergo a medical examination. **Personal Protective Equipment (PPE)** is provided based on the risk assessment document (DVR), which includes a section detailing the required PPE for each task. PPE distribution is managed through manual delivery, dedicated containers, or specific dispensers for automatic traceability.

In the event of an injury or accident, the Head of the Prevention and Protection Service (RSPP) prepares a detailed report that is submitted to the Group CEO, Group CPO, Group COO, and the National Institute for Accidents at Work. The report outlines how the injury occurred and identifies preventive measures to avoid similar incidents in the future. This information is used to investigate the incident, ensure compliance with safety regulations, and monitor trends in workplace accidents.

⁹ For Bauli S.p.A. at the sites of Castel D’Azzano, San Martino Buon Albergo, Romanengo and Orsago.



The Head of the HSE Safety Management System, in collaboration with the RSPP, oversees the development of **safety documents**. All functions participate in drafting and amending safety documents. Worker participation in the occupational health and safety management system is facilitated through regular meetings.

The HSE Function and the RSPP, with potential assistance from the HR Function, manage periodic health and safety training for all employees and interns. The training is detailed in a defined **Training Plan** and delivered through in-person and/or e-learning sessions. Upon completion, participants receive a copy of the training course outlining safety rules for their work area. The training aims to educate employees on the risks within their areas and prevent potential accidents through the company's prevention rules. A 'learning test' is conducted at the end of the training sessions.

Each Group site has a specific annual budget for plant modification and upgrading to define and develop specific

NETWORKING WITH OTHER COMPANIES ON OCCUPATIONAL HEALTH AND SAFETY ISSUES

Bauli actively participates in health and safety-focused networks, such as **Unionfood** and the Italian **Environment and Safety Association (AIAS)**, to share and update best practices. Unionfood's working groups allow Bauli to share improvements in working conditions with other member companies. As a member of AIAS, Bauli engages in professional communities to contribute to the development of technical documents, training courses, and more. Within **AIAS**, Bauli is a member and participates in the activities of the **Club of Prevention in Large Organizations (CGPO)**, which provides a platform for large organisations to collaborate and grow while respecting cultural diversity and market rules.

THE GROUP IS COMMITTED TO ENSURING HEALTH AND SAFETY AT ALL ITS ITALIAN SITES, WHICH IS WHY IT REGULARLY CARRIES OUT HEALTH AND SAFETY RISK ASSESSMENTS.

interventions and projects in terms of health and safety and prevention of incidents. Since 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.

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.

During the fiscal year 2023-2024, the Group reported a high-consequence work-related injury¹⁰. The incident occurred at the Romanengo (CR) production plant during the cleaning of a machine, resulting in the amputation of an index finger of an employee. The Group is implementing corrective actions aimed at reducing the risk of similar events in the future.

RECRUITING AND ONBOARDING

Bauli's recruitment and induction of new staff are part of a wider **Employer Value Proposition** that aligns the Group's vision and values with all people-related activities. This approach showcases Bauli as an employer and enhances its attractiveness to potential stakeholders. The company has a robust **recruitment system** featuring a structured selection process, and internal evaluation and job rotation procedures for existing staff. Recruitment for "blue collar" roles is coordinated with Operations based on production trends, following a specific procedure established in 2021.

The recruitment process primarily utilizes online channels via an **Applicant Tracking System (ATS)**, ensuring efficient recruitment management and GDPR-compliant activities. The ATS allows job postings on multiple platforms, including the Group's website, LinkedIn, and Indeed. Relationships with Employment Agencies are also being expanded.

¹⁰ For GRI Standards work-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.

Internal and External Communication teams collaborate to strengthen the company’s presence on LinkedIn and other digital channels like Indeed and Glassdoor. They develop a clear and effective editorial plan to enhance the company’s appeal and highlight the unique experience of being part of the Group, referred to as **#bauliness**.

EMPLOYER VALUE PROPOSITION (EVP)

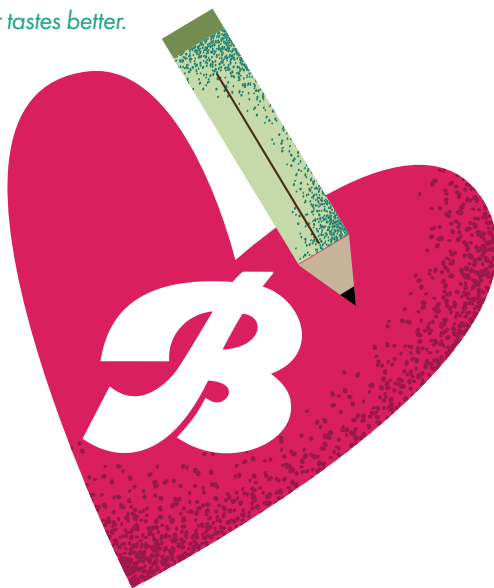
For over a century, Bauli’s main ingredient has been passion. A passion born with Ruggero Bauli back in 1922 and passed down from generation to generation, that the people in Bauli Group continue to nourish today with commitment and loyalty. An international Group of companies, brands and products that 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. #Bauliness

Growing together tastes better.



In terms of **Employer Branding**, Bauli is actively diversifying its recruitment channels. It is strengthening ties with universities through participation in Career Days at leading Italian Universities and other partnership activities. Collaborations with high schools and professional training institutions, including school-to-work alternation projects, are also in place to train young professionals and bolster internal departments. Indeed, Bauli is identifying **key roles** and assessment processes to develop long-term projects. Over the past years, key roles within each function have been thoroughly mapped to pair them with junior roles, ensuring essential knowledge transfer for business continuity.

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.

NEW HIRES AND “PHYGITAL” ONBOARDING

Bauli is dedicated to actively engaging new hires to enhance internal engagement and retention even before they join the company. This approach reduces the ‘entry’ time into new roles and familiarises new hires with the company’s mission, vision, and values. New hires, particularly clerical and managerial staff, are provided with a welcome kit and a shadowing process to acquaint them with Bauli’s operations. In 2023, Bauli introduced the **“Phygital”** Onboarding initiative, which supplements the welcome kit with a digital platform for new hires. This platform features videos from key company figures, such as their HR representative or the CEO, and provides information about the Group’s fundamental principles and core values. It also hosts special moments like the centenary video and provides access to essential onboarding materials like organizational charts and specific documentation.

A unique feature of the “Phygital” Onboarding process is the awarding of a voucher to new hires, inviting them to a welcome party. Here, they can meet the Global Leadership Team and interact with them, fostering a sense of connection and belonging within the company.

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 2023-2024, the Group welcomed 837 new employees into its ranks, while 788 employees left, resulting in a hire rate and a turnover rate of 64% and 60% respectively. It is crucial to emphasize that Bauli SpA experiences significant business seasonality, with 640 **seasonal workers** employed in 2024, **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.

15%

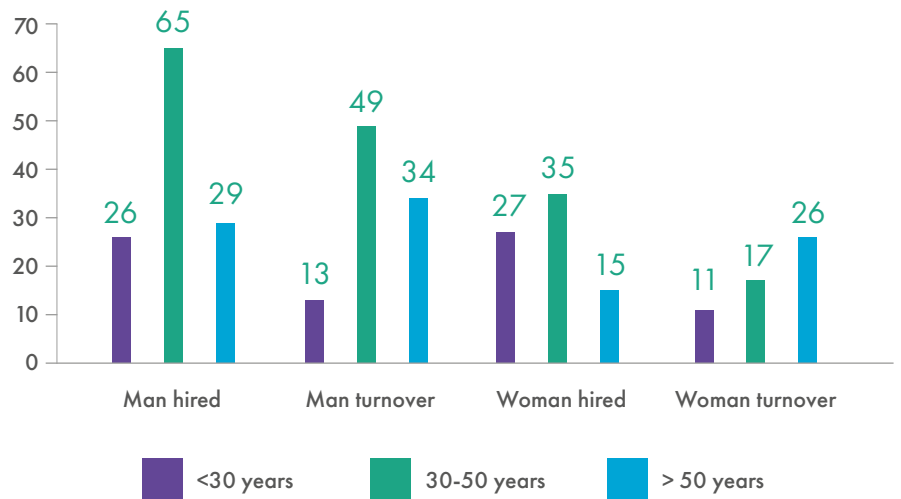
Hiring rate of new people during 2023-2024.

11%

Termination rate during 2023-2024.

NEW HIRES AND TURNOVER (EXCLUDING SEASONAL WORKERS) AS OF JUNE 30TH, 2024 (HEADCOUNT)

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 no longer employed as at 30 June 2024, showing a **hire rate of 15%** and a **turnover rate of 11%**. 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, 27% were under 30 years of age, while 51% fell within the age range of 31 to 50 years old. Additionally, 22% of the new hires were over 50 years old, and notably, women constituted 39% of the total new hires.



13,101

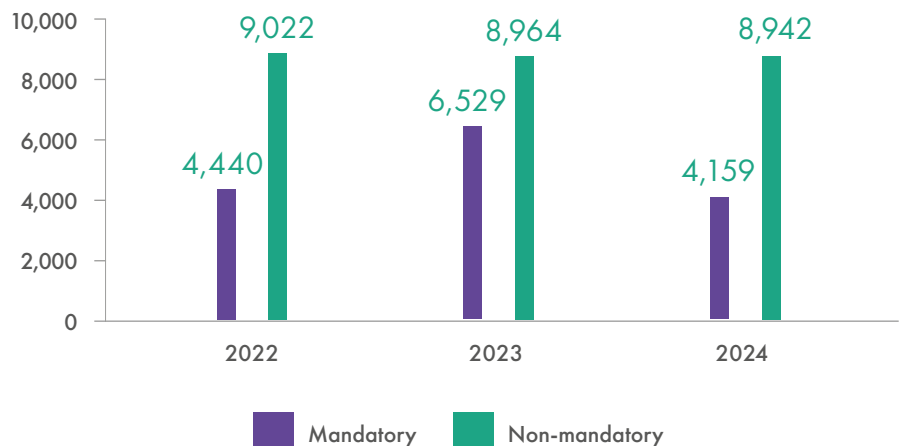
The total training hours during 2023-2024.

PEOPLE DEVELOPMENT

Bauli **places a significant emphasis on the training, information, and instruction of both new and existing employees.** The objective is to equip them with knowledge that, when coupled with hands-on experience, enhances their skill set and knowledgeable about company matters.

All training activities are conducted according to the different categories of employee and they cover the following aspects referred to compliance matters: 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 and safety when the employee is required to **operate tools and machinery.** The Human Resources Department collaborates with the area managers of the different functions to establish both technical and cross-functional training programs.

TOTAL NUMBER OF HOURS OF MANDATORY AND NON-MANDATORY TRAINING





The **Bauli Future Academy**, just like a true academy, was established with the idea of providing young collaborators with a training course that provides the necessary tools to contribute to the construction of the company of the future. The course focuses on various thematic areas, such as time management, relational skills, and project management.

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.

In the reference period, **overall training amounted to 10.01 hours per capita**, with a decrease of approximately 18% compared to the previous period (12.3 hours per capita in the period 2022-2023), this difference is mainly due to a lower number of hires compared to the previous year and the consequent reduction in the amount of mandatory training.

Bauli offers a blended approach to employee training, combining both online and in-person sessions. 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 providing a with greater flexibility to choose between face-to-face instruction and hands-on learning experiences. Bauli developed specialized training initiatives established the following training academies:

- The **Operations Academy**, which provides essential training to blue-collar personnel about the company’s operational procedures and strategies, enabling them to contribute to process enhancement.
- The **Future Academy**, designed for young professionals under 32, aims to foster community, engagement, and essential soft skills. It trains employees to become change ambassadors within Bauli, focusing on relational, cognitive, and innovation competencies through practical experiences and laboratory sessions.
- The **Professional Academy** equips “Bauli Professionals” with advanced tools for their professional and personal growth. It fosters unity and collaboration across departments, focusing on project-oriented thinking, solution-driven approaches, effective collaboration, and presentation skills.

Learning

From 2023/2024 Bauli leverages **LinkedIn Learning**, a digital online training platform **with a library of over 6,000 courses**, able to cover a wide range of technical, business, software, and creative topics.

This initiative allows employees to identify skill gaps, align competencies with Bauli’s model, and take responsibility for their self-learning. It fosters a positive work culture, improves retention and engagement, and supports employees in cultural change.

- The **Leadership Academy** offers experiential training for managers, focusing on managerial tools, feedback, delegation, and motivational techniques. Workshops and role plays facilitate the sharing of managerial experiences.
- The **Toolkit Academy** provides all employees with tools for better work management, focusing on Office365, communication skills, and project management.
- The Group has undertaken several other training initiatives including: **enhancing personal effectiveness** by equipping individuals with essential tools for managing time and solving problems in the face of new work challenges; conducting **coaching sessions** to help managers enhance their skills and address areas of improvement; and **partnering with leading institutions** like Politecnico di Milano for technical courses.
- The Group, in **partnership with Speex**, is offering all its white-collar employees and managers the opportunity to test their foreign **language skills** (primarily in English). Following the assessment, participants will have access to a comprehensive set of multi-level courses and training activities.

PERFORMANCE EVALUATION, COMPENSATION AND DEVELOPMENT PLANS

Bauli's performance appraisal system is structured and focuses on assessing both quantitative (business, economic and financial KPIs) and qualitative (competency based on company values) objectives. This process enables the setting of short-term goals aligned with long-term strategy, rewards top performers, integrates personnel development policies, and strengthens employees' emotional commitment to the organization. It also promotes **high employee engagement** through constructive feedback, reinforces a culture based on the evaluation of achievements and behaviors, and structures discussions on identified areas for improvement.

Goal setting is linked with mid-year and year-end feedback activities and is based on both quantitative and qualitative elements. The aim is to identify potential talent within "green boxes" and outline development paths. A portion of the assessment based on qualitative objectives is tied to the development of soft skills in line with company values and Bauli's key-competence model, ensuring constant alignment with aspects of corporate culture and well-being.

Performance evaluation criteria evolve in line with Bauli's continuous improvement process. The evaluation process contributes to the **Compensation system**, which includes annual incentive systems (mainly MBO and sales awards) and a structured **annual Salary Review system**.

The Group is actively working to enhance its performance appraisal process with the goal of better formalizing individual **Career Development Plans**. This strategic initiative aims to boost customization of professional advancement, covering the **development of both soft and hard skills**, as well as managerial growth. It is supplemented by advancements in total rewards and a continuous commitment to providing training and support for career development. Furthermore, the company is working with the HR function and area managers to encourage greater participation in **Job Rotation activities**.

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 also 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 needs. In addition, through the **Corporate Benefits portal** the employees can obtain products or services at discounted prices¹¹.

SMART FLEXIBILITY POLICY 2.0

Since 2023, the company introduced the *Smart Flexibility Policy 2.0*, enhancing flexible work options for all employees and executives of Bauli S.p.A. This policy allows up to **10 days of Smart Working** per month, with company-provided devices. Special provisions are made for those in unique situations, such as pregnant women or those with young children, to have more Smart Working days per week.

The policy also allows for flexible hours to be managed weekly, adhering to a 40-hour workweek with a minimum of 5 hours per day and these hours can be made up on the same day or during the week. The *Smart Flexibility Policy 2.0* aims to create an **innovative workplace, supporting work-life balance, parenting, and care needs**, while maintaining a team focus. The policy's successful implementation is evidenced by increased uptake, even in functions where it was initially less popular.

TIME STAMPING MANAGEMENT

During FY 2023/2024, the "**Time Stamping**" project was developed with the aim of **eliminating daily time stamps for all middle-managers and white collars**. The project is based on the consideration of fundamental values such as trust, communication, flexibility, responsibility, and culture. It has provided for monthly, rather than weekly, time flexibility, within the range from 08:00 to 19:00 with a maximum of 9 hours per day and a minimum of 5 (from 11:00 to 16:00) and rounded the working hours to the nearest 30 minutes. This initiative aims to be a further step forward in valuing our people by promoting their well-being, autonomy, and increasing the trust relationship between them and the Group.



¹¹ The 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.

The Welfare service offerings' definition process involved a specialized **climate analysis**, conducted online and updated every 3-4 years. This allows for proactive anticipation and, where possible, meeting of initiative life-fall employee needs. From the Fiscal year 2022-2023, employees entitled to collective bonuses can convert a portion of their bonus into **Welfare benefits**. In all recent collective contract renewals, the company has implemented two key developments in its welfare program. The "welfare credit" granted to blue-collar workers is now provided as an "on top" benefit, rather than as a performance-based reward tied to specific objectives. This change ensures that the welfare program genuinely supports employees' personal needs, recognized by the company and independent of performance incentives. Additionally, the company has invested in increasing the value of this welfare credit across all contract renewals. **The Group values welfare initiatives and has created engagement activities to offer training and information on using benefits through the Jointly platform.** As a result, during the FY 2023-2024, 95% of the total bonuses were utilized within the platform.

Additional Caring and welfare activities were implemented during the renewal of two of the four Internal Collective Agreements of the Bauli Spa's main locations. Indeed, the welfare credit amounts for employees were increased and provided without 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 defined percentage providing in this way a further amount of money to be invested into welfare.

Furthermore, during the renewal of the Collective Agreement for the Orsago site, a pilot initiative was agreed upon with the Unions to implement a "hours solidarity bank". This allows employees to donate part of their leave entitlement to colleagues who have exhausted theirs and need time off for proven family-caring activities. Bauli believes this will foster a culture of caring and inclusiveness.

BAULICARES

Baulicares is the unified umbrella under which all wellbeing initiatives are now organized, bringing together a range of programs and benefits designed to support and enhance the overall wellbeing of employees.

In 2023, Bauli has launched an **Online psychological help desk** through a pilot project which for now sees the involvement of the Castel d'Azzano plant and Bauli Francia. This project, in collaboration with **Sygmund platform**, consider a team of experts that support employees and their families, marking the start of a broader initiative to promote individual well-being both inside and outside the company. This reflects Bauli's dedication to fostering a healthy and sustainable work environment.

Bauli has also partnered with Lifeed to further develop the potential of its people. **Lifeed** offers training courses based on self-coaching methodologies, with a particular focus on parenthood. This approach allows the **valorization of individual skills, also considering those acquired in everyday life and in extra work roles.** Lifeed provides a quarterly report that can be used to recalibrate the company's



communication strategy towards employees. The training course started in 2023-2024, coinciding with Father's Day. Furthermore, Lifeed promotes actions for change management, offering training webinars dedicated to all members of the Group, regardless of the role covered.

The Group places a high priority on fostering a positive work environment, where respect, integrity, and fairness are essential for employee well-being and work quality. **Employee engagement** activities, overseen by the HR Department and Internal Communications, play a crucial role. These activities include sharing "good news" and updates on new projects and sustainability initiatives through popular communication channels.

These **initiatives, developed in collaboration with external partners, aim to enhance employees' personal growth while providing opportunities for learning and enjoyment.** Additionally, a group of internal ambassadors, known as G.I.V.E.R. is dedicated to promoting corporate values and supporting internal communication, including various sustainability projects.

PARTNERSHIP WITH GREAT PLACE TO WORK

Starting in 2022/2023, the company formed a partnership with Great Place to Work to assess employee engagement levels. This allows the company to identify potential areas for improvement and continuously enhance the workplace environment.

Group data shows a 76% response rate and a 4% increase in the Trust Index compared to the previous year. Additionally, Bauli Slovakia and India continue to be GPTW certified for the quality of its work environment and excellence in human resource management. Following the employee survey, Bauli has also implemented many changes focused on **employee development** and **well-being**. The organization now needs to particularly focus on its facilities to reinforce its brand architecture project and highlight the importance of its employees.

WELCOME PARTY

At Bauli Group, we value every new team member and celebrate their arrival with a **Welcome Party as part of our onboarding experience**, providing an opportunity for new colleagues to understand our company, our mission, and our values. This event also offers a chance to interact with our CEO and the Global Leadership Team, fostering a sense of connection and belonging. During the party, new joiners are taken on a tour of our plant to witness our production process, from the initial stages to the final product shipment. We also organize a culinary creativity challenge, encouraging new team members to reinterpret our products in a fun and engaging way.



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 2024, Bauli has chosen to give its employees an umbrella made with high-quality recycled fabrics from major brands, developed together with "**Quid Impresa Sociale**", a non-profit company committed to producing goods using high-quality waste materials, made by workers (mostly women) who have experienced situations of social and personal hardship of various kinds.

CHRISTMAS LUNCHEON

For the Bauli Group, the festive season of Christmas, a period of happiness and generosity, is an annual tradition. This year, as always, we have chosen to commemorate it in our birthplace and growth city, Verona, by hosting a **Christmas luncheon for all our Italian employees and those from our international offices**. This gathering served as a significant occasion to reinforce our collective identity within the Group, allowing us all to unite and experience the enchantment of Christmas together.

SUPPORTING OUR COMMUNITIES

INITIATIVES FOR LOCAL AREAS

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. Through the **Capitolare Library Foundation**, Bauli 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", a fundraising project in support of the Arena Opera Festival organized by the Arena di Verona Foundation. The project aims to rebuild the outermost wall of arches, damaged in the 1117 earthquake, with the help of entrepreneurs and professionals. This collective effort, driven by the **desire to enhance the spectacle and its social value**, strengthens our connection with Verona and its territory. Being part of this initiative is a privilege, as it promotes inclusion and participation through culture, and highlights the artistic and historical significance of one of the city's symbols.

CREATE JOB OPPORTUNITIES FOR THE YOUNGER GENERATION

Future talent: a training course for students and employees

During 2023, the Bauli Group launched a new training project: in collaboration with CAST Alimenti, the school of Professions of Taste, **the Bauli Patisserie Academy** was born. A course



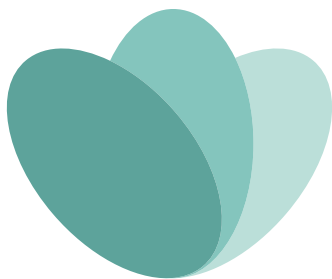


that aims to train professional figures specialized in pastry making techniques, with the possibility, at the end of the course, of joining the Bauli Group within the newly established Bauli Patisserie Team.

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, some managers from the Group took the opportunity to discuss the primary challenges and opportunities sharing their enthusiasm and offered to students on how to cultivate the essential skills.



Too Good To Go

362,226 products saved (equivalent of 21,820 boxes) during 2023.
 331 Tons of CO₂ have been saved (equivalent of more than 960 Rome-London flights)

COMBATING FOOD WASTE

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.

In these years of collaboration, we have saved around **670,000 products**, for an equivalent of **634 tonnes of CO₂** - equal to the average electricity consumption of around 670 Italian families and **196 million liters of water saved** - around 76 Olympic swimming pools, and the the results achieved together are continually growing. Bauli is proud to be among the TOP 5 partnerships of Too Good To Go in the food industry sector and we will certainly continue on this path to achieve increasingly ambitious goals in the field of environmental sustainability.



ABOUT THIS REPORT

This document is the third edition of the Bauli Group Sustainability Report (referred to as “Group” or “Bauli”) and aims to transparently communicate the Group’s approach and performance in environmental, social, and economic sustainability during the 2023/2024 fiscal year (July 1, 2023 – June 30, 2024).

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 2022/2023 (July 1, 2022 to June 30, 2023) and 2021/2022 (July 1, 2021 to June 30, 2022) 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 2024 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 2024. 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) and Guarene ex Dacasto Gran Pasticceria S.r.l. (CN), 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 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 the 2023/2024 fiscal year (July 1, 2023 – June 30, 2024), the Group underwent a structural change with the merger of Dacasto Gran Pasticceria S.r.l., already under Group control, into Bauli S.p.A. on June 18, 2024.

This document is prepared annually and was submitted for approval by the Board of Directors of Bauli S.p.A. on September 24th, 2024. 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.

PERFORMANCE INDICATORS

ECONOMIC RESPONSIBILITY

DISCLOSURE 201-1 Direct economic value generated and distributed

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (€)

	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Directly generated economic value	551,649,431	639,144,991	639,931,128
Economic value retained	31,942,992	34,023,236	40,889,159
Distributed economic value: of which:	519,706,440	605,121,753	599,041,968
Operating costs reclassified	432,378,709	517,781,966	499,312,590
Staff Remuneration	77,493,457	79,286,237	83,037,510
Remuneration of financiers	1,095,304	3,445,027	4,828,048
Remuneration of Shareholders	5,014,505	1,956,100	3,504,500
Public Administration Remuneration	3,252,115	1,828,774	6,918,687
Community remuneration	472,350	814,649	1,440,633

SOCIAL RESPONSIBILITY

DISCLOSURE 2-7 Employees

EMPLOYEES BY GENDER AND REGION (HEADCOUNT)

Region	As of June 30 th , 2022			As of June 30 th , 2023			As of June 30 th , 2024		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	516	595	1,111	504	568	1,072	511	585	1,096
India	143	7	150	145	8	153	160	8	168
France	1	7	8	1	7	8	2	6	8
Slovakia	19	17	36	13	15	28	14	19	33
USA	1	-	1	1	-	1	3	-	3
Singapore	1	-	1	1	-	1	1	0	1
Total Group's employee	681	626	1,307	665	598	1,263	691	618	1,309

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

Region	Type of contract	As of June 30 th , 2022			As of June 30 th , 2023			As of June 30 th , 2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	Permanent	495	552	1,047	483	543	1,026	500	557	1,057
	Temporary	19	41	60	15	21	36	10	27	37
	Seasonal	2	2	4	6	4	10	1	1	2
	Total	516	595	1,111	504	568	1,072	511	585	1,096
India	Permanent	143	7	150	145	8	153	160	8	168
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	143	7	150	145	8	153	160	8	158
France	Permanent	1	7	8	1	6	7	2	5	7
	Temporary	-	-	-	-	1	1	-	1	1
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	1	7	8	1	7	8	2	6	8
Slovakia	Permanent	19	17	36	13	15	28	9	15	24
	Temporary	-	-	-	-	-	-	5	4	9
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	19	17	36	13	15	28	14	19	33
USA	Permanent	1	-	1	1	-	1	3	-	3
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	1	-	1	1	-	1	3	-	3
Singapore	Permanent	1	-	1	1	-	1	1	-	1
	Temporary	-	-	-	-	-	-	-	-	-
	Seasonal	-	-	-	-	-	-	-	-	-
	Total	1	-	1	1	-	1	1	-	1
Total Group's employee	Permanent	660	583	1,243	644	572	1,216	675	585	1,260
	Temporary	19	41	60	15	22	37	15	32	47
	Seasonal	2	2	4	6	4	10	1	1	2
	Total	681	626	1,307	665	598	1,263	691	618	1,309

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

Region	Type of contract	As of June 30 th , 2022			As of June 30 th , 2023			As of June 30 th , 2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	Full-time	511	524	1,035	497	491	988	507	507	1,014
	Part-time	5	71	76	7	77	84	4	78	82
	Part-time (%)	1%	12%	7%	1%	14%	8%	1%	13%	7%
	Total	516	595	1,111	504	568	1,072	511	585	1,096
India	Full-time	143	7	150	145	8	153	160	8	168
	Part-time	-	-	-	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total	143	7	150	145	8	153	160	8	168
France	Full-time	1	5	6	1	5	6	2	6	8
	Part-time	-	2	2	-	2	2	-	-	-
	Part-time (%)	0%	29%	25%	0%	29%	25%	0%	0%	0%
	Total	1	7	8	1	7	8	2	6	8
Slovakia	Full-time	18	17	35	13	15	28	14	18	32
	Part-time	1	-	1	-	-	-	-	1	1
	Part-time (%)	5%	0%	3%	0%	0%	0%	0%	5%	3%
	Total	19	17	36	13	15	28	14	19	33
USA	Full-time	1	-	1	1	-	1	3	-	3
	Part-time	-	-	-	-	-	-	-	-	-
	Part-time (%)	0%	-	0%	0%	-	0%	-	-	-
	Total	1	-	1	1	-	1	0%	0%	0%
Singapore	Full-time	1	-	1	1	-	1	1	-	1
	Part-time	-	-	-	-	-	-	-	-	-
	Part-time (%)	0%	-	0%	0%	-	0%	0%	0%	0%
	Total	1	-	1	1	-	1	1	-	1
Total Group's employee	Full-time	675	553	1,228	658	519	1,177	687	539	1,226
	Part-time	6	73	79	7	79	86	4	79	83
	Part-time (%)	1%	12%	6%	1%	13%	7%	1%	13%	6%
	Total	681	626	1,307	665	598	1,263	691	618	1,309

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 , 2022			As of June 30 th , 2023			As of June 30 th , 2024		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary workers	93	30	123	132	91	223	133	109	242
Interns/Trainees	2	5	7	2	3	5	9	13	22
Agents ¹²	272	57	329	302	70	372	196	26	222
Total	367	92	459	436	164	600	338	148	486

¹² The 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 , 2022			As of June 30 th , 2023			As of June 30 th , 2024		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior executives	92.0%	8.0%	1.9%	92.3%	7.7%	2.1%	78.8%	21.2%	2.5%
Executives	81.5%	18.5%	5.0%	80.6%	19.4%	5.7%	80.0%	20.0%	6.5%
Employees	53.6%	46.4%	26.5%	53.1%	46.9%	26.7%	51.6%	48.4%	28.6%
Workers	48.2%	51.8%	66.6%	48.8%	51.2%	65.6%	49.4%	50.6%	62.4%
Total	52%	48%	100%	52.7%	47.3%	100%	52.8%	47.2%	100.0%

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (%)

Professional category	As of June 30 th , 2022				As of June 30 th , 2023				As of June 30 th , 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior executives	0.0%	44.0%	56.0%	1.9%	0.0%	50.0%	50.0%	2.0%	0.0%	42.4%	57.6%	2.5%
Executives	3.1%	63.1%	33.8%	5.0%	0.0%	63.9%	36.1%	5.7%	0.0%	65.9%	34.1%	6.5%
Employees	12.9%	60.2%	26.8%	26.6%	8.0%	62.7%	29.3%	26.8%	15.0%	57.0%	28.1%	28.6%
Workers	10.9%	47.7%	41.4%	66.5%	9.7%	48.2%	42.1%	65.5%	10.3%	46.0%	43.7%	62.4%
Total	10.9%	51.7%	37.4%	100%	8.5%	53.0%	38.5%	100%	10.7%	50.3%	39.0%	100.0%

EMPLOYEES BELONGING TO PROTECTED CATEGORIES BY PROFESSIONAL CATEGORY AND GENDER

Professional category	As of June 30 th , 2022			As of June 30 th , 2023			As of June 30 th , 2024		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior executives	-	-	-	-	-	-	-	-	-
Executives	-	-	-	-	-	-	-	-	-
Employees	3	1	4	2	1	3	2	1	3
Workers	15	25	40	16	25	41	18	28	46
Total	18	26	44	18	26	44	20	29	49

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

Gender	As of June 30 th , 2022				As of June 30 th , 2023				As of June 30 th , 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	0%	17%	67%	83%	0%	15%	71%	86%	0%	12.5%	75%	87.5%
Women	0%	17%	0%	17%	0%	14%	0%	14%	0%	12.5%	0%	12.5%
Total	0%	33%	67%	100%	0%	29%	71%	100%	0%	25%	75%	100%

DISCLOSURE 401-1 New employee hires and employee turnover

NEW EMPLOYEE HIRES (HEADCOUNT)

Gender	As of June 30 th , 2022				As of June 30 th , 2023				As of June 30 th , 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	25	53	51	129	29	77	64	170	40	83	74	195
Women	37	202	410	649	33	219	433	685	34	184	422	640
Total	62	255	461	778	62	296	497	855	74	267	496	837

TURNOVER (HEADCOUNT)

Gender	As of June 30 th , 2022				As of June 30 th , 2023				As of June 30 th , 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	25	57	74	156	38	66	78	182	27	67	78	172
Women	26	195	433	654	36	227	436	699	18	166	432	616
Total	51	252	507	810	74	293	514	881	45	233	510	788

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 th June 2024			as of 30 th June 2023			as of 30 th 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	16	26	0.62	3	7	0.43	19	33	0.58
Executives	20	68	0.29	4	17	0.24	24	85	0.28
Employees	411	193	2.13	196	181	1.08	607	374	1.62
Workers	2,019	404	5.00	1,491	413	3.61	3,509	817	4.29
Total	2,466	691	3.57	1,694	618	2.74	4,159	1,309	3.18
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
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

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

as of 30 th June 2024									
Professional category	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	287	26	11.04	56	7	8.00	343	33	10.39
Executives	692	68	10.18	240	17	14.09	932	85	10.96
Employees	2,797	193	14.49	2,685	181	14.83	5,482	374	14.66
Workers	2,048	404	5.07	138	413	0.33	2,186	817	2.68
Total	5,824	691	8.43	3,119	618	5.05	8,942	1,309	6.83
as of 30 th June 2023									
Professional category	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
as of 30 th June 2022									
Professional category	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

DISCLOSURE 2-21 Annual total compensation ratio

ANNUAL TOTAL COMPENSATION RATIO¹³

Ratio	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Percentage change in total annual remuneration of the highest-paid person		188.5%	33.8%
Percentage change in median value of annual total remuneration of all employees (excluding the highest paid person)		8.16%	0.32%
Remuneration ratio	11.85	31.61	42.17
Ratio of annual percentage change	-	23.10	107.06

¹³ The 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 2022/2023 and 2023/2024 financial years is the CEO, while for 2021/2022, in the absence of a CEO, the highest-paid top manager was considered.

DISCLOSURE 2-30 Collective Bargaining Agreements

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Total number of employees covered	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Total number of employees	1,269	1,263	1,309
Number of employees with a collective labour agreement ¹⁴	1,194	1,153	1,177
Total percentage	94%	91%	90%

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 WAGE¹⁵

	As of June 30 th , 2022		As of June 30 th , 2023		As of June 30 th , 2024	
Ratio	1.1	1.1	1.2	1.2	1.2	1.2

DISCLOSURE 403-9 Work-related injuries¹⁶

WORK-RELATED INJURIES

Number of injuries	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Total number of fatalities as a result of work-related injury	0	0	0
Total number of high-consequence work-related injuries (excluding fatalities) ¹⁷	2	1	1
Total number of recordable work-related injuries	34	30	43
Hours worked	2,748,252	2,452,946	2,440,016

WORK-RELATED INJURIES RATES

Rates	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Rate of fatalities as a result of work-related injury	-	-	-
Rate of high-consequence work-related injuries (excluding fatalities) ¹⁸	0.7	0.4	0.4
Rate of recordable work-related injuries	12.4	12.2	17.6

MAIN TYPES OF WORK-RELATED INJURIES

Types	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Contusion, injury, crushing	25	23	23
Fracture, anatomical loss, burn	2	2	7
Sprain, distraction stress injury	7	5	13

¹⁴ For 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.

¹⁵ Please refer to note 14 for detailed information on the significant locations of operation of the Group and their respective national CBA that applies to each employee.

¹⁶ Health 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.

¹⁷ Work-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.

¹⁸ Work-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.

ENVIRONMENTAL RESPONSIBILITY

DISCLOSURE 301-1 Materials used by weight or volume¹⁹

FOOD RAW MATERIALS

Renewable raw materials²⁰

Type of consumption	Unit of measurement	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Flour	Kg	56,199,460	55,222,715	52,867,000
Sugar	Kg	17,677,239	16,576,635	15,627,691
Butter and vegetable fats	Kg	15,323,401	16,240,934	16,014,969
Eggs	Kg	11,025,236	10,079,461	9,342,206
Cocoa	Kg	3,216,300	3,360,680	3,375,550
Dried fruits (raisins, almonds and hazelnuts)	Kg	2,672,964	2,534,094	2,107,712
Flavours and food coagulants	Kg	502,654	799,791	791,618
Other renewable raw materials	Kg	875,242	704,859	525,842

PACKAGING AND OTHER MATERIALS

Renewable materials²¹

Type of consumption	Unit of measurement	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Paper	Kg	28,874,236	28,685,375	26,286,106

Non-renewable materials²²

Plastic - polypropylene	Kg	3,775,727	3,685,112	3,414,906
Plastic - Polyethylene	Kg	494,478	526,384	559,719
Plastic - PET	Kg	100,982	108,849	113,924
Other types of plastics	Kg	66,291	60,693	82,517
Metal (tinplate)	Kg	57,000	53,193	27,797
Other types of nonrenewable materials	Kg	150,817	122,635	121,594
Total renewable materials	Kg	136,366,731	134,204,543	126,938,694
Total non-renewable materials	Kg	4,645,295	4,556,867	4,320,456

¹⁹ The 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.

²⁰ Renewable 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.

²¹ Renewable 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.

²² Non-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 301-2 Recycled input materials used

Type of consumption	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Paper	N/A	N/A	88%
Plastic - polypropylene	N/A	N/A	0%
Plastic - Polyethylene	N/A	N/A	0%
Plastic - PET	N/A	N/A	0%
Other types of plastics	N/A	N/A	0%
Metal (tinplate)	N/A	N/A	42%
Other types of nonrenewable materials	N/A	N/A	0%
Total recycled materials	N/A	N/A	76%

DISCLOSURE 302-1 Energy consumption within the organization
ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Type of consumption	Unit of measurement	As of June 30 th , 2022		As of June 30 th , 2023		As of June 30 th , 2024	
		Total	Total GJ	Total	Total GJ	Total	Total GJ
Non renewable fuels			665,002		634,941		579,942
Natural gas	Smc	16,210,380	643,792	15,253,006	611,558	13,737,415	552,785
of which for cogeneration and trigeneration plants	Smc	7,808,247	310,103	7,017,714	281,370	5,835,549	234,819
Of which for other uses	Smc	8,402,133	333,689	8,235,292	330,188	7,901,886	317,966
Diesel fuel for heating	liter	3,819	148	2,902	111	5,331	206
LPG for production	Smc	177,810	16,066	197,335	17,835	237,256	21,437
Gasoline for automotive use	liter	624	21	209	7	348	12
Diesel for automotive	liter	130,278	4,975	143,603	5,431	143,277	5,422
HVO (alternative fuel for automotive use)	liter	-	-	-	-	2,245	80
Electricity		26,544,285	95,559	28,317,132	101,942	34,112,465	122,805
Purchased electricity	kWh	26,745,419	96,284	27,958,779	100,652	32,389,280	116,601
of which from non-renewable sources	kWh	4,489,619	16,163	4,445,146	16,003	4,252,534	15,309
of which from renewable sources	kWh	22,255,800	80,121	23,513,633	84,649	28,136,746	101,292
Self-produced electricity from photovoltaic plants	kWh	-	-	465,529	1,676	2,257,476	8,127
Self-produced electricity sold to the grid	kWh	201,134	724	107,176	386	534,292	1,923
Of which from renewable sources - produced by photovoltaic plants	kWh	-	-	94,260	339	509,864	1,836
from nonrenewable sources - produced by natural gas cogeneration and trigeneration plants	kWh	201,134	724	12,916	46	24,428	88
Total energy consumption	GJ		760,562		736,883		702,747
Renewable energy	GJ		80,121		85,986		107,584
Non-renewable energy	GJ		680,441		650,897		595,163
Renewable energy out of total (%)	GJ		10.53%		11.67%		15.31%

CONVERSION FACTORS IN GJ

Units	Conversion units	2021-2022	2022-2023	2023-2024	Source
Electricity/Thermal Energy	GJ/kWh	0.0036	0.0036	0.0036	Costant
Natural Gas	GJ/1000smc	39.715	40.094	40.239	DEFRA 2022, DEFRA 2023, DEFRA 2024
Natural Gas (density)	kg/m ³	0.8	0.8	0.8	DEFRA 2022, DEFRA 2023, DEFRA 2024
Methane gas (CNG) for company fleet	GJ/ton	49.89	50.43	50.55	DEFRA 2022, DEFRA 2023, DEFRA 2024
Natural Gas (CNG) for company fleet (Density)	kg/m ³	175	175	175	DEFRA 2022, DEFRA 2023, DEFRA 2024
Heating Oil	GJ/ton	45.286	45.286	45.286	DEFRA 2022, DEFRA 2023, DEFRA 2024
Heating Oil (Density)	kg/litri	0.85	0.84	0.85	DEFRA 2022, DEFRA 2023, DEFRA 2024
Gasoil for company fleet	GJ/ton	45.127	45.412	45.399	DEFRA 2022, DEFRA 2023, DEFRA 2024
Gasoil (Density)	kg/litri	0.85	0.83	0.83	DEFRA 2022, DEFRA 2023, DEFRA 2024
LPG	GJ/ton	49.333	49.346	49.333	DEFRA 2022, DEFRA 2023, DEFRA 2024
LPG (Density) ²³	kg/m ³	529.749	531.098	531.098	DEFRA 2022, DEFRA 2023, DEFRA 2024
LPG (Density)	kg/litri	0.53	0.53	0.53	DEFRA 2022, DEFRA 2023, DEFRA 2024
Unleaded gasoline for company fleet	GJ/ton	46.176	45.577	45.433	DEFRA 2022, DEFRA 2023, DEFRA 2024
Gasoline (Density)	kg/litri	0.74	0.75	0.75	DEFRA 2022, DEFRA 2023, DEFRA 2024
HVO	GJ/on	45.83	45.83	45.83	DEFRA 2022, DEFRA 2023, DEFRA 2024
HVO (density)	Litri/Ton	1282.05	1282.05	1282.05	DEFRA 2022, DEFRA 2023, DEFRA 2024

²³The Defra conversion factor refers to liquid LPG. For the Indian consumption the data was available only in gaseous state and the conversion factor used is 1.8315.

DISCLOSURE 302-3 Energy intensity²⁴

	Unit of measurement	2021-2022	2022-2023	2023-2024
Total energy consumption	GJ	774,692	736,803	702,693
Total volumes produced	ton	116,585	111,789	108,532
Energy intensity ratio	GJ/ton	6.645	6.591	6.474

DISCLOSURE 305-1 Direct GHG emissions (Scope 1)

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

SCOPE 1 AND SCOPE 2 EMISSIONS (tCO₂e)²⁵

Emission sources	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
SCOPE 1	34,786	32,391	30,078
Natural gas	33,486	31,092	28,099
Gasoil for heating purposes	11	8	15
LPG for production	957	926	1,604
Gasoline for automotive use	1	-	1
Diesel for automotive use	330	365	360
HVO alternative fuel for automotive use	-	-	0.08
SCOPE 2			
Electricity - Location based	9,690	10,141	11,206
Electricity - Market based	2,832	2,852	2,560
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)	44,476	42,532	41,401
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	37,618	35,243	32,812

EMISSION FACTORS

Unit	Conversion units	2021-2022	2022-2023	2023-2024	Source
Electricity (Location based) - Italy	kgCO ₂ /kWh	0.315	0.315	0.315	Scope 1: DEFRA 2022, 2023, 2024.
Electricity (Location based) - India	kgCO ₂ /kWh	0.684	0.684	0.727	
Electricity (Location based) - Slovakia	kgCO ₂ /kWh	0.188	0.188	0.188	
Electricity (Location based) - France	kgCO ₂ /kWh	0.056	0.056	0.056	Scope 2 Location-based: TERNA 2019.
Electricity (Market based) - Italy	kgCO ₂ /kWh	0.459	0.457	0.500	
Electricity (Market based) - India	kgCO ₂ /kWh	0.684	0.684	0.727	
Electricity (Market based) - Slovakia	kgCO ₂ /kWh	0.218	0.187	0.357	Scope 2 Market-based AIB European Residual Mixes 2022, 2023, 2024 or TERNA 2019 for countries not in the European Residual Mixes.
Electricity (Market based) - France	kgCO ₂ /kWh	0.059	0.125	0.041	
Natural Gas	tCO ₂ e/m3	0.00202	0.00204	0.00205	
LPG	tCO ₂ e/ton	2.93929	2.56257	2.93936	
Gasoline	tCO ₂ e/ton	2.94762	3.15408	3.15408	
Gasoil for automotive use	tCO ₂ e/ton	2.96907	3.01565	3.01409	
Heating oil	tCO ₂ e/ton	3.23028	3.22658	3.22658	
HVO	tCO ₂ e/ton	0.04562	0.04562	0.04562	

²⁴ The indicator shows data related to the manufacturing Companies of the Bauli Group; in particular, it includes Bauli SpA, Alpipan and Bauli India.

²⁵ 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 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.

DISCLOSURE 305-4 GHG emissions intensity²⁶

	Unit of measurement	2021-2022	2022-2023	2023-2024
Total emissions (Scope 1 + Scope 2 - Location based)	tCO ₂ e	44,379	42,528	41,398
Total volumes produced	ton	116,585	111,789	108,532
GHG emissions intensity ratio	tCO₂e/ton	0.381	0.380	0.381

DISCLOSURE 303-3 Water withdrawal**WATER WITHDRAWAL²⁷**

Withdrawal source	Unit of measurement	As of June 30 th , 2022		As of June 30 th , 2023		As of June 30 th , 2024	
		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	13.8	13.8	14.8	14.7	32.4	32.4
Fresh water (≤1,000 mg/l total dissolved solids)	Megaliters	13.8	13.8	14.8	14.7	32.4	32.4
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	268.9	1.8	274.9	1.7	299.8	0.0
Freshwater (≤1,000 mg/l total dissolved solids)	Megaliters	268.9	1.8	274.9	1.7	299.8	0.0
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	17.8	14.3	17.7	13.7	17.3	15.5
Freshwater (≤1,000 mg/l total dissolved solids)	Megaliters	17.8	14.3	17.7	13.7	17.3	15.5
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	300.4	29.9	307.3	30.2	349.5	47.9

DISCLOSURE 303-4 Water discharge**WATER DISCHARGE²⁸**

Type of discharge	Unit of measurement	As of June 30 th , 2022		As of June 30 th , 2023		As of June 30 th , 2024	
		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	16.8	16.8	17.9	17.9	19.7	19.7
Fresh water (≤1,000 mg/l total dissolved solids)	Megaliters	16.8	16.8	17.9	17.9	19.7	19.7
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)²⁹	Megaliters	139.0	5.3	155.7	5.1	179.5	5.8
Freshwater (≤1,000 mg/l total dissolved solids)	Megaliters	139.0	5.3	155.7	5.1	179.5	5.8
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	155.8	22.1	173.7	23.1	199.1	25.5

²⁶ The indicator shows data related to the manufacturing Companies of the Bauli Group; in particular, it includes Bauli SpA, Alpipan and Bauli India.

²⁷ Aqeduct, a WRI tool available online at: <https://www.wri.org/our-work/project/aqeduct>, 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.

²⁸ Aqeduct, a WRI tool available online at: <https://www.wri.org/our-work/project/aqeduct>, 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.

²⁹ The discharge data for the Alpipan plant were estimated based on the plant's withdrawal as it does not have any discharge reporting systems.

DISCLOSURE 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas³⁰

Geographic location	Address of the operational site	Position in relation to the protected area or high biodiversity value outside protected areas	Type of operation	Size of operational site in square km	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area
Castel d’Azzano (VR)	Via Verdi 31 Castel D’Azzano (VR) IT	5.35 km	Production	0.066	Terrestrial, fresh water
San Martino Buon Albergo (VR)	Via Cà Nove, 3, 37036 San Martino Buon Albergo (VR) IT	3.4 km	Production	0.027	Fresh water
Orsago (TV)	Via Pontebbana 32 Orsago 31010 (TV) IT	6.15 km	Production	0.027	Terrestrial, fresh water
Romanengo (CR)	Via degli Artigiani Romanengo (CREMA) IT	1.5 km	Production	0.022	Terrestrial, fresh water
Altopascio (LU)	Via S. Pertini, 11 (Altopascio) LU	2.2 km	Production	0.008	Fresh water
Guarene (CN)	CORSO ASTI n. 2 (CN)	4.15 km	Production	0.004	Fresh water
Barami, Pune (India)	G-146/1, Katphal Road, MIDC, Baramati, Maharashtra 413133, India	99.69 km	Production	0.018	Terrestrial, fresh water

DISCLOSURE 306-3 Waste generated

Type of Waste	Units of Measurement	As of June 30 th , 2022	As of June 30 th , 2023	As of June 30 th , 2024
Non-hazardous waste				
Paper and cardboard packaging	ton	2,653	2,386	2,544
Plastic packaging	ton	192	232	218
Mixed material packaging	ton	633	718	651
Sludge from on-site effluent treatment	ton	1,300	911	959
Food processing waste	ton	206	321	492
Other non-hazardous waste	ton	661	414	403
Total non-hazardous waste	ton	5,645	4,984	5,266
Hazardous waste				
Total hazardous waste	ton	6	9	15
Percentage hazardous of total	%	0.11%	0.19%	0.29%
TOTAL waste generated	ton	5,651	4,993	5,281

³⁰ All the Biodiversity value considered are characterized by listing of protected status from Natura 2000, the main instrument of the European Union’s policy for the conservation of biodiversity. It is an ecological network spread across the entire territory of the Union, established in accordance with Directive 92/43/EEC “Habitat” to ensure the long-term maintenance of natural habitats and threatened or rare species of flora and fauna at the community level. The Natura 2000 network consists of Sites of Community Importance (SCI), identified by the Member States in accordance with the provisions of the Habitat Directive, which are subsequently designated as Special Areas of Conservation (SAC), and includes Special Protection Areas (SPA) established in accordance with Directive 2009/147/EC “Birds” concerning the conservation of wild birds. For the Indian facility the analysis was conducted using the WDPA (world database on protected areas) tool.

DISCLOSURE 306-4 & 306-5 Waste directed or diverted from disposal³¹

Type of Waste	Units of Measurement	As of 30 th June 2023		As of 30 th June 2024	
		Waste diverted from disposal	Waste directed to disposal	Waste diverted from disposal	Waste directed to disposal
Paper and cardboard packaging	ton	2,164	223	2,252	292
Plastic packaging	ton	166	66	147	71
Mixed material packaging	ton	656	62	609	41
Sludge from on-site effluent treatment	ton	911	-	959	-
Food processing waste	ton	103	218	220	272
Other non-hazardous waste	ton	358	56	267	136
Total non-hazardous waste	ton	4,358	626	4,455	812
Hazardous waste	ton	8	1	7	8
Total waste	ton	4,366	627	4,462	820

TOTAL WEIGHT OF WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS³²

Recovery operation	Units of Measurement	As of June 30 th , 2023			As of June 30 th , 2024		
		Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste							
Preparation for recovery	ton	-	8	8	0	5	7
Recycle	ton	-	-	-	-	-	-
Non-hazardous waste							
Preparation for recovery	ton	-	1,613	1,613	0	2,254	2,254
Recycle	ton	-	2,745	2,745	0	2,201	2,201
Total	ton	-	4,366	4,366	0	4,462	4,462

TOTAL WEIGHT OF WASTE DIRECTED TO DISPOSAL BY TYPE OF OPERATIONS³³

Disposal operation	As of June 30 th , 2023			As of June 30 th , 2024		
	Onsite	Offsite	Tot	Onsite	Offsite	Tot
Hazardous waste						
Preparation for disposal	-	0.7	0.7	0	0	0
Landfill	-	0.3	0.3	0	8	8
Non-hazardous waste						
Preparation for disposal	-	619	619	0	0	0
Landfill ³⁴	-	7	7	0	812	812
Total	-	627	627	0	820	820

³¹ Total waste diverted or directed to disposal is classified according to the Legislative Decree 152/06, also for the non-italian sites.

³² Preparation 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.

³³ Total 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, annex B.

³⁴ Following an analysis on disposal type, non-hazardous waste directed to disposal was placed in the Landfill category.

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 2023 to 30 June 2024
GRI 1	GRI 1: Foundation (2021)
GRI Sector Standard	N/A

GRI Standard	Disclosure	Page	Reason for omissions
GENERAL DISCLOSURES			
	2-1 Organizational details	8-9	
	2-2 Entities included in the organization's sustainability reporting	78	
	2-3 Reporting period, frequency and contact point	78	
	2-4 Restatements of information	78	
	2-5 External assurance	78	
	2-6 Activities, value chain and other business relationships	8-10	
	2-7 Employees	66-67, 79-80	
	2-8 Workers who are not employees	68	
	2-9 Governance structure and composition	14-17	
	2-10 Nomination and selection of the highest governance body	16	
	2-11 Chair of the highest governance body	17	
	2-12 Role of the highest governance body in overseeing the management of impacts	26	
	2-13 Delegation of responsibility for managing impacts	26	
	2-14 Role of the highest governance body in sustainability reporting	26	
	2-15 Conflicts of interest	16	
	2-16 Communication of critical concerns	19	
	2-17 Collective knowledge of the highest governance body	26	
	2-18 Evaluation of the performance of the highest governance body	26	
	2-19 Remuneration policies	16	
	2-20 Process to determine remuneration	16	
	2-21 Annual total compensation ratio	83	
	2-22 Statement on sustainable development strategy	4-5	
	2-23 Policy commitments	18-19	
	2-24 Embedding policy commitments	18-19	
	2-25 Processes to remediate negative impacts	26-27	
	2-26 Mechanisms for seeking advice and raising concerns	19	
	2-27 Compliance with laws and regulations		During the financial year 2023/2024, there were some irregularities, with regards to the Ex-Dacasto company, detected in the management of the labelling of some products and was imposed an administrative sanction. For more information please refer to page 45.
	2-28 Membership associations		The parent company Bauli S.p.A. is a member of Confindustria.
	2-29 Approach to stakeholder engagement	25	
	2-30 Collective bargaining agreements	84	

GRI Standard	Disclosure	Page	Reason for omissions
MATERIAL TOPICS			
GRI 3: Material topics (2021)	3-1 Process to determine material topics	24-26	
	3-2 List of material topics	27	
MATERIAL TOPIC: ETHICS, BUSINESS INTEGRITY AND ANTI-CORRUPTION			
GRI 3: Material topics (2021)	3-3 Management of material topics	18-19	
GRI 205: Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken		During the financial year 2023/2024, 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 2023/2024, 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 2023/2024 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 2023/2024 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 2023/2024 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 2023/2024, there were no cases of data breach incidents.
MATERIAL TOPIC: ECONOMIC PERFORMANCE			
GRI 3: Material topics (2021)	3-3 Management of material topics	20	
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	20-21, 78	

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	33-37, 42-45	
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 2023/2024, 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 2023/2024, 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	54-58	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	55-56, 86-87	
	302-3 Energy intensity	57, 88	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	56, 88	
	305-2 Energy indirect (Scope 2) GHG emissions	56, 88	
	305-4 GHG emissions intensity	57, 89	
MATERIAL TOPIC: WASTE MANAGEMENT AND CIRCULAR ECONOMY			
GRI 3: Material topics (2021)	3-3 Management of material topics	62-63	
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	62-63	
	306-2 Management of significant waste-related impacts	62-63	
	306-3 Waste generated	62, 90	
	306-4 Waste diverted from disposal	63, 91	
	306-5 Waste directed to disposal	63, 91	
MATERIAL TOPIC: SUSTAINABLE PACKAGING			
GRI 3: Material topics (2021)	3-3 Management of material topics	38	
GRI 301: Materials (2016)	301-1 - Materials used by weight or volume	38, 85	
	301-2 Recycled input materials used	86	

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	69-70	
	403-1 Occupational health and safety management system	69-70	
	403-2 Hazard identification, risk assessment, and incident investigation	69-70	
	403-3 Occupational health services	69-70	
GRI 403: Occupational Health and Safety (2018)	403-4 Worker participation, consultation, and communication on occupational health and safety	69-70	
	403-5 Worker training on occupational health and safety	69-70	
	403-6 Promotion of worker health	69-70	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69-70	
	403-9 Work-related injuries	84	
MATERIAL TOPIC: DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES			
GRI 3: Material topics (2021)	3-3 Management of material topics	66	
GRI 405: Diversity and Equal Opportunities (2016)	405-1 Diversity of governance bodies and employees	68	
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken		During the financial year 2023/2024, 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	72-74	
GRI 202: Market Presence (2016)	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	84	
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	70-72, 82	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74-76	
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	72-73, 82-83	

GRI Standard	Disclosure	Page	Reason for omissions
MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN MANAGEMENT			
GRI 3: Material topics (2021)	3-3 Management of material topics	48-51	
GRI 308: Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria	51	
GRI 414: Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	51	
MATERIAL TOPIC: QUALITY AND SUSTAINABILITY OF RAW MATERIALS			
GRI 3: Material topics (2021)	3-3 Management of material topics	48-51	
GRI 301: Materials (2016)	301-1 - Materials used by weight or volume	51, 85	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	90	
GRI 304: Biodiversity (2016)	304-2 - Significant impacts of activities, products, and services on biodiversity	49-50	For point "b" the information is not available. The Group is committed to further investigate this analysis in the next reporting years.
MATERIAL TOPIC: RESPONSIBLE MARKETING AND COMMUNICATION			
GRI 3: Material topics (2021)	3-3 Management of material topics	45	
	417-2 Incidents of non-compliance concerning product and service information and labeling	45	
GRI 417: Marketing and Labeling (2016)	417-3 Incidents of non-compliance concerning marketing communications		During the financial year 2023/2024, there were some irregularities, with regards to Ex-Dacasto company, detected in the management of the labelling of some products and was imposed an administrative sanction. For more information please refer to page 45.
MATERIAL TOPIC: PROPER NUTRITION AND CONSUMER WELL-BEING			
GRI 3: Material topics (2021)	3-3 Management of material topics	34, 36	
MATERIAL TOPIC: PROCESS AND PRODUCT INNOVATION, R&D			
GRI 3: Material topics (2021)	3-3 Management of material topics	35-37	
NON-MATERIAL TOPIC: WATER			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	59, 89	
	303-4 Water discharge	59, 89	

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