DalterFood
Group
Best Italian Cheese Solutions

SUSTAINABILITY REPORT
2023

DALTERFOOD GROUP
EXPERIENCE AND PASSION IN
THE **ITALIAN DAIRY WORLD**

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CONTENTS

_LETTERS TO STAKEHOLDERS

> It is with great pleasure that we present the third DalterFood Group Sustainability Report for 2023, a year marked by continued economic and geopolitical turmoil, but nonetheless brimming with achievements and important news for our company.

The continuation of the war in Ukraine, with its repercussions on raw materials, the outbreak of turmoil in the Middle East, and climate change, which, with instances of drought alternating with heavy flooding is increasingly impacting our peninsula, combined to create a difficult context in which to operate for all Italian manufacturers and beyond.

It is precisely these difficulties that have continually prompted us to be increasingly proactive in making our business economically, environmentally and socially sustainable, with projects that enable us to make products that are good for our customers, but also good for society and our region.

Thanks to the Group's determination, despite the complexities described above we have achieved very positive results in economic terms (+8% turnover), social terms (+87% training hours provided) and environmental terms (34% of energy consumption from renewable sources).

Indeed, investments in renewable energy have continued, enabling us to purchase 99.5% of our electricity from renewable sources certified by Guarantee of Origin in 2023 and to install a photovoltaic system at the Selvapiana e Canossa cheese factory. These important milestones have enabled us to significantly reduce the indirect emissions generated by the Group, and consequently reduce the negative impacts we produce on the environment.

Presidente
Stefano Ricotti

Amministratore Delegato
Alberto Viappiani

Continuous improvement, recognition of each individual's contribution and the pursuit of excellence have always been the pillars of our way of doing things, aware that the wealth of our Group lies first and foremost in its people. In fact in 2023 we initiated a process of formalising HR procedures, provided 87% more training hours and implemented a digital whistleblowing system, an anonymous channel for whistleblowing accessible to all employees and external stakeholders, ensuring that concerns can be raised without fear of retaliation or sanctions.

Our commitment also continues to be aimed at organising an increasingly integrated and sustainable Parmigiano Reggiano supply chain. To date, 100% of the farms we collaborate with have earned Animal Welfare Certification and 100% of the breeders have passed inspections by the veterinarians of the Parmigiano Reggiano Consortium. Also with this in mind, in 2023 DalterFood shared its Code of Ethics with all suppliers for their acknowledgement and endorsement, and adopted a Supplier Code of Conduct, a prerequisite for every supply contract, the signing of which commits the suppliers of all Group companies to respect human rights, to operate as environmentally sustainable as possible and to protect data and privacy. We also want to personally take care of our region and host communities by supporting local cooperatives and joining projects that develop new protocols for access to food for autistic children.

Lastly, with the aim of reinforcing our positioning as an integrated supply chain model, even visually, we completed a project to rebrand the logos of our companies so as to better communicate the fact that each belongs to a single family.

We are proud of the results we have achieved thanks to the support of each of our stakeholders, which is why we have described them in detail on the following pages. We therefore wish you a pleasant reading.

Direttore Generale
Andrea Guidi

Chairman	**CEO**	**General Manager**
Stefano Ricotti	*Alberto Viappiani*	*Andrea Guidi*

_HIGHLIGHTS 2023 DI DALTERFOOD GROUP

159mln di €
IN SALES IN 2023
(+8% compared to 2022)

over **36**mln
LITRES OF MILK PROCESSED

100%
of farms have obtained
ANIMAL WELFARE
certification

38Audit
TO EVALUATE RESPECT FOR ANIMAL WELFARE
(-2% compared to 2022)

100%
recyclable
PACKAGING
for the single portion and single-serving lines

3separate
waste collection systems
Including two compactors for plastic and cardboard and a big bag system for transparent polyethylene

+7
employees
in 2023 (in terms of positive net increase with 42 new hires and 35 terminations)

3.504hours
of training
(+87% compared to 2022)

01

_THE DALTERFOOD GROUP'S SUSTAINABILITY JOURNEY

_THE DALTERFOOD GROUP'S SUSTAINABILITY JOURNEY

DalterFood Group (hereinafter also "the DalterFood Group" or "the Group") aims to be a leading point of reference in its sector, adopting a modus operandi whose goal is all-encompassing respect for people and the environment.

The DalterFood Group Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), as indicated in the "GRI Content Index" table.

The reporting boundary of the data and information relating to employees and economic-financial information corresponds to that of the consolidated financial statements as at 31 December 2023 of the DalterFood Group. The boundary of environmental data and information exclusively includes Dalter Alimentari S.p.A., Vip Italia Gmbh (only for energy consumption and emissions indicators) and Colline di Canossa S.r.l. with its two cheese factories in Selvapiana and Cigarello.

This document:
 • Is the result of the internal data collection process shared between multiple corporate functions;
 • Has been drawn up in liaison between the Group Marketing Manager & CSR Manager and an external consulting team specialised in the field of sustainability;
 • Has been supervised by the management and approved by the General Manager.

This Report is intended as the vehicle for reporting on the Group's commitment in the various ESG (Environmental, Social and Governance) areas, with the goal of providing a transparent view of the strategies, activities undertaken and the results achieved to promote economic growth and business development with a view to sustainability.

Compared to the previous year, there were no significant changes in the size, organisational structure, ownership structure or supply chain of the Group.

The Sustainability Report of DalterFood Group and its subsidiaries covers the period from 1 January to 31 December 2023 and is published annually. The information regarding the reference period is compared with that of the previous year, where available, to ensure the comparability of data over time. Any restatements of data for the previous period are expressly indicated in the document. To guarantee the reliability of the data, estimates were made only where strictly necessary and, where present, are suitably noted in the text.

This Sustainability Report is not subject to external assurance.

This document is available to stakeholders as a result of its publication on the company website: www.dalterfood.com.

1.1 THE 2030 AGENDA: THE GROUP'S GOALS

DalterFood Group is a company focused on issues of Corporate Social Responsibility and has been actively committed to sustainability for years. In 2021 the Group performed an initial analysis to identify concrete targets with which to contribute to the achievement of the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development as defined by the United Nations. The 17 goals and 169 associated targets aim to guide countries and organisations throughout the world in adopting sustainable development behaviours such as, for example, reducing inequality, promoting economic prosperity, ensuring social development and protecting the environment.

This analysis, which was updated again in 2022, identified eight objectives applicable to its business model, which are presented below:t

THE UN 2030 AGENDA: THE GOALS CHOSEN BY DALTERFOOD GROUP

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	

In order to monitor the Group's contribution to the 2030 Agenda, a series of sustainability actions have been drawn up and periodically updated in light of the results of the Group's materiality analysis and approved by frontline managers. The topics and SDGs that DalterFood Group commits to achieving are shown below:

MATERIAL TOPIC	ACTION	SDG
EMPLOYEE INCLUSION, WELL-BEING AND GROWTH **OCCUPATIONAL HEALTH AND SAFETY**	• Ensuring the health and safety of workers through the application of standards and the adoption of controlled procedures • Providing adequate training for staff, ensuring their professional development • Optimising and enhancing the talents of creating career paths • Protecting diversity and ensuring inclusion for all workers, avoiding discrimination • Protecting employment by creating jobs for local communities, establishing partnerships with schools/universities	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
ANIMAL WELFARE	• Guaranteeing and protecting the health, welfare and freedom of animals, involving the entire farming system	15 LIFE ON LAND
ENERGY CONSUMPTION AND EMISSIONS **CIRCULAR ECONOMY AND MANAGEMENT OF NATURAL RESOURCES**	• Carefully selecting raw materials according to sustainability criteria and tracing their origin and route • Reducing emissions into the atmosphere • Developing sustainable, recyclable and plastic-reducing packaging types • Paying attention to consumption, including energy consumption, by limiting its use to the amount needed for the production process • Optimising transport in order to reduce/contain emissions - Sustainable logistics • Paying attention to and spreading good recycling practices, following circular economy processes • Tracking the use of water resources, especially those useful for the production process, in order to use them more responsibly	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
WASTE MANAGEMENT AND FOOD WASTE	• Managing waste responsibly, focusing more on the concept of reduction and the introduction of new practices	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

MATERIAL TOPIC	ACTION	SDG
ECONOMIC PERFORMANCE	• Investing in research and innovation to ensure increasingly advanced and sustainable products and business • Favouring the maintenance of a strong presence in countries with the highest potential for consumption of the category of cheese, to which the company already exports. • Supporting local communities and the less fortunate through a concrete and defined commitment	**8** DECENT WORK AND ECONOMIC GROWTH **9** INDUSTRY, INNOVATION AND INFRASTRUCTURE
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	• Creating a sense of sharing and enhancing the relationship with local breeders • Establishing trust with suppliers in terms of maintaining the relationship and ensuring they comply with quality and sustainability standards • Strengthening local roots by creating economic value	**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

1.2 MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

This DalterFood Group Sustainability Report is based on the identification of material topics, i.e. the most relevant economic, environmental and social issues – including human rights – that can influence the decisions and assessments of the Group's stakeholders. Based on the GRI Standard, and in particular GRI Standard 3 - Material Topics, for this third year of reporting the Group has updated its materiality analysis by identifying and prioritising the current or potential positive and negative impacts generated by its company operations and/or related to its business relationships.

The updating process initially involved performing a benchmarking analysis of the main peers and competitors and a contextual analysis, with the aim of identifying any new material aspects and possible new trends in the food sector since the previous reporting year.

This phase was followed by the organisation of a workshop with the participation of the main corporate functions engaged in the sustainability reporting process, with the aim of confirming the mapping of stakeholders and their respective methods of involvement compared to what was identified in the 2022 Sustainability Report and identifying the most relevant topics for the Group.

Below is the mapping of Dalter Food Group stakeholders and how they are mainly involved:

STAKEHOLDER	ENGAGEMENT METHODS
EMPLOYEES	• **Information displayed on company notice boards** • **Social Media** • **Information videos** • **Newsletters** • **Company software** • **Face-to-face meetings with management**

STAKEHOLDER	ENGAGEMENT METHODS
CUSTOMERS	• Direct telephone contacts • In-person meetings • Social media • Email • Fairs and events • Customer satisfaction surveys
SUPPLIERS	• In-person meetings • Social Media • Email/telephone contacts
SHAREHOLDERS AND INVESTORS	• Meetings of the Board of Directors • Periodic meetings

STAKEHOLDER	ENGAGEMENT METHODS
LOCAL COMMUNITIES AND AREAS	· Participation in local associations · Participation in networks of relationships · Identification of projects to support local communities
INSTITUTIONS AND PUBLIC ADMINISTRATION	· Ongoing dialogue on regulatory developments · Periodic meetings
BREEDERS	· In-person meetings · Email/telephone contacts

Following are the topics that were found to be material, listed in order of priority[1]:

- **Product quality and safety**
- **Employee inclusion, well-being and growth**
- **Consumer health and safety**
- **Animal Welfare**
- **Ethics and business integrity**
- **Occupational health and safety**
- **Circular economy and management of natural resources**
- **Waste management**
- **Energy consumption and emissions**
- **Economic performance**
- **Responsible management of the raw material milk**
- **Responsible supply chain management**.

The material topics identified are the same as those of the previous reporting year.

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[1] *See the table "Correlation between impacts, material topics and GRI Standards" in the Appendix section of this document for details regarding the description of DalterFood Group's material topics and their relative impacts*

02

_THE VALUES THAT DISTINGUISH US

_THE VALUES THAT DISTINGUISH US

The history of DalterFood Group is the history of freshly grated cheese and a long path of innovation to make the Italian dairy tradition known to the world
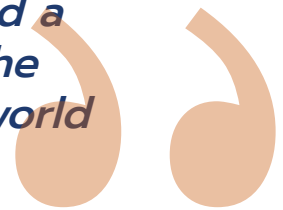
2.1 OVER 45 YEARS OF EXPERIENCE

In 1978 a group of Emilian entrepreneurs decided to join their experience to focus on the grated cheese industry, still unexplored at that time. It is thanks to this meeting that Dalter Alimentari S.p.A. was born.

Passion and focused efforts have led to the creation of a wide range of cheese products and formats: from the initial single-serving tubs of grated cheese to the current broad variety of cuts, which today represent DalterFood's strength.

With more than 45 years of experience in the production and packaging of Parmigiano Reggiano, today the DalterFood Group is a major player in the production, cutting and packaging of hard cheeses and in the international distribution of traditional Italian food products.

DALTER

1978

Dalter Alimentari was founded in **1978** by four entrepreneurs from the Emilia region who decided to combine their experiences in the packaging and Parmigiano Reggiano sectors to dedicate themselves to a sector that up until then had been completely unexplored, grated cheese.

In **2005 the first Parmigiano Reggiano cheese factory was acquired. The Baltic Cheese** branch **was established**.

2005

In **2008** Dalter Alimentari expanded into **Spain**, becoming a shareholder of Star Gourmet.

2008

2011 Italia Formaggi Ltd was created, a distributor of Italian products in the **UK**.

2011

In **2013 Germany** became a strategic market for products made in Italy, and so Dalter Alimentari bought shares in **Vip Italia GmbH**, a historic distributor of Italian cheeses, and in 2014 a joint venture was established to open a factory in **Brazil**.

2013/14

2018 was an important year for Dalter Alimentari, with all of its subsidiary companies coming together to form the **DalterFood Group**.

2018

With the aim of focusing further in achieving the objectives of the Plan Strategic 2021-2023, in **2021** DalterFood Group introduces the figure into its workforce of the **General Director**, reporting directly to Board of Directors

2021

2022 DalterFood acquired 100% ownership of **VIP Italia**, which for all intents and purposes thus became the Group's German subsidiary.

2022

DalterFood Group
Best Italian Cheese Solutions

2.2 OUR VALUES

The DalterFood Group's goal is to bring the best Italian PDO aged cheeses – including Parmigiano Reggiano – and other excellent foods to the world's tables thanks to the passion devoted to production techniques and respect for the Italian food tradition.

_OUR VISION

" Excite all **food lovers** around the world with **sustainable products** and the flavours of the **Italian culinary tradition**.

_OUR MISSION

" Make our ability to **listen** and our **experience** in the Italian dairy sector available to customers every day, so as to offer **bespoke solutions** that tell the story of our products with passion.

Every day, DalterFood Group commits to conveying its values, such as:

INNOVATING TOGETHER

By listening to our suppliers, our customers and our people, we create ever better ideas, processes and products.

ITALIAN FOOD

We respect and value the culture and flavours of Italian tradition and export it around the world.

SUSTAINABLE GROWTH
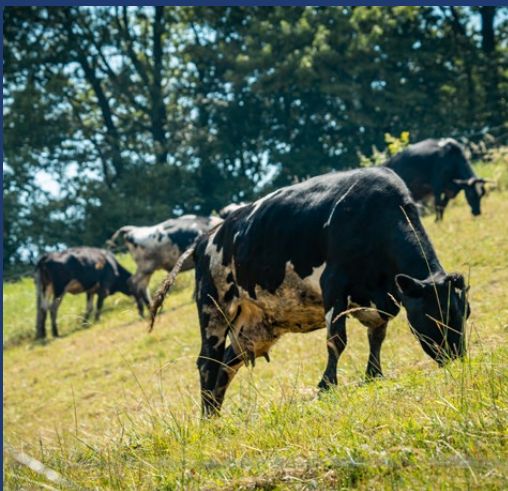
We believe in looking after our relationships and we share sustainability goals with all the links in the supply chain.

BUILDING TRUST

We work with transparency and expertise to guarantee our customers the highest quality standards.

In 2023, with the aim of reinforcing the perception of belonging to a single group and modernising the visual design, the logos of Dalter Alimentari, Dalter UK, VIP and Colline di Canossa were revised, using the wave – the symbol of the Hills of our Apennines – as the Group's identifying element. Subsequently the logos of the Selvapiana and Cigarello cheese factories were also redesigned in order to emphasise the common traits and link with the local region.

2022 LOGOS

NEW LOGOS 2023

2.3 GOVERNANCE AND CORPORATE STRUCTURE

The companies under the trade name DalterFood Group, at corporate level, are owned by a group of entrepreneurs from Emilia Romagna which, over time, were able to guarantee growth while keeping the values and specific characteristics of each company intact.

All the companies have a traditional corporate governance model, in compliance with the country where the company is headquartered. The Boards of Directors of the companies are in charge of correctly managing and administering the business; the Boards of Statutory Auditors are assigned the supervisory function (present only in the Italian companies), while auditing and control of the accounts are assigned to independent auditors appointed by the ordinary shareholders' meetings.
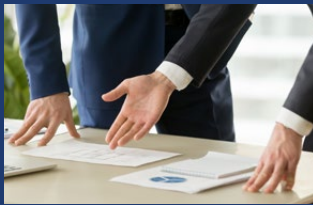
Board of Statutory Auditors

Administers the powers of the company except where the law requires specific authorisation.

Board of Statutory Auditors

Has the task of monitoring compliance with the law and the articles of association, compliance with the principles of proper administration and, in particular, the adequacy of the internal control system.

Supervisory Body

Has autonomous powers of initiative and control and is responsible for supervising the functioning and observance of DalterFood Group's Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001, as well as for ensuring that it is updated.

The parent company is **Dalter Alimentari S.p.A.**, a private company with headquarters in Via Val d'Enza 134 in Sant'Ilario d'Enza (RE), Italy, which operates through direct production plants and carries out marketing and sales both in Italy and internationally, and exercises the management and coordination of commercial, management and financial policies of the subsidiaries.

The Board of Directors of Dalter Alimentari S.p.A is composed of the Chairman, the CEO and the Director, representing the owners, and meets on a monthly basis, with the goal of monitoring the Group's economic and financial performance and discuss the main aspects of the business. The strategy related to sustainable development issues is drawn up by the general management and function managers, who share progress on individual projects on a monthly basis.

BOARD OF DIRECTORS AS AT 31.12.2023	POSITION	DATE OF APPOINTMENT
RICOTTI STEFANO	Chairman	29/06/2021
VIAPPIANI ALBERTO	CEO	05/07/2021
RICOTTI MARTINO	Director	29/06/2021

BOARD OF STATUTORY AUDITORS AS AT 31.12.2023	POSITION	DATE OF APPOINTMENT
BERTANI ALBERTO	Statutory Auditor	05/07/2023
RAVACCHIA FRANCESCO	Statutory Auditor	05/07/2023
SASSI ANDREA	Statutory Auditor	05/07/2023
RINALDI ROBERTO	Alternate Auditor	05/07/2023
FONTANA FILIPPO	Alternate Auditor	05/07/2023

The Board of Directors is composed of only shareholders, who have appointed a General Manager in charge of strategic and ordinary management of the Group's business. The General Manager is an independent figure, who does not hold either the position of Chairman or of CEO. The General Manager participates in the Board of Directors' meetings along with the Chief Financial Officer, the Controller and the Sales Director. All members of the Board of Directors and the Board of Statutory Auditors are Italian men aged over 50, with the exception of one member aged between 30 and 50. In November 2023, an executive officer was also appointed to act as functional delegate for food safety. As at 31 December 2023, the group of department managers is composed of 9 people, of which 2 women and 7 men, all Italian.

The strategic and ordinary management of the organisation's impacts on the economy, environment and people is assigned to the General Manager, supported by the various department managers. However, to date, there are no processes in place for evaluating the performance of the General Manager on economic, environmental and social issues.

The material topics are approved by the General Manager. On this occasion he is informed of any developments in the regulatory environment and/or updates to the reporting standards used.

The remuneration policies of the General Management are the responsibility of the Board of Directors, while those of employees are managed by the General Manager, who also carries out the function of Human Resources Manager. The remuneration of employees is determined based on skills, assigned responsibilities and seniority. The remuneration of the General Management is set by the Board of Directors.

At Group level, the ratio of total annual remuneration of the highest paid individual to the average remuneration of employees (excluding the highest paid person) was 8.99 in 2023.

DALTER ALIMENTARI S.p.A. ORGANISATIONAL CHART

CHAIRMAN
Stefano Ricotti

CEO
Alberto Viappiani

GENERAL MANAGER
Andrea Guidi

TECHNICAL SERVICES

TECHNICAL SERVICE MANAGER
L. Davoli

PRODUCTION

PRODUCTION MANAGER
M. Cantù

HUMAN RESOURCES

GROUP HR MANAGER
A. Guidi

SALES

GROUP SALES MANAGER
A. Gizzi

ADMINISTRATION, FINANCE AND CONTROL

CHIEF FINANCIAL OFFICER
L. Calestani

MARKETING

GROUP MARKETING&CSR MANAGER
A. Caroti

IT

GROUP ICT MANAGER
S. Spadoni

QUALITY

GROUP QUALITY MANAGER
K. Grozeva

PURCHASES

GROUP PURCHASING MANAGER
A. Viappiani

2.4 ETHICS AND BUSINESS INTEGRITY

Aware that mutual satisfaction and value for the community can arise only from shared goals and commitments, DalterFood Group makes respect for ethical principles and transparency in the conduct of business a necessary condition of doing business.

The **Code of Ethics** of DalterFood Group, updated in 2023, expresses ethical responsibilities in conducting business in order to build a healthy environment featuring a strong sense of ethical integrity. Through this document, the Group requires conduct in line with the company principles, taking into consideration cultural, social and economic differences. In fact, the Code is effective and binding for all persons in direct contact with the Group and its member Companies.

The DalterFood Group's Code of Ethics takes the following **values** into account:

PRODUCT QUALITY AND CONSUMER HEALTH

RESPECT FOR PEOPLE AND PROTECTION OF DIVERSITY

THE PROTECTION OF HEALTH AND SAFETY IN THE WORKPLACE

TRANSPARENCY, HONESTY AND TRUST

CUSTOMER SATISFACTION

SOCIAL SUSTAINABILITY AND LOCAL RELATIONS

PROTECTION OF THE ENVIRONMENT AND ANIMAL WELFARE

On hiring, each employee or worker receives a copy of the document, which he/she is required to sign. During the reporting period there were no significant cases of non-compliance with laws or regulations.

GENERAL CRITERIA OF CONDUCT

✔ **HONESTY, LEGALITY AND IMPARTIALITY**

✔ **PREVENTION AND RESOLUTION OF CONFLICTS OF INTEREST**

✔ **ADEQUACY OF GIVING OR ACCEPTING GIFTS OR OTHER BENEFITS**

✔ **TRANSPARENCY, TRACEABILITY OF TRANSACTIONS, COMMUNICATIONS AND INFORMATION MANAGEMENT**

✔ **CONFIDENTIALITY**

✔ **PROTECTION OF INDUSTRIAL PROPERTY**

✔ **PROTECTION OF PRIVACY AND CYBER SECURITY**

Internal control and supervisory body

The Supervisory Body is in charge of managing the effectiveness of and compliance with the Code of Ethics and the Organisational Model pursuant to Italian Legislative Decree 231/2001[2].

The various duties of the Body also include assessing any reports received from employees regarding conduct in conflict with the Code of Ethics, and conducting the related investigations, maintaining the utmost confidentiality and secrecy. During the reporting period a digital whistleblowing system was implemented, an **anonymous channel for whistleblowing** accessible by all employees and external stakeholders, ensuring that concerns can be raised without fear of retaliation or sanctions. In addition, during 2023 all employees received training on these issues and the proper use of the channel. Since it was established, the Supervisory Body has never received any reports.

The organisation deems it fundamental to set up advanced tools for analysis and prevention, such as risk-based thinking tools[3], that assist in making prompt, effective decisions, following accurate assessments of the risks and opportunities of the choices made. The risk-based thinking approach thus aims to pursue the results set, providing the possibility of capturing opportunities for improvement, eliminating or reducing as much as possible the negative impacts on operations caused by the organisation or external conditions.

Anti-corruption and privacy protection

One of the core principles of the Group's reputation is to conduct its business in an honest, legal and impartial manner. In this context, the DalterFood Group has adopted an Anti-corruption Policy valid for all Group companies, consistent with the Code of Ethics and the principles of conduct it is based on. To protect workers' privacy, DalterFood Group adopts all the necessary standards to guarantee the most accurate methods of processing and storing data. These standards prohibit, except in the cases provided for by law, of communicating or disseminating personal data without the prior consent of the data subject, and lay down the rules for monitoring the regulations protecting privacy and data processing pursuant to Legislative Decree no. 196/03 and the equivalent legislation in force in the United Kingdom.

Moreover, DalterFood Group guarantees that information and data acquired in the course of business activities are used within the limits and according to company procedures and in compliance with national regulations in the country where the Group company operates.

During the year of reporting, DalterFood Group did not note any episodes of corruption or legal actions regarding anti-competitive conduct or breaches of antitrust or anti-monopoly laws, or complaints regarding breaches of customers' privacy and loss of their data.

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[2] The Organisational Model pursuant to Italian Legislative Decree 231/2001 is valid for companies with headquarters in Italy. The Supervisory Body is the same for all Group companies.

[3] A pro-active method of approaching problems by systematically gathering information, knowledge and actions to address uncertainty and potential opportunities to be captured, by adopting Integrated Management Systems.

Transparency and lawfulness

DalterFood Group commits to operating in compliance with the principles of clarity, propriety and transparency to ensure that operations, negotiations and conduct aimed at carrying out its work are based on the utmost operational propriety of the Group, without favouring any interest group or single individual. All workers are required to provide complete, transparent, comprehensible and accurate information.

Specifically, in formulating contracts, the Group makes sure to clearly and transparently specify to the contracting party all the aspects, clauses and conduct to respect in all circumstances envisaged. Finally, in order to prevent any conflicts of interest, the General Manager, the CEO and the Chairman are not involved in other Boards outside the Group.

_SHARED ECONOMIC VALUE

_SHARED ECONOMIC VALUE

DalterFood Group is aware of the economic responsibilities associated with its business: the value distributed to its various stakeholders depends on its economic performance. Despite the economic and geopolitical turmoil that affected the pricing of some of the main commodities on the market, in 2023 the Group demonstrated a strong resilience, generating Euro 163,109 thousand. Revenues derive exclusively from the company's operations: the sale of products generates the economic value of the company which, with a view to engagement and sharing of the results achieved, is, for the most part, distributed among the stakeholders who have had economically relevant relations with the Group, who have brought value to it (such as that derived from work), and who have contributed to the Group's good standing in various ways. The economic value remaining after distribution is retained by the company, which sets aside the resources necessary for the development of the organisation. The economic value distributed to DalterFood Group stakeholders in 2023 was approximately Euro 158 million, slightly up (+2%) from 2022 (Euro 149 million). Of this, 89% was distributed to Group suppliers, followed by personnel (6%) and financial institutions (2%).

	31.12.2022 € THOUSAND	%	31.12.2023 € THOUSAND	%
ECONOMIC VALUE DIRECTLY GENERATED	155.511	100%	163.109	100%
ECONOMIC VALUE DISTRIBUTED[4]	148.221	95%	158.581	97%
ECONOMIC VALUE RETAINED	7.290	5%	4.528	3%

ECONOMIC VALUE DISTRIBUTED IN 2023

- 91% SUPPLIERS
- 6% PERSONNEL
- 2% LENDERS
- <1% SHAREHOLDERS
- <1% PUBLIC ADMINISTRATION
- <1% COMMUNITY
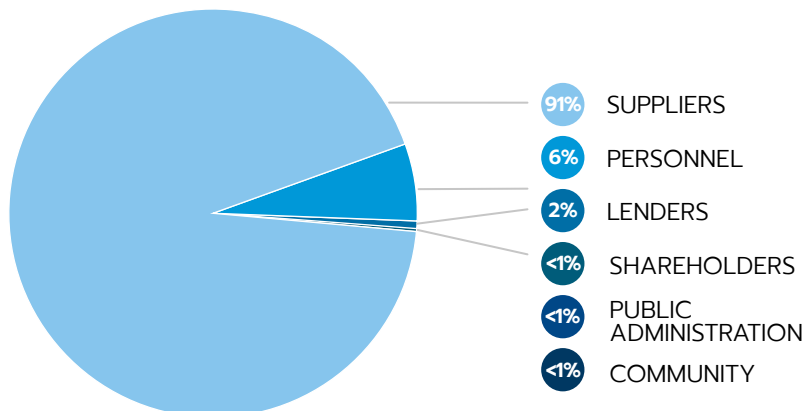
[4] The economic value distributed is composed of: operating costs, remuneration and benefits, principal payments to suppliers and payments to the public administration. All data regarding the statement of economic value generated and distributed were obtained from the Profit and Loss Account for the year and restated based on the indications of the GRI Standards.

[5] Note that during 2023 and 2022, dividends were distributed to Shareholders of Euro 1,200 thousand and Euro 1,000 thousand, respectively, through withdrawals from the Retained earnings reserve.

3.1 HOW WE OPERATE

From production to distribution, DalterFood Group operates on various markets, producing and distributing the best Italian dairy specialities in Europe and around the world. The Group's prosperity and accolades have been the result of a balanced mix of:

- Focus on quality (both product, in the selection of the best raw materials, and process)

- Propensity for innovation: packaged grated cheese arrived on the Italian market thanks to DalterFood Group's insight. It is a product that, along with many others launched over the years, changed cheese consumption habits

With its talent for innovation and quality, DalterFood Group has taken on increasingly demanding challenges. In particular, having consolidated its leading position in the food service sector and in corporate and institutional catering services, it launched an internationalisation policy before focusing on the more exacting European markets and then expanding the scope of its business outside the EU. Today, the Group serves 32 countries worldwide and achieves around 85% of its turnover abroad thanks to its two subsidiaries and its sales network.

BREAKDOWN OF TURNOVER BY GEOGRAPHICAL AREA (2023)

24.282.000€
15,3%
Italy
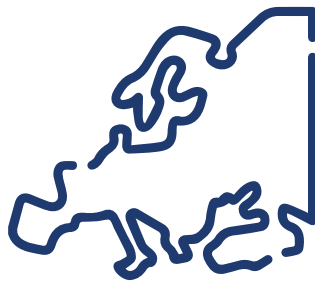
132.316.000€
83,4%
Europe

2.112.000€
1,3%
Rest of the world

3.2 MARKET SERVED AND PRODUCTS OFFERED

As mentioned in the previous paragraphs, the DalterFood Group specialises in the production and packaging of a wide range of cheeses and other traditional Italian dairy products, meeting the diverse needs of food service industries, food service operators and the retail channel.

DALTERFOOD GROUP'S BUSINESS MODEL

MILK COLLECTION

The quality of our milk comes from **the long-standing trusted relationships we have with selected farmers**.

MAKING PARMIGIANO REGGIANO

We guarantee the excellence of our Parmigiano Reggiano with our own cheese factories and continuous investments in training and innovation.

PORTIONING THE CHEESES

We manage **a wide variety of cuts and packs** of hard and semi-hard cheeses, from single portions to formats for the food industry.

EXPORTS AND DISTRIBUTION

We take Italian specialities around the world through **our subsidiary, logistics and sales network**.

Specifically, the main products offered include:

- **Italian PDO hard cheeses**
(Parmigiano Reggiano, Grana Padano, Pecorino Romano)

- **Italian Non-PDO hard cheeses**

- **Pasta filata cheeses**
(burrata, burrata di bufala)

- **Fresh cheeses**
(Mozzarella, mozzarella di bufala, gorgonzola)

- **IQF cheeses**
(Individually Quick Frozen[6])

- **Cheeses suitable for vegetarians, produced with microbial rennet**
(Spinoro, Doronico e Pastamore)

- **Other Italian specialities**
(cured meats, vegetable starters)

What makes DalterFood Group unique is the breadth of its product range: over time Parmigiano Reggiano was flanked at first with Italian cheeses of great tradition, such as Grana Padano and Pecorino Romano, and then a selection of Italian and foreign cheeses, such as Spinoro, Mozzarella, Emmenthal, Edamer and Pastamore. But that's not all: over the years, a wide variety of cuts was introduced - e.g. cubes, leaves, nuggets, flakes, sticks and fillets - and packaging, always with the aim of meeting the needs of the highest possible number of customers.

As well as creating a new model for the supply chain that is both ethical and balanced, where excellence is the top value that deserves to be rewarded, the Group has focused on improving local production facilities with incentives and support for cheese factories located in the mountains. The **two cheese factories** now produce and process more than 100,000 kilogrammes of milk from neighbouring cowsheds located both on the plains and in mountainous areas. This allows them to produce conventional Parmigiano Reggiano, Organic Parmigiano Reggiano and Certified Mountain Product Parmigiano Reggiano.

As regards labelling and information for all products and services offered by DalterFood Group, their origin, contents, safe use and disposal are indicated.

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[6] *The process by which products are frozen individually and not in a single block. Using this process, the individual ingredients of a food product are sold frozen separately from each other so that the consumer can use the desired amount of product and avoid waste..*

IN 2023

230
WHEELS OF PARMIGIANO PER DAY

1.000
Q OF MILK SUPPLIED
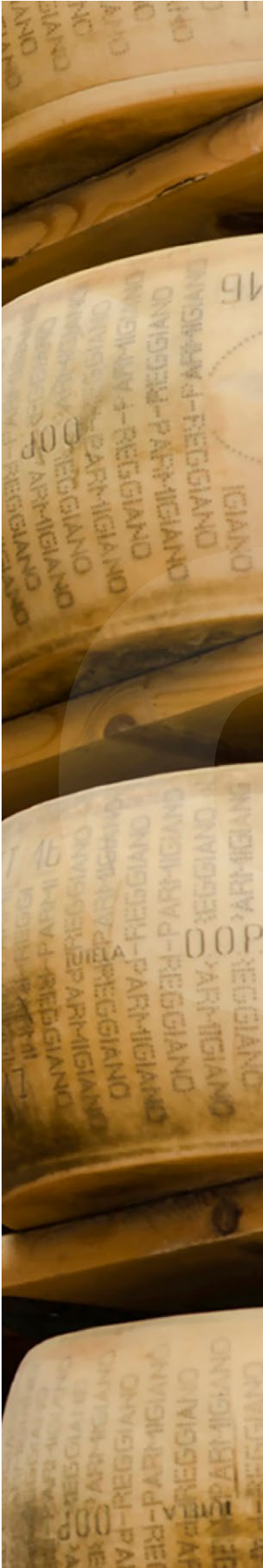
04

_THE
SUSTAINABILITY
OF THE SUPPLY
CHAIN

_THE SUSTAINABILITY OF THE SUPPLY CHAIN

DalterFood Group has worked hard over the years to develop a unique supply chain model, high-performing and sustainable, the members of which are encouraged to do their utmost to provide a top-quality product. To do this, all stages of the supply chain are subject to controls by the Group: from milk collection to production in its own two cheese factories, up to cutting, packaging and distribution on the Italian and foreign markets.

> *We listen to your needs so as to give a new slant to your expectations. But without compromising on quality.*

Parmigiano Reggiano is a **PDO cheese of the highest quality**, unique on the Italian and international market, whose production, from milk collection to maturing and packaging, is regulated by the Parmigiano Reggiano Protection Consortium. The mountains of Reggio Emilia are the ancestral home of the Group's production, places where Parmigiano Reggiano is made, where the experience of cheese makers and production methods handed down over time make this cheese unique. The milk is purchased from 42 breeders who meet strict requirements in terms of quality and animal welfare. These breeders are considered not only suppliers but also true strategic partners. The panorama of farms collaborating with the Group is varied both in terms of size, from small family farms of 40 head up to large ones of 200, and in terms of location, although the maximum distance is 35 km. This allows the cheese factories of Selvapiana e Canossa and Cigarello e Canossa to process more than 100,000 kg of plain and mountain milk every day, to produce 230 wheels of conventional, mountain, organic and Pezzata Rossa Parmigiano Reggiano.

MAKING PARMIGIANO REGGIANO

Production begins with the milk from the evening milking at the cheese factory, which is left to rest until the morning in special temperature-controlled steel tanks. During the night, the cream, which will then be used for the production of butter, is skimmed off, while the skimmed milk is mixed together with the whole milk from the morning milking. Rennet and starter whey, a culture of ferments from the whey of the previous day's processing, are then added, the process by which coagulation begins, which lasts approximately 10 minutes.

The coagulated milk (curd) is fragmented into many small granules by the cheesemaker using an ancient tool called a "spino". This procedure is very important: based on his or her experience and sensitivity, it is the cheesemaker who decides the size of the granule and who thus determines the quality of the future product. Once this step is completed, the cooking process starts at about 55 degrees. Once cooking is finished, the mass is left to rest for 50-60 minutes, lifted and taken out of the boiler to create twin wheels of Parmigiano Reggiano. Each boiler contains 1,100 litres of milk and about 550 litres of milk are needed to produce one wheel of Parmigiano Reggiano. A wheel weighs on average 38 kg to 40 kg. Fourteen litres of milk are therefore needed to produce 1 kg of Parmigiano. After being taken out of the boilers, the wheels are placed in the drying room for 2-3

days, to then be immersed in a saline solution for 15-17 days.

The subsequent ageing process transforms curd into Parmigiano Reggiano. Once the salting phase is over, the cheeses are transported to the warehouse and left to rest on wooden boards, where they remain for the entire maturing period. The outer part dries and forms a rind which, being untreated, is edible. The maturing period varies from a minimum of 12 months up to 40-48 months. It is during this period that Parmigiano Reggiano takes on its fragrance, its aromas and its scents. At the end of the 12th month (minimum maturing period), the experts of the Parmigiano Reggiano Protection Consortium examine the cheese wheels and select them one by one (the so-called hammering process) to confirm that the cheeses meet all the requirements of the Protected Designation of Origin and thus can bear the name "Parmigiano Reggiano", through the typical fire-branding process. During the initial maturing phase, the cheeses are brushed, turned and checked every day to ensure that the maturing process is uniform and perfect.

CUTTING AND PACKING

After maturing, the wheels of Parmigiano Reggiano, Grana Padano, Pecorino Romano and all other hard cheeses are transported to the Sant'Ilario d'Enza factory for portioning and packaging. Here, the cheeses destined for cutting and packaging are first washed, dried and portioned to become slices, petals, flakes, fillets, nuggets or grated cheese in the second stage of processing, and packaged in containers of varying sizes to best meet the demands of different customers (from 5 g to 5 kg for sacks and up to 20 kg for vacuum-packed slices). Sant'Ilario also produces the various cheese mixtures for industry and catering, specially designed and balanced to meet all preparation needs, whether to season a filling, obtain a golden gratin or enrich a frozen pizza with flavour.

With more than 20 production lines, DalterFood Group invests in development of technological solutions so that it can offer formats that are more practical, versatile, and able to guarantee maximum freshness and food safety for its cheeses. Those technologies are also adopted with a view to circularity and reducing the materials used, with the goal of decreasing the impact of its business activities on the environment.

4.1 RELATIONS WITH SUPPLIERS

When in-house production is not sufficient to cover market needs DalterFood Group buys cheese of other types, as well as some wheels of Parmigiano Reggiano from external suppliers. The Group places great emphasis on the sourcing of all raw materials, through the definition of strict protocols and procedures, which are essential to guarantee the high quality that characterises its products along the value chain. The Group's focus on the supply chain stems from the need to coordinate the many industrial activities that are channelled into specific product categories, with the aim of achieving the levels of efficiency that are indispensable in order to be able to remain competitive in all markets.

DalterFood Group is committed to working with partners sensitive to sustainability issues, setting as a medium/long-term objective the creation of a questionnaire to assess their degree of sensitivity to social and environmental issues. In 2023 the Group revised its Code of Ethics, shared with all stakeholders, first and foremost the employees, and adopted a **Supplier Code of Conduct**, the signing of which is a prerequisite for every supply contract with DalterFood. By accepting this code, the suppliers of all Group companies agree to ensure that their operations are consistent with its provisions with respect to human rights, environmental sustainability, data protection and privacy.

| **1107** SUPPLIERS | Raw materials | 150 |
| | Other services | 957 |

4.1.1 | Breeders: strategic partners of the Group

43 BREEDERS
Growing and producing their own fodder

35 KILOMETRES
Maximum distance between cowsheds and dairies

0 MONTHS
Waiting time for payments thanks to "supply chain credit"

BREEDERS	U.M.	2022	2023
Total breeders	N.	41	43
Maximum distance between the breeder and the company	KM	32	35
Total litres of milk delivered and processed by the supply chain per year	LITRES	32.606.273	35.886.720
Daily average litres of milk delivered	N.	89.332	98.320
Total heads of cattle at farms	N.	5.247	5.766
Total annual inspections/audits carried out by the company on the breeders	N.	14	15
Total no. of reports/non-conformities recorded	N.	0	0

MUTUAL TRUST AND COOPERATION

"It is very important for us to have loyal breeders, who work with passion and are conscious of and enthusiastic about being part of a team and, above all, of being leading figures in a huge project."

To build a relationship of mutual trust, DalterFood Group was the first in the industry to introduce **supply chain credit**, thanks to the collaboration with a credit institute on which the Group relies. Through this credit, breeders can be paid immediately for their milk, compared to an average delay in the sector of around 12 months and, in some cases, peaks of 24 months. This strategy gave them the opportunity to plan investments to modernise the facility and thus guarantee quality milk. The Group made its financial and legal advice available to the breeders, with the aim of helping them grow as entrepreneurs. It also guaranteed them the ongoing presence of Quality Assurance specialists and a food technologist so that the cowsheds are run according to current standards and there is a greater focus on the well-being of the animals. In fact, **all of the Group's dairy farmers have earned Animal Welfare Certification** according to the Classyfarm system.

In addition, as a result of the decision of the Parmigiano Reggiano Consortium to grant the option to channel the milk destined for production of Parmigiano Reggiano to other uses at specific times of the year, the farms can dedicate their efforts to processing the other dairy products demanded by consumers and capturing the most favourable market opportunities. To assist its suppliers in this, DalterFood Group installed at the Cigarello e Canossa cheese factory a centre for selection of milk and two fridges in order to offer the possibility for stocking also to other cheese factories.

4.2 FOCUS ON ANIMAL WELFARE

DalterFood Group is convinced that corporate responsibility is measured along the entire supply chain and that transparent communication is an indispensable tool to enable consumers to make informed purchasing choices. This is why, even though we do not breed dairy cows directly, good husbandry practices and animal welfare are crucial.

The better the quality of life of the cows, the higher the quality of the dairy products.

The issue of animal welfare is encountering growing interest in public opinion, which is increasingly attentive and sensitive to sustainability, ethics, the quality of consumption and habits. DalterFood Group is continuing to work on various fronts to improve its environmental impact and the sustainability of the supply chain. As mentioned above, the Group's Parmigiano Reggiano supply chain has renewed its **voluntary Animal Welfare certification**, issued by Certiquality **according to the protocol of ClassyFarm**, the national body of reference for Animal Welfare. The certification covers four areas of activity: company and staff management, facilities and equipment, animal living conditions and biosafety.

100%
farms earned **Animal Welfare Certification**.

100%
of breeders underwent an **inspection by veterinarians** of the Parmigiano Reggiano Consortium in the past three years, commissioned by DalterFood Group.

38 AUDITS
carried out by the Group on breeders to assess **compliance with animal welfare**.

To obtain this certification, which attests the **use of milk from cowsheds that comply with Animal Welfare requirements**, farms must "pass" an examination covering four macro-areas of their activity:

☑ **Company and staff management;**
☑ **Facilities and equipment;**
☑ **Animal living conditions at livestock farms;**
☑ **Biosafety.**
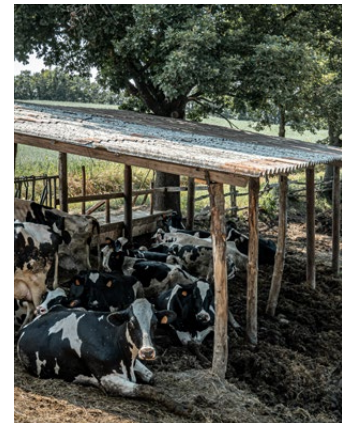
CERTIQUALITY is the point of reference for organisations wishing to obtain voluntary certification of dairy products made from milk from farms with a CReNBA Animal Welfare Certificate.

The advantages of a Certiquality product:

• Processed milk from cowsheds with an Animal Welfare Certificate issued by the CReNBA, showing that the minimum score required by the CReNBA standard has been exceeded.
• Maintenance of the certification over time.
• Ensuring respect for the five freedoms of animal welfare in accordance with European welfare
• All stages of the process from cattle breeding to milk collection, transport and processing are monitored through the application of the

principles of identification and traceability.
• Certiquality, an independent third party, verifies that all the following conditions are met:

- freedom from hunger, thirst and poor nutrition
- freedom from discomfort
- freedom from disease and injury
- freedom to manifest species-specific behavioural characteristics
- freedom from fear and stress.

The complexity of this certification is not limited to the milk collection phase, but involves all the players in the cheese production chain: from the livestock farms where the milk is produced to the Selvapiana and Cigarello cheese factories where it is processed, from the warehouses where the Parmigiano Reggiano "matures" slowly, followed by the cutting, portioning and packaging at the Sant'Ilario d'Enza factory, to the warehouses where the finished product awaits shipment throughout Italy and the world. Animal Welfare Certification is an important recognition, which adds value to breeders' work, without whom DalterFood Group would have never been able to achieve this result. At the same time, this certification also rewards the work which Group has put into the supply chain, investing in cheese factories and human resources, with a truly unique approach in the PDO Parmigiano Reggiano sector.

Secondly, the Group is working on increasing the number of suppliers with cowsheds with loose housing: in this specific type of husbandry facilities, the animals are free to move around, thereby eliminating the discomfort triggered by the physical restraints of the traditional facilities.

Furthermore, the short-term objectives of DalterFood Group specifically include the intention to establish relationships of collaboration with specialist veterinarians to assist the farms in its supply chain in renewing the animal welfare certification and oversee the main aspects of sustainability.

Lastly, thanks to partnerships with third party entities, DalterFood Group has adopted procedures for milk recovery, which enable it to allocate the whey, which is typically used for hog feed, to other purposes.

DalterFood Group is also a member of Confindustria, Confalimentare and the Parmigiano Reggiano Consortium.

THE BIODIVERSITY OF PARMIGIANO REGGIANO

Parmigiano Reggiano is a unique product characterised by one major asset: its biodiversity, which depends not only on the fodder, but also the breed of cattle and the location of the cheese factories. According to regulations, only cattle indigenous to the Parmigiano Reggiano production area may be used in its manufacture, namely, the White Cow, the Red Cow, the Friesian and the Brown Cow and the Italian Pezzata Rossa. Each of these breeds has specific characteristics, which are then passed on to Parmigiano Reggiano. This diversity can already be found in the fodder the cattle are fed, which grows in the area, a strip of land of about ten thousand square kilometres, between the provinces of Parma, Reggio Emilia, Modena, Mantua (to the right of the river Po) and Bologna (to the left of the river Reno). Being rich in various forage grasses, this location contributes to the special character of this cheese. The self-healing meadows are home to between 60 and 70 varieties of native forage grasses, not found elsewhere, which give Parmigiano Reggiano a unique sensory profile. Finally, there is a particular disposition to cross-cultural adaptation, thanks also to its many certifications which protect the consumer in terms of quality, but which are also sensitive to his or her native heritage. The Group is committed to respecting each and every one of its features and to enhancing the characteristics that make Parmigiano Reggiano a unique and authentic product.

The Colline di Selvapiana e Canossa dairy (registration no. 417) and the Colline del Cigarello e Canossa dairy (registration no. 320) are the two dairies of the Group dedicated to producing and maturing Parmigiano Reggiano.

These have soils suitable for grazing and characterised by a plant biodiversity that provides the cattle with a balanced and complete fodder with strong nutritional properties.

It is in these soils that alfalfa, the herbaceous plant that gives Parmigiano Reggiano its unmistakable flavour, grows.

In particular, the Group produces and distributes types of Parmigiano Reggiano falling under the "biodiversities" regulated by the Consortium, namely:

Parmigiano Reggiano Prodotto di Montagna, produced in mountain cheese factories, with milk from mountain farms, with a minimum maturing period of 24 months, of which at least 12 months in mountain warehouses.

Organic Parmigiano Reggiano, produced according to organic farming standards, with milk from farms that meet the same standards.

Parmigiano Reggiano made only from Italian Pezzata Rossa cattle, a certified organic mountain product manufactured with the milk of a single breed of cattle, the Italian Pezzata Rossa, on a single farm, the Azienda Agricola Le Boccede, exclusively in the Cigarello cheese factory..

Biodiversity is a crucial issue for DalterFood Group, which plans and implements its production activities with utmost respect for the places of origin of the raw materials, at all stages of the supply chain. The protection and preservation of biodiversity makes it possible to:

- Provide varied and nutritionally rich food
- Create resilient and pest-resistant production systems
- Ensure sustainability of these same production systems over time

_QUALITY AS AN ESSENTIAL INGREDIENT

_ 5. QUALITY AS AN ESSENTIAL INGREDIENT

Listening to and protecting its customers by meeting their demands and guaranteeing the quality of the products offered are fundamental pillars of the DalterFood way of doing things.

In order to achieve these objectives, the Group ensures that research, production and marketing activities follow high quality standards, not only in terms of certifications obtained and controls carried out, but also in terms of supervision of the supply chain, from production in the cheese factories to distribution.

Through the company Colline di Canossa, DalterFood Group created a milk quality reward system that goes beyond the parameters required by the Protection Consortium, which results in a product yield and a reduction in cheese defects. The company's commitment on this front is not limited just to guaranteeing high product quality, but also takes the form of clear, transparent and comprehensive communication with its customers, which lets them make informed purchasing decisions.

In order to consolidate the quality controls, a restructuring process of the quality office was initiated in 2022 with a view to broadening areas of responsibilities and increasing synergy between the various offices, through the inclusion of new professionals and the definition of a Group manager as a coordinating figure between the quality departments of the various branches and the various corporate functions.

5.1 TRACEABILITY OF DALTERFOOD PRODUCTS

For the sale and distribution of its products, as detailed in the Organisational Model pursuant to Italian Legislative Decree 231/01, DalterFood Group is committed to strict compliance with current regulations on labelling, traceability, classification, packaging and transport governing the food sector. To this end, DalterFood Group guarantees the following necessary information requirements for 100% of its products:

· **No misleading as to the characteristics of the food** (nature, identity, properties, composition, quantity, shelf life, country of origin and place of origin, method of manufacture or production);

· **Precision, clarity and comprehensibility:** accuracy, clarity of reading, intelligibility by the average consumer.

In order to guarantee product traceability, consumer protection and their right to make an informed choice, DalterFood Group is in fact responsible for food-related information and ensures it is accurate and non-misleading in accordance with applicable regulations. In fact, in 2023 no incidents of non-compliance were recorded with regard to information and labelling and marketing communications.

On its labels, the Group rigorously provides the following information:

· **The origin** of the product's ingredients

· **The contents**, specifically regarding substances that could have a significant environmental or social impact

· **The safe use** of the product

· **The disposal of the product** and its related environmental or social impacts.

Those parameters are verified also when specific audits are conducted. Below are the figures for the year under review.
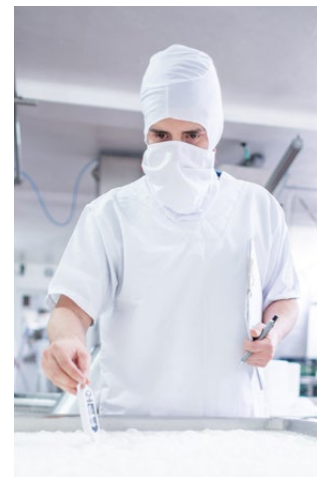
AUDITS AND INSPECTIONS CARRIED OUT	2023
OCQPR	280
BRC – IFS	7
ICEA (organic)	6
ISO22005 – Parmigiano Reggiano Cheese	2
MIPAFF	0
Veterinary service	6
Customers	24
Asil audit	1

5.2 CUSTOMER AND CONSUMER PROTECTION

For the DalterFood Group, guaranteeing customers and consumers a safe, reliable product is an essential pillar of everyday business. This modus operandi translates into a large number of product, process and environmental controls performed on 100% of the Group's products, both internally by the parent company's Quality Assurance and Control department and the quality teams of the foreign subsidiaries, and externally by qualified external laboratories.

With regard to production processes, DalterFood Group has earned several certifications, as summarised below:

	Caseificio 417 COLLINE di Selvapiana e Canossa	Caseificio 320 COLLINE del Cigarello e Canossa	Dalter	Dalter uk	VIP ITALIA
BRCS Food Safety CERTIFICATED	✔	✔	✔		
BRCS Agents and Brokers CERTIFICATED				✔	
IFS Food	✔		✔		
ICEA			✔		
SMETA	✔	✔	✔	✔	
IFS Broker					✔
HALAL WHA	✔	✔	✔		
(EU organic)		✔			
Animal Welfare	✔	✔	✔		

In 2023, Colline di Canossa S.r.l. and Dalter Alimentari S.p.A. earned HALAL certification concerning the conformity of products and industrial processes (including packaging) with the ethical and hygienic-sanitary standards of the doctrine of Islam, and thus marketable in all Islamic countries.

With regard to raw materials and packaging, all Group suppliers must:

- Be present in the list of suppliers approved by the Quality Assurance Office, providing appropriate documentation regarding the products and the activity carried out.

- Have a documented quality system that includes internal self-auditing.

- Have available all documentation certifying the food contact conformity of all packaging used to enclose products.

- Provide products derived from non-GMO raw materials and complying with Regulation EC 1829/2003 and Regulation EC 1830/2003.

- Provide products that have not been exposed to ionising radiation. In addition, suppliers of Private Label products must hold GFSI system certification (BRC/IFS/ISO22005) or be audited for approval by the Quality Assurance Department.

DalterFood Group's care and attention in safeguarding the health and safety of its consumers has always been demonstrated also through the strict observance of self-regulation codes on health and safety of products and services. During 2023 there were no non-conformities with regulations concerning health and product safety impacts.t

100%
of significant
products assessed

3
people dedicated
to new product
development

8
people dedicated
to Quality Assurance
and Control

4
system certifications to
the highest standards
(BRC, IFS, ISO 22005, Animal Welfare)

6
people on the quality
team in the two foreign
branches (DUK and VIP)

2
product certifications
(organic, mountain product)

Furthermore, in 2023 the Group received the Ecovadis Bronze Medal for sustainability, with a score of 52%, reaching 55 percentile of companies part of the Network.

In 2023, as part of the rebranding project of the Group companies, the design of the various products was also revised with the aim of creating a common system and strengthening the perception of "premiumness".

CURRENT PACKAGING	NEW PACKAGING

5.2.1 | Dialogue with customers

Company management sets as its main objective the fulfilment of customer expectations through a process that has been tried and tested over the years and is rooted at every level of the company, in which each customer request is translated into a technical specification that is recorded within the Quality System, formalised and periodically verified through the feedback received from the customer.

Serving more than 1,550 customers from industry, retailers, wholesalers and restaurant chains, the Group's activity is focused on the B2B channel, thanks to the consultative approach developed throughout the years, the quality of its products and a very high level of service. Over the years, it has consolidated strong partnerships:

- **In the retail channel**, for which it produces and packages branded products.

- **In the industrial channel**, in all sectors where cheese is a high value-added ingredient – from the production of fresh and frozen ready meals to ready-made salads, pizzas, filled pasta and sauces.

- **In the food service channel** – from restaurant chains to mass catering to the emerging world of meal kits and delivery.

DISTRIBUTION CHANNELS	% 2022	% 2023
Supermarkets	46,1%	47,9%
Wholesale	19,7%	18,4%
Industry	28,7%	28,1%
Retail stores	1,9%	1,7%
E-food	1,3%	1,5%
Temporary catering	1,1%	1,3%
Restaurant chains	0,8%	0,8%
Other	0,4%	0,4%

For DalterFood Group, listening to customers is an indispensable tool for observing more closely the needs, requirements and behaviour of each company, which are not only expressed in the purchasing process. Direct engagement with the customer has enabled the Group to grasp the needs of each one, in order to best satisfy them through customised solutions. The Group's aspiration to meet the expectations of its customers is also demonstrated by the fact that a Customer Satisfaction Survey is conducted each year, in order to gather feedback to continuously improve the service provided.

In support of this, over 40 years of operations have enabled the Group to solidify its reputation and credibility. In fact brand reputation is a key lever in the development and growth strategies in the various markets. External communication is now managed through the company website and the main social media channels, in particular through DalterFood Group's LinkedIn profile, which grew in the last year in terms of followers and interactions with customers.

The Group also participates assiduously in major trade fairs in the sector. For example, in 2023 it was among the exhibitors at Cibus (Parma - IT), PLMA (Amsterdam - NL) and Anuga (Cologne - DE), thus enjoying the chance to meet directly with future customers and prospects.

06

_OUR COMMITMENT TO THE ENVIRONMENT

_OUR COMMITMENT TO THE ENVIRONMENT

DalterFood Group is committed to combating climate change by implementing various initiatives aimed at climate change mitigation and adaptation, thus contributing to the achievement of Goal 13 of 2030 Agenda ("Climate Action").

By promoting a corporate culture geared towards environmental sustainability, the Group has confirmed its commitment to promoting a business model that integrates sustainability into all of the company's aspects and operations.

6.1 A CIRCULAR BUSINESS MODEL

DalterFood Group offers a wide range of dairy products in terms of type, weight and format. The main raw materials used by the Group are milk and cheese, which are purchased as inputs for production, while for packaging, films suitable for food contact, plastic trays and lids, paper labels and corrugated cardboard are mainly used.

Due to the nature of its business, DalterFood Group does not produce food waste: specifically, all food waste deriving from production is reused in other product (for example, broken cheese flakes which thus cannot be sold as is to end customers are used in the production of grated cheese) or are used for livestock (this is the case for Category 3, i.e. by-products not suitable for sale). In addition, a number of by-products destined for industrial use arise daily from the cheese-making process, in particular whey, which is concentrated for the extraction of proteins for the cosmetic and/or pharmaceutical industry, and cream for churning, destined for the production of food grade butter, both 100% reclaimed.

As regards waste management, a complex issue that does not lack problems linked to the variety of materials to be disposed of, DalterFood Group is committed to reducing the quantity of waste produced, attempting to develop ever more effective processing. Specifically, three systems of separate waste collection are in place:

- Two compactors for plastic and cardboard
- Big bags for collecting single material PE (transparent polyethylene), i.e. A specific plastic with a specific end-of-life procedure
- Generic unseparated waste

These systems enable the separation of waste both in the production areas and offices, and the resulting increase in the portion of waste to be recovered and reused.

In 2023, the main types of waste generated were tributary treatment sludge, plastic and paper and cardboard packaging. No hazardous waste was generated.

Plastic or wooden pallets are used to distribute the products to customers. As regards their use, in 2020 DalterFood Group joined the CHEP system, a platform that efficiently manages those resources. Specifically, the initiative aims to allocate pallets already in circulation, based on the needs of companies within the system, thereby reducing the use of materials necessary to produce them ex novo and the emissions due to their transport from the manufacturing company to the customer that uses the goods. In that regard, 94% of the wooden pallets and 6% of plastic pallets used belong to the CHEP system. Added to this is the use of EPAL pallets. While they are wooden pallets owned by the Group, their technical characteristics allow for interchangeability within the European circuit and the consequent possibility of their reuse.

6.1.1 | Research for sustainable packaging

DalterFood Group operates in a context that is continuously evolving in terms of regulations, technology and organisation. In this regard, over the past few years the activities carried out by the Group's R&D function have focused on adopting all the measures necessary to ensure compliance with the new European directives on the matter.

All packaging lines are organised according to the following work stages:

1
Washing/unpacking
Washing and cleansing cheese wheels with rind, and unpacking of vacuum-packed cheeses.

2
Grating/cutting
Automatic line for the grating phase and the use of semi-automatic disc cutters and dicers to create all the remaining cuts, such as, for example, flakes and cubes.

3
Portioning
Carried out with the help of semi-automatic cutting machines.

4
Dosing and primary packaging
Typically carried out in a modified atmosphere or vacuum packaging, by means of heat-sealing of plastic film, varying based on the type of packaging or format to be produced.

3
Boxing or secondary packaging
Boxing in secondary packaging (carton) suitable for transport.

Conveyor belts and elevator belts are present on the single lines. The cheese is moved between one line and another (for example, from washing to cutting, from cutting to primary packaging) by operators who are in charge of the correct operation of the line and its equipment, and the final boxing of the packages, where this is not automated.

Il The Group is committed to introducing new production and consumption models that are sustainable in the medium and long term. For the DalterFood Group, sustainability in choosing ecosustainable packaging materials is a process of continuous improvement. Specifically, in 2019, we began the changeover of the packaging lines from multiple materials to single-material lines, thereby ensuring this packaging can be recycled through the dedicated chain. To date, it has been possible to make this changeover only on the flexible single portion and single-serving lines, but we are working to extend this also to all the other lines. Moreover, for some time, DalterFood Group has been working to reduce the thickness of the plastics and optimise the configurations.

In support of this, the Group uses recycled input materials for production: in 2023, 83% of corrugated cardboard and 15% of plastic packaging fell under this category, both up from 2022 (80% and 9% of recycled materials used, respectively).

In addition to R&D, which is devising new processes to make packaging more efficient and recyclable, the Group has also added new projects to reduce the use of single-use plastic, and raising awareness among all employees on this issue (e.g. water dispensers, water bottles, etc.).

DalterFood Group's commitment will continue to grow in the upcoming years, through its pursuit of ambitious objectives, which can be summarised in the following streams:

- Optimisation of cartonisation and palletisation of products
- Reduction in the weight of primary and secondary packaging
- Use of recyclable and recycled plastic
- Experimentation with alternative materials to plastic that preserve product quality in the same way and ensure the same shelf-life, aroma and freshness as standard packaging, such as the use of steel cans

6.2 ENERGY CONSUMPTION AND EMISSIONS

The main fuels used by DalterFood Group are natural gas and electricity for production (lighting, management and operation of plants, boilers and the production lines) and diesel fuel and petrol for the company's vehicle fleet.

In 2023, electricity consumption (13,697 GJ) increased by 7% compared to the previous year (13,491 GJ), while natural gas consumption decreased by 7%. Since 2023, 99.5% of the electricity used by the Group comes from certified renewable sources with Guarantee of Origin and accounts for 34% of the DalterFood Group's total consumption. In addition, a 112 kWp photovoltaic system for self-generation of electricity was installed in the Selvapiana e Canossa cheese factory in November 2023, which will come into operation in 2024.

With regard to the company fleet, there was a 15% decrease in consumption (1,128 GJ) compared to 2022 (1,335 GJ).

ENERGY INTENSITY BY VECTOR	Unit of measurement	2022	2023
Production volumes	Kg	**5.587.083**	**5.639.445**
Electricity	kWh/kg	0,67	0,67
Natural gas	m³/kg	0,12	0,11
Diesel fuel	l/kg	0,005	0,004
Total energy consumption	GJ/kg	0,007	0,007
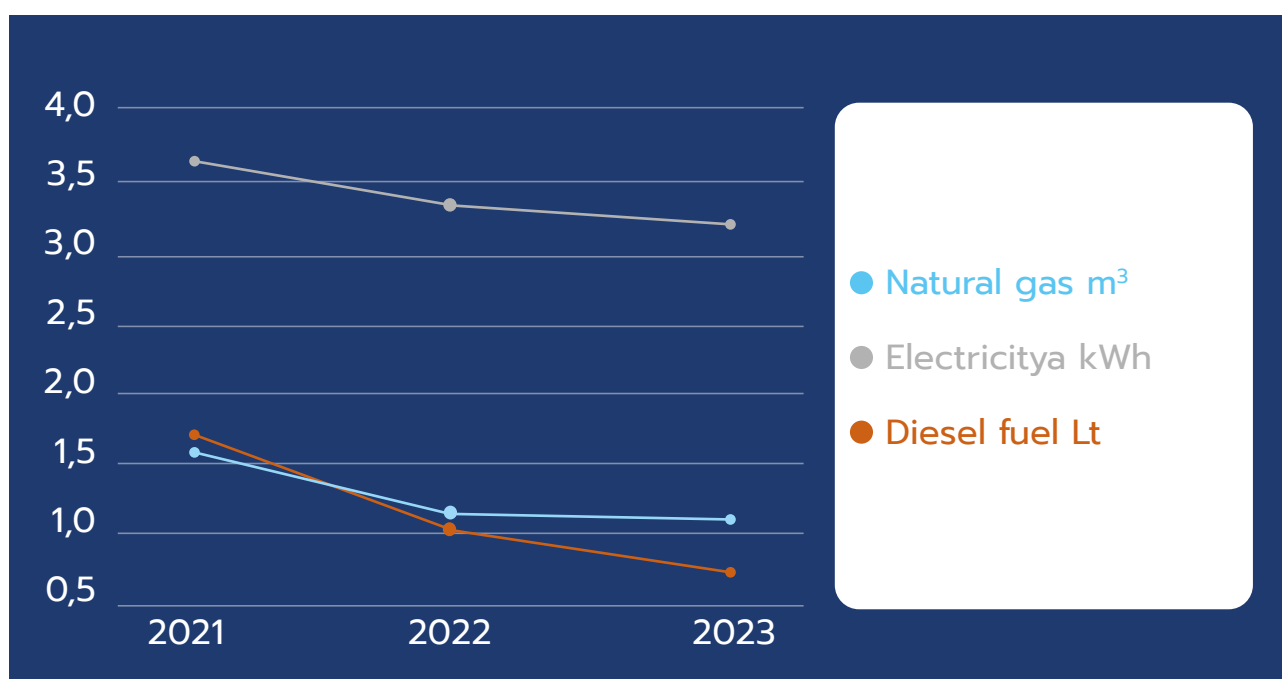
ENERGY DIAGNOSIS

As in the previous year, DalterFood Group updated the energy diagnosis of the Cigarello e Canossa cheese factory, the Colline di Selvapiana e Canossa cheese factory and Dalter Alimentari S.p.A., with the goal of identifying the improvement actions in terms of energy efficiency and costs, and to consequently adopt an action plan to further reduce the negative consequences on the environment.
As regards the cheese factories, consumption mainly derives from the running of machinery, boilers, refrigerator cells and the control of the warehouse temperature. As regards the Sant'Ilario site, instead, energy is used to run the machinery, refrigerator cells and offices.

 Specifically, the diagnosis conducted for the Cigarello e Canossa cheese factory showed that, as there is currently no system in place for monitoring energy consumption, the introduction of such a system in the next few years should be decided, in order to keep under control the most energy-intensive lines of the cheese factory, and the installation of a photovoltaic plant should be decided to generate electricity from renewable sources, as well as a web-based energy management system.

ELECTRICAL ENERGY (GJ)
CONSUMED BY THE GROUP

13.491 GJ — 2022

13.697 GJ — 2023
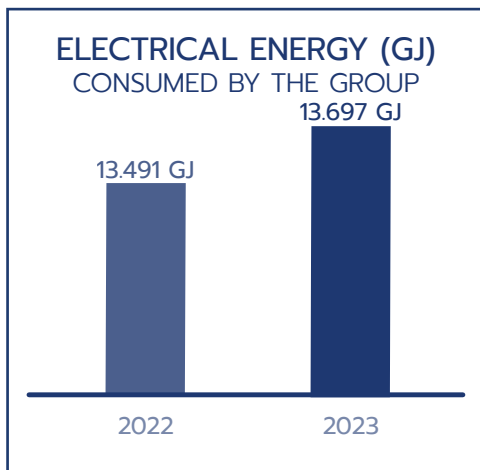
The Colline di Selvapiana e Canossa cheese factory is now controlled by a monitoring system, which, however needs to include also the monitoring of the power lines, to keep the energy consumption of the most energy-intensive activities under control. In addition, following the installation of the photovoltaic system, it was suggested that the installation of a web-based energy management system should also be considered.
The diagnosis conducted by Dalter Alimentari S.p.A showed that the current monitoring systems in use are excellent. Moreover, based on the results of the evaluation, the Company prioritised certain projects over others, mainly on the basis of available space, such as:
• 	The adoption of an ISO 50001 energy management system
• The installation of a cogeneration plan fuelled by natural gas
• The installation of a new photovoltaic plant

EMISSIONS

DalterFood Group monitors greenhouse gas emissions (Scope 1 and Scope 2), aware of their impact on the climate. Specifically:

> • **Scope 1:** includes direct emissions generated by the company, whose source is owned or controlled by the company, such as fuel used for heating and for the operating equipment needed for the company's operations.

> • **Scope 2:** includes indirect emissions from energy purchased and consumed by the company. Specifically, in compliance with the requirements of the GRI reporting standards, the latter are calculated using location-based and market-based methods, using nationally and internationally recognised emission factors.

The Group's direct Scope 1[7] emissions in 2023 amounted to 1,323 tCO_{2e}, a decrease of 8% compared to the previous year (1,442 tCO_{2e}), in line with the decrease in gas and fuel consumption for the car fleet. In contrast, indirect Scope 2 emissions[8] amounted to 1,634 tCO_2 according to the location-based approach and 13 tCO_2 calculated using the market-based method. The latter decreased by 99% compared to 2022 (1,723 tCO_2) due to the almost total supply of electricity from renewable sources.

SCOPE 1 + SCOPE 2 MB	1323,27	13,1015
SCOPE 1 + SCOPE 2 LB	1323,27	1634,2973

DalterFood is aware of the need to expand the calculation of its carbon footprint to include the Group's upstream and downstream activities, in order to be more aware of all negative impacts on the environment and to thus adopt the necessary measures for their reduction. In support of this effort, a process was initiated in 2022 to measure the totality of emissions caused by the Group and its business relationships (thus including Scope 3 GHG emissions).

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[7] To calculate Scope 1 emissions, "DEFRA 2023" emission factors were used.

[8] The GRI Sustainability Reporting Standards set out two methods for calculating Scope 2 emissions, the location-based method and the market-based method. The market-based method considers CO_2 emissions deriving from electricity purchased from external suppliers through an actual contract, and may be calculated considering: certificates of guarantee of origin of the energy and direct contracts with suppliers, specific emission factors, emissions factors relating to the residual mix, i.e. energy and emissions not monitored or not claimed (method used, with emission factor for 2023: 500 gCO_2/kWh (Italy) and 719.9 gCO_2/kWh (Germany) - source: AIB 2024 - European Residual Mixes 2023). The location-based method is based on average emission factors relating to energy generation within well-defined geographic borders, including local, sub-national or national borders (method used, with emission factor for 2023: 431.14 gCO_2/kWh (Italy) and 96.13 gCO_2/kWh (Germany) - source: AIB 2024 - European Supplier Mixes 2023).
Scope 2 emissions are expressed in tonnes of CO_2. The percentages of methane and nitrous oxide have a negligible impact on total greenhouse gas emissions (CO_2 equivalent), as inferred by the relative technical literature.
Following a refinement of the emission factors used, the Scope 2 emission figure for 2022 was restated. For the data previously published, refer to the Sustainability Report 2022, published on the website www.dalterfood.com

THE DALTERFOOD GROUP'S SCOPE 3 EMISSIONS

The Science Based Targets initiative (SBTi) supports the process of setting decarbonisation targets based on climate models as a means to foster companies' commitment to the transition to a low-carbon economy. The DalterFood Group has submitted its emission reduction targets to SBTi, against which it calculated its indirect GHG emissions for 2022 (Scope 3) resulting from the upstream and downstream activities in the Group's value chain.
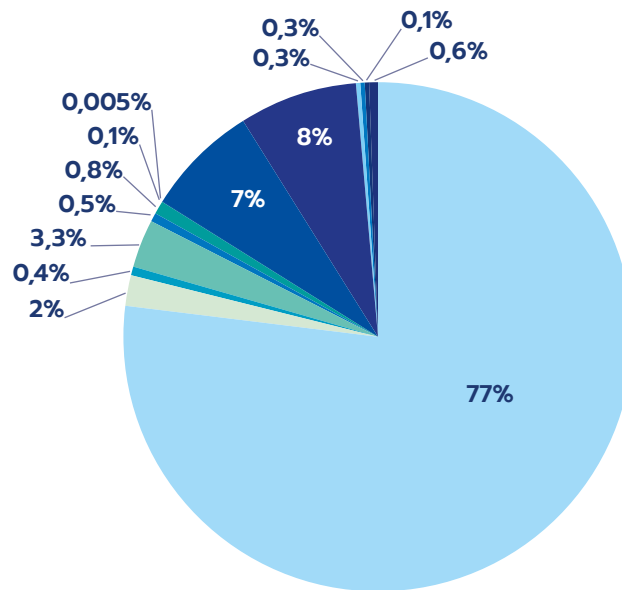
CATEGORIES	EMISSIONS tCO2	%
● Purchased goods and services	122.943	77
● Capital goods	3.220	2
● Extraction of fuel and energy	656	0,4
● Upstream transport and distribution	5.238	3,3
● Production scrap and waste	787	0,5
● Business travel	1.219	0,8
● Employee commuting	229	0,1
● Purchase of leased assets	3	0,005
● Downstream transport and distribution	11.248	7
● Processing of products sold	12.118	7,6
● Use and enjoyment of the service/product	523	0,3
● End-of-life of products sold	440	0,3
● Leasing of assets	160	0,1
● Franchises	N/A	N/A
● Investments	826	0,6

The Group's total Scope 3 emissions for 2022 were 159,610 tCO2.

6.3 WATER CONSUMPTION

Water is used in significant quantities within DalterFood's production operations: it is indispensable for processing, washing and disinfection in the cheese factories, as well as being used to supply thermal energy to the boilers where the milk is heated.

WATER CONSUMPTION
ONLY ITALIAN FACILITIES (2022-2023)

43 ML	51 ML
2022	2023
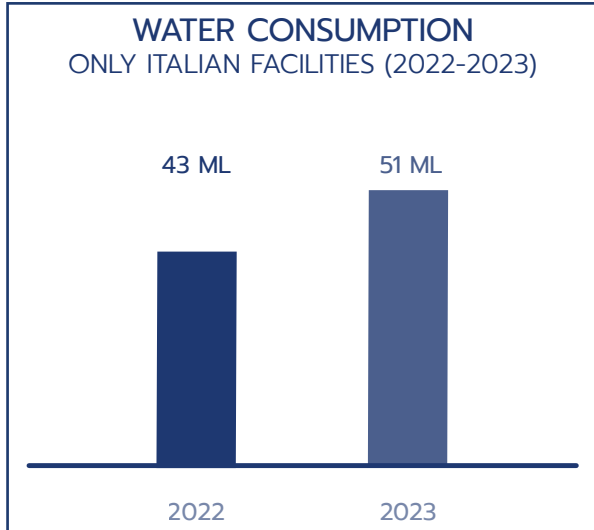
Aware that this is a precious, limited resource, the Group is committed to minimising water waste through the application of specific technologies and the adoption of production synergies to reduce water consumption per unit of product. In addition to civil use, the largest amount of water consumed is attributable to the cheese washing process, which results in the loss of small quantities of protein and fat and the resulting pollution of the water. For the purpose of better water treatment, in 2022 DalterFood Group installed a higher performing plant equipped with a dissolved air flotation system that carries out the chemical-physical removal of that waste and improved treatment of wastewater.

_HUMAN CAPITAL: THE ENGINE DRIVING DALTERFOOD GROUP

_HUMAN CAPITAL: THE ENGINE DRIVING DALTERFOOD GROUP

DalterFood Group is aware that its people are the key to success. Therefore, their value is recognised through the protection and promotion of their welfare and satisfaction. This appreciation is put into practice by providing appropriate training and professional development tools, offering a reward system linked to the achievement of specific personal and Group-wide objectives and, more generally, listening to the needs of the individual employee. For the Group, caring for and respecting the value of human capital is the foundation of our daily actions, with the aim of providing a calm, motivating working climate.

7.1 EMPLOYEE INCLUSION, WELL-BEING AND GROWTH

As at 31 December 2023, the DalterFood Group workforce was composed of 181 people, up on the previous years (+5% compared with 2022[9]). Considering the total, 60% of the employees are men and the remaining 40% are women. That difference is mainly attributable to the specific nature of the business, which primarily employs men due to the physical effort required in the production activities (women are, instead, involved largely in office duties). The age breakdown of the Group workforce showed a majority in the age range of 30 to 50 (52%), while under 30s represent 16% of the workforce, and over 50s 32%.

181 EMPLOYEES IN 2023

+5%
COMPARED TO 2022

2022   2023
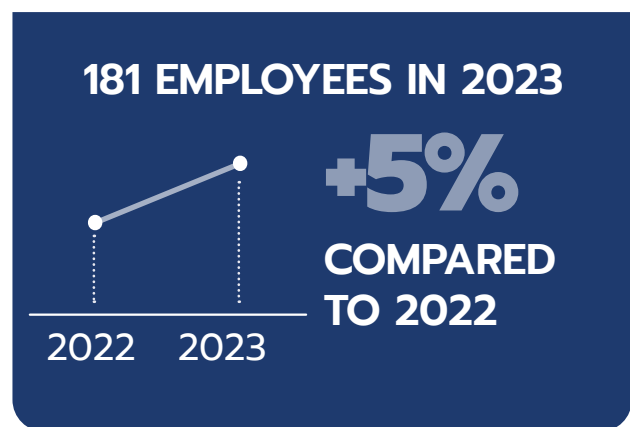
[9] A seguito di un processo di miglioramento del sistema di rendicontazione e al fine di garantire la comparabilità dei dati, il dettaglio relativo al totale dell'organico è stato riesposto rispetto a quello pubblicato nel precedente Bilancio di Sostenibilità. Per i dati precedentemente pubblicati si rimanda al Bilancio di Sostenibilità 2022, pubblicato sul sito www.dalterfood.com

In 2023, 82% of DalterFood Group's workforce was employed on a permanent basis and the remaining 18% on a fixed-term basis, in line with the previous reporting year. Instead, as regards full-time and part-time work, the Group is attentive to the needs of its employees as regards working hours and the resulting work-life balance. In 2023, 9% of employees worked part-time, a percentage practically unchanged on the previous year. For its operations, the Group uses a small number of external workers, including interns, contractors, temporary workers and on call workers, for a total of 9 people as at 31 December 2023.

CONTRACT TYPE IN 2023

18%

82%

● OPEN-ENDED CONTRACTS
● FIXED-TERM CONTRACTS

WOMEN
62   11

MEN
86   21

% FULL TIME AND PART-TIME WORKERS IN 2023

9%

91%

● FULL TIME   ● PART TIME

WOMEN
61   12

MEN
104   4
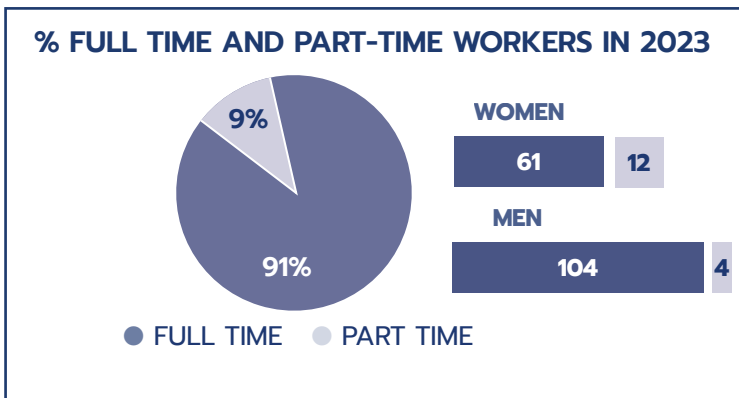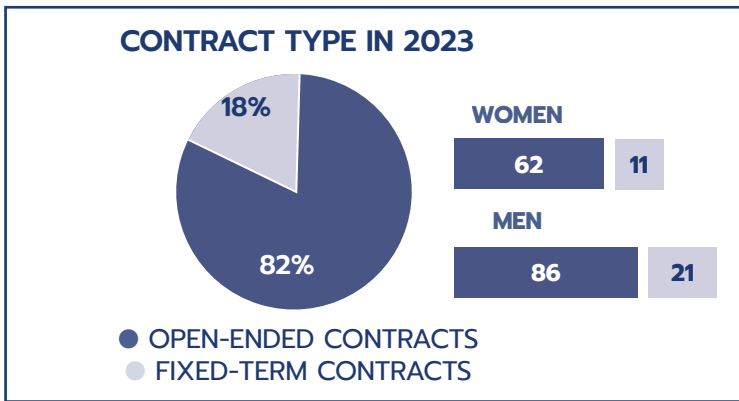
87% of the staff throughout the Group are employed under the national collective labour agreement for food products, while for the foreign sites contracts consistent with the regulations in force in the corresponding countries apply. Based on annual agreements, all the Parent Company's employees are paid an annual bonus linked to the performance of production and the business: the criteria for earning the bonus are discussed at dedicated meetings with the management, in which the quarterly progress in achieving the target is illustrated. In addition, for several specific categories of employees, an annual bonus linked to individual performance is granted. Similarly, all employees of Colline di Canossa are granted a bonus based on the production and expertise of Parmigiano Reggiano. In 2023, all employees in the German Group company also received an additional bonus to counter inflation, whereas, in the UK branch the annual bonus is based on internal KPIs set in agreement with the Group CEO.

In the Group's two Italian companies, severance payments and pension fund payments are governed by the relevant national labour agreement and both rely on the ENFEA fund. Similarly, in Dalter UK there is a company pension fund for all employees. UNISALUTE health insurance is also provided to all employees in Italian companies, and in 2022 meal vouchers were introduced for all employees, the value of which was increased in January 2023. The Parent Company has also entered into agreements with credit institutions to offer discounts to employees of Dalter Alimentari and Colline di Canossa in shops and facilities affiliated with the bank.

As far as foreign companies are concerned, VIP Italia gave employees without company cars petrol vouchers; whereas, Dalter UK provided the following benefits:

- "Cycle to work" programme, in which employees received a 42% discount on the purchase of a bicycle and accessories of their choice.

- Teleworking two days a week for all employees.

- Annual eye test free of charge and £25 for the cost of glasses if they are needed for computer work.

- Loyalty bonuses, such as an additional 1 day of holiday for each year of work up to a maximum of 30 days granted to employees who have between 5 and 10 years of service. On reaching 10 years of service the employee receives a bonus of £5,000 in their pay slip.

Continuous improvement, recognition of everyone's contribution and the pursuit of excellence are part of the Group's DNA and are encouraged as such. To achieve these goals, the DalterFood Group adopts strict selection criteria and pays attention to the hiring of good resources. In 2023 the parent company started a process to formalise its HR procedures with the aim of extending them to all Italian companies and providing guidelines to foreign companies.

During 2023 the Group hired 42 people, of which 29 men and 13 women, resulting in a hiring rate of 23%. Analysing the total new hires, almost 40% were under 30, demonstrating the Group's intention to incentivise the hiring of young resources to support the employment of young people, especially among the local population, thereby providing economic value to local areas. Terminations, on the other hand, decreased by 33% compared to the previous year (49 departures in 2022), registering a turnover rate of 18% with a total of 33 departures.

Selection process

The personnel selection process relies on different channels depending on the profile of the figure sought, from temporary agencies to spontaneous applications received via the company website or directly delivered to Group companies. Over the years, the parent company has entered into agreements with local universities, in particular UniPr, to offer students the opportunity to carry out curricular traineeships in the company, in some cases also resulting in hiring. In 2023, moreover, Dalter Alimentari opened the company's doors to work-study programmes with local schools.

The assessment of candidates is conducted on the basis of defined, transparent procedures exclusively oriented towards finding the profiles that best meet the company's needs and expectations, from a purely meritocratic perspective, guaranteeing equal opportunities for all interested parties. Within the limits of the information available, the Human Resources Department takes appropriate measures to avoid favouritism, nepotism or forms of patronage in the selection and recruitment phases (e.g. by making sure the recruiter is not related to the candidate), or conflicts of interest.

At the time of hiring the same company procedures are applied for all personnel, both internal and external hires: they are provided with the company regulations, the code of ethics, the work equipment necessary for their specific duties (for example, personal laptop and mobile phone for office workers and uniforms and personal protective equipment for factory workers). The on-boarding process also includes a training and mentoring programme.

Skills development

The enhancement of professionalism and the growth of skills are a strategic factor for competitiveness in the market. In 2023, DalterFood Group recorded a total of 3,504 hours of training provided in its monitoring system, an 87% increase over 2022 (1,875 total hours). Training focused on health and safety as well as the development of basic and technical skills. Moreover, the parent company has in place a plan for the development of cross-cutting skills through the implementation of dedicated training plans based on the skills needed to perform one's job. In fact, in 2023, specially designed training courses were organised on the basis of the departmental managers' assessment of their staff's skills in order to boost both technical skills (such as language or software) and cross-cutting skills (e.g. on effective communication and project management).

3.504 hours

OF TRAINING PROVIDED IN 2023 (+87% COMPARED TO 2022)

TRAINING HOURS BY TYPE 2022 (%)
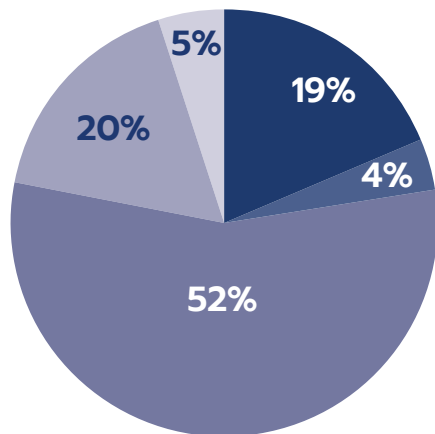
- **19%** QUALITY
- **4%** LANGUAGES
- **52%** SAFETY IN THE WORKPLACE
- **20%** PROFESSIONAL TECHNICIAN
- **5%** INSTITUTIONAL AND BUSINESS

TRAINING HOURS BY TYPE 2023 (%)
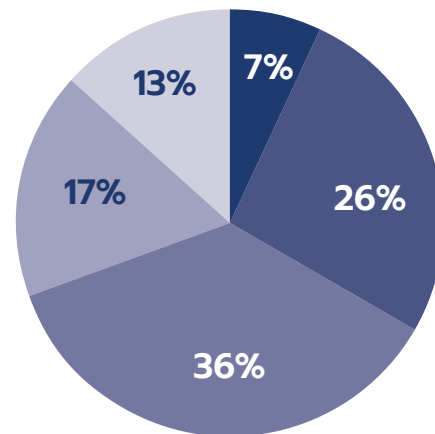
- **7%** QUALITY
- **26%** LANGUAGES
- **36%** SAFETY IN THE WORKPLACE
- **17%** PROFESSIONAL TECHNICIAN
- **13%** INSTITUTIONAL AND BUSINESS

Employee well-being

For DalterFood Group the **well-being of its employees** is a priority. For that reason, it undertakes to promote a peaceful work environment and, as a result, guarantee psychophysical and social well-being. As noted, the Group has made available to its employees a supplementary health insurance system to its employees and the option of remote work five days a month and introduced the use of lunch vouchers at all Italian locations. Workers' requests are an important component for the Group: in order to facilitate dialogue, quarterly meetings are held with the General Manager, extended to all staff, and periodically a questionnaire is administered to them in which they can report critical issues or provide suggestions for the improvement of work activities. Finally, a company climate analysis is planned to be conducted in 2024 to assess employee satisfaction in several areas, from perception of management to career development.

Diversity and inclusion

DalterFood Group is committed to providing equal opportunities in employment and professional advancement for all employees. Senior management and managers of company departments are responsible for ensuring respect for equal opportunities including in the employment relations, guaranteeing the absence of discrimination in the workplace, guaranteeing fair treatment based on merit and identifying and resolving in a timely manner any problems arising in this regard. In addition, each department manager must guarantee that in the processes of hiring, training, remuneration, promotion, transfer and termination of employment, employees are treated equally irrespective of their gender and considering their ability to meet the requirements of the position. As proof of the Group's sensitivity, DalterFood is working on earning UNI PdR 125:2022 certification on Gender Equality, putting in place the necessary human resources, diversity and inclusion safeguards.

Protection of human rights and non-discrimination

The Group constantly promotes the respect for and protection of the individual, in terms of m oral, cultural, physical and professional integrity, and adopts tools and procedures to ensure that all workers are respected and protected from any risk of unlawful conditioning, distress or prejudice. Human rights are regulated based on the code of ethics and the law in the country where the Group company is located.

The aim is to foster the professional growth of each employee and, consequently, to increase corporate welfare. Values such as meritocracy, loyalty, reliability, dedication and a collaborative spirit inspire relations within the Group, which is committed to fostering their dissemination among employees along with a mindset of integration. In support of this, it is confirmed that also in 2023, no incidents of discrimination were reported.

7.2 OCCUPATIONAL HEALTH AND SAFETY

For the DalterFood Group, ensuring that its employees live in a **safe working environment** is a **priority**, which is why the Group has adopted a preventive approach through the involvement of all stakeholders by providing a health protocol for each task: in addition to the occupational medicine control procedures, as a result of the occupational physicians identified and appointed at each production site, all employees are protected according to a health protocol that identifies their duties and, consequently, the compulsory check-ups to be carried out according to a specific schedule.

Each worker, in order to avoid any possible risk for himself or herself and for his or her colleagues or collaborators, in performing his or her duties, must pay the utmost attention to the observance of all established safety and prevention measures, as well as to the instructions and directives provided by the persons to whom the Company has delegated the fulfilment of health and safety obligations.

DalterFood Group is committed to spreading and consolidating a culture of safety, developing awareness of risks, compliance with current regulations and promoting responsible behaviour. To that end, it undertakes to periodically update the occupational risk analysis and, in the event that accidents, near-misses or reports of dangerous situations occur, the existing procedures shall be updated, any new controls necessary shall be introduced and, where suitable, workers shall be newly trained on the contents of the procedures to increase their awareness of the risks associated with the activities.

In compliance with the applicable health and safety regulations, for the above-mentioned purposes, the Company requires that its workers comply with the following principles:

- **Eliminate risks and, where this is not possible, reduce them to a minimum**

- **Assess risks that cannot be avoided**

- **Reduce risks at the source**

- **Replacement of what is dangerous with what is not dangerous or is less dangerous**

- **Prioritisation of collective protection measures over individual protection measures**

- **Imparting of adequate instructions and training to workers**

- **Taking the degree of technological development into account**

- **Observe ergonomic principles in the design of workspaces and judicious choices in relation to work equipment and working methods, in particular to mitigate monotonous and repetitive work and reduce its impact on health**

- **Planning of preventive measures, striving for a coherent set of initiatives that integrate technology, work organisation, working conditions, social relations and the influence of the working environment**

During 2023 there were two cases of occupational disease among employees, a decrease of 67% compared to last year (six cases). There were no cases related to external workers. Work-related ill health mainly derives from the handling of heavy loads. To reduce those events, the Group has implemented a process of automating several phases, for which manual handling is required, by adopting equipment more modern equipment (e.g. A-frame lift, electric pallet truck, forklift, etc.). In the next few years, additional new equipment will be inserted to avoid transporting carts by pushing them, and changes will be made to the salting rooms to further reduce the residual risks from handling the cheese wheels.

15 cases of accidents occurred, of which only one serious, increasing by 67% versus 2022 (9 accidents recorded), resulting in an accident rate of 10.7, which also increased compared to the previous year, when the value came to 6.5. The growth recorded is closely correlated to the increase in the number of employees in the cheese factory and in the plant. In addition to the increased safety and automation of the most "risky" operations, where possible, the Group intensified training and awareness-raising actions on production-related risks and the proper use of PPE, even installing a vending machine to ensure that everyone has access to such equipment at all times.

7.3 PROJECTS SUPPORTING THE LOCAL COMMUNITY

The value of a company cannot only be measured by its financial and sales figures, but also by its ability to return value to the community from which it draws its main resources. For a company like DalterFood Group, characterised by a production strategy closely linked to a precise geographic location, the surrounding region (understood both as the people who live and work for the Group and as the natural resources used to produce the final product) takes on an essential importance.

Over the years, DalterFood has developed strong links with the local areas it operates in, promoting solidarity and support to the community, but also contributing to social, economic and environmental development. In 2023 support was renewed for the Cooperativa Sociale Panta Rei of Reggio Emilia for the study of new protocols to allow autistic children to access food. The Cooperative operates in the childcare sector with the management of education services for children aged 0 to 6 and is a point of reference for the communities of Reggio Emilia, Modena and Milan. Lastly, support for the A.S.D. L.G. Competition Castelnovo né Monti minibasket teams is planned for 2024, demonstrating the Group's proximity to the community surrounding the cheese factories.

The Group is also committed to implement projects over the next few years dedicated to the well-being of the local areas, based on three pillars:

Ensuring employment opportunities for local communities

Operating with respect for the surrounding environment

Enhancing the specificities of the places of origin of products
so as to create development for the local area by promoting the Italian agricultural food chain.

These intrinsic and distinctive values have led the Group to consolidate positive links with stakeholders, establishing networks of relationships with the aim of protecting the social fabric surrounding them.

_ATTACHMENTS – CORRELATION BETWEEN IMPACTS, MATERIAL TOPICS AND GRI STANDARDS

MATERIAL TOPIC	IMPACTS - DESCRIPTION AND TYPE	RELATED GRI STANDARDS	GROUP INVOLVEMENT
PRODUCT QUALITY AND SAFETY	**CUSTOMER SATISFACTION** – Offering products and services that meet customer needs (Positive / Current)	N/A	Caused and directly related through its business dealings
	PRODUCT NON-CONFORMITY – Negative impacts on the health of the users of the product or service due to a lack of or the inefficiency of: controls or management systems on product quality and safety throughout the value chain (Negative / Potential)	GRI 416: CUSTOMER HEALTH AND SAFETY (2016)	
	TRACEABILITY AND LABELLING – Dissemination of imprecise, misleading and deceptive information relating to the organisation or its products (Negative / Current)	GRI 417: RESPONSIBLE MARKETING AND LABELLING (2016)	
EMPLOYEE INCLUSION, WELL-BEING AND GROWTH	**FAIR REMUNERATION OF STAFF** – Fair remuneration policies that promote workers' abilities (Positive / Current)	GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)	Caused
	DISCRIMINATION IN TERMS OF RESPONSIBILITY, COMPENSATION AND CAREER ADVANCEMENT – Negative impacts on employee satisfaction and motivation due to discrimination (related to gender, age, ethnicity, etc.) or other non-inclusive practices (Positive / Current)	GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)	
	EMPLOYEE SATISFACTION AND WELL-BEING – Promotion of employee satisfaction and well-being through the implementation of well-being activities and targeted benefits (Positive / Current)	GRI 401: EMPLOYMENT (2016)	
	DEVELOPMENT AND EVALUATION OF WORKERS' SKILLS THROUGH TRAINING – Improvement of workers' skills through training and professional development, also linked to personalised growth and evaluation objectives (e.g. career development plans)(Positive / Current)	GRI 404: TRAINING AND EDUCATION (2016)	
	JOB CREATION – Supporting local development through job creation and hiring in places where the Group has a physical presence (Positive / Current)	GRI 202: MARKET PRESENCE (2016)	
CONSUMER HEALTH AND SAFETY	**OFFER OF SAFE, HIGH QUALITY AND DURABLE PRODUCTS** – Development of products that meet quality and safety criteria aligned with industry best practices (Positive / Current)	GRI 416: CUSTOMER HEALTH AND SAFETY (2016)	Caused and directly related through its business dealings
	BREACH AND LOSS OF CUSTOMER DATA AND POOR MANAGEMENT OF INFORMATION SECURITY – Violations of applicable laws and failure to apply optimal data management procedures to the detriment of stakeholder privacy (Negative / Potential)	GRI 418: CUSTOMER PRIVACY (2016)	
	PRODUCT AND PROCESS INNOVATION – Promotion of innovative and trend-sensitive products and implementation of R&D with positive impacts on stakeholder expectations and Group competitiveness (Positive / Current)	N/A	
ANIMAL WELFARE	**FAILURE TO PROTECT ANIMAL WELFARE** – Unethical treatment of animals during breeding and failure to implement measures that promote animal welfare and safety (Negative / Potential)	N/A	To which it contributes

MATERIAL TOPIC	IMPACTS - DESCRIPTION AND TYPE	RELATED GRI STANDARDS	GROUP INVOLVEMENT
ETHICS AND BUSINESS INTEGRITY	NON-COMPLIANCE WITH LAWS, REGULATIONS AND STANDARDS – Non-compliance with laws and regulations, internal and external standards applicable, with the related negative social/ environmental/economic impacts (Negative / Potential)	N/A	Caused and directly related through its business dealings
	CASES OF VIOLATION OF HUMAN RIGHTS WITHIN THE ORGANISATION AND ITS VALUE CHAIN – Violation of human rights along the value chain and within the company, such as the right to freedom of association and collective bargaining, child labour, forced or compulsory labour (Negative / Potential)	GRI 406: NON-DISCRIMINATION (2016)	
	NEGATIVE IMPACTS ON PEOPLE AND ECONOMIC SYSTEMS DUE TO UNETHICAL BUSINESS CONDUCT – Anti-competitive behaviour, monopolistic practices, corruption with negative impacts on the economy and markets (Negative / Potential)	GRI 205: ANTI-CORRUPTION (2016) GRI 206: ANTI-COMPETITIVE BEHAVIOUR (2016)	
OCCUPATIONAL HEALTH AND SAFETY	ACCIDENTS AND OCCUPATIONAL DISEASES – Occupational accidents and work-related ill health with negative consequences on the health of direct workers or external collaborators[10] (Negative / Current)	GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)	Caused
	HEALTH PROMOTION – Contribution to the improvement of employee health through the adoption of health promotion initiatives (Positive / Current)	GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)	
CIRCULAR ECONOMY AND MANAGEMENT OF NATURAL RESOURCES	WATER CONSUMPTION – Use of water in production processes affecting the availability of water (Negative / Current)	GRI 303: WATER AND EFFLUENTS (2018)	Caused
	PACKAGING RAW MATERIAL CONSUMPTION – Environmental impact of using non-recyclable packaging materials (Negative / Current)	GRI 301: MATERIALS (2016)	
WASTE MANAGEMENT	WASTE GENERATION – Environmental pollution due to the production of hazardous and non-hazardous waste (Negative / Potential)	GRI 306: WASTE (2020)	Caused
	FOOD WASTE – Food waste due to failure to sell products or inadequate supply of raw materials (Negative / Potential)	GRI 306: WASTE (2020)	
ENERGY CONSUMPTION AND EMISSIONS	ENERGY CONSUMPTION – Energy consumption from non-renewable sources, with resulting negative impacts on the environment and reduction in energy stocks (Negative / Current)	GRI 302: ENERGY (2016)	Caused
	GENERATION OF DIRECT AND INDIRECT ENERGY GHG EMISSIONS (SCOPE 1 AND 2) – Contribution to climate change through direct and indirect energy GHG emissions, related to the activities carried out in the Group's offices and sites (Negative / Current)	GRI 305: EMISSIONS (2016)	Caused and directly related through its business dealings
ECONOMIC PERFORMANCE	VALUE CREATION – Direct and indirect positive economic impacts generated by the organisation through its business activities for employees, local communities and other stakeholders (Positive / Current)	GRI 201: ECONOMIC PERFORMANCE (2016)	Caused
RESPONSIBLE MANAGEMENT OF THE RAW MATERIAL MILK	IMPACTS OF LIVESTOCK FARMS ON ECOSYSTEMS AND SOIL HEALTH – Impacts on biodiversity and the quality of natural ecosystems, including erosion and/ or reduction of the fertility of the soil, also linked to the use of pesticides, incorrect management of wastewater and the production of methane along the supply chain (Negative / Potential)	GRI 304: BIODIVERSITY (2016)	Caused and directly related through its business dealings
	CONTRIBUTION TO LOSS OF BIODIVERSITY – Adoption of breeding practices that favour species not native to the places where the Group produces that may cause damage to biodiversity (Negative / Potential)	GRI 304: BIODIVERSITY (2016)	
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACTS ALONG THE SUPPLY CHAIN – Negative impacts related to the procurement of goods and services from suppliers, in particular with regard to their impacts on environmental, social and economic aspects (Negative / Potential)	GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016) GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)	Caused and directly related through its business dealings

[10]The data on the accidents of external collaborators include only the categories of temporary workers, self-employed workers and interns and not other types of non-employee workers working at Group sites and/or under the Group's control, in view of their significance and the availability of such data that are not under the Group's direct control.

PERFORMANCE INDICATORS

Environmental responsibility
GRI STANDARDS 301-1 DISCLOSURE: Materials used by weight or volume

Type of materials	Unit of measurement	2022		2023	
		Renewable	Non-Renewable	Renewable	Non-Renewable
Total materials related to the process					
Milk	litres	36.317.286	-	35.771.200	-
Cheese purchased	kg	13.298.694	-	17.224.929	-
Total packaging material					
Plastic derivatives (e.g. films, bags, lids, trays and tubs)[11]	kg	-	753.499	-	778.397
Labels	No.	15.659.060	-	15.621.140	-
Total other					
Other raw materials used - Cellulose	kg	36.000	-	33.600	-
Wooden pallets (CHEP circuit)	No.	11.885	-	12.935	-
Plastic pallets (CHEP circuit)	No.	-	514	-	789

GRI STANDARDS 301-2 DISCLOSURE: Recycled input materials used[12]

Materials	2022	2023
	% recycled materials	% recycled materials
Corrugated cardboard	80%	83%
Plastic packaging	9%	15%

GRI STANDARDS DISCLOSURE: 301-3 Reclaimed products and their packaging materials

Reclaimed products and their packaging materials for each product category	2022 %	2023 %
Milk serum for processing	100%	100%
Cream that has risen	100%	100%
Rinds	1%	2%
Meals	0%	3%
Milling	1%	0%
Category 3	1%	1%

[11] *The type of material specified also includes some cardboard components. Since they are in a minority, they were nevertheless considered under the same heading.*
[12] *The reporting boundary only includes Dalter Alimentari S.p.A..*

GRI STANDARDS 302-1 DISCLOSURE: Energy consumption within the organisation

Energy used within the organisation		
	2022	**2023**
Total energy consumption (GJ)	**41.384**	**39.550**
of which from non-renewable sources (GJ)	41.384	25.918
of which from renewable sources (GJ)	-	13.632
of which electricity (GJ) purchased	**13.491**	**13.698**
of which from renewable sources (GJ)	-	13.632
of which from non-renewable sources (GJ)	13.491	66
of which fuel (GJ)	**27.895**	**25.853**
natural gas (GJ)	26.560	24.724
diesel fuel for vehicle fleet (GJ)[13]	1.102	749
petrol for vehicle fleet (GJ)	233	380

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

Direct Scope 1 emissions			
Scope 1	**Unit of measurement**	**2022**	**2023**
Fuel used for heating/production			
Natural gas	tCO2e	1.353	1.250
Vehicle fleet – Company use			
Diesel fuel	tCO2e	74	50
Petrol	tCO2e	15	23
Total Scope 1 emissions	**tCO2e**	**1.442**	**1.323**

[13] All cars were considered "for company use", both for 2022 and for 2023.

GRI STANDARDS 305-2 DISCLOSURE: Indirect (Scope 2) GHG emissions from energy consumption

Total direct and indirect emissions[14]	Unit of measurement	2022	2023
Direct Scope 1 emissions	tCO2e	1.442	1.323
Indirect Scope 2 emissions – Location-Based	tCO2	1.239	1.634
Indirect Scope 2 emissions – Market-Based	tCO2	1.723	13

Conversion factors

	2022 GJ	2023 GJ	Source
1 kWh	0,0036	0,0036	**COSTANTE**
1 scm of natural gas for heating/ production	0,0398	0,0403	**UK Government - GHG Conversion Factors for Company Reporting, 2022 e 2023**
1 l Diesel - company fleet	0,0382	0,0378	
1 l of petrol - company fleet	**0,0343**	**0,0341**	

Emission factors[15]

	2022	2023	Source
Indirect emissions – Scope 2 (tCO$_2$/KWh) – Location-based - Italy	0,0003	0,0004	**AIB, European Supplier Mixes, 2022 e 2023**
Indirect emissions – Scope 2 (tCO$_2$/KWh) – Location-based - Germany	0,0002	0,0001	**AIB, European Supplier Mixes, 2022 e 2023**
Indirect emissions – Scope 2 (tCO$_2$/KWh) – Market-based - Italy	0,0005	0,0005	**AIB, European Residual Mixes, 2022 e 2023**
Indirect emissions – Scope 2 (tCO$_2$/KWh) – Market-based - Germany	0,0005	0,0007	**AIB, European Residual Mixes, 2022 e 2023**
Natural gas for heating/production (tCO$_{2e}$/scm)	0,0020	0,0020	**UK Government - GHG Conversion Factors for Company Reporting, 2022 e 2023**
Diesel for heating/production (tCO$_{2e}$/l)	0,0028	0,0027	
Automotive diesel fuel (tCO$_{2e}$/l)	0,0026	0,0025	
Automotive petrol (tCO$_{2e}$/l)	0,0022	0,0021	

[14] *Location-based and market-based indirect Scope 2 emissions for the year 2022 were restated following a refinement of the emission factors used in the calculation methodology.*
[15] *The emission factors reported by AIB, European Residual Mixes, 2022 and 2023 editions, are expressed in tonnes of CO$_2$ Nonetheless, the percentage of methane and nitrous oxide has an immaterial effect on the total greenhouse gas emissions (CO$_{2e}$), as can be seen in the technical reference literature..*

GRI STANDARDS 303-3 DISCLOSURE: Water withdrawal

Water withdrawal[16]					
Source of withdrawal	**Unit of measurement**	**2022**		**2023**	
		All areas	**Areas with water stress**	**All areas**	**Areas with water stress**
Thirty-party water (total)	**Megalitres**	**43**	**0**	**51**	**-**
Freshwater (≤ 1,000 mg/L total dissolved solids)	Megalitres	43	-	51	-
Other water (> 1,000 mg/L total dissolved solids)	Megalitres	-	-	-	-

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

Company	Type of activity	Address	Site size (m2)	Areas of high biodiversity value	Size (hectares)	Location of the site in relation to the area of high biodiversity value	Source of protected status categorisation	Code
Colline di Selvapiana e Canossa Cheese Factory – Colline di Canossa S.r.l.	Production and ageing	Località Selvapiana 72, 42026 Canossa (RE)	2.213	Natura 2000 network Type B SCZ called Rupe di Campotrera, Rossena	1.405	Adjacent to the area	As a Site of Community Importance (SCI), the source of the status is the Habitats Directive EU 92/43	IT4030014
				Natura 2000 network Type B SCZ called Fiume Enza from La Mora to Compiano	705	Adjacent to the area	As a Site of Community Importance (SCI), the source of the status is the Habitats Directive EU 92/43	IT4030013
Caseificio del Cigarello - Colline di Canossa Srl	Production and ageing	Via S. Martino 3, Carpineti (RE)	18.272	Natura 2000 network Type B SCZ called Media Val Tresinaro, Val Dorgola	512	Adjacent to the area	As a Site of Community Importance (SCI), the source of the status is the Habitats Directive EU 92/43	IT4030018

GRI STANDARDS 306-3 DISCLOSURE: Waste generated

Waste					
Composition of the waste	**Unit of measurement**	**2022[17]**		**2023**	
		Hazardous	**Non-hazardous**	**Hazardous**	**Non-hazardous**
Iron and Steel	TONNES	-	5,2	-	3,5
Sludge from wastewater treatment	TONNES	-	1.208,7	-	603,9
Plastic packaging	TONNES	-	50,3	-	38,3
Paper and cardboard packaging	TONNES	-	47,1	-	39,7
Unusable waste	TONNES	-	215,8	-	467,3
End-of-life equipment	TONNES	-	8	-	-
Mixed packaging	TONNES	-	13,7	-	23,8
TOTAL	TONNES		1.368,8		1.176,5

[16] The 2022 and 2023 water withdrawals of Colline di Canossa S.r.l. were estimated based on the latest available actual meter readings.
[17] Following a process of improving the reporting system, the data on waste generated in 2022 by the Group were restated by including the subsidiary Colline di Canossa S.r.l. in the scope.

SOCIAL RESPONSIBILITY:

GRI STANDARDS 2-7 DISCLOSURE: Information on employees and other workers

Total number of employees broken down by contract type (permanent and fixed-term) and gender						
Contract type	**As at 31 December 2022[18]**			**As at 31 December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Italy	**90**	**58**	**148**	**97**	**61**	**158**
Open-ended contracts	69	51	120	76	51	127
Fixed-term contracts	20	7	27	20	10	30
Non-guaranteed hours	1	-	1	1	-	1
Italia – Full time/Part-Time	**90**	**58**	**148**	**97**	**61**	**158**
of which full-time	87	49	136	94	52	146
of which part-time	3	9	12	3	9	12
UK	**3**	**3**	**6**	**3**	**3**	**6**
A tempo indeterminato	3	3	6	3	3	6
Fixed-term contracts	-	-	-	-	-	-
UK – Full time/ Part- Time	**3**	**3**	**6**	**3**	**3**	**6**
of which full-time	3	2	5	3	1	4
of which part-time	-	1	1	-	2	2
Germany	**6**	**11**	**17**	**7**	**9**	**16**
Open-ended contracts	6	8	14	6	8	14
Fixed-term contracts	-	3	3	1	1	2
Germany – Full time/Part - Time	**6**	**11**	**17**	**7**	**9**	**16**
of which full-time	6	10	16	7	8	15
of which part-time	-	1	1	-	1	3
Latvia	**1**	**-**	**1**	**1**	**-**	**1**
Open-ended contracts	1	-	-	1	-	-
Fixed-term contracts	-	-	-	-	-	-
Latvia – Full time/Part - Time	**1**	**-**	**1**	**1**	**-**	**1**
of which full-time	-	-	-	-	-	-
of which part-time	1	-	-	1	-	-
Total	**100**	**72**	**172**	**108**	**73**	**181**

[18] *Following a process of improving data collection, the information relating to the workforce at 31 December 2022 was restated to refine the calculation methodology and to include the employee of the subsidiary Baltic Cheeses Sia.*

GRI STANDARDS 2-8 DISCLOSURE: Workers who are not employees

Number of external workers (FTE) whose work is controlled by the organisation						
Contractual relationship	**As at 31 December 2022[19]**			**As at 31 December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Interns or apprentices	-	1	1	-	-	-
Self-employed persons	1	-	1	-	-	-
Temporary workers	6	3	9	5	5	10
Total	**7**	**4**	**11**	**5**	**5**	**10**

GRI STANDARDS 2-21 DISCLOSURE: Annual total compensation ratio

Annual total compensation ratio[20]	2022[21]	2023
Ratio of the annual total remuneration of the person receiving the highest remuneration[22] to the median of the annual total remuneration of all employees (excluding the aforementioned person)[23]	9,64	8,99
Ratio of the percentage change in the annual total remuneration of the person receiving the highest remuneration to the median of the percentage change in the annual total remuneration of all employees (excluding the aforementioned person)[24]	-	N/A[25]

GRI STANDARDS 202-2 DISCLOSURE: Proportion of senior management hired from the local community

Management from neighbouring municipalities and provinces of the Group's company headquarters						
Number of people	**As at 31 December 2022**			**As at 31 December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Management[26]	11	6	17	12	5	17
Of which locally hired[27]	11	6	17	12	5	17
Percentage	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

[19] The 2022 figures for external workers have been restated to refine the calculation methodology.

[20] The annual remuneration includes the fixed basic salary plus additional amounts paid to employees such as, in the case of the Dalter Group, meal vouchers and accommodation benefits paid during the year and variable bonuses for employees in force on 31 December. Total meal vouchers were estimated by multiplying the value of the vouchers by the average number of working days per month. Full-time equivalent pay rates (FTE) were used for part-time employees.

[21] The figure for 2022 has been restated to include all Group companies.

[22] The person receiving the highest remuneration holds the position of General Manager.

[23] The rate is calculated as the ratio of the annual total remuneration for the highest-paid individual in the organisation to the median value of the annual total remuneration of all employees (excluding the highest-paid individual).

[24] The rate is calculated as the ratio of the percentage change in total annual remuneration for the highest-paid individual in the organisation to the median value of the percentage change in total annual remuneration for all employees (excluding the highest-paid individual).

[25] The ratio cannot be calculated since the percentage change in the salary of the highest paid individual is zero. However, the median percentage change in the annual total remuneration of all other employees is 7%.

[26] Management refers to the professional categories of executives and managers.

[27] Local refers to the cities in which the headquarters of Group companies are located and their provinces: Parma, Reggio Emilia, Exeter (UK) and Beilstein (DE).

GRI STANDARDS 401-1 DISCLOSURE: New employee hires and turnover

Number of employee hires								
Number of people	**2022**				**2023**			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
Italy	**15**	**22**	**9**	**46**	**16**	**21**	**3**	**40**
Men	14	14	5	33	12	14	2	28
Women	1	8	**4**	13	4	7	1	12
UK	**-**	**4**	**-**	**4**	**-**	**-**	**-**	**-**
Men	-	1	-	1	-	-	-	-
Women	-	3	-	3	-	-	-	-
Germany	**1**	**3**	**1**	**5**	**-**	**2**	**-**	**2**
Men	1	-	-	1	-	1	-	1
Women	-	3	1	4	-	1	-	1
Total	**16**	**29**	**10**	**55**	**16**	**23**	**3**	**42**
Men	**15**	**15**	**5**	**35**	**12**	**15**	**2**	**29**
Women	**1**	**14**	**5**	**20**	**4**	**8**	**1**	**13**

Number or terminations								
Number of people	**2022**				**2023**			
	<30 years old	30-50 years old	>50 years old	Total	<30 years old	30-50 years old	>50 years old	Total
Italy	**14**	**20**	**8**	**42**	**10**	**14**	**6**	**30**
Men	10	4	6	20	8	10	4	22
Women	4	16	**2**	22	2	4	2	8
UK	**-**	**3**	**-**	**3**	**-**	**-**	**-**	**-**
Men	-	1	-	1	-	-	-	-
Women	-	2	-	2	-	-	-	-
Germany	**2**	**1**	**1**	**4**	**1**	**2**	**-**	**3**
Men	1	0	0	1	-	-	-	-
Women	1	1	1	3	1	2	-	3
Total	**16**	**24**	**9**	**49**	**11**	**16**	**6**	**33**
Men	**11**	**5**	**6**	**22**	**8**	**10**	**4**	**22**
Women	**5**	**19**	**3**	**27**	**3**	**6**	**2**	**11**

Turnover percentage 2023	By age group				By gender		
	<30 years old	30-50 years old	>50 years old	Total	Men	Women	Total
Total	**17%**	**7%**	**-5%**	**5%**	**6%**	**3%**	**5%**
Hires	55%	24%	5%	23%	27%	18%	23%
Terminations	38%	17%	10%	18%	20%	15%	18%

GRI STANDARDS 403-9 DISCLOSURE: Occupational health and safety

Accidents at work - employees	2022	2023
Total number of fatalities due to work-related injuries	-	-
Total number of high-consequence work-related injuries (excluding fatalities)[28]	1	1
Total number of recordable work-related injuries	**9**	**15**
of which superficial injuries, open wounds and burns	2	6
of which sprains, injuries, dislocations, fractures and strains	7	9
Hours worked	**278.649**	**280.299**
Rate of fatalities due to work-related injuries[29]	-	-
Rate of high-consequence work-related injuries (excluding fatalities)[30]	0,7	0,7
Rate of recordable work-related injuries[31]	**6,5**	**10,7**

Accidents at work - external workers	2022	2023
Total number of fatalities due to work-related injuries	-	-
Total number of high-consequence work-related injuries (excluding fatalities)	-	-
Total number of recordable work-related injuries	**1**	**-**
of which superficial injuries, open wounds and burns	-	-
of which sprains, injuries, dislocations, fractures and strains	1	-
Hours worked[32]	**10.168**	**15.696**
Rate of fatalities due to work-related injuries	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of recordable work-related injuries	**19,7**	**-**

GRI STANDARDS 403-10 DISCLOSURE: Work-related ill health

Work-related ill health	2022	2023
Number of fatalities as a result of work-related ill health	-	-
Number of cases of recordable work-related ill health	**6**	**2**

[28] A high-consequence work-related accident refers to an occupational accident that leads to death or injury such that the worker cannot recover, does not recover, or it is unrealistic to expect them to fully recover to the state of health prior to the accident within six months.

[29] The fatality rate is calculated as the ratio of deaths due to occupational accidents in the year in question to hours worked, multiplied by 200,000.

[30] The high-consequence work-related injury rate is calculated as the ratio of serious injuries in the year in question to hours worked, multiplied by 200,000.

[31] The rate of recordable work-related injuries is calculated as the ratio of recorded occupational injuries occurring in the year in question to hours worked, multiplied by 200,000.

[32] The figure for hours worked by external workers in Dalter UK Ltd. was estimated on the basis of workable days in the two relevant years and a number of working hours per week comparable to 95% part-time.

GRI STANDARDS 404-1 DISCLOSURE: Average number of hours of training per employee

Hours of training per employee category and gender						
Employee category	**2022**[33]			**2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	-	-	**-**	32	-	32
Middle Managers	242	51	293	415	150	565
White Collar Workers	360	382	742	1.175	928	2.103
Blue Collar Workers	649	191	840	565	239	804
Totale	**1.251**	**624**	**1.875**	**2.187**	**1.317**	**3.504**

Ore procapite						
Employee category	**2022**			**2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	-	-	**-**	32	-	32
Middle Managers	24	9	33	38	30	35
White Collar Workers	18	11	29	47	26	34
Blue Collar Workers	9	6	16	8	7	8
Totale	**13**	**9**	**11**	**20**	**18**	**19**

[33] *The 2022 figures for training hours per capita were restated to refine the calculation methodology.*

GRI STANDARDS 405-1 DISCLOSURE: Diversity of governance bodies and employees

Total number of employees by employee category and gender						
Employee category	As at 31 December 2022			As at 31 December 2023		
	Men	Women	Total	Men	Women	Total
Executives	1	-	1	1	-	1
Middle Managers	10	6	16	11	5	16
White Collar Workers	20	35	55	25	36	61
Blue Collar Workers	69	31	100	71	32	103
Total	100	72	172	108	73	181

Total number of employees by employee category and age bracket								
Employee category	As at 31 December 2022				As at 31 December 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	-	-	1	1	-	-	1	1
Middle Managers	1	10	4	15	-	6	12	18
White Collar Workers	9	36	11	56	10	30	18	58
Blue Collar Workers	17	59	24	100	19	58	27	104
Total	27	105	40	172	29	94	58	181

Vulnerable groups						
Employee category	As at 31 December 2022			As at 31 December 2023		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White Collar Workers	1	2	3	1	2	3
Blue Collar Workers	1	2	3	1	2	3
Total	2	4	6	2	4	6

Total number of employees by employee category and age bracket (percentage)								
Employee category	As at 31 December 2022				As at 31 December 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	0%	0%	100%	100%	0%	0%	100%	100%
Middle Managers	7%	67%	27%	100%	0%	33%	67%	100%
White Collar Workers	18%	64%	20%	100%	17%	52%	31	100%
Blue Collar Workers	17%	59%	24%	100%	18%	56%	26%	100%
Total	16%	61%	23%	100%	16%	52%	32%	100%

Percentage of employees by professional category and gender						
Employee category	**As at 31 December 2022**			**As at 31 December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	100%	0%	100%	100%	0%	100%
Middle Managers	63%	38%	100%	69%	31%	100%
White Collar Workers	36%	64%	100%	41%	59%	100%
Blue Collar Workers	69%	31%	100%	69%	31%	100%
Total	**58%**	**42%**	**100%**	**60%**	**40%**	**100%**

Percentage of employees in vulnerable groups by category						
Employee category	**As at 31 December 2022**			**As at 31 December 2023**		
	Men	**Women**	**Total**	**Men**	**Wome**	**Total**
Executives	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
White Collar Workers	5%	6%	6%	4%	6%	5%
Blue Collar Workers	1%	6%	3%	1%	6%	3%
Total	**2%**	**6%**	**3%**	**2%**	**5%**	**3%**

GRI STANDARDS 405-2 DISCLOSURE: Ratio of basic salary and remuneration of women to men

Ratio of basic salary[34] to salary[35] by gender and professional category[36]				
Employee category	**Women/men basic wage ratio**		**Women/men pay ratio**	
	As at 31 December 2022	**As at 31 December 2023**	**As at 31 December 2022**	**As at 31 December 2023**
Executives[37]	-	-	-	-
Middle Managers	0,80	0,82	0,71	0,74
White Collar Workers	0,93	0,97	0,92	0,97
Blue Collar Workers	0,90	0,90	0,89	0,89

[34] The basic salary is the fixed minimum amount paid to an employee for performing the tasks assigned.

[35] The annual remuneration includes the fixed basic salary plus additional amounts paid to employees such as, in the case of the Dalter Group, meal vouchers and accommodation benefits paid during the year and variable bonuses for employees in force on 31 December. Total meal vouchers were estimated by multiplying the value of the vouchers by the average number of working days per month.

[36] Full-time equivalent pay rates (FTE) were used for part-time employees.

[37] The ratio was not reported because there were no women executives in the years 2022 and 2023.

_GRI CONTENT INDEX

Declaration of use	DalterFood Group has prepared this Sustainability Report in accordance with the GRI Standards for the period 1 January - 31 December 2023				
GRI 1 used	GRI 1: Foundation 2021				
Relevant GRI industry standard	N/A				

GRI Standards	Disclosure	Location	Omission		
			Information omitted	**Reason**	**Explanation**
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organisational details	pag. 21			
	2-2 Entities included in the organisation's sustainability reporting	pag. 6			
	2-3 Reporting period, frequency and contact point	pag. 6			
	2-4 Restatements of information	Pag. 6			
	2-5 External assurance	pag. 6			
	2-6 Activities, value chain and other business relationships	pag. 6, pag. 31-33, pag. 36			
	2-7 Employees	pag. 67, pag. 81			
	2-8 Workers who are not employees	pag. 82			
	2-9 Governance structure and composition	pag. 21-22			
	2-10 Nomination and selection of the highest governance body	pag. 22			
	2-11 Chair of the highest governance body	pag. 22			
	2-12 Role of the highest governance body in overseeing the management of impacts	pag. 22			
	2-13 Delegation of responsibility for managing impacts	pag. 22			
	2-13 Delegation of responsibility for managing impacts	pag. 6			
	2-15 Conflicts of interest	pag. 27			
	2-16 Communication of critical concerns	pag. 26			
	2-17 Collective knowledge of the highest governance body	pag. 22			
	2-18 Evaluation of the performance of the highest governance body	pag. 22			
	2-19 Remuneration policies	pag. 23, pag. 68			
	2-20 Process to determine remuneration	pag. 23			
	2-21 Annual total compensation ratio annual	pag. 23, pag. 82			
	2-22 Statement on sustainable development strategy	pag. 1-2			
	2-23 Policy commitments	pag. 24			

GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	pag. 26
	2-25 Processes to remediate negative impacts	pag. 26
	2-26 Mechanisms for seeking advice and raising concerns	pag. 26
	2-27 Compliance with laws and regulations	pag. 25
	2-28 Membership of associations	pag. 43
	2-29 Approach to stakeholder engagement	pag. 10-12
	2-30 Collective bargaining agreements	pag. 68
Material topics		
GRI 3: Material topics 2021	3-1 Process to determine material topics	pag. 10-13
	3-2 List of material topics	pag. 13
Material topic: Economic performance		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 30, pag. 75-76
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	pag. 30
Material topic: Ethics and business integrity		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 26, pag. 75-76
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	pag. 26
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	pag. 26
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	pag. 71
Material topic: Energy consumption and emissions		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 60-63, pag. 75-76
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	pag. 60-61, pag. 78
	302-3 Energy intensity	pag. 60
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pag. 62, pag. 78
	305-2 Energy indirect (Scope 2) GHG emissions	pag. 62, pag. 79
305-2 Energy indirect (Scope 2) GHG emissions		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 56, pag. 75-76
GRI 301: Materials 2016	301-1 Materials used by weight or volume	pag. 57, pag. 77
	301-2 Recycled input materials used	pag. 59, pag. 77
	301-3 Reclaimed products and their packaging materials	pag. 57, pag. 77
GRI 303: Water and effluents 2018	303-3 Water withdrawal	pag. 64, pag. 80

Material topic: Waste management		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 57, pag. 75-76
GRI 306: Waste 2020	306-3 Waste generated	pag. 57, pag. 80

Material topic: Responsible management of the raw material milk		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 44-45, pag. 75-76
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	pag. 80
	304-2 Significant impacts of activities, products, and services on biodiversity	pag. 44-45

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GRI 403: Occupational health and safety 2018	3-3 Management of material topics	pag. 72
	403-2 Hazard identification, risk assessment, and incident investigation	pag. 72
	403-3 Occupational health services	pag. 72
	403-4 Worker participation, consultation, and communication on occupational health and safety work and related communication	pag. 72
	403-5 Worker training on occupational health and safety	pag. 72
	403-6 Promotion of worker health	pag. 72
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pag. 72
	403-9 Work-related injuries	pag. 73, pag. 84
	403-10 Work-related ill health	pag. 73, pag. 84

Material topic: Employee inclusion, well-being and growth		
GRI 3: Material topics 2021	3-3 Management of material topics	pag. 67, pag. 75-76
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	pag. 82
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pag. 83
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	pag. 70, pag. 85
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	pag. 67, pag. 71, pag. 86
	405-2 Ratio of basic salary and remuneration of women to men	pag. 87

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	417-2 Incidents of non-compliance concerning product and service labelling and information	pag. 49
	417-3 Incidents of non-compliance concerning marketing communications	pag. 49
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GRI 3: Material topics 2021	3-3 Management of material topics	pag. 40, pag. 75-76
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	pag. 40
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	pag. 40
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GRI 3: Material topics 2021	3-3 Management of material topics	pag. 42, pag. 75-76

We would like to thank all our employees who actively participated in the completion of our Sustainability Report.

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