

SOCIAL AND ENVIRONMENTAL REPORT 2020



DAL 1890



WHILE OTHER CHILDREN DREAMED
OF GOING TO THE MOON, I DREAMT
ABOUT KEEPING MY FEET ON THE GROUND

Oswald Zuegg

March 2021





My name is Oswald Zuegg.

*I am an agronomist and an entrepreneur.
The boundary between my office and my orchards is an imaginary one:
if I have learnt a lot in the company,
I have learnt even more from the orchards.
I know that the relationship
between the quality of the land and that of the fruit is ever so close, and
I confess that deep down
it's trees rather than numbers that count for me.*

*Becoming an agronomist was an obvious choice
for someone who grew up in a family that had always had orchards.
While other children dreamt about landing on the moon,
I dreamt about keeping my feet on the ground.*

*Having orchards in the north and south of Italy
means growing fruit in perfect soil
and in climatic conditions that are right for the different varieties:
the best can only come from crossing
the quality of seeds, the land and climate.*

*Knowing everything there is to know about orchards,
caring for them with humility and ambition and
then trying out new recipes
that awaken the best taste buds,
is our way of doing things that we carry forward.*

*We think that it
is the only way
to respect you and the land that is our host.*

Zuegg, since 1890

Oswald Zuegg



I FRUTTETI DI OSWALD ZUEGG
ZUEGG
DAL 1890

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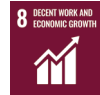
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EVERY ORCHARD HAS ITS OWN STORY...

It was 1860 when Ernst August Zuech (who changed his name to Zuegg in 1903), together with his 14 children, began growing fruit on his farm in Lana d'Adige (South Tyrol) and selling it at nearby markets.

This was the start of a fascinating story: while the company underwent significant development on a local scale throughout the 20th century, its products only began to be distributed throughout the country in the 1950s, driven by the famous Fruttino snack and the first fruit juices. In 1962, at the height of the economic boom, Zuegg inaugurated a new plant in Verona, where just a few years later an exclusive aseptic Tetra Pak juice packaging line would be invented in Italy for the first time.

Production capacity started to grow from the '80s onwards as we founded important plants and sites. The factory in Avellino was opened in 1985. It is sited in the midst of nature where the fruit is harvested, selected and then transformed into purées or simple frozen cubes. Part of production was moved abroad for the first time in 1991 to Werneuchen with a new plant for the production

of semi-processed goods for the North-European market.

In 2001 Zuegg acquired the German factory in Zörbig that is close to Lipsia that specialises in the production of jams and cordials. In 2002 the Elne factory in France was acquired for the production of semi-processed goods for the French, Spanish and Portuguese markets. Zuegg Austria, based in Graz, was established in 2010 for sales in Eastern Europe of the Zuegg products. The same year witnessed the establishment of a new plant in Afanasovo in Russia that specialises in semi-processed goods for industry.

In 2013, we opened a sales office in Switzerland. This is the history of the consolidation of a group that is global in size yet continues to draw its inspiration from artisan production and love of nature.

... EVERY FRUIT HAS ITS OWN RECIPE

Zuegg Group produces a wide range of Zuegg and Skipper brand products, plus an equally wide and specialized range of products derived from primary and secondary fruit processing for the food industry. The production activities are guaranteed

by the famous "Zuegg Method": a series of high-quality procedures that have earned prestigious official recognitions, including ISO 9001, ISF (International Food Standard) and BRC (Global Standard Food) certification, all of which are

respectively governed by the Federal Association of German Trade Companies and the British Retail Consortium.

ZUEGG BRAND PRODUCTS (B2C)

Jams and marmalades

Zuegg is the number one jam in Italy, the most appreciated by families because prepared with the best fruit picked by hand and according to recipes designed to enhance each type of fruit. In 2020 the classic extra 320 g jam range known as “I frutteti di Oswald Zuegg” was available in 18 different flavours: 18 skilfully crafted recipes that exalt the taste of every single fruit variety. Alongside tradition, the “100% fruit” line, only grape sugars for the least sweet

but most intense Zuegg jams. Then there are the “La Pasticcera”, i.e. jams with a velvety-soft consistency, ideal for making cakes and tarts, and lastly Zuegg “Zero Added Sugar” with less than 8 kcal per portion. A complete range that confirms Zuegg’s leadership position in the Italian jam market.

**FRUIT
HARVESTED
BY HAND**



Nectars and juices

In their practical 200ml Tetra Pak format, Zuegg’s juices and pulps represent the market’s nectars par excellence. Velvety apple, pear, peach and apricot nectars: the intact taste of Italian fruit with no colourants or flavourings or preservatives. The “wellness” Nectar line also offers three exclusive recipes rich in vitamin

C and antioxidants: pomegranate, European blueberry, red berries in Zuegg 6x125ml, juices created for those who practice self-care every day. The nectar alternatives are known as Skipper products: popular light and refreshing juice products that are continuously evolving in terms of taste, formats and innovations. Last but not least

is the no-added sugar range that offers all the natural sweetness of freshly harvested fruit and no added sugar to ensure its original goodness. And Zuegg quality can now be found everywhere thanks to the range of products designed for the Ho.Re. Ca sector, with an increasingly vast selection and variety of flavours.

PRODUCTS FOR THE FOOD INDUSTRY (B2B)

Transformation processes

The same fruit and the same philosophy of quality that have contributed to the success of Zuegg products in the consumer market are always at the disposal of the Business to Business Division, the sector dedicated to the food and confectionery industry. In this context, the plant in Avellino provides many first-stage processing products such as concentrated or frozen aseptic fruit purées, fruit pastes and IQF fruit, according to predefined or custom wholesale batches. All made with locally produced fruits in season, such as: apricots, peaches, strawberries, oranges, figs, kiwi, plums, pears, apples, quinces and chestnuts.

The production of four other Group plants (Verona, Werneuchen, Elne, Afanasovo) is, on the other hand, dedicated to secondary transformation processes, for the production of sweets, snacks, smoothies, baby food, ice cream, yoghurt and other bakery and confectionery specialities.

The operations of the B2B Division are ensured by carefully checking incoming goods, the selection of raw materials, as well as outgoing goods, including the packaging of the finished product. The plants involved in fruit processing have acquired the main European industry certifications and particularly those required for organic production.

The numerous, freezing, packaging, storage and logistics services, plus other on-demand services, testify to the desire to offer a reliable and flexible partnership, ready to meet the challenges of global markets. Another great Zuegg result.

ZUEGG: FAMILY, ORCHARDS

Values and methods

Zuegg's values (quality, experience, collaboration and benefit-sharing within the group) have become its official rules of conduct, and have thus been enshrined within a code of ethics that represents the strength of a directly responsible community: the great Zuegg "family".

The attention dedicated to these values is substantiated by a production method that's capable of combining the organoleptic properties of fresh

fruit with the demands of an increasingly well-informed consumer base, which is always attentive to both flavour and safety.



CONSUMPTION, SUSTAINABILITY AND INNOVATION

The post-industrial era has resulted in an entirely different business model with respect to the past: one in which the market, consumption, and profit increasing ideals are no longer the only levers of success. At Zuegg, a concrete awareness of the environment, and the desire to create a social community as “healthy” as its products, have become the basis for the Group’s new management and behavioural revolution. A future in which to invest, in the interests of all.

OUR SOCIAL RESPONSIBILITY

In October of 2011, the European Commission redefined Corporate Social Responsibility as “the responsibility caused by its impact on society.”

This new approach led to a necessary discussion regarding the term “impact”, which, being interpreted in a broad and undefined manner, effectively increases the scope of responsibility to include all business activities that are actually “in contact” with the surrounding world, thus presupposing an almost automatic duty as a result of the direct responsibilities that are nevertheless generated. At Zuegg, social, environmental, and

safety adaptations become direct assumptions of responsibility that involve all the group’s employees, and even extend to the suppliers, partners, and logistics providers. What’s more, an increasing number have become involved in consolidating the image and reputation surrounding the brand itself.



ZUEGG CERTIFICATIONS CELEBRATING SUSTAINABILITY

Our system certifications, as well as those that provide information to our B2B customers, are signs of quality and assurance that the company has implemented practices aimed at raising awareness about certain sustainability-related issues both at management level and for Zuegg’s specific business areas. Certifications increase the trust of our partners. The intention to certify our practises has led us to participate in certification schemes for sustainable sourcing, food safety and to adopt quality, environment and energy management systems. Evaluating the practices adopted in the field of labour standards, health and safety, human rights, corporate integrity, environmental management, confirms that Zuegg

is a responsible supplier and contributes to creating a positive social impact while reducing the environmental impact. In addition, Zuegg is involved in partnership initiatives with important organisations to create pathways for continuous improvement, fostering sustainable business growth which help communities and the environment to thrive. Zuegg understands that access to safe and nutritious food is an essential right of all consumers throughout the world. To this end, considerable investments have been made in order to prevent risks associated with consumer exposure to contaminated or unsafe food. Today, Zuegg prides itself on its high safety and quality standards, as well as its system of operational

standards to ensure compliance with all applicable regulations and consumer protection laws. In addition, Zuegg has obtained certifications that are necessary for all businesses seeking to expand their market and sell their branded products at mass-market retailers, such as: food safety management systems, to control food safety hazards in products placed on the market; environmental management systems, to limit impacts on the environment; and energy management systems, to promote the efficient use of different energy carriers.



FOOD SAFETY	RESPONSIBLE SOURCING	MANAGEMENT SYSTEMS
8 Certificates obtained	3 Certificates obtained	11 Certificates obtained
<ul style="list-style-type: none"> • BRC • FSCC2200 • IFS 	<ul style="list-style-type: none"> • SMETA SEDEX • URSA UNILEVER • ECOVADIS 	<ul style="list-style-type: none"> • ISO 9001 • ISO 14001 • ISO 50001

ZUEGG AND SUSTAINABLE DEVELOPMENT GOALS

In September 2015, 193 United Nations member states met in Paris and signed the 2030 Agenda for Sustainable Development, an ambitious project that includes 17 Sustainable Development Goals (SDGs). These goals aim to put an end to extreme poverty, combat

planet: we know that our strategy and our products have an impact on the objectives set out in the SDGs. Clear, transparent and accurate nutritional information is now provided on products in order to contribute to more conscious eating. Zuegg is committed to respecting

borders, which is why we have cultivated partnerships over the years in order to encourage best agricultural practices and improve the value chain. We help the farmers we work with to be more resilient and produce quality raw materials, taking into consideration actions to adapt to climate change to mitigate the risk. We recognise and honour the work of our farmers, ensuring they receive fair compensation.

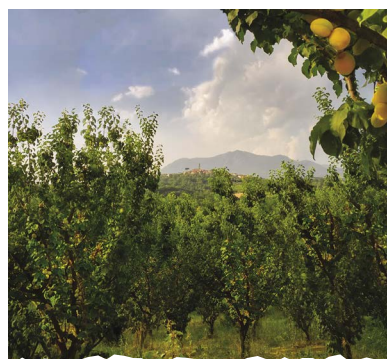


inequality and injustice, and protect our planet.

The new global goals to be achieved by 2030 are part of a broader plan of action consisting of 169 targets that provide for a more inclusive process with an integrated approach that considers the three dimensions of sustainable development: economic, social and environmental. The aim is to end poverty, combat inequality, tackle climate change and build societies that respect human rights. Achieving these goals will require an unprecedented effort from all segments of society to achieve a major social and economic paradigm shift. In this regard, businesses play a very important role in the process. Zuegg is an active contributor in areas relating to both the health and well-being of people and the

and not violating human and labour rights and to pursuing environmentally sound business management practices. We strive every day to mitigate the impacts of internal processes on the air and climate by measuring and reducing greenhouse gas emissions. We ensure the sustainable use of water resources in production and all operations are aimed at reducing food waste from the production and consumption of products.

We are aware that the commitment must extend beyond Zuegg's





INTELLIGENCE IS THE ABILITY TO CHANGE

Many years have passed since Zuegg Group first understood the importance of frequently renewing its strategic assets, to guarantee flexible financial, social and environmental evolution in harmony with its mission of health, well-being and respect for nature. This commitment is palpable above all in its new systematic monitoring of data on consumption and environmental impact, with the aim of constantly reducing the use of resources and CO₂ emissions.

In 2019, a new power supply policy was signed: in addition to evolved cogeneration plants, the decision was made to buy clean, renewable and certified power, for the Verona and Elne plants.

Power from renewable sources coupled with power generated by the Group with maximum optimisation, has proven to be highly effective in further reducing total CO₂ emissions. This successful model is already being rolled out across all the group's plant.

Energy control and alignment, together with waste and consumption reduction techniques, are part and parcel of a dynamic, continuously evolving system which should be examined, interpreted and adjusted in the long term, taking into account discontinuities of the market, climate conditions and moments of industrial reorganisation.

Simultaneously, on the social front, Zuegg Group has proven itself as a veritable family with a heightened sensitivity and keen sense of understanding towards everyone, grounded in its awareness of operating in a drastically changing social fabric, not without its own problems. A family that interprets growth in a natural, people-centred way.



OUR COMMITMENT CONTINUES

ZERO WASTE, MAXIMUM SAVINGS

At Zuegg, proper management of resources, together with an equally rigorous management of waste disposal, are an integral part of the individual culture of every worker, employee and manager. All the plants have implemented regulations and continuous reminders regarding the proper use of water and electricity. Various automated waste prevention systems are present in all production and administrative departments, where sorted waste collection practices are also in place. These small measures have significantly raised awareness of our contribution to making the world a better place.



Environmental Policy

Zuegg believes in the importance of the protection and preservation of the environment and considers respect for the ecosystem a particular guarantee for the development of the company and the society that surrounds it.

For this purpose, it has adopted an Environmental Policy, based on the precise will and strategic decision of the President who is also the first promoter and guarantor of the same, and the foundations of which are constituted by the following rules:

- ✓ To ensure absolute compliance with all applicable National and Local laws and regulations governing environmental protection as well as any other internal requirements.
- ✓ Disseminate the Environmental Policy to all levels of the company (from executives to employees, from suppliers to customers) and all stakeholders, to enable the knowledge, understanding, the disclosure and its daily application.
- ✓ Establish, implement and maintain the environmental policy and to create a corporate culture consistent with it.
- ✓ Periodically review the Environmental Management System and its objectives through dedicated meetings.
- ✓ Prevent, control and reduce the environmental impacts resulting from activities with particular emphasis on the most significant aspects aimed at a specific and effective reduction of utility (water and energy) use, and the maintenance of a high product waste fractionation.
- ✓ Promote the process approach and the awareness of thinking based on risk (risk-based thinking).
- ✓ Commit the resources available, according to criteria of sustainable development, so that the new product designs and technologies provide for a significant reduction of the costs incurred, aimed at reducing environmental impacts.
- ✓ Ensure that the environmental policy is available to the public.

The President and Senior Management approve the Environmental Policy.

Verona, January 2018

The President
Oswald Zuegg

A blue ink signature of Oswald Zuegg, written in a cursive style, positioned below the printed name.

ENERGY AND ECOLOGICAL MANAGEMENT

In 2001, the Group's Chairman, Oswald Zuegg, decided that the Group's development would be based upon values of sustainability aimed at protecting the environment. Since then, using a dedicated intranet, all the plants' employees, from the managers to the individual operators, have helped to monitor the group's energy and environmental parameters, including drinking water, electricity, methane gas, CO₂ emissions, and waste products.



SIGNIFICANT ENERGY PARAMETERS

Water

Unlike other resources, water is not a renewable source if used in production processes. The steady increase in demand witnessed during recent years has required the group to come up with solutions that will allow for a more rational use of this resource. As a result, the optimization of the washing processes and the wastewater generated by production became one of the Group's most urgent tasks.

Electricity

The Group systematically administers and rationalises this resource by means of high-efficiency cogeneration as well as a new supply policy which favours the purchase of power derived from renewable sources, with certified guarantee of origin.

Methane Gas

Among all fossil fuels, methane gas remains the group's favourite due to its relative abundance, as well as the fact that it is relatively "clean" and "well-performing". In fact, methane does not release any particular or unburned residues within its fumes, thus ensuring an advantageous cost/yield ratio with respect to other resources.

Carbon Dioxide

In order to help curb the release of gases harmful to the atmosphere, in 2010 Zuegg Group began a CO₂ emissions monitoring process, while at the same time launching annual reduction programs for the production phases, and optimizing its transportation and distribution system with a new logistics system.

Waste

Approximately 90% of the waste materials generated by Zuegg consists of supply packaging (cardboard packaging, plastic wrappers, and steel drums), which are valuable raw materials for the recycling industry. Consequently, the proper diversification and sorting of waste materials is systematically carried out at source in order to ensure their reuse. The remaining organic residues consist of sludge and liquid wastewater from the production line washing processes.

THE ENERGY OF THE GROUP OVERALL	2018	2019	2020
<i>Water (m³/t prod.)</i>	5,30	5,20	5,00
<i>Electricity (kWh/t prod.)</i>	132,42	134,26	139,82
<i>Methane gas (m³/t prod.)</i>	30,74	32,27	33,41
<i>Waste products (kg/t prod.)</i>	18,60	19,57	16,75
<i>CO₂ equivalent emissions (kg CO₂/kg prod.)</i>	0,130	0,126	0,137



Climate changes, time teaches us.

Like all over the world, heavy rains and other extreme weather are becoming more frequent also in Europe. In particular, the unexpected spring freezes in 2020 compromised the fruit harvest and fragmented processing batches. As a result, the Group's energy consumption levels increased slightly compared to last year.

By no means does this mean that extensive efforts into optimization were in vain: this experience is already turning into a valuable lesson for the future.

PRODUCTION SITES



ITALY

VERONA • LUOGOSANO



GERMANY

WERNEUCHEN • ZORBIG



RUSSIA

AFANASOVO



FRANCE

ELNE

SALES OFFICES



SWITZERLAND

CHUR



AUSTRIA

KLAGENFURT

VERONA



Operations and production

The Verona plant produces fruit juices and semi-finished products, or rather anything that results from the “secondary transformation” of raw materials. These juices, which have the typical colours, flavours and aromas of the fruit, are used to produce: beverages, namely products prepared with water, fruit juice, fruit extracts, flavourings, sugar, and additives; and nectars, which are obtained by adding water and sugar to fruit juice, puree or concentrate. The semi-finished product line processes frozen fruit (either whole or in pieces) with the addition of sugar, thickeners, additives, dyes and aromas: all elements used for the preparation of yoghurt, ice cream, and various other confectionery products.



Plant data

Location

industrial area of Verona, Italy

Year founded

1958

Industrial area

36.000 m²

Production capacity

24 hours, divided into 3 work shifts · 5 days out of 7

Resources and supplies

3 autonomous water wells, medium voltage power line, natural gas pipeline to the industrial area

Disposal

public sewer, public water treatment facility.



Comments on the data

Despite the drop in production due to the pandemic, with the HORECA (hotel, restaurant and catering) sector hit particularly hard, the plant managed to keep energy and consumption indexes during 2020 in line with previous years. This reaffirms the sustainable choices made with regard to energy supply, making Verona a reference model for the entire Group.

CONSUMPTION OF WATER

in relation to production (m³/t prod.)



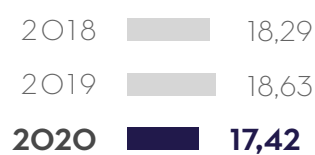
ELECTRICITY CONSUMPTION

in relation to production (kWh/t prod.)



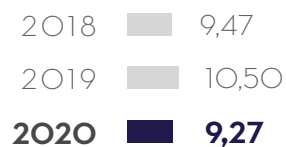
CONSUMPTION OF METHANE GAS

in relation to production (m³/t prod.)



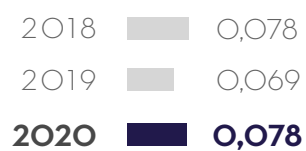
WASTE PRODUCTS

in relation to production (kg/t prod.)



CO₂ EQUIVALENT EMISSIONS

(kg CO₂/kg prod.)



LUOGOSANO



Operations and production

A large centre dedicated to transforming fresh fruits into raw materials for the food industry. These include frozen fruit (either whole or in pieces), fruit puree, fruit puree concentrate, and citrus juices. Other products include “Fruttino” snacks and semi-finished products in tubs for the confectionery industry. The transformation activities, which are mainly seasonal and are concentrated during the months of maximum availability (January to April and May to October), involve all the excellent fruits typical of central and southern Italy. Not surprisingly, Luogosano is one of the flagships of the Zuegg sustainable agronomy project, which involves proprietary fields and close collaboration with hundreds of selected local growers. A synergy that has created considerable social connections within a 180 km radius around the plant itself.

Plant data

Location

San Mango sul Calore area, 38 km from Avellino, Italy

Year founded

1985

Industrial area

28.000 m²

Production capacity

24 hours, divided into 3 work shifts

5 days out of 7 low season, 6 out of 7 high season

Resources and supplies

aqueduct, medium-voltage power line, and gas pipeline to the industrial area, photovoltaic plant currently under construction

Disposal

internal wastewater discharge system with biological treatment unit.

Comments on the data

The unusual weather conditions in spring 2020 reduced the availability of locally sourced raw material, resulting in increased production of fruit concentrates. Ultimately, these production processes were the cause of the increase in plant's main energy parameters, even if process optimization continues to improve.

CONSUMPTION OF WATER

in relation to production (m³/t prod.)



ELECTRICITY CONSUMPTION

in relation to production (kWh/t prod.)



CONSUMPTION OF METHANE GAS

in relation to production (m³/t prod.)



WASTE PRODUCTS

in relation to production (kg/t prod.)



CO₂ EQUIVALENT EMISSIONS

(kg CO₂/kg prod.)



WERNEUCHEN



Operations and production

Like the Verona, Elne and Afanosovo plants, that in Werneuchen is dedicated to secondary fruit processing activities. It should be noted that Zuegg outfitted the factories that produce semi-finished products with the same lines and the same procedures in order to obtain production benchmarks, as well as the possibility of transferring the production activities whenever the need should arise. The control, traceability and maintenance systems have also been unified with those of the other Zuegg plants, with a view towards increasingly systematic integration.



Plant data

Location

Werneuchen, Barnim (Berlin), Brandenburg, Germany

Year founded

1991

Industrial area

465.000 m²

Production capacity

24 hours, divided into 3 work shifts · 5 days out of 7

Resources and supplies

proprietary water well, medium-voltage power line and gas pipeline to the zone

Disposal

lagooning wastewater treatment.



Comments on the data

The Werneuchen plant has long been the site selected to test a new certified power management system designed to allow full control of overall performance levels. This system recorded largely stable consumption indices in 2020 despite a substantial increase in production compared to the previous year.

CONSUMPTION OF WATER

in relation to production (m³/t prod.)



ELECTRICITY CONSUMPTION

in relation to production (kWh/t prod.)



CONSUMPTION OF METHANE GAS

in relation to production (m³/t prod.)



WASTE PRODUCTS

in relation to production (kg/t prod.)



CO₂ EQUIVALENT EMISSIONS

(kg CO₂/kg prod.)



ZÖRBIG



Operations and production

The plant is located in an area traditionally dedicated to the production of jams and marmalades.

Since its acquisition by Zuegg in 2002, the products have been packaged under the Zuegg and “Original Zörbiger” brand names.

There are three classic production sizes: standard size, such as the 320-330g Zuegg jam, size small, such as the 250g “100% fruit” line and, finally, the large 700g size.



Plant data

Location

Zörbig, Schortewitz, Saxony-Anhalt, Germany

Year founded

1873 (part of Zuegg since 2002)

Industrial area

16.000 m²

Production capacity

16 hours, divided into 2 work shifts · 5 days out of 7

Resources and supplies

proprietary water well, medium-voltage power line in operation and production, and natural gas pipeline to the zone

Disposal

public sewer, municipal treatment plant.

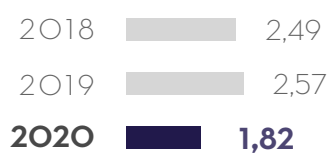


Comments on the data

Zörbig is a perfect example of an energy saving program being optimised on an ongoing basis. In this sense, in 2020 the plant stood out for the very encouraging result: a considerable reduction in energy indexes but with a substantial increase in production. This is the way to go and we hope all of the other Group companies will follow suit.

CONSUMPTION OF WATER

in relation to production (m³/t prod.)



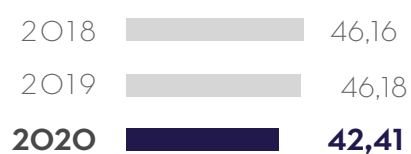
ELECTRICITY CONSUMPTION

in relation to production (kWh/t prod.)



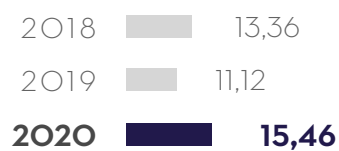
CONSUMPTION OF METHANE GAS

in relation to production (m³/t prod.)



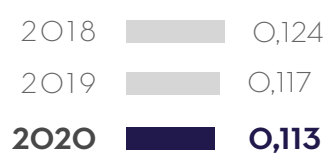
WASTE PRODUCTS

in relation to production (kg/t prod.)



CO₂ EQUIVALENT EMISSIONS

(kg CO₂/kg prod.)



ELNE



Operations and production

The plant in Elne deals exclusively with secondary-fruit processing. For this reason it has been outfitted with the same equipment and uses the same methodologies as the other Zuegg plants dedicated to this purpose: Verona, Werneuchen and Afanosovo.



Plant data

Location

Elne, Perpignan, Languedoc Roussillon, France

Year founded

2002

Industrial area

47.000 m²

Production capacity

24 hours, divided into 3 work shifts · 5 days out of 7

Resources and supplies

proprietary aqueduct, medium-voltage power line, and gas pipeline to the area, photovoltaic plant currently under construction

Disposal

public sewer, treatment for the waters flowing into the agricultural zone.



Comments on the data

This was the first-ever plant of the Group's plants to use exclusively renewable and certified energy sources. In 2020, all energy parameters were in line with the previous year despite a slight drop in production. But the greatest accomplishment of the year was the sharp drop in water consumption. An outstanding record, thanks to praiseworthy commitment.

CONSUMPTION OF WATER

in relation to production (m³/t prod.)



ELECTRICITY CONSUMPTION

in relation to production (kWh/t prod.)



CONSUMPTION OF METHANE GAS

in relation to production (m³/t prod.)



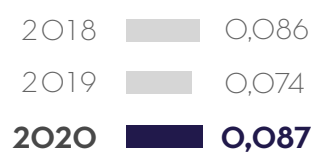
WASTE PRODUCTS

in relation to production (kg/t prod.)



CO₂ EQUIVALENT EMISSIONS

(kg CO₂/kg prod.)



AFANASOVO



Operations and production

The production type, the industrial lines, and the relative processes accurately reflect those of the plants in Verona, Elne and Werneuchen.

In contrast, Afanosovo is a next-generation production centre, and is therefore capable of adopting all the innovative solutions necessary to ensure excellent efficiency, low consumption levels, and a minimal environmental impact.

A model factory that has become an optimization reference point for Zuegg Group as a whole.



Plant data

Location

Afanosovo, Kaluga Oblast (approximately 130 km from Moscow) Russian Federation

Year founded

2010

Industrial area

60.000 m²

Production capacity

24 hours, divided into 3 work shifts · 5 days out of 7

Resources and supplies

2 proprietary water wells, medium-voltage power line and natural gas pipeline to the zone

Disposal

internal biological wastewater treatment plant.



Comments on the data

After years of continuous adaptation and optimisation, in 2020 - like last year - Afanosovo showed good results, despite the downturn in production clearly due to the pandemic. Similar to the Elne plant, a more than satisfactory reduction in water consumption was observed. Hopefully this positive trend will continue in the future.

CONSUMPTION OF WATER

in relation to production (m³/t prod.)



ELECTRICITY CONSUMPTION

in relation to production (kWh/t prod.)



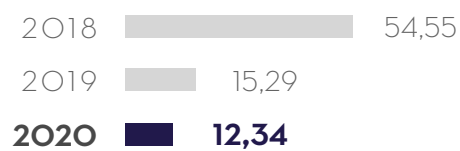
CONSUMPTION OF METHANE GAS

in relation to production (m³/t prod.)



WASTE PRODUCTS

in relation to production (kg/t prod.)



CO₂ EQUIVALENT EMISSIONS

(kg CO₂/kg prod.)





THE ZUEGG STAFF

Our staff is our true business capital. Not a production line, a department, a management team, or an office, but all the people belonging to the great Zuegg family, who are fully aware of their own roles within the group. We believe in Zuegg, and Zuegg believes in us. Because Zuegg actively participates in our individual and collective well-being through the initiatives launched by the Human Resources department, not only at work, but also in our private lives, with a series of gestures, moments of joy and celebrations of anniversaries and special events, just like in any good family.

Certain examples include:

- the WELL-BEING programs dedicated to the personnel, for monitoring the employees' perceptions of their jobs and their satisfaction levels;
- the numerous initiatives created to combine professional dedication with a higher quality of life, an essential condition for increasing motivation and team spirit, with positive repercussions on both a personal and family level as well;
- the training programs aimed at creating a unified "Zuegg culture" based on objectives of quality and efficiency, as well as personal growth;
- the plans dedicated to the insertion and harmonization of new recruits, which can be seen as orientation, evaluation and assistance tools;
- the internship programs, a fundamental tool for training young people and creating a pool of potential employees, implemented thanks to the continuous dialogue between the Human Resources department and universities, secondary schools and training organisations.

WORK-LIFE BALANCE

THE RIGHT BALANCE BETWEEN PERSONAL TIME AND WORK

For years now, the "Work-Life Balance" document has enshrined all the policies adopted by the Group to harmonize the work-life ratio for Zuegg's employees and collaborators. This declaration, which is designed to protect the workers and their rights, is fully supported by the Human Resources Office, which offers complete assistance, advice, and information to all the employees regarding every administrative, fiscal and union-related aspect associated with the workplace and their private lives.

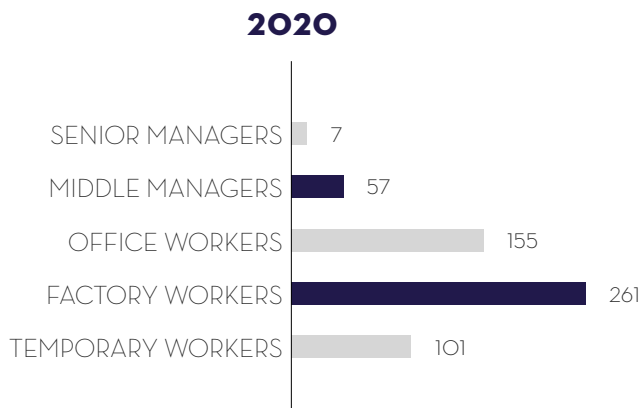


STAFF PROFILE

Job classification

Over the last two years, the profile of staff competencies has remained largely unchanged and therefore 2020 was also characterised by a substantial continuity of numbers of executives, middle management, office staff and workers.

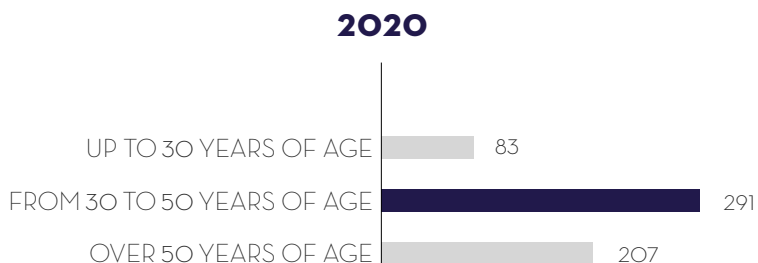
Overall, the group's entire staff, which is relatively uniform in terms of commitment, age, professionalism, and availability, is managed in a progressive and balanced way, characterised by seamless generational changeover.



	ITALY	GERMANY	FRANCE	RUSSIA	Total
EMPLOYEES	260	150	70	101	581

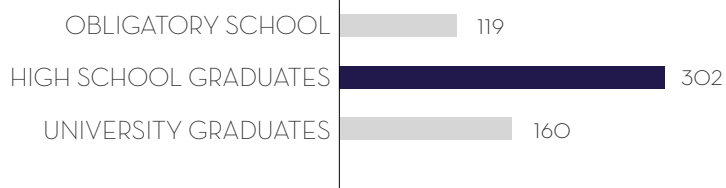
Age

The majority of the Group's workforce are in the prime working-age group (between 30 and 50 years old). At the same time, the number of young employees (under 30) is growing substantially, reflecting not only a natural generational change but, above all, the vitality of the big Zuegg family.



Level of education

There is no difference in the number of employees and executives with a university degree compared to last year, a significant percentage of the Group's staff. Therefore a large proportion of staff is capable of undertaking duties which require responsibility, strategic and decision-making capabilities.



Equal opportunities

After years of apparent gender balance, the ratio of women to men employed increased slightly in 2020. This result does not prevent the group from encouraging employment of women, as is openly stated in the guidelines of Zuegg's corporate policy: female quotas are always encouraged and more than welcome here.

Training

The main training areas in which Zuegg invests are focused upon the fields of safety, business management, and management, as well as various special topics dedicated to the operating and service divisions.

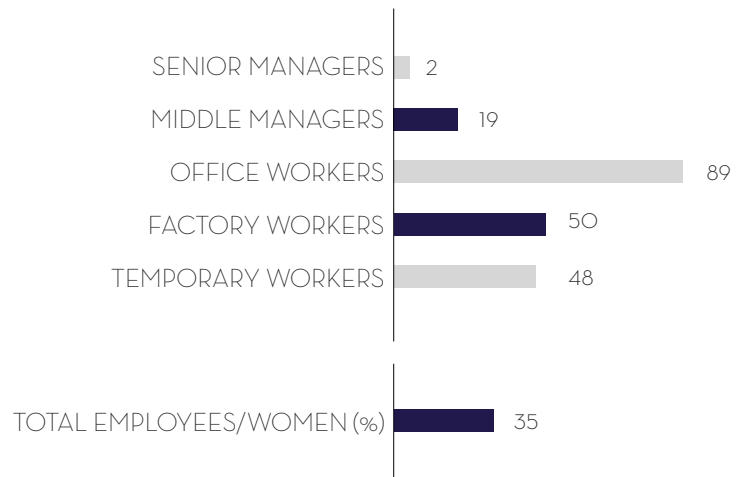
Union dialogue

Respect and constructive dialogue have always been the constants that distinguish Zuegg's relationships with the unions. Always characterised by an open and constructive attitude, inspired by greater cooperation and understanding. In this manner, Zuegg continues to maintain an excellent balance between social responsibility and its own development policies.

Incentive programs

The company's remuneration system provides for "variable" amounts at all levels, based on the achievement of the company's objectives. The variable salary, which was negotiated with the unions, applies to all the staff and is linked to the achievement of quality goals, which in turn are linked to specific indicators, such as productivity, efficiency, and volume or value objectives. For the managers, middle-ranking managers, and staff who hold positions of responsibility, there is a bonus system in place based on the measurement of individual performance.

2020



Total hours

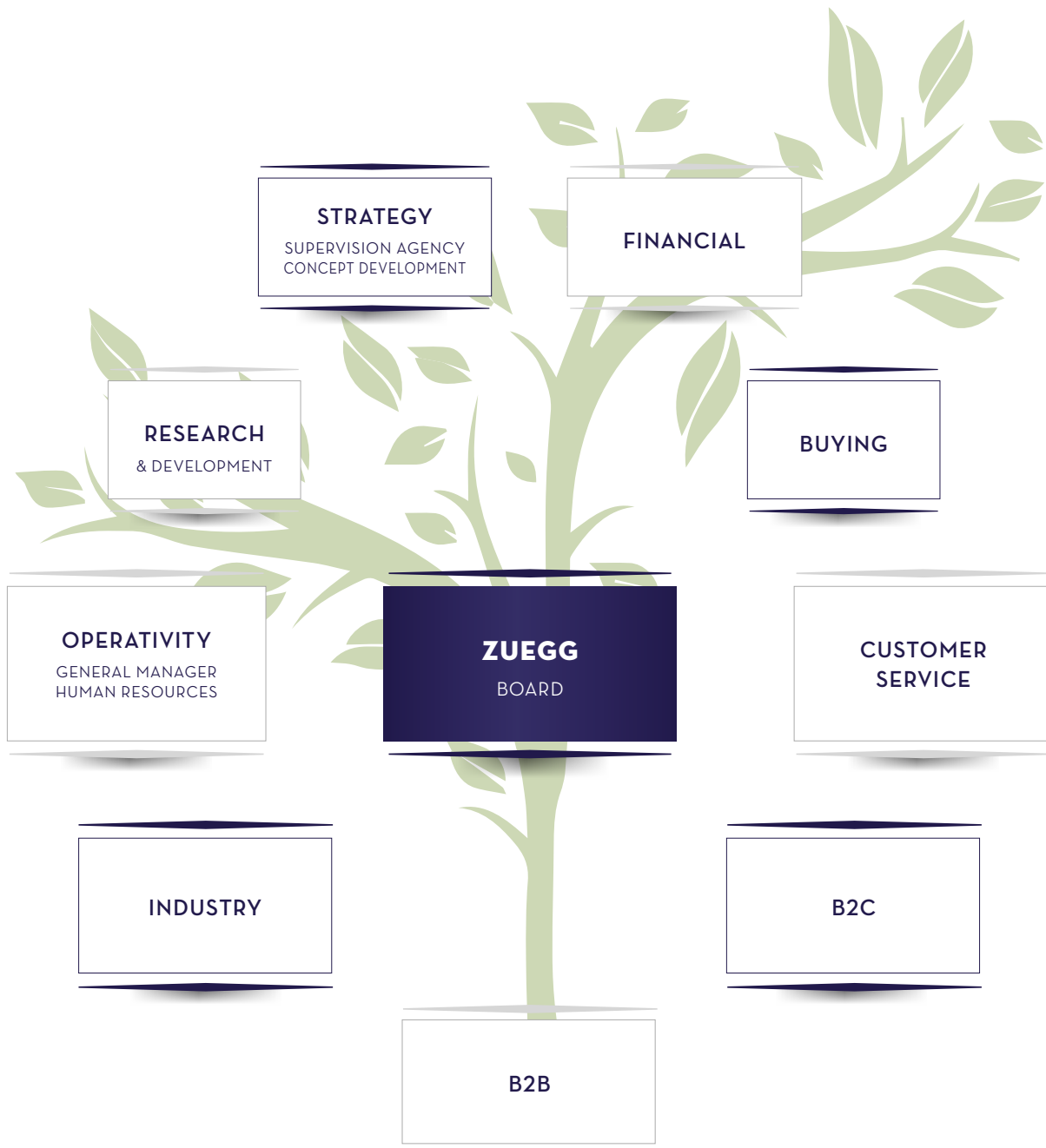


Average training per employee



ORGANISATIONAL MODEL

Thanks to a well-structured and continuously updated model, the entire Group has been able to implement strict control policies on yields, safety protocols, and codes of conduct, thus empowering the departments to work with higher quality standards. This efficient organization has resulted in benefits for all the stakeholders, including the partners, the employees, the creditors, and all the subjects with interest in the group's development.



ETHICS AND CONTROL

Zuegg's code of ethics, which can also be downloaded from the website, represents the "constitutional" framework for the moral and behavioural standards that govern every business decision, thus safeguarding the company's fundamental values. However, the adoption of a code of ethics, combined with the organizational model, requires a special supervisory and control mechanism to guarantee their proper functionality. The Board of Directors has therefore appointed a corporate Supervisory Body (SB), which includes an external consultant and an internal Group employee, in order to ensure that all the company's activities are consistent with the model itself. In particular, the SB monitors:

- the effectiveness of and compliance with the model by employees, trade unions, corporate bodies, consultants and business partners;
- the efficacy and suitability of the model in relation to the company's structure and actual suitability to prevent crimes;
- the advisability to update the model as a result of changes in the company and/or legislation

Special attention was paid to the information flow to and from the S.B. in order to ensure that this body is capable to bring the results of its activities and any problems to the attention of the Board of Directors and the Board of Statutory Auditors.

The reports can be sent to:

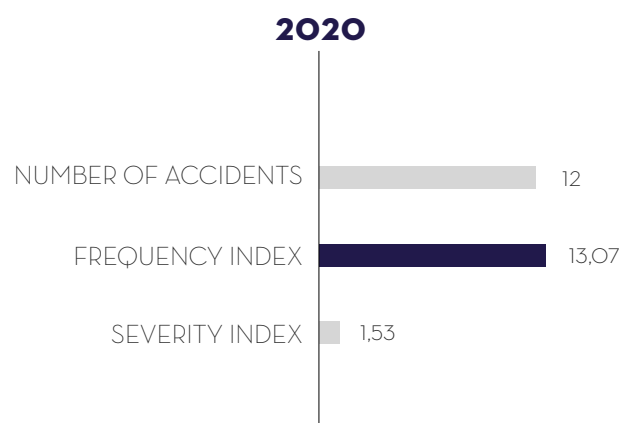
SUPERVISORY BOARD
C/O ZUEGG S.P.A.
VIA FRANCIA 6 • 37135 VERONA
ODV@ZUEGG.IT

PREVENTION AND SAFETY AT THE WORKPLACE

In the same way of the issues related to respect and protection of the environment, also with regards to the health and safety matters all the values concerning the safeguarding of the health of the company's staff have been disseminated so that they are shared and implemented equally in all the Group's production plants. A key role was played in this process by involvement of all the employees, who reacted in a very positive, proactive way, by reporting dangerous situations and forms of behaviour.

Analysis of the accident indexes

This analysis quantifies and examines incidents that have occurred, namely any dangerous and unforeseeable acts that may occur at the workplace in a non-recurring fashion. In 2020, the severity index was lower than 2019. This is the result of the greater awareness of health and safety issues on the part of workers achieved through the training programmes provided.





Passione per la frutta, amore per la vita

Safety policy

We at Zuegg recognise the importance of safety and health at work and are aware of the impact both injuries and professional diseases may have on workers and society. This is why we have always believed that the management of safety and health at work, and their relative results, are an integral part of our activity.

By stating that the responsibility of managing these two aspects is of the entire organisation, from the employer to every single employee, according to their tasks and expertise, we undertake to spread and consolidate the culture of safety among our collaborators.

We have been drawing from our human, instrumental, and economic resources, adapting our work organisation, design, use, and maintenance of equipment, machinery, and systems to these purposes, in order to guarantee the following points:

- physical and moral integrity of our collaborators;
- dignified work conditions and safe and healthy work environments in full compliance with the standards in force;
- prevention of accidents, injuries, and professional diseases.

How do we pursue these purposes?

- by evaluating the risks related to the workers' safety and health, even when choosing the work equipment and designing and setting up the workplace;
- training the workers in relation to their tasks, providing suitable instructions and consulting some workers and their representatives on safety- and health-related aspects;
- spreading our policy and objectives related to safety and health at work and relative implementation programmes within the company;
- promoting the cooperation between the various company resources, collaborating with external organisations, and involving our suppliers in the prevention process.

Verona, 14/12/2015

The President
Oswald Zuegg

A handwritten signature in black ink, appearing to read "Oswald Zuegg", written over a light blue horizontal line.



D A L 1 8 9 0

zuegg.com



Zuegg's respect for nature
supports the creation of
low environmental impact tools.
Just like this document that was printed
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