SUSTAINABILITY

REPORT 2022

LAND

VALUES

PEOPLE



DAL 1890

SUSTAINABILITY REPORT 2022

VALUES LAND PEOPLE



letter to our STAKEHOLDERS

Zuegg is a family story intertwining people and orchards, Italian recipes and wisdom. This is why, for over 130 years, ours has been a story of respect: for the values we believe in, for the land we till, for the people who make our company unique. For us, sustainability is a matter of the heart, now more than ever. This report tells you how we have evolved and where our journey has taken us, relating our focus on our employees and our commitment to the environment and its inhabitants. Ours is a path of responsibility and awareness, because we are certain that our success is driven by our respect for people and nature. Since I was a little girl, my father always explained to me that working with nature teaches you to have the greatest respect for it. This is why we have always been committed to protecting and improving the environment in which we operate. We strongly believe that the only way to make sustainable products is to take care of the earth by preserving its biodiversity and natural resources, and reducing waste. For five generations, we have been cultivating and processing the fruits of the earth to offer people healthy, tasty and genuine Mediterranean food. Food is nourishment for our bodies and for our well-being. My grandparents knew this, my father taught it to me and now I will carry on this commitment with pride. There is one thing I know for sure: respect is not only something to be understood, but above all, it is something to be experienced and pursued. Passion for the land, love for life.



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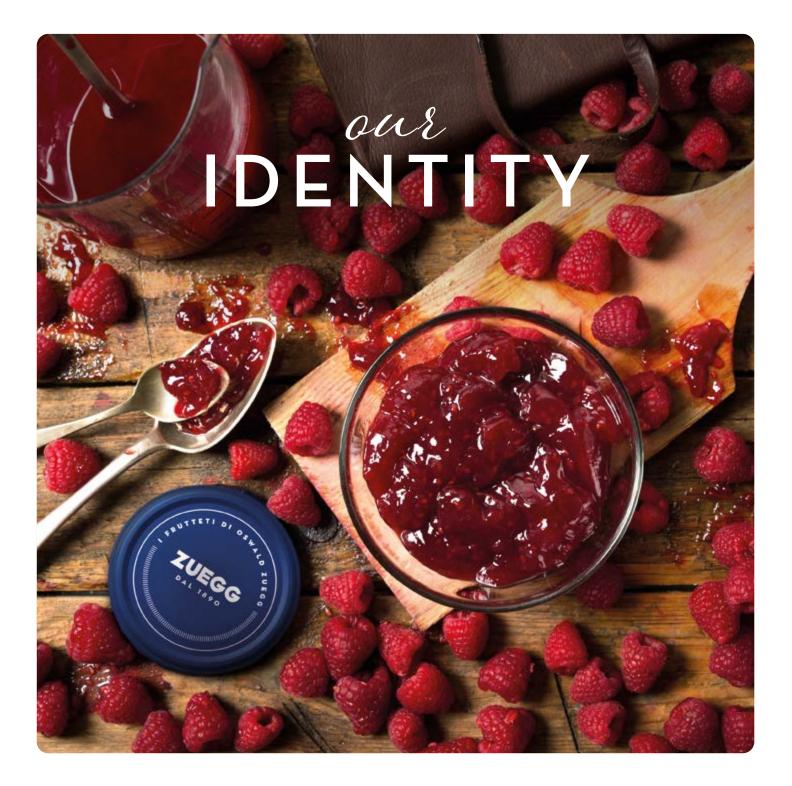
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VISION AND RESPECT

The Zuegg Group is involved in the cultivation and initial processing of the raw materials used to produce a wide range of fruit-based foods and preparations for the consumer market (under the brands Zuegg, Skipper, Original Zörbiger) and the food industry. Zuegg is first and foremost the story of an Italian family, then it is the story of a successful Italian business.

It is the story of the five generations who have passed on the baton of tradition in a period of over 130 years, combining our passion for fruit with respect for the values we believe in, the land we till, and the people who make our company unique.



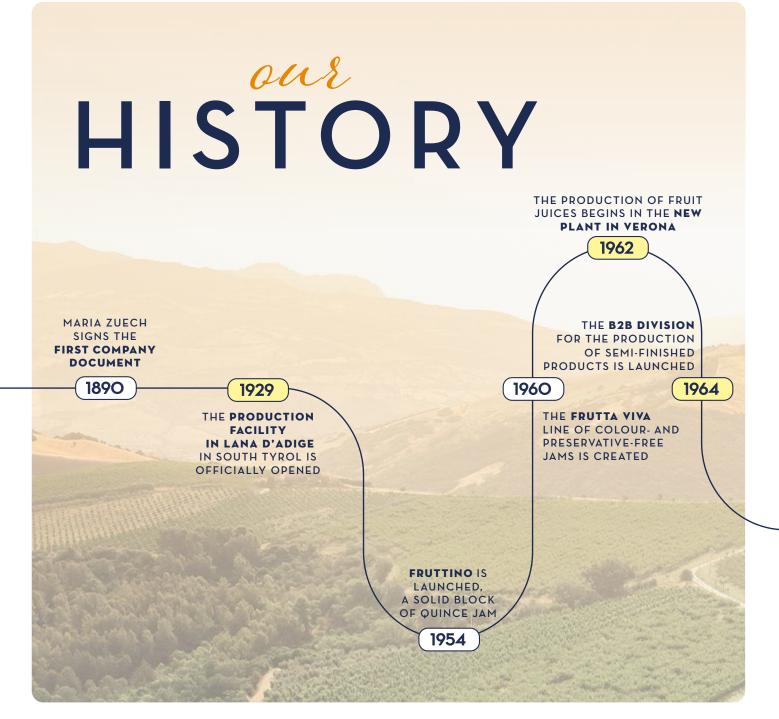


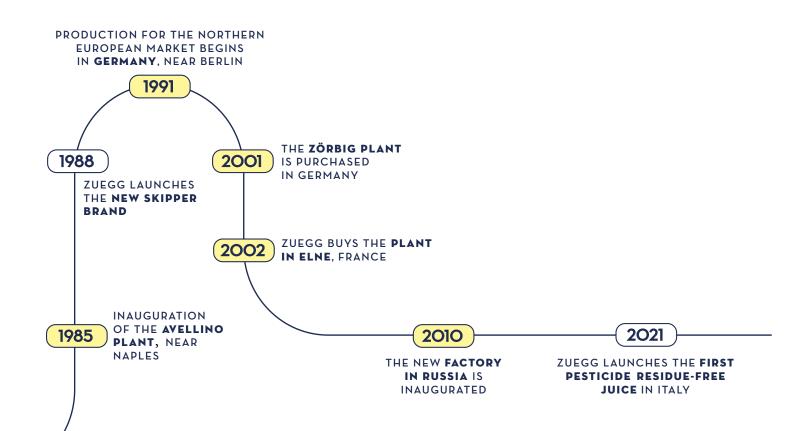
OUR ROOTS

Our connections with the land and with our orchards are what makes our company unique and different. We use state-of-the-art agronomic techniques which, combined with years of experience and continuous study, have led to the *Zuegg Method*, a holistic approach to cultivation based on fortifying and protecting the plants to preserve their resilience and respect the integrity of nature.

We select the most resistant fruit varieties, cultivate them in the best territories in terms of climate and soil (terroir) and respect the cycles and rhythms of nature in order to safeguard the richness of the soil, the balance of the ecosystem, the integrity and the right degree of ripeness of the fruit. Our agronomists are the 'guardians' of our orchards and the nature that surrounds us.

In over a century of business, this knowledge and unconditional dedication have enabled us to select excellent raw materials and offer superior taste experiences.





In 1860, together with his 14 children, Ernst August Zuech began cultivating fruit in order to sell it in the markets near his farm in Lana d'Adige (South Tyrol). Since then, the story has continued for **more than 130 years**; it tells of the family that started from a small farm and a strong love for the land. A family whose name became Zuegg in 1903.

Passion has always guided the Zuegg family in its decisions.

The Group's affection for the land and the territory gave it the opportunity to develop local products, producing them close to the initial processing plants, so operating in the territory of both its suppliers and its customers.

OUR MARKETS

Five generations, 133 years, one vision: leading the Group to a solid, organic and steady growth through iconic brands and successful products, catering for the needs and wants of people and their diets.

MARKET FOOTPRINT

The Zuegg Group operates in the businesses of agriculture (B2A), processing and transformation of fruit and vegetables for the consumer market and major food industries (B2C and B2B). With market share in more than 40 countries around the world, it consistently pursues a philosophy aimed at the highest product quality guaranteed by numerous certifications, including ISO 9001, ISF (International Food Standard) and BRC (Global Food Safety Standard), regulated by the Federal Association of German Trade Companies and the British Retail Consortium, respectively.

B2A BUSINESS TO AGRICULTURE

This is the division of the Zuegg Group dedicated to the cultivation and initial processing of the raw materials used later by the Consumer (B2C) and Industry (B2B) divisions. We base our operations on four key values:

• **Cultivation**: we want our experience to be passed on to farmers, following precise guidelines defined by our agronomists, according to the Zuegg Method, in order to cultivate each type of soil in the best possible way.

- **Harvesting**: the fruit is picked at the best ripening time indicated by our agronomists, guaranteeing a high standard of quality.
- **Quality control**: we check, observe and touch the fruit to ensure its quality parameters during the main processing stages.
- **Processing**: we apply working methods that respect the raw materials, with the aim of keeping their organoleptic characteristics as intact as possible.

B2C BUSINESS TO CONSUMER

This is the division that transforms the highest quality raw materials, obtained from the B2A division and from selected suppliers, into skilful recipes for **jams and juices** with natural ingredients. Through the brands Zuegg, Skipper and Original Zörbiger, the B2C division reaches people with excellent products.

B2B BUSINESS TO BUSINESS

It develops **handmade** and fruit and vegetable **preparations** made according to specific recipes for both **sweet and savoury** dishes. Preserving high quality standards, Zuegg offers its technological know-how in the selection and processing of the selected raw materials, exploiting their organoleptic properties to make preparations for the major food industries.



ZUEGG

Zuegg is a family surname that became a brand name in 1890, a guarantee of personal commitment and responsibility. For the recipes of our jams and juices we use the finest selected fruit and natural ingredients, processed as little as possible to enhance each fruit and guarantee our consumers a superior taste experience.







Skipper

In 1988, the Skipper brand was launched, with the aim of spreading the intense pleasure of fruit with ingredients of 100% natural origin. Skipper represents openness and inclusiveness without barriers, through colours and the world's finest fruit.







ZÖRBIGER SEIT 1873

Original Zörbiger is a regional German brand backed by tradition and a culture of excellence that go back over 140 years. Products spawned by our strong connection with the land, characteristic processing techniques and selected ingredients are the recipe for an unmistakable taste.





INDUSTRIAL PREPARATIONS



DAIRY-CHEESE-MAKING INDUSTRY

From the winning combination of fruit, in pieces or puree, and yoghurt, Zuegg creates solutions for the major dairy industries.



PLANT-BASED PRODUCTS

Zuegg makes savoury preparations for fresh cheeses, sauces and dough fillings by skilfully and innovatively combining fresh vegetables, cereals, pulses, spices and herbs.



BAKERY AND PASTRIES

Zuegg specialises in the development of fruit preparations for use in the pre- and post-baking phases in the pastry-making industry.



ARTISANAL ICE-CREAM

The GranCanale brand offers a range of icecream preparations, ready to meet the needs of artisan ice-cream makers with unique and customised products.

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ESSENCE

The Zuegg Group's Vision and Mission stem from a deep sharing of values, where the integrity of a family business meets the value of responsibility that must characterise a modern, international company. Every day, while we work, we strive to bring culture and development to the territories we are part of, with full respect for the people who work with us and the environment in which we operate.





VISION

With our products, we help people favour a sustainable diet based on the consumption of fruit and vegetables. We are committed to strengthening our position in global markets as a supplier of high-quality semi-finished products. We aim to build brand leadership by offering wholesome, ready-to-eat products.

MISSION

For five generations we have been cultivating and processing the fruits of the earth, with deep respect for the planet and all those who inhabit it, in order to give people a healthy, tasty and genuine Mediterranean diet. Food is nourishment for our bodies and for our well-being. We look after ourselves, one another, and the life that surrounds us.





FAMILY 5 GENERATIONS SHARING THE SAME VALUES



RESPONSIBILITY

COMMITMENT TO CULTURE AND THE SUSTAINABLE DEVELOPMENT OF TERRITORIES



EXCELLENCE

CONTINUOUS IMPROVEMENT TO OFFER EXCELLENT PRODUCTS



INTEGRITY A COLLABORATIVE AND TRANSPARENT APPROACH TO OUR DAILY GOALS AND ACTIONS



SIMPLICITY

"TASTY, APPEALING, WHOLESOME" PRODUCTS



WISDOM RECIPES TO EXPLOIT AND ENHANCE THE PROPERTIES OF THE FRUIT



EXPERIENCE 130 YEARS OF CULTIVATION OF EVERY FRUIT VARIETY

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A PEOPLE-CENTRIC GROUP

With its products, Zuegg's aim is to help spread the idea of natural nutrition. At Zuegg, people are the focus of everything we do. They have the right to receive all the information they need to make an informed and respectful choice. Whoever buys a product, in fact, is not just a consumer, but a person with an identity, values, who follows customs, and has physical, psychological, cultural, and emotional needs.

CODE OF ETHICS

The Group has adopted a Code of Ethics, a relevant document to guide the company's activities, which determines an approach to business that is not limited to compliance with the regulations in force in the countries where Zuegg operates, but is proactively oriented towards regulating the decisions and the way the company and its employees operate towards stakeholders. This document encapsulates the set of values and behaviours that represent Zuegg, its employees and co-workers. Fairness, loyalty, integrity and transparent behaviour in the relationships we have both inside and outside the company walls are the cornerstones of Zuegg's actions. Fundamentals that lead to the realisation that an ethical approach to business results in the creation of value, not only for the company but also for the stakeholders.

The Code of Ethics sets out our policies on quality, environment and safety, human resources management and protection of company assets.

The Code applies to all the employees, suppliers, contractors, consultants, partners and external collaborators of the Group. The Code incorporates the principles of sustainability and the anti-corruption guidelines.

The Code of Ethics confirms Zuegg's adherence to the principles of the UN Universal Declaration of Human Rights, the international labour conventions and the recommendations issued by the ILO (International Labour Organisation), the Earth Charter drawn up by the Earth Council and the 10 principles set out in the UN Global Compact proposed by the UN.

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our APPROACH

GOVERNANCE

BUSINESS MANAGEMENT

The corporate governance system adopted by Zuegg is key for the operational performance of the Group and contributes decisively to the creation of sustainable value in the medium to long term for all stakeholders. Zuegg has adopted a traditional administration and control system, in which the Board of Directors is entrusted with the management of the company and the Board of Statutory Auditors with control and supervisory functions.

Zuegg's governance system is designed to ensure a constant dialogue between management and the share-holders, who are also members of the board.

In fact, the Shareholders' Meeting is a body with purely deliberative functions and the Board of Directors plays a central role in the guidance and management of the Company and the Group, being responsible for defining strategy, as well as monitoring and guiding their development. Over the years, Zuegg's organisational structure has not changed substantially, as it is aimed at ensuring business continuity for years to come. As of 31 December 2022, the Zuegg Board of Directors had 3 members, including the Chairperson. The Board of Statutory Auditors consists of three Standing Auditors and two Alternate Auditors, ap-

OSWALD ZUEGG CHAIRPERSON OF THE BOARD OF DIRECTORS

BRIGITTE BAUMGARTNER MANAGING

DIRECTOR

MARTINA ZUEGG MANAGING DIRECTOR





pointed by the Ordinary Shareholders' Meeting in line with specific regulations.

The Board of Statutory Auditors monitors compliance with the law and the articles of association, and compliance with the principles of proper administration in the running of the company's business. The Statutory Auditors act autonomously and independently towards all shareholders and monitor the financial reporting process, as well as the adequacy of the Company's organisational structure, internal control system and administrative-accounting system.

The Zuegg Group has established a body that monitors the effectiveness and adequacy of the organisational model adopted by the Company and the adequacy of the internal mechanisms and controls by periodically collecting sensitive information in order to identify potentially risky behaviour.

VIOLATIONS

For the current year, no violations concerning active and passive corruption, anti-competitive behaviour and discrimination were reported or identified, nor was any action taken by the company to punish such behaviour.

sustainability GOVERNANCE

Zuegg is implementing a governance system in which sustainability is an increasingly integrated element of the tasks of the various corporate bodies.

In just a few years, the Group's structure for managing sustainability has evolved. Today, the sustainability manager has the task of identifying, promptly reporting to top management and, in cooperation with the relevant functions, managing any risks related to sustainability issues, as well as identifying areas and projects for improvement, thus contributing to long-term value creation.

On the pathway to a more sustainable future, in December 2022, the Zuegg Group institutionalised the Sustainability Committee, composed of several employees. The Committee's task is to review the company's sustainability strategies and propose targeted actions for their implementation. The Committee also establishes working groups on sustainability issues, gathers proposals and verifies the activities and progress through appropriately identified KPIs. It has the task of assisting the Board of Directors with investigative, propositional and advisory functions in evaluations and decisions regarding sustainability issues. A step forward was also made in the area of internal communication. There are many success stories at Zuegg that inspire and demonstrate our values.

The new internal platform IN.ZUEGG was thus published, telling us about sustainability projects, but not only: from the Quality Project to news from HR, from the Sales Campaign to the advert 'The Orchards of Oswald Zuegg', from the GRI Report to training.

The main sustainability-related risks considered are related to climate-changing gas emissions and the impacts of the energy, gas and logistics component. Already since 2010 Zuegg has had a social and environmental data tracking system in place, but in 2021 a process of improvement of the existing system was initiated, which includes, with a multi-year evolutionary perspective, the creation of figures with responsibility, each for their own area, for the data and information published in the annual sustainability report.

In 2022 Zuegg signed its Sustainability Policy defining the areas of commitment for the coming years.



We pursue the aims of this policy in all areas of management using these tools:



We pay particular attention to aspects of climate change, through actions of:



PROMOTING SUSTAINABLE AGRICULTURE



MEASURING, REDUCING AND OFFSETTING CO₂



REDUCING FOOD WASTE



REDUCING WATER CONSUMPTION



STREAMLINING PACKAGING, LOGISTICS AND PROCUREMENT



We have always been attentive to the well-being of employees and the community for the creation of shared value through actions of:



CORPORATE WELFARE



HEALTH AND FOOD SAFETY

SUSTAINABILITY REPORT 2022

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SUSTAINABILITY COMMITTEE



SUSTAINABILITY POLICY



CULTURE OF SUSTAINABILITY

2. OUR APPROACH





SUSTAINABILITY

FOLLOWING THE GRI STANDARDS

SUSTAINABILITY COMMITTEE

INTERNAL ANALYSIS WITH SUSTAINABLE BUSINESS MODEL CANVAS

> STAKEHOLDER ENGAGEMENT FOR MATERIALITY ANALYSIS

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NEW PHOTOVOLTAIC SYSTEMS FOR A TOTAL OF 599 KWP INSTALLED POWER

SUSTAINABILITY POLICY

2. OUR APPROACH

CERTIFICATIONS

Our system certifications and those that provide information to our B2B customers, are signs of quality and assurance that the company has implemented practices aimed at fostering increased awareness of certain sustainability issues, both from a management perspective and for Zuegg's specific businesses.

The desire to certify our practices has led us to join certification schemes for sustainable sourcing, food security and to adopt management systems for quality, environment and energy.

By assessing the practices adopted in the areas of labour standards, health and safety, human rights, business integrity, and environmental management, Zuegg is confirmed as a responsible supplier that contributes to creating a positive social impact by reducing its environmental footprint.

In addition, partnership initiatives are in place at Zuegg to create pathways for continuous improvement, for sustainable business growth that helps communities and the environment to thrive.

Zuegg is aware that access to safe and nutritious food is an essential requirement for consumers all over the world. With this in mind, it has made significant investments to avoid the risks associated with exposing consumers to contaminated or unsafe food. Today, Zuegg can boast high standards of safety and quality, as well as a system of operating criteria that guarantee the correct fulfilment of all obligations under current regulations for consumer protection.

In addition, with this in mind, Zuegg has acquired certifications that are indispensable for all companies that want to expand their market and sell their branded products in the mass retail market, such as: hygienic safety management systems, to control food safety hazards in products placed on the market; environmental management systems, to limit impacts on environmental components; and energy management systems, to encourage the efficient use of different energy carriers. Our two plants in Elne (France) and Avellino (Italy) are registered on the EcoVadis sustainability rating platform. EcoVadis helps manage the ESG risk and compliance, and assists in achieving the corporate sustainability goals and driving the large-scale impact by promoting improved sustainability performances.





SOURCING

2 CERTIFICATIONS HELD BY THE ZUEGG GROUP

SMETA SEDEX

URSA UNILEVER

ECOVADIS



RESPONSIBLE MANAGEMENT SYSTEMS

11 CERTIFICATIONS HELD BY THE ZUEGG GROUP

> **ISO 9001 ISO 14001 ISO 50001**

2. OUR APPROACH

scenario and MEGATRENDS

Globally, the countries of the world are facing a major challenge to meet the 2050 targets on food security, the promotion of healthy diets, the reduction of greenhouse gas emissions, the preservation of biodiversity, the conservation of forests and the sustainable use of fresh water reserves.

The 'business as usual' paradigm is no longer an acceptable option, as evidenced recently by the numerous forest fires, coral bleaching, heat waves and the constant and worrying loss of biodiversity. In particular, the deforestation rates in the Amazon regions are increasing significantly. The IPCC Special Report on Climate Change and Land confirms the unsustainable use of our land and the increased vulnerability of our food systems to environmental disasters, with consequent social impacts.

Meeting these challenges will require a mass transformation of our production and consumption patterns, as well as a fundamental change in the way we interact with the environment. As pointed out in the IPCC *Special Report On Climate Change And Land*, even the production of fruit and vegetables, a key component of a healthy diet, is vulnerable to climate change. With the temperatures rising, a decline in harvests is to be expected, especially in tropical and semi-tropical regions. Heat stress reduces fruit set, resulting in yield losses, compromised product quality and increased food loss and wastage. However, some fruits and vegetables require a long period of cold weather in order to produce a viable crop, and warmer winters can be a risk.

Concrete policies and actions are needed to promote sustainability, the regeneration of the natural systems and the adoption of responsible agricultural and food practices. Only through global, coordinated efforts will it be possible to effectively address the current challenges and protect our future and that of future generations. The European Union has launched the European Green Deal, which includes a Producer to Consumer Strategy to ensure sustainable agricultural production. This strategy entails the reform of the Common Agricultural Policy (CAP), the conservation and restoration of biodiversity as part of the Biodiversity Strategy and the promotion of sustainable and healthy diets.



All governed by the Climate Act, which sets the goal of achieving climate neutrality by 2050 under EU and national law.

The land on which agribusinesses depend is being degraded. More than half of the world's GDP is 'highly or moderately dependent on nature and its services' (WEF, 2020), with at least 1.2 billion jobs directly dependent on maintaining a stable and healthy environment (ILO, 2018).

The global economy is therefore at risk due to losses related to the environment and nature. All the scientific evidence points to significant changes in the environment where the businesses operate.

At the company level, supply chains are at risk due to land degradation and climate change. There is an erosion of the natural capital which is running at an unprecedented rate.

In this area, the phenomena and developments that Zuegg considers relevant and generators of potential impacts but also opportunities mainly include:

RESTORING THE LANDSCAPE TO SUPPORT AGRI-FOOD CHAINS

The global economy is at risk due to nature degradation, land degradation and climate change. There is a growing recognition of the economic consequences of environmental degradation. Agriculture, food and drink are among the three largest sectors that depend directly on nature. There are significant risks to agricultural supply chains due to reduced productivity, loss of crop yields and potential disruptions to the global food system.

Landscape restoration is identified as a means of mitigating the risks of land degradation and improving the resilience of the supply chain. In fact, the degradation of the natural capital can be mitigated through so-called Nature based Solutions (NbS) e.g. by fostering pollination, recovering soil quality, improving water quality, and promoting natural carbon sequestration solutions.

REGENERATIVE AGRICULTURE

The recognition of nested and interconnected systems has important implications for the natural world, as it emphasises the interconnected and interdependent relationship between living and non-living elements. By understanding the relationship between these systems, individuals and companies can better appreciate the impact of human activity on biodiversity, the health of our ecosystems and our natural resources. The concept of natural capital drives more sustainable land use practices and greater efforts to protect threatened species and habitats. Preserving the health and diversity of the natural ecosystems is now becoming a benchmark for innovation. The ability to adapt to changing environmental conditions will be crucial for ensuring the survival and persistence of species and for maintaining the functions and services provided by our ecosystems. The shift to regenerative agriculture, combating food waste and promoting healthy diets are identified as areas of development that have the potential to generate an estimated USD 4.5 trillion per year by 2030.

POLLINATING INSECTS

Three quarters of crops require a pollination process and yet many pollinating insect species are currently at risk of extinction.

It is estimated that between 3 and 5% of the global fruit, vegetable and nut production is lost due to inadequate pollination. This causes diseases linked to unhealthy diets and puts 5 to 8% of agricultural production at risk, for an annual value of between USD 235 and 577 billion.

CHANGES IN CONSUMER HABITS

The Covid-19 pandemic triggered a change in consumer demand in many countries towards nationally/ locally available products.

EFFICIENCY OF PRODUCTION PROCESSES

The strong drive for efficiency in the use of resources, labour and of the allocation of capital (often linked to the efforts of large corporations to maximise profits) has promoted a wide spread of homogenised production, resulting in a decline in agrobiodiversity at species level and genetic diversity that leads to an increased vulnerability to shocks.

TECHNOLOGICAL CHANGES

The development and use of emerging technologies applied to food systems and land management will influence the competitiveness of countries and companies, production and distribution costs, and ultimately the demand for their products and services. The macro-areas on which profound changes under the banner of sustainability are likely to occur and which Zuegg is already addressing by preparing strategies and projects, or on which it is planning to intervene in will be:

- The conservation of biodiversity and ecosystems.
- The reduction of GHG emission from AFOLU¹ compatibly with the aim of the Paris Agreement.
- Food security and a substantial global increase in the production and consumption of healthy food.
- Reducing freshwater use aligned with the Planetary Boundaries.
- Decreasing nitrogen and phosphorus release.
- Waste and food waste management².

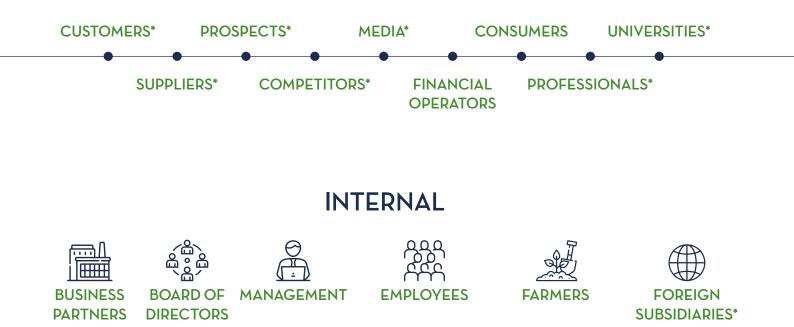
¹ Agriculture, Forestry and Other Land Use

² According to the United Nations Environment Programme, about one third of the food we produce is thrown away every year, equalling a total of about 1.3 billion tonnes

2. OUR APPROACH







*Some categories have been aggregated, the final table details the individual categories.

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REFERENCE SUBJECTS

We have always assigned great importance to all stakeholders who contribute to Zuegg's activities, working in an inclusive manner with **all the stakeholders** who participate in the life of the company.

We plan specific times for building our relationship and dialogue with them to listen to their requests and expectations; we consider their contribution essential for the success of the sustainability path.

In 2021, Zuegg identified its stakeholder categories.

The mapping and involvement of stakeholders in Zuegg aimed to contribute to the materiality analysis, and the stakeholders were involved with regard to a number of topics important for the value creation of Zuegg and its stakeholders.



MATERIALITY

RELEVANT TOPICS FOR THE BUSINESS

The development of the materiality analysis was preceded by a stakeholder engagement activity designed to give stakeholders the opportunity to express an opinion on the most important levers, in their view, with which Zuegg, through its operations, creates value and/or impact.

Value creation is defined as those activities/actions that are important for the growth and development of the company in economic/financial terms, and in terms of resources, relationships, markets, values, welfare, talent development and that are ultimately embedded in Zuegg's actions.

The term *impact*, on the other hand, identifies any alteration, from a qualitative and/or quantitative point of view, of a variable that can lead to an improving, positive impact, or a worsening, negative impact.

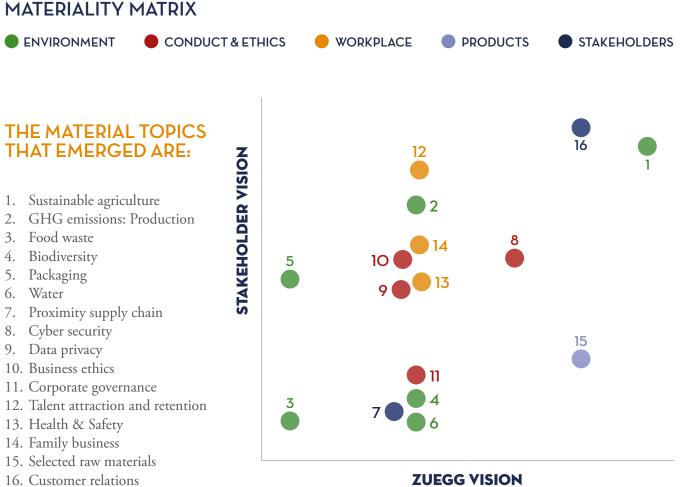
The panel of engaged stakeholders was chosen with a view to obtaining a representative sample of the following categories.



A set of key themes from the economic, environmental and social areas were identified and assessed for significance.

Stakeholders were asked to use an anonymous questionnaire to make a qualitative and quantitative assessment of the areas where, in their view, Zuegg's operations create impact and/or value.

The joint analysis of the opinions expressed by the individual stakeholder categories, appropriately weighted, was compared with the findings from the involvement of the panel of stakeholders representing Zuegg's vision, resulting in the materiality matrix below.



MATERIALITY MATRIX

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ECONOMIC VALUE GENERATED AND DISTRIBUTED

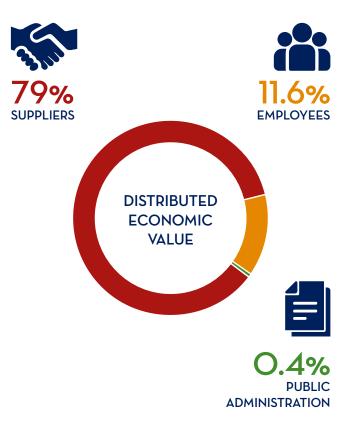
The elements that show the value generated and distributed are prepared on the basis of the consolidated income statement for the reporting period, with the aim of giving evidence of the economic value directly generated by Zuegg and its distribution to internal and external stakeholders.

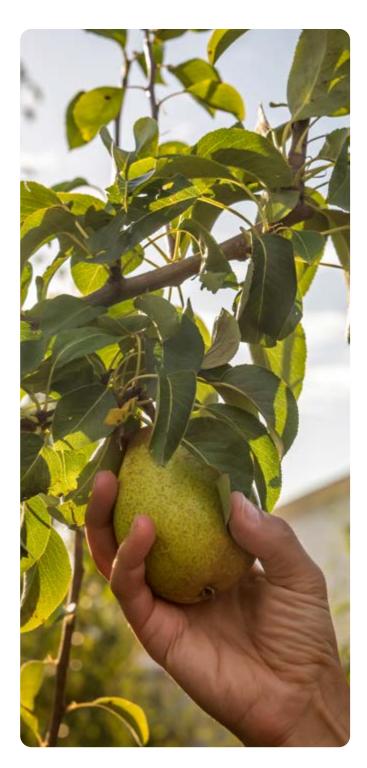
The focus of the value creation approach is always the person who, together with all the stakeholders and the high quality of the raw materials that we carefully select, is the best lever of our success.

Secondly, the Group's constant desire to position itself in the market through an ever-increasing focus on the quality and development of the products offered to the end consumer is remarkable.

In addition, our direct partnerships with agricultural producers continue, thus further shortening the fruit processing chain and ensuring maximum transparency and product authenticity for the end consumer.

The following is a series of analyses and comments on the Group's economic performance in 2022 referring to the reclassified Profit and Loss Account.





During financial year 2022, the economic value generated, amounting to EUR 259.7 million, was 10% higher than the previous year's value.

This change was mainly due to the increase in sales prices applied by the company in the second half of the year, to stem the surge in the purchase prices of raw materials and utilities.

Consumption related to raw and ancillary materials increased by 17.95% compared to the financial year 2021.

General expenses show an increase of 21.82% over the previous year, due mainly to the increase in the costs of utilities.

Personnel costs amounted to 11.63% of the value of production.

The above figures affected the result for the financial year 2022 compared to 2021, and thanks to the activation of internal corrective actions, it was possible to limit the negative effects on our 2022 profitability.

*The values shown refer to Zuegg S.p.A. This statement derives from a reclassification of the income statement of the consolidated financial statements of Zuegg S.p.A. as at 31 December 2022. Direct economic value generated includes: sales from products and services net of returns, discounts and rebates; financial revenues from interest on loans, dividends from shareholders, royalties and direct revenues from property (rents); revenues from the sale of tangible or intangible assets.

2. OUR APPROACH



We are aware that our strategy and products have an impact on the goals defined by the SDGs, which is why the entire organisation is committed to contributing positively to the achievement of the Sustainable Development Goals.



2. OUR APPROACH







Zuegg is striving to reinterpret its business in terms of its contribution to the achievement of the SDGs. In fact, the **GROUP** is an active contributor in areas relating to both human welfare and the wellbeing of the **PLANET**. Zuegg invests in the development of increasingly **MORE BALANCED**, **HEALTHIER** products by reducing sugar consumption and launching new product lines without added sugar. The approach to packaging is also becoming increasingly sustainable.

Zuegg provides CLEAR, transparent and accurate NUTRITIONAL INFORMATION on products in order to contribute to a more conscious nutrition that prioritises healthy, nutritious and sustainable diets and products, with a focus on CHILDREN and other groups of VULNERABLE PEOPLE. Zuegg is committed to respecting and not violating HUMAN and LABOUR RIGHTS and to pursuing environmentally friendly business management practices. We strive daily to mitigate the impacts of our internal processes on the air and on the climate by measuring and reducing our greenhouse gas emissions. We promote a SUSTAINABLE USE OF OUR WATER RESOURCES throughout the value chain, both

in the field activities and in the production stages, and all activity is aimed at reducing food waste related to the production and consumption of products.







and the improvement of the value chain.

Zuegg helps the farmers it works with to be more resilient and produce QUALITY RAW MATERIALS by considering climate change adaptation actions designed to mitigate risk.

In addition, small farmers are guaranteed a fair purchase price for their raw materials, and we also pay special attention to their LOCAL COMMUNITIES.

Our INCREASED AWARENESS OF THE SDGs, matured

over the past two years, has allowed the Zuegg management to associate t hem with the material topics that have emerged.



3. OUR PEOPLE



OUR EMPLOYEES

The Group's corporate culture is based on the concepts of trust, integrity and transparency. At Zuegg, an attitude of mutual cooperation and team spirit is encouraged, as is the respect for the personality of the individual and the avoidance of prejudice, intimidation, conditioning or discomfort. In our Group, all employees are offered equal opportunities, with no discrimination based on religion, ethnicity, political or other beliefs. Our approach to our workforce is structured with a view to respecting and valuing not only their professional aspects, but also their human and social aspects. The core concept is that every single person is a vital part of the 'Zuegg family' and contributes, with his or her work, to our common plan: "the purpose of the company is the common purpose of all". In fact, at Zuegg, employees can make suggestions for improvements and anonymously report issues using our suggestion boxes.

The real capital of Zuegg, therefore, is not a production line or a department, but all the **637 people** who work there.

We want to ensure the continuous improvement of our skills and the retention of our talents. To facilitate this approach at Zuegg, a human resources management process has been structured in which activities related to recruiting, talent management and career plan development are systematically included. Career management and talent retention are two of the actions fostered within the companies of the Group through the development of 'ad hoc' training plans. Each plant, in fact, prepares an annual training programme with dedicated budgets. For the year 2022, the programme was primarily aimed at acquiring skills in technical training and health and safety topics (85% of the total hours delivered).



In 2022, in cooperation with Cim & Form (Confindustria Verona), we organised a training course on sustainability financed by the EU and the Veneto Region through the 2014/2020 Development and Cohesion Fund.

The topics covered were emissions and environmental impact, sustainable supply chain, green marketing, sustainable agriculture and corporate social responsibility. The course was a good opportunity to address the topic of sustainability more intensively, and adopt a new perspective on different areas. The new knowhow will now be used for the implementation of various sustainability projects.

3. OUR PEOPLE

We have structured our staff appraisal system with a view to increasing employee-management sharing and engagement. In 2022, more than two thirds of the corporate population, i.e. 77%, had received a formal performance evaluation.

Within the Group, the freedom of association of employees is guaranteed by developing cooperative relationships with the workers' representatives and trade unions. In compliance with the regulations in force in the countries where we operate, the right to collective bargaining is recognised for 71% of the company population.

During the period of the pandemic, Management distributed a bonus to all the employees whose job description made them ineligible to work from home, guaranteeing Zuegg the possibility to continue operating.

PASSION FOR THE LAND-LOVE FOR LIFE

Being able to combine the passion that Zuegg employees put into their profession with a satisfying private life is essential for increasing individual motivation, team spirit and a sense of belonging to the company while improving the individual's quality of life.

Our culture favours and encourages the concept of the **work life balance** and our principles include the rule of the Three 8s conveyed by our Chairman. 8 hours of

work, 8 hours of life, 8 hours of rest, with the aim of carrying out actions and activities inspired, in terms of work time management, by the well-being and health of both body and mind.

The 'Work Life Balance' is the document which contains all the policies adopted by the Group to harmonise the work-life balance of Zuegg employees and co-workers.

WORK LIFE BALANCE



In order to understand which parameters are really important for our people, the HR department, relies on a **continuous needs analysis activity** and holds regular discussions with employees so that the identification of issues is participative and monitored, in a WIN-WIN perspective, for both the medium and long term.

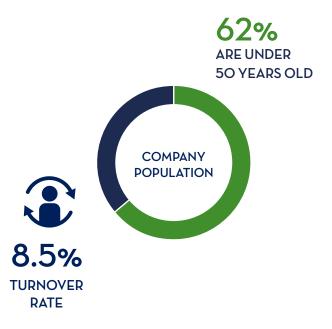
In accordance with local regulations, various tools have been prepared for employees to improve how they manage their time, both at work and at home:

- 1. Absence for maternity, including adoption or fostering;
- 2. Absence due to child illness;
- 3. Leave for breastfeeding;
- 4. Parental leave;
- 5. Marriage leave. It is customary for HR to provide a gift for the couple;
- 6. Flexibility of working hours (where compatible with the job);
- 7. Conventions and agreements that the Company enters into with third parties.

There are specific wellbeing programmes that help us monitor employees' perceptions of their work and their degree of satisfaction.

THE NUMBERS DON'T LIE

Zuegg is a young company, 62% of the company population is under 50 years old. A total of 72 people were hired in the past year, representing a 11% turnover rate, while 54 people ended their relationship with us, either due to age limits or to embark on new adventures, representing an **8.5% turnover rate.**



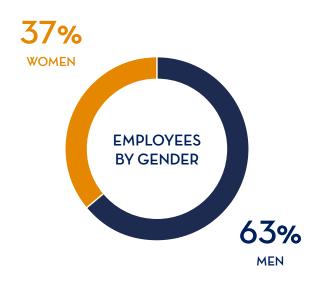
3. OUR PEOPLE

We are a company linked to agriculture, the cycles of nature and the seasonality of fruit. The relationship developed by Zuegg with the seasonal workers who are employed in the Group's production plants at certain times of the year is characterised by a strong sense of belonging and this is evidenced by the fact that, as the years go by, the people who apply to fill those jobs are almost always the same. The Avellino plant, precisely because of the fresh fruit harvesting and processing activities carried out there is the one where most employees with fixed-term contracts are employed during the year. The sum of the number of seasonal workers hired in Avellino over the past 12 months is more than double the number of structured personnel on fixed-term contracts (95 people compared to 40).

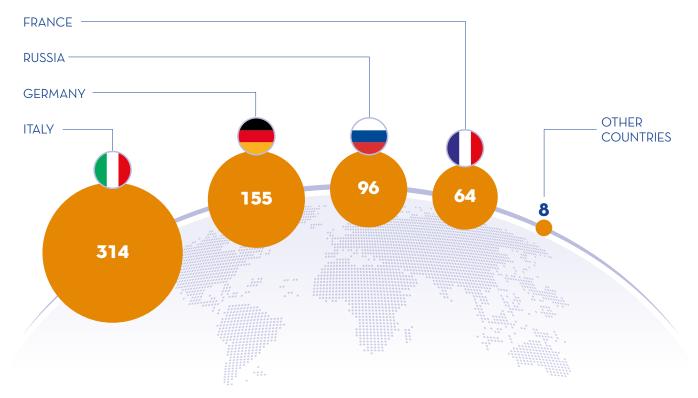
Zuegg is a company that thinks on a global scale, and it is aware that it plays an important role in creating a culture of **respect for diversity**. This corporate culture manifests itself internally through a series of practices and procedures that are part of the actions of the company and its personnel, but also externally through messages that aim to educate end consumers.

Our Group considers the growth and quality of women's employment to be of the utmost importance, which is why we are committed to adopting a set of actions in favour of **equality between men and women** in the workplace, to protecting the career opportunities of female employees and the quality of women's work, and to favouring measures to facilitate the reintegration of female workers after maternity leave and to safeguard their professionalism.

We are an international group and in our DNA, different cultures are valued, not only for their intrinsic business characteristics, but because they are considered a strategic lever.



EMPLOYEES BY COUNTRY



The health and safety culture is one of our pillars to protect people working at Zuegg both in and outside the workplace.

At Zuegg, there is a structured management system for this area, whereby shift leaders report daily to the company manager on the observations brought to their attention by each individual worker. **This dialogue is continuous** as are the risk mitigation and improvement actions in place³.

³ Refer to the GRI Content index for more details

3. OUR PEOPLE

COMMUNITY

As a company, we like to play a part in the social life of our community, and during the pandemic period we gave our support both in terms of donations for the purchase of medical devices and the free distribution of our products.

We cyclically distribute our products free of charge to non-profit associations with a view to reducing **food waste** and supporting **voluntary activities** in hospital wards (Moscati Hospital in Avellino), school campuses (Italian Red Cross and Ministry of Education, blood donor associations (Frates).

Zuegg supports local communities by supporting and disseminating practices for healthy eating and linked to sports activities such as marathons or local sports groups. For example, in Elne, France, it supports the local rugby team.

Thanks to the continuous dialogue between the Human Resources department and the world of universities and training organisations, four internship programmes were launched in 2022, a fundamental tool with a twofold value: on one hand allowing young people to perceive the complexity of the working world, and on the other hand giving Zuegg the opportunity to create a pool of possible future employees. We live in a world where customer data is collected to the highest degree of detail and in some cases even sold to third parties. We believe that a sustainable approach to this issue is a must. We have therefore chosen to make data privacy rights a priority and an issue related to sustainability.

We adopt a **Privacy by Design** approach by conducting a risk assessment in everything we do. With this approach, we fulfil our global data protection compliance obligations and handle the data of our consumers, customers, employees and suppliers correctly.

Zuegg has identified the minimum amount of data it needs to manage its business, obtaining consent from its customers to store it in its archives and deciding to discard superfluous information. In addition, we have defined internal regulations and processes to ensure maximum protection of customer and employee data. Since 2019, Zuegg S.p.A. has formalised its roles, responsibilities and processes, launching a customer data updating campaign, which ended in 2020, in order to ensure the correctness and transparency of its customers' personal data recorded in its systems.



3. OUR PEOPLE



Zuegg promotes the adoption of a **healthy and sustainable** dietary model, which is why the nutritional qualities and knowledge of the environmental impacts of our products are crucial. We take this same approach across our *entire value chain*, from research and product development decisions to the sourcing of our raw materials, the processing and formulation of our products and the definition of our marketing strategies.

Our product portfolio reflects this approach. It consists of healthy foods, processed with care and effort to ensure that they are in line with nutritional requirements, minimising the use of anything other than fruit. Proof of this is the absence of pesticides and preservatives in the *Zero Residues* line. Over the past few years, we have adopted a strategy of progressively reducing added sugars.

All our efforts to enhance consumer health and wellbeing start from the field, as we share the culture of sustainable agriculture with our farmers. We are aware that the future of global food systems depends on the longterm permanence of the natural resources that support agriculture and food production. We are attentive to the health of the soil, which determines 'the capacity of the land to sustain productivity, diversity and environmental services'⁴, including agriculture and food production, both today and for future generations. This is why we adopt an approach that involves only ¹/₄ of the treatments normally required in the open field and which, thanks to precision instruments, considerably reduces the dispersion of chemicals and nutrients into the environment, favouring biodiversity.

In Zuegg it is crucial **to prevent and eliminate food safety risks** in our companies and in our value chain to ensure safe food for consumers and to prevent damage to ecosystems.

At Zuegg, we establish production methods in line with the best practices in food hygiene and safety, and we strongly promote the constant development of our workers' skills and awareness of good management practices in this area.

⁴ United Nations, "Universal Declaration of Human Rights" (United Nations, December 10, 1948)

our view of the ENVIRONMENT

4. OUR VIEW OF THE ENVIRONMENT



SUSTAINABLE AGRICULTURE

WE LET NATURE WORK. HERE AT ZUEGG, WE DO THE BARE MINIMUM. NATURE WORKS FOR US. WE TREAT THE PLANTS IN OUR ORCHARDS THE SAME WAY YOU TREAT THE PLANTS IN YOUR GARDEN.



WE DEVELOP

responsible agricultural practices with which we respect the rhythm and harmony of nature



WE GUARANTEE

adequate space for each plant and preserve natural oases for the flora and fauna present so that nature can regenerate



WE PROMOTE

the cultivation of native and resilient varieties, which allow us to minimise our interventions



WE APPLY

agronomic techniques with a view to reducing chemical interventions and favour mechanical weeding over the use of herbicides



WE USE agro-medicines only when strictly necessary and select only those that protect bees and other insects useful to the ecosystem



WE TREAT

natural resources with due diligence, avoiding water wastage and soil erosion in our fields

HOW WE WORK

For Zuegg, opening the in-house Agronomy Department was only the first step taken to foster greater synergy between industry and the primary sector. Putting **agriculture and the farmer at the centre** of the production and supply activity was an intuition of the management of the Luogosano (AV) plant and it has since been used as a model for the development of the various European production facilities. The focus on sustainability therefore starts in the field, from the production of the raw material to the final product.

CONTROL OF AGRICULTURAL PRODUCTION

Zuegg's Agronomy Department is responsible for controlling the cultivation and supply of the fruit. With the help of documentation and technological support, it monitors and controls every production stage of the fruit it purchases.

An *Agricultural Production Specification* according to the Zuegg Method has been drawn up internally, outlining the guidelines and identifying the production criteria required by the company, and specifying the **technical quality standards** that each producer must maintain. In addition to this, our suppliers are supported by con-

stantly updated and evolving *Quality Guidelines and Procedures* that enable the supplier to remain aligned with Zuegg's improvement path.

The documentary part is supported by the continuous discussion between our suppliers and our agronomists. Field visits are scheduled each year to monitor the state of the art and stabilise future activities. These meetings are also opportunities to exchange views, dialogue with the producer and offer training on new techniques, trends and technologies.

Zuegg, in co-operation with its agronomists, has drawn up the *Zuegg Guidelines for Sustainable Agriculture without Pesticide Residues.* The document guides suppliers to favour a respectful production that becomes conscious of its impact on local habitats and is safe for the people who live and work there, and for the consumer.

In 2015, the *Agriculture Project* was launched, defining how Zuegg operates in the agricultural field. The term indicates the importance of the cultural approach to agriculture and defines the plan to **support farmers** (the producers) in the development of their personal skills. The project consists of identifying the basic steps of the Zuegg Method. It all starts with experience!

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4. OUR VIEW OF THE ENVIRONMENT



OUR SUPPLIERS

The quality of our products derives from our suppliers' commitment to the environment and the area in which they operate.

Therefore, we collaborate with **local rural people and communities**, who wish to pass on a workable and fertile soil to future generations. We are committed to training motivated young people to successfully take up farming by continuing their parents' trade, creating rewarding job opportunities that allow rural communities to remain socially and culturally connected to the land, so helping to prevent rural depopulation. Because only land that is not abandoned will remain as farmland for the future!

We acknowledge our farmers' hard work by ensuring that they receive fair payment for their toils, and establish multi-year contracts with them, which allow for medium-term planning of activities.

Our Zuegg technicians are always at their side, ready to offer them advice and find the best solutions.



SOURCED FROM

FARMS

We ensure the correct application of our **code of ethics** throughout the supply chain; Zuegg is committed to meeting the socio-economic and cultural aspirations of farmers by guaranteeing fair purchase prices that reflect the value of the raw materials and value the work done right from the field.

The relationship with our suppliers is managed and controlled by the Agronomy and Purchasing Departments, which also collaborate in the search for new suppliers and the management of existing ones.

In 2022, our agronomists supported approximately 110 farms who supplied us directly with raw materials, about 50 of which were supported directly by our agronomists in their management and field decisions. In addition, around 20 suppliers including Cooperatives, Producer Organisations and 40 traders worked closely with our Group, aligning their production practices to Zuegg's quality and management standards.

Our goal is an increasingly sustainability-conscious supply chain. At Zuegg, we carefully map the certifications held by our suppliers. Today, when choosing a supplier, sustainability is not yet one of the formal criteria considered by the purchasing department, but it is a quality that is becoming increasingly important. 4. OUR VIEW OF THE ENVIRONMENT

INGREDIENTS AND PACKAGING

MORE THAN 70% OF THE RAW MATERIALS USED BY THE GROUP ARE FRUIT. IN 2022 WE PRO-CESSED 23 MILLION KILOS OF FRESH FRUIT INCLUDING PEACHES, CHERRIES, PLUMS, APRICOTS, APPLES, PEARS, CITRUS FRUITS, SMALL FRUITS, TROPICAL FRUITS AND VEGETABLES.

DRUPE APRICOT PEACH PLUM CHERRY BLACK C	POMES APPLE PEAR QUINCE	ACTINIDIACEAE KIWI CITRUS FRUITS ORANGE LEMON
STRAWBE	 OTHER FRUIT FIG CHESTNUT POMEGRANATE	VEGETABLES COURGETTE TOMATO PUMPKIN/CARROT SWEET POTATO ARTICHOKES/ CHICK PEAS AUBERGINE PEPPER/ LEEKS/BROCCOLI

AREAS OF ORIGIN

Our **Italian** fruit comes from:

- Piedmont
- Veneto
- Trentino Alto Adige
- Emilia Romagna
- Lazio
- Abruzzo
- Molise
- Campania
- Calabria
- Basilicata
- Apulia
- Sicily

Our fruit supplies also come from Poland, Serbia, Ukraine, Bulgaria in **Europe**, while on a **global** level we source from major countries such as Costa Rica, Brazil, Thailand, China.



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4. OUR VIEW OF THE ENVIRONMENT

Our products are made with fruit, sweeteners and little else; these materials are by their nature renewable (99.5% of the total) and unprocessed

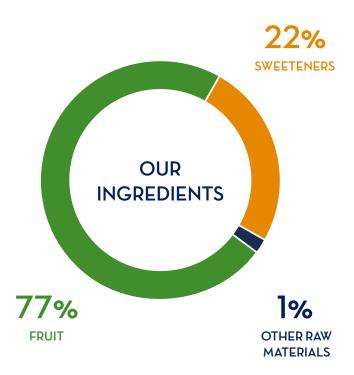
The ancillary materials and packaging we use are a different matter. 14% of these, consisting of glass, polylaminate, plastic, metal, paper and cardboard, is of renewable origin, while about one third (28%) is of recycled origin.

The non-detachable cap

At Zuegg, the project started in 2022, with us aiming to set a virtuous example and make our contribution to environmental protection.

The goal is to help reduce waste (by limiting plastic waste) and to avoid waste dispersion into the environment.

The new caps remain attached to the package by means of a small hinge. The caps are attached to the packaging to avoid being dispersed in the environment.



Used beverage cartons, including the caps, are made into other products such as roofing tiles, plant pots, paper napkins and much more.

We are **constantly striving to find** the most sustainable packaging solution for our products and, as a result, from 2021 the PET packaging used for our juices will be 50% recycled.

BIODIVERSITY

Zuegg bases its production model on the **protection and preservation of natural resources**, promoting and safeguarding the biodiversity of the areas in which it operates, preserving natural resources useful to the communities orbiting the Group, and reducing waste from the field to the processing phase, to prevent and avert climate change.

HOW WE ACT

Organic agriculture

Zuegg promotes organic production of fruit and vegetables wherever possible, believing strongly in agricultural production that resets the natural balance, restoring soil fertility and recreating the ideal habitat for beneficial flora and fauna. Generally, where organic cultivation is practised, we have 30% more biodiversity.

Integrated farming

In order to ensure sustainable production for the environment and the farmer, Zuegg proposes the reduction of synthetic chemicals, supplementing them with organic elements and cropping systems and guaranteeing a safe, high quality harvest.

Revegetation

Zuegg strongly believes that everything starts with the soil, which is why it promotes revegetation techniques. Quality raw material can only come from quality soil that is rich in organic matter, drained, aerated and alive.

A balanced presence of trees and other species

The balance and quality of our products is a reflection of the balance and quality of our orchards. We are committed to improving the entire agricultural system, by keeping it diverse, rich and alive.

Conservation of native species

We believe that our genetic heritage is a real resource for future generations, which is why we ask our farmers and support them in keeping all the species, including non-fruit species, that have historical, cultural and genomic value for the area in the field.

Stone constructions/drystone walls

The use of stone walls or dry-stone constructions in the fields of our producers has a great value in terms of conserving our biodiversity. These structures are an important ecological infrastructure useful for the survival, reproduction and movement of local fauna and flora species.





ENERGY AND EMISSIONS

Agro-food production and fruit processing processes are quite energy-intensive, and for this reason, the internal management of the energy component and the related climate-altering gas emissions of our plants is increasingly becoming the focus of our sustainability strategy. Some plants have a seasonal consumption, while others have more constant consumptions throughout the year. The initial stages of processing require the consumption of energy to wash, sort, peel, and cut the fruit, and to produce pulps or concentrates.

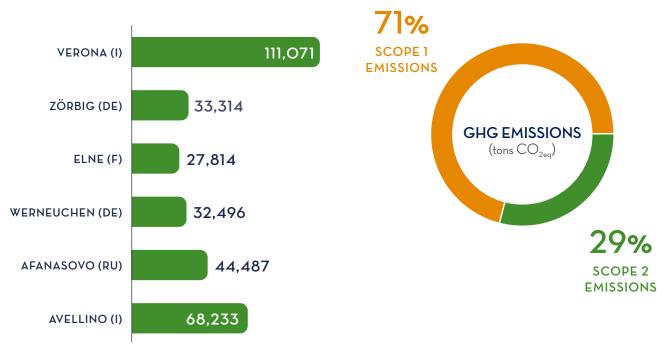
A large part of the consumption serves to maintain the raw materials and finished products at a controlled temperature.

Energy saving and energy efficiency opportunities are duly and constantly monitored and have led to the following interventions over the years:

- LED lighting (Verona, Elne and Avellino plants)
- installation of cogeneration plants (Verona)
- efficiency enhancement of water distribution pumps and water consumption (Verona, Elne)
- efficiency enhancement of waste water treatment systems (Avellino)

In 2021, two photovoltaic plants were activated at the production plants in Luogosano (AV) and Elne, France, with a total installed capacity of 371kWp and 228kWp respectively. In 2021, these plants guaran-





teed the production of 'clean' energy for about 6% of the total energy consumption of the Group's plants, amounting to 324,260 GJ.

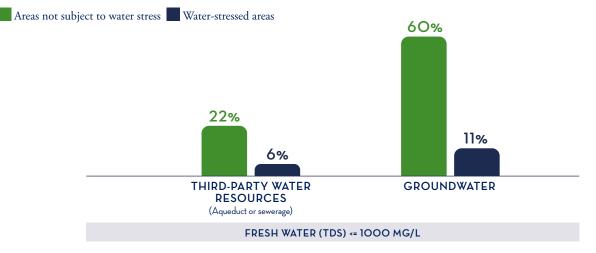
Emissions of climate-altering gases, GHG, are closely linked to the consumption of the different energy carriers by Group companies; in particular, the emissions

identified as Scope 1 include all the direct emissions of Group companies associated with thermal energy, while Scope 2 emissions refer to purchased electricity. In total, the greenhouse gas emissions of the Group's companies will be just under 25,000 tonnes CO_{2eq} in the year 2022.

9%

4. OUR VIEW OF THE ENVIRONMENT

WATER WITHDRAWALS BY SOURCE, TYPES AND POSSIBLE WATER STRESS



WATER WITHDRAWALS AND DISCHARGES

Water is one of the most significant environmental impact factors, so **internal recovery and recirculation systems** have been set up at the plants to optimise water consumption.

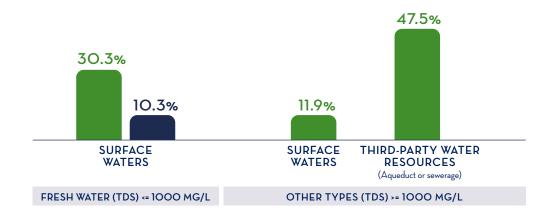
Water supply is primarily ensured by groundwater extraction, which accounts for 71% of the total, thanks to the presence of proprietary wells in all the Group's production plants, and the remainder comes from surface water, which is adequately treated in plants that obtain water with different levels of purification up to its complete potability, and from aqueducts.

15% of water withdrawals take place in areas identified as at medium-high and high risk of water stress⁵; these areas include the Elne plant in France and the Zörbig and Werneuchen plants in Germany. In order to limit the pressure on the water resource, these factories have defined targets for water consumption per kilo of product. There is no single target defined at Group level and this is justified by the fact that differ-

⁵ Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater resources. Water withdrawals include domestic, industrial, irrigation and livestock uses for consumption and non-consumption. Source WATER RISK ATLAS - WRI

WATER DISCHARGES BY SOURCE, TYPES AND POSSIBLE WATER STRESS

Areas not subject to water stress Water-stressed areas



ent types of processing are carried out in the plants to develop different products. The Verona production site alone contributes in the measure of more than 52% of the Zuegg group's total water withdrawals, partly due to the type of processing carried out in its plant, which is mainly dedicated to the production of fruit juices. Altogether, more than 130,000 m³ of water is used, in varying percentages between jams, juices and semi-finished products, into the products marketed by the Zuegg Group.

Wastewater management is different for each production plant. The solutions adopted vary depending on the production location or on the space available and the public services present. The strategy shared by the different production plants is to find the best solution that ensures the **lowest possible impact** on the ecosystem.

For this reason, our plants may have lagooning systems, i.e. natural water purification, internal wastewater purification or direct discharge into the public sewage system after treatment to ensure compliance with the chemical and physical parameters required by law.

4. OUR VIEW OF THE ENVIRONMENT



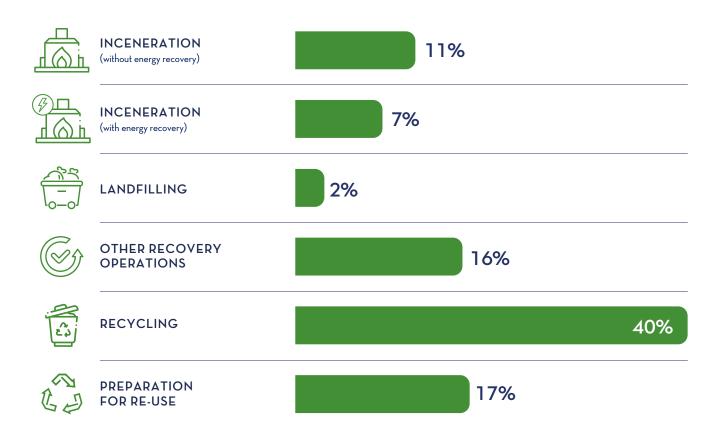
WASTE AND FOOD WASTE MANAGEMENT

The production and handling processes of the products throughout their life cycle inevitably entail the production of waste and discarded materials. It has always been our strategy at Group level to reduce the amount of waste produced and its impact as much as possible through the choice of **reuse, recycling and recovery activities**.

The waste we produce is largely classified as non-hazardous and 55% of the total is sent to undergo activities other than disposal.

FINAL DESTINATION OF WASTE

Non hazardous waste



(77)

4. OUR VIEW OF THE ENVIRONMENT



RECOVERY OF ORGANIC WASTE

2021 2,660 TONS 20225,555 TONS

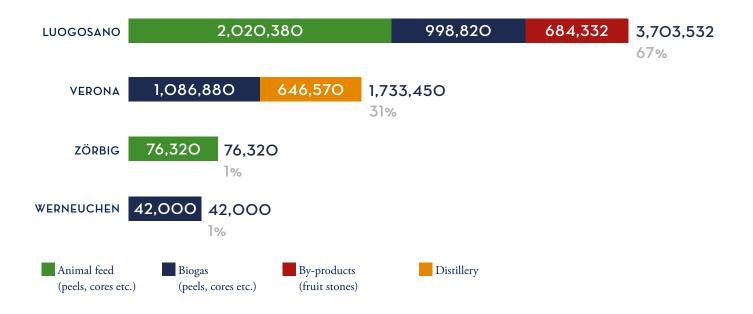
The Zuegg Group is increasingly striving to achieve the highest level of circularity in all phases of its processing. On one hand, this approach allows us to reuse or recover our waste materials and, on the other hand, reduce the impacts in the final part of the production chain.

One of the aspects related to circularity on which the company has been focusing the most is the recovery of organic processing waste that can be fed into a second production chain and generate further economic value.

During 2022, the Group was on the receiving end of best practices for the recovery of the organic matter deriving from fruit processing (first processing) and from the tops and tails in the production of semi-finished fruit products. These are already active in the Italian plants.

DESTINATION OF ORGANIC WASTE

Date expressed in kg



This procedure allowed the recovery and use of the energy from the organic matter and generated a saving of about 110 tons of CO_{2ca} compared to energy production from fossil fuels.



SUSTAINABLE innovation

RESEARCH AND DEVELOPMENT

We chose to guarantee an innovation and research service that was directly linked to the production activities; we therefore have a reference R&D office for each production plant!

In particular, our research and development department related to Business to Consumer products is located in Verona and employs 4 people.

The research and development team for Business to Business products is distributed between the plants in Verona, Elne, Werneuchen and Afanasovo and has a payroll of 26 people. In this way we can guarantee a dedicated, punctual and precise service for each customer directly in contact with the local production companies but at the same time the possibility of transferring the results and **best practices** to the whole group. Our preparations can be found in the yoghurts, tarts, and croissants that our customers deliver to the consumer's table, which is why we adopt the same philosophy, the same care and the same quality when making the preparations we supply as we do when making the Zuegg branded products.

Integration is a strength recognised by our customers. Besides proximity, another lever of integration lies in the ability to innovate. Zuegg's know-how and propensity for innovation make it an R&D laboratory for its customers. We develop **innovative and sustainable products** in cooperation with our customers, using natural ingredients and developing sustainable packaging.



AGRICULTURE

Zuegg is a great believer in the scientific and experimental approach, which is why the Agronomy Department is constantly on the lookout for new soils, varieties and techniques to propose to its suppliers. Using experimental terrain, Zuegg puts its own insights and suggestions from the scientific world into practice, strengthening know-how and creating awareness.

From then on, everything comes down to the ground, the soil. There is an important focus on the **well-being and health of the soil** and all its components.

We combine a focus on the soil with continuous research and the selection of species and cultivars. Varietal improvement makes it possible to have productions that are more and more suitable for processing in order to minimise processing efforts and obtain simple and genuine products.

This is why Zuegg is committed to continuous research and selection of the best fruit varieties.

5. OUR COMMITMENT

OBJECTIVES

Our evolution on sustainability issues has started to take shape, and during the year 2022 we were able to achieve some of the goals we had set ourselves, although we are aware of the need to continue our journey with constancy and continuity. Some of the main goals we achieved include:

- Delivery of training to employees on sustainability issues with dedicated and very specific sessions held by high-level lecturers;
- Creation of a company intranet dedicated to sustainability topics, from actions involving the Zuegg people to the results achieved in the area of environmental improvement as well as product innovations and company development updates; we believe that disseminating information and involving people form a strong basis for shared development;
- The sustainability committee set to work, proposing, evaluating and monitoring the implementation of the sustainability strategy and related concrete projects;
- Packaging intervention (cap).

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THE NEXT OBJECTIVES

The goals we have set for ourselves, which we are investing in and doing a lot of teamwork on, are still valid. We want to spread climate smart agriculture practices, through:

- Agriculture of Respect: which leads us to produce in a way that respects the environment, the producer and the consumer;
- strenghtening partnerships with farmers as part of a technological transition in the agricultural sector.

We are committed to reducing our carbon footprint through:

- energy efficiency projects on our production sites;
- a progressive increase in the use of energy from renewable sources;
- an expansion of our carbon footprint monitoring on Scope 3;
- a greater understanding of the impact of climate change on our business.



We believe that it is crucial to integrate a water management system into our strategy that allows us to **reduce water consumption**, especially in water-stressed areas, and to enhance the value of our natural capital as a corporate asset.

We continue our efforts to contribute to people's health and well-being with natural, short and simple recipes: reducing the list of ingredients and decreasing the sugar content of our products.

CONSUMER EDUCATION

Finally, we set ourselves the goal of structuring a **sustainability governance system** that would be better integrated with the corporate governance system.

5. OUR COMMITMENT



BOARD OF AUDITORS

CHAIRMAN OF THE BOARD OF AUDITORS UNTERHAUSER HAYMO

STATUTORY AUDITOR FIOCCO CORRADO

STATUTORY AUDITOR BIONDANI ENRICO

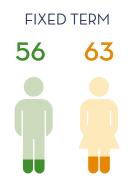
ALTERNATE AUDITOR FRANCESCHETTI GIAN LUCA

ALTERNATE AUDITOR PILLON CHRISTIAN

EMPLOYEES BY GENDER AND TYPE OF JOB - 102-8



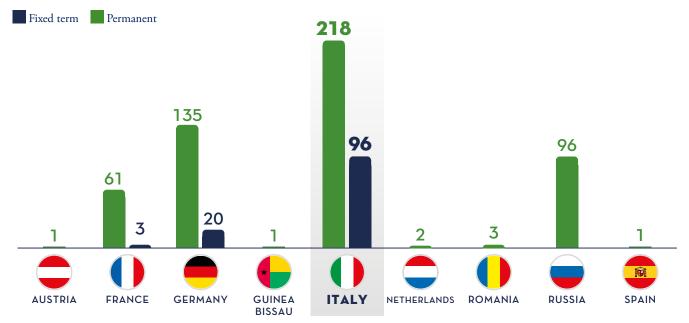
EMPLOYEES BY GENDER AND TYPE OF CONTRACT - 102-8



PERMANENT 347 171



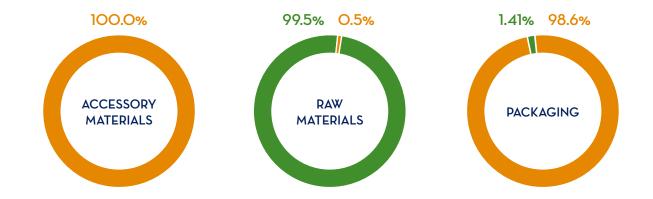
EMPLOYEES BY COUNTRY AND TYPE OF CONTRACT - 102-8



5. OUR COMMITMENT

MATERIALS OF RENEWABLE ORIGIN - 301-1

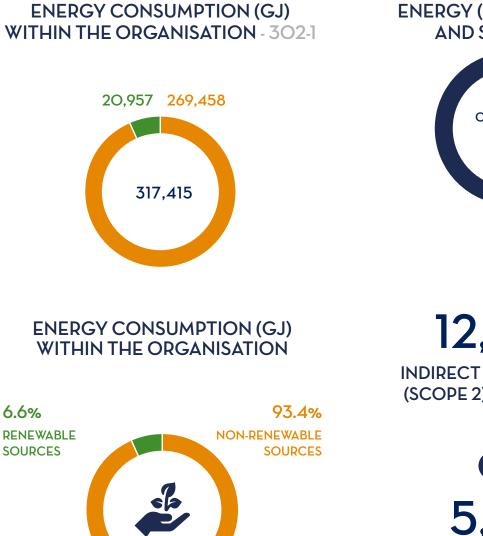
Non-renewable Renewable



MATERIALS OF RECYCLED ORIGIN - 301-1

Non-recycled Recycled





ENERGY (GJ) CONSUMED AND SOLD - 302-1



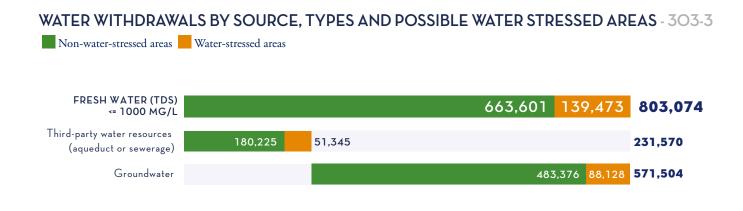




INDIRECT GHG EMISSIONS (SCOPE 2) - 305-1 Tons CO_{2eq}

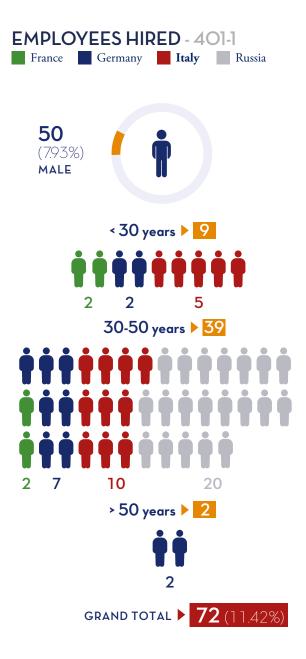


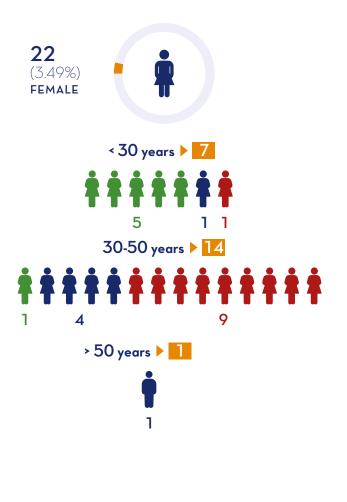
5. OUR COMMITMENT

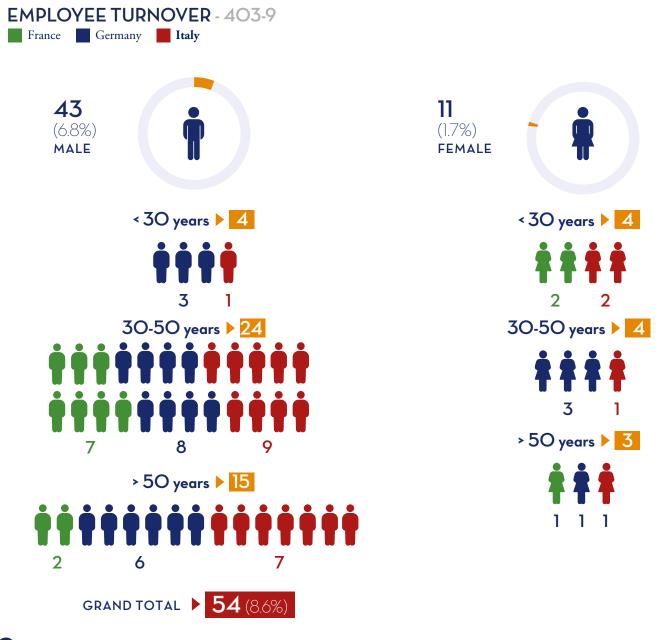


WATER WITHDRAWALS BY SOURCE, TYPES AND POSSIBLE WATER STRESS AREAS - 303-3

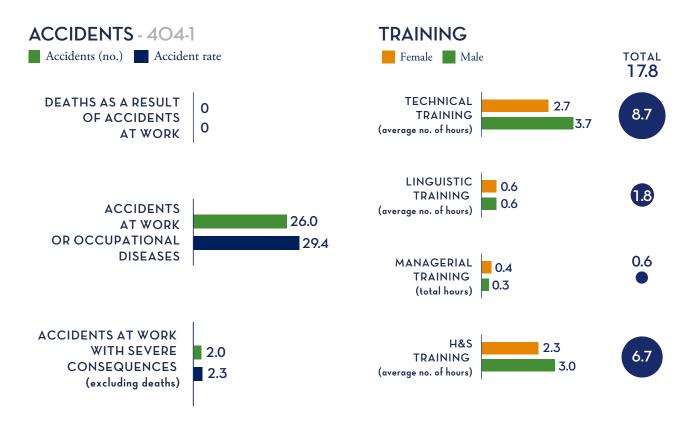








A total of 28 accidents were recorded in 2022: of these, 26 occurred to employees and 2 to contractors. In only two cases did the injury result in a prognosis of more than 40 days.



406-1

During the year 2022, no incidents of discrimination were reported in any of the Zuegg Group's production plants.

METHODOLOGICAL NOTE

The Report is a voluntary non-financial statement and is drawn up in accordance with Articles 3 and 4 of Legislative Decree 254/2016, containing information on environmental, social, personnel, human rights and anti-corruption issues, presented in a transparent and comprehensive manner.

ZUEGG has chosen to voluntarily comply, where possible, with the provisions of Legislative Decree No. 254 of 30 December 2016 concerning the disclosure of non-financial information in implementation of the European Directive 2014/95/EU for the annual publication of its Sustainability Report.

The Sustainability Report of ZUEGG S.p.A. was prepared by reporting on a selection of the GRI Sustainability Reporting Standards indicators, published in 2016 by the Global Reporting Initiative (GRI).

The data and information in this document refer to the financial year 2022 (1 January 2022 to 31 December 2022).

The scope of the environmental and social economic data in this document is the same as that of the consolidated financial statements of ZUEGG S.p.A.

For a correct representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible and where they have been used, this is appropriately indicated.

A 'GRI Content Index' bridging table identifies each indicator used taken from the GRI Sustainability Reporting Standards and provides a clear view of the sustainability information and content in line with the standard. With reference to the GRI Topics 303 -Water and Wastewater and GRI 403 - Occupational Health and Safety, the 2018 updated versions were adopted, with reference to GRI Topic 306 - Waste, the 2020 updated version was adopted.

For information on the contents of this report, please write to sustainability@ZUEGG.it

6. GRI KPI CONTENT INDEX

GRI ID	DISCLOSURE	YEAR	REFERENCE	PAGE
102	General disclosure	2016		
	ORGANIZATIONAL PROFILE			
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102-2	Activities, brands, products, and services	2016	Markets and products	12, 22
102-3	Location of headquarters	2016	Our history	10
102-4	Location of operations	2016	Our markets	12
102-5	Ownership and legal form	2016	Governance	28
102-6	Markets served	2016	Our markets	12
102-7	Scale of the organization	2016	Our markets	8
102-8	Information on employees and other workers	2016	People	52
102-9	Supply chain	2016	Our suppliers	66
102-11	Precautionary Principle or approach	2016	Environment	65
	STRATEGY			
102-14	Statement from senior decision-maker	2016	Commitment to sustainability	3
	ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	2016	Essenza e valori	22
	GOVERNANCE			
102-18	Governance structure	2016	Governance	28
	STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	2016	Stakeholder	40
102-41	Collective bargaining agreements	2016	People	52
102-42	Identifying and selecting stakeholders	2016	Stakeholder	40
102-43	Approach to stakeholder engagement	2016	Stakeholder	40
102-44	Key topics and concerns raised	2016	Stakeholder	43

GRI ID	DISCLOSURE	YEAR	REFERENCE	PAGE
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102-47	List of material topics	2016	Materiality	43
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102-49	Changes in reporting	2016	N.A.	
102-50	Reporting period	2016	Year 2021	
102-51	Date of most recent report	2016	2020	
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102-53	Contact point for questions regarding the report	2016	sustanability@zuegg.it	
102-54	Claims of reporting in accordance with the GRI Standards	2016	Methodological note	95
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103-3	Evaluation of the management approach	2016	Economic Value Generated and Distributed	44-45
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204	Procurement practices	2016	Our suppliers	67
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		201(Our suppliers	67
103-3	Evaluation of the management approach	2016	Our suppliers	0/

6. GRI KPI CONTENT INDEX

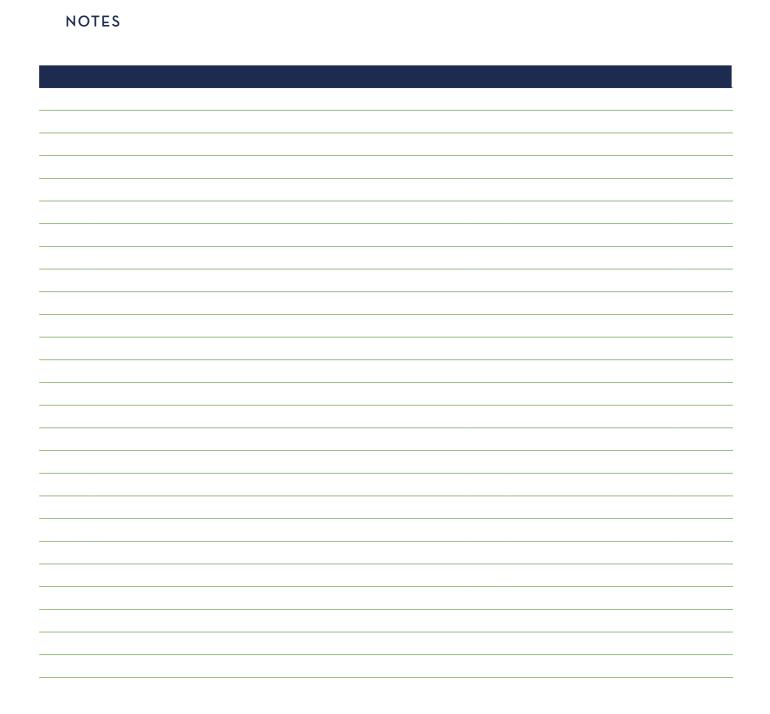
205 Ant				
	ti-corruption	2016	Code of Ethics	25
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306-5	Water bodies affected by water discharges and/or runoff	2020	Waste and food waste management	76-77
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401-3	Parental leave	2016	Our People	57
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