

Sustainability Report

Vicenzi Group

Year 2019



Drafted in collaboration with



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1. President's letter

115 years after its birth, our company is still committed daily to defending the values that have marked its history and made the brand an icon in the Italian pastry tradition.

Our story is one that deserves to be told. It is a story of quality, seen as a mantra, of passion for the art of pastry, a flame never dulled. It is also the story of ambition, which has made us aim at international markets from the very beginning.

Founding values that are not only limited to the creation of products, but permeate the vision of Vicenzi company's role within the territory. A territory that has given so much in terms of culture, dedication, humanity, quality raw materials and to which the company wants to give back creating wealth, well-being and economic activities.

In the selection of our raw materials, Vicenzi has always prioritised sustainable quality, products coming from Italy, while aiming at promoting the consumption of free-range eggs, of Italian origin, in order to ensure not only maximum freshness but also animal welfare. Our production processes have been improved to reduce their environmental impact. Our choices in terms of packaging are increasingly oriented towards recycled or recyclable materials and their reduction.

We are also aware that, despite continuous progress, we cannot stop because the challenges facing us are increasingly pressing and delicate. Climate change, the exploitation of nature's resources, the nutritional quality of the ingredients used, the safety of our employees, and bad eating habits occupy our thoughts on a daily basis.

We believe that every person or organisation must leave a positive trace of its commitment, a virtuous reference of behaviour in the interest of future generations and the planet.

Today more than ever, each of us has the opportunity to make a contribution, even, simply, by doing the right things, and this is what Vicenzi, together with all its People, is committed to doing.

Giuseppe Vicenzi, President of Vicenzi Group

2. Vicenzi Group

2.1. The story of a man ... and of his pastries

Vicenzi Group is an **international** organisation that began as a **family business** in 1905 thanks to one of the first examples of female entrepreneurship. Matilde Vicenzi started a small bread, pastry and food shop in San Giovanni Lupatoto, in the province of Verona.

The actual industrialisation process began in the mid-1900s, when Giuseppe Vicenzi, inspired by the teachings and passion of his grandmother Matilde and his father Angelo, initiated the process that would lead to the transformation of the family business into "The industry of biscuits, which have become pastries".

Entrepreneurship and curiosity drove Giuseppe to travel and discover other markets, thus acquiring a wealth of experience and new ideas for his products. Between the sixties and seventies, he decided to invest his resources in order to expand the production, which, until then, had only been developed locally. He thus opened a new factory in San Giovanni Lupatoto. So, the artisanal production got industrialised. The decision to specialise in the production of *amaretto* and, later, of Ladyfingers, also led the company to gain more market space both **in Italy** and abroad where its presence is increasingly growing.

Vicenzi products, symbol of the Italian pastry tradition, are the result of years of experience, passion and dedication combined with a continuous drive towards innovation and the future, and give consumers a unique and genuine sensory experience.

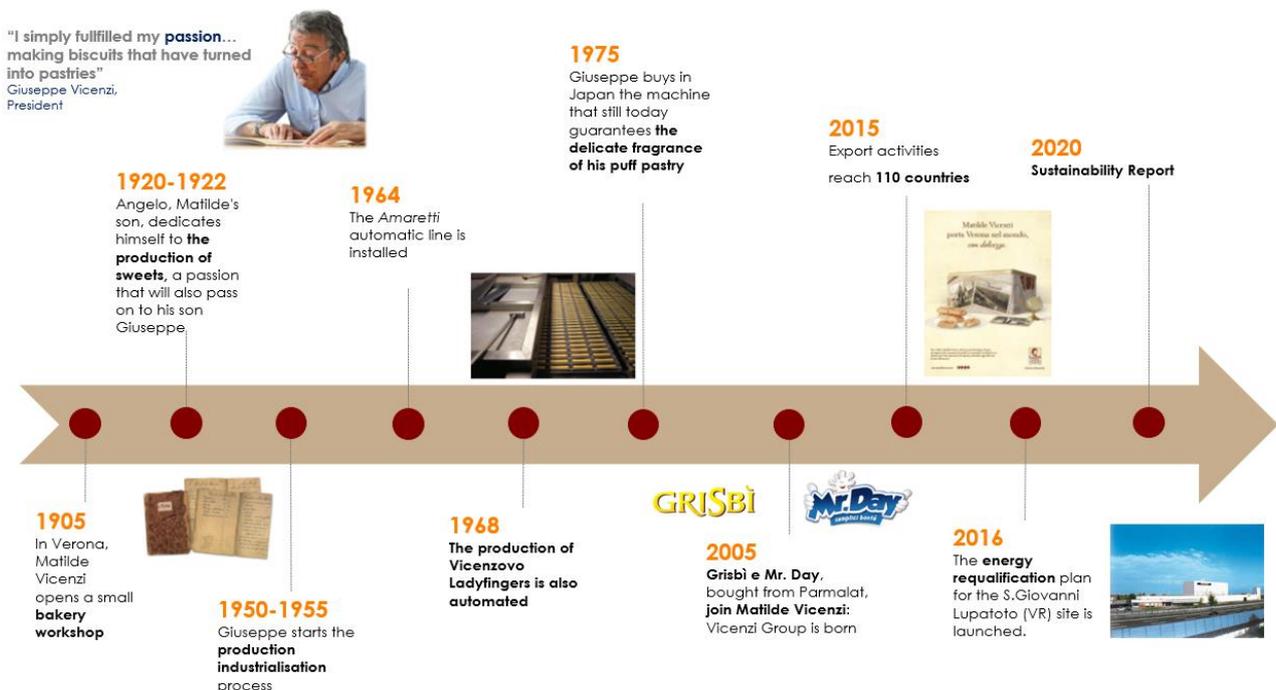


Figure 1 Timeline

2.2. Vicenzi Group today



Figure 2 The Group figures

The Group brands

Vicenzi Group includes three brands: **Matilde Vicenzi**, based on Italian identity and tradition, **Grisbi**, the indulgence and pleasure of shortbread filled with velvety cream (chocolate, hazelnut, coconut, coffee and lemon) and wide range of glazed wafers, and **Mr. Day**, which thanks to the simplicity of *pasta margherita* stands out in the great competitive arena of snacks.



Figure 3: Vicenzi Group brands

Vicenzi in the world

With a story now more than a century long, Vicenzi Group has entered more than 8 million Italian households with its products and has brought the tricolour pastry tradition all over the world.

Founded in 1905 in San Giovanni Lupatoto (VR),
Vicenzi is internationally renowned

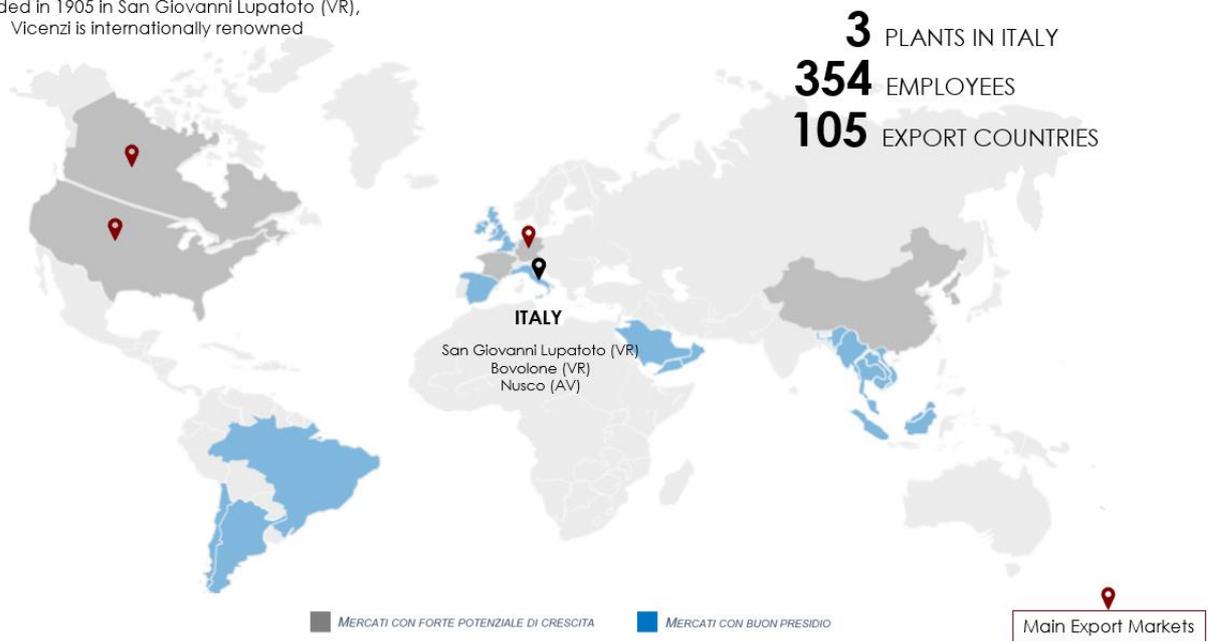


Figure 4 Vicenzi worldwide

2.3. The path to sustainability

The Group values

Vicenzi products are synonymous with **tradition** and the subtle refinement of simple things. Just as simple are the ingredients used: eggs, flour, butter, sugar, wisely mixed as Matilde Vicenzi used to do.

Many of the recipes still produced today are inspired by Matilde's original booklet. Jealously preserved in the company's archives, not only has it an obvious sentimental value, but it also philologically reports some preparations that have fallen into disuse today or that can be found exclusively in some renowned pastry shops (e.g. "nadalin", typical veronese panettone, "sugoli", "pezzi duri").

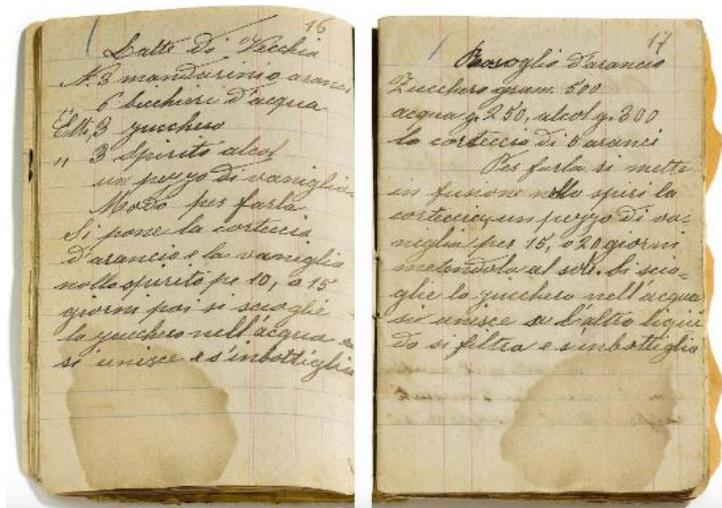


Figure 5 Matilde Vicenzi's recipe book

Over the years, the Group has grown thanks to its ability to combine entrepreneurial principles with the **values typical of a family-ran business**, passed down from generation to generation. The **quality** of raw materials, attention to **details** and passion for good things have always been the key principles of its development.

VICENZI GROUP VALUES

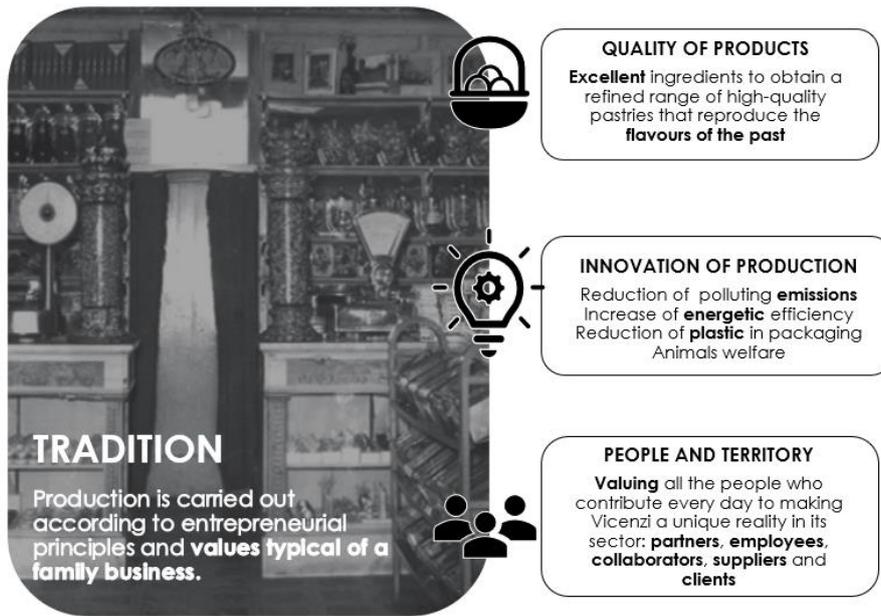


Figure 6 The Group values

The values that Vicenzi Group recognises, accepts and shares to ensure the proper functioning, reliability and reputation of the Company are expressed in the [Code of Ethics](#), available on the Group's website.

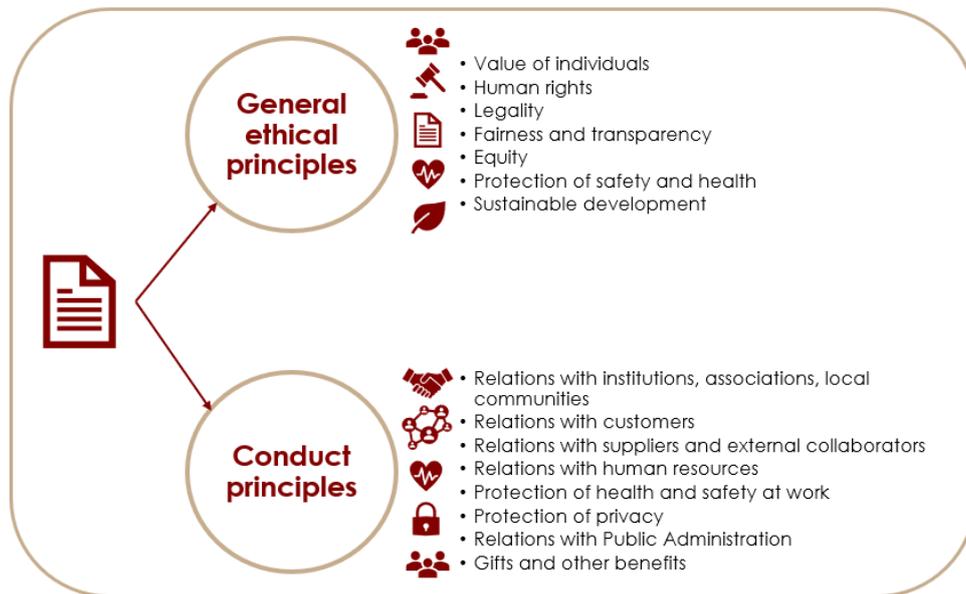


Figure 7 The Code of Ethics

Sustainability, meant as the ability to grow in harmony with the territory and surrounding communities, while creating value for all those involved in the supply chain, is one of the company's principles and one of the cornerstones of strategic choices and employee involvement.

The first Sustainability Report

With the aim of creating a starting point for the definition of corporate sustainability strategies, Vicenzi decided to produce the Group's first Sustainability Report.

The contents of the document have been chosen through the **principle of materiality**, i.e. focusing on the aspects of greatest importance for both Vicenzi and its stakeholders.

This approach makes the report not only a means of reporting, but also a real communication and dialogue tool, integral proof of the Group's commitment to transparency and continuous improvement.

The document is inspired by the International Standards of the Global Reporting Initiative (GRI), a widely disseminated and internationally recognised non-financial reporting tool.

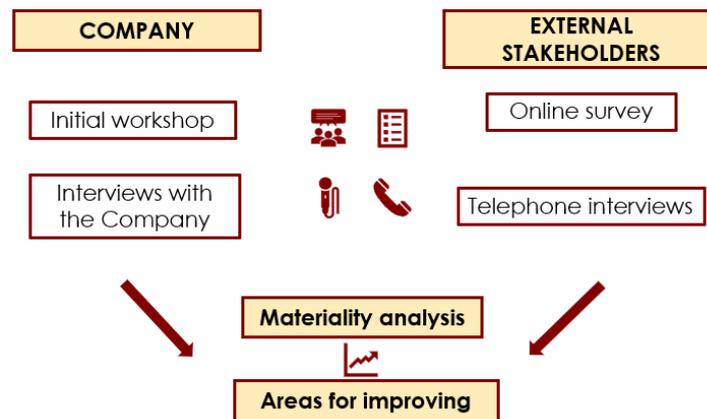


Figure 8 Stakeholders involvement

Phase 1: involvement of corporate functions

The first step was the identification of the most relevant sustainability issues for Vicenzi thanks to the systematic involvement of the corporate functions. This took place both with a plenary workshop, useful to define the general aspects, and with specific interviews to further explore the issues that emerged.

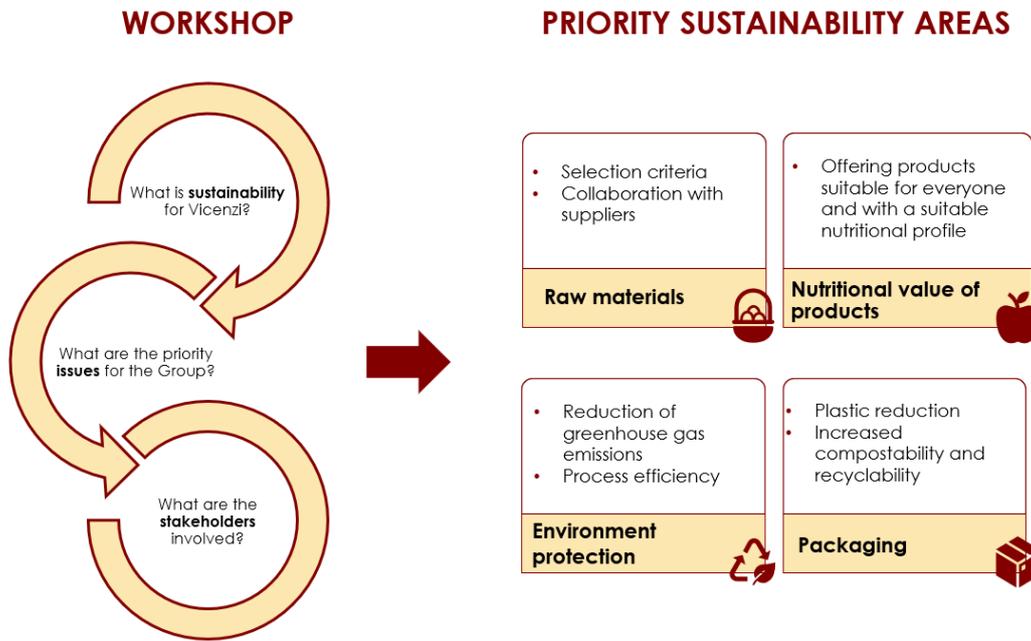


Figure 9 Workshop steps and issues emerged and their corresponding goals

Phase 2: involvement of external stakeholders

The second phase of the materiality analysis was carried out through the involvement of external stakeholders such as suppliers, customers and local communities.

Their engagement was carried out by integrating virtual questionnaires with physical interviews, thus allowing the collection of information in order to quantify and qualify the perception of the various organisations regarding Vicenzi.

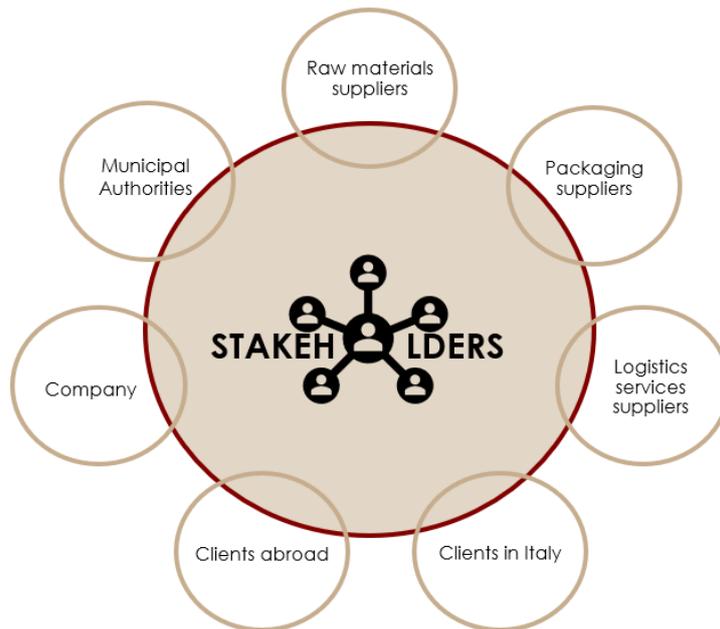


Figure 10 Stakeholders involved in the materiality analysis

Phase 3: building the Materiality Matrix

The analysis of the results that emerged from the involvement of internal and external stakeholders made it possible to identify 12 relevant sustainability issues, relating to both the social and environmental spheres.



Figure 11 Significant aspects identified through the materiality analysis

The results were then organised in the **materiality matrix** (Figure 12). The relevance of the issues considered for Vicenzi is reported on the ordinate axis, while the relevance for the stakeholders, evaluated on the basis of the impact that such aspects may have on their decisions, is reported on the abscissae axis.

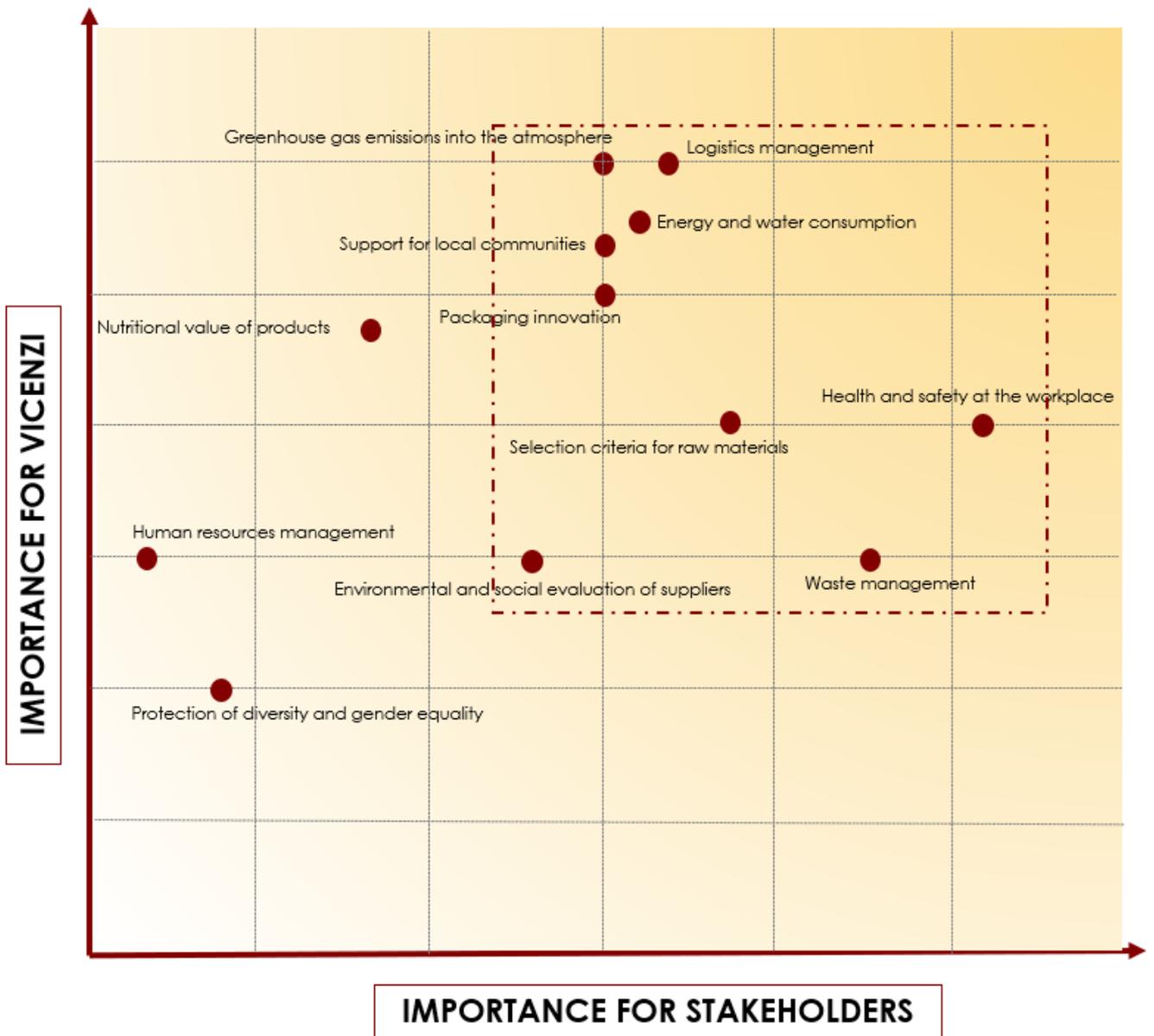


Figure 12 Materiality Matrix for Vicenzi Group

3. Vicenzi Group

“The recipe for our research and development?”

Genuine ingredients, of course, but also a lot of curiosity and a healthy desire to experiment. We've always been like that, after all. Our hands in the dough, our feet firm in tradition and our eyes turned to tomorrow.

Because tastes change over time, but the magic of the first bite, the one that wins you over straight away, will always taste the same.”

Marco Cazzadori, Vicenzi Group's Research and Development

There are two characteristics that contribute to making Vicenzi products unique:

- Respect for the Italian pastry tradition and the founder's recipes, Matilde Vicenzi;
- The use of top-quality ingredients, selected thanks to long-standing collaboration with historic suppliers.

This is how the Group has managed over the years to combine the efficiency and safety of industrial processes with the unique flavour of the products of our past. An example of Italian "know-how" that guarantees consumers a unique sensory experience.

MATILDE VICENZI'S RECIPES

Some of the Group's historic products such as Ladyfingers, macaroons and puff pastries are still made using the original recipe by Matilde Vicenzi.

In particular, Ladyfingers must follow a specific regulation to be made. In fact, in order to be called "Ladyfingers", they must contain sugar, wheat flour, fresh eggs in a quantity of no less than 26% and must respect some characteristics such as the elongated shape, the upper surface covered with sugar, and the vanilla and lemon flavour.

The second classic of the Italian pastry tradition is the **amaretto**, a biscuit made with Sicilian almonds, cane sugar, fresh eggs and apricot kernels, which give the product its characteristic bitter-sweet taste.

3.1. The choice of raw materials

The main raw materials used for Vicenzi products are flour, sugar, eggs, vegetable oils, butter and cocoa.

The choice of ingredients is made by weighing various factors: the respect for traditional recipes, the desire to constantly improve the nutritional profile of the product and to adapt to new trends in the Italian market, oriented towards attention to **environmental sustainability**, the **origin** of the ingredients, and a growing interest in **healthy** products.

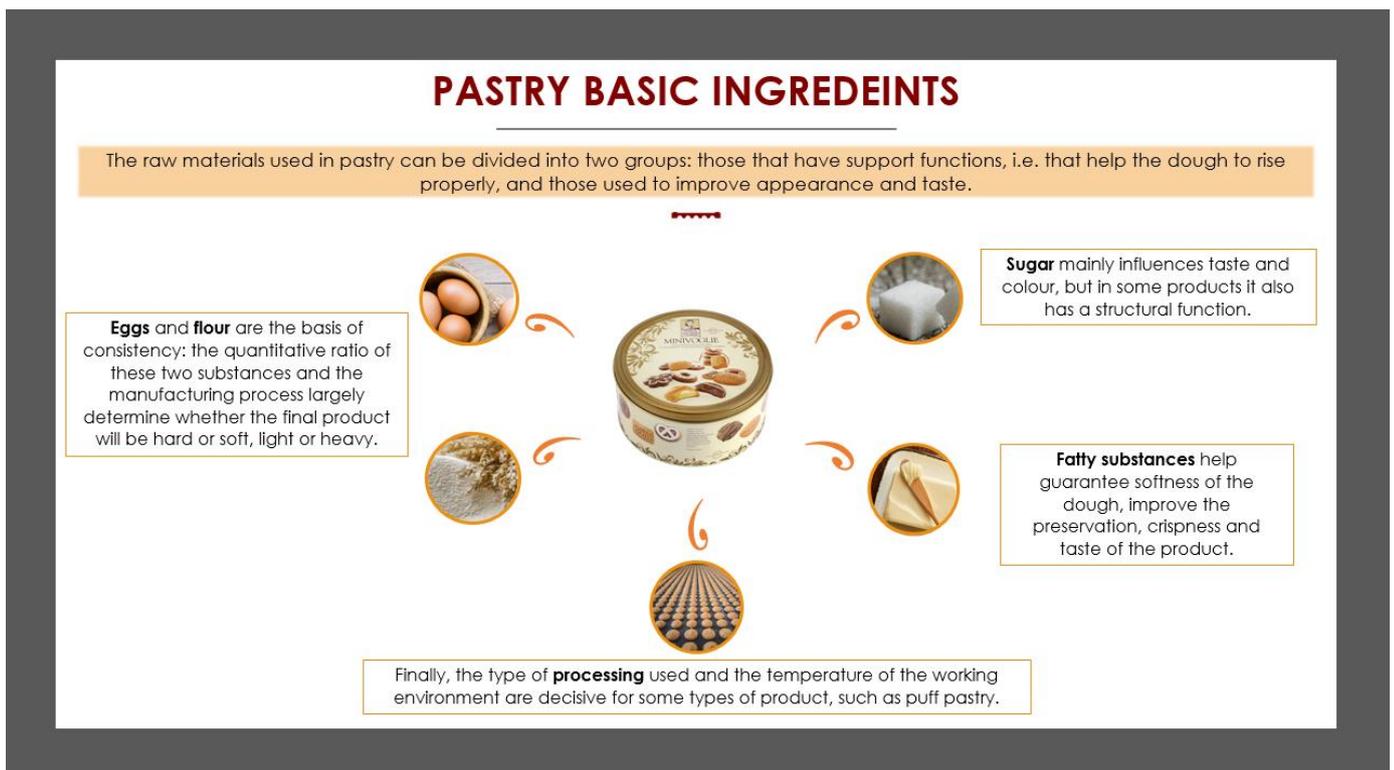


Figure 13 Pastry art basic ingredients

We've been working with Vicenzi for over 35 years.

Such a long-lasting collaboration requires finding some common grounds, as well as an entrepreneurial philosophy, shared with Vicenzi, which has its founding values in the support of the territory and respect for professionalism.

As Cartografica Veneta, we have always tried to offer our customers an impeccable service.

But experience teaches us that quality is not enough to remain competitive on the market, because many companies, in an attempt to achieve immediate savings, constantly vary their suppliers, thus jeopardising the creation of a relationship of trust.

This has never been a problem with Vicenzi.

*Giuseppe Tassoni
Cartografica Veneta S.p.A. CEO*

Vicenzi is aware of how important and strategic the management of relations with suppliers is, because only in this way can it ensure the best possible quality for its customers. It is precisely for this reason that supplier evaluation, both from an environmental and social point of view, is where we invest many of our resources.

Vicenzi chooses its raw material suppliers first and foremost depending on their reliability and the quality of supply. In fact, the Group has almost 30 suppliers that can be defined as **historical**, given its **longstanding collaboration**. Of these, 33% have been working with the group for more than 35 years, and 26% for more than 20 years.

This makes it possible to establish solid supply **chain collaboration** based on mutual respect and support. All to the advantage of **product** quality and **innovation**: in fact, it is often thanks to the special relationship established with suppliers that the Group has been able to successfully experiment with the use of innovative ingredients in its products.

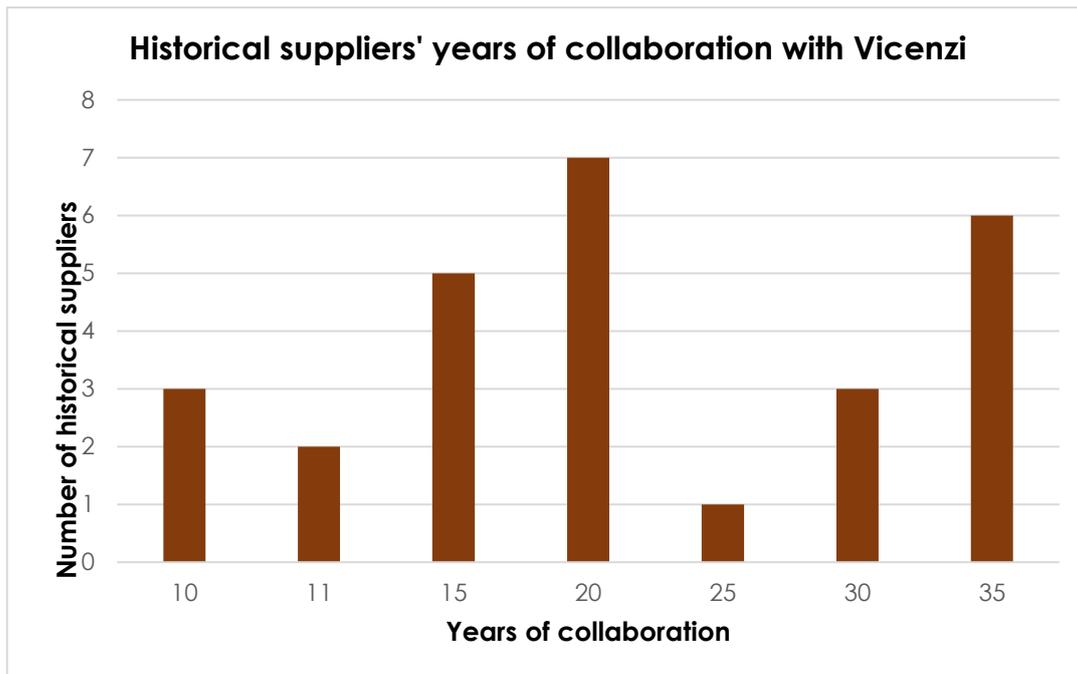
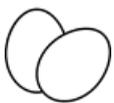


Figure 14 Historical suppliers

Raw materials

In recent years, the Group has decided to give an even more typical connotation to some traditional products, such as the VicenzOVO Ladyfingers, using raw materials of **Italian origin** for their production.



All the **eggs** used in Vicenzi products are of Italian origin and come from suppliers who have long been cooperating with the Group.



Wheat flour is the most widely used ingredient by Vicenzi, fundamental for the production of pastries and snacks.

The type of flour used and the degree of refining to which it is subjected, change according to the type of products that need to be made: for VicenzOVO, for example, **Italian stone-ground flour** is used, which gives it a perfect consistency for making soft desserts.

The Group is also more and more interested in the use of **wholemeal flour**, which gives it a higher fibre content. This raw material is already successfully used in some products such as Fruttizie and Muffin Mr Day.



As far as **sugar** is concerned, the Group's plan is to move more and more significantly towards the use of sugar from the Italian certified supply chain, covering almost 30% of total requirements by 2022, using it primarily in branded production.



In addition to the "basic" ingredients, Vicenzi also uses noble ingredients such as **hazelnuts** and **hazelnut paste** that can be found in some versions of *Bocconcini*, *Millefoglie* puff pastries and *Minivoglie* assorted pastry.

These raw materials are selected according to strict quality criteria. In particular, the hazelnut paste used by Vicenzi is produced in Italy and purchased from suppliers with whom the Group has been collaborating for years.

CASE STUDY



Vicenzovo Ladyfingers

"Matilde Vicenzi's Vicenzovo Ladyfingers are expressly made to prepare delicious soft desserts. The stone-ground flour of this new recipe gives these biscuits a soaked consistency that makes them ideal for the preparation of the classic Tiramisù".

What makes them special

		
Free-range eggs	Sugar	Stone-ground flour

Figure 15: Raw materials used for Vicenzovo Ladyfingers

Free-range eggs

Starting in 2012, Vicenzi embarked on a path of progressive conversion towards the use of free-range eggs. VicenzOVO Ladyfinger was the first product to be affected by this change. Subsequently, the Group extended the conversion to other Grisbi brand products.

To date, in the Bovolone plant, only free-range eggs are used. The conversion is also underway in the San Giovanni Lupatoto and Nusco plants. The Group's objective is to use only free-range eggs for the production of its own branded¹ products by 2023.

Social and environmental certifications



Various **vegetable oils** are used for Vicenzi products, skilfully blended to guarantee fragrance, structure and taste.

70% is palm oil, for which the Group has decided to adopt a precautionary and environmentally sustainable approach. In 2016, in fact, the Group obtained the ICEA certification to guarantee the controlled management of the palm oil supply chain

¹ At the moment, the target does not concern third party production (about 20% of the total volume) where the decision to use free-range eggs depends, in part, on the commercial agreements with the client company.

according to the Roundtable on Sustainable Palm Oil (RSPO) standards. The remaining percentage of vegetable oils used is 20% sunflower oil and 10% coconut oil.



Cocoa is also used in the production of various Group products. A portion of the cocoa used by Vicenzi is covered by UTZ certification, which guarantees that it comes from sustainable agriculture programs.

This standard is used worldwide to demonstrate the identification and traceability of tea, coffee and cocoa throughout the chain and also ensures that production is implemented without inconvenience to workers and local populations. Finally, the supply of cocoa covered by the Fairtrade ethical certification mark is being evaluated for 2020.

GMO? No, thanks

Vicenzi has undertaken to use only non-genetically modified raw materials.

If supply from non-GM sources cannot be guaranteed, the Group's sustainability policy requires that the ingredient be replaced immediately. This principle is the basis for some important choices such as using **sunflower lecithin** instead of **soy lecithin**.

Quality assurance

All the production of Vicenzi Group is made in Italy, following accurate manufacturing processes, from the dough, to cooking and packaging, based on the principles of Quality.

To this end, the Group's three plants have implemented Quality Management Systems ([ISO 9001](#)) while the Group has obtained Global Standard for Food Safety Issue (BRC) and International Food Standard (IFS) certifications relating to product food safety issues.

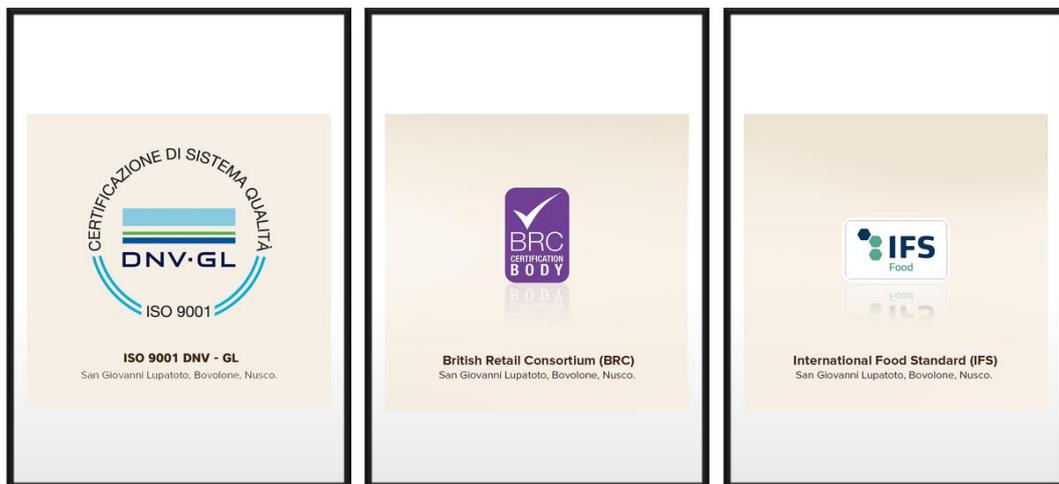


Figure 16 Certifications obtained for the Group's plants

QUALITY ASSURANCE

Ensuring the complete quality of a product means guaranteeing its taste, but also the use of completely safe raw materials for the consumer.

Each ingredient used by the Group undergoes a strict selection and control process to ensure the absence of any type of contaminant.

In 2019, **about 165,000 checks** were carried out **on raw materials, finished products and packaging** in the three plants of San Giovanni, Bovolone and Nusco.

3.2. Tasty products for everyone

In order to allow consumers with special dietary needs to appreciate the taste of Italian confectionery, since 2017, Vicenzi has created numerous **lactose** and **gluten-free products**, in compliance with the standards prescribed by the European Union and guaranteed by the certification issued by the Italian Celiac Disease Association (AIC).

Years of research and development have made it possible to create products with an excellent sensory profile: you won't regret the "classic" recipe in any way. Proof of this is the approach adopted in the case of Mr Day snacks: the Group has chosen to operate from an "inclusive" perspective, not by highlighting the diversity with dedicated "lactose and milk protein-free" products, but rather by extending this characteristic to the entire range, thus exposing the products on the same conventional shelf (hence the "inclusive" logic) and not the separate one dedicated to consumers with such intolerances.

Between 2017 and the beginning of 2018, the Group's offer was enriched with gluten-free *Grisbi*, gluten-free *VicenzOvo*, gluten-free soft *Amaretto* and lactose-free *Millefoglie d'Italia* puff pastries, products that have immediately enjoyed enormous success in terms of word of mouth and sales in the coeliac or intolerant community.

Always driven by the desire to satisfy its customers, over time the company has also worked on the development of products made with **wholemeal flour** and with an increasingly reduced content of **added sugar**, such as **Fruttizie**, or choosing to select Italian raw materials, as in the case of *VicenzOvo*.



Figure 17 Launch dates of the main gluten and lactose-free products

CASE STUDY



Fruttizie

Matilde Vicenzi's Fruttizie are real "fruit delights". They are a source of fibre, without lactose or palm oil, and 40% less sugar."

What makes them special



Free-range Italian eggs



Whole flour



No added sugar

Figure 18: Raw materials used for Fruttizie

3.3. Increasingly virtuous packaging

Vicenzi Group has always paid particular attention to packaging: the innovation process is aimed at reducing environmental impacts, while ensuring that the organoleptic properties of the products are maintained.

The packaging design of Vicenzi products is based on the following principles:

- Prioritising, where possible, the use of **recycled raw materials**;
- Promoting the use of **monomaterials** in order to increase the recyclability of packaging through the reduction (where possible) of multi-materials.
- **Reducing over-packaging** so as to reduce the consumption of packaging material.

Types of packaging

The packaging of the Group's products consists mainly of paper and cardboard cases, plastic trays and tinplate packaging. In 2019, 70% of the material used for packaging is paper, while 22% is plastic.

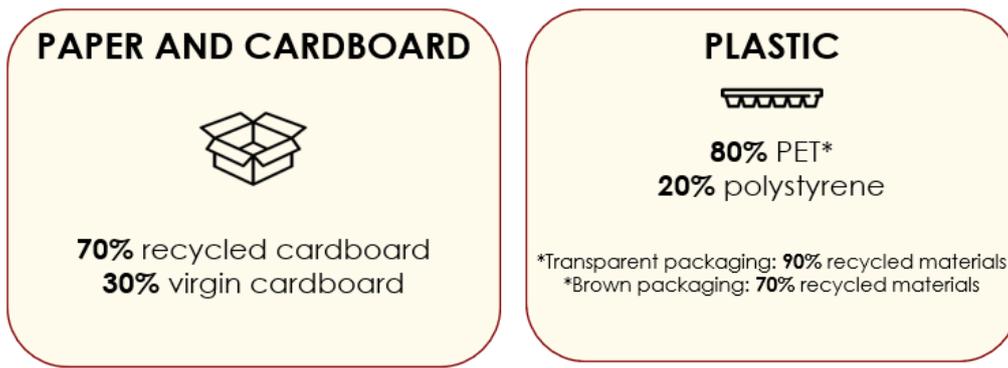


Figure 19 Commitments regarding packaging

In order to make it easier for the consumer to dispose of waste and separate collection, Vicenzi has developed a system of explanatory pictograms that are affixed to the packaging. The following is an example of what is applied to the packaging of Grisbi products.



Figure 20 Grisbi brand indications for correct differentiation at the end of life

Projects to reduce packaging impacts

Over the last three years, Vicenzi has carried out several important projects that have led to a reduction in the environmental impact of packaging.

These solutions involve the use of mono-materials (greater recyclability), the reduction of the plastic used or the use of recycled materials.

INNOVATING PRODUCTS

Thanks to the new packaging design of Ladyfingers, Vicenzi has **reduced the amount of plastic by 30%**, thus also achieving a weight reduction from 9 to about 6 grams.



The second project carried out by Vicenzi concerns the **conversion of multi material packaging into monomaterial** (polypropylene) **packaging** for all products, so as to increase the recyclability of the packaging.

In the case of **Fruttizie**, this is combined with the use of **FSC certified paper** from responsibly managed forests.

In 2019, the packaging of Fruttizie was awarded by 'A Design Award & Competition', one of the most important international design contests, for its communicative effectiveness.



Finally, for Grisbi products, Vicenzi uses packaging made **with 100% recycled paper**.



4. Responsible Production

A reality like Vicenzi, with its history, values and flavours, is firmly linked to the communities in which it has developed.

This is why we pay the utmost attention to maintaining a relationship of dialogue and openness towards citizens, anticipating and preventing - whenever possible - their requests. This involves, first and foremost, ensuring production with the lowest impact on the environment and surrounding ecosystems. This is the basis of the substantial environmental investment plan made by the Group in recent years.

Francesco Borgatti

Industry Director for Vicenzi S.p.A. Group

Vicenzi Group pays particular attention to the environmental impacts generated directly by the production centres, offices and distribution activities that are under the direct control of the Group.

In this context, activities are mainly related to the modernisation of plants and the adoption of increasingly efficient organisational processes and methods. The aim is to optimise both energy and water consumption and minimise waste.

4.1. Energy management

One of the most important aspects for Vicenzi is **energy**, since good management has positive effects both from an environmental and economic point of view.

Thanks to an ongoing commitment to optimise the use of resources and improve production processes, in 2019 Vicenzi achieved a **2% reduction in specific electricity consumption** and a **4% reduction in natural gas consumption** compared to 2018. This result is due to a series of projects aimed at increasing energy efficiency at the Group's various plants (Figure 21 and Figure 22).

In this regard, at the San Giovanni Lupatoto site, the Group has begun the process of replacing furnace burners with modular systems, an activity that will continue in 2020.

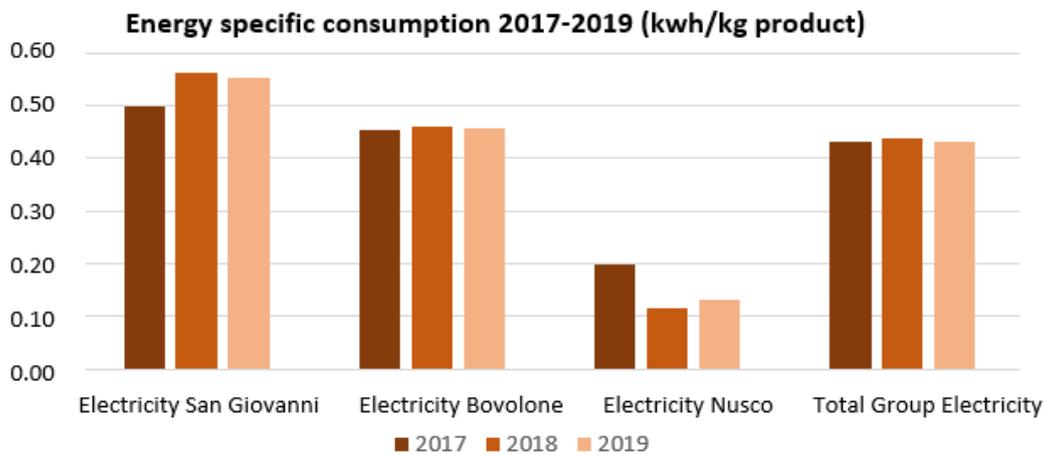


Figure 21 Specific energy consumption 2017-2019 (electricity)

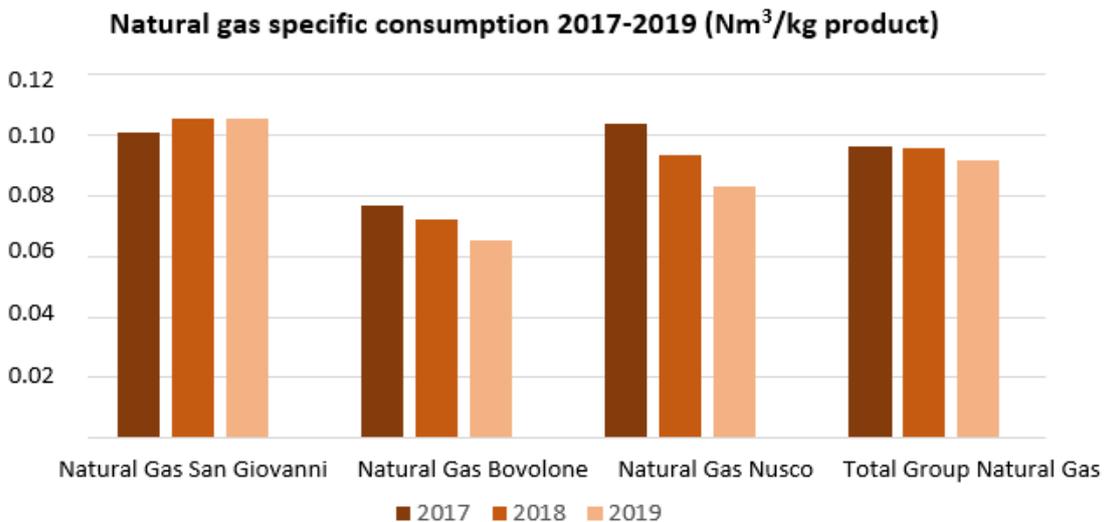


Figure 22 Specific energy consumption 2017-2019 (gas)

Energy consumption is linked to the production of **greenhouse gases** from production activities. This impact can be mitigated through improved **energy efficiency** and increased use of renewable energy sources.

In this regard, in 2015, Vicenzi Group implemented a redevelopment plan for the San Giovanni Lupatoto plant. On this occasion, a photovoltaic system was installed on the roof of the buildings. Thanks to this system, during 2019, approximately 137 MWh of electricity was produced and used directly at the production site (Figure 23).

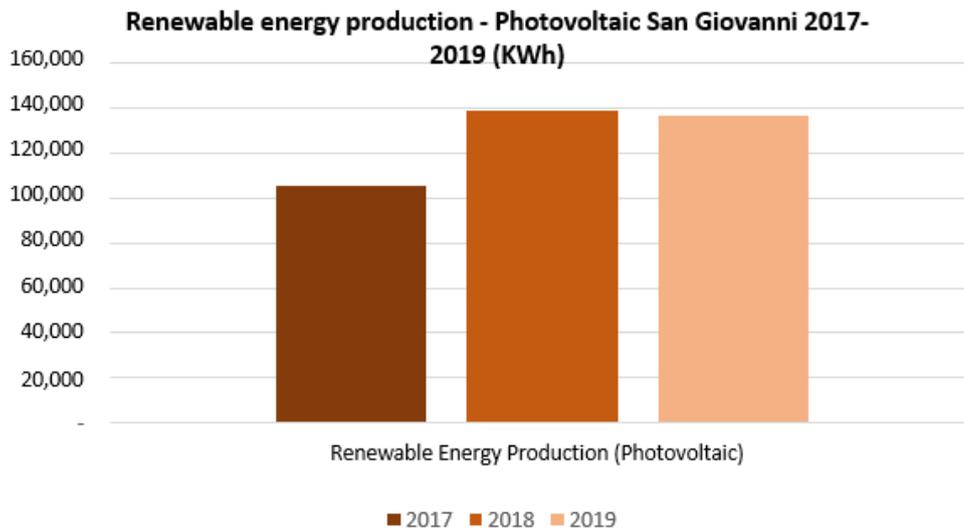


Figure 23 San Giovanni Lupatoto Photovoltaic plant energy production 2017-2019

4.2. Emissions in the atmosphere

Reducing greenhouse gas emissions from production is one of Vicenzi's objectives. Greenhouse gas monitoring is carried out annually by converting the amount of energy consumed into carbon dioxide equivalent (CO₂eq.) using factors that reflect its intrinsic characteristics. In particular, greenhouse gas emissions are divided into direct and indirect emissions.

Direct emissions are those directly produced by the Group and are mainly due to the use of fuels.

Indirect emissions are instead generated by activities on which the Group cannot act directly, such as the purchase of electricity and heat from external suppliers.

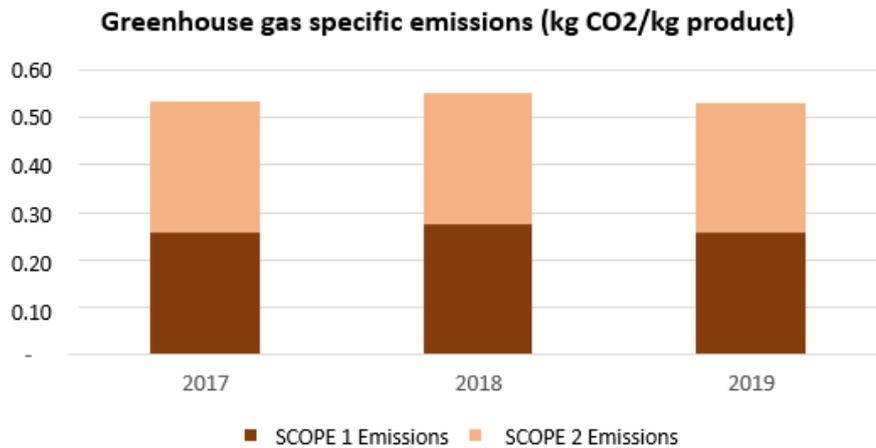


Figure 24 Overall greenhouse gas emissions 2017-2019

4.3. Logistics management

As the materiality analysis has shown, logistics management, with its related environmental impacts, is a relevant aspect for Vicenzi.

In this regard, the Group's focus is mainly on the choice of suppliers based on sustainability criteria and the monitoring and control of emissions from transport activities.

Deliveries are made both directly at the customer's premises and through logistics platforms (transit points) through which deliveries are then sorted. In 2019, direct deliveries increased by 9% compared to the previous year.

As an indication, below is an estimate of the average CO₂ emissions for the transport of Vicenzi products to logistics platforms and for direct deliveries to customers in Italy.

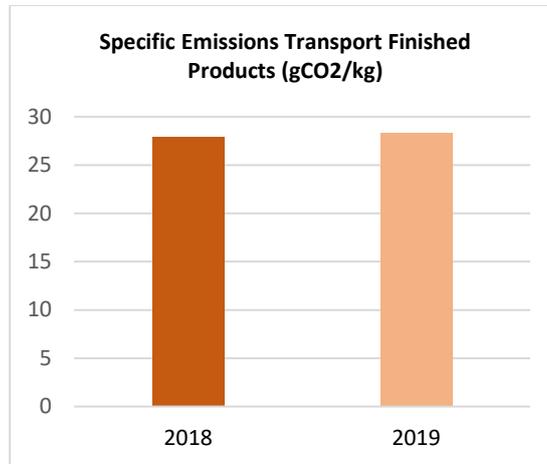


Figure 25 Estimated CO₂ emissions transport of finished products in Italy

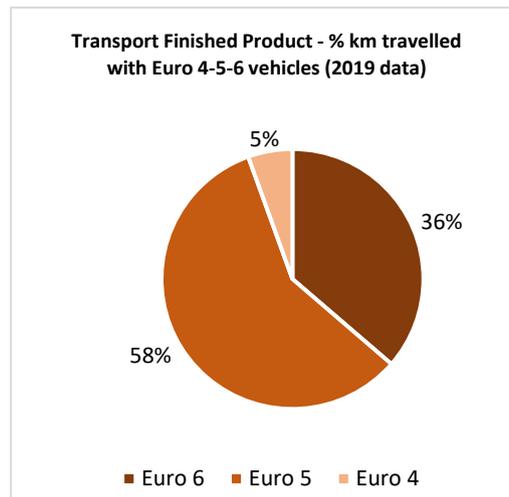


Figure 26 Composition of the vehicle fleet used for transport

With reference to transport to foreign customers, Vicenzi Group operates throughout the world by sea from the main Italian ports. With reference to this activity, the average emissions for transport have been estimated at around 180 g CO₂/kg of product transported.

O.T.C.R. Observatory Transport Compliance Rating Platform

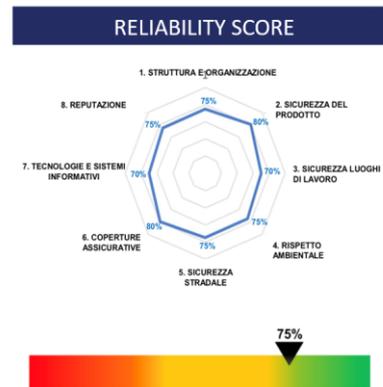
In June 2019, Vicenzi joined the O.T.C.R. Project, with the aim of promoting the first National and International Protocol, which certifies the reliability of road haulage service providers.

O.T.C.R. is the acronym of *Observatory Transport Compliance Rating* and is made up of clients and associations in the sector, sensitive to the problems of the logistics supply chain, which share the promotion and dissemination of a tool called T.C.R.

Through an audit performed by an independent third party that issues a final rating, this tool allows to assess the haulier on the following areas: structure and organisation, product safety, safety in the workplace, environmental respect, road safety, insurance coverage, technologies and information systems, integrity and reputation.



RATING CERTIFICATE



4.4. Water consumption and discharges

Water is a precious resource and Vicenzi is constantly striving to optimise its use. About 80% of the water drawn comes from wells and the remaining 20% from aqueducts (Figure 25).

There are two main sources of consumption: the water incorporated directly in the product's dough, and water used to supply cooling systems. The water used in the production process is mostly reintroduced into surface water, but this is done without bringing significant quantities of pollutants. In particular, before being returned to the water bodies, rigorous self-checks on water quality are carried out periodically. This makes it possible to monitor various parameters including the Chemical Oxygen Demand (COD), linked to the presence of organic substances in the water, and Suspended Solid Substances (Figure 28 and Figure 29).

In order to further improve the Group's performance with regard to the management of water discharges, in 2019 a new sewage plant was built at the Bovolone site. Work is also underway to upgrade the sewage plant at the San Giovanni Lupatoto site.

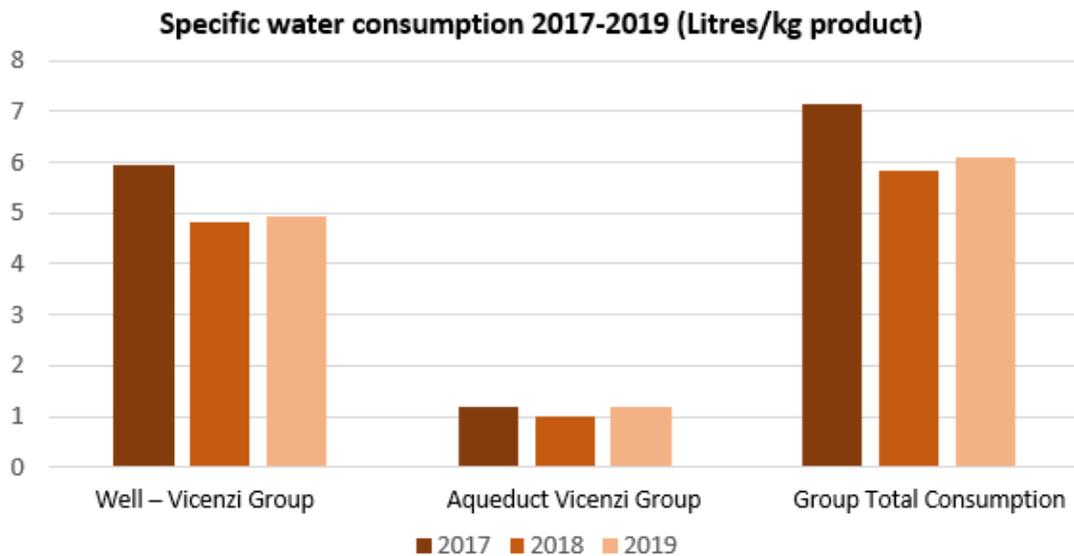


Figure 27 Specific water consumption

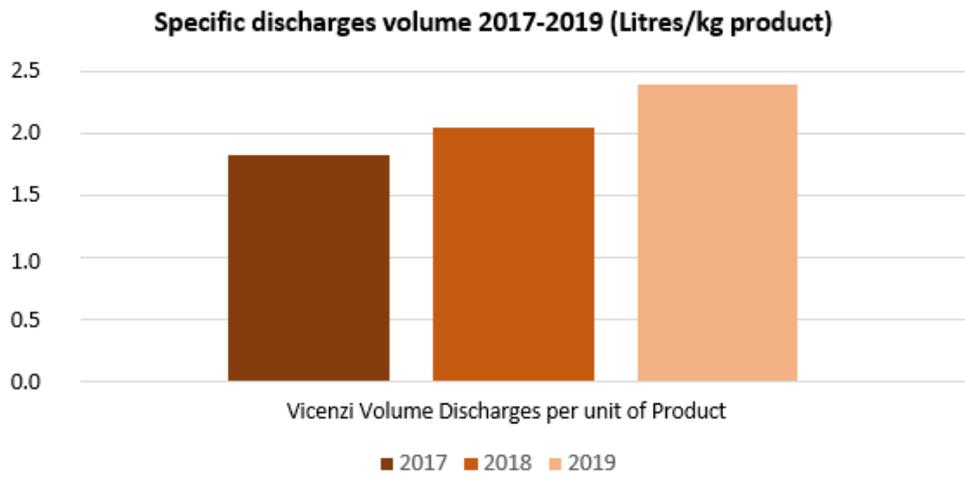


Figure 28 Specific water discharges volumes

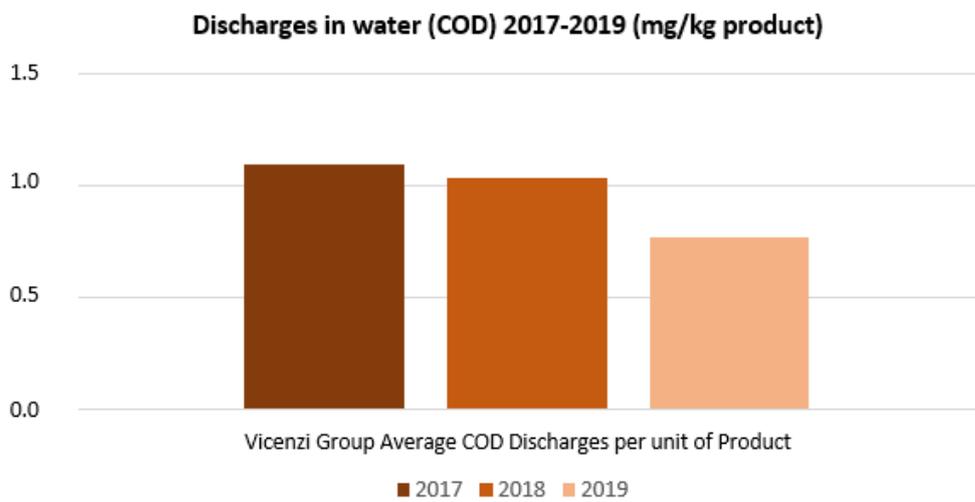


Figure 29 COD specific discharges

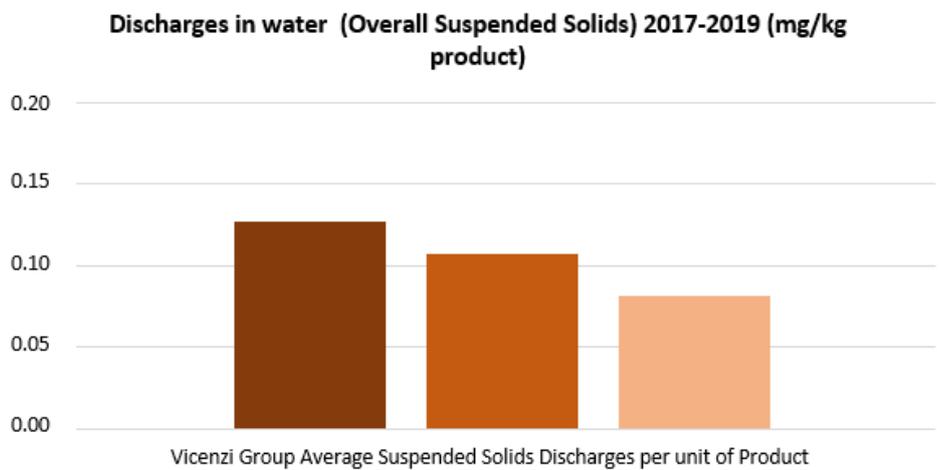


Figure 30 Overall suspended solids

4.5. Special Waste Management

Vicenzi stands out for its careful waste management. In fact, out of the 938 tons of waste produced in the San Giovanni Lupatoto, Bovolone and Nusco plants, in 2019 over 99% was sent for recovery operations at authorised plants. In particular, waste related to packaging used in production activities, such as paper, cardboard, plastic, wood and metals, is entirely destined for recycling.

Hazardous waste accounts for far less than 1% of total waste and consists mainly of spent oil, electronic waste and materials from maintenance activities.

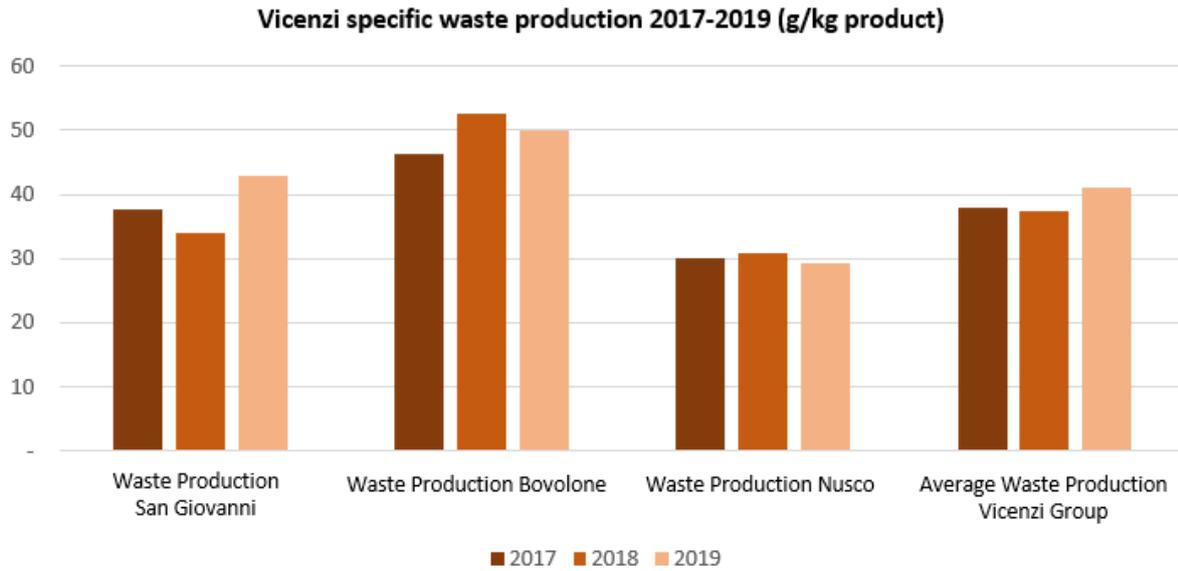


Figure 31 Waste production per product unit

5. The people of the Group

Vicenzi's real strength lies, in my opinion, in the sense of belonging of his employees.

Today, we are an established reality. Yet, we still maintain the values of the family of many years ago: attention to People, to the needs of the individual, total respect for the work of others.

This is the spirit with which, every day, the Group relates to its employees.

We know that each of us is unique and fundamental to the success of this company.

Our company.

Gianbattista Perbellini

Vicenzi S.p.A. Group Human Resources Manager

More than 350 people work every day to carry on Matilde Vicenzi's tradition, spreading it not only in Italy but also abroad. The attention to the well-being and professional growth of its employees is one of the cornerstones of Vicenzi Group's sustainability.

5.1. Human resources management

A very important aspect for the Group is the relationship with human resources, which are the company's main asset and whose skills, expertise and aspirations Vicenzi values.

► **GEOGRAPHICAL DISTRIBUTION OF THE LABOUR FORCE IN 2019**

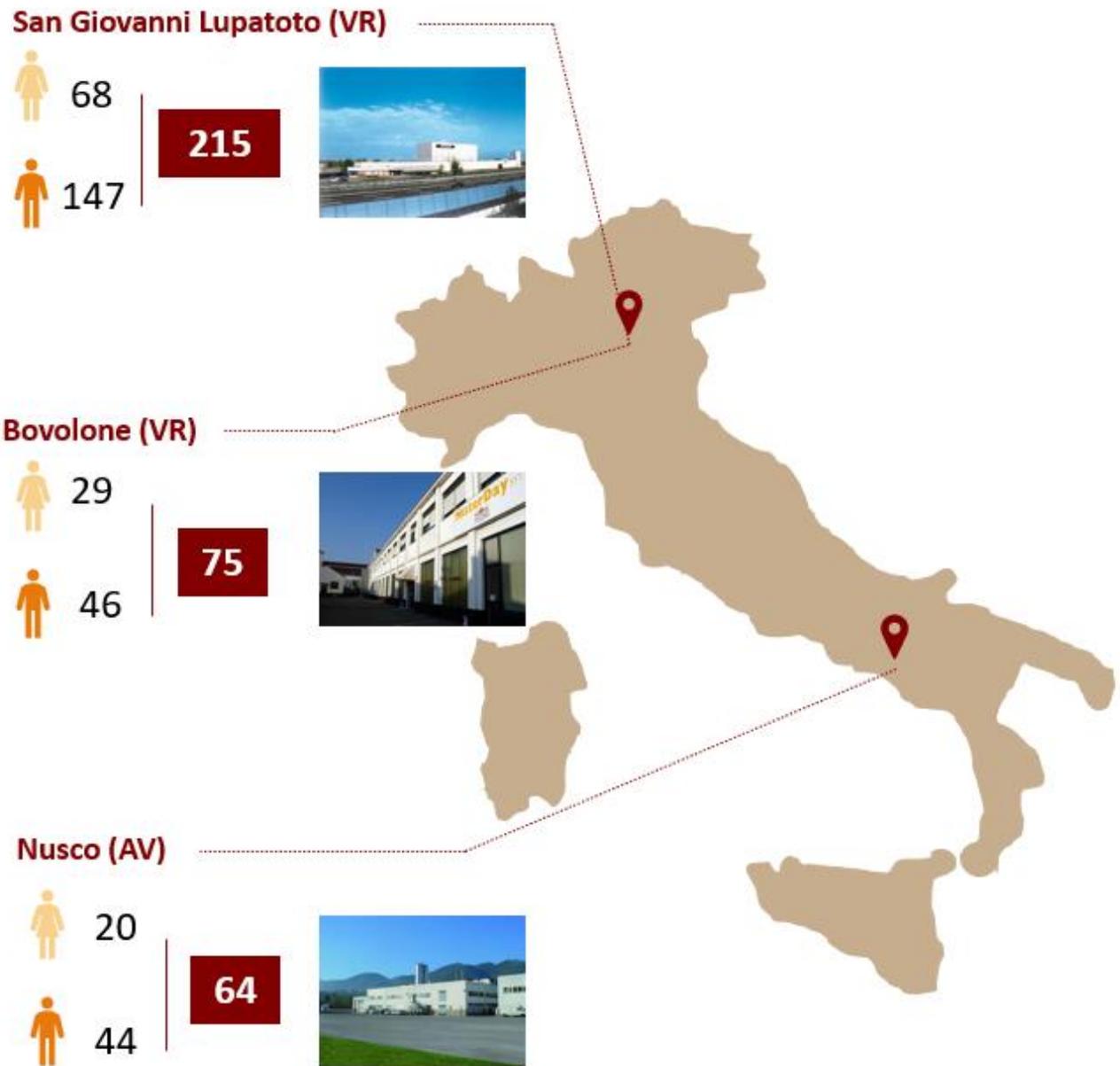


Figure 32 Geographic distribution of the labour force

In 2019, the number of employees was 354, including 117 women and 237 men. San Giovanni Lupatoto, Vicenzi Group's headquarters, has the largest number of employees (Figure 32).

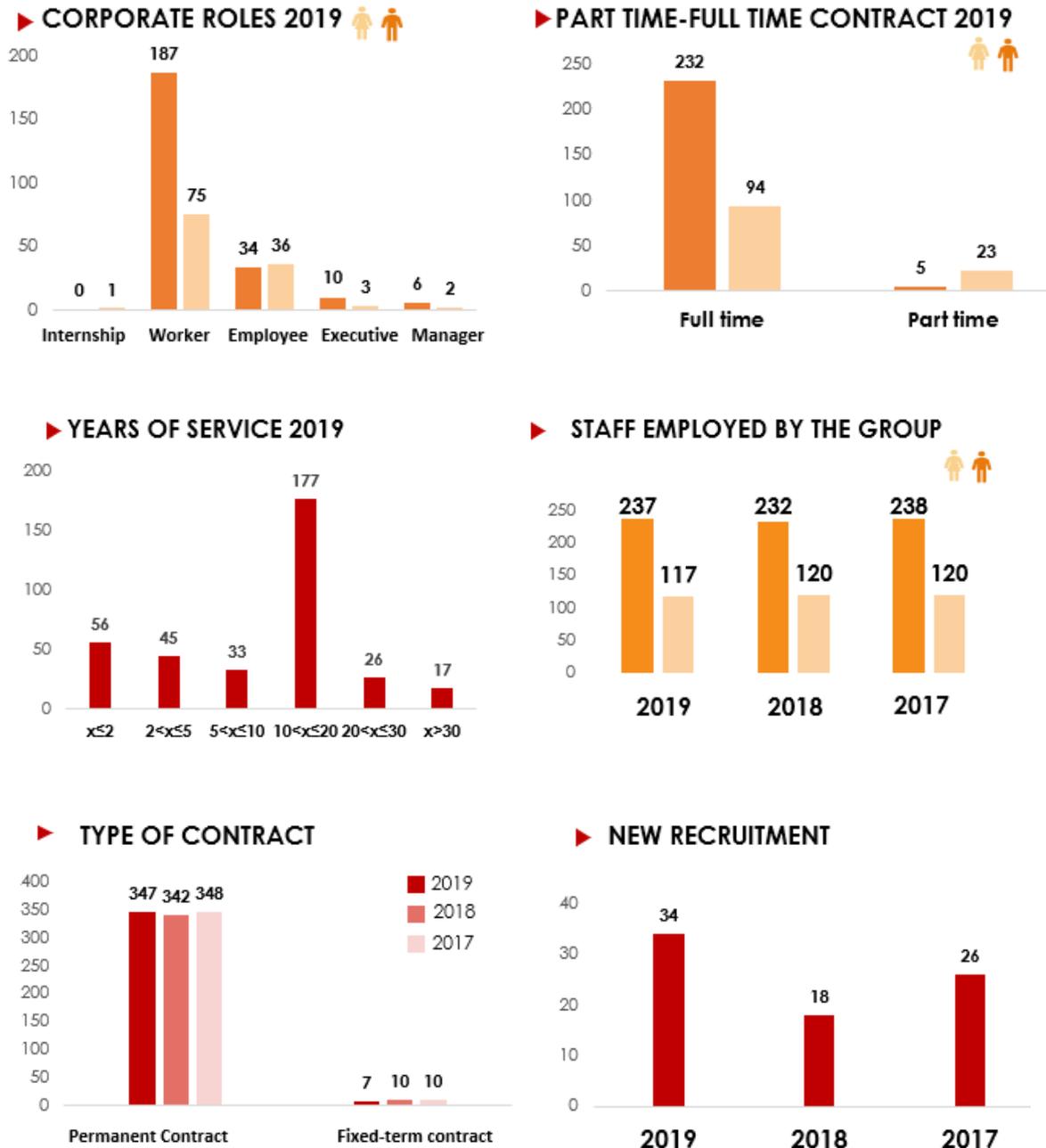


Figure 33 Data regarding staff

The number of employees remained fairly constant over the three-year period 2017-2019 and the percentage of women also remained almost stable, from 34% in 2017 to 33% in 2019.

Women represent about one third of employees and are present at all levels of the company (with a prevalence for clerical employers). This result has been achieved thanks to a series of measures and facilities in terms of flexibility, such as **part-time work** or the possibility, for mothers who request it, to work from home in **smart working** mode with equipment provided by the company.

With regard to the type of contract, Vicenzi has oriented its choices towards stability given the high number of **permanent contracts**, thus allowing its employees to build a solid sense of belonging to the company.

This is also demonstrated by the employees' high **degree of loyalty** to the company: more than 60% of the Group's employees have more than ten years of service.

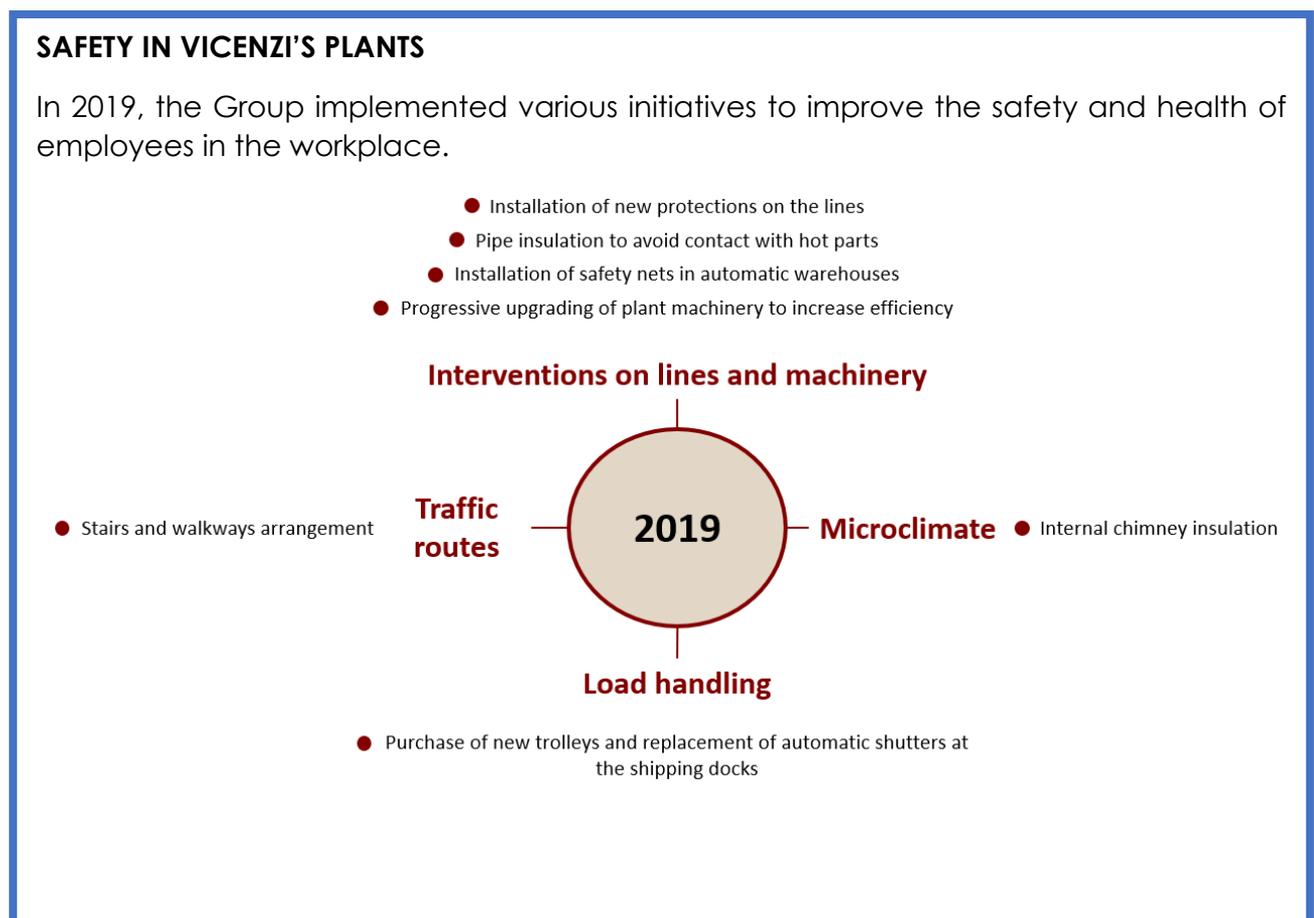
In 2019, three Group employees received the *Premio fedeltà al lavoro* (Employees' loyalty Award) from the Verona Chamber of Commerce for having served the company with dedication and ability for more than 35 years.

5.2. Safety ranks first

Vicenzi believes that the management of **Safety** in the workplace is an aspect of primary importance, as required by current regulations, in particular Legislative Decree 81/08 and in accordance with the provisions of its Code of Ethics.

The first way in which the Group endeavours to guarantee this fundamental principle is through the prevention of accidents and occupational diseases. To this end, the importance of **risk analysis**, which characterises the Group's various activities and locations, from production plants to offices, is crucial.

On the basis of the results of the risk analysis, appropriate prevention and protection measures are defined for their control, as well as **measures to improve** the working environment and employee **training and awareness-raising activities** aimed at promoting a culture of safety.



In accordance with the provisions of the 231 Organisational Model, the Group has adopted a system to allow all employees to anonymously report any illegal or inappropriate conduct that may prejudice the safety and health of workers.

The **Whistle Blowing** tool thus implemented allows all employees to express themselves freely and contribute to creating and maintaining a serene and safe working environment.

Health and safety indicators

For the purposes of analysing company performance from the safety point of view, the safety indicators monitored by Vicenzi to assess the results obtained through the prevention and protection measures adopted are shown below (Table 1)

The number of accidents remained constant over the last three years and the trend in the frequency, severity and risk indices was also almost constant.

Chart 1 Accidents and risk ratios of the three Group plants

► **TOTAL ACCIDENTS AND LOST WORK DAYS FROM 2017 TO 2019**

Year	Working hours	Accidents	Lost days	IF	IG	IR
2019	576,257	9	279	15.62	0.48	7.56
2018	561,579	9	279	16.03	0.50	7.96
2017	575,345	9	251	15.64	0.44	6.82

5.3. Ensuring well-being

Everyone should be able to see their work environment as a stimulating place, be able to carry out their tasks with serenity and rely on their needs being listened to.

These are the elements on which Vicenzi's relationship with its employees is based and for which the Group continuously invests resources and energy.

Corporate welfare and supplementary contract

In 2018, Vicenzi decided to adopt a **supplementary contract** that enhances the value of employees with a company welfare system based on bonuses and the possibility of resorting to tax benefits such as the possibility of requesting **advance payment of severance indemnities** a second time compared to what is required by law.

The contract also provides for the establishment of a **variable bonus** for employees, the amount of which is determined partly by the trend in turnover and partly by the achievement of a series of objectives at the production site level, calculated on the basis of different criteria (hours worked, quality indexes, level of absenteeism). As an alternative to the bonus, individual employees can choose to receive the amount due in the form of **gift vouchers** or through company welfare.

Another important instrument introduced with the contract is the **Banca Ore Solidale**, thanks to which employees can voluntarily give a certain number of hours of holiday to colleagues who need it most. By way of example, in 2018 and 2019, **657** and **170** hours (equal to approximately 82 and 21 working days, respectively) were donated to employees in cases of particular difficulty.

Social aggregation initiatives

In order to involve employees more closely and build an increasingly solid bond, while at the same time improving living and working conditions, Vicenzi implements various aggregation initiatives every year (Figure 34 Initiatives and services for employees).



Figure 34 Initiatives and services for employees

Among these, one of the most popular is certainly the day of the **Befana** celebrated at the San Giovanni Lupatoto plant (Figure 35), during which gifts are distributed to all the children of employees up to 12 years of age.

There are also **sporting** initiatives, such as the annual football match between the representatives of the San Giovanni - Bovolone plants.



Figure 35 Befana celebration in San Giovanni Lupatoto

6. Support to local communities

Our history is closely linked to that of the Verona area, which, more than a hundred years ago, nurtured and supported Matilde's entrepreneurship and today contributes to the greatness of the Group.

We have decided to return the favour, promoting over time the excellence and wealth of the province of Verona in Italy and abroad, financing the cultural activities of the Fondazione Arena, sponsoring sports activities and initiatives aimed at the community, contributing to the strengthening and development of hospitals or medical facilities.

Filippo Ceffoli

Gruppo Vicenzi S.p.A. General Manager

For some time, Vicenzi has been contributing to the development of the communities in which it operates, financing projects and initiatives that meet different needs: sports events organised locally, educational activities for the younger generations and finally cultural events involving the entire community.



Since **1986**, Vicenzi has been donating **thousands of candles** every year to the audience during the opening night of the opera season in the Arena.

The Christmas star of Verona is the **highest architecture-sculpture in the world**: it measures **70 metres of height** and since **1984** it has been lighting the city centre during the Christmas holidays.



6.1. Support to culture

The sponsorship of the Opera Festival

On August 10, 1913, the centenary of Verdi's birth, *Aida* was performed in the Arena. Due to a power failure, the audience turned on thousands of small improvised lights to read the *libretto* of the opera. The atmosphere created was sensational.

In **1986**, **Giuseppe Vicenzi** decided to remember that scenic event, creating a real tradition. Thus was born the thirty-year collaboration between the Fondazione Arena and Vicenzi Group: every year, **thousands of candles** are donated to the audience to open the recitals scheduled for the **opera season**, now in its 97th edition, thus creating a show within the show and illuminating the symbol of Verona.



Figure 36 Matilde Vicenzi and the Opera Season – A passion that lights Opera up

Among conductors, soloists, first dancers and étoile, this latest edition of the Festival has seen the most popular artists in the world as well as many new young talents take to the stage. In addition, with a very respectable economic impact, in 2019 the Festival has recorded the best success of the last six years, with a ticket sales of 26.7 million euros and almost 427 thousand tickets sold.

Thanks to the great attention gained not only nationally but also internationally, reaching cities like New York, Moscow, Berlin, Vienna, Munich, Dubai, Madrid and Shanghai, the Arena has consolidated its central role in the cultural panorama of the country and the world.



Figure 34 Arena di Verona, Opera festival 2019

Christmas star

Designed and installed in **1984**, on the occasion of the first edition of the **Rassegna Presepi dal mondo in Arena**, Verona's Christmas star is the **tallest sculpture-architecture** in the world: it measures **70** meters. Since then, this giant comet has been set up in Piazza Bra and its tail reaches the Arena, thus illuminating the city centre during the festive season.

Since Christmas 2014, **Vicenzi Group** has been supporting Fondazione Verona for the Arena and the exhibition of the architecture-sculpture, which has become the **symbol of the Scaliger Christmas**, and whose display during the festivities is a real ritual that residents and tourists alike look forward to with trepidation. A small curiosity: some miniatures of the star have been donated to famous people, such as Pope John Paul II, Michail Gorbačëv and Ronald Reagan.



Figure 37 Verona's Christmas Star

Fondazione Atlandide

Vicenzi is a partner of the **Fondazione Atlantide Teatro Stabile di Verona**, which promotes the diffusion and development of culture and art in the fields of drama, dance and cinema. The Foundation designs and produces shows and initiatives with particular reference to the Veneto region, aimed at supporting and spreading the **values of theatre** and musical comedy.

6.2. Support to territory-based activities

Promotion of educational activities

Vicenzi Group also supported the participation of a team of students from the Don Bosco Institute in the **FIRST® LEGO® League**, a science and robotics championship for children aged 9 to 16 years. The young students reached first place in Italy, thanks to an innovative idea for cleaning astronauts' clothing, thus earning a place for the finals in Texas.



Figure 38 One detail of the projects

Scaligera Basket and Mario Vicenzi's Memorial

Every year, Vicenzi Group organises a memorial in honour of **Mario Vicenzi**, the President's younger brother, and his great love for basketball. Mario Vicenzi was co-owner and longtime vice-president of Scaligera Basketball, the main basketball team in the city of Verona, contributing to its success thanks to the economic but above all human support, bringing management, technical staff and players together.

At the end of 2019, the Group set up, in collaboration with the **Scaligera Basket Academy** - the youth section of the team that cultivates young talents - a **scholarship named after Mario Vicenzi** for those boys who stand out in sport and at school.

The book **Le 7 meraviglie che hanno fatto grande il basket a Verona** is dedicated to basketball in Verona and is a monograph that tells ten years of history, from 1991 to 2000, of basketball in Verona and the people who played it. Two of the most important figures are Giuseppe and Mario Vicenzi who, thanks to their passion for the sport, were able to bring their city's team to the top, with commitment and sacrifice, "because you can't win at a high level without sacrifice" (Giuseppe Vicenzi).

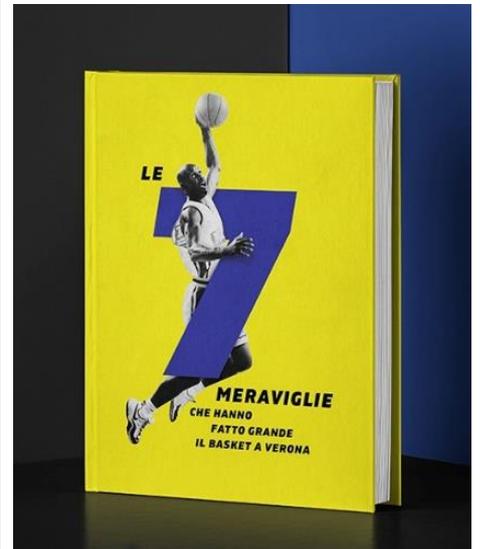


Figure 39 The cover of the book

7. Methodological note

This document is the first Sustainability Report of Gruppo Vicenzi s.p.A. (hereinafter, The Group). The document is based on the Sustainability Reporting Standards 2016 published by the Global Reporting Initiative (GRI), the international reference point for non-financial reporting.

In accordance with the provisions of the GRI, this edition of the Report bases the definition of the most relevant reporting topics for the company and its stakeholders on materiality analysis.

The information and indicators are reported annually and refer to the calendar year 2019; where possible, these have been compared with those of the two previous years (2017 and 2018) to provide the trend of the last three years.

The scope of reporting includes the production sites of San Giovanni Lupatoto, Bovolone and Nusco, which fall under the company name Vicenzi spa. The site of Fiorenzuola D'Arda, outside the company name, is excluded from the reporting.

With reference to the calculation of the environmental impacts of logistics activities, the average CO₂ emissions for the transport of Vicenzi products to logistics platforms and for direct deliveries to customers in Italy and abroad have been estimated. Withdrawals made directly by customers at the Group's production sites and warehouses were excluded, as they are outside the scope of reporting.

For further information on the contents of the Report, please write an e-mail to csr@vicenzi.it.

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