

Vicenzi Group Sustainability Report

Second Edition

Year 2020



By



X3Solution
Efficienza energetica per la tua azienda

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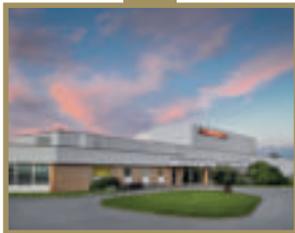
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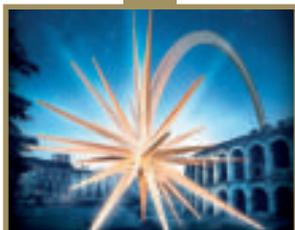
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Vicenzi's new generation: together to build the future of the Group

Vicenzi Group's story is inextricably linked to that of its founding family. One could not exist without the other. We grew up with our grandfather Giuseppe's extraordinary stories about Sante, Matilde's husband, and his son Angelo. They have been imprinted on our minds and have almost become legendary figures.

Those stories already contained the values that have been the driving force behind the company for over a century. Passion, know-how, vision, but above all attention to the quality of the raw materials, which means enhancing the territory, the people, and the environment.

These are values that our grandfather Giuseppe passed on to us through the stories he used to tell us and we feel they belong to us today.

For us it is an enormous pride and privilege to have grown up witnessing the entrepreneurial story of "biscuits that became pastries". Made in a small bakery on the outskirts of Verona, today they represent a great example of Made in Italy and Italian taste abroad.

We feel that the time has come for us to act as guarantors of these values, of what the company can give back to its territory and its community.

We want to be not just witnesses, but active promoters, together with Grandpa Giuseppe, to strengthen his commitment and to make the company ready for the social responsibility demands of the near future.

Circular economy, environmental sustainability, wellbeing of people and animals, respect for environmental resources, protection and safety of work and food. We envisage Vicenzi as an ambassador of this new way of conceiving Made in Italy in the world, because we believe that every person or company must leave a positive trace for future generations.

Grandpa Giuseppe, the President, has made his own contribution over the years, and we want him to count on us to help ensure the success of this process, which is a duty for Vicenzi, a desire for the community and a necessity for the planet where we live.

The Grandchildren,

Francesca

Chiara

Benedetta

Lorenzo

Mattia

Giueva

Giacomo

Pietro

1. Vicenzi Group

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

*My **passion**, even as a child, was to create the **biscuit industry**... and that's where the story of biscuits becoming pastries began. All this thanks to Matilde Vicenzi and the assiduous assistance of daddy Angelo"*

Giuseppe Vicenzi, President



The story of Vicenzi Group is first and foremost the story of a family. It began in 1905 when Matilde Vicenzi set up a small bread, pastry and food shop in San Giovanni Lupatoto, in the province of Verona. Matilde's choice can be considered as one of the first examples of female entrepreneurship, an example that would later inspire Giuseppe Vicenzi.

The real industrialisation came in the mid-1900s, when Giuseppe Vicenzi, thanks to the teachings and passion inherited by his grandmother Matilde and his father Angelo, started transforming the family business into 'The industry of biscuits, which became pastries'.

This was when amaretti biscuits and ladyfingers made their entrance into what would later become Vicenzi Group. In fact, in post-war Italy, 'everyone was making biscuits, even pharmacists. So, I thought: I'll choose one product and become number one. I chose amaretti, which were not so widespread [...]'. Given its success, Giuseppe Vicenzi decided to take up the game a second time by focusing on ladyfingers "which in Italy almost nobody made any more, and the few that could be found were poor and bad [...] and I became the first in making ladyfingers too"¹.

¹ Reference https://www.ilsole24ore.com/art/biscotto-volta-sono-diventato-re-savoiardi-ADFrCCq?refresh_ce=1

His initiative and curiosity drove Giuseppe to travel and discover other markets, first of all the English one which he discovered in 1955 during his first trip abroad. Thanks to a trip to Japan, he then discovered and bought a special machine suitable to produce puff pastry, which led to the creation of Millefoglie d'Italia Classica.

Giuseppe thus gained a wealth of experience and new ideas for his products. Between the 1960s and 1970s, he invested his resources in expanding and industrialising a production that until then had been artisanal and developed only locally. He thus opened a new factory in San Giovanni Lupatoto.

The decision to specialise in the production of amaretti and, later, ladyfingers led the company to consolidate its brand name on the market not only in **Italy** but also abroad, thus turning Vicenzi Group from a **family business** into an **international** organisation.

Vicenzi products, symbols 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. They offer consumers a unique and genuine sensory experience.



Figure 1 - Steps of Vicenzi Group's story

1.2. Vicenzi Group Figures

VICENZI GROUP IN FIGURES



Figure 2 - Vicenzi Group in Figures

Vicenzi Group Brands

Vicenzi Group includes three brands: **Pasticceria Matilde Vicenzi**, which has been making traditional Italian pastries for 115 years, **Grisbì**, which has made shortcrust pastry filled with velvety cream its strong point, and **Mr. Day**, which focuses on the simplicity and authenticity of both sweet and savoury treats.



Figure 3 - Vicenzi Group reference brands

Vicenzi Group Brands

With a history now spanning more than a century, Vicenzi Group has brought its products into more than 8 million Italian households and has taken the Italian confectionery tradition around the world through the development of markets in Europe, Latin America, the United States, the Middle East and South Asia.



Figure 4 - International markets where Vicenzi Group operates

Vicenzi has also increased its visibility thanks to various international events.



First and foremost is the **Tiramisù World Cup**, of which Matilde Vicenzi brand, with its Savoiard VicenzOVO, has been the main partner for four years now.



ISM Cologne and Anuga are the main European fairs dedicated to sweet and snack products in which the Group has always participated. In 2020 only ISM was held because of the Covid-19 pandemic. However, Vicenzi will go back to participating in such events as soon as possible.



Vicenzi Group also made it to Dubai to attend the **Gulfood** exhibition, the largest annual trade fair for the food and beverage market, which attracts industries and professionals from all over the world.

1.3. Sustainability as one of the Group Values

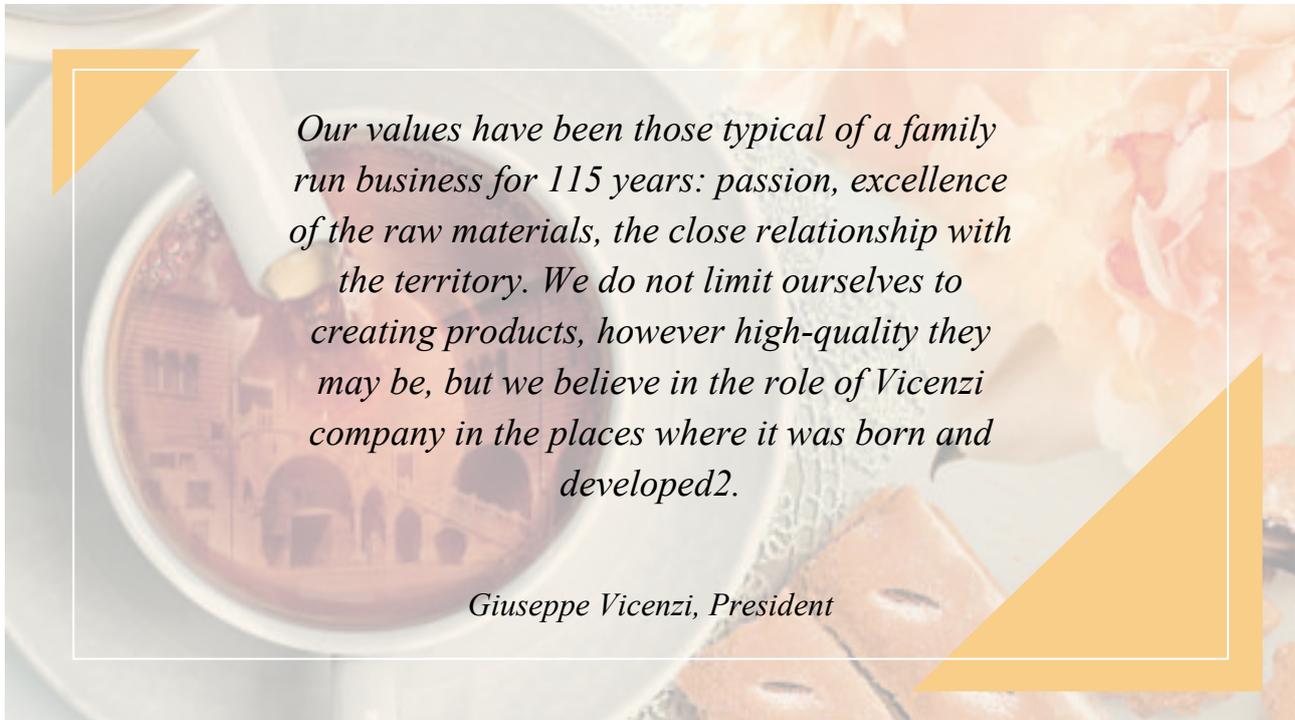


Figure 5 - The Group values

² <https://primadituttoverona.it/economia/innovazione-per-il-gruppo-vicenzi-presentato-il-rapporto-di-sostenibilita/>

The combination of entrepreneurial principles and the **typical values of a family-run business**, handed down from generation to generation, is the element that distinguishes the Group. It is also what has allowed Vicenzi to grow and achieve important goals.

Vicenzi products are synonymous with **tradition** and the subtle refinement of simple things combined with **quality** ingredients and attention to **detail**.



Figure 6 - Matilde's recipes

Thanks to the simple but excellent raw materials, Vicenzi makes a refined range of high confectionery creations.

Many of the recipes still produced today are inspired by Matilde Vicenzi's original recipe book, dating back to the early 1900s, when Matilde opened the first workshop in San Giovanni Lupatoto, and jealously preserved in the company archives. This document is not only of sentimental

value. It also brings back some historical preparations such as the nadalin, the Veronese panettone, or the sugoli, the so-called "hard pieces".

If on the one hand Vicenzi re-proposes the **flavours of the past**, on the other hand it is increasingly projected into the future with continuous **research and innovation** in terms of new products to be introduced to the market, constant improvement of its products and definition of new production solutions that have a lower environmental impact.

The last element that characterises the Group is the attention to both **people** and the **territory**, which translates into valuing all those who contribute to making Vicenzi a unique reality in its sector every day.

In the context of its Organisational Model, the values that Vicenzi Group recognises, accepts and shares to ensure the good functioning, reliability and reputation of the Company are formalised in the Code of Ethics available on the website www.vicenzi.it

CODE OF ETHICS

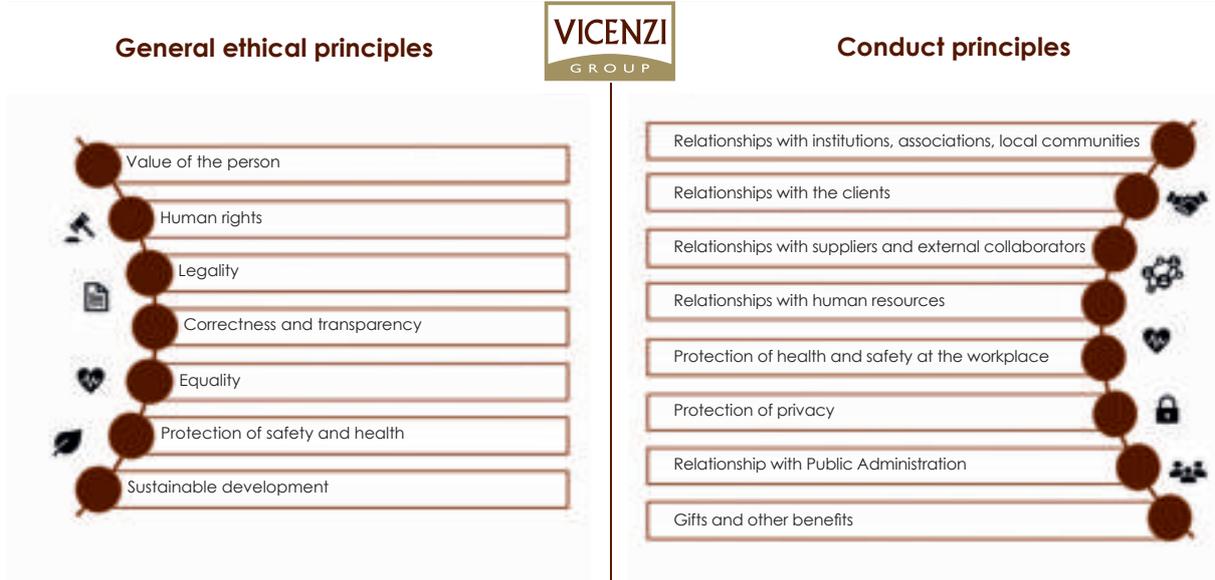


Figure 7 - Vicenzi Group Code of Ethics

Vicenzi Group Sustainability Report

The Group recognises **Sustainability** as one of the company's fundamental principles, underpinning both its strategic choices and employee involvement.

Sustainability, intended as the ability to grow in harmony with the territory and surrounding communities by creating value for all those involved in the supply chain, played an important role in **2019**. This is the year in which the Group, with the aim of creating a starting point for defining corporate sustainability strategies, decided to produce its first **Sustainability Report**.

Despite the difficulties that arose in 2020, characterised by the global COVID19 emergency, Vicenzi Group decided to maintain its commitment to Sustainability, proceeding with the updating of the Report. In addition to being a means of reporting on the Organisation's performance, the Report represents a communication tool that allows the Group to demonstrate its ongoing commitment to transparency and improvement.

Contents of Vicenzi Group Sustainability Report

The contents of the document have been defined by applying the **principle of materiality**, which consists of focusing attention on the aspects of greatest relevance both for Vicenzi and for the Stakeholders (internal and external parties to the Group). The Report is inspired by the international standards of the Global Reporting Initiative (GRI), internationally recognised for non-financial reporting.

The relevant aspects to be considered in the Group Sustainability Report were identified in 2020 through the involvement of the various corporate functions and a representative sample of external stakeholders such as suppliers, customers, and local communities.



Figure 8 - Stakeholders involved in the 2019-2020 materiality analysis

The analysis of the results obtained based on the Stakeholders' indications has made it possible to identify 12 relevant sustainability issues, relating to both the social and environmental spheres, as shown in the specific **materiality matrix** in Figure 9.

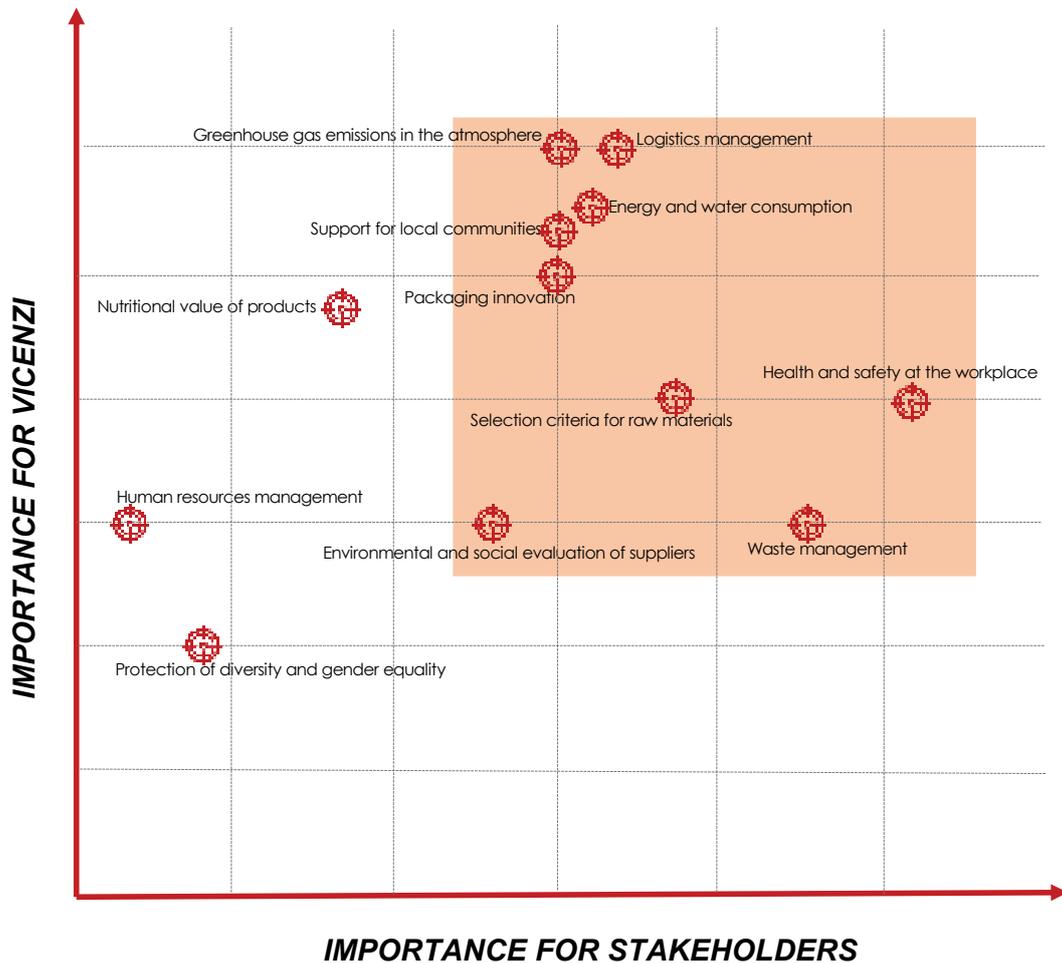


Figure 9 - Vicenzi Group Materiality Matrix

As part of the process of revising the Sustainability Report 2020, Vicenzi considered the materiality matrix used in the 2019 Report to be valid and still in line with the corporate reality. For the purposes of defining the contents of the document, all the corporate functions were once again involved in order to frame the activities carried out and planned that can be attributed to material aspects.

3 The ordinate axis shows the relevance of the issues considered for Vicenzi, while the abscissa axis shows the relevance for the Stakeholders, assessed based on the influence that the management of these aspects may have on their decisions.

2. Vicenzi products

Over time Vicenzi has been committed to improving the efficiency and safety of its industrial processes without ever losing sight of its respect for the Italian confectionery tradition and its choice of top-quality ingredients, selected also through active collaboration with historic suppliers.

Tradition can be found in Vicenzi products linked to the recipes of the founder Matilde Vicenzi. The Group historic products such as ladyfingers, amaretti biscuits and puff pastries are still made today, inspired by Matilde Vicenzi's original recipe.

Ladyfingers are produced following specific regulations. In fact, to be called a ladyfinger, the biscuit must contain sugar, wheat flour, fresh eggs in a quantity of no less than 26% and must respect certain characteristics such as an elongated shape, a sugar-coated upper surface, and vanilla and lemon flavouring.



MATILDE VICENZI'S RECIPES

The second classic of Italian pastry tradition is **amaretto biscuit**. Matilde Vicenzi's amaretti biscuits are made with Sicilian almonds, cane sugar, egg whites from fresh eggs and apricot kernels, which give the product its characteristic bittersweet taste.



2.1. Ingredients and choice of raw materials

The main raw materials used for Vicenzi products are flour, sugar, eggs, vegetable oils, butter, cocoa and hazelnuts. Simple and genuine ingredients for quality products.

PASTRY BASIC INGREDIENTS

The raw materials used in pastry can be divided into two groups: those that have support functions, i.e. that help the dough to rise properly, and those used to improve appearance and taste.

Eggs and flour are the basis of consistency: the quantitative ratio of these two substances and the manufacturing process largely determine whether the final product will be hard or soft, light or heavy.



Sugar mainly influences taste and colour, but in some products it also has a structural function.

Fatty substances help guarantee softness of the dough, improve the preservation, crispness and taste of the product.

Finally, the type of **processing** used and the **temperature** of the working environment are decisive for some types of product, such as puff pastry.

Figure 10 - Pastry Basic Ingredients

VICENZI PRODUCTS, QUALITY PRODUCTS

The reference factors that contribute most to guaranteeing the Quality of Vicenzi Products are as follows:

-  **Respect for traditional recipes**
-  **Research and constant improvement of the product's nutritional profile**
-  **Increasing interest in healthy products**
-  **Adaptation to new market trends in Italy and abroad**
-  **Origin of ingredients**
-  **Careful selection of suppliers**

Figure 11 - Factors contributing to the quality of Vicenzi products

Selection of Suppliers

The relation with suppliers is a strategic element of primary importance for the Organisation to ensure the quality of Vicenzi products.

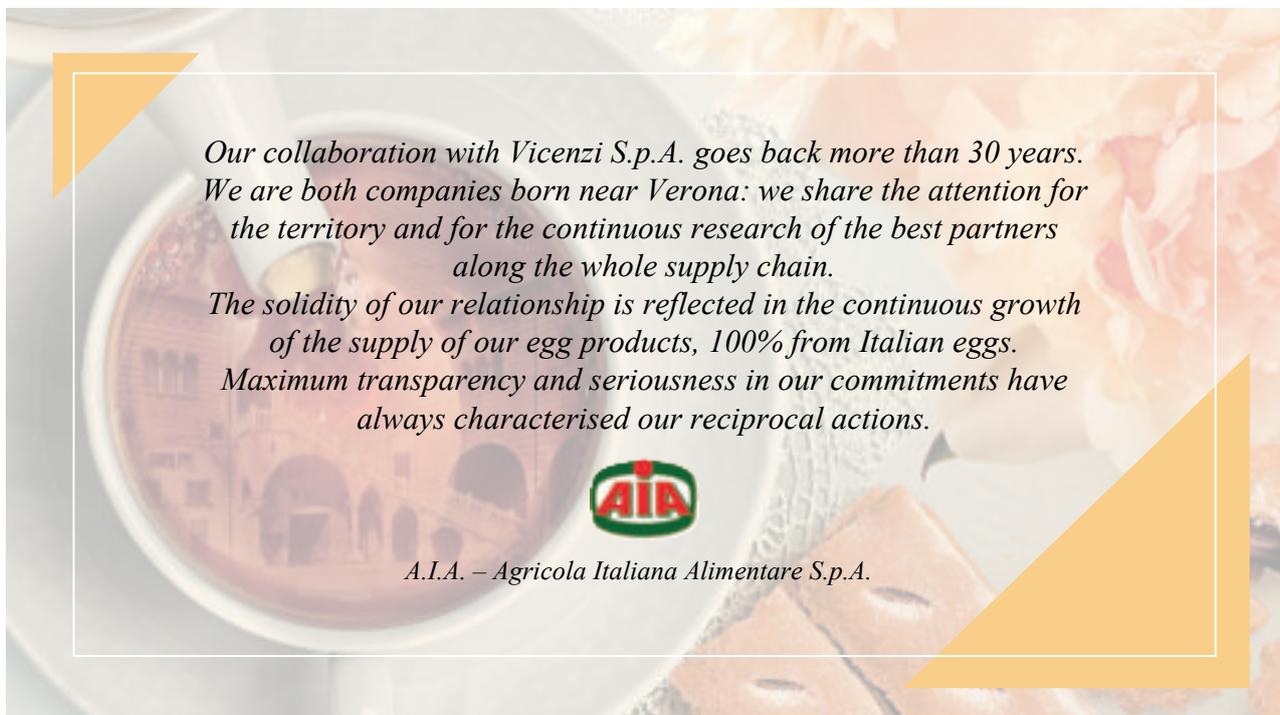


Figure 12 - Historical suppliers

In choosing its suppliers of raw materials, Vicenzi is guided above all by the criteria of **reliability** and **quality of the supply**.

In fact, the Group counts almost 30 **historical** suppliers, given the long-standing collaboration. Of these, 63% have been working with the Group for more than 20 years and, specifically, 33% have been working for more than 30 years.

Over time, as part of the supplier assessment process, Vicenzi has also paid attention to issues relating to sustainability from both the environmental and social points of view by defining specific selection criteria shared with the suppliers concerned.



Our collaboration with Vicenzi S.p.A. goes back more than 30 years. We are both companies born near Verona: we share the attention for the territory and for the continuous research of the best partners along the whole supply chain.

The solidity of our relationship is reflected in the continuous growth of the supply of our egg products, 100% from Italian eggs. Maximum transparency and seriousness in our commitments have always characterised our reciprocal actions.



A.I.A. – Agricola Italiana Alimentare S.p.A.

Selection of Raw Materials

EGGS



All the **eggs** used in Vicenzi products are of **Italian origin** and come from suppliers who have a long-standing collaboration with the Group.

Starting from 2012, Vicenzi has undertaken a gradual conversion towards the use of eggs from **free range farming**. This change initially involved the production of Savoiaro Vicenzovo and was later extended to other Grisbi brand products.

To date, only free range eggs are used in the Bovolone plant and 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 branded products by 2023 (this objective does not currently concern third party production where the decision to use free range eggs depends in part on commercial agreements).



FLOUR



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

Depending on the type of product to be made, the type of flour used and the degree of refining to which the flour is subjected may change. For Savoiaro Vicenzovo, both wheat flour and stone-ground wheat flour are used, giving a perfect consistency for spoon desserts. Both types of flour used for Savoiaro are of Italian origin.

The Group has also turned its attention to a higher fibre content through the use of **wholemeal flour** already used for Fruttizie (Matilde Vicenzi), Muffins and Plumcake (Mr.Day)



SUGAR



As far as **sugar** is concerned, the Group has decided to move more and more towards the use of sugar from certified Italian supply chains. The aim is to cover around 30% of total needs by 2022.



HAZELNUTS



In addition to the "basic" ingredients, Vicenzi also uses noble ingredients such as **hazelnuts** and **hazelnut paste** used in some versions of Mini Snack, Minivoglie and Grisbi.

These raw materials are selected according to strict quality criteria. These raw materials are selected according to strict quality criteria. In particular, the hazelnut paste used by Vicenzi is purchased from suppliers with whom the Group has been working in a well-established manner for years.



In recent years, especially in 2020, the Group has decided to give an even more typical connotation to certain products by using raw materials of **Italian origin** for their production. This is the case of Savoiardi VicenzOVO, which contain 100% Italian eggs, flour, and sugar, or Bocconcini al latte and Bocconcini all'albicocca, which contain milk and apricots of guaranteed Italian origin.




Bocconcini with milk cream and white chocolate

What makes them special

100% Italian milk

Bocconcini with apricot filling and vanilla

What makes them special

100% Italian apricots

CASE STUDY

Selection criteria for raw materials

<p>COCOA</p> 	<p>Cocoa is used in the production of several of the Group's products, particularly shortbread and creams. A portion of the cocoa used by Vicenzi is covered by UTZ Rain Forest Alliance certification, which guarantees that the cocoa comes from sustainable farming programmes. 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 carried out without inconvenience to workers and local populations.</p> <p>Some of the cocoa is Fairtrade certified, the international fair trade certification mark.</p>
<p>PALM OIL</p> 	<p>The vegetable oil gives the products fragrance, structure and taste. The element used most by Vicenzi is palm oil (the other oils, used in smaller quantities, are sunflower oil and coconut oil). With reference to palm oil, the Group has decided to adopt an approach oriented towards environmental sustainability through ICEA certification (since 2016), which guarantees the controlled management of the palm oil supply chain according to the standards of the Roundtable on Sustainable Palm Oil (RSPO).</p> <p>The certification, initially of the RSPO Mass Balance type, was upgraded in September 2020 for the Bovolone plant to RSPO Segregated in order to guarantee the origin of 100% of the product from a sustainable supply chain. The same step is planned for San Giovanni Lupatoto starting in April 2021.</p>
<p>NO MGO</p>	<p>Vicenzi has undertaken to use only non-genetically modified raw materials. If it is not possible to guarantee supply from non-GMO sources, the Group's sustainability policy requires that the ingredient be immediately replaced. This principle is at the basis of some important decisions such as the one that led to the substitution, completed in 2020, of soy lecithin with sunflower lecithin.</p>

Product Quality

All Vicenzi Group production is made in Italy, following accurate manufacturing processes, from mixing to cooking and packaging, based on the principles of Quality and Food Safety. To this end, the three plants have obtained ISO 9001 certification for their Quality Management System and Global Standard for Food Safety Issue (BRC) and International Food Standard (IFS) certifications relating to product food safety issues.

For a product to be high-quality, it is necessary to guarantee that it tastes good, but also that it is made using raw materials that are completely safe for the consumer. Every ingredient used by the Group undergoes a strict selection and control process to ensure the absence of any type of contaminant.

QUALITY ASSURANCE



2.2. Tasty products for everyone

Trying to meet everyone's needs and also to allow consumers with special dietary requirements to get to know the taste of Italian confectionery, as of 2017, Vicenzi has also started producing various Lactose Free and Gluten Free products. Gluten-free products are produced in compliance with the standards prescribed by the European Union and guaranteed by the certification issued by the Italian Coeliac Association (AIC).



TASTY PRODUCTS FOR EVERYONE



Figure 13 - Gluten-free and lactose-free products

Vicenzi has succeeded in creating products with an excellent sensory profile, which in no way make you regret the “classic” recipe, and which have been an immediate success. Examples of this are the Savoiaro **VicenzOVO** and the **Amaretto** morbido, both gluten- and lactose-free, lactose-free **Millefoglie** d’Italia, gluten-free **Grisbì** or the Mr.Day snacks, for which Vicenzi has decided to extend the “lactose- and milk protein-free” characteristic to the entire range.

In addition, the gluten and lactose-free **Muffin** has been developed and production trials are underway for the Gluten-Free **Plumcake**.

Always driven by the desire to satisfy its customers, over time the company has also focused on the nutritional aspects of its products. This has led to the creation of references characterised by the use of **wholemeal flour** and an increasingly reduced content of **added sugars**, such as the Matilde Vicenzi Fruttizie, the Muffin with red fruit filling and the wholemeal Plumcake in the Mr.Day line.



2.3. Reducing Packaging Impact



Vicenzi Group pays particular attention to the selection of packaging through a process of innovation that reduces environmental impact through materials that still guarantee the organoleptic properties of the products.

The guiding principles for the selection and design of packaging for Vicenzi products are represented by the use, where possible, of **recycled raw materials** and the adoption of **mono-materials** that allow greater recyclability (e.g., reduction of polycoupled materials and **reduction of over-packaging**, elimination of packaging and reduction in the consumption of raw materials).

Types of packaging

The packaging used by Vicenzi in 2020 mainly consists of paper and cardboard boxes (70%), plastic trays (23%) and tin containers (7%).

In 2020 Vicenzi continued on the path of converting **plastic trays to 98% PET** (in 2019 the volume of PET stood at 80% and the remaining 20% was represented by polystyrene) with a specific project dedicated to **Grisbì** and **Minisnack** products. The PET used includes a share of recycled material equal to 90% for transparent formats and 70% for dark formats.



In addition, again with regard to plastic packaging, the Group has moved towards the use of **mono-materials**, reaching a target of **99%** in 2020.

In order to help consumers with disposal and separate waste 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 Grisbì references.

However, these pictograms are currently being redefined, as new packaging labelling regulations will come into force in 2021. The new labels will have to indicate not only the nature of the material used as packaging but also provide correct information regarding the management of this material at the end of its life.



Figure 14 - Grisbì brand indications for correct end-of-life sorting

Projects to reduce the impact of packaging

Over the past few years, Vicenzi has been involved in reducing the environmental impact caused by packaging, carrying out a series of important projects. These include solutions involving the use of mono-materials (which allow greater recyclability), the reduction of plastic used or the use of recycled materials.

The most relevant projects that Vicenzi has carried out to improve the recyclability of packaging and to reduce the consumption of plastic materials are:

- Savoirdi **VicenzOVO**: reducing the **amount of plastic by 30%** (2019);
- **Fruttizie**: use of **FSC™ certified paper** from responsibly managed forests (2019);
- **Pan di Spagna**: sponge cake bases with new packaging made from **100% recyclable material** (2020);
- **Grisbi**: packaging made from **100% recycled paper** (2019), mono-material trays (2020).



Vicenzi has also worked on secondary packaging, with particular reference to reducing the thickness of the **stretch film** with consequent lower consumption of raw materials; in the last quarter of 2020 a film containing 11% **less** plastic was tested, which made it possible to achieve a saving of about **500 kg of plastic** at the Bovolone site. As far as the San Giovanni production site and the Vicenzi logistics platform are concerned, the testing phase has not yet been completed and the new stretch film is expected to be used in 2021.

For 2021, Vicenzi plans to focus on replacing plastic trays with cardboard ones for Grisbi and Sfoglie lines (food contact conformity assessments are underway), on replacing plastic flowpack bags with packaging containing 80% paper (so that it can be disposed of as such) and on packaging Mr.Day snacks with single-material film.

3. Responsible Environmental Management



One of the cornerstones of Vicenzi Group path to sustainability is respect for the environment. This takes concrete form in the adoption of organisational processes and methods capable of increasingly improving production efficiency, as well as in actions aimed at improving specific aspects of the production process, in particular energy and water consumption, waste reduction and waste management.

Particular attention is also paid to the logistics and transport of the finished product through the development of processes to improve efficiency and reduce the associated environmental impact.

3.1. Energy consumption

Energy management represents a key aspect, as it is relevant both from the point of view of environmental impact and for company economic strategies

The commitment to increasingly efficient energy management has led, over the past three years, to a downward trend in the Group's total consumption of electricity, with a further **2%** decrease in 2020 compared to 2019.

Given the type of production carried out by Vicenzi, mainly bakery confectionery products, gas consumption is instead conditioned by the types and volumes of products developed during the year. For this reason, a slight increase of 3.5% was measured in 2020 compared to 2019 (the 2020 figure is in any case in line with the average for the three-year period - Figure 15).

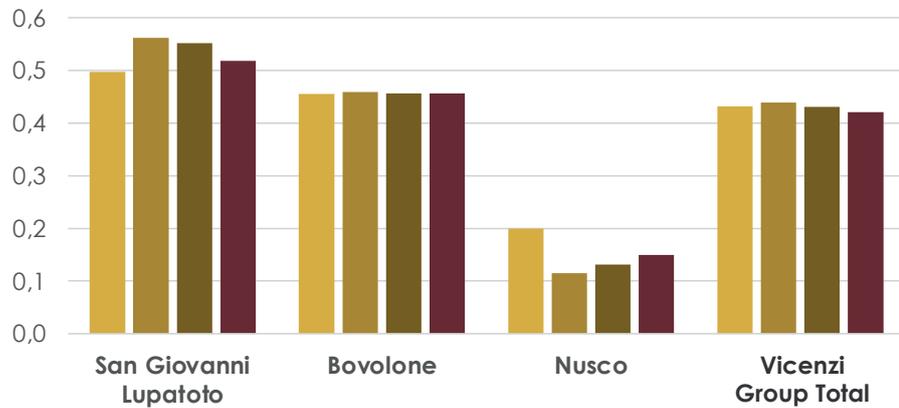
Energy Efficiency Projects

At the two plants in San Giovanni and Bovolone, specific projects were developed to improve energy performance:



- Replacement of furnace burners with more efficient modular systems (San Giovanni Lupatoto);
- Plant renewal with indirect reduction in consumption (San Giovanni Lupatoto and Bovolone);
- Start-up of compressed air leakage mapping in order to implement a reduction and efficiency programme in 2021 (San Giovanni Lupatoto);
- Revision of electrical and gas supply systems (Bovolone).

► **Electrical energy specific consumption (kWh/ kg product)**



► **Natural gas specific consumption (Nm³/ kg product)**

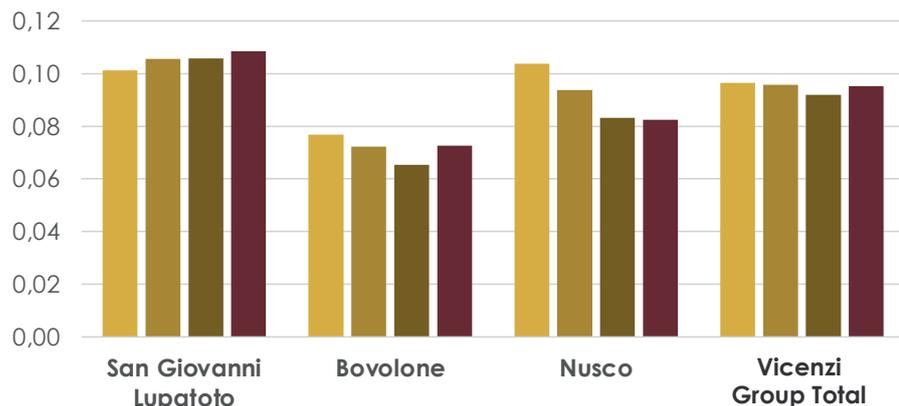
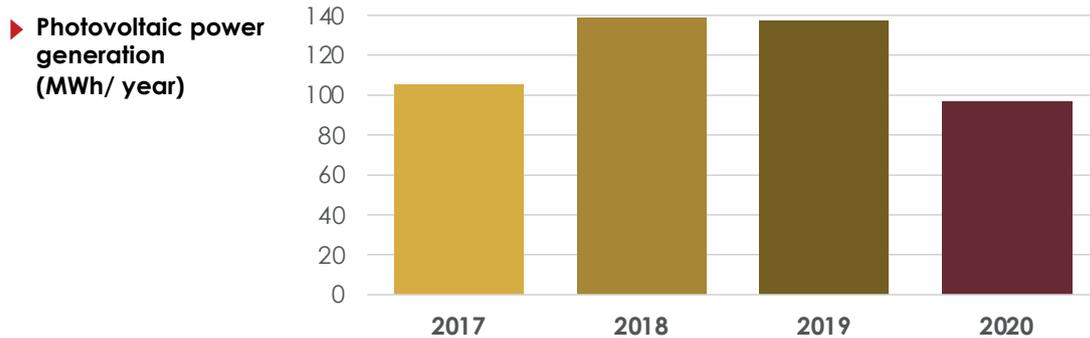


Figure 15 - Specific energy consumption 2017-2020

The mitigation of environmental impacts, in terms of greenhouse gas emissions, related to the use of energy, can be achieved through the combination of two types of actions: the reduction of consumption, related to the improvement of production efficiency, and the use of renewable energy sources

To this end, Vicenzi Group has invested in the installation of a photovoltaic system on the roof of the San Giovanni Lupatoto plant, thanks to which approximately 100 MWh of electrical energy from renewable sources are produced each year and used directly in the production site (Figure 16).



The production of solar energy from photovoltaic systems is strongly conditioned by the meteorological discontinuities that can occur during the year and by the state of cleanliness of the panels, which can be partially covered by impurities deriving from atmospheric precipitation. For this reason, Vicenzi monitors the energy production performance of its plant and plans timely maintenance operations to restore efficiency when necessary.

3.2. Management of water resources

The responsible use of water resources is one of the most important environmental aspects for Vicenzi through a constant commitment to optimising consumption.

The water used in the factories comes mainly from wells (Figure 17) and periodic monitoring of consumption makes it possible to keep any critical points under control. In particular, the increase recorded in 2020 is mainly due to the break in a pipe in the supply circuit (promptly managed) and the revamping of the purification plant at the San Giovanni Lupatoto site.

Within the scope of the production processes, the most significant consumption of water concerns the portion incorporated directly into the products (within the mixes and in other preparations) and the water required to feed the cooling systems; part of it, after use and treatment in the purification plant, is reintroduced into surface waters without significant increases in the quantities of pollutants.

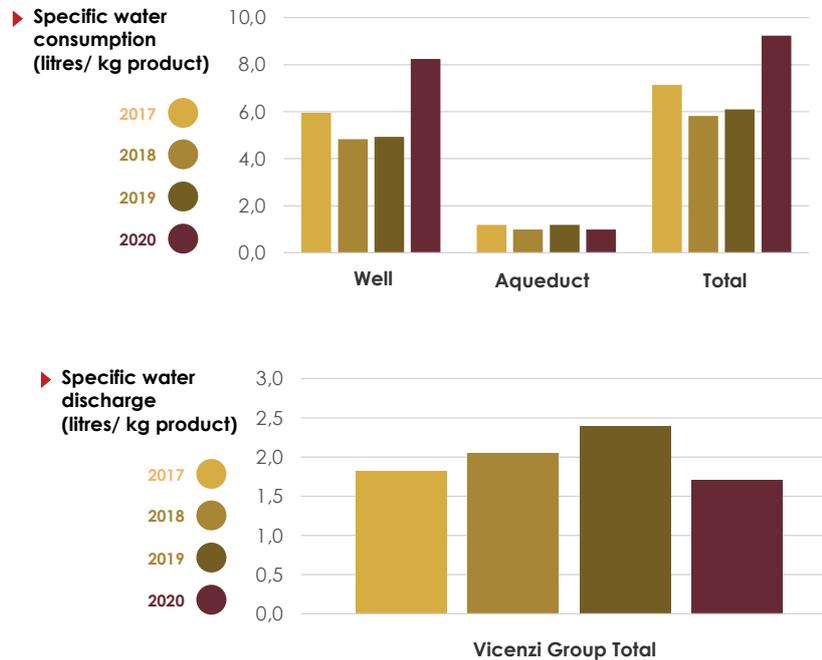


Figure 17 - Water consumption and specific discharges, Vicenzi Group total value

The qualitative characteristics of the wastewater are periodically monitored by means of rigorous self-monitoring of the parameters representative of the Vicenzi production processes which are subject to legislative restrictions. By way of example, Figure 17 shows the trend of the values measured for the COD parameter (chemical oxygen demand), an indicator useful for evaluating the organic substance and suspended solid substances present in the discharge.



To further improve the environmental performance linked to the management of water discharges, in 2020, at the San Giovanni Lupatoto Plant, an upgrade of the purification plant was carried out (in 2019, a new purification plant was built at the Bovolone site).

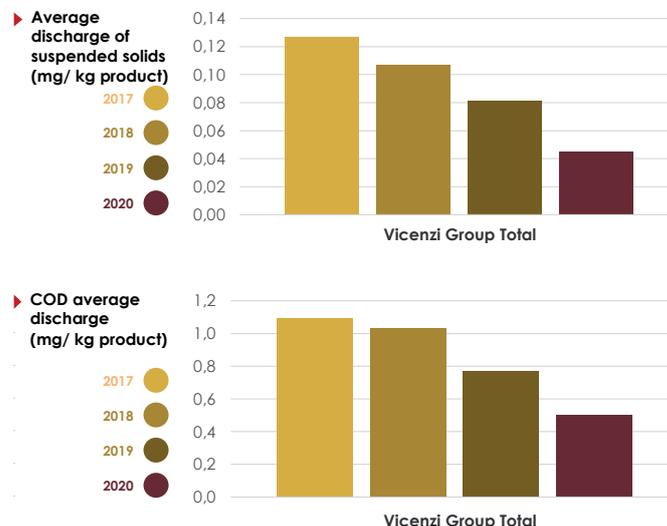


Figure 18 - Specific discharges of COD and Total Suspended Solids, Vicenzi Group average value

3.3. Special Waste Management

Production processes physiologically generate some waste, the management of which represents an important environmental aspect for Vicenzi, which has undertaken over time to increase the percentage of waste sent for recovery at authorised plants, at the same time reducing the portion destined for disposal. In 2020, the percentage of waste sent for recovery is about 99% (waste mainly associated with packaging used for production activities, sewage sludge and old equipment/plants).

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



Vicenzi has implemented a programme to review the classification and management of the waste produced in order to:

- Further increase the percentage of waste directed to recovery processes, also by means of training actions addressed to personnel on correct differentiation;
- Reducing the amount of packaging entering the plants for the storage of raw materials used, by replacing it with returnable containers (management defined through contractual agreements with suppliers).

In terms of volumes, in 2020 there was a slight increase in the specific production of waste at the two plants in San Giovanni Lupatoto and Bovolone. Such increase is related to the decommissioning and renovation of equipment/plants and extraordinary maintenance activities.

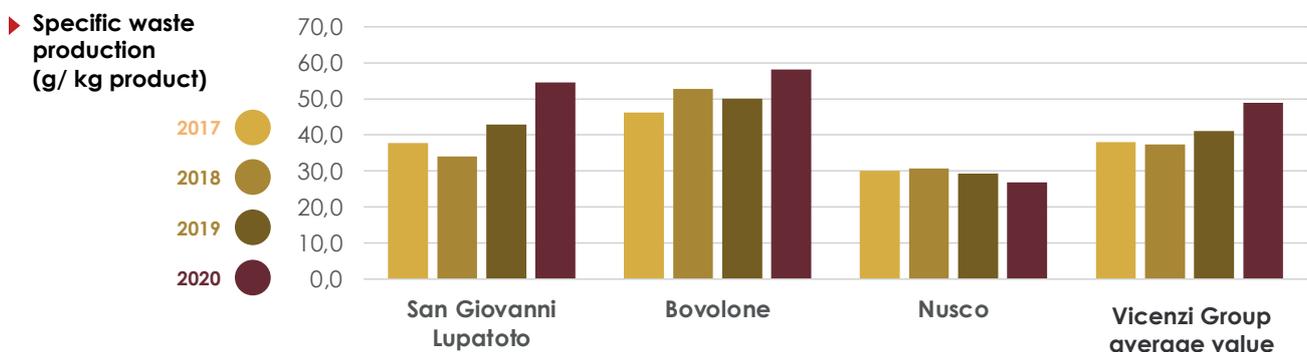


Figure 19 - Waste production per unit of product

Vicenzi also monitors food scraps, deriving from production processes, which are not managed as waste but valued as by-products (Figure 19). During 2020, a specific programme was developed to improve the efficiency and renewal of the plants at the production facilities, with the aim also of reducing waste.

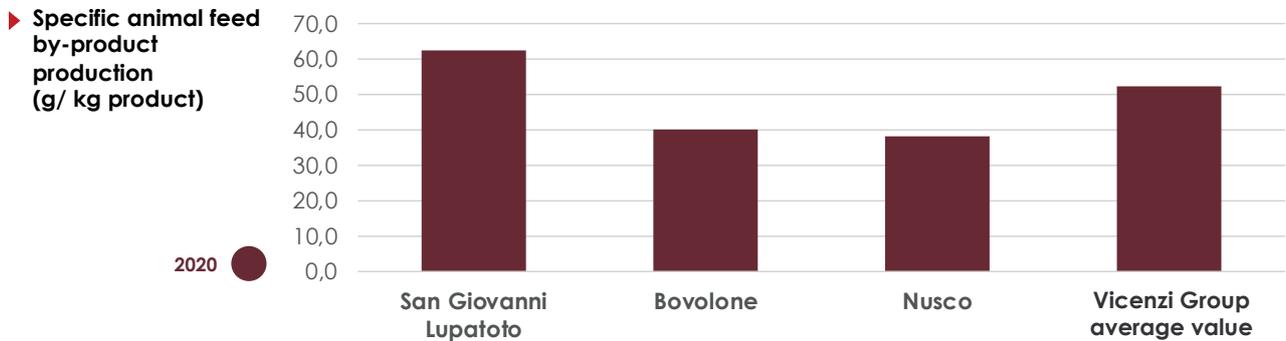


Figure 20 - Quantity of waste used as a by-product

3.4. Emissions related to global warming

In relation to the issues of environmental sustainability, a fundamental role is played by the management of greenhouse gas emissions responsible for global warming. In this context, Vicenzi annually monitors the performance of its production activities in terms of emissions of **carbon dioxide equivalent CO₂^{eq}** (Figure 20), distinguishing the indicators into two categories, following what is suggested in the GRI Standard.

- **Scope 1 - Direct emissions:** produced directly by Vicenzi Group and due mainly to the use of fuels but also, to a lesser extent, to fugitive emissions deriving from refrigeration systems and the use of company transport vehicles;
- **Scope 2 - Indirect emissions:** generated by the use of electrical and thermal energy from external suppliers

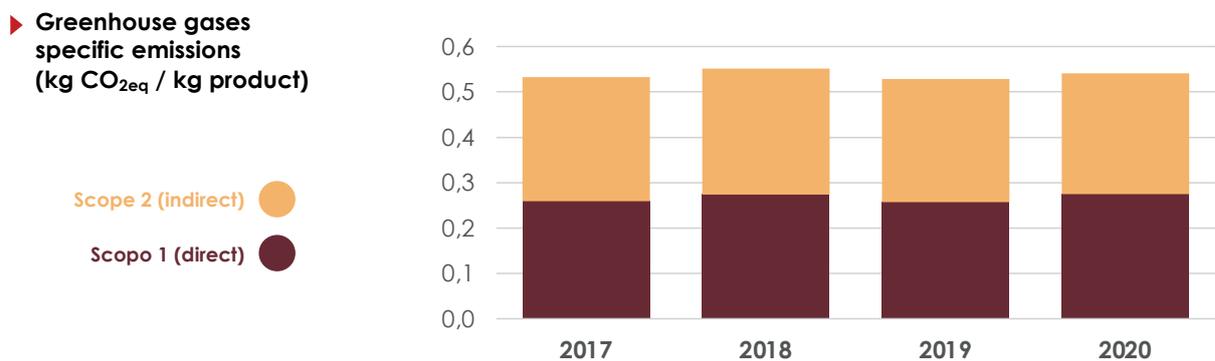
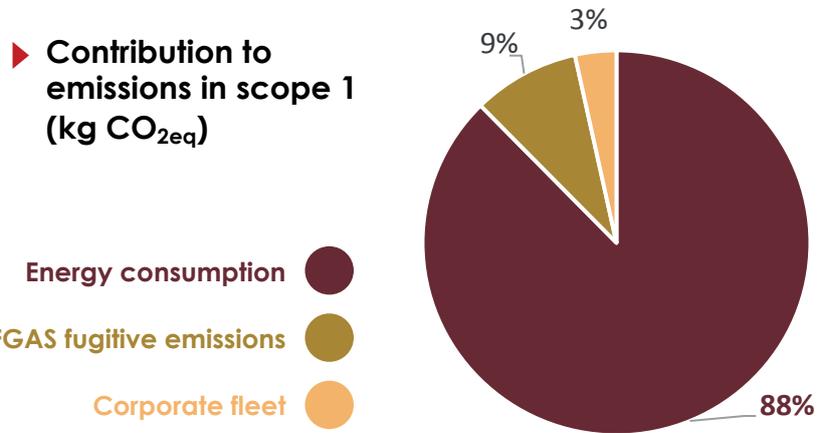


Figure 21 - Total greenhouse gas emissions, Vicenzi Group

Focusing attention on Direct Emissions (Scope 1), the preparation of Vicenzi products involves the use of thermal energy to power the cooking ovens: for this reason, the main contribution to Scope 1 is emissions deriving from the consumption of natural gas (Figure 22).



3.5. Logistics management

The management of logistics, with its relative impacts, is one of the most important aspects for Vicenzi Group. Particular attention is paid to the choice of suppliers through the application of sustainability criteria (Transporter Rating Project with the T.C.R. Observatory) and the monitoring of emissions deriving from transport activities.



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In 2021, the preparatory work for the structural construction of the warehouse is expected to be completed.

Deliveries in Italy can be managed directly at the customer's premises or through logistics platforms (transit points) where products are sorted and then distributed. In 2020, direct deliveries increased by 4.7% compared to the previous year.

Below is an estimate of the average CO₂ emissions for the transport of products delivered directly in Italy, which Vicenzi has a degree of control and precise monitoring over, also with reference to the distances covered and the type of vehicles used.

► **Specific emissions Direct transport of products (gCO₂/kg product)**

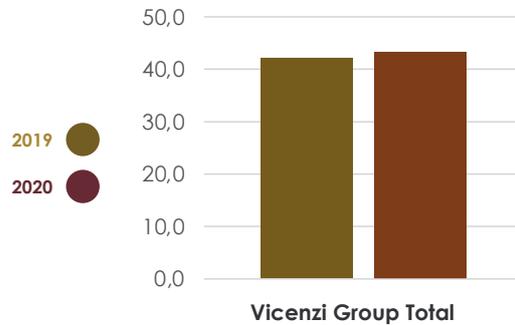


Figure 23 - Estimated CO₂ emissions from transport of finished products in Italy - Direct Sales

► **Direct transport of finished products (% km driven by Euro 4-5-6 vehicles)**

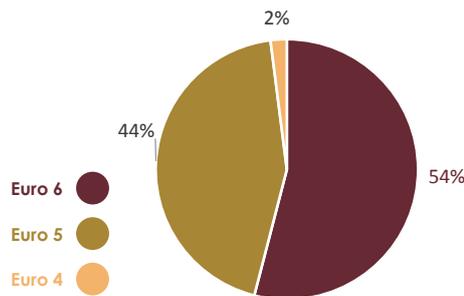


Figure 24 - Composition of the vehicle fleet used for transport - Direct Sales



As far as transport to foreign customers is concerned, Vicenzi Group operates throughout the world by sea transport from the main Italian ports. With reference to this activity, average emissions have been estimated at around 166 g CO₂/kg product.

4 The data are not comparable with those reported in the Sustainability Report 2019 as the indicators contained therein referred not only to direct sales but also to transport to the Distribution Platforms.

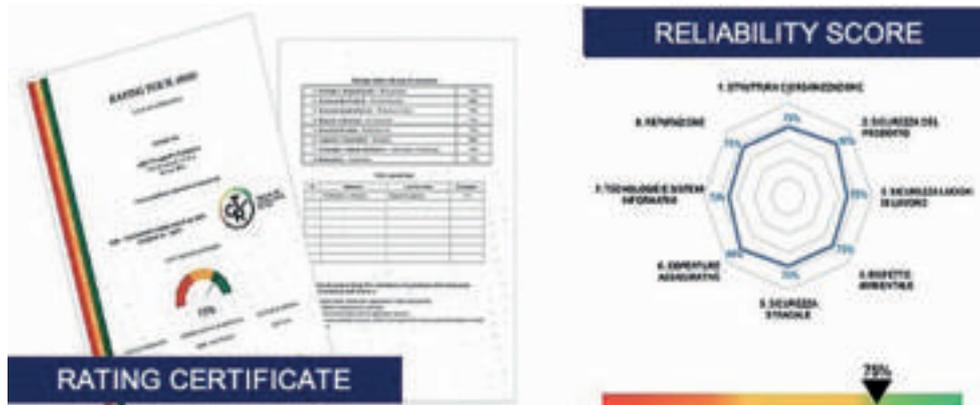
O.T.C.R. PLATFORM Observatory Transport Compliance Rating



In June 2019, Vicenzi joined the O.T.C.R. Project, acronym of Observatory Transport Compliance Rating, formed by client companies and sector associations, sensitive to the problems of the logistics chain.

The Transport Compliance Rating is an international, fair and transparent assessment model, specifically dedicated to transport and logistics, which assigns a precise numerical value (rating) to companies based on their compliance with specific performance requirements. As well as helping virtuous transport operators to differentiate themselves from their competitors, it protects their fairness and loyalty in market competition.

The eight assessment areas envisaged by the O.T.C.R. are: structure and organisation; product safety; workplace safety; environmental compliance; road safety; insurance cover; use of technology and information systems; integrity and reputation.



In 2020, the objective was achieved by certifying 23 operators in the sector by the Observatory; among the other activities developed it is worth highlighting:

- Preparation of the activity plan for 2021 that foresees the consolidation of the objectification of the assessment and the digitalisation of the self-assessment, so as to make it accessible to all Italian logistics companies.
- Designing gradual and progressive access to the rating by means of an access questionnaire and uploading of the required documentation subject to remote verification by expert auditors before the rating is assigned.

4. The people who create the Group



4.1. The year 2020: the global pandemic and Vicenzi

Operating in the agri-food chain, Vicenzi is among the companies that have been able to continue to produce with continuity during the lock-down period, respecting, since the beginning of the pandemic, all the provisions to ensure the safety of the working environment and fight the spread of the virus.

In particular, the necessary forms of protection were put in place, including smart working for all administrative staff.

The Group also:

- Developed and disseminated specific COVID'19 Risk Management Protocols;
- Guaranteed the supply of personal protective equipment (PPE) and hygiene/sanitary devices;
- Guaranteed the constant sanitation of work environments;
- Carried out periodic activities to ensure employee training on aspects related to Safety - COVID'19.

Generally speaking, the Group has demonstrated its ability to react promptly to the needs imposed by the critical situation caused by the pandemic, speeding up all those procedures that allowed for a more effective response.

⁵ During the emergency period, in 2020 Vicenzi made use of the Redundancy funds limited to one week for the Bovolone plant with the involvement of 40 employees.

4.2. Managing and enhancing human resources

Matilde Vicenzi tradition is guaranteed by more than 350 people who work every day for its diffusion in Italy and abroad. The Group's main asset is therefore represented by its employees, their well-being and their professional growth in order to enhance their skills, aspirations and professionalism. The total number of employees in 2020 is 363, of which 122 are women and 241 men, who are mainly in San Giovanni Lupatoto, which is also the Group's headquarters (Figure 24). The total number of employees has increased slightly in 2020, confirming the company's growth trend and commitment to the wellbeing of its human resources even in a year characterised by the COVID'19 emergency.

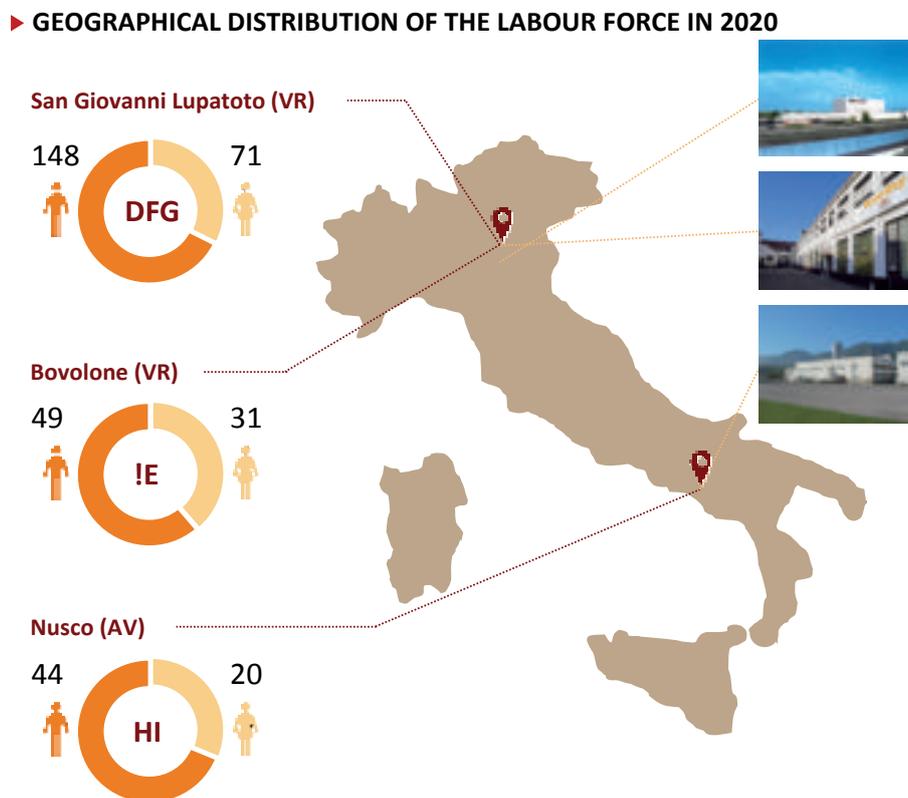


Figure 25 - Geographical breakdown of the workforce

The division between men and women has remained rather constant over the last 4 years, and stands at around 34% at global level, with a prevalence of white-collar jobs where it reaches 51%. This result has been achieved and maintained over time thanks also to the tools made available by Vicenzi to increase work flexibility such as **part-time** or **smart-working**.

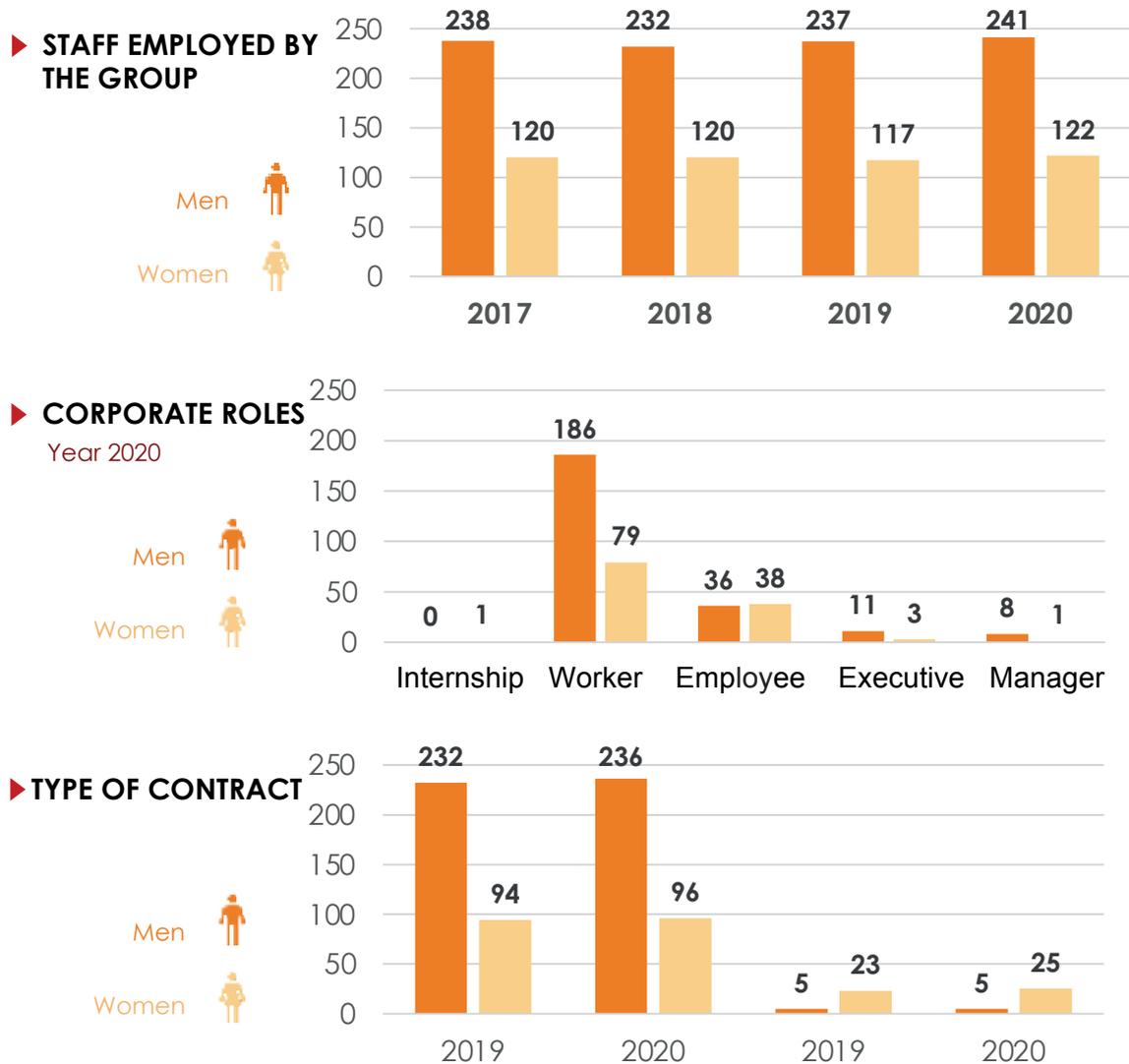


Figura 26 - Breakdown of Men and Women among Vicenzi personnel



In the past, Vicenzi guaranteed the possibility for female workers to work in smart-working mode. Starting from 2020, this opportunity was extended (also for contingent reasons related to the management of the COVID'19 pandemic) to all administrative employees for two days a week, in accordance with a specific addendum to the employment contract signed with the resources concerned.

Thus, the presence in the offices was reduced, guaranteeing greater security for the staff. Furthermore, to guarantee effective connectivity and operability, the staff concerned were equipped by the company with all the tools necessary to work remotely.

Vicenzi's commitment also includes building a sense of belonging to the company for all employees: to this end, the permanent contract is the preferred form of collaboration and is applied to almost all employees. This choice translates into an average length of service of more than 10 years and the presence of about 15% of employees who have been collaborating with Vicenzi for more than 20 years.

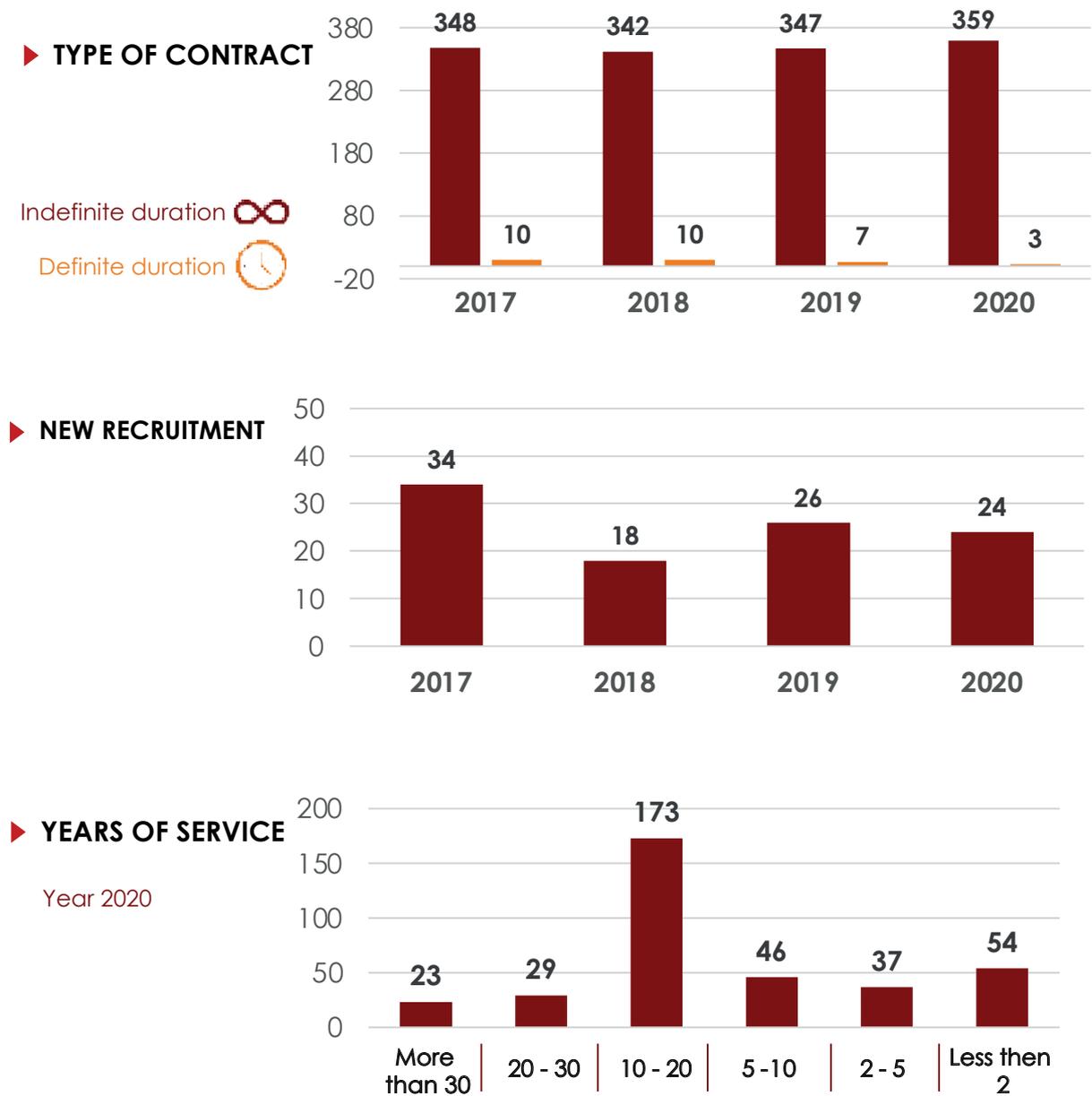


Figure 27 - Breakdown of contracts and years of service of Vicenzi employees

4.3. Staff training and involvement

Staff training

With the aim of continuing the professional growth of employees to enhance their skills, aspirations and professionalism, specific training activities focused on the following topics were developed in 2020:

- Workplace Safety and COVID Management;
- Application of the 231 Organisational Model;
- Management of Privacy and application of the GDPR Regulation for the Processing of Personal Data, Agents, Marketing, IT and the Legal Area (activities in progress also in 2021);
- Digitisation/Informatisation;
- Language training for the Legal and Commercial/Sales areas.

Staff involvement

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

The Whistle Blowing tool allows all employees to express themselves freely and contribute to creating and maintaining a serene and safe working environment. In 2020, the system for collecting reports was computerised using computer stations in the production departments, replacing the boxes used in the past.

For the purposes of internal communication with staff, in addition to periodic newsletters and any communications attached to the pay slip, a series of television screens have been installed at access points to the plants in order to share news, Vicenzi Company communications and Safety information.

4.4. Staff safety

The management of **Safety** in the workplace is an aspect of primary importance for Vicenzi, as established by its Code of Ethics.

In 2020, the activities developed by the Group are mainly attributable to the management of the COVID'19 Pandemic Emergency and to the prevention of accidents and occupational diseases according to the **risk analysis** that characterises the various activities and offices of the Group..

Based on 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.

SAFETY IN FACTORIES



- Development and implementation of COVID'19 protocols
- Provision of PPE to staff
- Provision of hygiene and sanitary facilities for risk containment
- Implementation of swab screening
- Periodic disinfection of work environments
- Supply of equipment for sanitising and ozonating environments
- Access control systems with automatic temperature measurement
- Digital Signed systems for personnel information

COVID'19 PANDEMIC

- Renovation of fire protection network (Nusco)
- Installation of sound absorbing barriers (San Giovanni Lupatoto)
- H5.D5,==2/,35,6@07,l,-13.43
- machinery/equipment with renewed safety systems

Interventions on lines and machinery



Microclimate

- Purchase of workplace coolers
- Internal chimney insulation

In 2020, the process of removing asbestos-cement roofing in the San Giovanni Lupatoto and Bovolone plants, which were already safe as they were previously encapsulated, was also completed.

Management of the COVID emergency within the Group

In order to better manage the emergency situation created in 2020 due to COVID'19, the Group developed a series of initiatives aimed at reducing the risks for Workers, envisaging a series of investments related to the application of specific Safety Protocols within the production sites.

In more detail, the activities developed mainly concern:

- Restricting staff access to the site also through the adoption of Smart Working for administrative employees;
- Implementation of measures for distancing and physical separation of employees during operational activities;
- Providing staff with personal protective equipment (PPE) and health and hygiene aids (e.g., sanitising gel for handles);
- Periodic disinfection (sanitisation and ozonation) of production areas and offices;
- Development of a Swab Screening to limit the spread of the virus in the event of possible contagion.

For the purpose of sharing COVID protocols and safety measures, activities specifically dedicated to employee training were carried out, while a Digital Signed programme was developed to inform staff.

For personnel affected by COVID, the Group has also provided additional insurance to cover healthcare expenses.

Health and safety indicators

In order to assess the results achieved by the Group through the prevention and protection measures adopted, it is useful to monitor the accident indicators, which are shown below (Table 1). The number of accidents and the frequency index have remained more or less constant over the past four years, while the trend in the severity index increased in 2020 in relation to the higher number of days lost as a result of accidents.

Table 1 - Accidents and risk indices of the Group's three plants

► TOTAL ACCIDENTS AND WORKING DAYS LOST FROM 2017 TO 2020

Anno	Ore lavorate	Infortuni	Giorni persi	IF	IG	IR
2020	543.887	9	409	16,55	0,75	12,44
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

4.5. Corporate welfare and bonuses

In 2018, Vicenzi signed a supplementary contract, valid until the end of 2022, which aims to enhance the value of employees through the adoption of a bonus system. This involves the possibility for staff to make use of tax benefits such as Spending Vouchers, as well as requesting the advancement of the severance pay a second time with respect to what is required by law.

The contract envisages the recognition of a variable bonus for employees, the amount of which is determined partly by turnover trends and partly by the achievement of a series of objectives at production site level, calculated on the basis of various criteria (worked hours, quality indices, level of absenteeism). In this regard, in 2020, the Group signed an Agreement with trade unions, which envisages, as from 2021, a change in the criteria for calculating the bonus, reducing the portion linked to Group performance and increasing in parallel the portion linked to site objectives. As an alternative to the bonus, individual employees can choose, on a voluntary basis, to receive the due sum in the form of gift vouchers. The other forms of company welfare envisaged, such as the Confindustria Packages including access to Gym, Cinema, Sports facilities and Theatre, have been "frozen" for 2020 in relation to the COVID emergency.

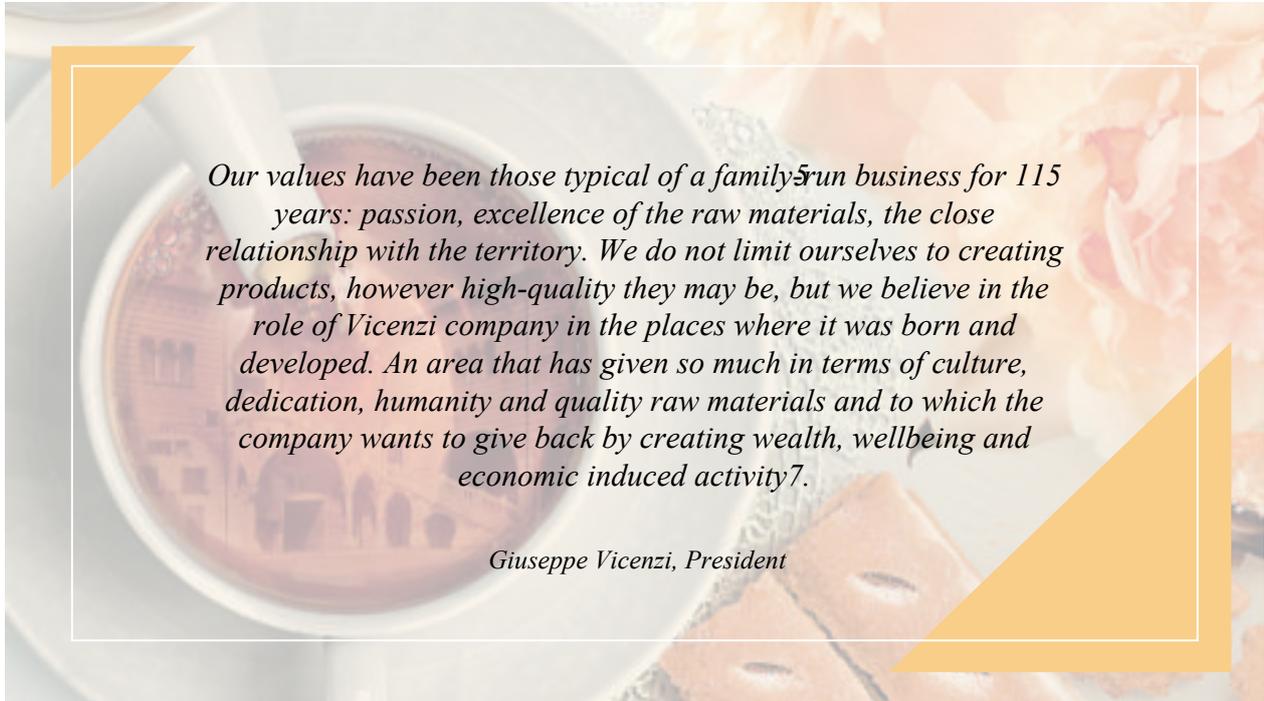
Among the initiatives in favour of employees, Vicenzi Group has also introduced the Banca Ore Solidale (Solidarity Hour Bank), thanks to which employees can voluntarily give a certain number of holiday hours to colleagues who need them most.

In 2018 and 2019, 657 and 170 hours, respectively, were donated to employees in particular need, while 2020 saw a significant increase to 826 hours donated by 49 employees of the Nusco plant⁶.

Social initiatives for employees such as, for example, the popular "Befana" day celebrated at the San Giovanni Lupatoto plant with the children of employees, or sports initiatives, such as the annual football match between the representative teams of the San Giovanni - Bovolone plants, were suspended in 2020 due to the COVID'19 Health Emergency.

⁶ At present, 400 hours have been used and a residue of 355 hours from previous years is available.

5. Support for the territory



Vicenzi Group has long contributed to the development of the communities in which it operates by financing projects and initiatives, locally organised sporting events, educational activities for the younger generations, cultural events. This commitment has been kept alive also, and above all, in 2020, so as to provide a sign of hope to the places where Vicenzi was born and grew up in a difficult period characterised by the health emergency.

⁷ <https://primadituttoverona.it/economia/innovazione-per-il-gruppo-vicenzi-presentato-il-rapporto-di-sostenibilita/>

5.1. Support for culture

Sponsorship of the Opera Festival

The Opera Festival owes its origins to an event that took place more than a hundred years ago: on 10 August 1913, the year of Verdi's centenary, *Aida* was performed in the Arena. The lack of electricity led spectators to turn on thousands of small, improvised lights in order to read the opera libretto. The atmosphere thus created was sensational.

In **1986 Giuseppe Vicenzi** decided to commemorate that spectacular event, creating a real tradition between the Fondazione Arena di Verona and Vicenzi Group: every year, **thousands of candles** are given to the spectators to open the operas scheduled for the **opera season**, creating a show within the show and illuminating the symbol of Verona.

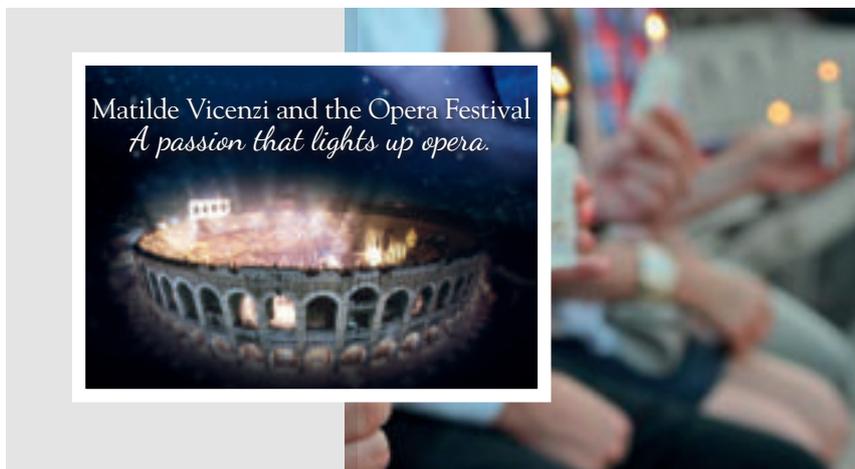
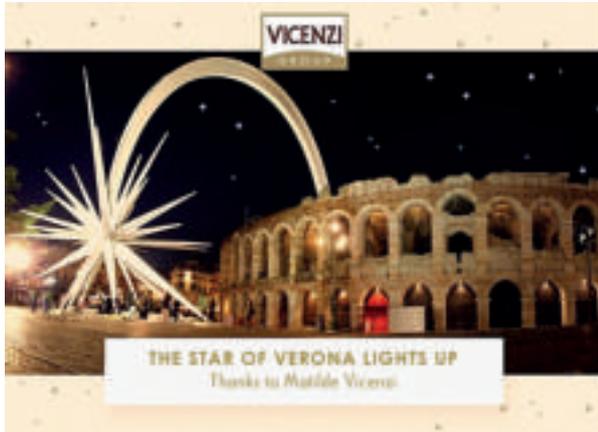


Figure 28 – Matilde Vicenzi and the Opera Festival - A passion that lights up opera



In order to guarantee important and concrete support for the community and culture, especially in a complex historical period such as 2020, Vicenzi continued to support the Fondazione Arena di Verona, on the occasion of the **2020 Summer Festival "Nel cuore della Musica"**.

The Christmas Star



The Christmas Star, which has been treasured by the Vicenzi Group for some time now, is a tradition that has been carried on for 37 years.

Designed and installed in **1984**, on the occasion of the first edition of the **Rassegna Presepi dal mondo in Arena**, the Verona Christmas Star is **the tallest arch-sculpture in the world**, measuring no less than **70 metres**.

This gigantic comet is set up in Piazza Bra and its 82-metre-long tail reaches the Arena, lighting up the city centre during the festive season.

Since 2014, **Vicenzi Group** has been supporting the Fondazione Arena di Verona for the display of the arch-sculpture, which has become the **symbol of Christmas** in Verona and which residents and tourists eagerly await during the festive season. In 2020, more than ever, the Christmas Star has become a symbol of hope and positivity for the entire community of Verona, which wishes to soon shine again more brightly than before.

Fondazione Atlantide

Vicenzi is a partner of the **Fondazione Atlantide Teatro Stabile di Verona**, which promotes the dissemination and development of culture and art in the field of prose theatre, dance and cinema.

The Foundation plans and realises shows and initiatives in the Veneto region in particular, with the aim of supporting and **spreading the values of theatre** and musical comedy.

5.2. Supporting local activities

Donations to the territory

The Covid-19 emergency has created more than 1 million new needy people. Vicenzi Group wanted to make a concrete contribution by donating 5,550 single-serving muffins to the **“Danilo Fossati” Onlus Associazione Banco Alimentare della Lombardia.**



Small gestures can make a difference and President Giuseppe Vicenzi has been aware of this since he was a child, when, together with his brothers, he would go out to donate family sweets to the elderly of Pia Opera. In 2020 the tradition was renewed, on the occasion of Epiphany, for 800 social-health workers and for the residents of the 9 centres of the **Fondazione Pia Opera Ciccarelli Onlus** in Verona.



To make its contribution to optimising the rescue chain, Vicenzi Group installed an AED early **defibrillation column** in San Giovanni Lupatoto.



Scaligera Basket and Mario Vicenzi Memorial



Scaligera Basket is the main basketball team in the city of Verona and represents an important part of Vicenzi Group's history.

In fact, **Mario Vicenzi**, the President's younger brother, was co-owner and vice-president of Scaligera Basket for a long time, contributing to its success thanks to economic but above all human and managerial support.

In honour of Mario Vicenzi, and his great love for basketball, the Group organises a memorial every year.

At the end of 2019, the Group set up, in collaboration with the **Scaligera Basket Academy** - the youth section of the team that nurtures young talent - a **scholarship named after Mario Vicenzi** for youngsters who are ready to distinguish themselves particularly in sport and at school.

In 2020, the collaboration continued with the provision of **eight scholarships** for young basketball players, with the aim of enhancing the community's talents and contributing to their growth.

6. Methodological Note

This document is the second Sustainability Report of Gruppo Vicenzi S.p.A. (hereinafter, the Group). The document is inspired by the Sustainability Reporting Standards published by the Global Reporting Initiative, the international reference point for non-financial reporting.

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

The information and indicators are reported on an annual basis and refer to the calendar year 2020. Where possible, these have been compared with those of previous years (2018 - 2019) to provide the trend of the last three years.

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

With reference to the calculation of the environmental impact of the activities relating to logistics, the average CO2 emissions for the transport of Vicenzi products with direct delivery to customers in Italy and abroad have been estimated. Transport to distribution platforms and pick-ups made directly by customers at the Group's production sites and warehouses have been excluded, as they are outside the scope of the report.

For further information on the contents of the Report, please write an e-mail to:

csr@vicenzi.it

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