



VALSOIA

SUSTAINABILITY REPORT

2022

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LETTER TO STAKEHOLDERS

We are pleased to present you with this year's Sustainability Report, now in its third edition. For its realisation, we have raised the level of involvement of our internal stakeholders, both in the phase of defining materiality, including the concept of "double materiality", and in the phase of gathering the qualitative and quantitative contents that characterise our company's operations. We are aligned with the latest international regulatory developments regarding sustainability reporting, adapting it to new metrics and measurement methods in order to represent the creation of economic and qualitative values through our work in an increasingly comprehensive and transparent manner.

The year 2022 was characterised by a very problematic scenario for supplies and costs of raw materials, services and energy. A context made even more complex by the unfolding of the dramatic events linked to the recent conflict in Ukraine, with the resulting critical issues.

In such a decidedly uncertain scenario, sustainability means even more to us the creation of solid and long-lasting value for all our stakeholders: our People, Consumers, Suppliers, the territory that hosts us and society as a whole.

In 2022, we achieved satisfactory results with regard to the economic and financial aspect, closing the year, despite the uncertain framework of the FMCG markets, with revenues in excess of EUR 100 million in growth for the Health, Food and International Divisions.

We implemented all the marketing initiatives foreseen in our development plans, starting with innovation, presenting to the markets important novelties in the health and traditional food area.

We successfully activated the distribution management of Vallé margarine and continued the promotion of Piadina Lorianana and the distribution of Oreo O's cereals.

Sales abroad are growing strongly, also as a result of the direct presence in some markets.

We are determined to further speed up the internationalisation process, a strategic asset of our company's development together with our highly innovative and sustainable vocation.

Finally, we finalised an agreement with the multinational company General Mills for the exclusive distribution in Italy of Häagen-Dazs branded ice creams, making further progress in the growth and consolidation of the Valsoia group, which already manages well-known leading proprietary brands (Valsoia Bontà e Salute, Santa Rosa, Diete.Tic, Piadina Lorianana) and prestigious brands in distribution (Vallé, Weetabix, Oreo O's Cereals).

In a scenario that still promises to be problematic for 2023, both in terms of cost incidence and consumption trends, we will continue our commitment to sustaining growth and solidity through innovation and investments in communication and consumer marketing, continuing to preside over our reference markets in Italy, further developing abroad and strengthening the value of our Brands. We will maintain a high focus on social and environmental aspects, listening to our stakeholders and developing our most valuable capital, the people and talents who every day around us are committed and contribute to the achievement of our company's excellent results.

Lorenzo Sassoli de Bianchi *Chairman*

Andrea Panzani *Chief Executive Officer and General Manager*

METHODOLOGY NOTE

This Sustainability Report discusses the Company's activities, its results and, in particular, the issues considered relevant to the community and the environment in 2022.

The Sustainability Report is a fundamental tool for interacting with our stakeholders, which can promote dialogue and opportunities for mutual improvement and growth.

This document does not constitute the Consolidated Non-Financial Statement (NFS) required by Legislative Decree 254/16.

The document is distributed to all Valsoia stakeholders via release on the institutional website www.valsoiaspa.com, as well as a presentation to all direct employees of the Company.

THE REPORTING SCOPE

The scope of the social and environmental data and information provided herein refers to Valsoia S.p.A. operating in:

- Registered Office at Via Illo Barontini 16/5 - 40138 Bologna - Italy
- Production Facility at C.so Matteotti 13 - 13037 Serravalle Sesia (VC) - Italy

The scope does not include the following Subsidiaries: Valsoia Pronova d.o.o., located in Ljubljana (Slovenia), and Swedish Green Food Company, located in Sodertalje (Sweden), both of which are 100% owned. The Company has no branch offices.

THE REPORT FORMAT

The Report comprises six Chapters:

1. Valsoia Sustainability Agenda
2. Identity and Governance
3. Economic and Financial Capital
4. Human Capital
5. Social and Relational Capital
6. Natural Capital

In the initial part of the Report, these Chapters are preceded by the Letter to the Stakeholders and the following Sections: 2022 Results and 2023 Commitments, Significant Events during the period and this Methodology Note.

REPORTING STANDARDS AND PROCESS

For this Sustainability Report, Valsoia has adopted the following technical-methodological references:

- GRI Universal Standards published on October 5, 2021 by the Global Reporting Initiative (GRI), according to the option “with reference to the GRI Standards”;
- guiding principles and content elements of the International Integrated Reporting Framework (hereinafter also “IIRF” or “IR Framework”) issued by the International Integrated Reporting Council (IIRC) and updated in January 2021;
- “Standard GBS 2013 - Principles of corporate reporting” prepared by the Study Group for Corporate Reporting (GBS), for the preparation of the statement of determination and distribution of added value.

The collection and consolidation of the information and data reported here was through a systematic data collection process that was further consolidated in the second half of 2022 with the involvement of the representatives of the various company Departments and approved by the Directors.

THE VALSOIA STAKEHOLDERS

The stakeholder map, provided in the Chapter “Valsoia Sustainability Agenda” was updated by directly involving the Chief Executive Officer and General Manager, the Sustainability Project Manager, all the Managers and a variety of Company representatives, thus achieving an accurate census of all the subjects who interact with the Company.

Each category identified represents different expectations with respect to issues of responsibility and sustainability.

For detailed information, see the section “Dialogue with Stakeholders” in the chapter “Valsoia Sustainability Agenda”.

MATERIALITY ANALYSIS AND CONTENT DEFINITION

The process of identifying relevant issues has been assessed by evaluating the internal and external documents of different corporate areas, which elucidate the most important sustainability-related topics upon which the Report focuses. Specifically, the relevant issues were selected according to the size of impacts generated (positive and negative) and the repercussions they may have on stakeholder decisions.

Compared to what was presented in the 2021 Sustainability Report, the analysis led to the generation of the dual materiality matrix in accordance with the CSRD (Corporate Sustainability Reporting Directive) approved by the European Commission in November 2022.

MANAGEMENT MODELS AND POLICIES

Main management models and policies adopted by the Company:

- Organisational Model for the prevention of offences against the Company (Legislative Decree 231/2001)
- ISO 50001 Energy Efficiency Certification
- Code of Ethics 231 and its implementation system
- Model for personal data protection
- Protocol for Covid-19 contagion-prevention measures
- Policy for the use of IT tools.

These policies are an integral part of Model 231.

2022 RESULTS AND 2023 COMMITMENTS

The table below shows the sustainability objectives defined in the previous Report, the results achieved during 2022, and, finally, the commitments that Valsoia is ready to undertake in 2023. The objectives are classified with respect to the four types of capital upon which this Report is based (Economic and Financial Capital, Human Capital, Social and Relational Capital, Natural Capital).



ECONOMIC AND FINANCIAL CAPITAL



2022 GOALS

2022 RESULTS

Investments of more than EUR 2 million for further interventions of innovation and efficiency.	➤	ACHIEVED Realised investments for technological interventions in production processes exceeding EUR 2 million.
Drafting of a Sustainability Plan for the three-year period 2021-2023.	➤	ACHIEVED Drafting of a 2023-2025 Sustainability Plan with specific project initiatives for different types of "capital".
Assessment of the mandatory non-financial reporting areas of the new European CSRD Directive (Corporate Sustainability Reporting Directive) and voluntary adherence to the reporting standard issued by the SASB (Sustainability Accounting Standard Board).	➤	PARTIALLY ACHIEVED Checking of the areas of reporting required by the CSRD (Corporate Sustainability Reporting Directive).
At least 10 supplier audits conducted, after verification of the constraints imposed by the Covid emergency.	➤	ACHIEVED 10 supplier audits conducted.
Expansion of the supplier corporate responsibility monitoring system by extending data collection to the grain and soy bean supplier category.	➤	ACHIEVED New soya bean suppliers were audited by collecting data useful for monitoring of corporate responsibility.
Consolidation and extension of the supplier management system, integrating in the commercial area some information related to the quality of the supply and the number of qualitative non-conformities identified by the Quality Control Team.	➤	ACHIEVED The quality control team made available all information and numbers of suppliers' non-conformities.
Reduction of CO2 annual emissions by approximately 130 tons on 5,900 tonnes of products transported by expanding the use of the inter-modal option.	➤	ACHIEVED Saved 117 tonnes of CO2 on approx. 5,200 tonnes of products actually transported.

2023 COMMITMENTS

Further investments amounting to more than EUR 2 million for the expansion of the Serravalle Sesia (VC) production facility and for the realisation of technological adaptations and modernisation of production departments.

Continuation of the expansion project at the Serravalle Sesia (VC) production facility, in line with the planned timetable for 2022-2023-2024.

Internal sharing and start of implementation of the Sustainability Plan 2023-2025.

Strengthening ESG risk management, assessment and monitoring activities.

Issue and dissemination of a procedure for ESG data collection and management.

Expansion of the supplier corporate responsibility monitoring system
By extending data collection to the category of suppliers of semi-finished fruit.

Continuation of supplier verification activities and at least 10 audits conducted.

Consolidation of CO2 annual emissions by at least 400 tonnes in 3 years, exploiting the use of the inter-modal option in the transportation of products.

Reduction in the number of kilometres travelled in product distribution activities by at least 5% in 3 years through the concentration of the number of storage warehouses.

Consolidation of business continuity procedures, which after the implementation of a structured disaster recovery of the external Data Center, continues with improved backup management and greater harmonisation of saving modes.

HUMAN CAPITAL



2022 GOALS	2022 RESULTS
Expansion of the Key People development programme, with diversified activities according to roles and seniority.	ACHIEVED Tailor-made development programme implemented for Key People.
Continuation of training courses focused on strengthening managerial skills, including specific individual coaching sessions.	ACHIEVED Training courses were implemented with the aim of strengthening managerial and relational skills, including individual mentoring and coaching.
Delivery of at least 2,000 hours of training.	PARTIALLY ACHIEVED A total of 1,868 hours of training provided, including training on occupational health and safety and food safety.
Implementation of initiatives aimed at improving internal communication, and adoption of an internal corporate portal.	ACHIEVED Created a corporate Intranet as a single point of access to all internal communications and corporate resources.
Redefinition of office space layouts with attention to new organisational needs.	ACHIEVED Reorganisation of office layout of the Bologna Headquarters, through the acquisition of new spaces.
Maintenance of the share of permanent contracts >92% and full-time >96%.	ACHIEVED 98% of permanent and full-time contracts.
Maintenance of the injury frequency index below a value of 2.	ACHIEVED Injury frequency index was equal to zero.

2023 COMMITMENTS

- Structuring and implementation of a three-year training course, growth and development for at least 5 key managers.
- Structuring and implementation of a three-year training course aimed at developing soft skills within the key-people group.
- Implementation of a training plan over 3 years with a minimum of 6,000 total training hours.
- Consolidation and expansion of the corporate Intranet.
- Completion of the restructuring of office space in the Bologna Headquarters, with implementation of structured video conferencing systems.
- Design and implementation of a three-year Welfare Plan.
- Active collaboration with the university and higher technical world for at least 6 projects in 3 years.
- Maintaining the Zero Accident policy.

SOCIAL AND RELATIONAL CAPITAL



2022 GOALS

2022 RESULTS

Development and launch of new sugar-free products in the yoghurt line.	➤	ACHIEVED New references with reduced total added sugar content launched: two new desserts, a new line of 100% plant-based yoghurt alternatives, a coconut drink.
Reduction in the release to the market of sugar per litre/kilo by 5% over 3 years.	➤	ACHIEVED Plan implemented to reduce release to the market of sugar per litre/kilo greater than the target for the first year.
Increase of the level of penetration of points of purchase of a product (Diete.Tic) offered as alternative to sugar, in order to promote its use by consumers.	➤	ACHIEVED Authorisation process completed for the increase of the level of point-of-purchase penetration of the sugar alternative product (Diete.Tic).
Continuation of Food Safety training (at least 20 hours).	➤	ACHIEVED Delivered 106 total hours of training on food safety.
Allocation of approximately 200,000 Euro to social investments in the community and the territory (charitable donations and sponsorships), with support and partnership activities.	➤	ACHIEVED EUR 269 thousand used for support and social collaboration interventions with players operating on the territory and in the community.

2023 COMMITMENTS

Launch of at least 10 new products in total between functional health products and traditional food.

Launch of at least 4 new products with reduced total added sugar content.

Continuation as per the plan to reduce the release to the market of sugar per litre/kilo and start of a sugar reduction programme in the jam line over 3 years of equal magnitude (-5%).

Further development of the e-commerce channel for direct sales to consumers (at least EUR 500 thousand sell-out in the year).

Growth in foreign penetration of functional health products (as measured by increased sales of at least +50% over the 3 years).

Establishment of an "Innovation Team" for the analysis of food supply chains and trends in highly complex contexts, the generation of new ideas and the development of innovative solutions (at least 6 new projects approved and implemented over the 3-year period).

Strengthening and reviewing food safety procedures and prevention activities towards Co-Packers with a plan of at least 10 audits and consequent improvement actions tracked (Food Management System Certification and No GMO controls).

Commitment to support and collaborate in the area and the community with investments amounting to over EUR 200 thousand.

NATURAL CAPITAL



2022 GOALS

2022 RESULTS

<p>Maintenance of the achieved level of methane consumption.</p>	<p>➤ ACHIEVED Optimisation and stabilisation of current consumption of annual methane gas, less than 35,000 GJ.</p>
<p>Assessment of the environmental impact (Carbon Footprint) of beverages (21 products) with third-party certification of the data, to serve as the basis for planning subsequent CO2 reduction targets.</p>	<p>➤ PARTIALLY ACHIEVED Carried out environmental impact analysis (Carbon Footprint) for rice drinks.</p>
<p>Retention of 100% of Okira and Okara production by-products in external circular economy processes.</p>	<p>➤ ACHIEVED Obtaining the CO2 Saving certificate for the year 2022 (Biological Care Award) by Biological Care for the positive effects of the reuse of the OKARA by-product: 16,000 cubic metres of biomethane and savings of 25 tonnes CO2.</p>
<p>Project and economic evaluation for possible alternative solutions for the reuse of production by-products (Okira and Okara) within a circular economy perspective, leveraging the methane component of waste.</p>	<p>➤ ACHIEVED 2% of the quantity of by-product production was sent to plants for the generation of Biomethane.</p>

2023 COMMITMENTS

<p>Start planning for a new photovoltaic system to be installed in the new part of the Serravalle Sesia (VC) Facility to cover 10% of the total electricity consumed.</p>
<p>Completion of LCA (Life Cycle Assessment) analysis and evaluation activities of the environmental impact of the remaining drinks.</p>
<p>Design and implementation for a traditional food Brand with a target of 50% reduction of total plastic within 3 years together with automation at the end of the line.</p>
<p>Reduction, with a target of 15% in 3 years, of specific consumption expressed in kWh per cubic metre of water withdrawn for production and technological purposes from underground through the two water wells at the facility.</p>
<p>Further reduction in water consumption with a target of 24,000 cubic metres in 3 years, thanks to innovation in the processes of the auto cooling in the cold stores.</p>
<p>Increase to 15% in 3 years of the contribution quota of the production by-product quantity to be sent to Biomethane generation plants.</p>
<p>Maintaining a hazardous waste incidence rate of less than 1% of the annual total of waste produced and the total amount of waste under 10 kg/tonne for the same production quota in the Facility (Beverages, Ice Cream and Fermented Foods, Diets.Tic).</p>

SIGNIFICANT EVENTS DURING THE PERIOD

2022

- 1 Exceeding the EUR 100 million mark in sales revenue and growth of both Health and Food Divisions
- 2 Agreement with the Swiss company General Mills International S.a.r.l. (subsidiary of the US multinational General Mills Inc.), for the exclusive distribution in Italy of Häagen-Dazs branded ice-creams as of January 1, 2023
- 3 Start of distribution of Vallé margarine
- 4 Continuing the growth of Piadina Lorianana and planning the first campaign of television communication
- 5 Continued distribution growth of Oreo O's cereals
- 6 Extension of the product portfolio with important innovations for plant-based ice creams and launch of new products in the health and traditional food area
- 7 Expansion of new references with "Zero added sugar" in the areas of yoghurt, drinks
- 8 Jams sugar reduction project launched
- 9 R&D project development in the health and traditional food area ready for launch from early 2023
- 10 Definition and approval of a project for a traditional food Brand, to reduce plastic in the environment and for more automation at the end of the line
- 11 Entry into the Ho.Re.Ca. channel ⁽¹⁾ with the distribution, from October 2022, of the "Valsoia Barista" drink, a plant-based drink designed for use in bars
- 12 Continuation of the Serravalle Sesia production facility expansion project
- 13 Strong foreign development in particular in directly controlled states
- 14 Development of end-consumer sales through the e-commerce channel
- 15 Release of the 2nd 2021 Sustainability Report

⁽¹⁾ For the distribution of "Valsoia Barista", effective from October 2022, Valsoia reached an agreement with a major food group also specialising in the Out of Home channel.







VALSOIA SUSTAINABILITY AGENDA



STRATEGIC APPROACH

For Valsoia, sustainability is not only a way of being and operating, but also an opportunity for competitive leverage that allows it to express and represent a model of excellence, adopting a pervasive approach to business capable of responding to the challenges of a globalised world that is increasingly attentive to the impacts that industrial processes produce on society and the environment.

Moreover, in line with its strategy, Sustainability is also a concrete opportunity for Valsoia to responsibly support its mission, ensuring high levels of product quality and safety and promoting sustainable practices to protect people and the environment.

SDGs	STRATEGIC DIRECTIVES
	ECONOMIC AND FINANCIAL CAPITAL
   	To increase economic capital through responsible governance, market share growth, and adherence to the Company's mission and values.
	HUMAN CAPITAL
   	To protect human capital through talent enhancement, ensuring high levels of health and safety in the workplace, and promoting the social and organisational well-being of the company.
	SOCIAL AND RELATIONAL CAPITAL
 	To support the Valsoia food project through investments on existing brands and the acquisition of new ones.
 	Business model focused on consumers and brands taking care of relationships with all stakeholders.
 	To ensure high levels of product quality and safety, through production flow control procedures and strict methods of food safety.
	NATURAL CAPITAL
  	To use natural resources responsibly, optimising their use in production processes, while maintaining a constant check on the impacts on the environment.

During 2022, the Company further consolidated its Sustainability Agenda by strengthening its organic approach towards corporate sustainability, which is considered an important building block for value creation and market positioning. In particular, the following activities were implemented:

- Launch of a 2023-2025 Sustainability Plan, identifying priorities and areas for development and improvement in the area of sustainability;
- revision of relevant thematic areas (material topics) on which to focus attention generating a matrix of dual materiality;
- focus on initiatives consistent with the Sustainable Development Goals (SDGs) of the 2030 Agenda.

DIALOGUE WITH STAKEHOLDERS

Valsoia's relationships with subjects and organisations involved directly or indirectly in the Company's activities (Stakeholders) represent an important value for the company.

For this reason, stakeholders were identified and grouped into six macro-categories:

VALSOIA PEOPLE

All those who, regardless of their contractual status or the legal type of relationship, have a working relationship with Valsoia aimed at achieving corporate goals and objectives (managers, employees, external and occasional collaborators).

SOCIETY

It includes all stakeholders who play a key role in the smooth operation, reputation and development of the Company and who, in addition to the highest quality products, expect the creation of value and sustainable growth (Customers, Institutions/Organisations, Media)

MARKET

All third parties that, either individually or as part of a value chain, provide the resources needed to carry out activities and deliver services, sharing the sustainability approach and contributing to the achievement of common goals.

This category also includes associations with which constructive relationships are maintained in the exercise of business activities, as well as competitors, suppliers and business partners, Industry Partners (Co-Packers), Service Providers, Competitors, Trade Associations.

SHAREHOLDERS

Those who hold the shares of the Company, and direct its operations.

TERRITORY AND COMMUNITY

Places for the realisation of sustainable growth for all and opportunities for new generations (Local Communities, Onlus/non-profit organisations and Associations).

ENVIRONMENT AND NEW GENERATIONS

Represents the ecosystem as a whole and the set of natural resources to be managed and protected in a responsible way so that they can be enjoyed also by future generations.

Valsoia maintains regular relations of dialogue and comparison with its stakeholders. Contacts occur in a variety of ways and with different frequency, depending on the categories involved.

There are three types of stakeholder engagement methods:

- Initiatives organised specifically in view of the preparation of this Sustainability Report;
- meeting occasions that can be traced back to the usual practices of dialogue and collaboration, regardless of the reporting activity;
- other modalities within a structured listening process, that considers direct stakeholder involvement in scenario- and solution-building.



⁽¹⁾ Regional Agency for Environmental Protection (ARPA), Local Health Authority (ASL), Prevention and Safety Service in the Workplace (SPRESAL)

⁽²⁾ Federsalus, Centromarca, Italia del Custo

STAKEHOLDERS	TOPICS OF INTEREST	MAIN INITIATIVES FOR DIALOGUE AND INVOLVEMENT
VALSOIA PEOPLE Managers Employees External collaborators and occasional collaborators	<ul style="list-style-type: none"> • Economic results and corporate solidity • Enhancement of skills and career paths • Work/life balance • Diversity and inclusion • Health and safety at the workplace • Socio-organisational well-being • Smart working • Transparency 	<ul style="list-style-type: none"> • Training courses • Development paths of talents and managers • Sustainability Workshop (December 2021) and Training on specific topics (Mod. 231, Occupational Health and Safety, Food Safety, etc.) • Other people engagement initiatives
CONSUMERS Families Individuals New consumers (Flexitarians) Brand Ambassadors	<ul style="list-style-type: none"> • Customer satisfaction level • Product quality and safety • Loyalty programmes • Transparency and responsible marketing • Privacy and data security • Availability of products on shelves • Product innovation 	<ul style="list-style-type: none"> • Consumer Assistance Service • Customer Satisfaction surveys • Specific Loyalty programmes • Social networks and web portals • Institutional communications • Promotional communications
SUPPLIERS AND PARTNERS Suppliers of raw materials Business partners (Distributors) Industrial partners (Co-packers) Service Providers Indirect sales network	<ul style="list-style-type: none"> • Compliance with contractual commitments • Continuity of the relationship • Innovation • Willingness to collaborate in partnership • Digitalisation • Business development 	<ul style="list-style-type: none"> • Supplier Audits • Privacy compliance Audits • Initiatives in partnership • Periodic meetings with customers/distributors • Meetings/Convention at Trade Associations
SHAREHOLDERS Finsalute Srl Trust Kobra Private shareholders Other shareholders	<ul style="list-style-type: none"> • Creation of economic value • Economic performance and financial solidity • Risk identification and management (financial and non-financial) 	<ul style="list-style-type: none"> • Board of Directors and Shareholders' Meeting • Other ad hoc meeting opportunities
FINANCIAL COMMUNITY Banking Institutions Institutional and private investors Financial Analysts and Rating Agencies	<ul style="list-style-type: none"> • Market and business trends • Solidity • Prospectives • Value Creation 	<ul style="list-style-type: none"> • Periodic meetings with investors • Periodic meetings with banking institutions • Presence with press articles or other means

STAKEHOLDERS	TOPICS OF INTEREST	MAIN INITIATIVES FOR DIALOGUE AND INVOLVEMENT
<p>INSTITUTIONS/ ORGANISATIONS</p> <p>Government institutions (national and local)</p> <p>.....</p> <p>ENSA</p> <p>.....</p> <p>UNIONE ITALIANA FOOD ROMA</p> <p>.....</p> <p>NFI (Nutrition Foundation of Italy)</p> <p>.....</p> <p>Workplace Health and Safety Control Bodies</p> <p>.....</p> <p>Universities and Academia</p> <p>.....</p> <p>Centromarca</p> <p>.....</p> <p>Advisory Nielsen</p> <p>.....</p> <p>Italia del Gusto</p>	<ul style="list-style-type: none"> • Monitoring of legislation and regulations, and their evolution • Networking at Italian and European governmental level • Monitoring of markets and main trends • Joint approach to internationalisation 	<ul style="list-style-type: none"> • Participation in the main Boards of Directors • Participation in Working Groups of individual Associations • Periodic Board and operational meetings
<p>COMMUNITY</p> <p>Territorial and local communities</p> <p>.....</p> <p>Third Sector Organisations</p> <p>.....</p> <p>Other Associations</p>	<ul style="list-style-type: none"> • Support to solidarity initiatives • Social investments in the Community • Support for young people and families • Supporting Youth Training 	<ul style="list-style-type: none"> • Occasions for meeting and sharing of the "Cucine Popolari" project (CiviBo Association of Bologna) • National Day of the Food Collection • MAST Foundation (Manifattura di Arti, Sperimentazione e Tecnologia) in Bologna • Sharing objectives with the "Casa dei Risvegli Luca de Nigris" • Other ad hoc occasions
<p>ENVIRONMENT AND NEW GENERATIONS</p> <p>Ecosystem</p> <p>.....</p> <p>Natural Resources</p> <p>.....</p> <p>Environmental associations</p> <p>.....</p> <p>Specialised agencies (e.g. ARPA, APAT)</p>	<ul style="list-style-type: none"> • Responsible use of natural resources (energy and water) • Energy efficiency (clean and renewable energy) Reduction of CO2 emissions • Management of hazardous substances • Responsible management and processing of hazardous waste • Management of production by-products 	<ul style="list-style-type: none"> • Meetings with local authorities • Review of results, objectives and instruments at internal and external meetings with auditors of certification companies

ISSUES THAT MATTER (MATERIALITY)

Materiality refers to all aspects that concretely influence a company's ability to create value over time. Over the past two years, several standardisation and regulatory bodies have begun to refine the concept of sustainability materiality. In particular, the Corporate Sustainability Reporting Directive (CSRD) proposed by the European Union and the recently established International Sustainability Standards Board (ISSB) of the International Financial Reporting Standard (IFRS) Foundation both distinguish between "single materiality" and "double materiality".

In this third edition of the Sustainability Report, Valsoia has voluntarily decided to follow the principle of dual materiality, providing information necessary to understand its impact on society and the environment, and vice versa, how ESG criteria, referring to material sustainability issues, influence its Enterprise Value.

There are in fact two parameters examined by the principle of double materiality: impact materiality with an inside-out approach and impact materiality with an outside-in approach. The first focuses on the effects that Valsoia's activities generate externally, on the social and environmental context, and that customers, consumers and society as a whole should be able to understand. The second relates to the impact of potential social and climate risks Valsoia faces, which can also be translated into financial effects and therefore contribute to influencing strategic governance decisions. This concept of "double materiality" recognises the fact that risks and opportunities can be both financially and non-financially material.



MATERIALITY ANALYSIS

Materiality assessment underpins Valsoia's sustainability strategy, as it helps to ensure that the company's efforts remain focused on the areas of greatest impact and to ensure appropriate relations with stakeholders.

On the occasion of this third edition of the Sustainability Report, Valsoia conducted a thorough materiality assessment between October and November 2022 to strengthen the understanding of the company's impacts, further integrating sustainability within the Company.

The materiality assessment considered emerging best practices in the field of sustainability, ESG policies and regulations in Europe and internationally, and emerging trends and megatrends that will become relevant in the coming years.

As a Company operating internationally in a rapidly changing world, Valsoia is convinced that its long-term success requires continuous monitoring and adaptation to significant social, environmental, economic and technological changes.

For this reason, the materiality assessment was expanded in 2022 compared to the analysis conducted in 2021.

The ESG issues relevant to Valsoia, already identified last year and appropriately reviewed in 2022, were assessed from three different perspectives:

- Stakeholder perspective;
- External impact (inside-out approach): the impact on society and the planet at different stages of the Valsoia value chain;
- Internal impact (outside-in approach): the impact on overall performance and Valsoia's business in terms of risks and opportunities that will be reflected in the company's value.

The results of these three perspectives were then integrated to construct the dual materiality matrix and identify the topics on which Valsoia should focus to achieve maximum impact.

Involving key stakeholders in the materiality assessment and, more generally, in the process of identifying corporate priorities is a crucial step that allows for the collection of contributions and feedback useful for understanding and even more effectively targeting Valsoia's efforts on shared sustainability objectives.

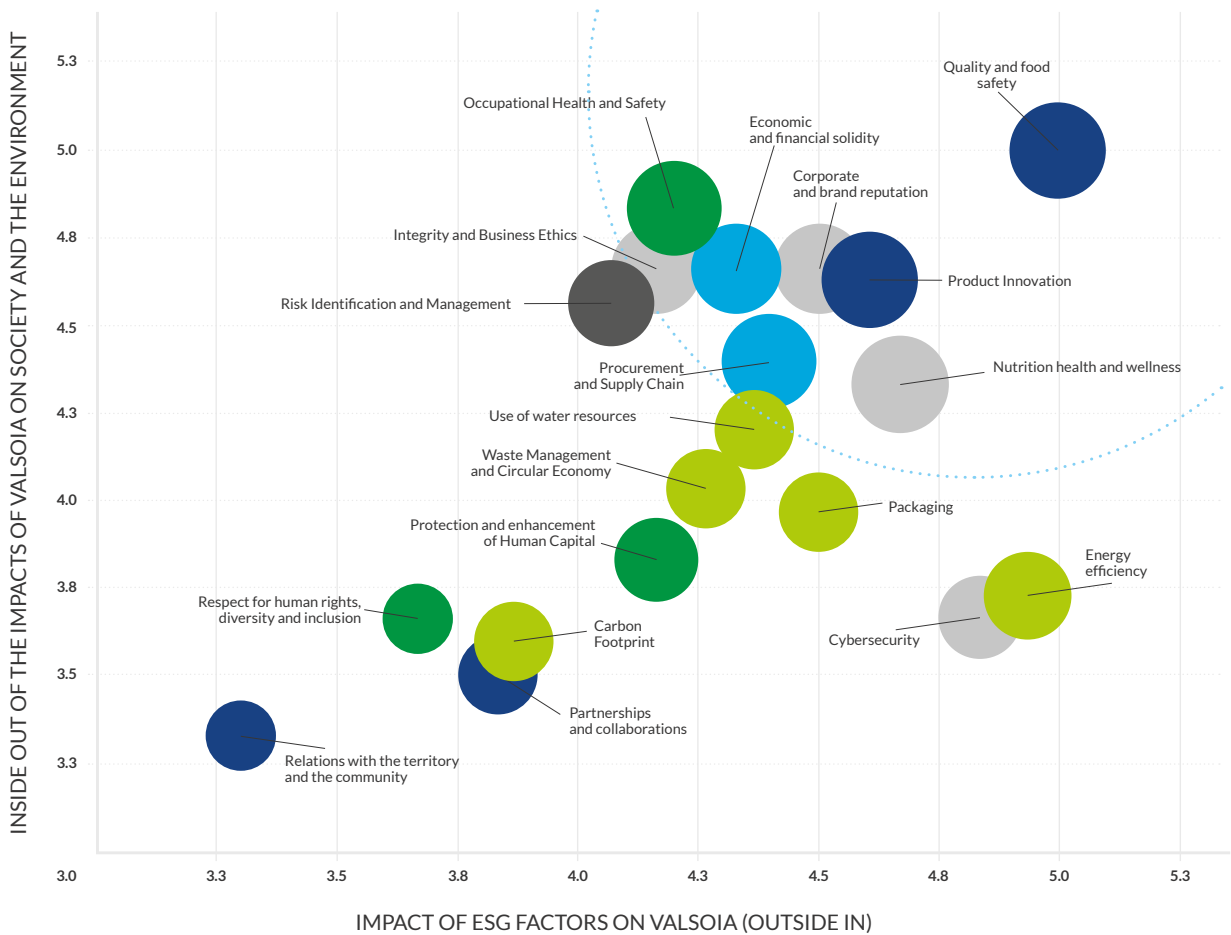
For the assessment of materiality, the focus in 2022 was on gathering constructive, informed and critical voices and seeking objective and representative opinions. Interviews were then conducted with all Directors and some of their direct reporting staff.

Through the interviews, internal stakeholders were asked to express their qualitative and quantitative assessment of the sustainability issues considered relevant and of greatest interest to Valsoia.

MATERIALITY MATRIX

The dual materiality matrix was generated using all the qualitative and quantitative inputs collected through the interviews.

VALSOIA DOUBLE MATERIALITY MATRIX MAP



KEYS

- IDENTITY AND GOVERNANCE
- HUMAN CAPITAL
- NATURAL CAPITAL
- ECONOMIC AND FINANCIAL CAPITAL
- PRODUCTIVE, SOCIAL AND RELATIONAL CAPITAL
- MOST RELEVANT TOPICS

RELEVANCE FOR STAKEHOLDERS

- High/Medium high
- Medium
- Medium/Low

Looking at the matrix, we can see that:

- Topics are highlighted with a different colour per type of area (Identity and Governance, Economic and Financial Capital, Human Capital, Productive, Social and Relational Capital, Natural Capital);
- on the X axis of the matrix are the topics involving risks and opportunities most significant for Valsoia's value creation (outside-in);
- on the Y axis is the significance of Valsoia's impacts on society and the environment (inside-out);
- the perspective of internal stakeholders was represented by assigning different aspects to each topic bubble, depending on the relevance attributed by the Directors.

With regard to the values of the Y axis (outside-in approach), the Directors reflected on those variables whose impact on the value of the Company could potentially be positive or negative, such as: market trends and inflation, high procurement costs, product contamination risks, raw material procurement, increased competitiveness, changing consumption styles.

The theme "Product Quality and Safety" ranked significantly higher than all other ESG.

The matrix shows how, in the upper right-hand part corresponding to the topics that cumulatively received the highest score in both the inside-out and outside-in impact assessment, seven more topics were identified as the most relevant: "Health and food wellness", "Product innovation", "Corporate and brand reputation", "Economic and financial soundness", "Occupational health and safety", "Business integrity and ethics", "Procurement and supply chain".

THE SUSTAINABILITY PLAN

Valsoia has decided to structure its sustainability path through the adoption of an integrated strategy, capable of combining business growth and financial solidity with social and environmental sustainability, creating long-term value. For this reason, a process was started in 2022 to integrate the topics relevant to the company into the business strategy.

The Sustainability Plan represents Valsoia's strategic vision of sustainability, responds to some of the global challenges (United Nations Sustainable Development Goals, or SDGs) and outlines the commitments made by the company, through a defined roadmap, into qualitative and quantitative objectives that can be measured over time (targets).

Below is a summary of the Sustainability Plan Guidelines drafted in the second half of 2022.

GOVERNANCE ESG/ ECONOMIC CAPITAL	HUMAN CAPITAL	PRODUCTIVE, SOCIAL RELATIONAL CAPITAL	NATURAL CAPITAL
<p>Compliance with Sustainability Standards ⁽³⁾</p> <p>Expansion of the system for monitoring ESG aspects of suppliers</p> <p>Realisation of Periodic Supplier Audits and detection of ESG factors</p> <p>Strengthening the monitoring and management of ESG risks ⁽⁴⁾</p> <p>Progressive integration of non-financial information into Valsoia's Corporate Reporting</p>	<p>Strengthening of soft skills of key people</p> <p>Realisation of Corporate Intranet</p> <p>Definition of a Welfare Plan</p> <p>Achievement of the ISO 45001 Certification</p>	<p>Progressive reduction of sugars, total fats and saturated fats in specific product categories</p> <p>Increase in the level of penetration of points of availability of the product Diète.Tic as alternative to sugar</p> <p>Upgrades in controls of quality and GMO of all batches of all raw materials purchased</p> <p>Launch of new lines of plant-based alternatives and coverage of markets where not yet present</p> <p>Support initiatives for Associations operating in social, cultural and scientific backgrounds</p> <p>Collaboration with educational establishments to undertake transversal job orientation paths</p>	<p>Strengthening of the System for Energy Management ISO 50001:2018</p> <p>Realisation of a new photovoltaic plant at Serravalle Sesia Facility</p> <p>Containment of methane gas consumption levels ⁽⁵⁾</p> <p>Containment of electricity consumption levels ⁽⁶⁾</p> <p>Carbon Footprint of beverages</p> <p>Progressive reduction of plastic in the secondary packaging of Diète.Tic</p> <p>100% reuse of production by-products ⁽⁷⁾</p> <p>Reduction of annual emissions of CO₂ by extending the use of the intermodal transport of products</p>

⁽³⁾ GRI, EFRAG/ESRS

⁽⁴⁾ Classification and identification of non-financial risks (CoSo/OECD Guidelines)

⁽⁵⁾ Reduction of natural gas (methane) consumption by keeping the level below 35,000 GJ, achieved through the reduction of losses of the steam produced during production

⁽⁶⁾ Reduction of electricity consumption in the beverage extraction plant (rice/oats)

⁽⁷⁾ Okira (by-product of rice and oat extract production) and Okara (by-product of soya extract production)

FOOD AND SUSTAINABILITY

Sustainable food involves the consumption of nutritionally healthy food with a low environmental impact, moderate use of water resources, low carbon and nitrogen emissions, sensitive to biodiversity and the ecosystem, fair and accessible to all.

The components of the food chain are all those involved in the process of food production and consumption, which includes: food production, harvesting, preservation, storage, transportation, processing, packaging, trading, distribution, preparation, composition and consumption, and disposal of waste materials produced in a variety of stages.

According to a study carried out by the FAO in collaboration with the Joint Research Centre of the European Commission, the food sector contributes more than one-third of global greenhouse gas emissions, reaching 34% of carbon dioxide emissions ⁽⁸⁾.

The three pillars of food sustainability are: consume less food, waste less food and favour plant-based products in our choices.

In particular, as far as food consumption is concerned, many scientific studies have shown so far that a properly planned vegetarian diet, is:

nutritionally adequate, can provide health benefits in preventing and in the treatment of certain diseases, as well as suitable for all stages of the life cycle

more environmentally sustainable ⁽⁹⁾ as it uses fewer natural resources and is associated with a lower environmental impact

Indeed, a vegetarian diet promotes a lower use of water resources, pesticides and fertilisers, promoting less land degradation, less pollution and less atmospheric warming.

According to the WWF Guidelines on Food Sustainability, in order to reduce the ecological footprint of the diet, it is important to adopt a diet also based on plant products.



⁽⁸⁾ The research used data from the period 1990/2015, also creating the EU database EDGAR-FOOD established at the JRC. In particular, 39% of emissions are attributable to food production processes, 38% to land use for agricultural activities and pastoralism, and 29% to product distribution. Methane accounts for 35% of greenhouse gas emissions, pollution caused by raising animals to meet the demand for meat consumption.

⁽⁹⁾ The current consumption of meat- and dairy-rich diets worldwide is considered by some researchers to be no longer sustainable in the medium/long term; on the contrary, a reduction in products from livestock is considered an important way to ensure continuity in food availability while also safeguarding against climate change.

CONTRIBUTION TO THE SDGs

The table below shows, for each of the 12 SDGs considered significant for Valsoia, the material topics and actions taken, in terms of initiatives and projects implemented during 2022, some of which are currently underway in 2023.

SDGS	DESCRIPTION	MATERIAL THEME	ACTIONS TAKEN
	ZERO POVERTY	Economic and financial solidity	<ul style="list-style-type: none"> • Value added generated and distributed to Valsoia people • Community Support and Donations
	HEALTH AND WELL-BEING	Food Health and Well-Being Food Quality and Safety Occupational Health and Safety	<ul style="list-style-type: none"> • IFS Food Standard Certification Level HIGH • Product test on single finished products • Prevention Activities towards Co-Packers • Specific Food Safety Training • Measures for management of Health and Safety at work • (Initiation of ISO 45001 Certification)
	QUALITY EDUCATION	Protection and enhancement of Human Capital	<ul style="list-style-type: none"> • Continuing training activities (managerial, compliance, HSE, etc.) • Workshops • Engagement meetings
	GENDER EQUALITY	Respect for human rights, diversity and inclusion	<ul style="list-style-type: none"> • Incidence of women in management • Women on the Board
	CLEAN WATER AND HYGIENE	Use of water resources	<ul style="list-style-type: none"> • Microbiological analyses of potability of water taken from wells owned
	DECENT WORK AND ECONOMIC GROWTH	Economic and financial solidity Protection and enhancement of Human Capital Risk Identification and Management	<ul style="list-style-type: none"> • Maintenance of permanent contracts • Positive employment turnover rate
	ENTERPRISES, INNOVATION AND INFRA-STRUCTURE	Corporate and Brand Reputation Product Innovation	<ul style="list-style-type: none"> • Launching food products with high health and nutrition character (low sugar content, etc.) • Improvement and development of new variants in terms of taste and/or nutritional properties
	GUARANTEE SUSTAINABLE MODELS FOR PRODUCTION AND CONSUMPTION	Food Health and Well-Being Food Quality and Safety	<ul style="list-style-type: none"> • Selection and control of raw materials (soya, fruit, etc...) • Audits of compliance with the IFS standard • Industrial partnerships based on criteria of fairness of the price to support all activities along the supply chain
	FIGHT AGAINST CLIMATE CHANGE	Energy Efficiency Carbon Footprint Packaging Waste Management and Circular Economy	<ul style="list-style-type: none"> • Plant-based food production with low environmental impact • Searching for alternative packaging solutions • Recycling of production by-products (Okara) • Intermodal transport of Santa Rosa jams



IDENTITY AND GOVERNANCE



VALSOIA AT A GLANCE

Valsoia stands out for its many years of experience in the food market with a broad portfolio of proprietary and distributed brands with always dominant positions in terms of market share in its respective segments.

OUR BRANDS

HEALTH DIVISION



FOOD DIVISION

Proprietary trademarks



Exclusively distributed brands



25

PRODUCT CATEGORIES

Ambient

Chilled

Frozen



MORE THAN
11 Million
OF FAMILIES
IN ITALY

SINCE JULY 14, 2006, VALSOIA S.P.A. HAS BEEN LISTED ON THE

Euronext Milan Market

MANAGED BY BORSA ITALIANA S.P.A.

131

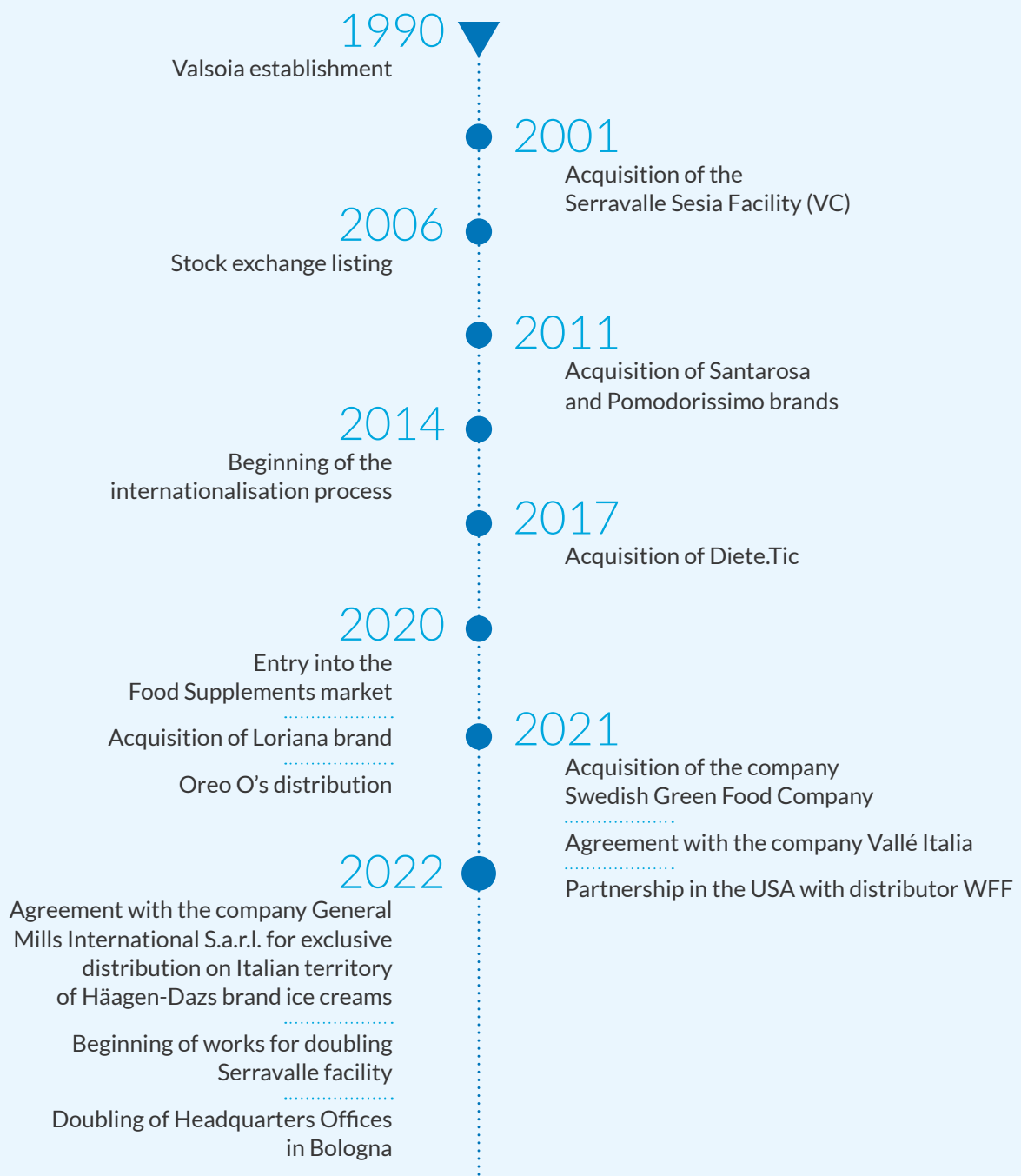
EMPLOYEES

101,3

EUR MLN. TURNOVER

AN ALL-ITALIAN STORY

Ours is an all-Italian story, born in the commitment and desire to contribute to the improvement of the quality of life that leverages highly innovative capabilities supported by significant investments in Research & Development and communication to support its brands.



PRODUCTS AND BRANDS

Valsoia products stand out for the quality of their food both in terms of health and leadership in perceived quality.

The choice of soy as a raw material depended on this product's nutritional properties and versatility, which still today allows the creation of a wide range of plant based products with high protein content, and can be used as an alternative to animal-based products. Over time, also with a view to diversifying the health product range, the Company expanded its offer by using vegetable bases other than soya (oats, rice, almond, coconut, cashew).

The Brand portfolio has also expanded through acquisitions of and distribution agreements with food brands that are always leaders or co-leaders in their respective markets.

The Company's products are mainly distributed in Italian mass retail outlets but in recent years are also present in HoReCa and e-commerce channels.

The Company is also the exclusive distributor in Italy of products under the Weetabix, Oreo O's Cereal and Vallè brands, and since January 2023, Häagen-Dazs brand ice creams.

The following are proprietary brands: Diète.Tic (leader in the sweeteners market), Santa Rosa (3rd brand in the traditional jams market) and Piadina Lorianana (2nd brand in the ambient piadina market), and "Valsoia Bontà & Salute", leader in the plant based alternatives market in Italy.



HEALTH FOOD DIVISION

WIDE RANGE OF PLANT-BASED PRODUCTS

Includes a wide range of breakfast-to-dinner products.



MILK
ALTERNATIVES



YOGHURT
ALTERNATIVES



DESSERT
ALTERNATIVES



ALTERNATIVES
TO MEAT



COLD CUTS
ALTERNATIVES



CONDIMENTS



CHEESE
ALTERNATIVES



HAZELNUT SPREAD



ICE CREAM
ALTERNATIVES

FOOD DIVISION

The Traditional Food Division includes proprietary brands (Santa Rosa, Diete.Tic, Piadina Lorian) and exclusively distributed brands (Weetabix, Oreo O's, Vallé, Häagen-Dazs).

PROPRIETARY TRADEMARKS



Santa Rosa, purchased in 2011, is a historical brand of the Italian food tradition, offers jams of high quality standards, choosing only fruit of the highest quality through rigorous purchasing specifications.



Diete.Tic, purchased in 2017, is a liquid sugar-alternative sweetener, with a unique and patented process. Completely calorie-free, it does not alter the taste of food or drink and is highly soluble.



“LORIANA Piadina”, purchased at the end of 2020, was launched on the market at the beginning of the 1970s, and has an established presence on the Italian market. Its success is due to the uniqueness of the product, that keeps unchanged quality and tradition of Romagna origin.

EXCLUSIVELY DISTRIBUTED BRANDS



Valsoia distributes Weetabix in Italy. The brand offers a range of whole wheat cereals for a healthy breakfast. Produced by Weetabix Food Company. They are unique, loved and appreciated all over the world.



OREO O'S cereals, whose production and marketing has been licensed to Weetabix Ltd by Mondelez International (owner of the brand), is an iconic brand worldwide. In December 2020, Valsoia signed an agreement with Weetabix Ltd., for distribution in the Italian territory, which started in April 2021.



Valsoia distributes in Italy condiments and Vallé vegetable bases. Undisputed leader of vegetable margarine, with a value share of 69% thanks to an innovative range oriented to naturalness and well-being.

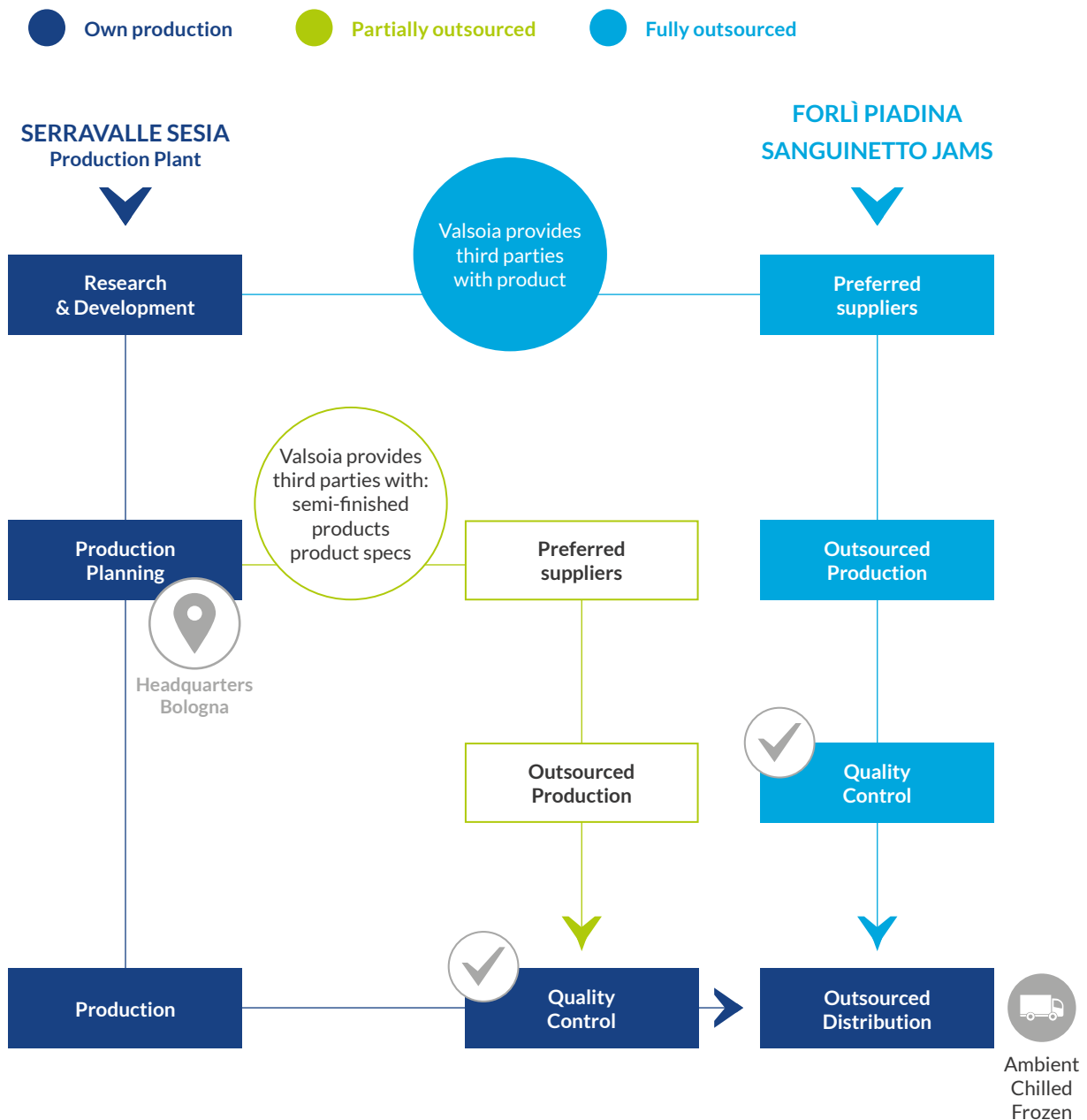


From January 1, 2023, Valsoia distributes Häagen-Dazs in Italy. Ice-cream brand considered by Nielsen the first ice-cream brand take-away in the world, present in over 80 countries. In September 2022, an agreement was signed with General Mills International S.a.r.l. (which manages Häagen-Dazs' business outside North America) for the exclusive distribution on Italian territory.

THE PRODUCTION MODEL

The Serravalle Sesia (VC) production Facility comprises three areas together with the heart of the processing of health products: the processing of extracts. The R&D and Quality Assurance functions for all the Group’s brands and products are also located at the facility.

The Serravalle Facility manufactures: finished products (ice cream, extracts for plant-based drinks and sweeteners) and semi-finished products (yoghurt and desserts/other product lines).



VALSOIA IN THE WORLD

Valsoia is currently present in 40 countries.

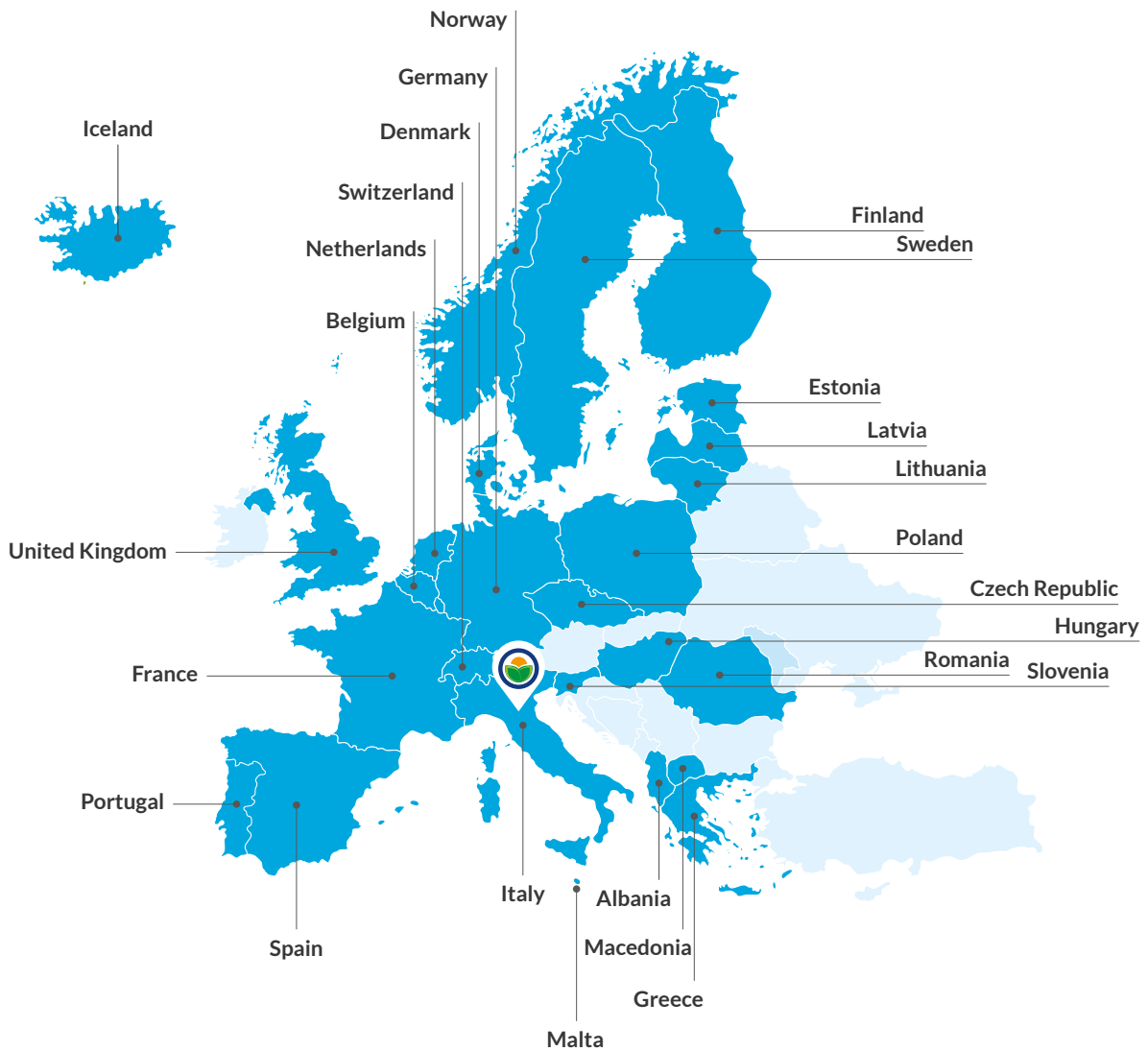
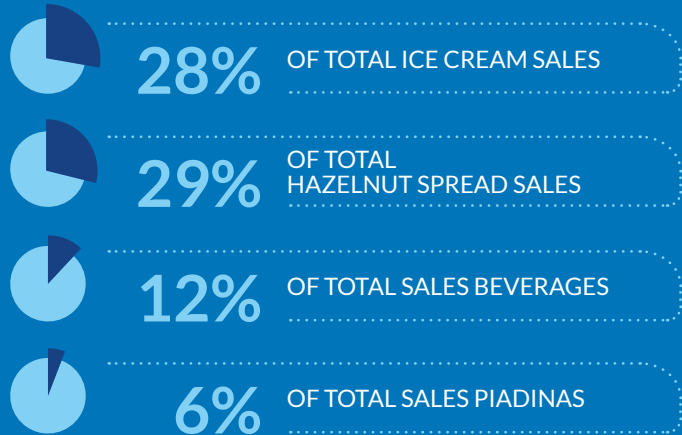
In 2022, the export turnover is EUR 9.087 million compared to EUR 7.137 million in 2021, registering a strong growth of 27.5% (EUR +1.958 million).



40
COUNTRIES

+27,5%
2022 VS 2021
INCREASE IN
EXPORT TURNOVER

INCIDENCE OF EXPORT SALES



MISSION, VALUES, AND VISION

To contribute to the improvement of the quality of life, proposing healthy foods, 100% plant-based and Traditional Brands of premium positioning.

THE MISSION



Skills
Liability
Transparency
Integrity
Passion
Continuous Improvement

VALUES

Living a better and healthier life, also thanks to the daily choices of food.

VISION

STRATEGY AND BUSINESS MODEL

Valsoia’s strategy rests on 6 Strategic Directives associated with the types of capital, upon which this Sustainability Report is based.

These Directives are also associated with the following 12 Sustainable Development Goals (SDGs): SDG 1 (Zero Poverty), SDG 3 (Health and Wellness), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 7 (Clean and Affordable Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), SDG 13 (Acting for Climate), SDG 16 (Peace, Justice, and Strong Institutions), SDG 17 (Partnership for the Goals).

Valsoia operates on the domestic and international markets, adopting the business model characterised by the elements illustrated in the figure.



PROCESS OF VALUE CREATION

GOVERNANCE

BUSINESS ACTIVITIES

INTERNAL CONTROL SYSTEM AND MONITORING OF FINANCIAL AND NON-FINANCIAL RISKS

ECONOMIC AND STRUCTURAL RESOURCES

- Share capital
- Debt Capital
- Saving
- Serravalle Sesia production facility
- Sanguinetto production facility
- IT Infrastructure and Software Systems
- Organisation

INTELLECTUAL RESOURCES

- Integrity and Transparency
- Intellectual Property Rights
- Brands and associated know-how
- Food quality and safety protocols

HUMAN RESOURCES

- Specialist and managerial expertise
- Talent and creativity
- Behaviour styles and values
- Safety and Security

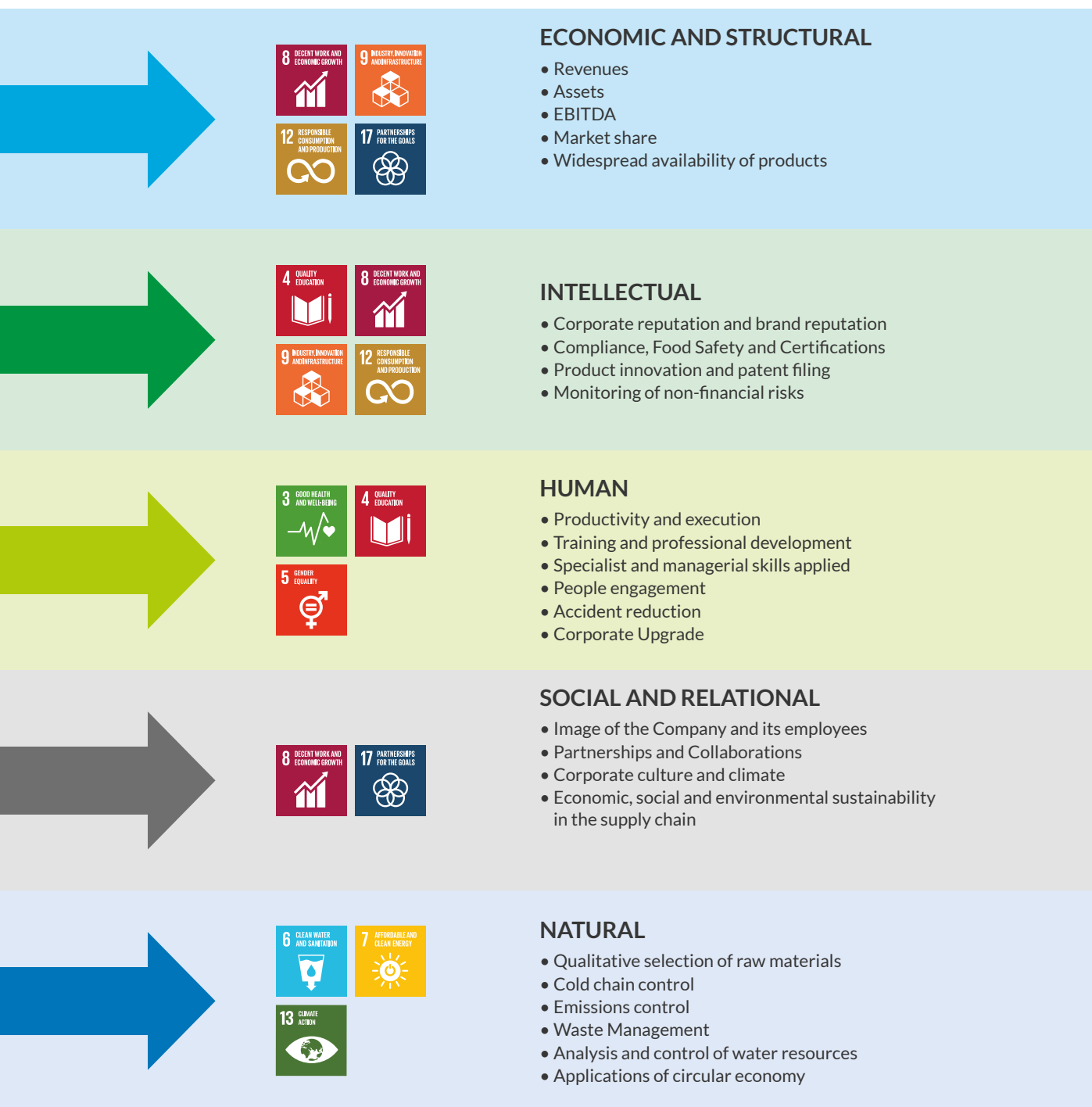
SOCIAL AND RELATIONAL RESOURCES

- Relations with Retailers and Consumers
- Investor Relations
- Relations with Sector Associations
- Supplier Relations and Preferred Suppliers
- Relations with the Community and the Territory
- Partnership with the Academic World
- Media Relations

NATURAL RESOURCES

- Fossil energy
- Renewable Energy
- Raw materials
- Water

In view of Input factors, such as: economic and structural resources, intellectual, human, social and relational resources, and natural resources, Valsoia produces the outputs represented below. A specific set of KPIs called the Sustainability Dashboard has been defined for these results. Each output was associated with the Sustainable Development Goals (SDGs) of the 2030 Agenda.





GOVERNANCE

Since July 14, 2006, VALSOIA S.p.A. has been a listed company on the Euronext Milan market managed by Borsa Italiana S.p.A.

Valsoia has adopted a traditional system of Corporate Governance, inspired by the highest standards of transparency and correctness in the management of the Company and towards its stakeholders. The Board of Directors is inspired by the market best practices, and consists of 9 members, 2 of whom are independent. Valsoia's governance and organisational model is based on the accountability of its managers, who come from the market and have been selected on the basis of the strictest criteria. Fully competent and independent in their respective roles, they have solid experience in the Food & Beverage industry, and adopt an open approach to change and innovation. In addition to being an essential tool for ensuring the effective management and control of corporate activities, this system of corporate governance is aimed at creating value for shareholders, the quality and safety of the products offered to consumers, economic and financial stability, the control of business risks and transparency towards the market.

MAIN GOVERNANCE BODIES

SHAREHOLDERS' MEETING

Composed of the shareholders of Valsoia S.p.A. expresses the will of the company, resolving in the manner and on matters provided for by law and the Articles of Association, in ordinary and extraordinary form.

BOARD OF DIRECTORS

Together with the Board of Statutory Auditors, it is the body at the top of the Company's governance structure. It is vested with all powers for ordinary and extraordinary administration, except those which the law expressly attributes to the Shareholders' Meeting.

BOARD OF STATUTORY AUDITORS

Responsible for ensuring compliance with the law, the articles of association and the principles of proper administration of the Company.

MANAGER IN CHARGE OF FINANCIAL REPORTING

Responsible for preparing the Company's accounting documents.

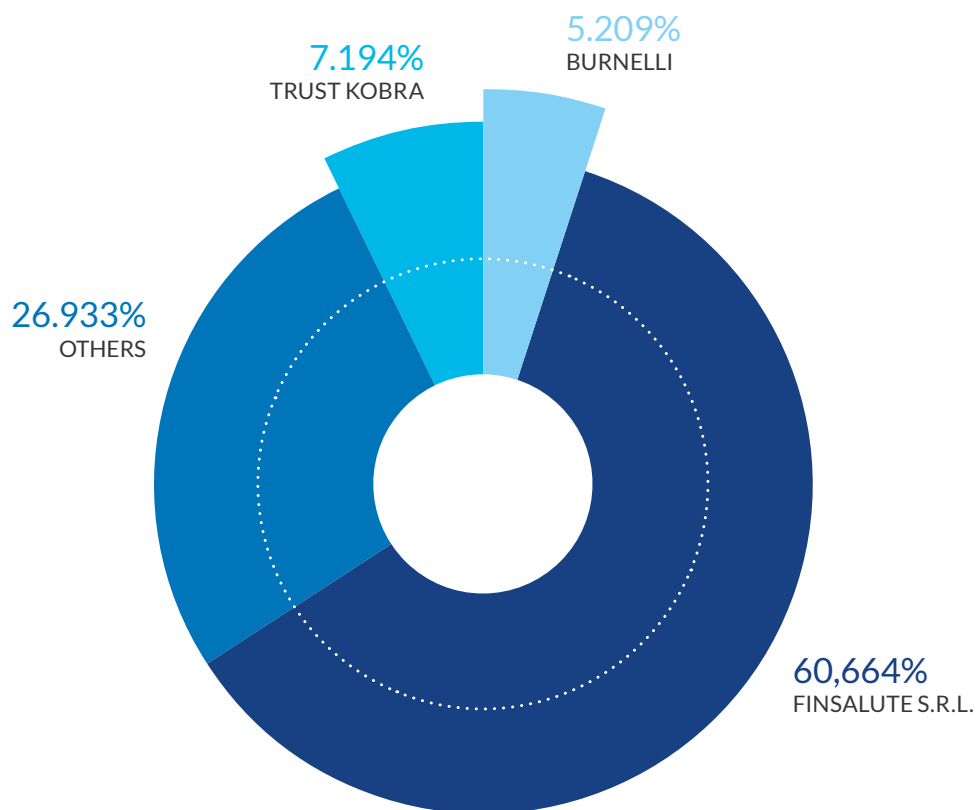
SUPERVISORY BOARD (SB)

Responsible for supervising the functioning of and compliance with the Organisation, Management and Control Model pursuant to Legislative Decree No. 231 of 2001, checking it periodically, and keeping it up-to-date.

With reference to the provisions of Art. 123 bis, paragraph 2, letter a) of the Consolidated Law on Finance (the TUF), in consideration of the size of the Company and its current structure, as well as the lack of significant subsidiaries, Valsoia has deemed it unnecessary, up to now, to implement any code of corporate governance conduct regarding corporate governance, whose purpose is to set up internal committees with proactive or consultative functions.

However, the Company reserves the right to assess the appropriateness of adopting a code of corporate governance conduct in the future, in light of its own corporate growth and future regulatory developments. On the other hand, a Management Committee made up of Department Managers and the General Manager has been set up for internal purposes only, and whose tasks concern routine management.

SHAREHOLDER STRUCTURE



CORPORATE BODIES

BOARD OF DIRECTORS ⁽¹⁾	
CHAIR	Lorenzo Sassoli de Bianchi
DEPUTY CHAIR	Furio Burnelli
DIRECTORS	Susanna Zucchelli Francesca Postacchini Gregorio Sassoli de Bianchi Camilla Chiusoli Patrizia Fogacci Marco Montefameglio
CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER ⁽²⁾	
	Andrea Panzani
BOARD OF STATUTORY AUDITORS ⁽¹⁾	
CHAIR	Gianfranco Tomassoli
STATUTORY AUDITORS	Claudia Spisni Massimo Mezzogori
ALTERNATE AUDITORS	Massimo Bolognesi Simonetta Frabetti
SUPERVISORY BOARD ⁽³⁾	
CHAIR	Gianfranco Tomassoli
STANDING MEMBERS	Maria Luisa Muserra Giulia Benini ^(3.1)
INDEPENDENT AUDITORS ⁽⁴⁾	
	KPMG S.p.A.
MANAGER IN CHARGE OF FINANCIAL REPORTING ⁽⁵⁾	
	Nicola Mastacchi

⁽¹⁾ Appointed at the Shareholders' Meeting of April 27, 2020, in office until the approval of the 2022 Financial Statements.

⁽²⁾ Chief Executive Officer (since April 23, 2015) and General Manager (since February 04, 2014).

⁽³⁾ Appointed on March 13, 2020, in office until the approval of the 2022 Financial Statements.

^(3.1) Internal Member, Head of Legal Affairs of Valsoia S.p.A.

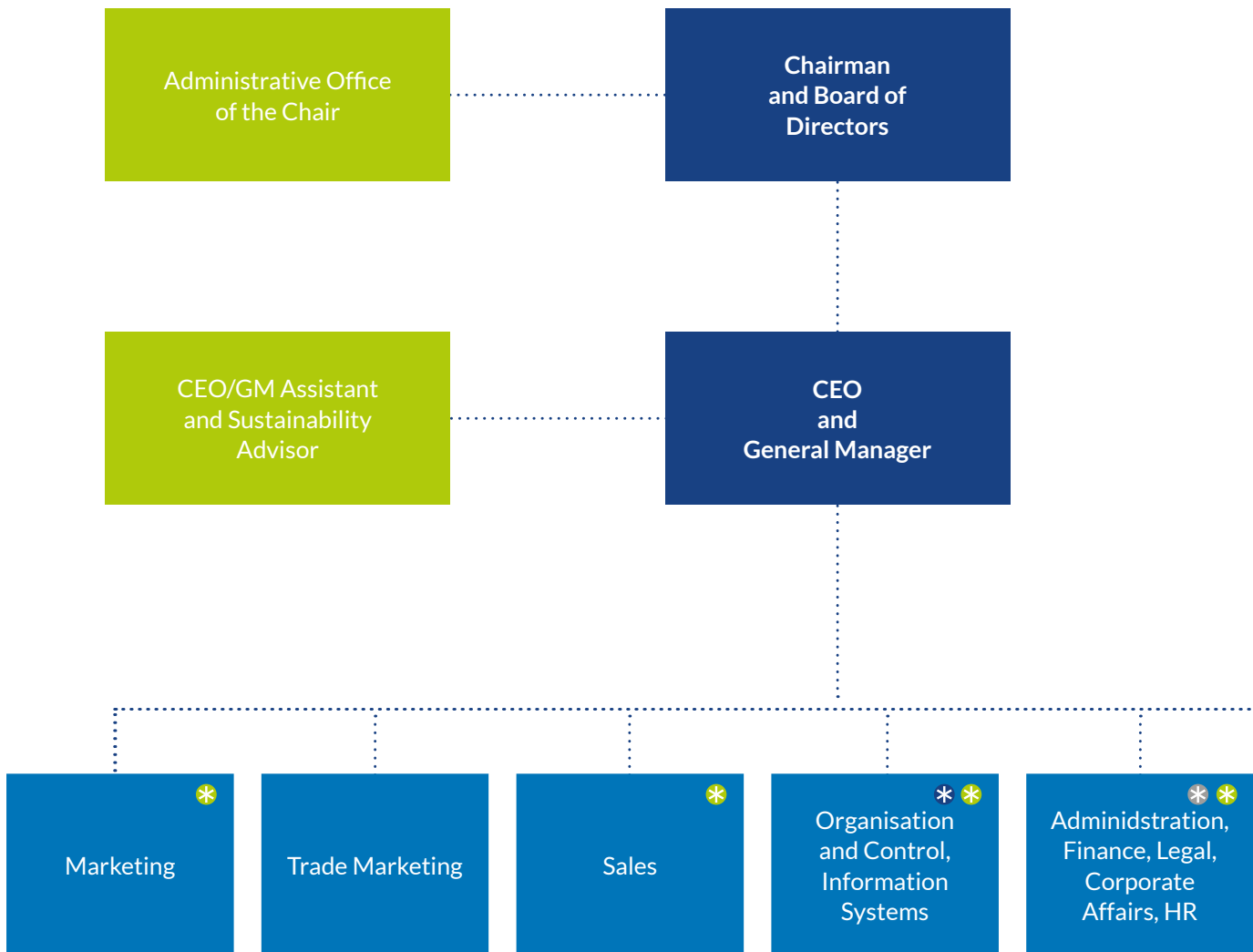
⁽⁴⁾ Appointed on April 23, 2015, in office until the approval of the 2023 Financial Statements.

⁽⁵⁾ Appointed by the Board of Directors on May 23, 2019, Manager of Valsoia S.p.A., Statutory Auditor.

ORGANISATIONAL STRUCTURE

The organisational model adopted by Valsoia is based on the delegation and increasing responsibility of the management and its first line (key people): bottom-up teamwork, promoting active interaction and offering the basis for the definition of strategic plans and their implementation.

The development guidelines of the organisational model are based on integrate macro-processes whose ultimate aim is to meet market needs:



MARKET, CONSUMER AND CUSTOMER MANAGEMENT PROCESS

(Marketing, Trade Marketing, Sales, Export, Out of Home Channels Departments), organised by business lines and distinguished by objectives of effectiveness, customer satisfaction (Brand Image), and objectives of turnover and margin growth.

INDUSTRIAL PROCESS

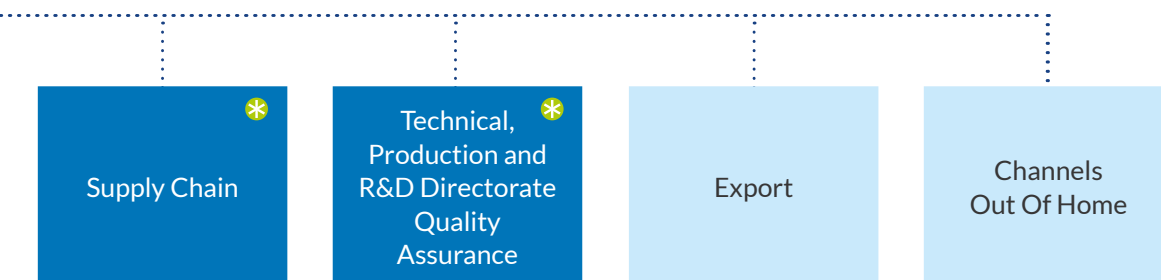
(Technical Departments, to which the Facility Department, Research and Development Unit report, Quality Assurance) with efficiency, cost optimisation and time-to-market objectives.




CENTRAL PROCESSES OR CENTRAL-LINE FUNCTIONS

(Organisation and Control, Information Systems Department) oversee the core processes of Operations, and ensure consistent integration between the industrial process and the market management process and customers.

CORPORATE PROCESSES

(Administration, Finance, Legal, Corporate Affairs, HR, Supply Chain Departments) oversee and supervise support and staff processes.



Together with the General Manager they make up the Management Committee 
 Board member, reporting to the General Manager 
 Manager in charge of accounting documentation 

INTERNAL CONTROL SYSTEMS

ORGANISATION, MANAGEMENT AND CONTROL MODEL

Valsoia adopted the first edition of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231 of 2001 (the “Model 231”) by resolution of the Board of Directors of December 19, 2016, and updated its editions thereafter, incorporating legislative and organisational changes, with the aim to encourage ethical behaviour and commitment to compliance with the law, in order to prevent unlawful conduct on the basis of preliminary analysis of business activities and macro-areas of risk activities and macro-areas of risk.

At present, the Model 231 is in its fourth edition, having been adopted by a Resolution of the Board of Directors on March 19, 2021. This latest version also acknowledges the adoption of the:

- Model for the protection of personal data;
- Policy for the correct use of the Company’s IT systems;
- Covid-19 contagion-prevention protocol;
- measures necessary to manage the Covid-19 emergency.

The structure of the Model 231 consists of a General Part, the 231 Code of Ethics, the whistle-blowing policy and individual Protocols issued for the prevention of the following crimes:

- crimes against the Public Administration;
- crimes against industry and commerce;
- corporate crimes and market abuse;
- offences relating to stolen goods, money laundering, use of money, goods or assets of unlawful origin and anti-money laundering;
- occupational health and safety offences;
- environmental crimes;
- cyber crimes, unlawful data processing and cyber security;
- tax and smuggling offences.

In 2022, no criminal offences or failure to comply with the protocols and procedures set out in the Model were identified. The Model is published on the website www.valsoiaspa.com and on the corporate intranet.

CODE OF ETHICS

The 231 Code of Ethics, which is an integral part of the 231 Model, defines the fundamental ethical principles applied by Valsoia in the pursuit of its purposes and interests; adherence to it is considered essential for the proper conduct of business and for the protection of Valsoia’s reliability, reputation and image (Section I of the 231 Code of Ethics). The 231 Code of Ethics establishes the rules of conduct and commitments that must be followed and complied with by anyone who works in any capacity with Valsoia (Section II of the 231 Code of Ethics).

Valsoia’s commitment to prevent and combat active and passive corruption is fully described in the Code of Ethics, by which Valsoia rejects and punishes any corrupt behaviour of its interlocutors or partners.

The strict fulfilment of this commitment - both by the Company’s employees and by any third parties who work, directly or indirectly, for and with Valsoia - is pursued through the adoption of specific policies provided for by the 231 Model, which illustrate the rules and procedures to be observed in order to prevent

corruption offences, as well as an effective disciplinary system and the introduction of specific contractual clauses to this end.

The current edition was approved by the Board of Directors on March 19, 2021 and is published on the website www.valsoiaspa.com and on the company intranet.

WHISTLEBLOWING

In compliance with the regulatory provisions on whistleblowing, Valsoia, as of May 7, 2018, adopted a whistleblowing policy, which is also an integral part of the Model 231. The main purpose of this policy is to facilitate the flow of information on possible violations of the Model and, more generally, on potential unlawful conduct as defined in Legislative Decree no. 231 of 2001, as well as to protect the whistle blower from any retaliation resulting from any complaint, thus ensuring an adequate system of acquisition, analysis and processing of reports on possible violations.

Reports can be made by any of the following methods: to the e-mail address of the SB (Supervisory Body) odv231@valsoiaspa.com; by regular mail, by sending a sealed envelope to the attention of the Supervisory Body, at Valsoia's headquarters; or verbally, by means of a statement made to one of the members of the SB.

The above-mentioned reporting methods are suitable for guaranteeing the confidentiality of the whistle-blower.

IT SECURITY, CYBERSECURITY AND PERSONAL DATA PROTECTION

In 2020, Valsoia adopted a policy for the use of IT tools (the “**Policy**”) in order to:

- contribute to the maximum dissemination of the safety culture in the company and avoid that unconscious behaviour may trigger problems or threats to security in the processing of data;
- protect company information and data, through the definition of guidelines concerning the correct and safe use of IT tools, and adequate information to employees, who must become fully aware of the information provided;
- mitigate the growing cybersecurity risk generated by cyber attacks and viruses or malware that can infect computer devices, resulting in access, loss or misappropriation of company data;
- make transparent the set of controls and procedures that are implemented in order to ensure compliance with the rules on the protection and security of personal data.

The Policy, which came into force on April 6, 2020, applies to all employees, regardless of role and/or level, as well as to all collaborators and any individuals at corporate level who have been assigned IT tools, regardless of the type of contractual relationship with the Company.

Finally, the Policy provides technical/practical support for the principles and rules of conduct set out in the protocol on Computer Crimes and Unlawful Data Processing of the 231 Model.

In order to guarantee full compliance with the regulations on the protection of personal data and, in particular, with the provisions of the General Data Protection Regulation (GDPR), Valsoia has adopted a Model for the protection of personal data, which aims to guarantee compliance with privacy regulations in the processes of data collection and processing, as well as to define the main processes adopted by Valsoia and responsibilities related thereto, and to ensure the correct management of the risks regarding the protection of personal data.

In addition to the policy for the use of IT tools, in 2022, again in connection with increasing the company's awareness of IT risks, a periodic vulnerability assessment service was subscribed to in order to monitor the status of the company's internal IT resources and prepare the necessary actions to reduce risks. In addition to this, the Company is moving to make Business Continuity more and more robust, in particular through a structured Disaster Recovery for the company's main applications at a second external Data Center, and the adoption of a cloud-based mail system with access in compliance with the highest security standards (double authentication and access restricted to company devices only).

MANAGEMENT AND MONITORING OF ESG RISKS

Valsoia is steadfastly committed to monitoring and managing non-financial risks in order to guarantee maximum protection of consumers' health, anticipate market demands and seize further opportunities to improve the qualitative performance of the products it manufactures. In this specific area, Valsoia has implemented quality management systems since its origins, which further confirms of how much the Company focuses on the safety and quality of the products it offers.

Compliance with the methods and the rigorous application of the Quality Control Systems procedures, the push towards continuous improvement, as well as the revolving and assiduous training of the concerned human resources and the constant monitoring of the internal and external processes by the industrial partners, are fundamental factors to achieve a very high level of safety.

In 2020, Valsoia launched an initiative aimed at identifying the main non-financial risks, implementing an initial evaluation and assessment of the main risks, in order to facilitate an adequate understanding of the possible impacts that may affect the achievement of corporate objectives.

In 2022, the monitoring system was further strengthened both in terms of risk assessment and the identification of risk mitigation actions to ensure the continuous improvement of internal control systems and production processes.



PROTECTION OF THE COMPETITIVE ADVANTAGE IN ITALY AND ABROAD		
TYPE OF RISK	RISK DESCRIPTION	MITIGATION ACTIONS FOR RISKS
Country risk	The Company's financial position, results of operations and cash flows are influenced by a variety of political and economic factors that have an impact on macroeconomic trends, including mainly: political and economic instability, the unemployment rate, the level of consumer confidence, trends in disposable income of families and, therefore, of private consumption.	The Company does not do business with countries that are socially, politically or economically unstable. In addition, the geographical spread over several countries, however still developing, even from different continents, will prospectively allow to compensate the negative economic trends of a country with the positive trends of others. In addition, the location on a non-national scale allows to be in close proximity to the main markets, especially in the European context, thereby benefiting considerable savings as well as enabling a service on a global scale. Finally, the reported proximity to markets allows us to better capture consumer needs.
Sector-related risk	The Company's financial position, results of operations and cash flows are influenced by the economic performance of the reference sector, which depends mainly on the development of competition, on potential new entrants and on the threat of alternative brands/products.	The Company has diversified its activities on an ever-widening range of products (plant-based drinks - yoghurt, ice cream and food, plant-based alternatives cheese, cream spreads, snacks and plant-based condiments, supplements and piadinas, sweetened jams, etc.), striving to offer increasingly high-performance and innovative products and dedicating specific internal resources to each. It also implemented a policy of expanding the Company's Brands through acquisitions and distribution agreements.
Production risks	This category of risks refers to sudden breakdown or downtime, loss of equipment efficiency, fire, flood and theft. This category of risks also includes those arising from outsourced processes, in particular risks related to the packaging and production of some products made by partners (Co-Packers).	The scheduled maintenance policy implemented for years and the constant technological renewal of the plants minimise the risk of breakage or sudden machine downtime. As for the risks related to the loss of efficiency of the plants and their performance quality, a specific corporate function monitors constantly some KPIs specifically identified for them in the different production facilities, in order to undertake, if necessary, timely measures. Finally, the entire production Facility, to include its walls and all equipment housed therein, is insured against the main risks (fire, flood, theft, etc.) with leading international companies, with ceilings under revolving review for adequacy. Of note, with regard to the production side, the existence of process data collection procedures, in order to improve the control of inefficiencies and the planning of actions to be undertaken for their elimination, as well as constant technological renewal of the production structure
Risks related to Logistics	These risks includes inefficiencies related to distribution, that can have repercussions in disputes by customers and thus in suffering with them.	In this context, the Company is steadfastly committed to: <ul style="list-style-type: none"> • a careful selection of logistics operators, choosing those that provide greater guarantees in terms of continuity and timeliness of deliveries; • accurate planning of logistics to minimise inefficiencies, monitored through specific KPIs exchanged with logistics partners; • continuous performance monitoring achieved, through specific KPIs (such as, for example, the service rate, which focuses on the completeness and timeliness of deliveries, and stock reduction, the subject of stock optimisation); • constant attention to customer requests through customer care policies.

RISKS ASSOCIATED WITH THE SUPPLY CHAIN		
TYPE OF RISK	RISK DESCRIPTION	MITIGATION ACTIONS FOR RISKS
Risk of unqualified supplies	These risks are related to the supply of material and services that do not conform in terms of quality and sustainability in environmental and ethical issues.	The Company's primary objective is to have a supply chain characterised by the absence of economic, operational and reputational risks. This objective has been divided into two lines of action involving, on the one hand, the evaluation of strategies and sustainability performance of suppliers and, on the other hand, the adoption of a wisely cautious approach in their purchases. The Purchasing Department currently implements a system of pre-qualification that assesses the individual supplier in relation to working conditions, respect for human rights, environmental protection and the fight against corruption. The historical relationship with the main suppliers, particularly strategic ones, allows the Company to further improve its performance minimising operational and reputational risks. Currently, no "risky" suppliers have been identified.
Risks of procurement of raw materials (mainly soy beans, rice, oat and fruits)	Risks of procurement arise from the possibility that the quantities normally purchased are not available, due to particularly relevant events such as those manifested during the course of 2022.	The Company sources from Italy and abroad particularly with regard to fruit, about 80% of the relevant volumes are purchased in Italy, with the exception of certain types. The availability of alternative supply channels, already developed in previous years, allows Valsoia to safeguard it from the risk of possible reductions in the offer.
Risk related to the fluctuation of the costs of procurement	These risks arise from possible imbalances between supply and demand resulting in large increases in purchase costs as occurred during the course of 2022.	The Company has long since activated a process of "purchase marketing" that aims to diversify sources of supply.
Risks of dependence on suppliers	These risks are related to the dependence on raw material suppliers and industrial services.	The Company has historical and established relationships with suppliers who are considered "strategic". In addition, for supplies of Soya Seeds, Rice, Oats and Fruit, the Company implements a constant diversification of the suppliers themselves, at national level and international, which makes insignificant the risk of dependence.

RISKS ASSOCIATED WITH HUMAN CAPITAL		
TYPE OF RISK	RISK DESCRIPTION	MITIGATION ACTIONS FOR RISKS
Risks associated to management of talents and development of skills	These risks are associated with the management and valorisation of key people and skills development in the different business areas.	The Company recognises the need to attract and retain key resources through management policies of staff to support their growth in terms of skills, as well as motivation and sense of belonging. The Company started a project a few years ago of organisational development aimed at accompanying the evolution of the organisation and people. In particular, the focus was on paths of growth of key resources (Key People), for which a managerial growth path is followed.
Risks associated to health and safety of the work environment	This category of risks refers to accidents in the workplace, mainly in the production Facility of Serravalle Sesia (VC).	The health protection of workers, contractors and visitors is ensured by constant monitoring of working environments, with the implementation of the highest safety standards on machines and facilities and with the implementation of training programmes and information activities. Particular attention is paid to the choice of personal protective equipment (PPE) in order to constantly check its efficiency and continuously improve its effectiveness to ensure increasing levels of protection and comfort. The adoption of these measures made it possible to minimise risks, as confirmed by the results recorded in 2022 on Frequency Index (FI) and Severity Index (GI). No injuries were reported in 2022. In addition, seasonal staff employed in the spring and summer for the production of ice cream, which have been working at the facility for many years, are fully trained in the safety procedures applied in the Serravalle Sesia (VC) plant.

RISKS ASSOCIATED WITH THE ENVIRONMENT		
TYPE OF RISK	RISK DESCRIPTION	MITIGATION ACTIONS FOR RISKS
Operational risks related to environmental legislation or accidents with environmental repercussions	These risks are related to sanctions or limitations on production activities as a result of legal or authorising non-compliance, or as an effect of accidents due to natural causes or techniques that may induce pollution or alteration of the main environmental matrices (fires, floods, breakdowns, breakages).	The Company pays great attention to the environmental impact of its production activities and the use of natural resources. In particular, the Company adopts a series of punctual checks and security protocols that represent the main safeguard against risks from regulatory non-compliance or accidents with environmental consequences.
Risks associated to the availability of natural resources (energy, water, fuel, etc...)	These risks are associated with the reduced availability of many natural resources, some of which are indispensable for production of ice cream or for energy uses, taking into account that climate changes and increased global consumption are triggering major changes in availability of these resources together with the recent extraordinary events resulting from the conflict in Ukraine.	The Company has made significant investments reducing as much as technically possible the quantity of water needed for the production process. To date, the average water withdrawal of the Serravalle Sesia Facility is less than half of the benchmark of the sector. The risk of unscheduled energy supply interruptions is mitigated by actions of continuous monitoring of energy suppliers and through the maintenance and continuous updating of its plants according to technical standards in the energy field. On the side of gas and energy costs in particular, the Company adheres to the Consorzio Italia del Gusto to mitigate through joint purchasing the sharp rise in costs.



ECONOMIC AND FINANCIAL CAPITAL



101,3

REVENUES
(mln. of Euro)

+11,4%

Increase in revenue over 2021



12,4

EBITDA
(mln. of Euro)

17,8%

ROI

9,7%

ROE

101,7

ADDED VALUE DISTRIBUTED
(mln. of Euro)

ECONOMIC PERFORMANCE

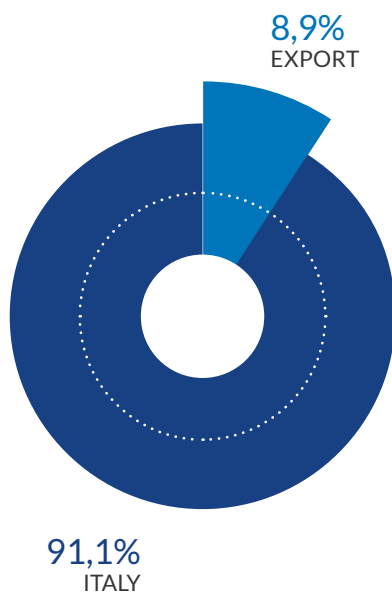
In 2022, Valsoia reported total revenues of EUR 101,320 thousand, of which EUR 92,327 thousand in Italy, corresponding to 91.1%, and EUR 8,993 thousand abroad, corresponding to about 8.9%.

REVENUE PERFORMANCE

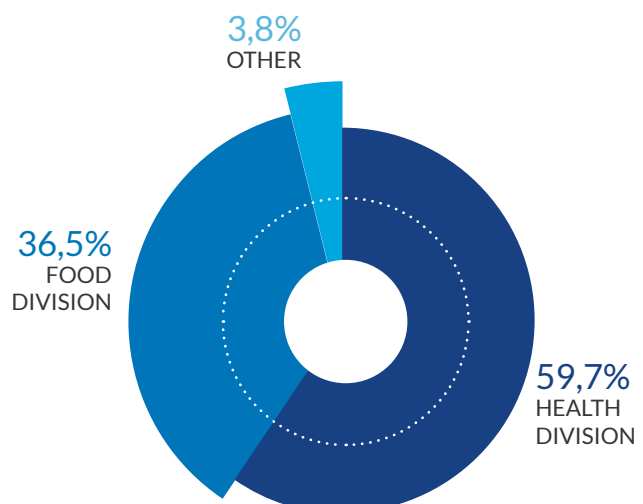
(Thousands of Euro)



2022 TOTAL REVENUES BY GEOGRAPHICAL AREA (%)



2022 ITALY REVENUES BY DIVISION (%)



KEY FINANCIAL HIGHLIGHTS

ECONOMIC INDICATORS (THOUSANDS OF EURO)						
	12.31.2022		12.31.2021		CHANGE	
	EURO	%	EURO	%	EURO	%
Total Sales Revenue	101,320	100%	90,953	100%	10,367	+11.4%
Value of Production	103,662	102.3%	92,810	102%	10,852	+11.7%
Gross Operating Result (EBITDA)	12,448	12.3%	13,214	14.5%	(766)	-5.8%
Net Operating Result (EBIT)	9,755	9.6%	10,737	11.8%	(982)	-9.1%
Pre-tax profit	11,058	10.9%	10,668	11.7%	390	+3.7%
Net profit for the period	7,976	7.9%	7,365	8.1%	611	+8.3%

ECONOMIC AND FINANCIAL PERFORMANCE INDICATORS		
	12.31.2022	12.31.2021
ROE (Net profit for the period/Shareholders' equity)	9.7%	9.4%
ROI (EBIT/Total investments)	17.8%	21.1%
ROS (EBIT/Sales Revenue)	9.6%	11.8%
EBITDA margin (EBITDA/Sales Revenue)	12.3%	14.5%
Shareholders' equity /Non-current assets	1.07	1.38
Shareholders' equity (Equity (+ M/L-term financial payables)/Non-current assets	1.17	1.55
Treasury quotient - acid test (short-term NFP + Non-financial current assets) /Non-financial liabilities	1.60	2.66
Debt Ratio (short-term NFP + M/L-term financial payables) / Equity)	n.a.	n.a.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The distribution of added value is the point of contact between the economic profile and the social profile of Valsoia's management, and makes it possible to evaluate how the wealth created is distributed to the advantage of the entire system with which it interacts.

	2022	2021
Economic value generated by Valsoia	104,966,040	92,715,298
Revenues	101,320,427	90,953,246
Other income	2,341,431	1,857,243
Financial income	1,464,420	4,021
Value adjustments to financial assets	0	0
Write-downs of receivables	-141,292	-99,862
Exchange rate differences	-18,946	650
Income/expenses from the sale of tangible and intangible assets	0	0
Value adjustments to tangible and intangible assets	0	0
Economic value distributed by Valsoia	101,709,073	87,678,445
Operating costs	82,930,585	62,293,297
Employee remuneration	11,378,987	10,853,751
Lender remuneration	142,710	73,756
Investor remuneration	4,069,193	4,050,041
Remuneration of the Public Administration *	3,082,398	3,303,000
Community remuneration (charitable donations and sponsorships)	105,200	104,600
Economic value retained by Valsoia	3,256,967	5,036,853
Depreciation	2,693,153	2,477,766
Allocations	0	220,000
Reserves	563,814	2,339,087

* Public Administration remuneration also includes deferred taxes

In 2022, the Economic Value Generated amounted to EUR 104,966 thousand, approximately 13.2% more than in 2021; most of it was distributed to the various stakeholders with whom Valsoia comes into contact in the implementation of its activities, in compliance with management cost-effectiveness and the expectations of the stakeholders.

The Economic Value Distributed, amounting to EUR 101,709 thousand, represents 96.9% of the Economic Value Generated. The latter, in addition to covering operating costs incurred during the year, is used to remunerate the socio-economic system with which Valsoia interacts, and in particular:

REMUNERATION OF EMPLOYEES

This item includes direct remuneration (consisting of wages, salaries and severance pay) and indirect remuneration (consisting of social security contributions) of all employees.

REMUNERATION OF LENDERS

This item includes interest expense and exchange losses.

REMUNERATION OF INVESTORS

This item includes dividends distributed.

REMUNERATION OF THE PUBLIC ADMINISTRATION

This item includes all taxes paid, including deferred taxes.

REMUNERATION OF THE COMMUNITY

This item includes all charitable donations (in cash and in kind), and sponsorships.

Finally, the Economic Value Retained, determined as the difference between the Economic Value Generated and the Economic Value Distributed, represents the set of financial resources dedicated to the economic growth and financial stability of the business system.

For the coming years, the Company will continue to focus its attention on the implementation of the strategic guidelines provided by shareholders, developing the actions to be implemented to achieve the objectives in order to achieve increasingly satisfactory consolidated results.

INVESTMENTS

Also in 2022, Valsoia made investments of more than EUR 2 million for the realisation of technological adaptations and modernisation of production departments, innovation and efficiency upgrades, the expansion of the Serravalle Sesia (VC) production facility, and the extension and reorganisation of the offices of the Headquarters in Bologna.

SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN PROFILE

The sustainability of a product is not only given by the impact of its production and disposal, but it starts from a conscious choice of materials and raw materials with which it is made. For this reason, the procurement process and the responsible use of natural resources, materials and raw materials are the first pillar of the corporate sustainability strategy.

Being a cross-category company, Valsoia works in a particularly broad area of purchasing categories, and, therefore, relies upon a wide and high-profile network of industrial partners: with them, over time, the Company has built clear relationships that can generate value both in the short and long term.

Valsoia works mainly with Italian and European suppliers, who guarantee the application of the highest standards of quality and reliability, and show great attention to issues related to the respect of human rights, health and safety, fight against corruption and respect for the environment.

SUPPLIER SELECTION AND EVALUATION

A quality product is the result of shared standards, cooperation, joint efforts, and stable, trust-based relationships with all partners of the supply chain. Valsoia believes in the importance of developing increasingly close and profitable synergies and collaborations with those who not only guarantee reliability in production performance, but who also share the Company's values and expectations in terms of ethical, environmental and social standards.

All suppliers undergo a rigorous qualification process: at the time of application, suppliers undertake to respect the principles and values that are essential to Valsoia by accepting the 231 Model and Code of Ethics, as well as to ensure quality and comply with agreements on delivery methods and times. This system is essential to protect the Company from risks related to the health and safety of workers, and from the social, environmental and reputational risks associated with unaccountable supply chain management. For this reason, relationships with suppliers are constantly and carefully monitored by Valsoia.

Supplier selection and contract terms are based on objective assessments of quality, price of goods or services, delivery efficiency or other essential selection criteria.

Suppliers selection and contract terms definition are based on objective assessment of quality, service and product price, delivery effectiveness or other fundamental selection criteria.

Procurement procedures must adhere to the following steps:

- scouting (which also includes site visits to verify matters related to the quality of raw materials and services),
- qualification (audits are conducted by internal Technical Office personnel to verify any efficiency impacts),
- contract assignment (this phase involves signing specific contracts and clauses).

Scouting is also conducted to identify possible new suppliers in order to secure alternative supplies in the event of supply risks. As far as raw materials are concerned (mainly soy and fruit), the Company prefers to maintain diversified supply quotas in the various geographical areas.

The vendor/partner selection and evaluation process includes pre-qualification and qualification steps. Particular attention is paid to the suppliers of raw materials. In the qualification phase, the selected suppliers undergo a financial analysis through the evaluation of their economic-financial balance sheet, and to visits by the Quality Control Team of the Technical Management.

In 2022, there were 125 qualified suppliers, and the total value of supplies subject to qualification amounted to EUR 57.2 million, corresponding to 99.7% of the total value of supplies. The Company relies on 56 strategic suppliers, who contribute to 88.7% of the total value of the supplies.

The Company is constantly engaged in the search for additional sources of supply of its raw materials and packaging products considered strategic, in order to contain the risks associated with availability and to have better economic opportunities for purchase.

SUPPLIER SELECTION AND QUALIFICATION

	2022	2021	2020
Qualified Suppliers (No.)	125	133	124
Total value of the supplies subject to qualification (€/000)	57,200	50,400	54,371
% on total value of Supplies (%)	99.7%	98.5%	98.1%
Strategic Suppliers (no.)	56	55	53
% of Total Value of Supplies from Strategic Suppliers (%)	88.7%	80.8%	78.2%

In 2022, the value of supplies in Italy amounted to 79% of the total value of supplies.

INCIDENCE VALUE AND LOCATION OF SUPPLIES			
	2022	2021	2020
of which Suppliers in Italy (%)	79%	82.16%	77%
of which Foreign Suppliers (%)	21%	17.84%	23%

In 2022, the total value of supplies of raw materials Soya and fruit is 74% supplied by Italian suppliers. The remaining 26% is accounted for by foreign suppliers, the latter also selected with the aim of mitigating weather-related risks.

LOCATION OF SOYBEAN AND FRUIT SUPPLIES			
	2022	2021	2020
of which Suppliers in Italy (%)	74%	74%	77%
of which Foreign Suppliers (%)	26%	26%	23%

SUPPLIER AUDITS

The Quality Assurance Team, which reports to the Technical Department, conducts audits of selected suppliers in accordance with an Annual Audit Plan.

Audits are defined based on risk levels, quantities purchased in a year, and any non-conformities detected.

A series of quality parameters are evaluated during the audits (flow charts, non-conformities, procurement of raw materials, management of mandatory legal parameters, etc.).

In 2022, 10 audits were conducted, involving suppliers of raw materials and finished products.

The checklist used for the Audits does not include social and environmental parameters, except for fruit products, where the Supply Specifications refer to the SMETA Certification ⁽¹⁾.

⁽¹⁾ Audit Methodology and Reporting - Sedex Members Ethical Trade Audit, Certification for the verification of ethical criteria in the supply chain

TRANSPORT AND LOGISTICS

Logistics management is outsourced to third parties, which collect contracts and perform distribution for multiple companies.

Since Valsoia is a cross-category company, product transportation needs cover all modes of storage. Hence the need to turn to primary Logistics Operators that ensure reliability in the transport of chilled and frozen food products.

For the distribution of its products, Valsoia continuously looks for solutions to optimise flows and reduce environmental impacts.

In 2021, the Company decided to invest in inter-modal transportation. Intermodal freight transport consists of the combination of different modes of transport (rail, road and sea) in order to bring goods to their destination using loading units (containers, swap bodies and semi-trailers) that can be easily transferred on different means (ships, trucks and trains), promoting the transport of products on rail over road. In particular, the project concerns the combined transport (active from May 2021) of Santa Rosajams. The goal is to have about 3,900 tons of jams per year travel by train instead of by road, making it possible to reduce annual CO₂ emissions.

In 2022, the total CO₂ savings amounted to approx. 117 tonnes compared to 70 tonnes in 2021 ⁽²⁾.



⁽²⁾ The latter refers to the period May-December 2021, as reported in the Sustainability Report 2021.



HUMAN CAPITAL



131

EMPLOYEES

44 YEARS

Average age



49%

Female incidence



44%

Women on the Board

1,868

TRAINING HOURS

0

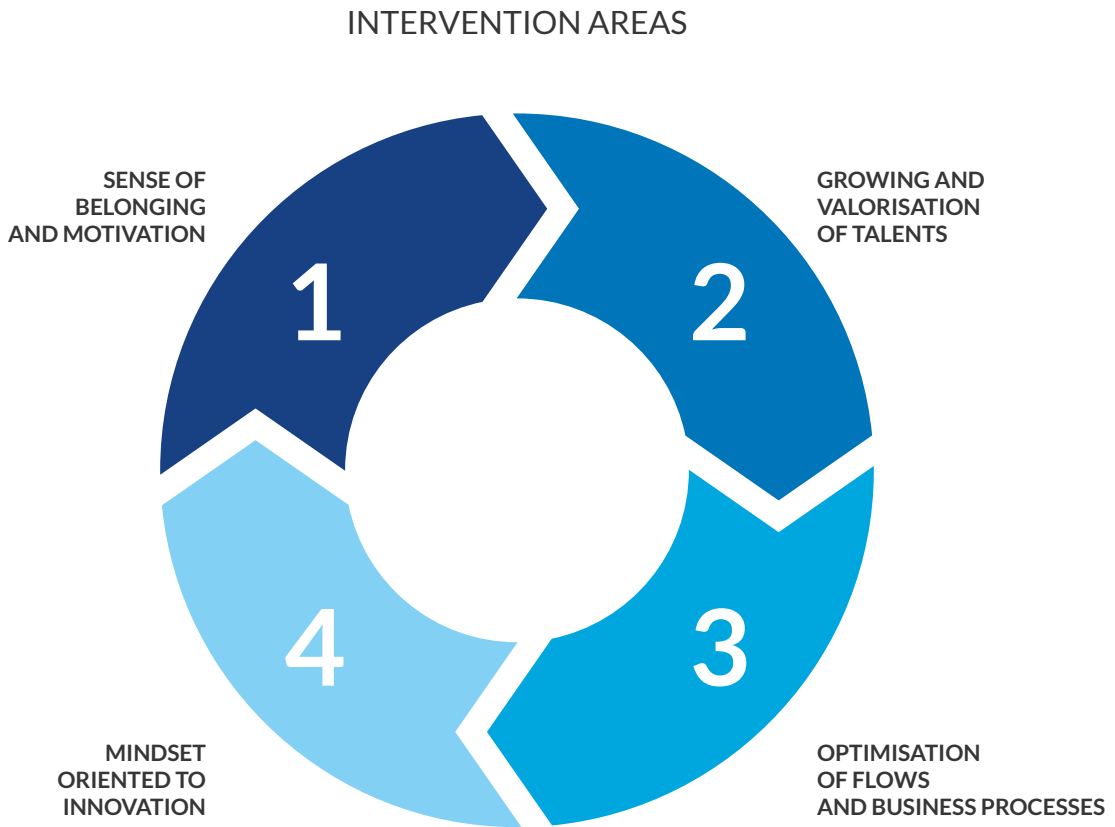
INJURIES

For Valsoia, human capital represents a strategic asset, capable of producing decisive impacts on the entire value chain, leveraging people and skills that allow, with their passion and professionalism, to face increasingly competitive markets.

People who work within the organisation represent a key stakeholder that Valsoia undertakes to protect, involve and develop within a perspective that promotes operational efficiency and effectiveness in a context of constant exchange of information and know-how, also with the aim of increasing role skills within the Company.

Valsoia's human capital management is based on the awareness that nurturing the talent and cultivating the potential of its employees, through the method and the development of skills, promotes the growth of the business, allowing the Company to be even more competitive in a market where changes occur extremely rapidly. The intention is to foster the growth of a corporate culture that is also identified by values that everyone should feel they carry.

In particular, Valsoia has committed to the four areas shown in the figure.



DEVELOPMENT INITIATIVES

ORGANISATIONAL

In order to better monitor the most relevant aspects of human capital management, Valsoia has been running an organisational development project for a few years now, aimed at accompanying the growth of the organisation and its people.

This project was translated into actions shared within the Management Committee, and implemented through direct actions by managers and the Human Resources Department, with the support of external consultants.

In particular:

- Focus on key resources (Key People), who are provided managerial growth and training.
- Listening and communication actions.
- Projects of overhaul and optimisation of business processes, also supported by technological innovations.

The development of skills is a strategic factor. Valsoia annually organises training activities to update employees on issues such as health and safety, privacy, strengthening the knowledge of foreign languages, and transferring both technical-specialist and managerial skills.

Performance Management Objectives are assigned annually to Key People: these objectives establish a connection between performance and the reward system, allowing a mid-term evaluation of the results achieved.

Particular attention is paid to the onboarding process of new resources, initially exposed to an onboarding programme that accompanies them for the first few months after joining the company.

In order to make internal communication more user-friendly and immediate, a corporate Intranet was developed in 2022. This tool has become the single point of access to all internal communications and corporate resources (portals, documents, websites, etc.).

INITIATIVES IN FAVOUR OF COLLABORATORS

In the course of 2022, the focus on human resources also took the form of income support measures, which became appropriate due to rising inflation. With this in mind, the Company issued fuel vouchers for a value of 200 Euro to all employees, as well as promoted conventions to obtain discounts on goods and services.

Valsoia, as also expressed in its Code of Ethics, recognises that human resources are a factor of fundamental importance for its development; for this reason, it provides a work environment inspired by respect, fairness and collaboration, stimulating people's involvement and sense of responsibility.

The human resources management policy promotes respect for the person and the professionalism of each employee, ensuring open communication, equal opportunities and impartiality. Valsoia's Administrative Director, who reports directly to the General Manager and is a member of the Management Committee, is also the Human Resources Director. He reports to the Human Resources Department, which consists of two resources.

The corporate organisation, involved in HR policies, reports instead to the Director of Organisation and Control, always a member of the Management Committee and the Board of Directors.



CORPORATE CHART

131 people contributed to Valsoia's 2022 results, including 8% executives, 12% managers, 62% clerks, and 18% workers.

EMPLOYEES AS OF 12/31			
	2022	2021	2020
Employees as of 1/1	129	121	119
New hires*	11	16	9
Termination/resignation	9	8	6
Employees as of 12/31	131	129	122

**only in-year hired personnel with a total contract duration of more than 3 months are considered.*

Valsoia people work in Italy in the two locations of Bologna (Headquarters) and in the Serravalle Sesia (VC) production facility.

BALANCE AT 12/31 - BOLOGNA HQ			
	2022	2021	2020
Employees as of 1/1	90	83	80
New hires	9	12	7
Termination/resignation	5	5	4
Employees as of 12/31	94	90	83

BALANCE AT 12/31 - SERRAVALLE SESIA HQ			
	2022	2021	2020
Employees as of 1/1	39	38	39
New hires	2	4	2
Termination/resignation	4	3	2
Employees as of 12/31	37	39	39

At the Serravalle Sesia production facility, Valsoia also employs seasonal personnel in the spring and summer, in order to perform the additional activities related to the production of ice cream.

EMPLOYEES AS OF 12/31

	2022		2021		2020	
	No.	%	No.	%	No.	%
Executives	11	8%	10	8%	10	8%
Managerial staff	16	12%	15	12%	13	11%
Clerical employees	81	62%	79	61%	76	62%
Factory workers	23	18%	25	19%	23	19%
TOTAL	131	100%	129	100%	122	100%

In 2022, almost all contracts were permanent (98%) and full-time (98%).

The incidence of permanent contracts points to the Company's propensity to hire in the long term. In the case of young resources, the Company evaluates positively periods of internship or apprenticeship, in line with the need to train these resources, and, in general, with a view to long-term employment.

PERSONNEL BY TYPE OF CONTRACT AS OF 12/31

	2022			2021			2020		
	Full-Time	Part-Time	Tot.	Full-Time	Part-Time	Tot.	Full-Time	Part-Time	Tot.
Executives	11	0	11	10	0	10	10	0	10
Managerial staff	16	0	16	15	0	15	13	0	13
Clerical employees	79	2	81	76	3	79	75	1	76
Factory workers	23	0	23	25	0	25	23	0	23
TOTAL	129	2	131	126	3	129	121	1	122

PERSONNEL BY TYPE OF CONTRACT AS OF 12/31

	2022			2021			2020		
	Perma- nent hires	Short- term hires	Tot.	Perma- nent hires	Short- term hires	Tot.	Perma- nent hires	Short- term hires	Tot.
Executives	11	0	11	10	0	10	10	0	10
Managerial staff	16	0	16	15	0	15	13	0	13
Clerical employees	79	2	81	74	5	79	75	1	76
Factory workers	23	0	23	22	3	25	22	1	23
TOTAL	129	2	131	121	8	129	120	2	122

CHARACTERISTICS OF PERSONNEL

The average age of Valsoia’s workforce is approximately 44 years old.

The majority (75.3%) of Valsoia’s population is in the 30-50 year age range.

BREAKDOWN OF PERSONNEL BY AGE BRACKET AT 12/31/2022						
	2022					
	Executives	Managerial staff	Clerical employees	Factory workers	Total	%
< 30 years	0	0	4	0	4	3%
30-50 years	2	10	61	15	88	67%
> 50 years	9	6	16	8	39	30%
TOTAL	11	16	81	23	131	100%

BREAKDOWN OF PERSONNEL BY AGE BRACKET AS OF 12/31/2021						
	2021					
	Executives	Managerial staff	Clerical employees	Factory workers	Total	%
< 30 years	0	0	5	3	8	6%
30-50 years	2	11	59	14	86	67%
> 50 years	8	4	15	8	35	27%
TOTAL	10	15	79	25	129	100%

BREAKDOWN OF PERSONNEL BY AGE BRACKET AS OF 12/31/2020						
	2020					
	Executives	Managerial staff	Clerical employees	Factory workers	Total	%
< 30 years	0	0	2	2	4	3%
30-50 years	2	8	59	13	82	67%
> 50 years	8	5	15	8	36	30%
TOTAL	10	13	76	23	122	100%

PERSONNEL TURNOVER

The ratio of the number of permanent employees who left the organisation to the total number of employees is shown below.

PERSONNEL TURNOVER RATE (%) AS OF 12/31			
	2022	2021	2020
Personnel turnover rate	2%	4%	3.3%

PERSONNEL TURNOVER RATE (%) BY GENDER AS OF 12/31			
	2022	2021	2020
Men	3%	1.6%	1.65%
Women	0%	2.3%	1.65%

PERSONNEL TURNOVER RATE (%) BY AGE BRACKET AS OF 12/31			
	2022	2021	2020
< 30 years	0%	0.8%	0%
30-50 years	3%	2.3%	2.5%
> 50 years	0%	0.8%	0.8%



DIVERSITY AND INCLUSION

Valsoia promotes respect for equal opportunities and diversity as elements of value to be cultivated consistently with the principles and values expressed in the Code of Ethics and the regulations governing human rights.

In order to prevent discriminatory events of any kind, the entire Company is involved in training and awareness activities, and has specific anonymous reporting mechanisms that allow workers to report any episodes of violation of the Code of Ethics.

During 2022, no reports of any discrimination were received.

To date, the Company has not deemed it necessary to carry out specific human rights assessments in view of the fact that its activities are not carried out in areas defined as at risk.

GENDER EQUALITY

As of December 31, 2022, there were 64 women working at Valsoia, or 49% of the total personnel.

FEMALE PERSONNEL BY QUALIFICATION AS OF 12/31						
	2022		2021		2020	
	No.	%	No.	%	No.	%
Executives	3	5%	3	5%	3	5.1%
Managerial staff	5	8%	3	5%	2	3.4%
Clerical employees	55	86%	54	87%	52	88.1%
Factory workers	1	1%	2	3%	2	3.4%
TOTAL	64	100%	62	100%	59	100%

In 2022, the incidence of female managers was 27%.

INCIDENCE OF WOMEN (%) BY QUALIFICATION AS OF 12/31			
	2022	2021	2020
Women Executives compared to the total number of Executives (%)	27%	30%	30%
Women Managers on total number of Managers (%)	31%	20%	23.1%
Women Employees on total number of Employees (%)	68%	68%	67.1%
Women Workers on total number of Workers (%)	4%	8%	8.7%

In addition, in 2022, the incidence of women on the Board of Directors (see section Corporate Bodies in the Identity Chapter) was 44%.

TRAINING AND PROFESSIONAL DEVELOPMENT

Valsoia is committed to the development of professional skills through technical-professional and managerial training processes.

In 2022, a total of 1,562 hours of training were delivered, 388 of which were in HSE.

TRAINING HOURS BY TYPE AS OF 12/31			
	2022	2021	2019 - 2020
HSE (Health, Safety, Environment)	388	556	847
Sustainability & Compliance ⁽¹⁾	8	170	632.5
Language training	678	736	480
Management training, soft skills	488	655	160
TOTAL	1,562	2,117	2,120

In addition to the 1,562 hours of training shown in the table above, 200 hours of health and safety training and 106 hours of food safety training must also be considered, both of which are managed by the Technical Department. Therefore, the total number of training hours is 1,868.

MANAGEMENT TRAINING AND SOFT SKILLS PROGRAMME

A number of training courses were delivered in 2022 for Key People with the aim of strengthening managerial and relational skills.

All the initiatives have been “tailor-made”, based on the needs gathered by the individual departments, with the support of an external training structure, which supported the company in defining contents, teacher selection and composition of training recipient groups.

The topics covered in the training sessions were:

- Effective sales negotiation, dedicated to the sales force (second edition of the path started in 2021).
- Problem solving.
- Mentoring.

In addition, the company found it necessary to set up an “innovation team” internally, with the collaboration of external consultants, which has been - and will be - exposed in the future to issues focused on generating and enriching a correct mindset in highly complex contexts, aligned with the new business and social dynamics. The objective will be to train resources to read trends, intercept possible business opportunities and related risks, and to have unconventional vision and approaches that generate innovative ideas and projects to be submitted to the relevant managers for subsequent concrete implementation. These in-class training tracks also provided an important opportunity to “team up”.

Language training also continued in 2022, open to all interested employees, and made easier by the use of Microsoft Teams for remote connection.

A training course on compliance issues was designed for new hires (GDPR, Mod. 231, corporate law).

Finally, specific individual Coaching courses were delivered also during 2022.

⁽¹⁾ Code of Ethics, Mod. 231, Sustainability, Stakeholder Engagement

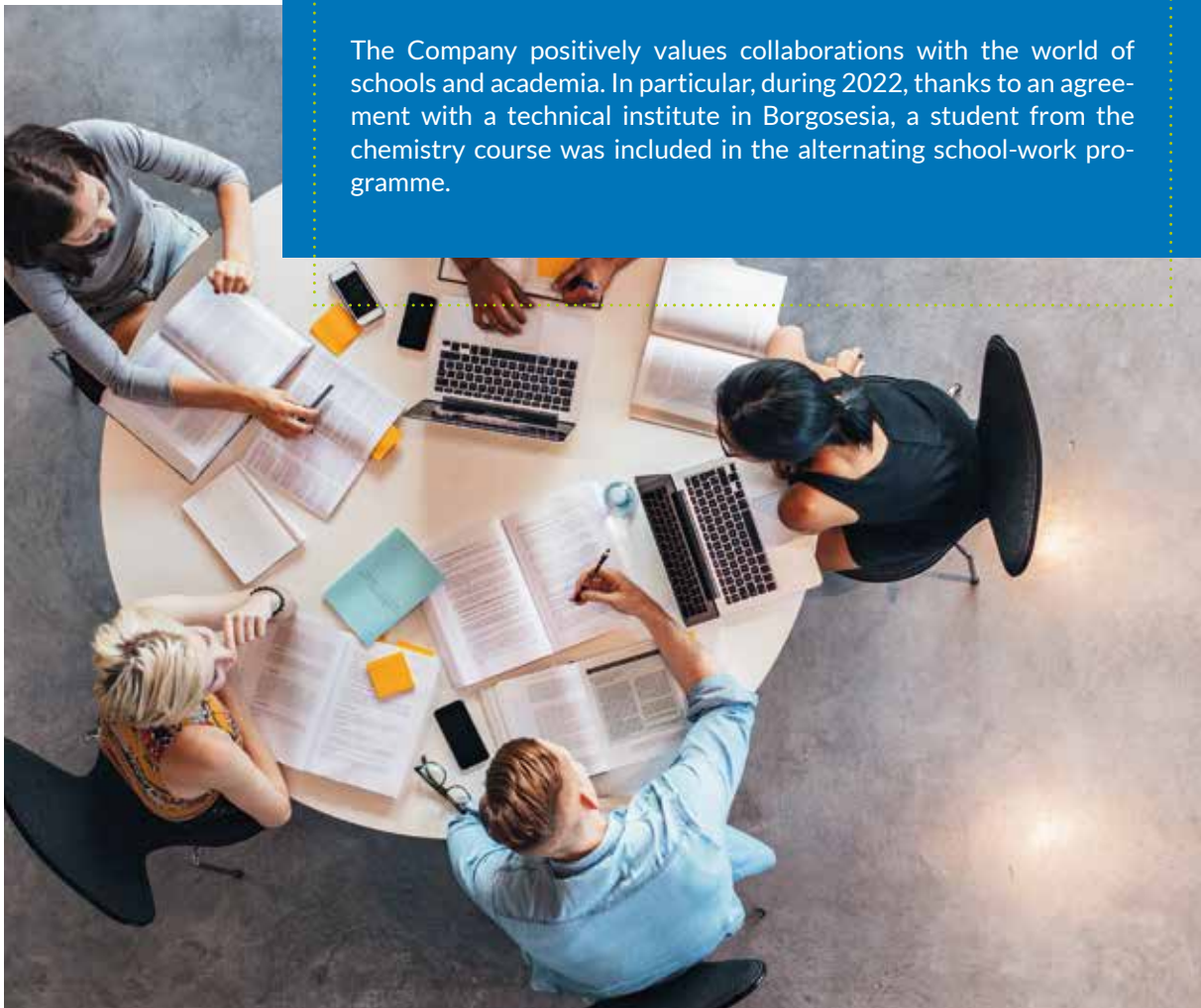
WORK ORGANISATION

Also for the year 2022, the Company continued to make use of agile work, which has been the subject of specific internal regulations since September, in accordance with the relevant legislation. The Company has therefore maintained, even beyond the emergency phase linked to the pandemic, the possibility for clerical staff to use agile work as an alternative way of executing the employment relationship.

In addition, new office space was acquired in 2022, allowing a complete reorganisation of the office layout in the Bologna headquarters. The project, which will be completed in the first quarter of 2023, was an important opportunity to strengthen engagement, giving value to the “sense” of being together in presence in larger, cosy and well-kept environments.

COLLABORATION WITH THE WORLD OF SCHOOLS AND ACADEMIA

The Company positively values collaborations with the world of schools and academia. In particular, during 2022, thanks to an agreement with a technical institute in Borgosesia, a student from the chemistry course was included in the alternating school-work programme.



HEALTH AND SAFETY

Valsoia considers health and safety in the workplace a fundamental duty, an integral part of its business and a strategic commitment with respect to the more general aims of the Company.

To this end, Valsoia has drawn up a dedicated Policy for safety and health at work that translates into making available human, instrumental and economic resources in order to ensure compliance with current legislation, prevent any situations of non-compliance and raise awareness among its staff in a logic of cooperation.

This policy has resulted in the adoption of a Safety Management System, based on INAIL Guidelines, which includes an operating manual to support safety management and annual audits.

The protection of workers, contractors and visitors is ensured through constant monitoring of work environments, the implementation of the best safety standards on machinery and equipment, and of training programmes and information activities. To this end, particular attention is paid to the choice of Personal Protective Equipment (PPE) in order to constantly check their efficiency and continuously improve their effectiveness in order to ensure higher levels of protection and comfort.

Approximately 200 hours of training and education relating to health and safety in the workplace were delivered in 2022.

In addition, the design study for the installation of a new supervision system for the critical points of the facility, consisting of thermal cameras and video cameras directed directly at the plants at greatest risk, has been completed. At the same time, the Carbon Monoxide leak detection system is being newly implemented.

Finally, the DVR (Risk Assessment Document) and related job descriptions were updated.

INDICES FOR MEASURING ACCIDENT TRENDS

Valsoia monitors accident trends, with particular reference to the Serravalle Sesia (VC) production facility, through a series of indices, the most significant of which are the Frequency Index (IF) ⁽²⁾ and the Severity Index (IG) ⁽³⁾.

ACCIDENTS AT WORK (NO.)			
	2022	2021	2020
Accidents suffered by employees (>1 day of absence, excluding commuting accidents)	0	1	0
Days lost due to accidents (excluding commuting accidents)	0	3	0
Fatal accidents	0	0	0
Cases of occupational diseases	0	0	0

INJURY FREQUENCY INDEX AT WORK (NO.)			
	2022	2021	2020
Injury Frequency Index (no.) (per million hours worked)	0	4.13	4.07

ACCIDENT SEVERITY INDEX (PER THOUSAND HOURS WORKED)			
	2022	2021	2020
Accident Severity Index (no.) (per thousand hours worked)	0	0.01	0.15

² Injury Frequency Index (IF): number of accidents/hours worked x 1,000,000 hours worked

⁽³⁾ Accident Severity Index (per thousand hours worked): total number of days of absence due to accident/hours worked x 1,000



SOCIAL AND RELATIONAL CAPITAL





Certification IFS Food Standard Level HIGH
and raw materials No GMO

Policy to ensure a high level of Food Quality and Safety

Training specific in Food Safety

Product innovation to meet new targets
and moments of consumption

25

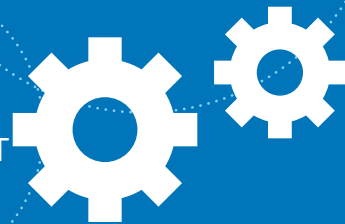
PRODUCT CATEGORIES
(IN 2022, CHILLED DESSERTS,
CHILLED PIADINAS, VALLE' MARGARINE
AND BASES WERE ADDED)

RESEARCH
ON MARKETS, BRANDS,
EVOLUTION OF STYLES
OF CONSUMPTION
AND TARGETS

4

NEW PRODUCTS
WITH "0" SUGARS

RESEARCH
AND
DEVELOPMENT
TEAM



APPROX. **270**

(thousand Euro)

OF INVESTMENTS IN THE COMMUNITY
(DONATIONS AND SPONSORSHIPS)

VALSOIA: A LEADERSHIP ENDURING MORE THAN 30 YEARS

Valsoia was created in 1990 from the idea of its founder to exploit the high nutritional properties of soya to offer a serious dietary response to the growing demand for health and well-being. The mission and continued success over time derive from the ability to cover functional needs with plant-based alternative products guaranteed by a leading brand of great reputation such as Valsoia. Over the past 10 years, the Company has also expanded its interest in Traditional Food through acquisitions and distribution of important food brands always in a leading position in its respective markets.

In decidedly non-suspected times, Valsoia was able to associate, through a mix of innovative ability and far-sighted vision, food with the concept of health and well-being, inaugurating in Italy the category of “plant-based” products.

From the outset, Valsoia has proposed an expanded portfolio, a strong differentiator compared to competitors who generally cover one or a few segments, covering all moments of consumption, from breakfast to after dinner.



MARKET POSITIONING AND OFFER PORTFOLIO

Currently, Valsoia is a leading company in the field of plant-based alternatives with the Valsoia Bontà & Salute brand. It also occupies leading or co-leading positions with the Brands: Diete.Tic, Santa Rosa, Loriana and the distributed Vallé, Oreo O's Cereal, Weetabix and Häagen-Dazs.

For consumers, Valsoia Bontà e Salute has always been synonymous with the great health food brand and has expanded its offer to include many other vegetable bases besides soya. The main plant-based alternative lines of the Valsoia Bontà e Salute brand are beverages, ice cream, desserts, yoghurt, meal solutions, sliced meats, oil, creams and sweet spreads as well as cheese alternatives.

Within the different markets (health food and traditional food), the company operates with different brands using a wide range of different raw materials; the expansion of the product range has gradually developed in parallel with innovation and the entry of new proprietary or distributed brands.

In late 2020, Valsoia acquired the Piadina Loriana brand. As of January 2022, Valsoia has started, thanks to an agreement with Vallé Italia, the exclusive distribution in Italy of the entire Vallé brand portfolio (undisputed leader in plant-based margarines). Recently, thanks to an agreement with General Mills International S.a.r.l. signed in September 2022, Valsoia started distributing Häagen-Dazs ice creams exclusively in Italy in January 2023. The Häagen-Dazs brand is a leader in the 80 countries worldwide where it is distributed.

The organisation of the Company therefore comprises 3 divisions:



COMBINING BONTÀ E SALUTE (GOODNESS AND HEALTH)

TASTY AND NUTRITIONALLY BALANCED PRODUCTS

Under the 2030 Agenda, one of the Sustainable Development Goals is SDG 3 (Health and Wellness), which aims to ensure healthy living, promoting well-being for everybody, at all ages, with particular reference to dietary patterns and the agri-food system.

With the aim of making a concrete contribution to these global challenges, Valsoia Bontà e Salute has always been committed to offering consumers tasty, safe and nutritionally balanced products from responsible supply chains.

Significant investments in research and development activities have made it possible to improve the nutritional profile of the product lines.

All nutritional reformulations were made without changing the taste of foods already appreciated by consumers.

Valsoia has always placed great emphasis on independent studies conducted in scientific research in Europe, the United States and Asia.

SUGAR REDUCTION AND HEALTHY ALTERNATIVES TO SUGAR

At the end of 2017, Valsoia began to operate on the alternative sweeteners market after the acquisition of Diète.Tic, market leader in the liquid segment.

Diète.Tic is a liquid sweetener with an exclusive patented formula designed to meet the need for sugar-free sweetening without compromising on taste or extraneous after taste. Its liquid form also makes it very functional for use in hot and cold drinks, due to its immediate solubility. Its resistance to high temperatures allows it to be used in the kitchen in the preparation of desserts. Diète.Tic is available in various formats and also in a Stevia version.

In 2019, Valsoia launched a project that involves the progressive reduction of added sugars in some of its product lines (beverages) and the launch of new product lines with reduced sugar content (light jams and no added sugar hazelnut spread - oat-based), and sugar-free content (sugar-free oat, rice and almond beverages). In 2022, Valsoia continued its efforts to reduce the total content of added sugars in its beverages, desserts and yoghurt line.

In particular, in 2022, the following were included:

- two new desserts
- a new line of 100% plant-based yoghurt alternatives
- a coconut drink

From 2015 to 2020, honouring its commitment in the important area of sugar reduction, Valsoia reduced the total added sugar content of its beverages and desserts line by 20%, a trend the Company intends to continue in the next two years.

As early as 2023, the company has in fact prepared the launch of a new Santa Rosa “zero added sugar” line, while at the same time striving to reduce the sugar content in the standard jam line as well, with the same perceived quality.

CHOOSING TO USE ONLY GMO-FREE SOYA

Valsoia has chosen to use only soya from non-genetically modified plants.

For this reason, very strict procedures are implemented at the Serravalle Sesia facility, not only in the raw material purchasing phase (countries of origin: Italy, Europe and North America), but also along the entire production chain up to the delivery of the finished product to the consumer, with the aim of preventing GMO material from becoming part of their products.

All Valsoia products comply with current GMO regulations ⁽¹⁾.

Furthermore, in order to provide more guarantees and receive confirmation of the suitability of its way of operating, Valsoia decided to submit to inspection by a specialised third-party body that would then monitor its procedures in order to certify the compliance of its products with the “non-GMO (soya, corn and derivatives)” requirement.

To date, most Valsoia products are certified by CSQA Certificazioni srl against the Non-GMO Product Certification (DTP 030 - Cert.n°2142).

MILK-, DAIRY- AND GLUTEN-FREE DIET

Valsoia does not use cow’s milk or milk derivatives in the formulation of its products. The entire production chain is supervised and controlled in order to avoid contamination by cow’s milk, from the purchase of raw materials to the production and packaging of the finished products.

EVOLUTION OF STYLES OF FOOD CONSUMPTION AND FOOD TRENDS

Valsoia has always placed the consumer and brands at the centre of its work.

Great attention is paid to the dynamics of lifestyles and consumption, market trends and competition.

The changes in the market over the last decade and the emerging trends are significant.

Despite the well-established culinary tradition, most Italians report that both the way of cooking and the criteria for choosing ingredients have changed radically in the last decade. The main reason is the growing preference for cooking with fresh ingredients and conscious consumption.

⁽¹⁾ EC Regulations 1829/2003 and 1830/2003 that require the producer using GMO to highlight the presence of GMO on the label. Of course, none of the Valsoia labels mention the presence of GMO.

THE GROWTH OF PLANT-BASED PRODUCTS

Plant-based products now cover many product categories, with an offer that, as in the case of Valsoia, caters to everyone's taste and fits into every moment of the day. Today's consumers are well informed and know the benefits of a varied and balanced diet, rich in vegetables, cereals, whole foods and fruit. Benefits not only for one's own health, but also for that of the planet. This is why, in recent years, plant-based products have conquered many households, reaching around 22 million consumers.

Plant-based products, according to research conducted by BVA-Doxa, are chosen mainly for their nutritional value but also for their perceived level of quality achieved.

Another feature that drives the consumption of plant-based products, especially among younger people, is the sustainable profile of these foods: one consumer in two appreciates their eco-friendly nature, with one of the lowest ecological footprints in the food world (for 47% of respondents), while 46% of the sample appreciate them for the fact that production requires less use of natural resources - soil, water and energy - than other foods.

The orientation towards plant-based foods is a real macro-trend, which is also highlighted in the Food Report 2023 of the Zukunftsinstitut in Frankfurt, one of Germany's leading research institutes on issues concerning the future. For several years, reports dedicated to the topic of food trends and innovations have recorded and predicted a growth in veganism, with an increasing tendency to offer vegan versions of traditional recipes. The reasons for these choices range from a greater focus on health (7 out of 10 Italians consider veg foods to help them increase their vegetable consumption) to a commitment to a more environmentally sustainable diet.

Thoughts on food systems stimulated by the pandemic and the difficulties in the supply of raw materials caused by the war in Ukraine have triggered habits that could strengthen trends in support of plant-based alternative food diets.

FOOD: WORLD TRENDS

Plant-based proteins, oriental infusions and herbs, spices, alcohol-free drinks, dark kitchens and ethical farming. These are just some of the global food trends predicted for the future. Research points to a food perspective more focused on healthier and more sustainable foods.

This was confirmed by the Birdseye report, carried out in 2022 by Twitter and Talkwalker. ⁽²⁾

Plant proteins are one of the main trends of 2022. According to the report, 87.8% of the conversations about food are about increased consumer interest in plant-based proteins.

Another sensitive topic is the sustainable packaging of foodstuffs, especially those intended for take-away or home delivery. Consumers demand environmentally friendly solutions, with biodegradable and sustainable packaging, compostable or edible straws, reusable bags and containers, and natural and recyclable food films.

Attention to healthy eating habits is the third trend highlighted by the Twitter Birdseye Report. The analysis of the tweets indicated that sensitivity to different types of diets, from ketogenic to the Mediterranean diet, the Paleolithic diet, veganism and intermittent fasting, is steadily increasing.

⁽²⁾ World's number one consumer intelligence multinational assisting with proprietary AI-based listening technology (artificial intelligence) over 2,500 brands, including those in the food sector, on Customer, Social and Market Intelligence.

RESPONSIBILITY TOWARDS CONSUMERS

Valsoia has always been responsible to its consumers for ensuring high levels of quality and safety of its products, indispensable requirements guaranteed by the control of all stages of the production chain, from the control of raw materials to distribution to points of sale.

To achieve this goal, the people in the Quality Assurance team of the Technical Department operating within the Serravalle Sesia (VC) facility dedicate themselves every day to conducting and improving the quality and food safety management system, overseeing all stages of the supply chain with prevention and control actions.

FOOD SAFETY MANAGEMENT SYSTEM AND POLICIES

The adoption of a food safety management system, based on strict company principles and methods, represents a concrete commitment that Valsoia makes daily towards Consumers, to guarantee good and safe products, in every country where it operates.

The quality and food safety management system makes it possible to identify and prevent possible risks related to products, raw materials, packaging materials and the production environment. The food quality and safety management system consists of principles, objectives and qualitative and quantitative performance indicators, the latter being systematically verified through rigorous monitoring procedures and continuous improvement plans.





FOOD MANAGEMENT SYSTEM (IFS) CERTIFICATION

In 2016, Valsoia was awarded IFS⁽³⁾ Certification, food management system and food chain quality standard.

As far as soy raw material is concerned, Valsoia has chosen not to use genetically modified soy. For this reason, special control procedures have been put in place that involve the careful selection of suppliers and GMO analysis of all batches of raw materials purchased which contain or are derived from soy beans and corn.

In 2022, the Company retained its IFS Certification at HIGH level, thus ensuring high accuracy and quality of food controls carried out on products.

In order to offer more guarantees to consumers regarding the Non-GMO label, Valsoia has obtained the Non-GMO Product Certification⁽⁴⁾, which currently covers soy and corn.

The activities that Valsoia's Quality Assurance team systematically carries out to increase the level of consumer safety include raw material checks, product tests on individual finished products, internal audits on compliance with the IFS standard and supplier audits.



⁽³⁾ IFS Food Standard (Level HIGH), a quality standard for the food chain.

⁽⁴⁾ DTP 030, Cert. No. 2142 first issued on December 19, 2003.

FOOD SAFETY REQUIREMENTS AND PREVENTION ACTIVITIES

The Quality Assurance team of the Technical Department also carries out a systematic prevention activity towards Co-Packers on the basis of carefully detailed product specifications within specific Technical Specifications, which include rigorous food safety requirements.

Each internal and external production batch is subjected to analyses on allergens, aimed at ensuring the absence of allergens (including gluten) in compliance with current legislation on labeling Reg. EC 1169/11, and to protect all allergic consumers.

CHARACTERISTICS VERIFIED BY VALSOIA



CHEMICAL-PHYSICAL CHARACTERISTICS

Composition of the finished product at the time of production



MICROBIOLOGICAL CHARACTERISTICS

Microbiological stability and pathogenic micro-organisms (absence of pathogenic micro-organisms and their toxins)



QUALITY ASSURANCE ASPECTS

Allergens



HYGIENE AND SAFETY ASPECTS

Contaminants and pesticides



SENSORY CHARACTERISTICS

Appearance, texture, taste and smell

INTERNAL FOOD SAFETY TRAINING

The policies and the Food Safety Management System envisage continuous training activities, which include both internal training aimed at employees and external training at training institutions or specific training opportunities on the subject.

In 2022, a total of 106 hours of training on Food Safety issues were carried out. The figure also includes the training provided by QA staff.

TRAINING HOURS AS OF 12/31			
	2022	2021	2020
Total hours of Food Safety Training	106	28	15.5

PACKAGING AND PLASTIC REDUCTION

Packaging represents one of Valsoia's areas of attention. In this regard, the Company has long since started plastic reduction initiatives by setting up an internal cross-functional team.

In terms of sustainability, packaging is crucial for preserving the product's useful life and extending it. Food packaging continuously evolves and its functions are becoming increasingly more diversified and integrated: to protect food from the environment and the environment from food, to convey information to consumers and to perform the functions of preservation, transport and distribution of products in a sustainable manner.

Plastic packaging provides consumers and the product with a number of benefits, including: preserving the product, preventing waste, ensuring safety and hygiene, and facilitating transport.

Valsoia has recently investigated and evaluated a variety of options for the packaging of its products, focusing on the potential use of plastic materials obtained from post-consumption, in view of the circular economy.

In 2022, Valsoia is committed to the progressive reduction of plastic for Diete.Tic's secondary packaging consisting of the blister pack.

Currently, research and development is evaluating new environmentally sustainable plastic materials to make recyclable packaging, increasingly reducing the use of plastic also for the packaging of some Valsoia Bontà e Salute brand lines.

RELATIONS WITH THE COMMUNITY AND THE TERRITORY

Valsoia responsibly assumes an active role of support and collaboration towards the territories and communities in which it operates.

Valsoia' commitment to the community is brought to fruition through:

- donations, aimed at coping with temporary difficult situations of territories and people with significant situations of economic and social vulnerability;
- sponsorships, in support of projects with a positive impact on the country.

In 2022, the Company used a budget of approximately 270 thousand Euro to social investments, of which:

- 85% are investments in the cultural, social and scientific community, characterised by long-term plans and/or strategic partnerships with significant amounts. This is a stable share that constitutes the largest part of the liberal donations, demonstrating a characterisation geared towards long-term collaboration that can guarantee real benefit and value for the country;
- 8% are commercial initiatives (sponsorships) that contribute to social causes while promoting Valsoia's business;
- the remaining 7% is constituted by small-amount donations that are occasional and of smaller amounts.

Stable collaborations and partnerships include those with the Bologna Festival Association, the Casa dei Risvegli Luca de Nigris of Bologna and the Centro San Domenico in Bologna, the ICA Milan Foundation and the Banco Alimentare Onlus Foundation. Precisely in regard to the latter, Valsoia donated part of its products on the occasion of the National Food Collection Day, for 25 years the most popular solidarity event in Italy.

Non-recurring but certainly relevant collaborations include one with the Piccolo Teatro in Milan and Sole-terre Onlus, and in 2023 one with the Fondazione Istituto Ortopedico Rizzoli in Bologna.

In 2022, support continued to the project "Cucine Popolari" [Popular Kitchens] by the CiviBo Association of Bologna, which carries out voluntary work intended as an expression of participation, solidarity and pluralism, predominantly to socially distressed parties.

Sponsorships include the recurring one with San Patrignano and the one for the production of the film "MODERNISSIMO - Storie di notti bolognesi, di musicisti, di giornalisti e di altri Biassanot di una città che non andava mai a letto" by Paolo Muran.



NATURAL CAPITAL





ISO 50001:2018

ENERGY MANAGEMENT SYSTEM



approx. 50

(thousand GJ/year)

ENERGY CONSUMPTION
OF THE ORGANISATION



417

(thousand m³/year)

WATER USAGE
IN PRODUCTION PROCESSES



8.9

(Kg/ton)

QUANTITY OF WASTE
PER TONNE OF PRODUCT
GENERATED AT THE FACILITY



5,392

(ton/year)

QUANTITY OF BY-PRODUCT
OF OKARA AND OKIRA PRODUCTION
GIVEN TO REUSE

EFFECTS OF THE CONTRIBUTION TO THE REUSE OF THE BY-PRODUCT OKARA

16,000 CUBIC METRES OF BIOMETHANE
AND SAVING OF

25 ton CO₂

MANAGEMENT OF DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

Valsoia has identified the following material aspects to assess the environmental impacts resulting from its activities:

ENERGY EFFICIENCY

To reduce energy consumption associated with the various components of the production processes at the Serravalle (VC) facility.

CONTROL OF EMISSIONS INTO THE ATMOSPHERE ⁽¹⁾ AND MONITORING OF GAS USED IN THE COLD CHAIN

SANITISER MANAGEMENT

For the reduction of environmental impacts and the protection of safety at work.

USE AND MANAGEMENT OF WATER RESOURCES AND PROTECTION OF BIODIVERSITY

Regarding the use of water resources in production processes, and the treatment of waste water and monitoring of discharges to surface water bodies.

Environmental issues are managed by the Technical Department, which includes the Facility Manager, Quality Assurance, Quality Control and the Research and Development Team.

The Plant Manager reports to the Technical Director, with the exception of the Safety, for which directly the Chief Executive Officer is responsible.

The main risks linked to environmental protection therefore concern the lack of energy efficiency actions and consequent increase in energy costs, the impacts deriving from atmospheric emissions of CO₂ and NO_x ⁽²⁾, from the use of sanitisers, and, finally, from water discharges onto surface water bodies.

Consequently, it is necessary to constantly monitor the production facility's energy consumption and performance indicators, keep CO₂ and NO_x emissions into the atmosphere under control, monitor the circulation of NH₃ gas used in the cold chain, control the use of sanitisers, and, finally, monitor water discharges into surface water bodies.

The Company has surveyed and classified all operational risks related to production processes within the General Risk Assessment Document (G.R.D.), updated in 2018. The document is linked to the specific, regularly updated G.R.D., drawn up to manage all the areas of risk envisaged within the production facility.

In 2022, as in previous years, no environmental incidents were reported.

⁽¹⁾ Atmospheric emissions are produced by steam generators and the hot water generator used in the production processes at the Serravalle Sesia (VC) facility.

⁽²⁾ The term NO_x is used generically to refer to the two most important nitrogen oxides in air pollution i.e. nitrogen oxide NO and nitrogen dioxide NO₂ that are normally generated during combustion using air.

ENERGY EFFICIENCY

In 2010, Valsoia adopted the reference standard ISO 50001:2011 as its Management System for energy saving, energy efficiency and improvement of overall energy performance, fundamental objectives for the company's competitiveness.

The Energy Management System (EMS) is extended to the production unit of Serravalle Sesia (VC), with regard to the energy uses of the production plants, offices and internal areas of the production unit. The Bologna HQ is excluded from the EMS.

This certification was born of the need to monitor all the energy indices (EPI⁽³⁾) of the facility, in order to monitor and optimise consumption in the various stages of processing and production.

The Technical Management Team monitors energy consumption, through daily, weekly and monthly reports, containing the main and most significant energy indicators (EPI), which are submitted to the General Management.

The same team performs an annual Internal Audit, followed by an External Audit conducted by a Certification Body.

In the year 2022 on 26/05, Valsoia obtained the renewal of the ISO 50001:2018 Certification.

Valsoia has demonstrated that it is an organisation committed to the implementation of the EMS, used as a management tool and applied operationally. The technical expertise of the Energy Team members has effectively achieved energy consumption optimisation. The entire management structure is motivated to achieve real energy savings goals.



⁽³⁾ EPI - Energy Performance Index.

ENERGY POLICY

Valsoia considers energy saving, energy efficiency and the improvement of overall energy performance as fundamental objectives to be pursued in order to support efficiency and business competitiveness.

In order to achieve those objectives, Valsoia is committed to:

Assume and strengthen own awareness of the importance
of **efficient and correct use of energy resources**

Progressively improving the **Company's performance related to energy use**

Ensuring that its Energy Management System is adequate with respect
to the **scale and type of its energy use and consumption**

Ensuring the availability of **necessary and appropriate human, economic and technological resources**

Ensuring availability of **information, skills and technical/management knowledge**

Ensuring full **compliance with the mandatory regulations applicable to all energy-related issues**

Tending to the best **available technologies (BTA)**, management solutions, etc... to improve the
energy performance, consistent with the company's development strategy

Ensuring the periodic **review of the system** and adherence to the timeline related to
planned improvement actions

Collaborate with suppliers so that they too ensure maximum energy efficiency

Disseminate and raise awareness among all staff, according to role and function, in order to
empower and shar the benefits of more efficient energy management

ENERGY MODEL OF THE FACILITY

The Energy Model has been defined in the context of the EMS, by identifying the relevant components of the Energy Structure of the Facility: Main Activities (ESL-Rice Extracts, ERL/AVENA-Rice Extracts, Ice Cream), Ancillary Services (Compressed Air, Power Plant-Electrical Uses, Wells, Ammonia Compression, Thermal Plant), and General Services (Heating).

ENERGY CONSUMPTION OF THE ORGANISATION

Energy consumption at the Serravalle Sesia facility is both electrical and thermal. The departments involved are those of plant based raw material extraction (soy/rice/oats) and the ice cream production.

The extracts production department conducts hot production with a high consumption of thermal energy (in addition to the electrical energy used to operate each single machines); vice versa the ice cream production mainly consumes electrical energy, necessary for the operation of compressors ⁽⁴⁾.

A residual 10% of the thermal energy produced by the facility is used to pasteurise⁽⁵⁾ the mixtures used in the production of ice cream.

The following table shows the organisation’s energy consumption expressed in GJ ⁽⁶⁾.

ORGANIZATION'S ENERGY CONSUMPTION (GJ) AS OF DEC 31.			
	2022	2021	2020
Consumption of non-renewable fuels			
Natural gas (Methane)	33,491.225	34,337.032	34,174.059
Electricity			
From non-renewable sources (Production Facility in Serravalle Sesia)	8,491	9,216.84	9,281.27
From non-renewable sources (Bologna Headquarters)	226.13	233.95	268.16
From renewable sources (Production Facility in Serravalle Sesia) ⁽¹⁾	7,528.9	6,022.88	6,041.4
From renewable sources (Bologna Headquarter) ⁽¹⁾	191.24	143.88	164.3
TOTAL	49,928.5	49,954.58	49,929.19

⁽¹⁾ The values of electricity consumption from renewable sources measured for the Serravalle Sesia (VC) facility are obtained by summing the consumption of the photovoltaic system with the share of renewable energy supplied by the Energy Operator. The same calculation criterion has also been applied to the Bologna Headquarters.

Inside the facility, there is a small photovoltaic system built in 2011, with a power of 100 KW peak in self-consumption. In the year 2022, it generated 96,692 kWh.

In the year 2022, continuous supervision of extraction yields in the extract department resulted in a 2% reduction in specific consumption expressed in kWh per litre of extract produced.

⁽⁴⁾ Compressors are used to generate the cold energy indispensable for the production of ice cream and its preservation.

⁽⁵⁾ Heat treatment necessary for the removal of undesirable micro-organisms in the finished product.

⁽⁶⁾ The following conversion factors were used to calculate the organisation's energy consumption expressed in GJ: Natural Gas Conversion Factor (DEFRA 2021) GJ/mc=0.036024, Electricity Conversion Factor GJ/KWh=0.0036.



ATMOSPHERIC EMISSIONS AND MONITORING OF THE COLD CHAIN

ATMOSPHERIC EMISSIONS

Atmospheric emissions concern fuel gas and any dust produced by food processing, and are created by the steam generators and the hot water generator used in production processes at the Serravalle Sesia (VC) facility.

The Company has assessed these risks and defined the appropriate mitigation actions, adopting a series of specific prescriptions.

In 2015, the Company obtained the Single Environmental Authorisation (AUA), which authorises atmospheric emissions through the adoption of stringent specific requirements.

Valsoia has in place a maintenance contract, renewed annually, with the companies that supply the generators ⁽⁷⁾, which provides for the rigorous monitoring of CO (carbon monoxide) and NO₂ (nitrogen oxide) emissions as reference control parameters required by current legislation.

Atmospheric emissions means “any solid, liquid, or gaseous substance introduced into the atmosphere that may cause atmospheric pollution” and “ducted emission means the emission of an effluent made through one or more designated points”.

Atmospheric emissions represent one of the issues with greatest environmental impact generated by industrial plants, and are regulated by Part V of Legislative Decree no. 152/2006 (Consolidated Environmental Act), which deals with their prevention and limitation. In particular, Art. 269 of Legislative Decree no. 152/2006, paragraph 1, envisages that all establishments that produce emissions into the atmosphere must obtain a specific authorisation.

⁽⁷⁾ At the Serravalle facility, there are 3 heat generators, 2 of which used for the production of steam necessary for extraction processes and for the preparation of semi-finished ice-cream products, and 1 used to generate hot water necessary to maintain some raw materials at a controlled temperature, and to serve some departments.

COLD CHAIN MONITORING

Valsoia constantly monitors the refrigeration plant and all its connected components, as well as the refrigerant gas used in the cold chain, by means of specific safety measures installed on the machinery, on the equipment connected to it and on the distribution lines of a variety of equipment that requires refrigerant fluid.

The cold chain is a closed-loop manufacturing process, and, therefore, does not have a health and safety impact on workers. As required by current regulations, the components related to cold production are constantly monitored through checks on safety valves, on the integrity of the equipment, and magneto-scopic or acoustic inspections conducted by accredited bodies. At the same time, all the people in charge of plant management, in addition to being licensed to operate, are subject to constant health surveillance, education and training.

As an additional guarantee of the perfect conditions of plant efficiency and surveillance, Valsoia's Technical Management has entered into a maintenance contract with a specialised company with 24/7 call-out.

SANITISER MANAGEMENT

A new facility with an automated, centralised sanitiser management system was put in operation in February 2021.

This has led to significant improvements both in terms of the environment, with the elimination of plastic, and in terms of safety at work, with the reduction of the specific chemical risk for each task and the significant reduction of manual handling of loads.

USE AND MANAGEMENT OF WATER RESOURCES AND PROTECTION OF BIODIVERSITY

Valsoia uses two proprietary wells from which water is collected from a depth of about 40-60 metres. One of the two wells provides potable water from the source⁽⁸⁾, while the other water that is made potable through specific treatment. Microbiological analyses of the latter water source, are performed periodically on a frequent basis.

The water collected is used in all the activities carried out by the Company, whether they are productive, for technological use or for facility services.

Work was carried out on the pumping station of one of the two drinking water wells in use (for both production and technological purposes), which led to a 10% reduction on an annual basis in the specific consumption expressed in kWh/mc of water withdrawn, bringing it to 0.477 kWh/mc.

An investment is also planned in 2023 to complete the above intervention, replacing the current pumps with new ones of a different size and equipped with specific inverters allowing modulation and alternating operation in relation to the desired pressure; a further 5% reduction is expected from this intervention. Approximately 417,000 cubic metres of water per year are used, extracted by pumps that record an energy consumption of 0.53 KW/cubic metre of extracted water.

The following table shows annual water consumption details, broken down by type of use.

WATER CONSUMPTION (COLLECTION CM/YEAR) AS OF DECEMBER 31				
	2022	%	2021	%
Processing activities and technological use				
Production of semi-finished products	53,000		40,000	
Steam Generation	46,000		46,000	
Technological use (compressors cooling)	98,000		86,000	
Total processing activities and technological use	197,000	47%	172,000	46%
Facility services				
Sanitisation of production facilities, washing, defrosting	220,000		199,000	
Total sanitisation of production facilities and general cleaning	220,000	53%	199,000	54%
Total	417,000	100%	371,000	100%

As can be seen from the table, 47% of water resources are used for manufacturing processes and technological purposes, while the remaining 53% is used to sanitise production facilities, washing and de-icing processes.

The increase in water consumption 2022 vs. 2021 results from a higher production of semi-finished prod-

⁽⁸⁾ A potability analysis is performed periodically, in accordance with the provisions of the competent LHA.

ucts in the ice cream department. As a result, consumption for processing and technological use as well as for facility services increased.

Part of the water used to cool the compressors (technological use) is recovered and sent to the evaporative towers, as needed for the completion of the condensation phase of the refrigerant gas; the remaining part is discharged into surface water and naturally reintegrated into the environment.

Water defined as waste water from plant services (220,000 cubic metres/year), is sent to the Consortium for waste water disposal.

Valsoia has obtained a Single Environmental Authorisation (AUA)⁽⁹⁾ for the discharge of waste water from processing (collected by a water treatment consortium) and water for technological use⁽¹⁰⁾.

The water resources used for the production processes, for technological purposes and purification are constantly monitored both through analyses performed by accredited external laboratories and through internal control systems, paying particular attention to the portion of water used for cooling the refrigeration compressors and reintroduced into surface water bodies. These steps are important to avoid the release of substances harmful to aquatic fauna and flora.

WATER CONSUMPTION OPTIMISATION INITIATIVES

In 2021, Valsoia launched a feasibility study, currently near completion, that will involve innovation in the defrosting process of the refrigerated cars in the refrigerated warehouses. This innovation consists in exploiting the existing refrigeration gas coming from the outlet of the cooling cycle, at a temperature of about 80°C, and injecting it directly into the cooling cars. This process offers the following advantages: it is no longer necessary to collect water from wells for this operation, thus achieving higher efficiency resulting from the use of existing heat from the refrigeration gas.

An additional indirect benefit consists in the reduction of water collection from wells for this operation, thus producing a saving in water consumption estimated at 8,000 cubic metres/year, equal to 2.6%. In addition to lower water consumption, there will also be an increase in the efficiency of the defrosting process, and, consequently, a reduction in energy consumption for the recovery of degrees lost during the defrost phase.

The innovation intervention described above ended in December 2022 and came into force at the beginning of 2023.

⁽⁹⁾ Issued by the Single Desk for Production Activities of Serravalle Sesia (VC).

⁽¹⁰⁾ Water for technology use is monitored by immersion sensors with surface discharge.

CARBON FOOTPRINT

In recent years, environmental issues have become increasingly central to the international debate. With it, in the reflections on the future of the Planet, the concept of Carbon Footprint has also gained great relevance, which refers to the parameter that is used to estimate the greenhouse gas emissions associated with a product, a service, an organisation, an event or an individual.

In 2021 Valsoia, in collaboration with a specialised partner, launched a Life Cycle Assessment (LCA) analysis of the Valsoia Beverages (rice, oats, soy, almond, coconut, walnut), with the objective of assessing the environmental impacts according to the requirements of the ISO 14040 ⁽¹¹⁾ and ISO 14044 ⁽¹²⁾ and PCR 2019:10 ⁽¹³⁾, analysing the life cycle of beverages packaged in one or more formats of the Ambient Line and Chilled Line.

Specifically, the LCA study examines a total of 19 products. The reference unit of analysis is 1 litre of beverage packaged in its own format.

The scope of the assessment will be “cradle-to-grave” and include the phases of cultivation, production of the raw material, packaging, distribution to end customers, transportation, refrigeration of the beverage to consumers, and, finally, the end-of-life disposal of the primary packaging of the beverage.

The LCA (Life Cycle Assessment) methodology allows the identification and calculation of all the input/output flows of materials and energy that come into play during the single phases of a product’s life.

In the course of 2022, compared to an initial planning, the environmental impact of rice drinks was analysed. An analysis of the impacts of other beverages will be completed in 2023. The next step, planned for 2024, will be to certify the data through a third party.

The greenhouse gases just mentioned are present in the Earth’s atmosphere and can regulate the Planet’s global temperature. In fact, they can accumulate inside the Earth’s atmosphere a part of the thermal energy coming from the Sun, allowing radiation to penetrate and hindering the exit of the infrared radiation that is re-emitted from the Earth’s surface.

The effect that these particular gases generate is called the “greenhouse effect”, which plays a decisive role in determining the best conditions for living on planet Earth. However, human actions over the years have led to a great increase of greenhouse gases on Earth, causing an alteration of the thermal balance of the Planet due its overheating. This process generated and continues to generate devastating consequences for the environment and climate.

The Carbon Footprint is a particular measure, generally expressed in tons of carbon dioxide equivalent (tCO₂e), which indicates the total greenhouse gas emissions associated directly or indirectly with a product, service, organisation, event, or individual. The carbon footprint can be used to determine the impact that emissions have on those climate changes whose origin is anthropogenic (i.e., man-made).

⁽¹¹⁾ UNI EN ISO 14040:2021, *Environmental management - Life Cycle Assessment - Principles and framework.*

⁽¹²⁾ UNI EN ISO 14044:2021, *Environmental Management - Life Cycle Assessment - Requirements and Guidelines.*

⁽¹³⁾ PCR 2019:10 *'Prepared and preserved vegetable and fruit products, including juice'.*

WASTE MANAGEMENT

Valsoia condemns illegal waste trafficking in any form, promoting instead the strict observance of the law, also in relation to communication requirements, bookkeeping and the storage of forms, certificates, waste classification and, in general, any waste-related documentation.

Waste management (including the collection, transport, recovery, disposal, trade and intermediation of waste) is carried out in strict compliance with the law, the prescribed permits and through authorised companies.

During 2021, following the new provisions of Law 41/2021 on waste, which set the deadline of May 31 as the date by which the Company had to select a provider for the management of its municipal waste, Valsoia undertook a series of actions aimed at managing waste in accordance with the law and in an efficient manner.

Law 41/2021 set a deadline of May 31 for companies to formally communicate their waste disposal, in accordance with the following criteria:

- Waste from processing, storage, transit areas, entrusted to an exclusively private operator.
- Waste from canteens, toilets, changing rooms and offices with the choice between maintaining public service or also entrusted to a private operator.

The collection and disposal of hazardous waste remains unchanged.

In particular, Valsoia commissioned a specialised company to conduct a waste audit in order to verify the current methods of managing its waste, and to identify any improvements to be made.

On the basis of the evidence that emerged, the Company formally terminated the services provided by a public operator and identified a new manager for collection, identifying two macro-types of special waste: waste that cannot be used for consumption or processing (EWC Code 020304) and packaging in mixed materials and packaging in composite materials (EWC Codes 150106/150105).

The two types of waste are sorted on site through a compacting container and a closed container for wet waste.

Waste managed within the Serravalle Sesia Facility is classified as:

HAZARDOUS WASTE	NON-HAZARDOUS WASTE
Represented by waste oils (mineral oil waste for motors, gears and lubrication), chemical, neon and other containers, collected in a special drum with containment basin.	Represented by cardboard packaging, plastic, mixed materials, organic matter waste from soya (okara) and from rice and oats (okira), toner cartridges for printers.

In 2022, waste generation amounted to 284,580 kg, down from 2021 (-14 %). The quantity shown in the table does not include waste consisting of excavation earth, amounting to 1,762,140 kg, produced in the expansion activities of the Facility.

WASTE AS OF DECEMBER 31 (KG) (*)			
	2022	2021	2020
Total waste (non-hazardous + hazardous)	284,580	331,210	372,297

The information provided in the above table has been determined on the basis of actual data for the Ser-ravalle facility.

NON-HAZARDOUS WASTE PRODUCTION (KG)			
	2022	2021	2020
Solid waste recovery from settling tank	59,740	73,060	100,000
Testing materials	53,560	55,620	71,020
Cardboard	51,520	59,640	59,070
Plastic	37,120	41,540	46,820
Wood	10,620	15,120	23,380
Mixed packaging	67,240	52,760	45,140
Electrical appliances	420	700	5,040
Ferrous scrap	600	2,100	2,000
Sludge	0	2,000	5,000
Mixed construction/demolition waste	3,760	27,180	
Excavated earth			13,420
Total non-hazardous waste	284,580	329,720	370,890

HAZARDOUS WASTE PRODUCTION (KG)			
	2022	2021	2020
Chemical containers	110	50	
Antifreeze (Glycol)			
Polyurethane			620
Neon		10	15
Lab	515	540	252
Blotting paper	60	90	60
Spent oils	1,100	800	460
Total Hazardous Waste	1,785	1,490	1,407

The incidence of hazardous waste is 0.6% of the overall total of waste generated.

Finally, considering the quantities of products manufactured in the Facility (Beverages, Ice Cream and Fermented Foods, Diets.Tic), the total amount of waste is about 8.9 kg/tonne.

REUSE OF PRODUCTION BY-PRODUCTS

The production processes of soya, rice and oat extracts generate organic waste that can no longer be reused within the Facility. Specifically, in 2021, the production of soy bean extract, which is the Facility's main processing, generated 4,950.3 tons of insoluble by-product (Okara) and 441.5 tons of rice and oat extracts by-product (Okira), for a total quantity of 5,392 tonnes, in line with the 2021 values (5,380 tonnes).

For some time, Valsoia has been adopting a circular economy approach, currently conferring these quantities to partners that destine by-products to livestock use.

Starting in 2021, Valsoia's Technical Management launched a project initiative that aims to explore further possible solutions for the reuse of its production by-products, such as the generation of biomethane, by exploiting the methane waste power, and for other uses in the livestock sector.

In 2022, 2% of the production by-product quantity was sent to Biomethane generation plants. By 2023, the target is 5%.

The circular economy is a system in which all activities are organised so that potential waste is continually transformed and reused; this model is opposed to the linear economy, in which products have a life cycle at the end of which they become waste to be disposed of.

There are many studies and literature which underscore the significance of the contribution of the circular economy to emissions reduction.

The European Commission, in its recent Action Plan for the Circular Economy, stresses that a circular economy model based on reducing and extending the use and re-use of resources and the use of regenerative raw materials is crucial to significantly reducing greenhouse gas emissions, as well as achieving energy savings and reducing the use of fossil energy.

Finally, Valsoia received from Biological Care ⁽¹⁴⁾ the CO₂ savings certificate for the year 2022. The "Biological Care Award" recognises and makes tangible the company's contribution to reducing greenhouse gases and creating a more sustainable future for our planet.



⁽¹⁴⁾ Biological Care has always worked to promote the production of renewable energy by selecting residual biomass from the agro-industrial supply chain, ensuring its traceability and distributing the by-products to plants producing biogas and biomethane.

GRI PERFORMANCE INDICATORS

Statement of use	Valsoia has reported in this non-financial disclosure the information contained in the GRI Content Index for the period 01/01/2022 - 31/12/2022 according to the option "with reference to GRI Standards"
GRI 1	GRI 1: Foundation 2021

GRI Sustainability Reporting Standard		Chapter	Notes
GENERAL DISCLOSURES			
GRI 2: General Disclosure 2021			
2-1	Organisational details	Human Capital	
2-2	Entities included in the organisation's sustainability reporting	Methodology Note	
2-3	Reporting period, frequency and point of contact	Methodology Note	
2-4	Information restatements	Methodology Note	Third year of release the Sustainability Report
2-6	Activities, value chain and other business relations	Identity and Governance, Social and Relational Capital	
2-7	Employees	Methodology Note	
2-8	Non-employees	Human Capital	
2-9	Governance structure and composition	Identity and Governance	
2-10	Appointment and selection of the highest governing bodies	Identity and Governance	
2-11	Chair of the Highest Governing Body	Identity and Governance	
2-12	Role of the Highest Governing Body in the supervision of impacts	Identity and Governance	
2-13	Delegation of responsibility for impact management	Identity and Governance	
2-14	Role of the Highest Governing Body in reporting of sustainability	Identity and Governance	
2-15	Conflicts of interest	Identity and Governance	The Code of Ethics states the prohibition of acting in conflict of interest
2-17	Collective awareness of the Highest Governing Body	Identity and Governance	
2-18	Performance evaluation of the Highest Governing Body	Identity and Governance	
2-19	Remuneration policies		Information currently not reported
2-20	Process for determining remuneration		Information currently not reported
2-21	Ratio of total annual fees		Information currently not reported
2-22	Statement on the sustainable development strategy	Valsoia Sustainability Agenda	
2-23	Commitments in policies	Valsoia Sustainability Agenda	
2-24	Integration of commitments in policies	Valsoia Sustainability Agenda	

2-26	Mechanisms for consultation and expression of doubts	Valsoia Sustainability Agenda	
2-28	Associations	Valsoia Sustainability Agenda	
2-29	Stakeholder engagement approach	Valsoia Sustainability Agenda	
2-30	Collective bargaining agreements		N.A.

MATERIAL TOPICS

GRI 3: Material topics 2021

3-1	Process for determining material topics	Valsoia Sustainability Agenda	
3-2	List of material topics	Valsoia Sustainability Agenda	

ECONOMIC PERFORMANCE

GRI 201: Economic Performance 2016

201-1	Economic value directly generated and distributed	Economic and Financial Capital	
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PROCUREMENT PRACTICES

GRI 204: Procurement practices 2016

204-1	Proportion of spending on local suppliers	Economic and Financial Capital	
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ETHICAL CONDUCT

GRI 205: Anti-corruption 2016

205-2	Communication and training on anti-corruption policies and procedures	Identity and governance	Present Code of Ethics and Model 231, approved by the Board, with compulsory training
205-3	Established incidents of corruption and actions taken	Identity and governance	No cases of corruption were detected in the reporting period under review

GRI 206: Anti-competitive conduct 2016

206-1	Actions for anti-competitive behaviour, antitrust and monopolistic practices	Identity and governance	No legal action for anti-competitive behaviour or antitrust violations
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TAXES

GRI 3: Material topics 2021

3-3	Management of material topics	Economic and Financial Capital	
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GRI 207: Taxes 2019

207-1	Approach to taxation		Information currently not reported
207-2	Fiscal governance, control and risk management	Valsoia Sustainability Agenda	
207-3	Stakeholder Engagement and management of tax concerns	Economic and Financial Capital	Information currently not reported

ENERGY

GRI 302: Energy 2016

302-1	Energy consumption within the organisation	Natural Capital	
302-4	Reducing energy consumption	Natural Capital	

WATER AND WASTE WATER**GRI 303: Water and waste water 2018**

303-1	Interaction with Water as a Shared Resource	Natural Capital	
303-3	Water Collection	Natural Capital	
303-4	Water discharge	Natural Capital	
303-5	Water Consumption	Natural Capital	

EMISSIONS**GRI 3: Material topics 2021**

3-3	Management of material topics	Natural Capital	
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GRI 305: Emissions 2016

305-1	Direct GHG emissions (Scope 1)		Information currently not reported
305-2	Indirect GHG emissions from energy consumption (Scope 2)		Information currently not reported
305-3	Other indirect GHG emissions (Scope 3)		Information currently not reported

WASTE**GRI 3: Material topics 2021**

3-3	Management of material topics	Natural Capital	
306-2	Management of significant waste-related impacts	Natural Capital	
306-3	Waste Generated	Natural Capital	
306-4	Waste not Intended for Disposal	Natural Capital	
306-5	Waste intended for disposal	Natural Capital	

SUPPLIER ENVIRONMENTAL ASSESSMENT**GRI 308: Environmental assessment of suppliers 2016**

308-1	New suppliers that have been evaluated using environmental criteria	Economic and Financial Capital	
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EMPLOYMENT**GRI 401: Employment 2016**

401-1	Hires and turnover	Human Capital	
401-2	Benefits for full-time employees that are not available to employees permanent or part-time	N.A.	
401-3	Parental leave	Human Capital	

OCCUPATIONAL HEALTH AND SAFETY**GRI 3: Material topics 2021**

3-3	Management of material topics	Human Capital	
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GRI 403: Health and safety at work 2018

403-1	Occupational health and safety management system	Human Capital	
403-2	Hazard identification, risk assessment, and incident investigation	Human Capital	

403-3	Occupational medicine services	Human Capital	
403-4	Worker Participation and Consultation and Health and Safety Communication at work	Human Capital	
403-5	Training for workers on occupational health and safety	Human Capital	
403-9	Accidents at Work	Human Capital	
403-10	Occupational Diseases	Human Capital	

TRAINING AND EDUCATION

GRI 3: Material topics 2021

3-3	Management of material topics	Human Capital	
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GRI 404: Training and education 2016

404-1	Average hours of annual training per employee	Human Capital	
404-2	Skills upgrading programmes of employees and assistance programmes to transition	Human Capital	
404-3	Percentage of employees receiving regular performance evaluations and career development		Information currently not reported

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 3: Material topics 2021

3-3	Management of material topics	Human Capital	
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GRI 405: Diversity and equal opportunities 2016

405-1	Diversity in governance bodies and among employees	Human Capital	
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NON-DISCRIMINATION

GRI 3: Material topics 2021

3-3	Management of material topics	Human Capital	
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GRI 406: Non-discrimination 2016

406-1	Incidents of discrimination and corrective measures adopted	Human Capital	
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LOCAL COMMUNITIES

GRI 3: Material topics 2021

3-3	Management of material topics	Social and Relational Capital	
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GRI 413: Local communities 2016

413-1	Activities involving local communities, impact assessments and Development Programmes	Social and Relational Capital	
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SOCIAL EVALUATION OF SUPPLIERS

GRI 3: Material topics 2021

3-3	Management of material topics	Economic and Financial Capital	
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GRI 414: Social evaluation of suppliers 2016

414-1	New suppliers assessed using social criteria		
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