

● ● ● GROUP
PARMAFOOD
INNOVAZIONE CHE EMOZIONA

SUSTAINABILITY
REPORT
2024

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LETTER TO STAKEHOLDER

Dear Stakeholders,

It is with great pleasure that I am here, once again this year, to bear witness to the growth of our company, not only in terms of size but especially in terms of our orientation towards the future and towards innovation.

This Sustainability Report is an opportunity to take stock not only of what has been achieved to date but as a starting point for new challenges and projects that we set for tomorrow. Operating in the agri-food industry is today, more than ever, a unique opportunity, as it is a sector that is continually open to product, process and service innovation - something for which new markets, eager for true **Made in Italy**, are always on the lookout.

At the heart of our entrepreneurship belief is a business model that we love to define as family-oriented, which reflects our origins and has always placed respect for human, social and ethical values at the centre of our business.

We view this Sustainability Report as a tool that is capable of collecting and telling the story of the energy and actions the Group

puts into making its activities more sustainable, in the three areas in which corporate responsibility is traditionally measured: social, economic and environmental, and these are not placed in random order. This is a way to dialogue with even greater transparency with all the stakeholders affected by our operations.

We believe that today's businessmen need to think of building achievements that will leave their concrete mark over time and in turn create development, in order to set up a virtuous circle, embracing the principles of a circular and sustainable economy.

At the same time, we have tried to develop a model of business culture and corporate growth that allows the social and economic fabric of the local community to grow hand in hand, seeking to give back to the community what the good fortune of operating in the Parma Food Valley has meant for a diversified and innovative agri-food company like ours. Particular focus has always been placed on the development of the younger generation, both in terms of professional growth and support for initiatives that place them at the centre. The constant relationship of exchange that binds us to the world of secondary school or university education has led us to be a point of reference for many young people eager to gain work experience with us.

We think that being economically and socially sustainable means creating synergies and value for society and the area in which we operate. This is achieved by enhancing its culinary tradition and exporting its quality brand abroad; creating jobs and preferring supplies from local producers; transferring and sharing innovations with other companies in the area (as we do with HPP technology);

working synergistically with our supply chain; focusing on young people (the low average age in the company is evidence of this); and setting up important investment programmes that have a positive impact on the community, leading to a significant increase in employment. The more than 350 people just over the age of 30 who work daily within the Group are proof of this.

Believing consistently in the strength and ability of young people is for us a basis for truly sustainable growth. It is only by maintaining and focusing on the individual that we can claim to generate true prosperity, raise skills and improve job prospects and quality of life.

We have believed and significantly invested in HPP high pressure technology. This has allowed us not only to innovate and upgrade many of our products, but also to provide third parties with the ability to offer the market fresh, safe food products. This is achieved by preserving their quality, increasing their shelf life, and reducing food waste. These benefits ultimately support the export of Italian food, which is globally recognized for its unique quality, and explain our continuous expansion into new products and markets. Becoming the largest third-party HPP processing center in Europe is a matter of great pride for us.

In this journey, by putting to good use the skills and experience we have gained in recent years and exploring new solutions, we will offer new products in a world that is increasingly looking for better quality, well-being, healthiness and service. We will do our best to be ready for the challenges and opportunities that this path will offer us and we will keep an open dialogue with our stakeholders. This year we have focused on suppliers and associates as key

stakeholders with whom to dialogue. Being able to boast a fair and transparent relationship with them is a key element in offering quality products and services to the market.

I would like to conclude by thanking all the stakeholders for the trust they have always placed in us, renewing our commitment to reciprocate it with the utmost passion and enthusiasm. I must also express my pride in the exceptional team of young employees I have around me, of whom I am truly proud.

Giulio Gherri, CEO

Giulio Gherri
CEO

A handwritten signature in black ink, appearing to read 'G. Gherri', with a stylized flourish at the end.



1 ABOUT US

ParmaFood Group is one of the major Italian companies in the production of cured meats and fresh foods, with over fifty years of experience and roots firmly anchored to the gastronomic tradition of Emilia.

Originating from a family business, the Group has evolved into an innovative ecosystem consisting of four specialised companies, which integrate artisan know-how, advanced technologies and attention to quality. Specifically, these are:



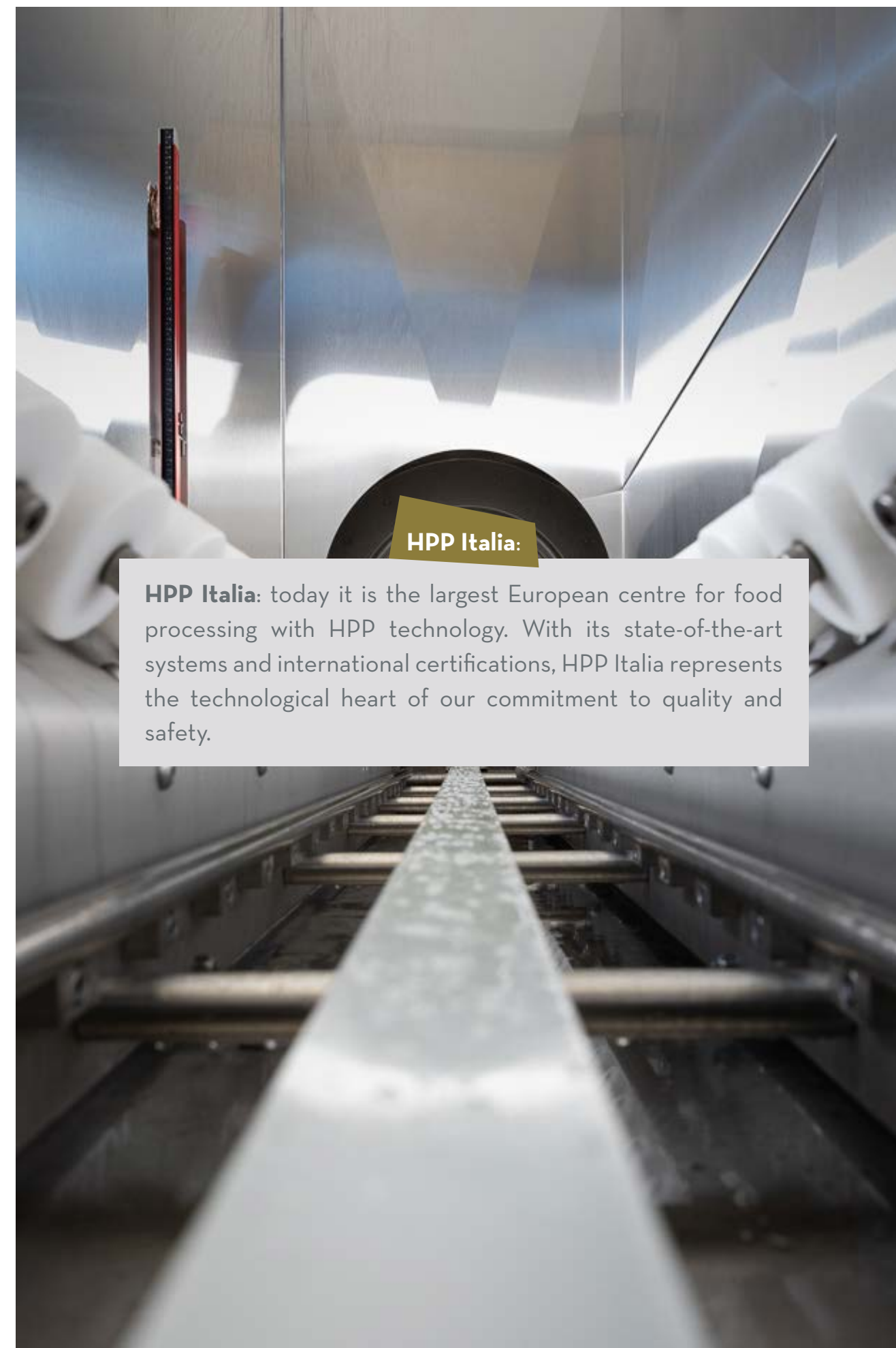
Prosciuttificio San Michele:

Prosciuttificio San Michele: located in Lesignano de' Bagni, in the heart of the Italian Food Valley, it specialises in the production and slicing of traditional Italian cured meats, such as Prosciutto di Parma PDO, Salame Felino PGI and Coppa di Parma PGI. It operates both for the Group's brands and for third parties.



Parma IS:

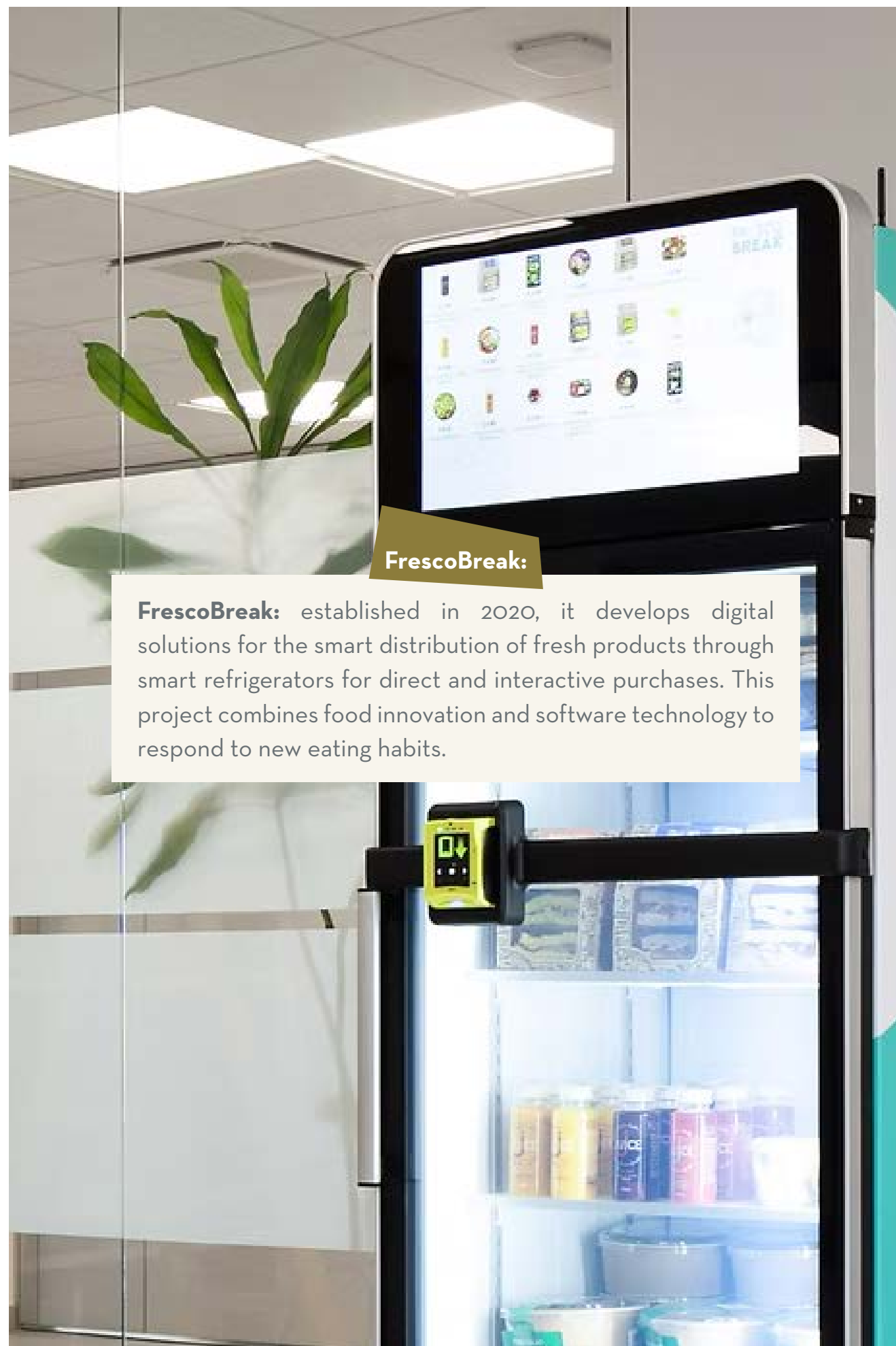
Parma IS: based in Traversetolo, it is the driver of food innovation of ParmaFood Group. Here we develop and produce fresh and new generation foods: sandwiches, fruit extracts, vegetable sauces and ready meals, also made using High Pressure Processing (HPP) technology, which exploits high pressures to preserve the freshness and safety of food, without the need for preservatives¹.



HPP Italia:

HPP Italia: today it is the largest European centre for food processing with HPP technology. With its state-of-the-art systems and international certifications, HPP Italia represents the technological heart of our commitment to quality and safety.

¹ For further information on this processing method, refer to paragraph 1.2.


FrescoBreak:

FrescoBreak: established in 2020, it develops digital solutions for the smart distribution of fresh products through smart refrigerators for direct and interactive purchases. This project combines food innovation and software technology to respond to new eating habits.

1.1 OUR HISTORY

Before becoming a successful entrepreneurial reality, ParmaFood Group had a family history dating back over fifty years.

1964

our business history started with the establishment of Salumificio San Martino;

2002

Terre Ducali was established, the brand under which we market San Michele Prosciuttificio products;

1995

the acquisition of Prosciuttificio San Michele allowed us to differentiate our offer and start producing other deli meats in addition to Prosciutto di Parma PDO;

2007

the Lesignano de' Bagni plant achieved organic certification;

2001

we implemented an environmental management system at the Lesignano de' Bagni plant, in compliance with EC Regulation 1221/2009 (EMAS);

2008

we implemented the management systems for food safety (UNI EN ISO 22000:2018) and occupational health and safety management (UNI EN ISO 45001:2018);

2008

We achieved Global Standard for Food Safety (GSFS) certification, also known as BRC Food, and IFS Food 6.1;

2012

with the aim of expanding our presence in the fresh food sector, we founded Parma IS;

2014

HPP Italia was established, a company through which we strengthened application of the High Pressure Processing technology to food products;

2016

Parma IS expanded to enter the highly fresh food sector and launched a new production plant;

2016

Prosciuttificio San Michele obtained UNI EN ISO 22005:08, UNI CEI EN ISO 50001:2018 and UNI EN ISO 14001:2015 certifications, while Parma IS obtained BRC Food and IFS Food 6.1;

2018

the Via Carbognani plant obtained BRC Storage and Distribution (GSSD) and IFS Food certifications;

2019

GH Holding was established, later renamed ParmaFood Group, the parent company that holds and manages the investments in the operating companies;

2020

Parma IS launched a production line for fresh vegetable-based sauces and fruit extracts, and opened a new plant;

2020

we drew up our first sustainability report on a voluntary basis;

2021

Prosciuttificio San Michele, marketed under the Terre Ducali brand name, received the Imprese per Innovazione 2021 Award for achievements in the areas of innovation, cutting-edge technology and sustainability;

2021

with the purchase of the third HPP machine, we became the largest centre in Europe for the processing of food products using high pressure technology;

2022

to reduce the impact of our energy consumption, we implemented several energy efficiency measures in the Via Cavo warehouse and initiated procedures for the installation of photovoltaic panels in Via Sarti and Via Carbognani;

2022

construction of a new factory for the production of sandwiches and pasta dishes started in Traversetolo;

2022

as part of the 2014-2020 Rural Development Programme promoted by the Emilia-Romagna Region, we obtained funding for the development of innovative vegetable and fruit processed products with an extended shelf life². With Prosciuttificio San Michele, we also won the national award for innovation coordinated by the Cotec Foundation;

2023

we launched an important investment project aimed at expanding production capacity, developing new plants and introducing new product lines;

2024

the project continued throughout the year, reaching a first significant milestone with the completion, at the end of 2024, of a new plant for Parma IS, located in via Picelli in Traversetolo.

² The shelf life of a food product indicates the period during which the food retains characteristics of safety, quality and integrity that make it suitable to eat. Extended shelf life means the lengthening of this time range, obtained through techniques and processes that preserve the freshness and properties of the product for a longer time.



1.2 OUR PRODUCTS

Terre Ducali: this is the brand under which Prosciuttificio San Michele products are marketed. It is a benchmark in the sector of high-end production of raw, cooked and seasoned deli meats. Designed for those who love the characteristic and authentic flavours of tradition, these products are the result of a history handed down from generation to generation.

Prosciuttificio San Michele production includes:

- Prosciutto di Parma PDO with 12 to 24 month seasoning.
- A wide range of seasoned deli meats: Coppa di Parma PGI, Salame Felino PGI, strolghino, pancette (pork belly), fiocco (made from pork thigh), guanciale (made from pork cheek).
- Cooked and roasted deli meats: cooked hams of various types, including high-quality, grilled, Prague and herb-flavoured hams; roasted specialties such as pork loin and porchetta; typical specialties, including San Secondo shoulder ham and roasted coppa.
- A range of pre-sliced deli meats in trays, processed in a protective atmosphere with slicing at positive temperature and slices placed by hand. Unlike industrial methods that use automatic lines, this method processes the semi-products without changing their specific organoleptic properties, ensuring that product quality is maintained.



“A unique experience is found in each slice, the result of authentic passion and of Parma’s art of charcuterie. A delight to experience and savour.”





Il Pagnotto: established in 2013, it is the brand that identifies our range of sandwiches made up of five lines and thirteen recipes. Il Pagnotto offers high-quality fresh products made with exquisite and strictly Italian ingredients.



Fresche idee: this is the brand under which we market our line of fresh sauces and raw purées, juices, ready meals, aperitifs and snacks. Fresche Idee is designed for consumers looking for ready-made, good and natural products to be enjoyed anywhere: in the office, while travelling or at school.

None of Parma IS products are pasteurised. Instead, they are processed with HPP technology, which allows them to retain their freshness and their organoleptic and nutritional properties. Moreover, where possible, they are created selecting raw materials from the Emilia-Romagna region.

Parma IS production includes:

- Cold infusions
- Fresh sauces and diced vegetables
- Fresh fruit purées
- Organic fresh fruit extracts
- Deli sandwiches
- Ready meals
- Pestos



“Nature creates, we preserve its true freshness for a long time to offer you amazing products to enjoy wherever and whenever you want”.

HPP Italia: this is the brand of the High Pressure Processing process that our products are subject to in order to extend their shelf life, while keeping their distinctive organoleptic qualities intact.

With HPP Italia, we provide an innovative high pressure processing service for food products. HPP technology is based on an innovative process that subjects food to extremely high hydrostatic pressure. As there is no heat input, the microorganisms present in solid and liquid products are inhibited to make the food microbiologically stable, storable and safe. This treatment extends shelf life and leads to higher food quality, meeting the increasing demands for food safety.

Adopting HPP treatment guarantees greater safety as it is able to eliminate main pathogens: listeria, salmonella and escherichia coli.



1.3 THE GROUP’S FIGURES

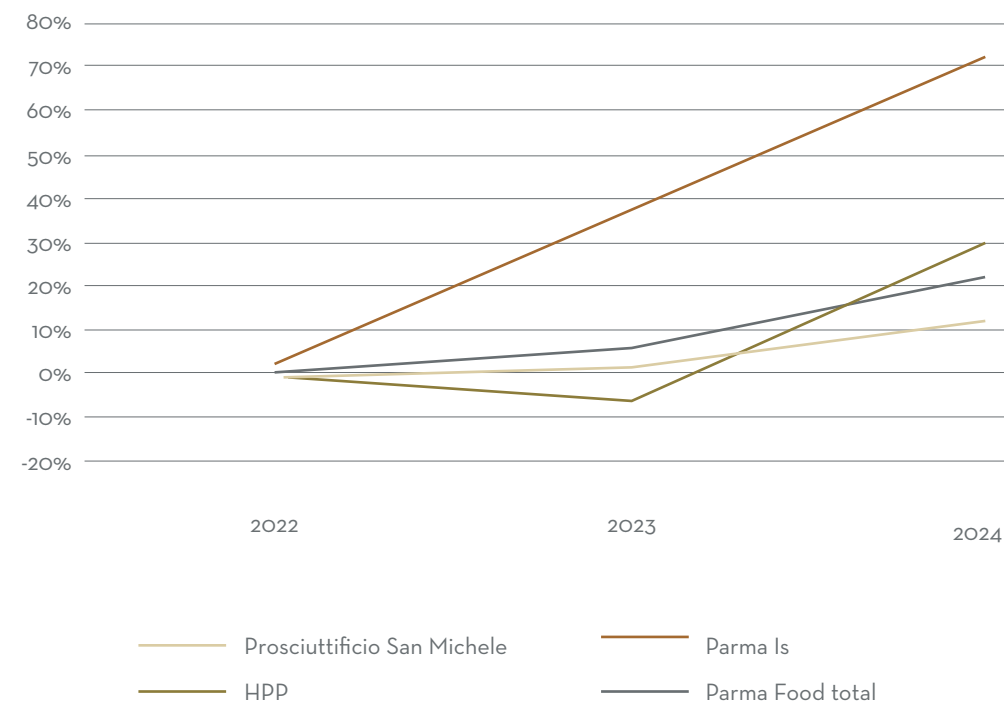
Prosciuttificio San Michele - production 2024		
Products	t	Thousands of pieces
Whole cuts of deli meat	1.492	2.202
Sliced deli meats	486	5.452

Parma IS - production 2024		
Products	t	Thousands of pieces
Sandwiches and rolls	831	5.563
Sauces	314	1.868
Extracts	37	126
Purées	12	109
Other	225	563

HPP - produzione 2024	
Treatment cycles	42.778



Turnover trend



1.4 THE VALUE CHAIN AND MARKETS SERVED

Each ParmaFood product comes from a strictly controlled supply chain, in which quality, safety and transparency guide every phase, from the selection of raw materials to distribution on the market. Our value chain is carefully developed both **upstream** and **downstream** of the production process.

1.4.1 UPSTREAM

A crucial part of our supply comes from farms specialised in livestock breeding and butchery, which ensure us high-quality meat that is essential for our deli meats. In parallel, we work with agricultural suppliers to obtain natural ingredients that we transform into extracts, fresh sauces and purées. There is no shortage of suppliers in the bread-making sector, meaning that we guarantee the constant supply of fresh loaves for our sandwiches and snacks. In addition, we work closely with specialised suppliers in the plastics and paper sectors to obtain high-quality packaging materials, used to package and present our products.



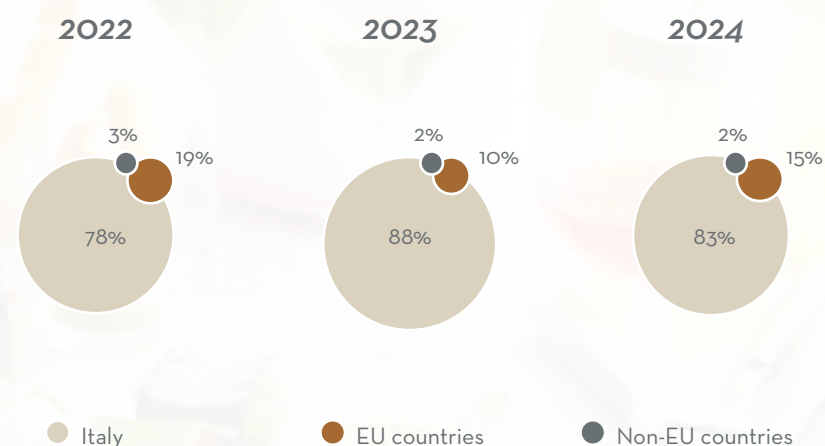
1.4.2 DOWNSTREAM

Our products reach the end consumer through different distribution channels:

- The large-scale retail trade represents our main commercial outlet, thanks to strategic partnerships with leading chains based on trust and the co-development of solutions.
- We are also present in the Ho.Re.Ca. (Hotel, Restaurant and Catering) channel and in wholesale and retail trade with a flexible and diversified portfolio.

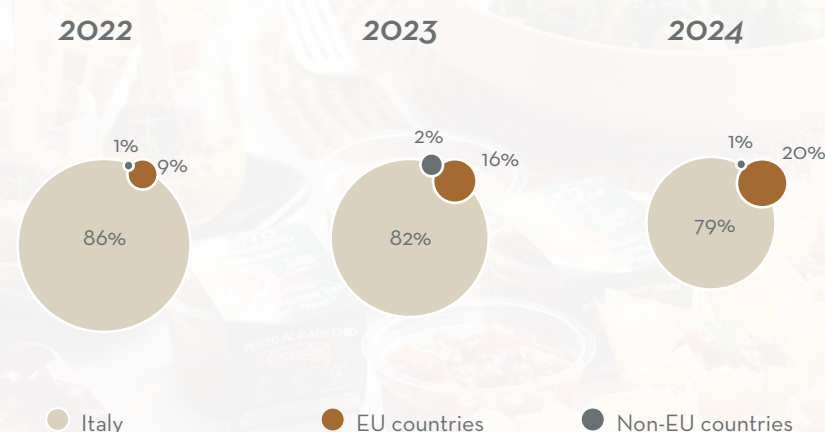
At the same time, we offer a high value-added service based on HPP technology, aimed at external customers in the most diverse food sectors: cured meats, dairy products, vegetable and fish products, fruit-based drinks and coffee. Currently, over 90% of the HPP processing we carry out is for third parties. It is a service that has made us a point of reference at a European level for food safety, innovation, and for extending the shelf life of processed products.

Markets served³ - Prosciuttificio San Michele



Main foreign countries served: France, Sweden, Great Britain, Belgium, Denmark

Markets served³ - Parma IS



Main foreign countries served: France, Sweden, Great Britain, Belgium, Denmark

³ HPP Italia is excluded from this representation because the processing service applied to food is provided on account of third parties or to the products of Prosciuttificio San Michele and Parma IS.

1.5 OUR VALUES

For us, family, honesty, and respect are not just values: they are the foundation on which we have built our corporate identity.

The principles that guide each of our choices are inspired by **the Group's Code of Ethics**, publicly accessible from the company website⁴, and the **Quality Policy** of Prosciuttificio San Michele.

These documents, which can also be consulted by our staff at the information boards available at all offices, represent a common asset to be known and applied in every activity, at every level of the organisation. They contribute to preventing conflicts of interest and non-compliant behaviour while strengthening our commitment to transparent, responsible and fair practices.

The Code of Ethics outlines the rules of our daily actions, but it is our vision

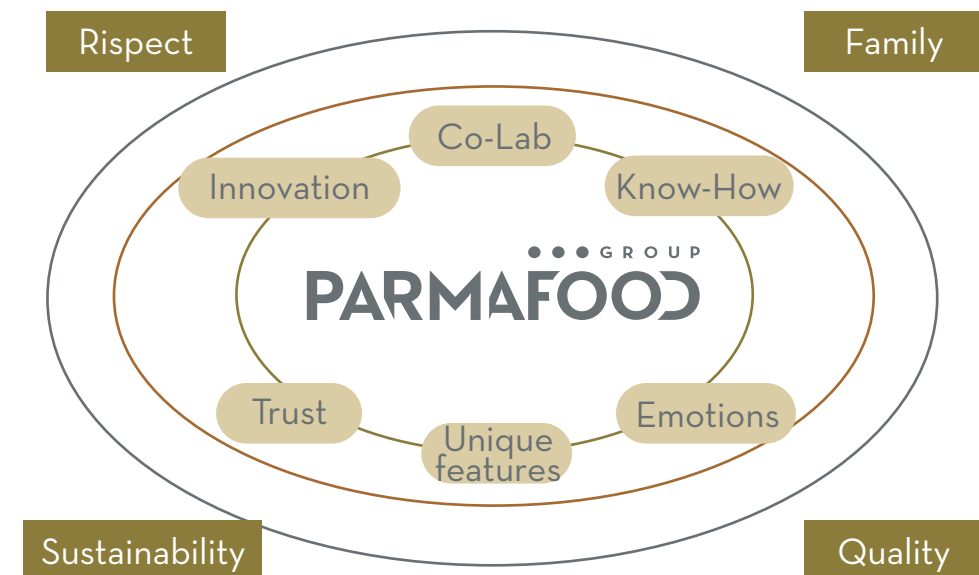


“An innovative food company for a sustainable future”

that inspires the journey, serving as a compass for building a tomorrow where innovation and sustainability are an integral part of the food we offer.

⁴ <https://www.parmafood.it/wp-content/uploads/2023/04/Codice-Etico-ParmaFood-Group.pdf>

An innovative food company for a sustainable future



Consistent with this vision, our goal is to continue working and investing to consolidate our leadership in Italy, and increase competitiveness in foreign markets, with an ever more sustainable approach, while maintaining a solid base of tradition and innovation.

We therefore look to the future with the ambition of offering products that retain the essence of taste and quality of nature, made with innovative technologies that allow us to keep up with the times and anticipate market trends.

Continuous Innovation

We are always looking for new challenges, we go beyond maintaining the status quo, and we strongly believe in the value of investing in research and development. Innovation is inherent in the soul of ParmaFood Group, as is craftsmanship.

Co-Lab as a great resource

Working together does not frighten us; quite the opposite, it stimulates us. We believe that cooperation is a great asset in which we should invest, sharing goals and strategies to offer customers flexible services that meet their needs.

Reliability and transparency

Reliability, integrity and transparency have been at the centre of who we are since Salumificio San Martino was founded in 1964. We believe it is these values that enable us to grow and look to the future with enthusiasm.

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PARMAFOOD

Know-how linked to the local community

Ancient traditions strongly rooted in the local community: this is the soul of ParmaFood Group. Our history guides us in every choice and action; a drive stemming from the passion and desire to achieve, which still defines us today.

Unique made-in-Italy features

Italian spirit is synonymous with craftsmanship and original style: our products are unique because they are 100% made in Italy and closely linked to Parma, the food valley of our country.

Positive emotions

We are a big family, with a vigorous and positive approach: this is also reflected in our products. We want the people who choose us to feel our enthusiasm and passion.

Brand Value					
Emotional			Rational		
Unique features	Emotions	Trust	Know-how	Innovation	Co-Lab
Innovation Original style Craftsmanship Italian spirit Esclusiveness	Family Strength Energy Positivity Taste Appetite Food	Integrity Reliability Soundness Stability	Experience Local community Safety History Tradition	Research Mission Wholesomeness Freshness Future	Collaboration Competition Cooperation Partnership Sharing Availability Service Flexibility

In recent years, we have embarked on a process of transformation that incorporates sustainability as an essential part of our way of doing business, balancing the environmental, social and governance dimensions. We have already taken important steps: from energy efficiency to the fight against food waste, through to attention to the well-being of our people.

But for us at ParmaFood Group, sustainability is not a goal, it is an ongoing commitment. We look forward with the awareness that there is still a lot to do and we are ready to evolve with determination and transparency, involving all our stakeholders along this path.

1.5.1 THE CERTIFIED QUALITY OF OUR PROCESSES AND PRODUCTS

The continuous search for quality in our products and the attention we pay to consumers’ growing and changing needs have always been a top priority for us. As proof of this commitment, Group companies have obtained many voluntary certifications over the years.

BRC: the British Retail Consortium (BRC) is a voluntary quality standard that is based on HACCP and standardises the working environment and product and process controls.

- Prosciuttificio San Michele, via Cavo
- Prosciuttificio San Michele, via Sarti

IFS: IFS is a voluntary international standard shared by French and German large-scale retail food chains. It requires food chain suppliers to comply with certain hygiene standards and best practices in their production processes to ensure adequate safety and quality levels.

- Prosciuttificio San Michele, via Cavo
- Prosciuttificio San Michele + HPP, via Carbognani
- Prosciuttificio San Michele, via Sarti
- Parma IS, via Partigiani d'Italia

BIOLOGICO: organic production is a global agri-food production system based on the preservation of natural resources and on animal welfare.

The organic logo and labelling system are designed to ensure that products are made with exclusively organic ingredients, without the use of GMOs, synthetic fertilisers and chemicals.

- 📍 *Prosciuttificio San Michele + HPP*, via Carbognani
- 📍 *Parma IS*, via Partigiani d'Italia

ISO 14001: it is the international reference standard for environmental management systems. This voluntary tool offers a systematic approach in managing these aspects and allows performance to be monitored in terms of environmental protection, pollution prevention, and reduced energy and resource consumption. It also simplifies relations and communication with the competent authorities.

- 📍 *Prosciuttificio San Michele*, via Cavo

EMAS: it is a voluntary tool created by the European Community that allows environmental performance to be assessed and improved, and information on the management of these topics to be provided to stakeholders. Very few Italian food companies have achieved this highly regarded European certification.

- 📍 *Prosciuttificio San Michele*, via Cavo
- 📍 *Prosciuttificio San Michele + HPP*, via Carbognani

ISO 50001: this standard specifies the requirements for creating, initiating, maintaining and improving an energy management system. The voluntary adoption of this system allows pursuing the continuous improvement of energy performance.

- 📍 *Prosciuttificio San Michele*, via Cavo

ISO 45001: this standard determines the requirements for occupational health and safety management systems and provides organisations with useful information to ensure safe and healthy workplaces and prevent occupational accidents and health issues. It represents the evolution of a number of health and safety standards, most notably the OHSAS 18001 standard.

- 📍 *Prosciuttificio San Michele*, via Cavo
- 📍 *Prosciuttificio San Michele + HPP*, via Carbognani

1.5.2 INITIATIVES IN SUPPORT OF THE SDGS

Once again this year, we reaffirm and strengthen our support to the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. This global compass, designed to guide the planet and its inhabitants towards a fairer and more sustainable future, continues to inspire our strategic choices and our daily actions.

Aware of our abilities and our range of action, we have identified the goals to which we can make the most significant contribution. For each of them, we have developed concrete initiatives, which will be detailed in the following chapters, and defined specific commitments for the future, with a view to constant evolution and improvement. Sustainability is not a static goal for us, but a dynamic journey of growth and responsibility.

SDG		Le nostre iniziative
	Zero hunger: end hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Adopting HPP treatment on food allows us to reduce food waste through increased shelf life. We have opened a store for the distribution of our products at controlled prices and we set aside the non-marketable, but still perfectly edible products for charitable organisations. We have initiated research and development activities for the production and subsequent marketing of deli meats with less use of additives, with the ultimate goal of completely eliminating them.

SDG		Le nostre iniziative
	Affordable and clean energy: ensure access to affordable, reliable, sustainable and modern energy for all.	Over the years, we have implemented several initiatives to monitor and reduce our energy consumption and at the same time increase the use of energy from renewable sources. Examples of this include energy efficiency measures taken for the vertical warehouse in Via Cavo, the self-production of energy via photovoltaic solar panels, and the use of CO ₂ as a refrigerant gas, allowing both significant energy savings and the production of hot water without resorting to methane boilers.
	Decent work and economic growth: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	We pursue a stable employment policy and facilitate the hiring of formerly temporary staff. This is supported by specific internal and external training programmes to help employees grow professionally. We have also implemented a welfare plan and introduced remuneration policies linked to individual and general business objectives.
	Industry, innovation and infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	The adoption of HPP technology, also offered on behalf of other companies, allows us to bring innovation to the food market and improve the shelf life of products. We also successfully concluded the research and development project for the development of innovative deli meat production techniques that promote limited use of additives.
	Responsible consumption and production: ensure sustainable consumption and production patterns.	The search for paper-based compostable and recyclable materials for primary product packaging represents one of our priorities to discourage waste production and reduce pollution. We are reviewing our production processes to limit waste, production waste and to eliminate non-value adding activities.
	Climate action: take urgent action to combat climate change and its impacts.	The energy efficiency initiatives we have implemented over the years, together with the increasing use of energy from renewable sources, allow us to reduce our carbon footprint and contribute to the fight against climate change.



2 METHODOLOGICAL APPROACH

The commitment to sustainability issues has for years been an integral part of the way we do business. With our fourth sustainability report, we confirm our commitment to openly share the goals set and the targets achieved with all our stakeholders.

2.1 THE CRITERIA FOR DRAFTING THE REPORT

The figures and information reported, covering the period from 1 January to 31 December 2024, refer to the production plants and the activities of the three subsidiaries of the ParmaFood Group: Prosciuttificio San Michele, Parma IS and HPP Italia. The figures relating to Frescobreak, a company 15% owned by our Group, are excluded from the reporting scope.

The report was prepared in accordance with the latest edition of the GRI Sustainability Standards (GRI 2021) of the Global Reporting Initiative, currently the most widespread international voluntary framework for reporting environmental, social and governance impacts. The drafting of the document observed the basic principles of the standard – Inclusiveness, Sustainability context, Materiality and Completeness – while the criteria of Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability guaranteed its informative quality.

Different company departments were actively involved in drafting the document and in collecting all necessary data and information and contextualising them according to their expertise.

The document is not subject to auditing by an external company and is updated annually.

2.2 DUAL MATERIALITY ANALYSIS

Unlike our previous reports, this year we have chosen to structure the analysis of the issues relevant to us by integrating the perspective of **dual materiality**, in line with the European Sustainability Reporting Standards (ESRS), to get closer to the regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD).

This analysis methodology provides a more complete overview, as it combines two complementary dimensions:

the materiality of impact (inside-out logic), which considers positive and negative effects that the Group's activities generate or may generate on the economic, environmental and social context in which it operates – an approach already considered in previous materiality exercises;

*materiality
of impact* **1**

2 *financial
materiality*

financial materiality (outside-in logic), which assesses the risks and opportunities that each issue entails or may entail on the financial performance of companies.

The integration of these two perspectives, introduced by the ESRS through the concepts of dual materiality and Impacts, Risks and Opportunities (IRO), guided us in the definition of the material topics, which are therefore reported in line with European standards.

The process that led to the definition of our dual materiality was divided into five phases, applied to both impact and financial materiality.

1. Context analysis

This phase took shape through the examination of company documentation and operational practices, supplemented by external sources, to map the areas of impact and risk relevant to our sector. Through a benchmark analysis of our main competitors and best in class, we identified the sustainability issues relevant to our business. To outline our operating context with greater scientific rigour, we also consulted mapping tools and authoritative sources that defined its global, regional and industrial scenarios. This information was the basis for identifying the IROs.

2. Preliminary assessment of impacts and risks

This phase was implemented with the active participation of management and validated by top management, and it allowed us to first focus on the most significant impacts that our activities can have on the planet and on people. Subsequently, we identified any associated risks and opportunities, as well as other unrelated ones.

3. Scoring and assessment of materiality

For each impact, risk and opportunity identified, we assigned a quantitative score governed by ESRS criteria: with regard to the materiality of the impact, we then assessed extent, scope and likelihood⁵; for risks and opportunities, we focused on severity and likelihood of occurrence.

4. Determination of materiality thresholds

In the fourth phase of the process, we defined the preliminary thresholds for the selection of the material impacts, risks and opportunities. Based on our current company priorities and industry standards, we set the materiality threshold at · 3. This will be reassessed annually to ensure it continuously and accurately reflects our priority sustainability issues.

5. Aggregation of results

For the overall analysis, we considered only those elements that exceeded the identified threshold value to be material. In this way, it was possible to identify the list of sustainability aspects that are material for us, both in terms of topics and sub-topics, broken down into impacts, risks and opportunities

Below is the list of ESRS topics and sub-topics that emerged as material from the process described, divided into environmental, social and governance areas.

Area	Topic	Sub-topic
Environmental	Climate change	Climate change mitigation
		Energy
	Pollution	Air pollution
	Water and marine resources	Waters
	Use of resources and circular economy	Resource inflows, including the use of resources
		Waste
Social	Own workforce	Safe employment
		Work-life balance
		Health and safety
		Training and skills development
		Equal treatment and opportunities for all
	Affected communi	Impacts linked to the local area
	Consumers and end users	Personal safety of consumers and/or end users
Governance	Business conduct	Corporate culture



2.3 STAKEHOLDER ENGAGEMENT

Along our path towards an increasingly integrated corporate sustainability, listening to and involving stakeholders is a crucial component.

Basing our work on the AA1000 Stakeholder Engagement standard (AA1000SES: 2015) of AccountAbility, the most globally recognised framework, we identified the following categories of stakeholders that are material to us.

Stakeholder categories	Definition
Internal workers	People employed by or working on behalf of the Group, including their representatives (e.g. trade unions).
External workers	People collaborating with the Group but not directly employed by it (e.g. cooperatives).
Service providers	Whoever provides services to the Group.
Material suppliers	Whoever supplies materials to the Group.
Technology providers	Whoever provides technology to the Group
Customers	Users of the Group's products, including consumer associations
Financial institutions	Banks and credit institutions that contribute to financing the Group's activities.
Society and local communities	The social context of the local community where the Group's sites are located that has a direct or indirect impact on its activities.

Stakeholder categories	Definition
Institutions	The group of institutions that have a direct or indirect impact on the Group's activities (e.g. Regions, Provinces, Municipalities in which company premises are located, Universities).
Media and press	International, national and local communication and information media (e.g. television, press, radio and web) that have a direct or indirect impact on the Group's activities.

For each type of stakeholder, we identified the main representatives, with respect to whom we conducted an **indirect stakeholder engagement** activity, i.e. we examined the documentation and reports available online in order to understand their sustainability expectations.

In keeping with the approach presented by the GRI standards, and given that the aim of stakeholder engagement is to support the company during the impact identification and assessment stages, the analysis of the results collected via the stakeholder engagement activities was assigned a value of direction and guidance.

Stakeholder valuation on sustainability issues	
List of ESRS topics	Stakeholder valuation
ESRS E1 Climate change	+++
ESRS E2 Pollution	+
ESRS E3 Water and marine resources	++
ESRS E5 Use of resources and circular economy	+++
ESRS S1 Own workforce	++
ESRS S3 Affected communities	+
ESRS S4 Consumers and end users	++
ESRS G1 Business conduct	++

The valuation attributed by stakeholders, expressed on a scale from + (min) to +++ (max), shows a significant importance assigned to the following topics: Climate change and Use of resources and circular economy. This vision is in line with that of the company. Combined with the materiality that emerged on all our material topics, it also indicates that we have correctly intercepted issues of concern to our stakeholders.





3 ENVIRONMENTAL PROTECTION



“The adoption of production systems that have a lower impact on the environment by respecting natural environments and biodiversity, reducing resource consumption and applying circular economy criteria.”

Our bond with the local area is expressed through a concrete commitment to protecting the environment and the natural resources that characterise it. We believe that safeguarding this collective heritage is a shared responsibility, essential for the well-being of people today and for the prosperity of future generations.

We work every day in this direction to reduce the impact of our activities while promoting an efficient and safe production model. Compliance with environmental regulations is a starting point for us, alongside the voluntary adoption of internationally recognised certification systems. These tools allow us to monitor environmental and energy performance, set improvement objectives and identify the most effective actions to achieve them.

Standing out among the certifications adopted are those obtained by **Prosciuttificio San Michele**, which has implemented an **Environmental Policy** and an **Energy Policy** in line with the **ISO 14001**, **EMAS** and **ISO 50001** standards. These measures, which we plan to gradually extend to the other Group companies, form the basis for structured, integrated and transparent environmental management. This is accompanied by **organic certification**, valid for all Group companies, and acceptance of the food and packaging **tracking and tracing system**, in accordance with the provisions of EC Regulation 178/2002.

The implementation of these commitments is ensured through a formalised environmental management system constantly monitored by the company's management, with the support of the Environmental Management System Manager (RSGA).

Our approach translates into tangible actions: we prevent environmental risks by addressing their causes, we carefully manage emergencies by constantly monitoring production processes, and we invest in assets that guarantee better energy efficiency.



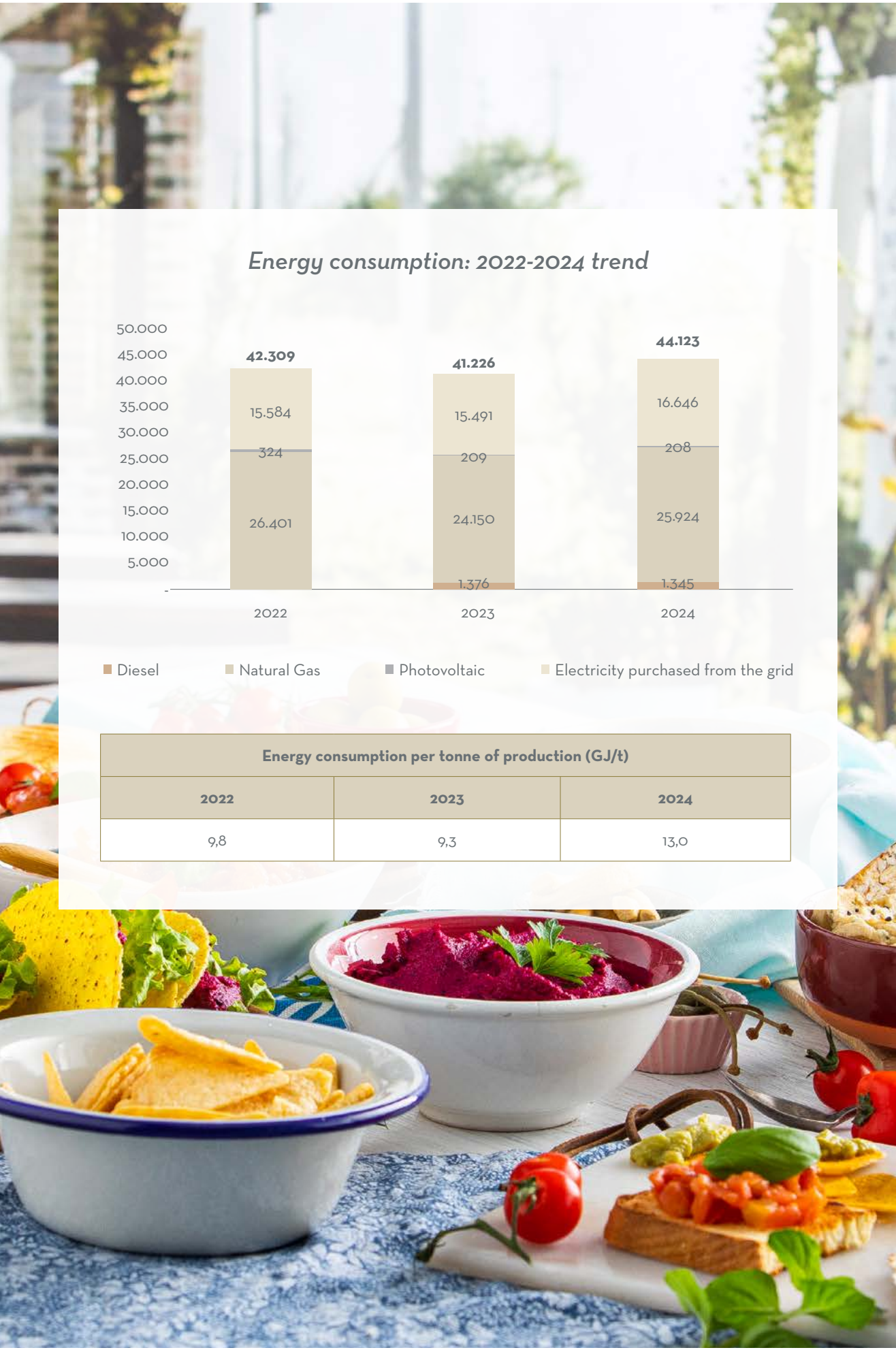
3.1 ENERGY AND CLIMATE

3.1.1 ENERGY CONSUMPTION

Our energy consumption is mainly determined by the production activities connected to the processing and packaging of products at the Prosciuttificio San Michele and Parma IS plants, while HPP’s offices and commercial activities record marginal consumption levels.

The energy we use is mainly represented by natural gas, from which we obtain electricity and heat, in addition to the electricity purchased from the grid and self-produced by our photovoltaic plant. Lastly, fuels of petroleum origin, used for the operation of company vehicles, cover a residual portion of total energy consumption.

Energy consume by energy source (GJ)	Prosciuttificio San Michele + HPP	Parma IS	ParmaFood total
Diesel	673	673	1.345
Natural Gas	25.749	175	25.924
of which for cogeneration plant feeding	20.006	0	20.006
of which for traditional boiler feeding	5.743	175	5.918
Photovoltaic plant	208	0	208
Electricity purchased from grid	15.862	784	16.646
Total	42.491	1.632	44.123



We produce electrical and thermal energy in the form of steam and hot water at our cogeneration plant in Via Cavo. Although it uses methane, a non-renewable fossil fuel, the cogenerator is highly efficient and optimises the use of fuel, converting it into usable energy for our production processes. In 2024, our plant produced 7,849 GJ of electricity, in addition to that purchased from the grid. For the production of thermal energy, the cogeneration plant works in synergy with the methane boiler, which provided us with a total of 1,659 GJ of hot water and steam.

In 2022, we submitted an application to participate in a tender to finance the installation of a photovoltaic plant on the roofs of the Via Sarti and Via Carbognani plants. If approved, the intervention will allow us to increase the amount of energy from renewable sources used.

Furthermore, the renovation of the building that will house the new sandwich and pasta production plant at Via Nardi (Traversetolo), which will fully enter into operation in 2025, will ensure high thermal insulation of the building shell and will use CO₂ as a refrigerant gas. This will allow both significant energy savings and the production of hot water without the need to use methane boilers.

3.1.2 GREENHOUSE GAS EMISSIONS

The direct emissions linked to our activities are mainly caused by the consumption of natural gas for the production of energy and only in part by the diesel used to fuel the company fleet.

For calculating an organisation's carbon footprint, the most internationally recognised reference standards are the Greenhouse Gas (GHG) Protocol and UNI EN ISO 14064-1:2018, which define:

Scope 1: direct emissions from sources owned and controlled by the organisation, which may be stationary or mobile;

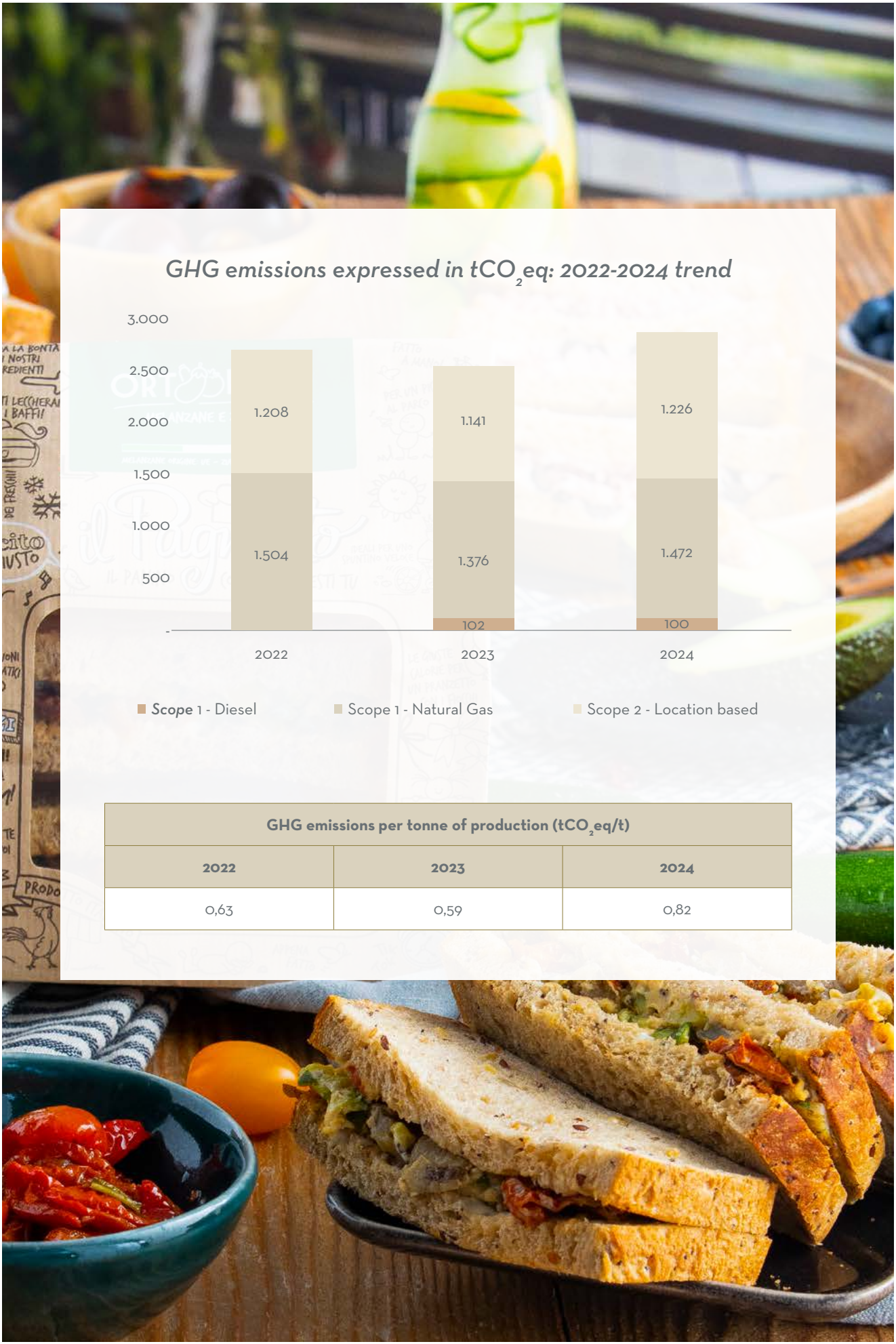
Scope 2: indirect emissions deriving from the production of energy purchased from the grid and consumed by the organisation. Two methodologies are used to calculate these emissions:

- **Location based**, the emissions are calculated using the average emission factors relating to the energy mix of the country in which the organisation is located. In this case, the emissions follow the performance of the energy mix linearly and are calculated on the basis of a national emission factor.

- **Market based** uses an emission factor that places a value on the company’s ability to make an informed choice on the free market. Here, on the contrary, emissions are calculated starting from an emission factor called residual mix, which reflects the ‘residual’ energy mix of the national electricity system, after excluding the amount of renewable energy that consumers have purchased.

Greenhouse gas (GHG) emissions in t CO ₂ eq.	Prosciuttificio San Michele + HPP	Parma IS	ParmaFood Total
Direct emissions (Scope 1)	1.512,05	60,03	1.572,08
of which from natural gas combustion ⁶	1.461,97	9,94	1.471,91
of which from diesel ⁷	50,08	50,08	100,16
Indirect emissions (Scope 2 ⁸) Location based	1.168,27	57,80	1.226,07
Indirect emissions (Scope 2 ⁹) Market based	2.381,30	117,82	2.499,12
Total emissions Scope 1 + 2 - Location based	2.680,32	117,83	2.798,15

6 Lower Calorific Value: 35,58 MJ/m³. Source: ISPRA national standard coefficients 2024. Emission factors: CO₂ 56,8 kg/GJ. Source: DEFRA, UK Government GHG Conversion Factors for Company Reporting, 2024.
7 Density: 0,835 kg/l, Lower Calorific Value: 42,87 MJ/kg. Source: ISPRA national standard coefficients 2024. Emission factors: CO₂ 74,5 kg/GJ. Source: DEFRA, UK Government GHG Conversion Factors for Company Reporting, 2024.
8 Source of factors: Ecoinvent 3,11.
9 Source of GWP factors: AIB: European Residual Mixes 2023 and 2024



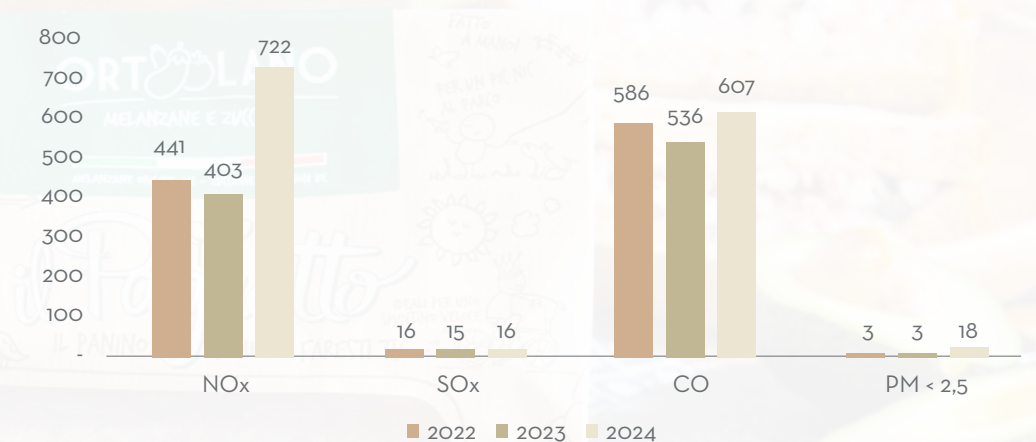
3.2 POLLUTION

Air quality is one of the environmental priorities that we carefully monitor as we are aware that, albeit to a limited extent compared to other industrial sectors, our activities can generate significant emissions. Within the Group, the only material atmospheric emissions come from the **Prosciuttificio San Michele** plants, which include systems such as the **cogenerator**, **boilers** and **blowing machines for the production of salami**. For these sources, the company is subject to a **Single Environmental Authorisation (AUA)**, which provides for the obligation to carry out periodic monitoring and analysis of emissions into the air to verify compliance with the legal limits. On the other hand, we do not emit pollutants into the water and soil.

With a view to transparency and continuous improvement, we also include emissions from the **Parma IS** plant in the Group Sustainability Report, although these are minimum and not subject to specific authorisations or obligations issued by the competent bodies.

Other significant emissions ¹⁰ expressed in kg	Prosciuttificio San Michele + HPP	Parma IS	Parma Food total
NO _x	574,68	147,59	722,27
SO _x	15,93	0,31	16,24
CO	587,43	19,69	607,12
PM <2,5	10,46	7,62	18,08

Emissions of NO_x, SO_x, CO and PM_{2.5} into the atmosphere expressed in kg: 2022-2024 trend



¹⁰ Natural gas - Emission factors: NO_x 16.7 g/GJ, SO_x 0.61 g/GJ, CO 22.2 g/GJ, PM_{2.5} 0.11 g/GJ - Source: Ecoinvent 3.10 (Heat, central or small-scale, natural gas {Europe without Switzerland}| heat production, natural gas, at boiler fan burner low-NO_x non-modulating <100kW | Cut-off, U) Diesel - Emission factors: NO_x 215.1 g/GJ, SO_x 0.3 g/GJ, CO 23.5 g/GJ, PM_{2.5} 11.3 g/GJ - Source: Database of average emission factors of road transport in Italy: fetransp.isprambiente.it (data as of 2022).

3.3 WATER RESOURCE

At the Via Cavo plant of Prosciuttificio San Michele, water is used for the entire production process. Water is sourced from a well and subject to a chlorination process that reduces its bacterial load and makes it suitable for use in the food industry. After use, the water is treated in grease removal tanks and at that point is discharged into the public sewage system. Special meters are used to monitor the amount of water discharged. The water used in the Via Sarti and Via Carbognani sites, instead, is taken from the aqueduct and discharged into the sewerage system. In Via Carbognani, water is also used to operate the high-pressure treatment machines.

All our production sites are located in low water stress areas¹¹. The impact on water is assessed in terms of the amount withdrawn, which is directly proportional to the amount of meat processed. To reduce water consumption and avoid waste, we raise awareness in staff to responsibly use this resource.

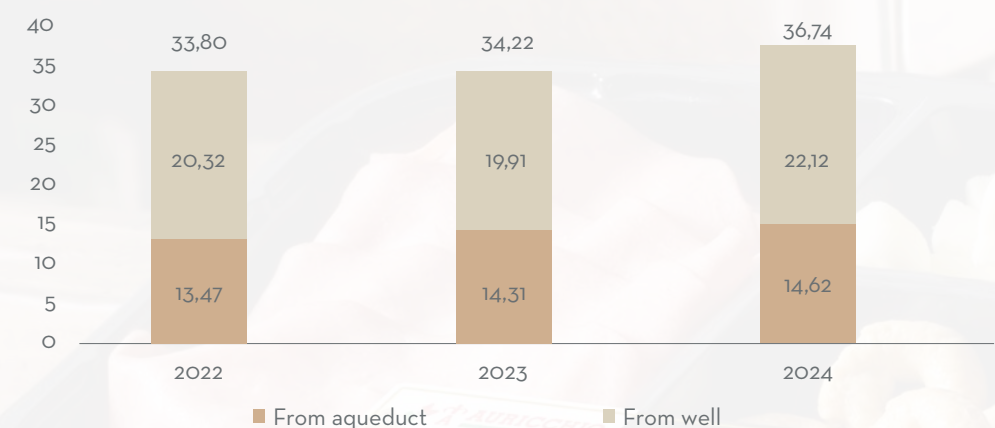
At Parma IS, water is taken from the aqueduct and discharged into the sewage system. It is used exclusively for the production of hummus and for washing the premises, equipment and toilets.

No potentially hazardous substances have been found in the discharges at our plants and no incidents of non-compliance of discharge limits have been detected, as required by Italian Leg. Decree 152/06 (Part III, Annex 5, tab. 3).

¹¹ Water stress indicator according to Aqueduct Water Risk Atlas developed by the World Resources Institute (www.wri.org), which provides a water stress scale from 'Low' (<10%) to 'Extremely High' (>80%).

Water withdrawals and discharges expressed in megalitres	Prosciuttificio San Michele + HPP	Parma IS	Parma Food total
Total water withdrawal	33,12	3,61	36,74
of which withdrawn from well	22,12	0,00	22,12
of which from aqueduct	11,01	3,61	14,62
Total water discharge ¹²	29,70	3,61	33,33
of which to public sewer	29,70	3,61	33,33

Water withdrawal in megalitres: 2022-2024 trend



Water withdrawals per tonne of production (ML/t)		
2022	2023	2024
0,0078	0,0075	0,0108

¹² Value measured for San Michele premises in Via Cavo. For San Michele premises of Via Sarti, Via Carbognani and Parma IS, the amount discharged is assumed to be equal to the amount withdrawn.

3.4 USE OF RESOURCES AND CIRCULAR ECONOMY

3.4.1 RESOURCE INFLOWS

Within the Group’s production sites, incoming resources are mainly divided into two categories:

- **raw materials;**
- **packaging materials.**

Raw materials are at the core of our food processing activities and reflect the production diversification of the Group’s companies. **Prosciuttificio San Michele**, specialised in the production of sliced deli meats, mainly uses **fresh and cured meats**. **Parma IS**, on the other hand, stands out for its broader and more complex offer, which includes snacks, deli sandwiches, condiments and vegetable bases. In this case, the main raw materials used are **vegetable ingredients, cheeses, extracts, fresh sauces, purées, bread and baked goods**, as well as **natural spices and flavourings**.

The quality of the raw materials used has always been one of the hallmarks of our way of doing business. This constant focus is also confirmed by the fact that several of our deli meats, beverages and fruit and vegetable preparations have been certified as organic.

To guarantee the safety and integrity of the products along the entire production chain, the Group uses different materials for packaging, including **corrugated cardboard, plastic film and plastic or aluminium packaging**, selected according to storage and transport needs.

Raw materials purchased (kg)*		Prosciuttificio San Michele + HPP	Parma IS	ParmaFood total
Renewables	Fresh meat	5.561.291	0	5.561.291
	Seasoned deli meats	966.756	0	966.756
	Other ingredients	1.110.384	877.179	1.987.563
	Paper and cardboard packaging (including straw paper and vegetable paper)	6.555	0	6.555
	Total renewables	7.644.986	877.179	8.522.165
Non-renewables	Aluminium packaging (tin foil)	100	0	100
	Plastic packaging (sacks, bags, trays, film)	45.827	6.926	52.753
	Total non-renewables	45.927	6.926	52.853
Total		7.690.913	884.10	8.575.017

*Excluding HPP, as it only deals with commercial activities

For the packaging of our products we also used:

- 37 million trays, cases and bags
- 10 million paper and cardboard boxes and displays
- 2 million m² of film

3.4.2 RESOURCE OUTFLOWS

Food waste is a matter of significant importance to us. We are encouraged by the growing collective awareness of this complex issue, whose impact, for a long time underestimated, is now fully recognised.

It is not only an unacceptable paradox of our time, but also generates serious environmental, economic and social repercussions. Statistics give proof of its extent: according to the UNEP Food Waste Index Report 2024¹³, 1.05 billion tonnes of food were wasted in 2022, about one-third of global production. This colossal waste, estimated at one trillion dollars per year, contributes 8-10% of global greenhouse gas emissions, and as such, it is a challenge demanding an urgent, collective commitment.

Given the nature of our business, based on food, we feel deeply responsible to take concrete action against this problem and have therefore implemented the following initiatives:

Factory shop (Traversetolo) In 2023, we opened a factory shop in Traversetolo where we offer our products to the community at advantageous prices. These items are perfectly suitable for eating but do not meet the strict shelf-life requirements of large-scale retail trade (GDO). This initiative reduces food waste and makes our products more accessible to our community.

Charitable donations We regularly donate significant quantities of products - perfectly marketable but with distribution times no longer compatible with large-scale retail - to local charities. These include City Angels Italia, Emporio Market Solidale Parma (with Caritas canteen), La Ronda Dei Cuori Association, Franciscan Fraternity of Bethany, all organisations that carry out crucial tasks for our society and that we are happy to support.

We are also actively involved in the **Parma non-waste - Solidarity Platform** initiative, created from a memorandum of understanding signed by important bodies such as the Cariparma Foundation, Solidarity Forum, Emporio - Solidarity Market, Caritas Parma, Social Solidarity Consortium, the Province of Parma and the Municipality of Parma. The platform is responsible for sourcing, collecting and redistributing foodstuffs to families in Parma through services provided by local volunteers. It is available to all entities - such as food companies, canteen services and fruit and vegetable producers - that find themselves managing food surpluses, bringing the management of such surpluses together into a single organised system and donating them to the most needy.

These activities and donations not only effectively combat food waste, but also provide actual aid to people in need, while at the same time addressing social injustice.

HPP ITALIA Finally, it is important to underscore that the activity of HPP Italia, which we have been carrying out since 2014, has as its primary objective the extended preservation of food. We extend the shelf life of products from 2-3 days to 30 days, without affecting their organoleptic and nutritional properties. This technological approach is intrinsically aimed at reducing waste at the source, ensuring greater availability and usability of our products.

¹³ United Nations Environment Programme (2024). *Food Waste Index Report 2024. Think Eat Save: Tracking Progress to Halve Global Food Waste*. <https://wedocs.unep.org/20.500.11822/45230>.



Parma IS and the project “Healthy Fruit&Vegetable”

Consumers are increasingly favoring products that are free of preservatives, made with high-quality ingredients, and produced in an environmentally friendly way.

It is against this backdrop that the Research and Development project presented by Parma IS was initiated, in collaboration with the Centro Ricerche Produzioni Animali Soc. Consortium (CRPA). Named **‘Formulation of ready-to-use, fresh, semi-processed fruit and vegetable products with extended shelf life and strong health properties - Healthy Fruit&Vegetable’**, the project is part of the ‘Regional Rural Development Programme 2014-2020 - Operation type 16.2.01 - Support for pilot projects and for the development of new products, practices, processes and technologies in the agricultural and agri-food sector - Focus Area 3a’. The project seeks to obtain minimally processed and stabilised vegetable products through the application of new eco-sustainable packaging techniques and very high pressure (HPP) in order to **increase shelf-life without the addition of additives and preservatives or resorting to manufacturing processes that alter their nutritional characteristics**.

Concluded at the beginning of 2024, the project’s main objective is to develop an innovative line of processed fruit and vegetable-based products able to meet consumer needs in the Retail, Ho.Re.Ca., Normal Trade and food industry channels.

Particular attention was paid to studying the **interaction between the food matrix, sustainable packaging and the application of HPP**. Thanks to the synergy between these three elements, we have been able to bring products to market without preservatives and with a shelf life of 30-40 days.

3.4.3 WASTE MANAGEMENT

The waste we produce consists mainly of packaging and sludge from the treatment of effluents. Other types are added to these sporadically and are related to extraordinary activities such as construction sites. Hazardous waste accounts for very low amounts of total waste generated.

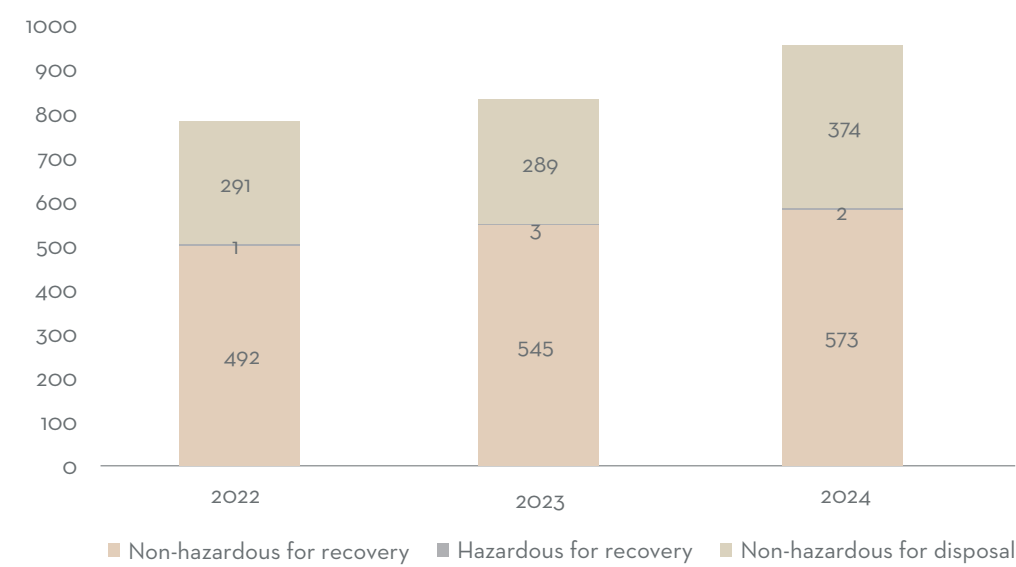
Waste-related data is collected using special forms, a waste register and the Environmental Declaration Form (EDF). Office waste is sent to the municipal waste centre via door-to-door collection, and is not included in the amounts shown in the table. This waste is however marginal compared to waste from production activities and mainly consists of paper, plastic bottles, cans, organic waste from the canteen and refreshment areas.

Waste produced by type (data in tonnes)				
EER Code Level 1	Description	Prosciuttificio San Michele + HPP	Parma IS	ParmaFood total
02	Wastes from agriculture, horticulture, aquaculture, forestry, hunting and fishing, food preparation and processing	139,6	50,8	190,4
13	Oil wastes and wastes of liquid fuels (except edible oils, items 05 and 12)	2,5	0,0	2,5
15	Waste packaging; absorbents, wiping cloths, filter materials and protective clothing not otherwise specified	636,2	113,8	750,0

Waste produced by type (data in tonnes)				
EER Code Level 1	Description	Prosciuttificio San Michele + HPP	Parma IS	ParmaFood total
17	Construction and demolition wastes (including excavated soil from contaminated sites)	0,0	0,7	0,7
20	Municipal wastes (household waste and similar commercial, industrial and institutional wastes) including separately collected fractions	5,4	0,0	5,4
Total		783,7	165,3	949,0

Waste by hazardousness and destination (t)	Prosciuttificio San Michele + HPP	Parma IS	ParmaFood total
Waste destined for recovery	461	114	575
of which non-hazardous	458	114	573
of which hazardous	2	0	2
Waste directed to disposal	323	51	374
of which non-hazardous	323	51	374
of which hazardous	0	0	0
Total	784	165	949

Waste management: 2022-2024 trend



Waste generated by production (t/t)		
2022	2023	2024
0,182	0,189	0,279





4 STAFF WELL-BEING



“The promotion of staff well-being and satisfaction through the creation of a positive working environment and the enhancement of their skills”

The value of ParmaFood Group arises every day from the people who, with their commitment, expertise and sense of responsibility, contribute to the growth of the company. This is why we place the protection, enhancement and development of human capital at the centre of our policies, in the belief that a healthy, safe and stimulating work environment is an essential condition for sustainable, lasting and shared growth.

Our human resources management approach is guided by the principles of our **Code of Ethics**, which fosters honest, respectful, and fair conduct in all professional relationships and among colleagues. These values are accompanied by the adoption of an **Integrated Policy for the Quality, Health and Safety of Workers**, which represents the operational reference for guaranteeing safe, healthy work environments compliant with current regulations.

This policy translates into the application of certified management systems and the commitment to continuously improve our performance in terms of organisational well-being, risk prevention and skills development. We promote continuous training, introduce welfare tools and merit-based incentives, adopt flexible organisational solutions and invest in the quality of working life, with the aim of making work not only a source of income, but also a space for personal and collective fulfilment.

4.1 OUR WORKERS

The Group has a total of 124 employees, in addition to 72 temporary workers who have worked at our plants over variable periods during 2024.

We endeavour to guarantee continuity and stability to our employees: in fact, almost all of our employees are hired on a permanent basis.

For employees working at ParmaFood Group (parent company), Prosciuttificio San Michele and Parma IS we apply the Food Industry NCLA for SMEs, while at HPP Italia we apply the Commerce NCLA.

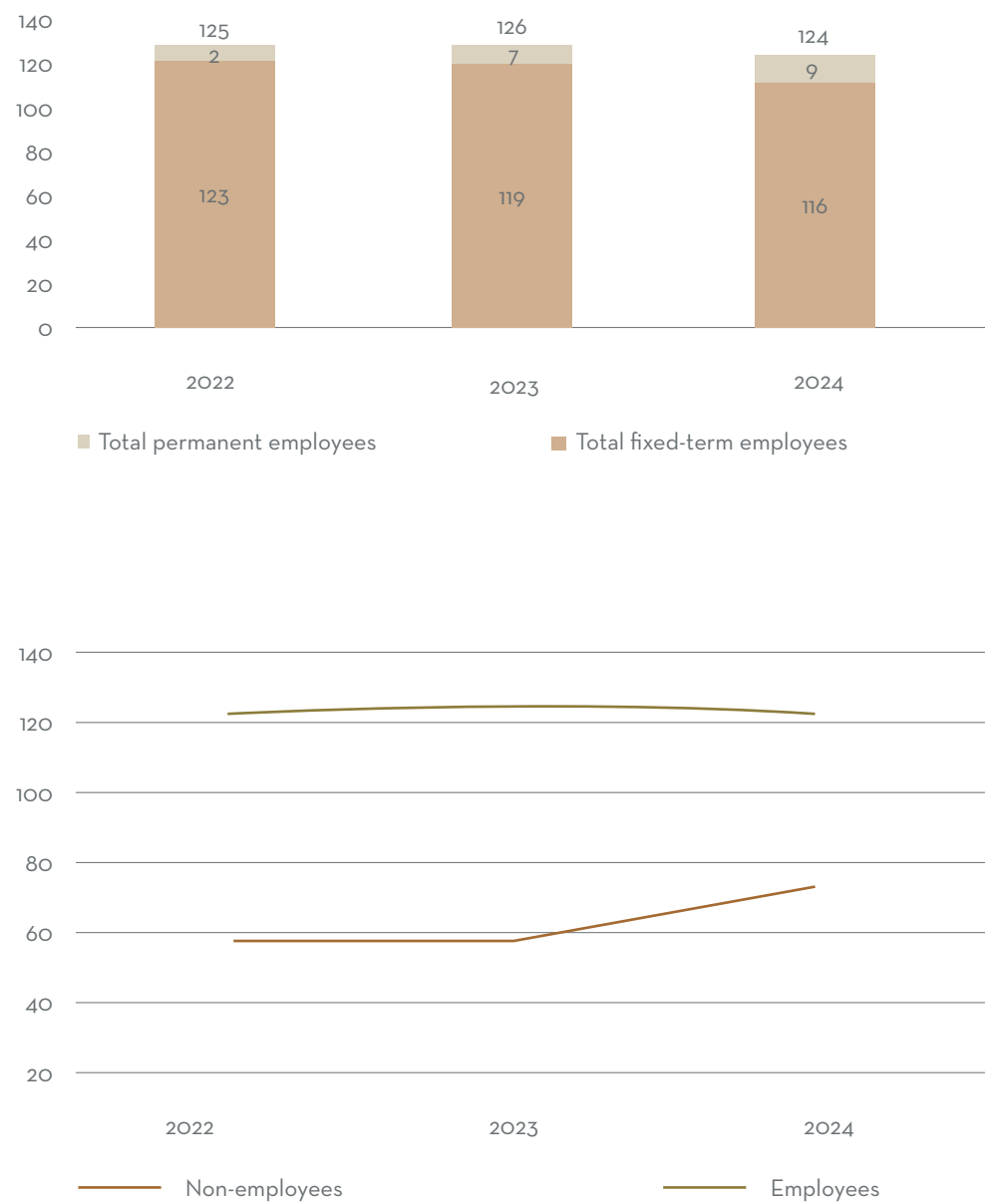
For Prosciuttificio San Michele’s activities, we rely on external service companies for certain finishing stages, such as salami tying, product packaging, boxing, and the handling of products processed with High Pressure Processing technology by HPP Italia. We also engage external companies for some Parma IS activities such as the packaging of sauces, fruit and vegetable juices, and sandwiches. The preparation of sandwiches is also outsourced.

Workers by type of contract ¹⁴	ParmaFood - capogruppo	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood Total
Employees	12	88	22	2	124
Permanent workforce	10	86	19	1	116
Women	7	32	5	1	45
Men	3	54	14	0	71
Fixed-term workforce	2	2	3	1	8
Women	1	1	2	0	4
Men	1	1	1	1	4
Workforce with hours not guaranteed	0	0	0	0	0
Women	0	0	0	0	0
Men	0	0	0	0	0
Non-employees¹⁵	6	64	2	0	72

14 Total employees as at 31/12/2024.

15 Total temporary contracts during 2024.

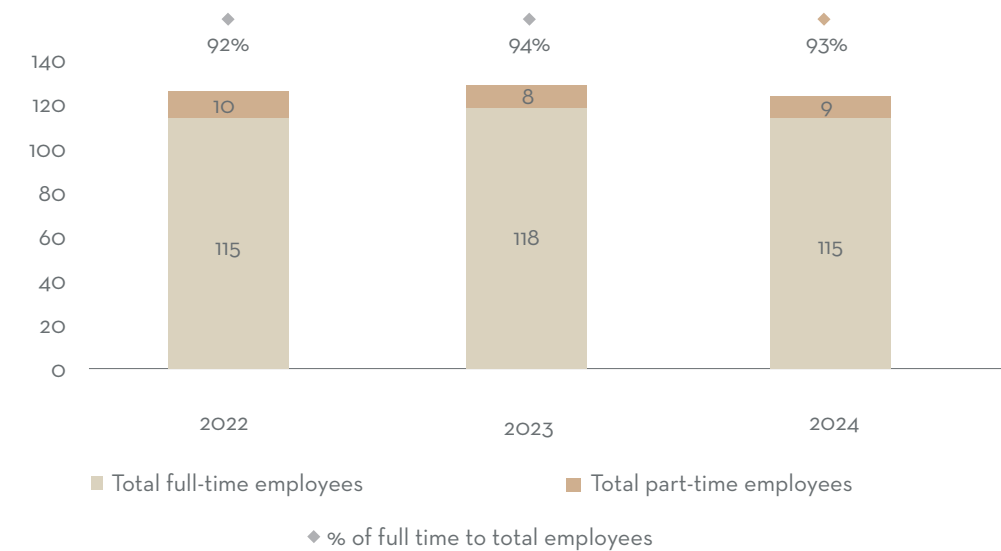
Employees by type of contract: 2022-2024 trend



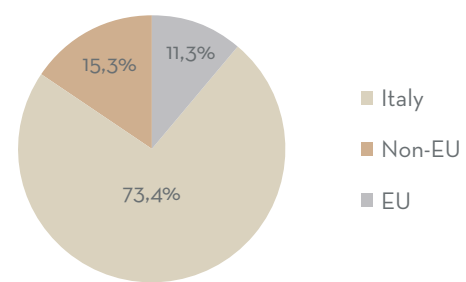
In the three-year period 2022-2024, the number of permanent employees remained largely unchanged, while the number of temporary workers saw a notable 22% increase in the last year. This dynamic reflect a personnel management strategy focused on flexibility to meet variable production demands while, at the same time, safeguarding the stability of our core workforce.

Workers by type of employment	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
Full-time workforce	11	82	20	2	115
Women	8	29	5	1	43
Men	3	53	15	1	72
Part-time workforce	1	6	2	0	9
Women	0	4	2	0	6
Men	1	2	0	0	3
Total	12	88	22	2	124

Workers by type of employment: 2022-2024 trend



Workers by origin	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
Italy	11	57	21	2	91
EU	1	12	1	0	14
Non-EU	0	19	0	0	19
Total	12	88	22	2	124



4.2 JOB RETENTION AND TALENT ACQUISITION

We believe that the well-being of our employees is the result of multiple factors which, taken together, contribute to creating a stimulating work environment, capable of attracting motivated people and enhancing their contribution over time. At the basis of this approach is the belief that the quality of working life is not limited to the protection of health or adequate remuneration, but must also include opportunities for professional growth, recognition of merit, work-life balance tools and a system of relationships based on respect and listening. It's this balance between individual well-being and a perspective for development that strengthens a sense of belonging and builds a lasting bond between people and the organization.

For this reason, in addition to ensuring safe and healthy working conditions, we promote initiatives aimed at fostering an increasingly harmonious balance between professional and private life. We have introduced, where compatible with the duties performed, forms of flexible working hours that allow employees to choose when to start and when to end their workday, while respecting a set number of working hours. Similarly, remote working was introduced to allow better management of personal and family time.

With regard to the enhancement of performance, the Group has strengthened a bonus system for top management. It is based on the achievement of general and individual goals, both of qualitative and quantitative type, linked to their

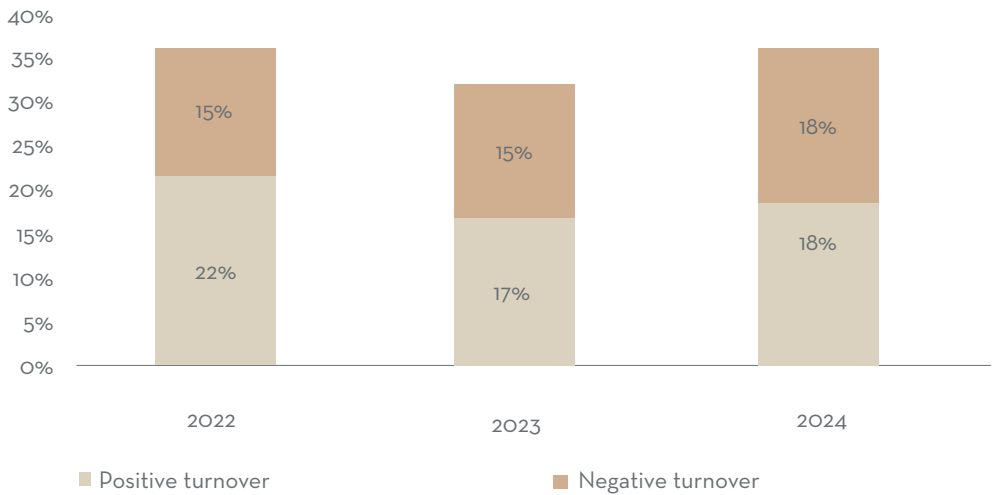
respective areas of responsibility. Alongside this mechanism that is already operational, a new bonus system is in the advanced design phase for all employees, including temporary workers with at least six months' seniority. The project, currently launched at the production site in Lesignano de' Bagni, provides for the annual disbursement of a variable bonus based on the results obtained in the production departments, with the aim of encouraging continuous improvement, staff loyalty and the dissemination of a widespread culture of responsibility.

The numbers of new hires and terminations in 2024 for all Group companies are detailed below.

New hires	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
Total new hires	7	5	9	1	22
New hires by gender					
Women	5	2	3	0	10
Men	2	3	6	1	12
New hires by age group					
Under 30 years old	4	1	5	0	10
Between 30 and 50 years old	2	4	1	1	8
Over 50 years old	1	0	3	0	4
Hires by country					
Italy	7	2	9	1	19
Romania	0	2	0	0	2
Albania	0	1	0	0	1
Positive turnover rate	58%	6%	41%	50%	18%

Termination	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
Total terminations	4	14	3	1	22
Terminations by gender					
Women	1	4	1	1	7
Men	3	10	2	0	15
Terminations by age group					
Under 30 years old	1	3	2	1	7
Between 30 and 50 years old	2	11	1	0	14
Over 50 years old	1	0	0	0	1
Terminations by country					
Italy	3	8	3	1	15
Morocco	0	1	0	0	1
Albania	0	1	0	0	1
The Philippines	0	1	0	0	1
Romania	0	2	0	0	2
Portugal	1	0	0	0	1
Venezuela	0	1	0	0	1
Negative turnover rate	33%	16%	14%	50%	18%

Turnover rate: 2022-2024 trend



Compared to 2022, positive turnover decreased by four percentage points. This trend is attributable to a consolidation of the internal HR management and development processes, which reduced the need for replacements.

4.3 STAFF TRAINING AND DEVELOPMENT

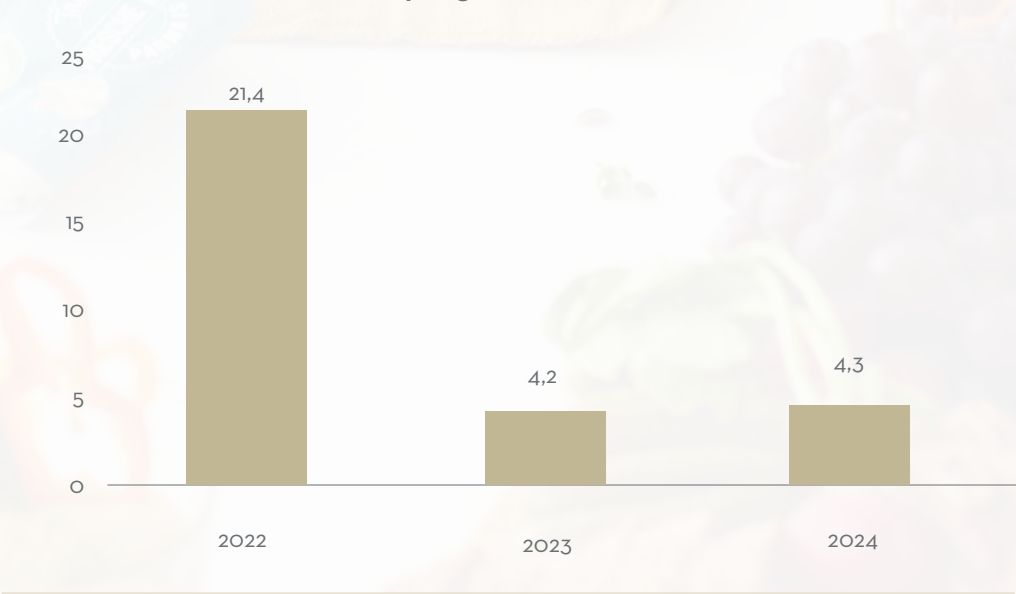
For us, investing in training means investing in the quality, safety and innovation that we seek to ensure every day. The development of our employees’ skills is indeed a strategic lever to support the Group’s competitiveness and to proactively deal with regulatory, technological and organisational changes.

In addition to mandatory training on health and safety, both at work and in the food sector, we regularly offer additional and voluntary courses, particularly focused on integrated management systems for quality, environment and safety. For external workers active in the production departments, we also provide a specific training activity which, alongside HACCP and safety obligations, examines the behavioural rules to be observed in terms of hygiene, traceability and risk prevention, so as to ensure full alignment with the principles and the operating standards of ParmaFood Group.

Alongside these activities, we also promote professional updating and growth initiatives in technical, digital and managerial areas for those in top management positions. The training programmes, which can also be set up on a voluntary basis, are designed to meet both the company’s objectives and the evolving needs of roles, strengthening individuals’ autonomy, preparation and adaptability within a constantly changing organisation.

Average hours of training ¹⁶	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
By gender					
Women	4,5	0,0	1,7	NA	1,0
Men	15,0	3,3	4,0	0,0	4,0
By category of employees					
Executives	16,0	NA	NA	NA	16,0
Middle Managers	NA	0,0	NA	NA	0,0
Office workers	4,0	1,0	2,2	0,0	1,8
Blue-collar workers	28,0	2,5	4,9	NA	3,2
Total employees	8,0	2,0	3,3	0,0	2,8
Total non-employees	-	-	-	-	6,9
Total employees + non-employees	-	-	-	-	4,3

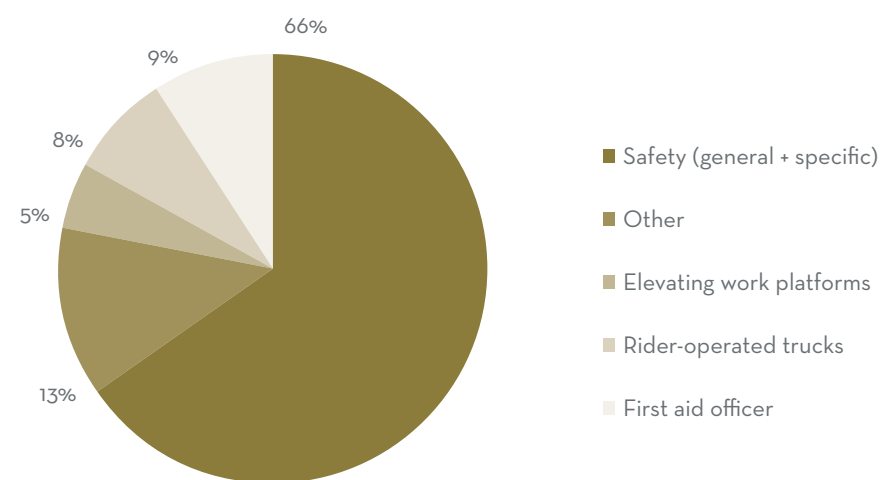
Average hours of training provided to employees and non-employees: 2022-2024 trend



16 N.A. (Non Applicable): the category of workers specified is not present.

The average number of training hours per associate in 2024 is in line with the number recorded in 2023. The high value observed in 2022, on the other hand, represents an anomaly, due to an extraordinary increase linked to the need to update mandatory safety training in the same year for a large number of workers, both employees and temporary workers.

Training topics



4.4 EQUAL OPPORTUNITIES AND DIVERSITY

In our relations with our employees, we endeavour to prevent any form of discrimination based on age, gender, sexual orientation, state of health, ethnicity, nationality, political opinions or religious beliefs. We firmly believe that enhancing the value of human and corporate resources can be achieved above all by respecting the diversity of individuals and constantly promoting equal opportunities.

Diversity in governing bodies		ParmaFood
BoD member by gender		
Men		6
Women		0
BoD members by age bracket		
Under 30 years old		0
Between 30 and 50 years old		3
Over 50 years old		3

Diversity among workers	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
Executives	2	0	0	0	2
Women	0	0	0	0	0
Men	2	0	0	0	2
Under 30 years old	0	0	0	0	0
Between 30 and 50 years old	2	0	0	0	2
Over 50 years old	0	0	0	0	0
Protected and differently-abled categories	0	0	0	0	0
Middle Management	0	1	0	0	1
Women	0	0	0	0	0
Men	0	1	0	0	1
Under 30 years old	0	0	0	0	0
Between 30 and 50 years old	0	0	0	0	0
Over 50 years old	0	1	0	0	1
Protected and differently-abled categories	0	0	0	0	0
Office workers	9	27	13	2	51
Women	8	9	6	1	24
Men	1	18	7	1	27
Under 30 years old	3	3	6	1	13
Between 30 and 50 years old	5	19	5	1	30
Over 50 years old	1	5	2	0	8
Protected and differently-abled categories	8	9	6	1	24
Blue-collar workers	1	60	9	0	70
Women	0	24	1	0	25
Men	1	36	8	0	45
Under 30 years old	1	8	2	0	11
Between 30 and 50 years old	0	45	5	0	50
Over 50 years old	0	7	2	0	9
Protected and differently-abled categories	0	24	1	0	25

4.5 OCCUPATIONAL HEALTH AND SAFETY

We believe that safeguarding the safety and health of our workers is of crucial importance. We set ourselves the goal not only of complying with the requirements of specific regulations, but also of continuously improving working conditions, on the basis of principles of prevention and precaution.

We apply all the provisions required by applicable regulations, especially the Consolidated Law on Safety (Italian Leg. Decree 81/08), to ensure the health and safety of our workers.

A cornerstone of our occupational safety management policies is the content of the Risk Assessment Documents (DVR) of the three companies. The DVR is a document that governs the mapping and management of risks in the company, defines roles and tasks, and specifies the related methods and references underlying the assessment. Furthermore, Prosciuttificio San Michele's sites in Via Cavo and Via Carbognani have ISO 45001 certification, the reference standard for occupational health and safety management systems. This voluntary certification is an important achievement for us, as well as a tangible example of our commitment to these issues.

In accordance with the precautionary principle, monitoring risks starts with a prior analysis of the organisation and workplaces in order to identify any hazards. This is followed by a risk assessment and the definition of preventive and

protective measures (if the source of risk cannot be eliminated) aimed at improving the safety conditions of workers. The methodologies adopted and the results obtained are formalised in the DVR, which is updated when substantial changes affect machinery, environments, work phases and tasks. The processes aimed at minimising risks become targets for improvement, to be tracked and pursued as part of the safety management review.

The main work-related hazards identified through the risk assessment regard the use of forklifts, hand pallet trucks and knives. No work-related hazards were identified that pose a risk of serious injury.

In order to apply the processes defined in the RAD, we have established specific responsibilities and roles: the Head of the Prevention and Protection Service (HPPS) draws up the risk assessment together with the employer and the company doctor, after prior consultation with the Workers' Safety Representative (WSR), and delivers in-house health and safety training to workers. In addition to these roles, first aid and fire-fighting teams have been identified, as well as a group of safety officers. This organisation in Prosciuttificio San Michele involves 30 resources in the Via Cavo site, 5 in the Via Sarti site and 3 in the Via Carbognani site (also dedicated to HPP Italia). Four resources are instead involved in the Parma IS plant.

Workers as well are involved in the development, implementation and assessment of the occupational health and safety management system through the periodic training activities and by collecting suggestions and comments. Workers are trained internally by the HPPS at least twice a year, while first aid and fire-fighting team members attend specific courses at accredited institutions. This gives workers the opportunity to keep up to date with the latest safety regulations and to discuss and analyse any injuries that have occurred in the company. Finally, an evacuation drill is conducted for all employees at least once a year.

Employees can report work-related risk situations or make suggestions in two ways: using the appropriate whistleblowing box or directly contacting the WSR, either by e-mail or verbally. Important health and safety information is instead shared with workers through notice boards, specific training and meetings.

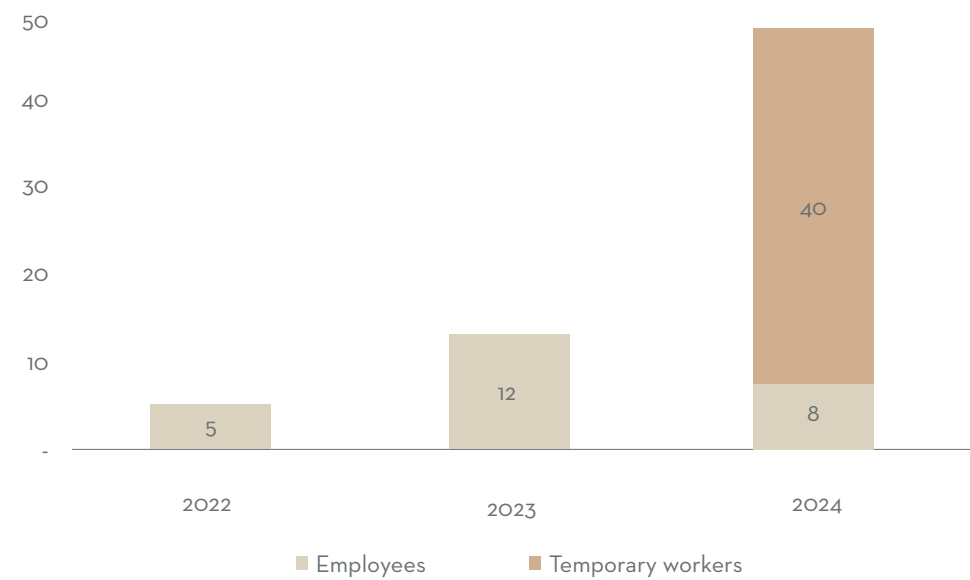
To make it easier for workers to access non-work-related health services, the Enfea Fund for supplementary health care has been set up. The Fund is reserved for companies that apply, among others, the Unionalimentari NCLA signed by Confapi Categories and the Federations of CGIL, CISL and UIL. Employees who have permanent contracts, fixed-term contracts lasting no less than six months, or apprenticeship contracts are entitled to Enfea Salute benefits.

We demonstrate that occupational safety is a priority for us also by constantly monitoring injuries. In 2024, two injuries occurred among employees and four among temporary workers.

Work-related injuries ¹⁷	ParmaFood - parent company	Prosciuttificio San Michele	Parma IS	HPP	ParmaFood total
Employees					
Ore uomo lavorate	18.511	173.622	42.482	3.115	237.729
No. temporary injuries	0	2	0	0	2
No. permanent injuries	0	0	0	0	0
No. of fatal accidents	0	0	0	0	0
Temporary injury rate	0	12	0	0	8,41
Permanent injury rate	0	0	0	0	0
Rate of fatal accidents	0	0	0	0	0
Temporary workers					
Man hours worked	0	97.846	3.244	0	101.091
No. temporary injuries	0	4	0	0	4
No. permanent injuries	0	0	0	0	0
No. of fatal accidents	0	0	0	0	0
Rate of recordable injuries	-	41	0	-	40
Rate of serious injuries	-	0	0	-	0
Rate of fatal accidents	-	0	0	-	0

17 Figures per million man hours worked.

Injury rate: 2022-2024 trend





5 BUSINESS CONDUCT

Our way of doing business is based on principles of fairness, transparency and responsibility, which guide our decisions and inspire relationships with all our stakeholders: from customers to suppliers, from the local area in which we operate to the corporate community as a whole.

In this context, the **Group's Code of Ethics** is the main tool through which we define and share the values that guide our daily activities, promoting a business culture based on ethics, compliance with regulations and the protection of the collective interest.

Through the Code of Ethics, we affirm our commitment to responsible governance, which translates into consistent behaviour along the entire value chain. Its recommendations influence not only internal policies, but also the ways in which we select and work with suppliers, manage trust-based relationships with customers and promote the harmonious development of the local area.



5.1 STRUCTURE AND ORGANISATION

ParmaFood Group is based in Lesignano De' Bagni, in the province of Parma. It has a share capital of Euro 600,000 held equally by three quotaholders: brothers Giancarlo, Giorgio and Giulio Gherri. The three brothers also hold key roles within the Board of Directors (BoD), composed as follows:

- **Chairman:** Giulio Gherri.
- **Chief Executive Officer:** Giorgio Gherri.
- **Directors:** Giancarlo Gherri, Igor Furlotti, Massimiliano Salerno and Tommaso Perri.

Both management and strategic skills are represented in the BoD. The appointed directors have a fixed term of office and may be re-elected. The current members of the BoD were appointed on 20/12/2023 and will remain in office until the approval of the financial statements as at 31/12/2025.

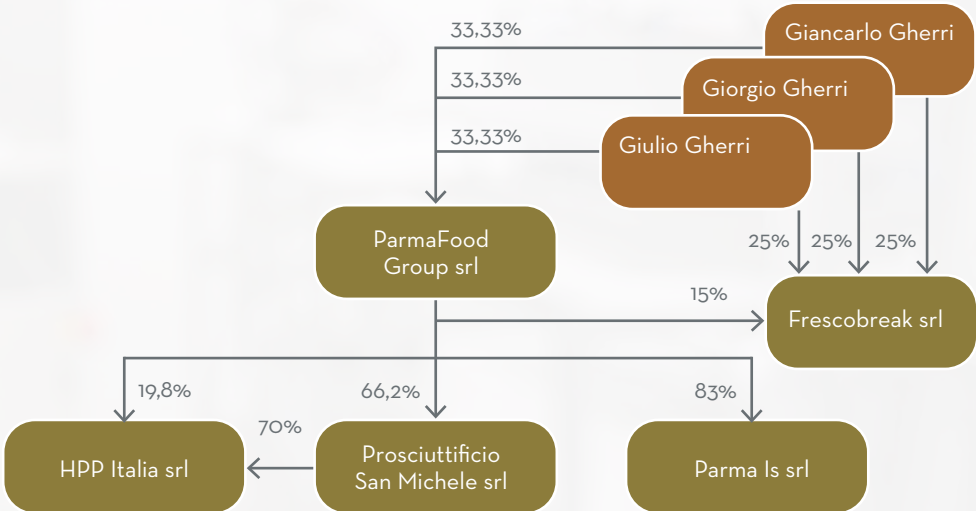
One of the BoD's responsibilities is to manage critical issues that arise among corporate stakeholders. We encourage employees to freely express their concerns or suggestions through the company's message boards and dedicated boxes. Similarly, our customers and local communities can contact us via our website and social media. Any critical issues identified are brought to the attention of the BoD, which carefully monitors the situation and makes informed decisions to ensure that the company operates in full compliance with the Code of Ethics and best business practices.

The Chairman has full powers of ordinary and extraordinary administration and the power to represent the company externally. He is responsible for defining the company's environmental, social and governance (ESG) objectives, as well as the strategies and policies for their achievement. The results to be pursued are defined at the beginning of each year, with their achievement delegated to management.

Giorgio Gherri (our CEO) also has full responsibility for the protection of health and safety in the workplace and the prevention of injuries. He represents the Company before all public and private bodies responsible for oversight, verification and control in matters of accident prevention, occupational hygiene, environmental protection and fire prevention. Furthermore, he is granted all powers related to fulfilling the obligations set forth in Italian Legislative Decree 152 of 2006 on respect for and protection of the environment and the local community, and on ecology.

The Chairman of the Board of Directors approves the update of the identified material topics, reported in chapter 2, and validates the content of the Sustainability Report before its publication.

There are three companies in which we have controlling stakes: Prosciuttificio San Michele, Parma IS and HPP Italia, all operating in the food and related services sector.



● Group companies ● Quotaholders of reference

5.2 RISK MANAGEMENT

The management of our companies includes careful control and monitoring of the non-financial risks we may be exposed to. This activity allows us to adopt a detailed model for the management of criticalities that identifies, classifies and measures the most relevant risks, helping us to conduct a thorough mapping that is useful for the company's strategy.

We periodically review our companies' level of exposure to potential risks with the aim of minimising the possible effects on our business in the short and long term. This monitoring activity has allowed us to divide non-financial risks into five macro-categories: environment, personnel management, supplier management, bribery and fraud.

5.2.1 ENVIRONMENT

The negative impacts that our activities may have on the environment concern the production of polluting gas emissions and waste, as well as the use of the soil. To reduce these effects, in line with our values and the content of the Code of Ethics, we strive to adopt responsible behaviour focused on protecting the environment and to constantly monitor the negative impacts generated to reduce them. The activities to monitor and limit impacts are also set out in the ISO 140001 and EMAS certifications that we have obtained with Prosciuttificio San Michele: the environmental management system and environmental policy envisaged by these certifications are the subject of annual training for all employees. The additional tools that we use to reduce the impacts and risks associated with environmental issues include the increasing use of energy from renewable sources and the reduction of energy demands through more efficient technologies and plants.

5.2.2 PERSONNEL MANAGEMENT

With regard to personnel management, the most relevant risks include respecting diversity and inclusion, safeguarding health and safety at work, and attracting, enhancing and retaining human capital.

We firmly strive to ensure that our workers have inclusive, stimulating, healthy and safe workplaces. As proof of this, Prosciuttificio San Michele has obtained ISO 45001 certification, which guarantees the adoption of a management system in line with the highest international occupational safety standards.

5.2.3 PRODUCTS

Product risks include the possible impacts that our offer could have on the health and safety of the people choosing our products. In this regard, the use of HPP technology allows us to reduce the risks associated with food consumption by eliminating potentially present pathogens while keeping food fresh and more preservable.

Another possible risk category is consumers' changing food habits and consumption choices, such as, for example, eating meat. The Group's wide range of products allows us to monitor this aspect appropriately. While actually, on the one hand, new eating habits in favour of less meat may be a threat to the business of some of our companies, on the other, this change is an opportunity as we also deal with vegetable-based preparations and fruit juices with the Parma IS product line. Both product lines offer significant potential for growth in the future.

5.2.4 SUPPLIER MANAGEMENT

The latent critical issues related to supplier management concern the interruption of activities and/or increases in operating expenses for reasons external to our business.

This risk category became more critical between 2021 and 2022 due to rising raw material and energy prices. To address this, we prefer to choose local suppliers, which allows more effective monitoring of potential situations of scarcity and facilitates the timely identification of alternative solutions.

A further type of risk is represented by the potential conduct of suppliers that does not comply with the principles of our Code of Ethics. Compliance with our Code is indeed an essential requirement of the collaboration relationships we establish.

5.2.5 BRIBERY AND FRAUD

The main source of risk related to bribery and fraud offences is the participation in tenders for public contracts. Such incidents can have repercussions for the Group in both economic and reputational terms. To combat this type of offence, we have adopted a Code of Ethics that outlines the professional standards and conduct to be observed by all employees and associates in their relations with third parties. The principles of legality and fairness, which are inspired by the values set out in international and national regulations on the prevention of the risks of fraud and bribery, are referred to in the Code, enabling us to ensure increasingly better performance in terms of transparency. We explicitly request all employees and associates to prevent, suppress and report corrupt behaviour and any other form of fraud to ensure greater supervision of the risks associated with these categories of offence. To strengthen a corporate culture that integrates anti-corruption principles, we deliver regular communication and training to top management and employees on active anti-corruption policies and procedures. No cases of corruption were recorded in the reporting year.

This monitoring and action system ensured that no significant cases of non-compliance occurred during the reporting period and that no penalties were paid for non-compliance with laws and regulations.

5.3 CREATING VALUE TO SHARE IT

Throughout its expansion, ParmaFood Group has always wanted to offer a significant contribution to the local economy and community to which it belongs. Our choice to maintain a deep connection with the community is not accidental, but the result of the desire to create social value in addition to economic value. Through our activities and targeted sourcing choices, we actively contribute to the well-being of the communities in which we have plants.

The value generated by our Group and distributed to stakeholders demonstrates the positive impact of our activities on the economy and the social fabric. This impact is manifested directly through job creation and supplier relationships, and indirectly through the value distributed to quotaholders. The latter, in turn, invest these resources in projects with high economic and social impact and in the promotion of the cooperative movement.

The economic value generated in 2024 confirms the growth trend of our Group, which exceeds Euro 71 million.



“The ability of the company to generate and distribute economic value within and outside the Group”



In 2024, the total economic value generated by the Group was approximately Euro 72 million (+15% compared to 2022), while the value distributed amounted to approximately Euro 66 million (+16% compared to 2022).

Financial assistance received from the government (figures in thousands of €)	2022	2023	2024
Tax relief and deductions	1.601	674	-
Subsidies	110	144	-
Investment, research and development grants and other relevant forms of contribution	18	453	561
Financial incentives	250	-	-
Total	1.979	1.271	561

The ability to generate value depends on the readiness with which the Group intercepts market developments and responds to the new needs of consumers. Striving continually to improve our products contributed to consolidating our Group as one of the leaders of reference in the sectors we work in.

We are constantly investing in innovative technological solutions, in accordance with Industry 4.0 requirements, that enable us to achieve goals in terms of process efficiency, digitisation and lower energy demands, and with a more pronounced focus on sustainability.

During 2024, ParmaFood made infrastructure investments for a total value of over Euro 5.2 million (taxable value), distributed between the production sites of Parma IS and San Michele. The interventions mainly concerned the purchase of fittings, machinery and infrastructure to support production growth in various business lines.

Investimenti strutturali e servizi finanziati (dati in migliaia di euro)	2022	2023	2024
Significant infrastructure investments and funded services	5.542	5.984	5.232



5.4 CONSUMER HEALTH AND SAFETY

Food is a fundamental pillar of people's health, and operating in this sector comes with a great responsibility for us: ensuring that utmost attention is given to the safety of the products we introduce to the market. The trust of our consumers - an increasingly wide audience, requires that we not only search for constant innovation, quality and freshness, but also continually monitor food safety.

All our products undergo specific and detailed regular tests at certified external laboratories. The frequency of these tests is established according to specific criteria for each type of food, to ensure its quality in all phases, from processing of raw materials to packaging. All the surfaces in the production departments are also checked regularly, with special attention to those that come into direct contact with food.

In addition, we carry out tests regularly to check the microbiological content of process water and ambient air, both in the workplace and in clean rooms.



“The protection of consumer health and safety as an essential aspect on which all the activities managed by the Group are based.”



5.5 CONTROLLED AND SUSTAINABLE SUPPLY CHAIN

To ensure the safety of the food that reaches our customers' tables, it is equally important to ensure its traceability along the production chain. This means collecting reliable information about each stage of the production process to identify how, what and who have interacted with all the ingredients that make up the final products. As a further guarantee of quality, some of our productions have achieved organic certification, which proves that there are no hormones or growth enhancers, GMOs, synthetic fertilisers and chemical elements in the production processes.

Our production depends considerably on the supply chain we are a part of. We truly believe that a synergistic link between the different players of the supply chain is an important success factor for a business such as ours. It is therefore essential to have an open line of communication with suppliers to offer sustainable and quality products. This is why we gather new stimuli and ask ourselves how to improve production and ensure that our production chain also respects the values and principles in which we believe.



“The promotion of a controlled supply chain that shares the principles of environmental and social sustainability and contributes to achieving the expected levels of product quality.”

We know how important it is to establish valuable relationships based on mutual cooperation between our Group and the players in the supply chain that we work with. These relationships are an essential part of achieving our quality objectives and are the foundation on which we have built our success.

For many years Prosciuttificio San Michele has been working with the Campo Bo farm, the owner of six pig farms in the province of Parma. The farm applies specific transponder modules (TAGs) to the pigs' ears to receive information flows and therefore trace each individual head of livestock from birth to delivery to the slaughterhouse. The flows generated by this process are monitored by the **Tr@cePig** system, allowing us to guarantee traceability from breeding to consumption.

Although we do not directly raise livestock or select farms, our Group pays attention to the issue of animal welfare. Pork is the basis of many of our processes; therefore, we source exclusively from slaughterhouses and cutting plants included in the PDO and PGI circuits, which guarantee compliance with high standards in terms of animal welfare throughout the production chain, starting from the farms.

Although our Group does not directly breed the cattle used in our production processes, we pay special attention to animal welfare. Pork is the basis of many of our processes, which is why we strive to search for and select breeders that pay close attention to the welfare of their animals, for example, breeders that adopt good practices such as rearing on straw and that provide greater cage space, and customised feeds based on the different physiological needs of the animals.

In order to certify the sustainability of the supply chain and ensure healthy, quality products for our customers, a further discriminating factor in the selection of suppliers is whether they hold ISO 14001 certification and/or Organic certification: there are currently ten selected suppliers with Organic certification for Prosciuttificio San Michele and Parma IS.

Given the variety of products we offer, our supply chain does not only involve suppliers for the procurement of pork meat. Even for other products required during processing - e.g., ingredients for sandwiches, spices, packaging, transport services - we choose suppliers mainly located in the regions of Central and Northern Italy and in the areas close to our production sites: we prefer to enhance a short supply chain in order to support excellent national business activities and operate with an approach of lower environmental impact associated with logistics. These suppliers meet our high quality and safety criteria and at the same time help us meet our sustainability goals. Within this short supply chain context, there are, however, some exceptions regarding the procurement of raw materials used in 'Il Pagnotto' brand preparations, such as salmon and avocado, which come from Norway and South America, respectively.



5.6 RELATIONS WITH THE LOCAL COMMUNITIES

A feature of our business activity is the intimate connection between our operations and the region in which we are rooted. The specific production area where we are located enhances the value of our products and certifies their excellent quality. The values, tradition and expertise maintained in the province of Parma are key factors in the production of our products of excellence.

For these reasons, our Group strives to significantly contribute to the development of the area that has provided and continues to provide us with resources, capabilities, opportunities and reputation. When choosing suppliers, we give priority to local suppliers: in 2024, more than 95% of the procurement budget involved local suppliers.

We collaborate with schools and institutes to foster youth employment and the development of professional skills in the sector. We are included in the register of companies for school-to-work programmes and have entered into agreements with the University of Parma to offer curricular and extracurricular internships in our companies. During 2024, we welcomed one trainee and seven secondary school students as part of the training activities under the school-to-work programme.



“Respect for the local communities affected by the supply chain, enhancing their environmental, social, economic and cultural aspects.”

Our work also helps to spread abroad the culture of the Parma area and of Made-in-Italy excellence in general: exporting, for example, allows us to make an essential component of the Italian spirit known through food and at the same time promote the popularity of the places where we produce our specialities.

With a view to enhancing the local community, our Group prefers cooperating with small local businesses that are capable of expanding their range of products for the foreign market. We are happy to give visibility also to those smaller producers who alone would not have access to faraway lands. Thanks to these business relationships, we hope to make it easier for small local producers to enter foreign markets, by generating a virtuous impact based on a logic of mutual benefits with positive effects both for our business and the local community.

5.6.1 THE ASSOCIATIONS WE ARE MEMBERS OF

Our close bond with the local community and our longing to promote its development in Italy and worldwide led us to establish - together with other businesses from Emilia-Romagna - Emilian Way, a consortium dealing with the export of typical products from the Italian food valley.

We are also members of the following associations:

- Consorzio di Tutela della Coppa di Parma IGP (Consortium for the Protection of Coppa di Parma PGI);
- CONFAPI Industria Emilia-Romagna (with Prosciuttificio San Michele);
- CONFAPI Industria Piacenza (with Parma IS);
- Consorzio del Prosciutto di Parma (Prosciutto di Parma Consortium);
- Consorzio di Tutela della Culatta Emilia (Consortium for the Protection of Culatta Emilia);
- Unione Italiana Food (Italian Union Food).

Over the years, Prosciuttificio San Michele has been a part of several trade associations committed to safeguarding quality and product conformity standards:

- ASSICA (Association of Meat and Deli Meat Industries);
- IVSI (Institute for the Enhancement of Italian Deli Meats);
- Consorzio di Tutela del Salame Felino IGP (Consortium for the Protection of Salame Felino PGI).

With these memberships, we strengthen our commitment to growth based on quality and responsibility, two aspects that are inextricably linked to our business history.

In quanto cultori e produttori responsabili delle specialità tipiche della tradizione italiana, aderiamo con Prosciuttificio San Michele al Manifesto dell'Istituto Valorizzazione Salumi Italiani (IVSI), importante documento che prevede sette principi: storia e tradizione, informazione e cultura, qualità e sostenibilità, legame con il territorio, stile di vita italiano, gioco di squadra e orientamento al futuro. Il Manifesto è liberamente scaricabile al seguente link: <https://www.salumi-italiani.it/manifesto/>.





OBJECTIVES
TABLE

Ambito	Tema	Sottotema	Obiettivo	Target al 2025	Stato di avanzamento al 2024
Governance	Business conduct	Corporate culture	Expand the range and type of products	Launching of new Parma IS product lines.	In 2024, new Parma IS branded products were introduced, including an alternative line of 'Fresche Idee' sandwiches with 4 types, new balanced meat-based main courses, sauces such as tzatziki and hummus with herbs, and an innovative version of the strolghino salami in a protective atmosphere. The Aperitiamo line was also strengthened and a new multi-level tray for cold cuts was developed for the Ho.Re.Ca. channel.
			Promote the dissemination of high pressure technology (HPP) in the fresh food sector	Increase the range of products in ParmaFood Group companies that use HPP.	In 2024, the use of HPP technology was extended to the 'Fresche Idee' line, strengthening the offer of fresh products with a high shelf life.
			Maintain customer satisfaction at very high levels	Increase turnover by 25%.	Turnover between 2022 and 2024 increased by 21%.
			Increase the sustainability of the supply chain	Increase the number of organically certified suppliers.	The number of active organic certified suppliers dropped from 20 in 2023 to 14 in 2024.
			Increase the sustainability of the supply chain	Strengthen awareness among suppliers on animal welfare, organic and environmental sustainability issues.	In 2024, the awareness raising initiative through questionnaires carried out in 2023 was confirmed.

Ambito	Tema	Sottotema	Obiettivo	Target al 2025	Stato di avanzamento al 2024
Social	Own workforce	Work-life balance	Reduce work-related stress	Construction of a canteen and recreation room for workers (table football, table tennis, card games, chess, etc.).	In 2024, a new canteen area was built at the Via Cavo site
			Promote use of the welfare plan set up at the end of 2022	Use of the welfare plan by 100% of workers who have access to it.	In 2024, some tools were introduced to support people's well-being and development, such as flexible working hours and remote work to improve work-life balance.
	Affected communities	Impacts linked to the local area	Increase employment	Increase of 25 (+20%) employees in the ParmaFood Group.	In the 2023-2024 period, the total workforce recorded a slight decrease (-1 unit), due to an organisational consolidation process that improved human resource management efficiency and reduced the need for new hires.
			Increase relations with secondary schools and universities by expanding and diversifying the type of relations	Organise at least one event per year at schools and universities held by ParmaFood Group representatives.	Giulio Gherri carried forward the activity in continuity with 2023, sharing his experience at university courses and technical colleges and increasing the number of faculties that have started collaborations with our Group.
	Consumers and end users	Personal safety of consumers and/or end users	Ensure product quality and safety in compliance with sector regulations	Reduce non-conformities in HACCP controls.	In 2024, there was an overall decrease in non-compliance detected in HACCP controls compared to the previous year, dropping from 26 to 13. The drop was particularly significant at the plants at Via Partigiani (from 16 to 7) and Via Cavo (from 7 to 4)
				Reduce, to the point of eliminating, the use of additives in the production of deli meats.	In 2024, the 'Healthy Fruit & Vegetable' project was completed and new Vegeluna branded products with short labels, free of preservatives, were introduced.

Ambito	Tema	Sottotema	Obiettivo	Target al 2025	Stato di avanzamento al 2024
Environmental	Climate change	Energy	Reduce energy consumption impacts	Bring energy consumption per tonne of production down to 7 GJ/t.	In 2024, energy consumption per tonne of production was around 13 tonnes.
	Use of resources and circular economy	Inflows of resources, including the use of resources	Reduce product- and packaging-related impacts	Spread use of the paper tray to at least one new customer.	The project is currently being reassessed, with the aim of identifying the best conditions for possible future implementation.
				Complete the research and development project for the production of recyclable trays (monomaterial PET).	The project is currently being reassessed, with the aim of identifying the best conditions for possible future implementation.



GRI CONTENT INDEX

Statement of use	ParmaFood Group S.r.l. has reported the information mentioned in this GRI content index for the period 1 January 2024 - 31 December 2024 in accordance with the GRI Standards
GRI 1 used	GRI 1 - Foundation - version 2021
Pertinent GRI sector standard	Not applicable

GRI Standard	Disclosure	Location Paragraph	Omissions		
			Requirement omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	1, 5.1	Omissions not applicable		
	2-2 Entities included in the organisation's sustainability reporting	2.1			
	2-3 Reporting period, frequency and contact point	2.1			
	2-4 Restatements of information	No revisions have been made to information published in previous reporting periods			
	2-5 External assurance	2.1			
	2-6 Activities, value chain and other business relationships	1.2, 1.4, 5.1			
	2-7 Employees	4.1			
	2-8 Workers who are not employees	4.1			
	2-9 Governance structure and composition	5.1			
	2-10 Nomination and selection of the highest governance body	5.1			
	2-11 Chair of the highest governance body	5.1			
	2-12 Role of the highest governance body in overseeing the management of impacts	5.1			
	2-13 Delegation of responsibility for managing impacts	5.1			
	2-14 Role of the highest governance body in sustainability reporting	5.1			
	2-15 Conflicts of interest	5.2			
	2-16 Communication of critical concerns	5.1			
	2-17 Collective knowledge of the highest governance body	5.1			

GRI Standard	Disclosure	Location Paragraph	Omissions		
			Requirement omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	-	x	Not applicable	There are currently no formal procedures in place for evaluating the performance of the governing body
	2-19 Remuneration policies	-	x	Not applicable	There are currently no formal procedures in place for evaluating the performance of the governing body
	2-20 Process to determine remuneration	-	x	Not applicable	There are currently no formal procedures in place for evaluating the performance of the governing body
	2-21 Annual total compensation ratio	-	x	Information not available / incomplete	
	2-22 Statement on sustainable development strategy	Letter to stakeholders			
	2-23 Policy commitments	1.5			
	2-24 Embedding policy commitments	1.5.1			
	2-25 Processes to remediate negative impacts	1.5.1			
	2-26 Mechanisms for seeking advice and raising concerns	5.1			
	2-27 Compliance with laws and regulations	5.2			
	2-28 Membership associations	1.5			
	2-29 Approach to stakeholder engagement	2.3			
	2-30 Collective bargaining agreements	4.1			

GRI Standard	Disclosure	Location Paragraph	Omissions		
			Requirement omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2			
	3-2 List of material topics	2.2			
ESRS E1 Climate change					
GRI 3: General Disclosures 2021	3-3 Management of material topics	3			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	3.1.1			
	302-3 Energy intensity	3.1.1			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.1.2			
	305-2 Energy indirect (Scope 2) GHG emissions	3.1.2			
	305-4 GHG emission intensity	3.1.2			
ESRS E2 Pollution					
GRI 3: General Disclosures 2021	3-3 Management of material topics	3			
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	3.2			
ESRS E3 Water and marine resources					
GRI 3: General Disclosures 2021	3-3 Management of material topics	3			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	3.3			
	303-2 Management of water discharge-related impacts	3.3			
	303-3 Water withdrawal	3.3			
	303-4 Water discharge	3.3			
ESRS E5 Use of resources and circular economy					
GRI 3: General Disclosures 2021	3-3 Management of material topics	3			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	3.4.1	The weight of some packaging materials could not be determined.		

GRI Standard	Disclosure	Location Paragraph	Omissions		
			Requirement omitted	Reason	Explanation
GRI 306: Effluents and waste	306-1 Water discharge by quality and destination	3.4.3			
	306-2 Management of significant waste-related impacts	3.4.3			
	306-3 Waste generated	3.4.3			
	306-4 Waste diverted from disposal	3.4.3			
	306-5 Waste directed to disposal	3.4.3			
ESRS S1 Own workforce					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.2			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	4.3			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	4.5			
	403-2 Hazard identification, risk assessment and incident investigation	4.5			
	403-4 Worker participation, consultation and communication on occupational health and safety	4.5			
	403-5 Worker training on occupational health and safety	4.5			
	403-6 Promotion of worker health	4.5			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5			
	403-9 Work-related injuries	4.5			
ESRS S3 Affected communities					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	5.6			

GRI Standard	Disclosure	Location Paragraph	Omissions		
			Requirement omitted	Reason	Explanation
ESRS S4 Consumers and end users					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.4			
ESRS G1 Business conduct					
GRI 3: General Disclosures 2021	3-3 Management of material topics	5			
GRI 201: Economic performance 2016	201-1 Economic value directly generated and distributed	5.3			
	201-4 Financial assistance received from government	5.3			
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and funded services	5.3			
GRI 205: Anti-Corruption 2016	205- 2 Communication and training on anti-corruption policies and procedures	5.3			
	205-3 Confirmed incidents of corruption and actions taken	5.3			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.3			



APPENDIX

LIST OF MATERIAL IMPACTS

ESRS standard	Sub-topic	Type of impact	Description
E1 - Climate change	Climate change mitigation	negative	Company activities generate greenhouse gas emissions.
	Energy	negative	The operations require energy for the processing and preservation of the products.
E2 - Pollution	Air pollution	negative	Production activities and transport generate polluting emissions.
E3 - Water and marine resources	Water consumption	negative	Significant water withdrawals for food processing.
	Water discharges	negative	Generation of industrial waste water from washing and food processing.
E5 - Resources and circular economy	Use of packaging	negative	Predominant use of virgin materials in packaging.
	Food waste	negative	Risk of exceeding shelf-life or non-compliance that leads to waste.
	Waste production	negative	Production of hazardous waste and directed to disposal.
S1 - Own workforce	Working conditions	positive	All workers covered by collective agreements.
		positive	Predominantly permanent contracts.
		positive	Initiatives to improve work-life balance.
		negative	Risk of accidents in company activities.
	Equal treatment and opportunities	positive	Merit-based criteria for recruitment and remuneration.
S3 - Affected communities	Local suppliers	positive	Predominantly local suppliers.
S4 Consumers and end users	Consumer information	positive	Transparent communication on the origin and properties of products.
G1 - Business conduct	Corporate culture	positive	Promotion of ethics, legality and trust among stakeholders.
	Whistleblower protection	positive	Anonymous whistleblowing system in place.

PeFor information and further details:

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The background is a complex mosaic of rectangular tiles in various shades of brown, tan, and black. Overlaid on this are several large, organic, leaf-like shapes in deep red, orange, and olive green. A large, solid olive green polygon is positioned on the right side, containing the text.

PARMA FOOD

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