

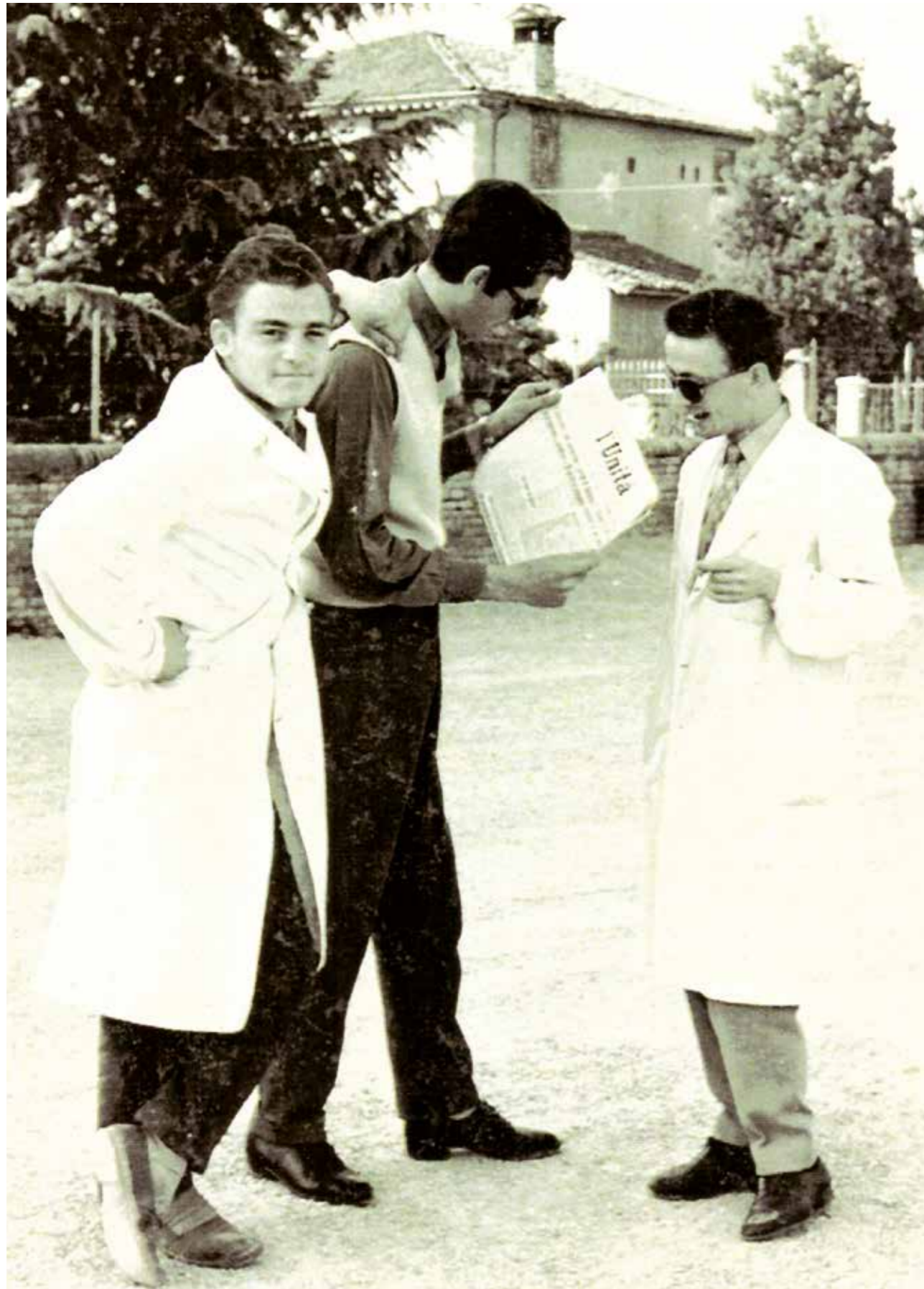


SUSTAINABILITY REPORT 2023



In milk we trust since 1950

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RESPONSIBILITY AND COMMITMENT

Dear reader,

this year, we are publishing our first sustainability report.

Our aim is to tell all the people and institutions that collaborate with us, and those who will be interested, about the initiatives and activities we have undertaken, and those we are undertaking, which are aimed at improving our operations and impact in the environmental, business management and social fields.

Counteracting and mitigating the unstoppable process of climate change is a goal that every organisation should be prioritising, regardless of its size.

Likewise, developing our business conduct in the best possible way is a duty we have towards our collaborators and all the other individuals who we interact with.

Last but not least, a positive and constructive contribution to the local area and the community is one of our founding values that has motivated our work every day for over seventy years.

Starting from an accurate analysis of our operation, and making the majority of our activities measurable in terms of their sustainability, is what we have tried to do and what we have summarised in this document, proposing to reach more ambitious goals in a reasonable time frame.

The history and tradition of our roots must now merge with the radical change that this new era will bring.

We are aware of the challenges we will face and are strongly motivated to move forwards in this direction.

Thank you to those who have collaborated in the creation of this report.

From all of us at Montanari & Gruzza

GRI 102-14
Statement by a Senior
Manager

METHODOLOGICAL NOTE

REFERENCE PERIOD

This document examines the operating methods of the organisation, providing an overview of the strategies, objectives and performance related to the company’s ability to engage on sustainability issues. The reporting period covers the year 2023, with some reference to the performance during the period 2021-2023. In addition, this report includes indications on the commitments of the sustainability plan for subsequent years.

DRAFTING PRINCIPLES

The drafting of this report is completely voluntary and follows the guidelines proposed by the International Integrated Reporting (<IR>) Framework, published by the International Integrated Reporting Council (IIRC) and updated by the Value Reporting Foundation.

This approach includes a strategic and future-oriented focus, information connectivity, stakeholder relations, materiality, coherence and comparability.

The document contents also refer to the SDGs (Sustainable Development Goals), which are an integral part of the United Nations 2030 Agenda.

STAKEHOLDER INVOLVEMENT

As part of defining its sustainability strategy, the company has started a process of listening actively to its stakeholders. The categories involved include: employees, customers (in Italy and abroad), suppliers, public administrations, schools and training institutions, local communities, organisations, consultants, suppliers and credit institutions.

The stakeholders were presented with the company reporting project, together with the process of identifying and evaluating the relevant issues from an economic, environmental and social point of

view (materiality analysis) and the relevant evaluation criteria.



STAKEHOLDER

The Montanari & Gruzza stakeholders include all subjects - individuals, bodies or institutions - who influence or are influenced by the company’s activities, or who have an interest in achieving its objectives in some way. Identifying key stakeholders is critical to conducting an effective materiality analysis.

Montanari & Gruzza has undertaken a stakeholder engagement process, consulting with customers and suppliers in Italy and abroad, including employees and internal collaborators. The aim of this process was to assess the importance of sustainability issues and to integrate their input into defining the company’s strategic priorities.

Our stakeholders:

- **Suppliers of raw materials:** dairy farmers, cream factories
- **Suppliers of non-productive goods and services:** suppliers of various materials, packaging suppliers, consultants and service providers
- **Employees:** internal collaborators, trade unions, trade organisations
- **Customers:** GDO, Retail, Ho.Re.Ca., Normal Trade
- **International partners:** distributors and foreign agents
- **End consumers**
- **Local area and communities:** schools,

universities, research institutes, training institutions, non-profit organisations

- **Partners and lenders**
- **Control and certification bodies, public administrations, EC and international bodies**
- **Media**



MATERIALITY MATRIX

The Montanari & Gruzza Sustainability Report is based on the identification of material issues, i.e. the issues of greatest economic, environmental and social importance, including those concerning human rights, adopting an ‘inside-out’ perspective. This being the first year of reporting, the company has started a structured process of materiality analysis, which it intends to periodically renew to define and update the sustainability aspects which it intends to focus on.

In accordance with the GRI Universal Standards 2021, and in particular with GRI Standard 3 - Material Topics, Montanari & Gruzza has oriented the materiality analysis according to the concept of impact generated by its activities towards the external context, known as ‘**Impact materiality**’.

The feedback gathering was carried out through in-person and online questionnaires. The answers collected have allowed us to verify how much each proposed theme could influence the company’s ability to create value in the short, medium and long term.

To prioritise topics, the following preference grid has been created:

- 1 - Not important at all
- 2 - Not very important
- 3 - Quite important
- 4 - Very important
- 5 - Extremely important

The relevant issues that emerged from the study fall

within the macro chapters identified in the drafting of this report and channel the company’s commitment towards three fundamental categories: **Quality, Well-being and the Local Area.**

For certain questions, and for aspects that have not yet emerged, but that could occur in the future, the feedback also asked **how likely** it was that the company Montanari & Gruzza could have an impact on the issues presented in the future. In this case, the proposed rating scale was:

- 1 - Very unlikely
- 2 - Not very likely
- 3 - Possible
- 4 - Quite likely
- 5 - Extremely likely

The matrix shows the degree of priority assigned by the stakeholders to the issues identified.

SDG CHAPTERS



The materiality analysis conducted by Montanari & Gruzza has played a crucial role in identifying the ESG (environmental, social and governance) issues most relevant to the company. This process has made it possible to assess in detail the importance of each issue in terms of environmental, social and economic impact, as well as to determine the level of relevance for internal and external stakeholders. Thanks to this analysis, the company has been able to identify the Sustainable Development Goals (SDGs) to which it can contribute the most, defining strategies and targeted actions to maximise its positive impact.

In particular, the analysis highlighted the need to

focus on issues such as **water resource management, energy efficiency, links with the local area, waste and packaging management, reducing emissions** and climate change, **animal welfare** and protecting biodiversity, as well as a strong commitment to **ethics** and compliance. These areas have been recognised not only as being critical to the company's long-term sustainability, but also as crucial to **creating value** for the community and surrounding environment.

The result of this materiality analysis has led to the definition of specific objectives in line with the SDGs.

CHAPTER 6: WATER RESOURCE MANAGEMENT



Montanari & Gruzza is actively committed to reducing water consumption, combining efforts to limit waste and implement effective recycling systems. Our main objective is to minimise the environmental impact related to water discharge management, ensuring that this precious resource is used in a sustainable and responsible way. We are focusing on innovative solutions to treat and reuse water in our production processes, thus contributing to achieving SDG 6: Clean Water and Sanitation.

CHAPTER 7: ENERGY EFFICIENCY



To reduce energy requirements, Montanari & Gruzza has adopted a series of energy efficiency measures. These include optimising the production processes and adopting cutting-edge technologies to minimise consumption. In addition, we are increasing the use of renewable energy, reducing our dependence on fossil fuels and actively contributing to the fight against climate change. These efforts are part of our contribution to SDG 7: Affordable and Clean Energy and SDG 13: Climate Action.

CHAPTER 8: LINK WITH THE LOCAL AREA



The link with the local area is a fundamental element of our corporate identity. Montanari & Gruzza promotes local communities economically and socially through donations, sponsorship and support for special projects. We maintain transparent relationships with farmers, promoting collaboration based on trust and mutual improvement. This commitment reflects the company's contribution to SDG 11: Sustainable Cities and Communities, promoting the economic and social well-being of the areas we operate in.

CHAPTER 12: WASTE AND PACKAGING



Sustainable waste management is a priority for Montanari & Gruzza. We aim to reduce environmental and soil pollution by disposing of waste correctly and adopting recycling practices. We clearly communicate to consumers and employees the correct ways to dispose of everyday packaging and waste. In addition, we are progressively moving towards the use of compostable packaging to minimise our environmental impact. These actions are in line with SDG 12: Responsible Consumption and Production and SDG 15: Life on Earth.

CHAPTER 13: EMISSIONS AND CLIMATE CHANGE



Montanari & Gruzza is committed to combating climate change by analysing and reducing its corporate carbon footprint. This commitment includes reducing greenhouse gas emissions through energy efficiency and by adopting sustainable practices. Our company is committed to making a tangible contribution to the objectives of SDG 13: Climate Action.

CHAPTER 15: ANIMAL WELFARE AND BIODIVERSITY PROTECTION



Animal welfare is a priority for Montanari & Gruzza. We work closely with farmers to improve the animals' living conditions, carrying out regular assessments to ensure high standards. In addition, we select suppliers on the basis of sustainable agricultural practices, which protect the biodiversity and soil. These commitments support SDG 15: Life on Earth and SDG 12: Responsible Consumption and Production.

CHAPTER 16: ETHICS AND COMPLIANCE



Montanari & Gruzza strictly complies with the relevant laws and regulations, including those on anti-corruption, tax and environmental legislation. We adopt ethical business practices, ensuring that we work with maximum transparency and integrity. This commitment falls within the scope of SDG 16: Peace, Justice and Strong Institutions, ensuring responsible and reliable governance, and it reflects the company's commitment to SDG 3: Good Health and Well-being.



MATERIALITY ANALYSIS

This document is based on the identification of material issues, i.e., those related to economic, environmental and social aspects, including human rights, which are of the utmost importance for our company. In line with international best practices, we have adopted an “inside-out” approach to materiality, focusing on the impacts that our activity generates on the environment and communities. This evaluation process has allowed us to identify the priority issues on which to focus our sustainability efforts and investments.

In 2023, we drafted our first materiality analysis, taking into account the evolving regulatory environment and new industry trends.

In particular, we identified the material issues by actively involving our corporate departments and colleagues, as well as a contribution from external stakeholders. We have managed to define a set of material themes that accurately reflect the complexity of our activities and their impacts.

MATERIAL THEMES	PILLAR
CONSUMPTION	Climate Change
CIRCULARITY	Climate Change
EMISSIONS	Climate Change
WASTE	Climate Change
RAW MATERIALS	Sustainable supply chains
BIODIVERSITY	Sustainable supply chains
ANIMAL WELFARE	Sustainable supply chains
TRACEABILITY AND TRANSPARENCY	Sustainable supply chains
MARKETING AND COMMUNICATION	Genuine Products
INNOVATION	Genuine Products
PACKAGING	Genuine Products
EDUCATION AND INFORMATION	Genuine Products
DIVERSITY AND INCLUSION	People and Communities
SUPPLY CHAIN AND SUPPLIERS	People and Communities
HEALTH AND SAFETY	People and Communities
SUPPORTING COMMUNITIES	People and Communities
SUPPORTING COMMUNITIES	Governance

Pillar	Material Themes	Description	Relevance on External Stakeholders	Relevance on Internal Stakeholders	
SOCIAL THEMES	Sustainable Supply Chains	Biodiversity 	Violation of environmental compliance: violation of environmental regulations		
	People and Communities	Health and Safety  	Non-compliance in the field of health and product safety. Negative impacts on consumer health, due to lacking or inefficient traceability, controls or management systems on product quality and safety throughout the supply chain		
	Sustainable Supply Chains	Traceability and Transparency   	Price increase and transparency in communication: periodic changes in end pricing to the consumer and lack of misleading or non-transparent communications or indications by the seller		
	Genuine Products	Education and Information 	Communication of nutritional values and product BENEFITS: lactose content, fat percentage, usage advice, and storage suggestion		
	Genuine Products	Marketing and Communication  	Disseminating the supply chain values and product tradition: permanent meadows, processing methods and timescales, biodiversity, differentiation and distinctiveness of specific productions		
	Genuine Products	Marketing and Communication  	Disseminating the supply chain values and the tradition of products abroad: permanent meadows, processing methods and timescales, biodiversity, differentiation and distinctiveness of specific productions		
	Genuine Products	Marketing and Communication  	Consumer engagement: increasing consumer loyalty by active involvement and listening to their needs, with the focus on customer feedback leading to an improvement in quality		
	People and Communities	Supply Chain and Suppliers 	Consumer satisfaction: full customer satisfaction in terms of product quality, also in terms of compliance with delivery times		
	People and Communities	Community Support 	Support to organisations and establishments in the local community: helping local development through support (contributions, donations and initiatives) to organisations in the local area where the company is physically present		

 Less relevant <3
  Relevant 3-3,5
  Very relevant >3,5
  Fundamental 4+

Pillar	Material Themes	Description	Relevance on External Stakeholders	Relevance on Internal Stakeholders
GOVERNANCE	People and Communities Diversity and Inclusion 	Inclusivity and diversity: the company takes on initiatives to promote diversity and inclusion within the workplace		
	Governance Governance and Ethics 	Corporate policy transparency: transparency in communicating corporate policies and governance practices to employees and stakeholders		
	People and Communities Supply Chain and Suppliers 	Transfer of value in the supply chain: creation and distribution of value to the stakeholders of the supply chain also with investments and periodic recognition		
	Sustainable Supply Chains Raw Materials 	Depletion of natural resources: purchasing raw materials from suppliers that adopt environmentally harmful or non-responsible practices, such as the use of hazardous chemicals or animal exploitation, can lead to environmental degradation		
	Sustainable Supply Chains Raw Materials 	Sustainable procurement: procurement of raw materials from sustainable sources or in a non-intensive way, so as to provide the time needed for the resources to be regenerated		
	Genuine Products Packaging 	Use of sustainable packaging: promotion of sustainable packaging and secondary packaging, also through investments in research and development, with the aim of reducing their environmental impact		
	Sustainable Supply Chains Traceability and Transparency 	Traceability of the supply chain: the opportunity to understand where the milk used for the production of a product has come from, where and when it was processed, where the Parmigiano Reggiano has been aged and for how long, where and when it was cut and then packaged		
	Genuine Products Innovation 	Technological innovation of processes and products: positive impacts on people and economic systems generated by technological process and product innovations connected to research and development - for example, research on ingredients for feeding cattle; use of lactic ferments and specific ingredients		
	Genuine Products Marketing and Communication 	Damage to reputation: non-transparent and ineffective corporate communication to stakeholders about the company's values and actions. Risk of negative publicity and damage to brand reputation		

 **Less relevant** <3
 **Relevant** 3-3,5
 **Very relevant** >3,5
 **Fundamental** 4+

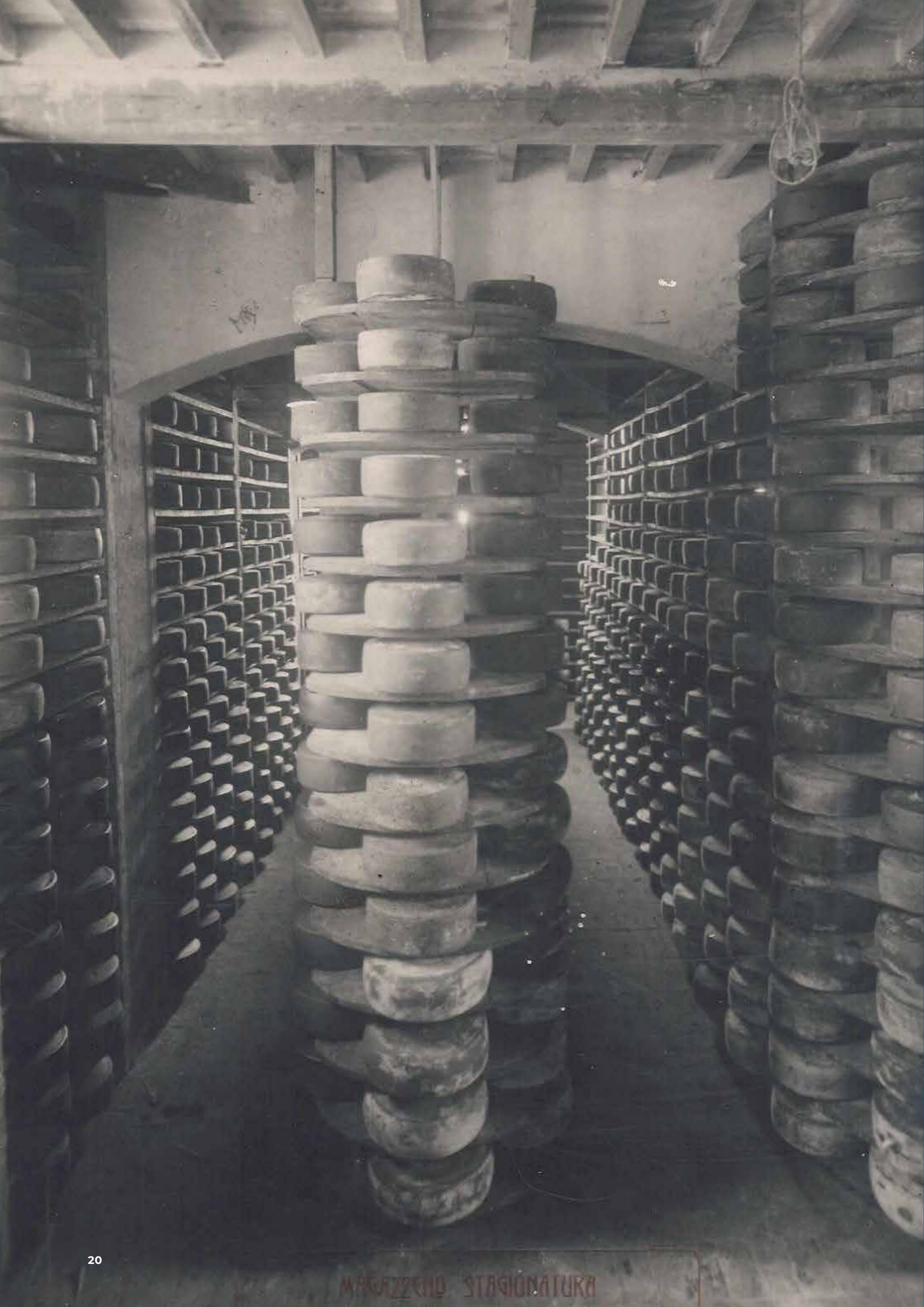
Pillar	Material Themes	Description	Relevance on External Stakeholders	Relevance on Internal Stakeholders
ENVIRONMENT	Climate Change Emissions	 <p>Reduction in CO2 emissions: impact on climate change through a significant reduction in CO2 emissions, linked to the activities carried out by the company, including breeding cattle for milk production</p>	●	●
	Climate Change Consumption	 <p>Energy consumption: energy consumption from renewable and non-renewable sources, with consequent negative impacts on the environment</p>	●	●
	Climate Change Waste	 <p>Generation of hazardous waste: environmental impacts related to the production of waste and manufacturing waste and disposing of these inadequately</p>	●	●
	Climate Change Circularity	 <p>Generation of processing waste resulting from the production process: inadequate production management with a significant amount of processing waste and consumption of raw material in excess of production needs, production residues, buttermilk</p>	●	●
	Climate Change Circularity	 <p>Recycling and reuse of production waste: practices for disposing of processing waste by following recovery processes, for example buttermilk being used to feed other animals</p>	●	●
	Climate Change Waste	 <p>Contamination of soil and groundwater through water discharges: introduction of pollutants into water - e.g. chemicals used in the washing processes in production plants, etc. - with contamination of soil and groundwater resulting from sub-optimal management of water discharges</p>	●	●
	Climate Change Consumption	 <p>Consumption of water resources: excessive use of water in its production processes with consequences on the availability of water resources</p>	●	●
	Sustainable Supply Chains Animal Welfare	 <p>Failure to protect animal welfare: unethical treatment of animals during their breeding, and failure to implement animal welfare measures that promote animal welfare and safety</p>	●	●

● Less relevant <3
 ● Relevant 3-3,5
 ● Very relevant >3,5
 ● Fundamental 4+



01.

THE COMPANY



“Respecting tradition and the local area, transparency and ethics are fundamental elements for our business today.”

COMPANY HISTORY AND MILESTONES

The history of Montanari & Gruzza began on the Via Emilia, to be precise in Sant’Ilario d’Enza, with the foundation in 1910 of the company “Leonida Montanari”, specialising in the production of veal rennet and the sale of dairy equipment. In the 1950s, Arturo Montanari, Leonida’s son, started a business selling hard cheeses, after separating from his brother Azio, who remained the owner of the rennet company.

In 1957, Arturo combined his work of maturing and selling hard cheeses with that of collecting cream for the production of butter by Arnaldo Gruzza. Arturo died prematurely in 1970 and his son Leonida took over the management of the company, together with the Gruzza family heir, Giordano, with a forward-looking vision focused on retail customer service. It was during this period that the company built its first industrial butter factory.

Given the company’s development in this direction, after a few years the brothers of the partners Paolo Montanari and Corrado Gruzza also joined the company to make their contribution in other business areas. At the end of the 1980s, another important innovation was introduced: the expansion of the cream collection from Parmigiano Reggiano dairies and the consequent development of fundamental links with local producers.

Hence, in the 1990s, the strategic decision was made to invest in diversified supply chains, including the

organic one.

In 2000, the company headquarters was moved to Villa Gaida in the municipality of Reggio Emilia, where the company had purchased a new industrial plant that was more modern and efficient than the previous one.

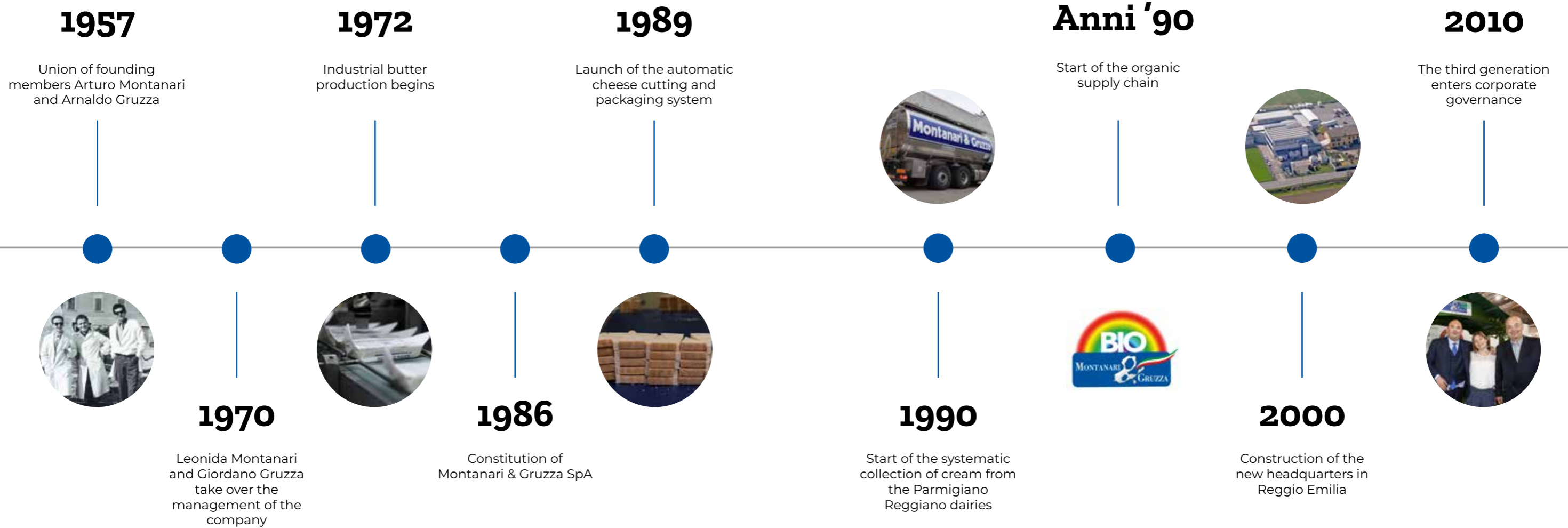
Thanks to this investment, over the following years the company grew further and consolidated its position in modern distribution, evolving from an artisan SME to a medium industrial enterprise.

Since the mid-2000s, the company has specialised in differentiating its range with particular focus on local supply chains with high biodiversity. Between 2010 and 2020, the third generation, consisting of Arnaldo and Giordana Gruzza together with Gabriele and Margherita Montanari, entered corporate governance, orienting the business model more towards B2B and the industry, and allowing Montanari & Gruzza to become a benchmark operator in the market for high-quality Italian butter and PDO Parmigiano Reggiano. The company has built its business model on mutual trust with its employees and suppliers, relying on more than 150 local raw material suppliers and increasing its share of exports annually. Despite the current size of the company, the Montanari and Gruzza families remain actively involved in the management, focusing increasingly on supply chain sustainability.

MILESTONES

A history of innovation, and a culture of tradition, attention and research to respect the local area and the sustainability of processes.

GRI 102-1 Name of the organization	GRI 102-3 Location of headquarters	GRI 102-4 Location of operations	GRI 102-5 Ownership and legal form
--	--	--	--



COMPANY OFFICES

The main operational headquarters are located in Gaida, on Via Emilia, a few kilometres from the city of Reggio Emilia. This is where the production of butter, and the maturing, cutting and packaging of Parmigiano Reggiano take place.

The plant takes up a total area of 15,436 square metres plus about 27 thousand square metres of agricultural green area (year 2023). Expansion work is underway that will bring the headquarters to an area of over 25 thousand square metres.

The company also has a second production site, a Parmigiano Reggiano dairy based in Tizzano Val Parma, in the Parma hills.



Montanari & Gruzza SpA
Via I. Newton, 38
Reggio Emilia



HUMANITY RELIABILITY DEPENDABILITY



VISION

The Montanari & Gruzza vision is to become the benchmark in the high-quality cheese sector, protecting the excellence of Parmigiano Reggiano PDO and the Emilian soil as a unique territory, with an invaluable heritage of precious resources, such as the Permanent Meadows and the community of people who work there.

The company considers it its duty to **protect and conserve this precious ecosystem.**

MISSION

The company mission is to enhance the milk food chain, which is one of the noblest agri-food chains in Emilia, for the production of Parmigiano Reggiano PDO, through the manufacturing and distribution of butter and excellent cheeses. Montanari & Gruzza is constantly committed to respecting Italian dairy traditions, protecting the Permanent Meadows and supporting the people and communities of the local area, which is unique and has an authentic flavour. The goal is to provide modern consumers with **genuine, good quality and healthy products, always focusing on the animals' well-being and environmental sustainability**, and valuing every player in the supply chain.

VALUES

The company has deep roots in family relationships and trust, fundamental elements that have guided the business since its origins, together with a strong link with the region. With a history that spans over seventy years, and with products that have their origins in traditions started almost a thousand years ago, Montanari & Gruzza has a deep respect for cultural and artisanal heritage and is committed to playing an essential role as a link between all the key players in the supply chain: **People, Animals and Earth.**

Humanity, Reliability and Dependability are the essential values that allow us to establish and consolidate these relationships.

In the long path of evolution and growth, the company has pursued objectives to continuously improve, welcoming change, scientific and technological research, and innovation with openness, looking to the future with constant commitment to pursue development objectives consistent with the fundamental values, maintaining constant harmony with all those involved in the supply chain.

PRODUCT RANGE

Montanari & Gruzza is a company specialising in the production of high-quality traditional and organic Italian butter, traditional hard cheeses (known as "Grana" cheeses), Grana Padano PDO and Parmigiano Reggiano PDO, which are conventional, organic and dairy specialities from rare and native cattle breeds with long maturation.

GRI 102-2
Main brands, products
and services

PARMIGIANO REGGIANO DOP



BUTTER



BUTTER

For the production of its butter range, Montanari & Gruzza only uses milk cream collected daily through its own dairies that make Parmigiano Reggiano in the provinces of Parma and Reggio Emilia, with which it has consolidated and long-standing relationships. The production takes place a few hours after the cream is collected, in a modern plant that guarantees maximum hygiene and quality, thanks to a complete automation system managed by a PLC.

The butter produced by Montanari & Gruzza stands out due to the homogeneity of the raw material obtained through the use of cutting-edge production technologies, which give the product a milky white colour, maintaining the delicate aroma of herbs, with a fat content of 83%. The company offers a range of classic and traditional products in sizes suitable for all sales channels, from industry to retail. The specialities offered include organic, lactose-free butter from a non-GMO supply chain, salted butter and IL BURRO NOBILE, made from the cream of cows fed with fodder rich in Omega 3.

To further enrich its best products, Montanari & Gruzza has chosen to use 100% natural lactic ferments from the Italian company Sacco System, which for over 150 years has been producing rennet and ferments and creating innovation for the food, nutraceutical and pharmaceutical sectors.

The long-standing collaboration with this historic supplier has resulted in the company's participation in the INGredients project created by Sacco for the end consumer. The aim of this project is to place value on the ingredients, i.e. those elements used in food production that are often unknown but that have positive and beneficial influences on health.

CHEESE

Since its foundation, Montanari & Gruzza has operated in the sector of traditional hard cheeses, initially known as “grana” cheeses, with a particular focus on the production and maturation of Parmigiano Reggiano PDO, reflecting its deep bond with the local area. Over the last twenty years, the company has expanded its product range, developing dedicated supply chains in collaboration with local farmers. These supply chains are aimed at enhancing native cattle breeds, improving animal welfare and producing unique and special cheeses. These include Parmigiano Reggiano Solodibruna, produced with milk from Brown Cows, Parmigiano Reggiano Vacche Rosse, Bianca Modenese, Parmigiano Reggiano di Montagna and organic Parmigiano Reggiano, which comes entirely from the supply chain located in the Parma mountains. The Reggio Emilia plant houses the maturing warehouse and the cutting and vacuum packaging department, where all the company’s cheeses are processed. Montanari & Gruzza’s offering stands out due to the high quality and recognisability of its products, with a prevalence of specialities enhanced by unique and easily identifiable packaging in the points of sale.

THE ORGANIC

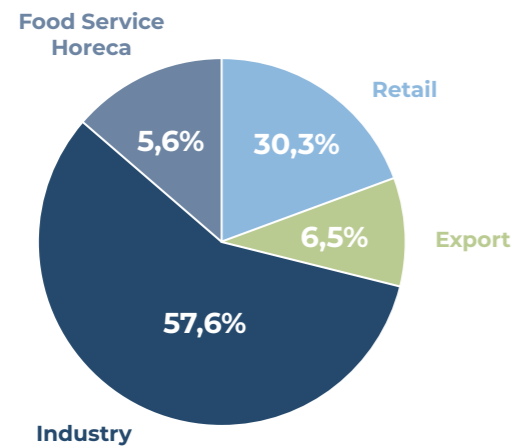
For over twenty years, the company has been investing significantly in an organic supply chain, basing its choice on the principles of agriculture and organic farming. The starting point is the Permanent Meadows in the Emilian hills: an area featuring spontaneous vegetation and high **biodiversity**, without ploughing or cultivation. The cows are raised according to strict standards that guarantee their well-being and a diet based exclusively on hay and organic fodder. This approach allows the highest quality milk to be obtained, which is used in the production of organic butter and Parmigiano Reggiano, which the company exports mainly to countries in central and northern Europe. For Montanari & Gruzza’s organic products, there have been just 4 contributors for years and their collaboration is an exclusive source of pride for the company. A flagship product in the organic range is 60-month-old organic Parmigiano Reggiano, characterised by a grainy and crunchy texture and a complex taste, while maintaining a balance without excessive flavour.

SUMMARY DATA

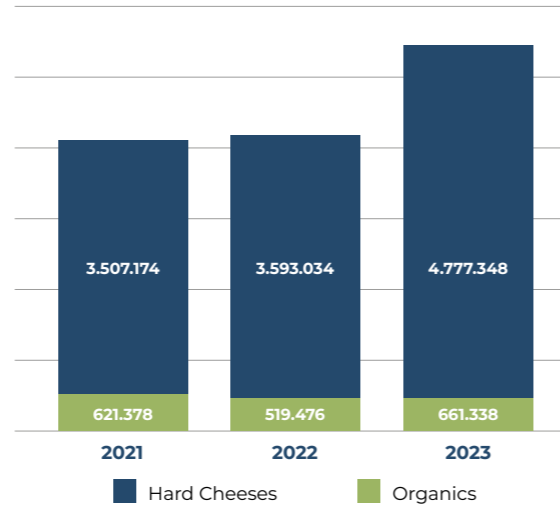
The company numbers tell our story, built on the skills and experiences of the players in the supply chain, to look to a sustainable future.

In 2023, Montanari & Gruzza recorded a total revenue of 122.8 million euros, which is a slight decrease of 0.8% compared to the previous year. This result reflects a varied revenue distribution between the different sales channels, highlighting the following incidence percentages:

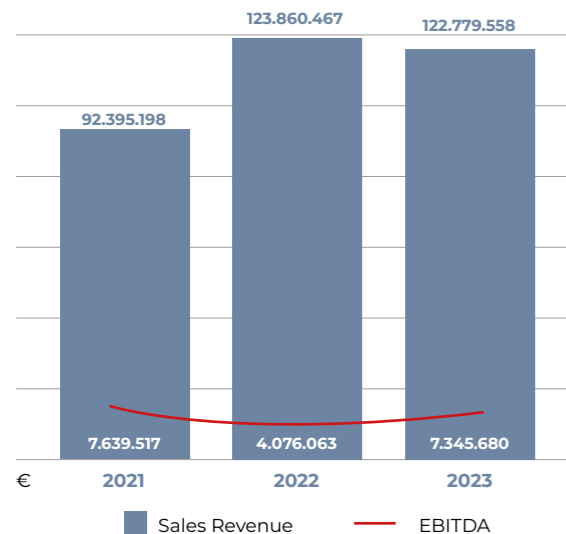
- GRI 201-1**
Direct economic value generated and distributed
- GRI 201-4**
Financial assistance received from government
- GRI 102-6**
Markets served
- GRI 102-7**
Scale of the organization



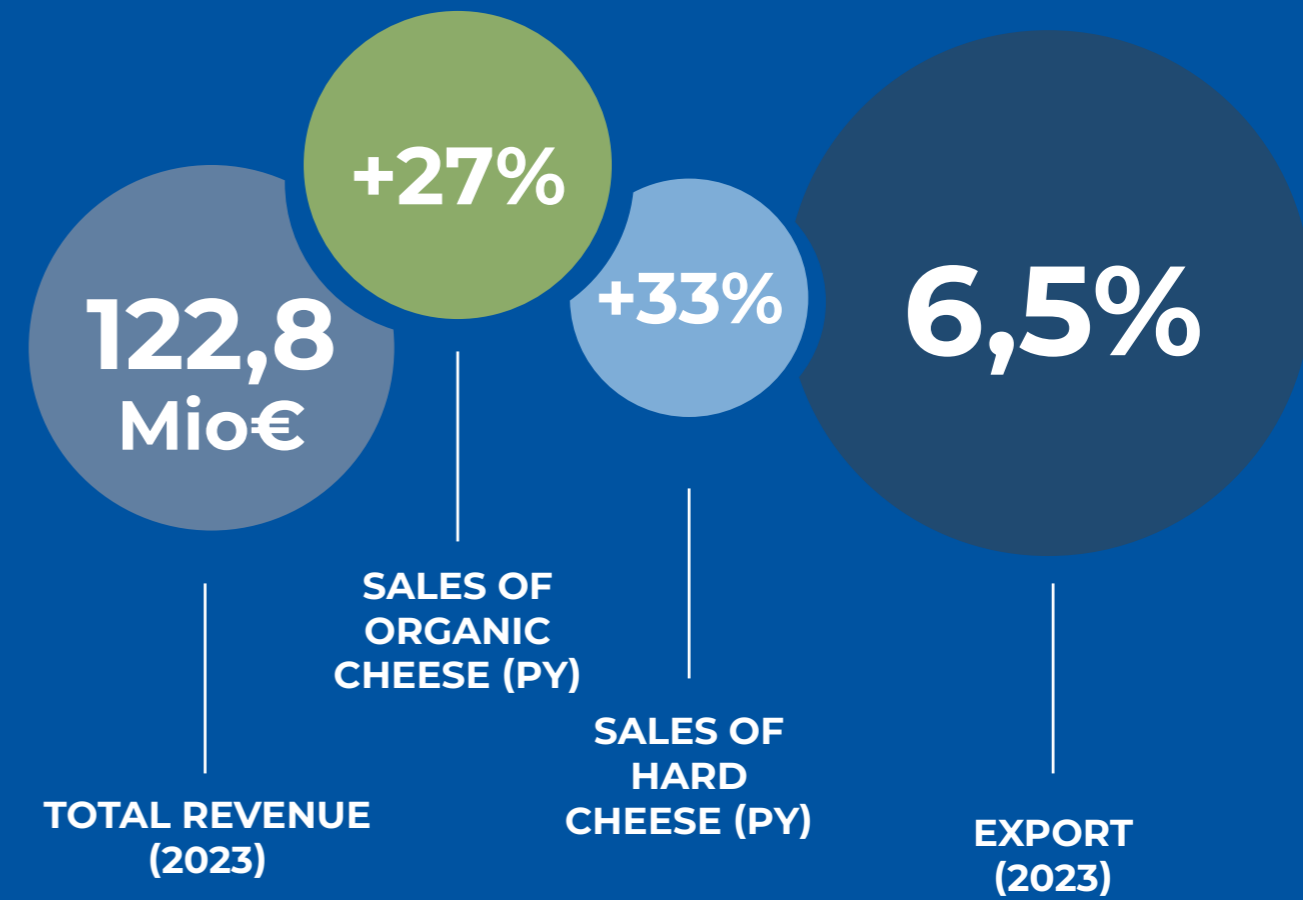
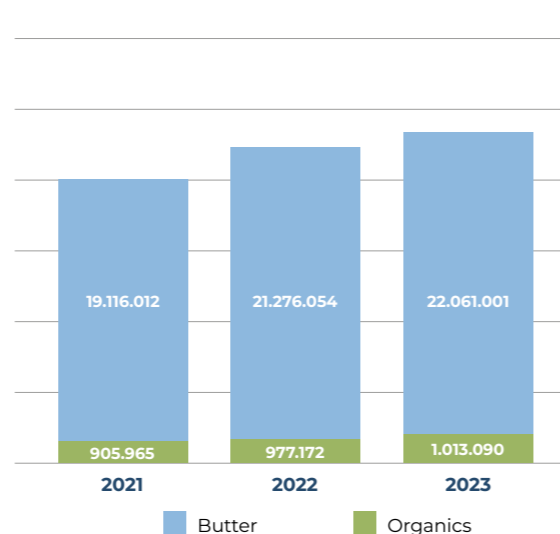
QUANTITIES BY PRODUCT CATEGORY



ECONOMIC VALUES



QUANTITIES BY PRODUCT CATEGORY



SALES OF BUTTER

During 2023, butter sales generated revenues of 22 million kilograms, an increase of about 3.7% compared to 2022. Organic butter accounts for 4.6% of the total volume production, confirming a continuous commitment to expanding the sustainable product range.

SALES OF HARD CHEESES

Sales of hard cheeses amounted to 4.8 million kilograms, an increase of 33% compared to the volume of the previous year. Of particular importance is the share of organic cheeses, which makes up

about 14% of the total product with a significant increase of more than 27% in revenues compared to 2022, highlighting the company's focus on sustainable agricultural practices and certified products. In summary, despite a slight decline in total revenues, Montanari & Gruzza achieved positive results in its main business areas, with a significant increase in the sale of hard cheeses and a constant commitment to the production of organic butter.

The company continues to maintain a solid position in the market, consolidating its offering and responding effectively to consumer trends and demands.



02.

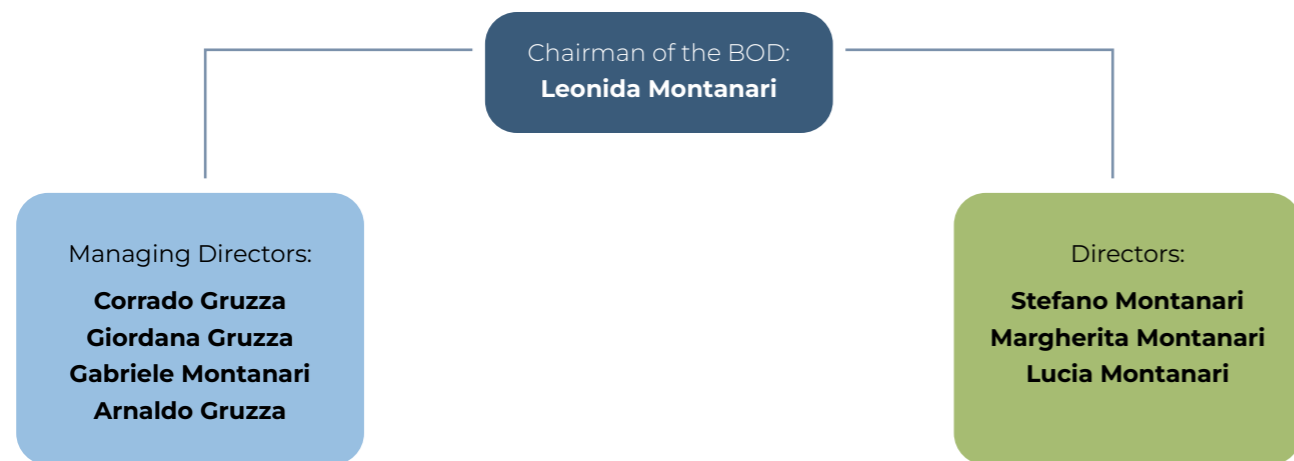
COMPANY
GOVERNANCE

OWNERSHIP AND OPERATING STRUCTURES

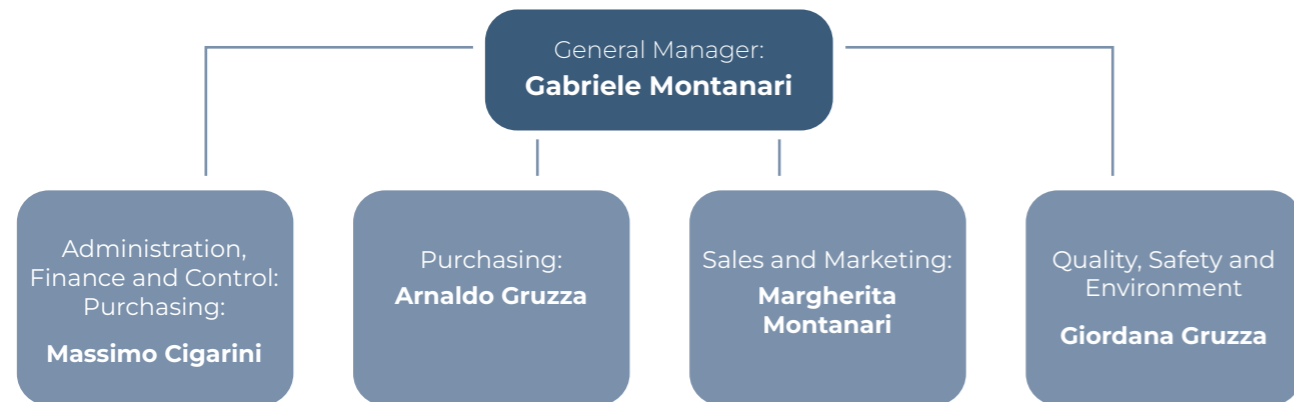


The company Montanari & Gruzza is a joint-stock company led by a corporate structure that includes shareholders and a Board of Directors (BOD) consisting of members of the founding family and experienced professionals. The main shareholders are Leonida Montanari, Paolo Montanari, Corrado Gruzza, Giordana Gruzza and Silvana Bertani.

COMPOSITION OF THE BOARD OF DIRECTORS



DIRECTORS



This corporate structure reflects the Montanari and Gruzza family commitment and collaboration to ensure the company's continuity and growth.

ORGANISATIONAL CHART/DEPARTMENTS

The Montanari & Gruzza corporate management organisational chart is structured to ensure efficient operations through a clear division of tasks between the different production departments and offices.

PRODUCTION DEPARTMENTS

Reception of Raw Material	Butter Factory and Packaging	Analysis Laboratory and Quality Assurance
Responsible for the acceptance and initial checking of the raw materials.	Manages the production and packaging of the butter.	Carries out analyses and checks to ensure product quality.
Maturing Warehouse for PDO Parmigiano Reggiano and PDO Grana Padano	Cutting and Packaging of Hard Cheeses	Logistics and Shipping
Handles the maturation of the cheeses, guaranteeing optimal conditions.	Deals with the cutting and packaging of hard cheeses for distribution.	Manages the assembly of finished products on behalf of all production departments, planning deliveries and loading of its own vehicles and those of external transporters.

OFFICES

Receiving Orders and Customer Service	Billing	Administration, Finance and Control
Manages orders and provides customer support.	Responsible for managing invoices and payments.	Supervises administrative, financial and control activities.
Quality, Safety and Environment	Warehouse and Supplier Management	Sales and Marketing
Ensures compliance with quality, safety and environmental regulations.	Coordinates the management of the warehouse and relationships with suppliers.	Develops business and marketing strategies to promote products.

INTERNAL SUSTAINABILITY MANAGER

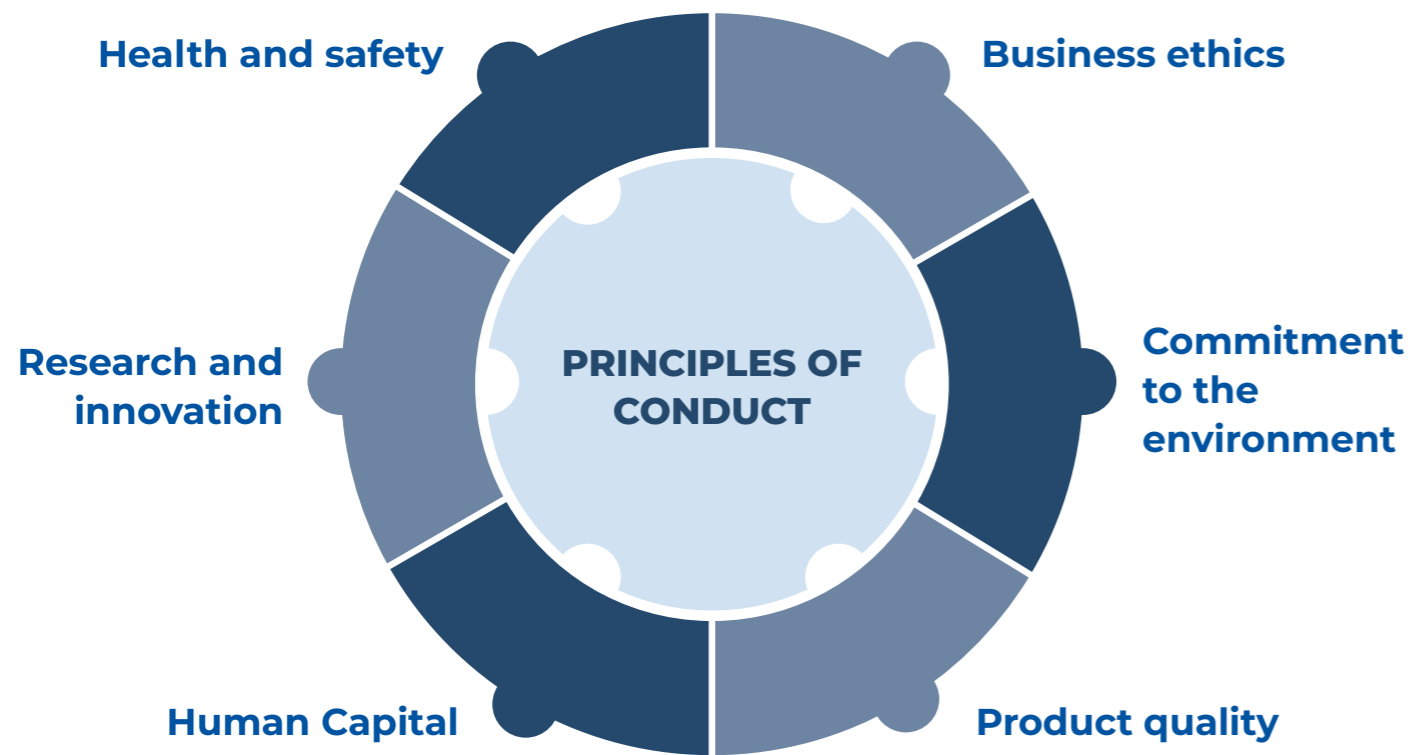
Margherita Montanari is responsible for corporate sustainability initiatives.

She has a significant expertise acquired thanks to training experiences in this area. She studied a Master's Degree in "Sustainability Transition and Circular Economy" at Unindustria Reggio Emilia, curated by Bologna Business School (BBS) and divided into two cycles, completing them respectively in 2020 and 2023 and a Sustainability module in 2021 as part of an Executive MBA also at BBS. In October 2024, she participated in a study mission at Cranfield University (Cambridge - UK), to further explore the topics of Sustainability Transition Management.

CODE OF ETHICS

Montanari & Gruzza has adopted a Code of Ethics on which the activity of each member of the company organisation is based. The document stems from certain ethical principles that characterise the company's approach. The company is committed to following a strict corporate ethical governance protocol, which guides all business activities towards transparent and responsible business practices. This protocol establishes high standards of conduct to ensure compliance with current laws and regulations, as well as to promote ethical behaviour among employees and business partners.

The Montanari & Gruzza ethical governance is based on fundamental principles such as transparency, integrity and accountability, and extends to all areas of the company, including human resource management, production operations and relationships with suppliers and customers. Thanks to this commitment, the company ensures that it operates not only in compliance with the regulations, but also in compliance with the ethical and social values that guide its strategic choices.



GRI 102-16
Values, principles,
standards, and norms
of behavior





GRI 102-8
Information on employees
and other workers

Montanari & Gruzza is a company with a long-standing history, yet it is constantly evolving. The company's employees are the beating heart of the business and they bring experience and expertise, as well as new ideas and a propensity for change.

The working environment is characterised by a strong sense of community and belonging. The solid relationship between the Montanari and Gruzza families has always emphasised values such as cohesion, collaboration and mutual respect. This corporate culture is reflected in everyday work, where employees are considered an integral part of a large extended family. The voices of the workers and the sounds of the forklifts, which are mixed with everyday family life, are testimony to a company where work and private life are closely interconnected.

Despite the fact that the company has reached a considerable size, with a constantly growing number of employees, the management remains strongly characterised by its family-based approach. The members of the Montanari and Gruzza families are still personally involved in the daily management of the company, ensuring a clear and shared vision for the future. This direct engagement helps maintain an open dialogue and transparent communication between management and employees, fostering a collaborative and inclusive working environment.



03.

SUPPLY CHAIN AND QUALITY

SUPPLY CHAIN AND QUALITY

PARMIGIANO REGGIANO SUPPLY CHAIN AND PRODUCTION PROCESS

The Montanari & Gruzza supply chain for the production of Parmigiano Reggiano follows a strict and traditional process, in accordance with the rules established by the Parmigiano Reggiano Consortium. This process involves different players and stages, ensuring the highest quality and authenticity of the end product.

Milk Production | Breeders: The Montanari & Gruzza production chain begins in the pastures and fields of the provinces of Parma and Reggio Emilia, where cows are fed exclusively with grass and hay, avoiding the use of silage fodder. The farmers, who operate according to strict standards, milk the cows twice a day. The harvested milk is transported to the dairies during the evening and the next morning, ensuring the freshness and quality of the product.

Cheese Production | Dairies: The milk processing takes place daily at the dairy located in Tizzano Val Parma. Here, the milk is combined every morning with the whole milk from the night milking and the skimmed milk from the evening supply. Montanari & Gruzza manages both the production of conventional milk and organic milk, ensuring the highest quality of Parmigiano Reggiano.

Skimming and collection of the cream for the production of butter: The cream, obtained through a natural overnight skimming process, is collected using proprietary refrigerated vehicles. Afterwards, the cream is transported within five hours to the Gaida plant, where it is turned into butter, ensuring the freshness and quality of the end product.

Maturing and marketing: The cheese is matured initially at the dairy for the first twelve months and then in company and external warehouses, where it can mature for over sixty months. This process gives Parmigiano Reggiano its distinctive texture and aroma. Finally, the product is sold in whole form, or cut and vacuum packed, ready for distribution.

DIRECT PRODUCTION

Montanari & Gruzza is a direct producer of Parmigiano Reggiano, in its own cheese factory located in the Parma mountains, 900 metres above sea level in Carpaneto, in the municipality of Tizzano Val Parma. The dairy's milk suppliers also include the "La Casellina" stable, which the company has a majority stake in.

The amount of Parmigiano Reggiano produced in its own dairy represents almost 8% of the Parmigiano Reggiano matured and marketed by the company.

Our production sites

La Casellina Società Agricola Srl

La Casellina is a cowshed located in Traversetolo, in the province of Parma, where 703 cows are bred. This cowshed is one of the main sources of milk for the production of Parmigiano Reggiano by Montanari & Gruzza (average production: 3,381,700 kg of milk in 2023), and guarantees high-quality milk thanks to modern breeding techniques and constant animal care.

The Dairy

The Montanari & Gruzza dairy, located in Tizzano Val Parma, is the heart of Parmigiano Reggiano production. Almost 3,400,000 kg of milk per year are processed here from the La Casellina cowshed and other local suppliers. In 2023, the dairy produced 11,574 Parmigiano Reggiano cheeses, of which 9,952 were organic.

A distinctive aspect of the dairy is the high percentage of organic production. Seven of the fifteen suppliers are organic farms located on the Parma hill.



THE PDO OF PARMIGIANO REGGIANO

IS A GUARANTEE OF ITS AUTHENTICITY AND HIGH VALUE

Parmigiano Reggiano is one of the most famous cheeses in the world, renowned not only for its unmistakable flavour but also for the superior quality that sets it apart. One of the fundamental characteristics that ensures this quality is the **PDO** denomination (Protected Designation of Origin), a European trademark that guarantees the origin, quality and tradition of agri-food products. The PDO label is assigned to products whose quality characteristics depend essentially or exclusively on the local area in which they are produced. For Parmigiano Reggiano, this area includes the provinces of Parma, Reggio Emilia, Modena, and some areas of Bologna and Mantua. The link with the region is crucial because it includes not only the origin of the raw materials but also traditional production techniques handed down over time.

STRICT PRODUCTION RULES

In order to obtain the PDO designation, Parmigiano Reggiano must comply with a rigorous production specification, which includes:

- 1. Milk Origin:** The milk must come exclusively from cows fed with local fodder, which gives the cheese its unique characteristics.
- 2. Processing Methods:** Production must take place in dairies located within the PDO area, using traditional techniques that do not involve the use of chemical additives or heat treatments that alter its quality.
- 3. Maturing:** Parmigiano Reggiano must be matured for a minimum of 12 months, during which time the cheese develops its characteristic taste and grainy texture.

The most characteristic product of the Emilian region, known as 'il Re dei Formaggi', the King of Cheeses.

PDO BRAND VALUE

The PDO label is not only a guarantee of origin, but also a certificate of quality. Being recognised as a PDO product means that every wheel of Parmigiano Reggiano cheese complies with strict quality and control standards, to protect the consumer.

This certification process involves continuous checks by accredited bodies, which verify that the product complies with the established regulations.

THE ROLE OF THE PARMIGIAN REGGIANO CHEESE CONSORTIUM (THE CFPR)

The **Parmigiano Reggiano Cheese Consortium** plays a fundamental role in protecting the PDO brand. This body, which is made up of cheese producers, is responsible for overseeing the application of the production regulations, promoting the product and protecting its uniqueness from imitations and fake produce. The Consortium guarantees that every phase of production, from the milking to maturation, takes place according to the established rules, thus providing the end consumer with an authentic and high-quality product.



CFPR "ANIMAL WELFARE" PROJECT

Montanari & Gruzza actively participates in the animal welfare project promoted and funded by the Parmigiano Reggiano Consortium. This project aims to improve the quality of life for the cows involved in dairy production, encouraging and empowering farmers through premiums and support for specific new investments.

PROJECT DETAILS

The Consortium has encouraged farms that demonstrate a firm commitment to the animals' well-being, as well as those that have implemented measurable improvements during the year. The project has involved 1,417 cowsheds, representing 58% of the farms and 72.5% of the milk used for the production of Parmigiano Reggiano, and involved 200 dairies.

To ensure the success of the project, the Consortium has collaborated with external experts, including academics, non-profit associations and government agencies. Eight veterinarians were recruited, who have undergone intensive training on animal welfare protocols and requirements at the National Reference Centre for Animal Welfare (the CReNBA). These veterinarians make regular visits to farms to assess their performance, using a detailed checklist comprising 105 criteria, divided into three main areas: business and personnel management, facilities and equipment, and animal welfare-based measures.

THE IMPORTANCE OF THE PROJECT

The project is crucial for several reasons:

- **Improving Animal Welfare:** It increases quality of life for the cows, ensuring them optimal breeding conditions.
- **Sustainability:** It promotes livestock sustainability, reducing environmental impact and improving agricultural practices.
- **Ethics:** It respects ethical principles in the treatment of animals and in food production.

CHANGES NEEDED

The project requires greater commitment and attention to animal welfare on the part of the farmers and farms. This includes the implementation of more sustainable agricultural practices and compliance with the criteria established by the Consortium.

RESPONSIBILITIES OF THOSE INVOLVED

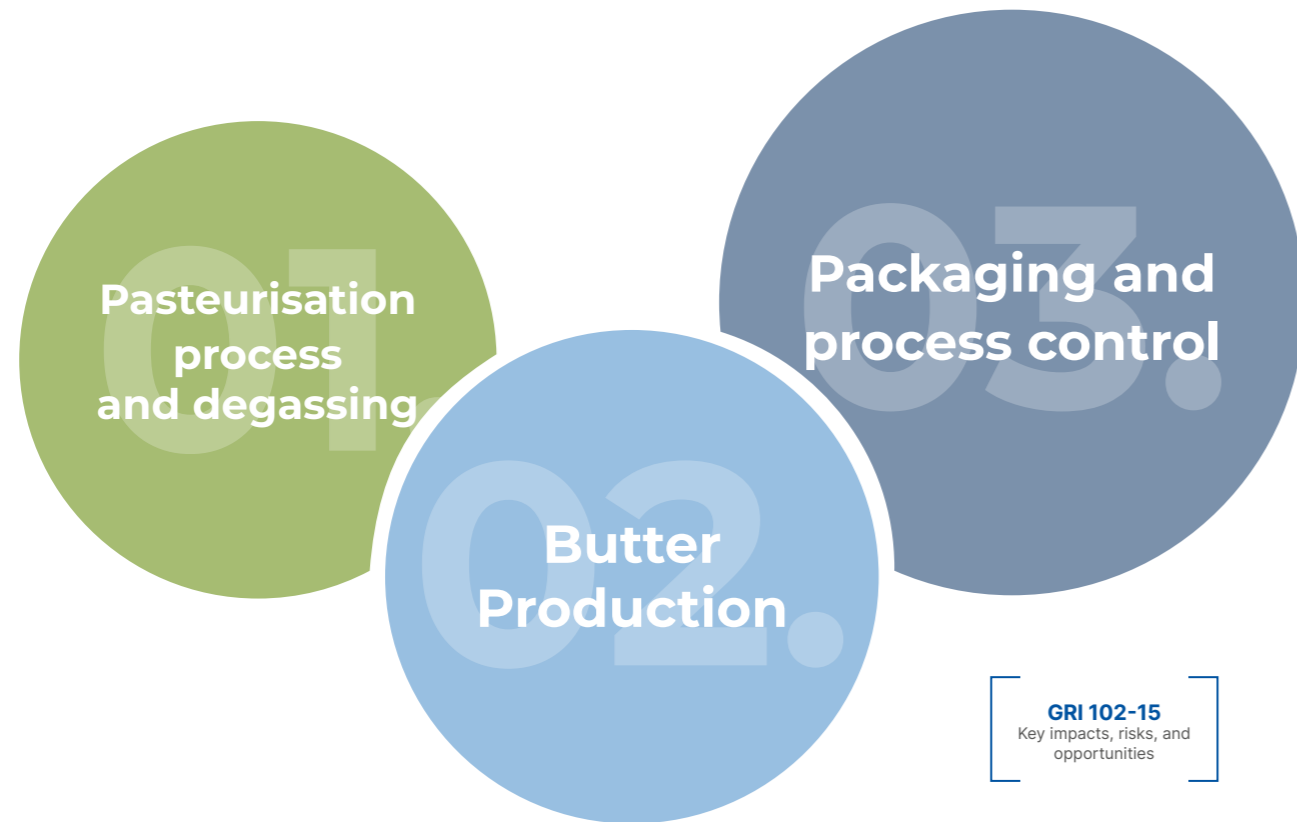
Together with the controllers and breeders, the Parmigiano Reggiano Consortium is responsible for ensuring animal welfare within the supply chain. Continued commitment is essential to ensure that farming practices meet the highest standards of animal welfare and sustainability.



THE BUTTER PRODUCTION PROCESS

This process begins with the analysis of the raw cream. Upon arrival at the Gaida plant, each cream sample is subjected to a pH check, with results recorded on a computer system. The tanks used to transport the milk to the dairy and the cream to the Gaida butter factory are owned by the company. They are insulated and follow a strict CIP cleaning plan to ensure maximum hygiene.

The creams are collected separately in distinct compartments to ensure differentiation between the top cream and the whey skimming. They are immediately cooled and, on arrival, a moisture check is carried out on the churned butter intended for further processing.



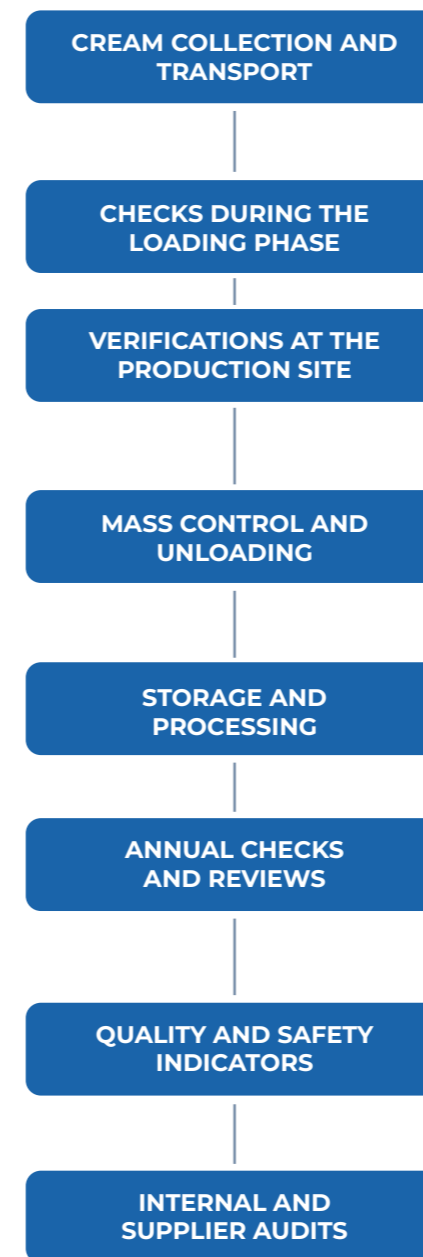
The cream collected is first filtered and then centrifuged and pasteurised. Pasteurisation is a critical control point, which is essential to ensure the health safety of the end product. This process is strictly monitored, with time and temperature parameters recorded continuously. After pasteurisation, the cream is passed through a degassing system that improves its organoleptic characteristics, making it sweeter and less acidic.

The pasteurised cream then flows into a maturing tank where natural milk enzymes are added. After a resting phase, the cream is then ready for the butter production process, which takes place in complex closed-circuit machines, from which it emerges creamy and fragrant. It will then be moulded into slices of various sizes and packaged in parchment paper.

During packaging, X-ray and metal detector checks are carried out to identify and block any foreign bodies. The finished products, such as butter and cream, are then stored in dedicated cold rooms, with constant temperature monitoring to ensure proper storage before they are shipped. The means of transport are also subject to hygienic and temperature controls.

QUALITY PROCESS AND FOOD SAFETY

Montanari & Gruzza pays great attention to quality control of raw materials, which is essential to guarantee excellent products in all food chains. The production of pasteurised cream and butter follows a strict quality path that applies to every stage of the supply chain.



Every day, the raw cream is collected from the local cheese factories and transported to the production site by tanker truck. The driver carries out a first visual check on the cleanliness of the refrigerators and checks the temperature of the cream before loading it. Only after confirming that everything is compliant is the cream delivered to the dedicated compartments, according to its type.

During loading, two samples are taken for each type of cream: one intended for the acceptance checks at Montanari & Gruzza and the other left at the dairy as a counter sample. This process ensures traceability and the ability to promptly resolve any non-conformities.

Once they arrive at the production site, the cream samples are analysed in the company's laboratory. Here, operators measure crucial parameters such as the fat content, protein, pH and cryoscopy. In the event of non-compliance, this is immediately reported to the dairy to resolve the problem promptly. Abnormalities such as the presence of water or a pH which is outside the optimal range can negatively affect the processing and quality of the finished product.

In addition to the checks on the individual samples, a mass check is carried out before proceeding with the unloading. After inserting the plate of the truck, the operator allocates the load in the various reception tanks, separating the different types of cream for the specific processes. Each reception is equipped with filters to eliminate any coarse impurities and an initial drainage system that empties the drainage pipes of any water residues from previous washes.

After these steps, the stored raw cream is ready to be added to the plant, where it will be titrated and pasteurised. This rigorous quality process ensures that only the best quality cream is used to produce butter, guaranteeing the excellence of Montanari & Gruzza products.

Montanari & Gruzza conducts an annual review of its quality and safety procedures, evaluating various indicators such as supplier management, the effectiveness of internal and external inspections, and compliance with food safety regulations. Particular attention is paid to Food Defence, with annual simulations to verify the vulnerability of the products. Staff training is continuous, with constant monitoring of skills in Good Manufacturing Practices (GMPs) and Good Hygiene Practices (GHPs).

The company strictly monitors critical control points (CCPs) and uses analytical tools to maintain high safety standards. In 2023, only 1 product recall, only 29 customer complaints and no non-conformities were recorded. Thanks to these procedures, Montanari & Gruzza ensures that all products meet high standards of quality and safety, protecting the health of consumers and ensuring safe and high-quality food.

Montanari & Gruzza receives periodic audits by clients and certifying bodies (in 2023: 8 internal audits and 11 third-party audits). The company also carries out constant and rigorous checks on the supply chain with periodic audits of the suppliers of milk and other materials. Montanari & Gruzza pays great attention to quality controls of the raw materials, which are essential to guarantee excellent products in all food supply chains. The production of pasteurised cream and butter follows a strict quality process that is applied at every stage of the supply chain.

FOOD CERTIFICATIONS

FOOD CERTIFICATIONS:



The international BRC (British Retail Consortium) and IFS (International Featured Standard) schemes have been developed to ensure that products meet strict quality standards and comply with all legal requirements. These standards establish the quality and hygienic-sanitary safety requirements, as well as the operational criteria necessary for the fulfilment and maintenance of all current regulations, therefore ensuring consumer protection. Although these are voluntary certifications, they are recognised by the Global Food Safety Initiative (GFSI), an international initiative whose main objective is to strengthen and promote food safety along the entire supply chain, offering consumers a tangible and firm commitment to excellence in terms of safety and quality.

ORGANIC

Organic farming is a production method that respects human and animal welfare, while preserving the environmental and cultural biodiversity of the local areas. This sustainable development model is oriented towards protecting the environment and the territory, enhancing local resources and helping to strengthen communities in their ability to tackle the challenges of global competition.





04.

VALUE
CREATION

OUR MODEL

WHY?

Vision: Adopt a more sustainable approach to business growth, with care and responsibility towards the planet and future generations.

Mission: With determination and passion, to protect tradition and drive innovation in excellent butter and cheese production, creating and distributing value to the entire supply chain.

HOW

Value proposition:

Skills and competence:

- in producing healthy, genuine and quality products
- in creating and managing collaborations with those involved in the supply chain

Uniqueness and value:

- in the Permanent Meadows and in the local area
- ancient knowledge and methods

Material topics:

- Human capital
- Well-being
- Product safety and quality
- Business ethics

Values:

- People
- Local area
- Innovation

WHERE

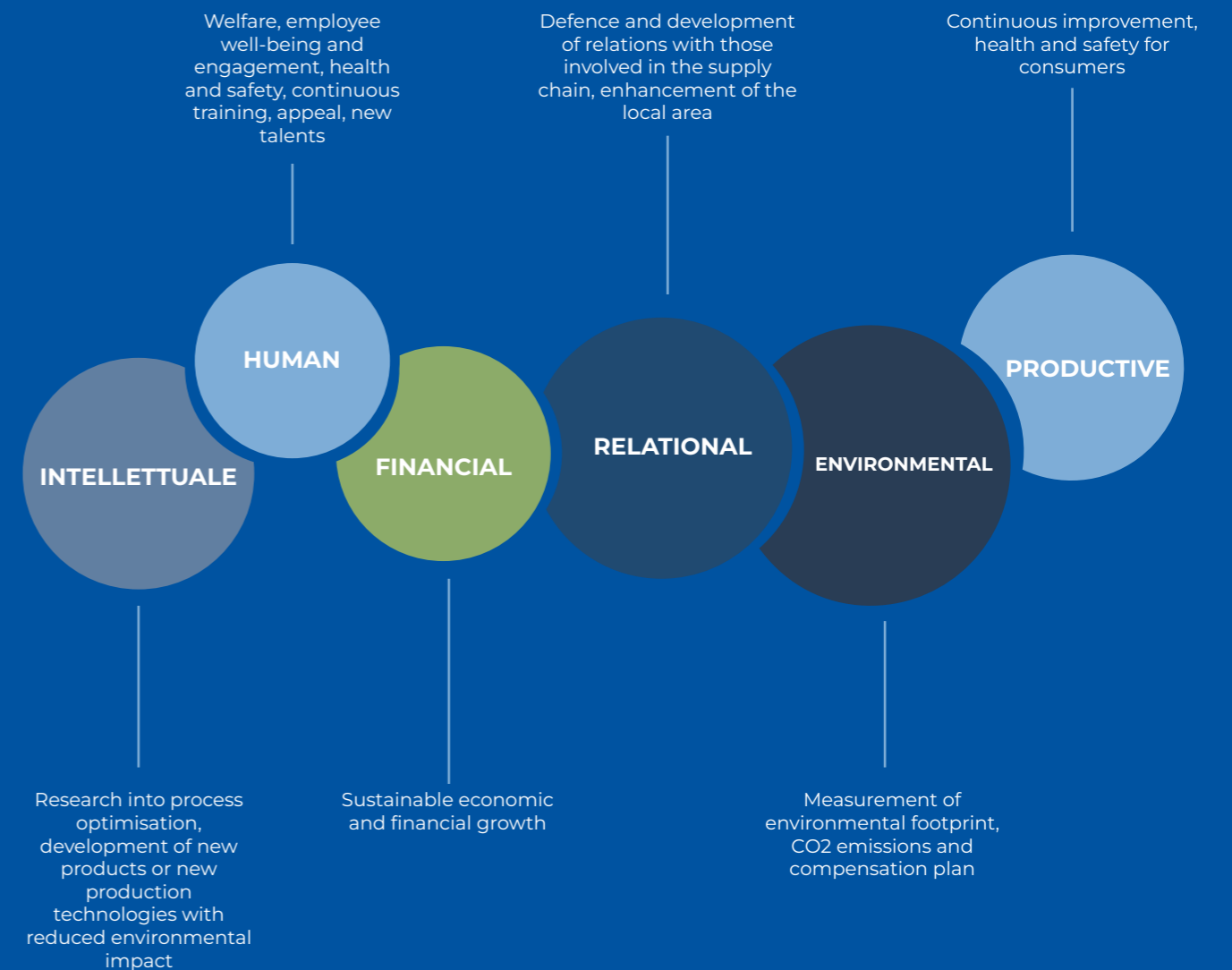
In the local area, throughout Italy, in certain foreign territories

WHAT

Input
The Capitals

Human	Financial	Relational	Environmental	Productive
Employees, collaborators, breeders and know-how	Equity and Debt Equity	Strong collaboration with its value chain	Resources and energy produced and consumed	Own cowshed and cheese factory, production site in Gaida (RE), plants, machinery and equipment

CREATING VALUE



STRATEGY AND RESOURCE ALLOCATION

AREA	THEME	DESCRIPTION	OBJECTIVES	SDGs
E	Carbon Footprint	CO2 Emission	Monitoring and Reduction. Carbon Footprint Compensation	CHAPTERS 7, 13
E	Energy	Measurement of energy and use of renewable energy	Management and reduction of energy consumption	CHAPTER 7, 13
E			Efficiency and Self-Production	CHAPTER 7, 13
E	Waste and Packaging	Recovery and Recycling	Management and Reduction	CHAPTER 12
E	Water resources	Management and measurement	Optimisation	CHAPTER 6
S	People	Human resources skills	Continuous training and talent attraction	CHAPTER 8
S	Health and Safety in the workplace	Health and safety compliance	Continuous improvement and safety control	CHAPTER 3
S	Employee well-being	Policies related to employee well-being, working environment	Initiatives for employees. Welfare	CHAPTER 3, 4, 5, 10
S	Product safety and quality	Guarantee of product safety and quality for the end customer	Continuous improvement. Traceability and transparency	CHAPTER 8
S	Regional and Local Communities	Development and Promotion of the local area and relations with the stakeholders	Relationship with those involved in the supply chain. Dissemination of tradition. Protection of the local area.	CHAPTER 8
G	Decent work	Gender Equality and Inclusion	Listening and professional growth	CHAPTER 8
G	Economic Growth	Expansion into new markets	Sales in foreign markets	CHAPTER 8
G	Animal Welfare and Biodiversity	Dissemination and information	Transmitting the value of tradition, supply chain and the local area	CHAPTER 15



05.

THE ESG DIMENSIONS



CORPORATE SUSTAINABILITY

The production activities at Montanari & Gruzza have an environmental impact that the company is firmly determined to reduce by optimising its production processes and monitoring its carbon footprint. The company is developing a sustainability plan for 2024-2026, to implement compensation programmes to mitigate such impacts.

The topics on which the company has been strongly committed for some time are:

INTENSITY OF ENERGY USE, with an ever-increasing use of renewable energy.

WATER RESOURCE MANAGEMENT, with a reduction in consumption and with water being recovered from the production process.



ENERGY CONSUMPTION



In the period from 2021 to 2023, Montanari & Gruzza recorded a trend in its energy consumption, highlighting a growing commitment to sustainability and the use of renewable sources.

- **Total water withdrawal in 2023:** 79.177 m3.
- **Natural gas:** Natural gas consumption increased progressively, going from 507,429 SCM in 2021 to 527,697 SCM in 2022 and reaching 568,425 SCM in 2023.
- **Electricity:** Electricity consumption, deriving from the combination of renewable and non-renewable sources of the national electricity grid, followed a growth trend: 2,192,462 kWh in 2021, 2,338,474 kWh in 2022 and 2,428,463 kWh in 2023.
- **Electricity from renewable sources (Photovoltaic):** Renewable energy production from photovoltaic plants has significantly increased, from 29,389 kWh in 2021 to 157,441 kWh in 2023, marking a significant increase in the adoption of clean energy.

This data demonstrates the company’s ongoing commitment to reducing environmental impact and optimising energy resources, with a decisive increase in energy from renewable sources in 2023. Montanari & Gruzza is therefore an example of sustainable growth, investing in technologies that reduce the consumption of non-renewable resources.

Sito Montanari e Gruzza, via Newton (RE)	2021	2022	2023
Natural Gas (SCM)	507.429	527.697	568.425
Renewable/non-renewable energy combination from the national electricity grid (kWh)	2.192.462	2.338.474	2.428.463
Electricity from renewable sources Photovoltaic (kWh)	29.389	29.708	157.441
Total water withdrawal* (m3)	74.000	75.000	79.177

The Montanari & Gruzza energy decarbonisation strategy is divided into two main intervention areas: energy efficiency and self-production from Renewable Energy Sources (RES).

ENERGY EFFICIENCY

Energy efficiency involves implementing both plant and management interventions, aimed at reducing energy consumption while maintaining the level of service provided.

SELF-PRODUCTION FROM RENEWABLE ENERGY SOURCES (RES)

The self-production of clean and renewable energy is achieved through photovoltaic systems which are directly connected to corporate users, or through the new opportunities provided by the CACER Italian Decree ‘Configurazioni per l’Autoconsumo e la Condivisione dell’Energia Rinnovabile’ (Configurations for Self-Consumption and Sharing of Renewable Energy).

ACTIVITIES CARRIED OUT

Montanari & Gruzza believes that energy efficiency is a fundamental element for corporate and environmental sustainability. This chapter illustrates the initiatives and projects carried out to optimise energy consumption, reduce emissions and improve the efficiency of production processes, therefore contributing to a greener and more responsible future.

ENVIRONMENT OBJECTIVE: INCREASED SUPPLY OF ELECTRICITY FROM RENEWABLE SOURCES



Montanari & Gruzza is committed to increasing its share of electricity from renewable sources. The company has decided to adopt sustainable strategies and solutions to boost the use of clean energy, in line with its goal of reducing environmental impact and helping to transition towards a future with more sustainable energy.

ENHANCEMENT OF PHOTOVOLTAIC COVERAGE

In May 2023, the company completed a significant upgrade of the photovoltaic plant located at the Via Newton 38 headquarters in Reggio Emilia (RE), **expanding the plant’s capacity from 33.32 kWp to 200 kWp**. This upgrade has had a significant positive impact on the company’s energy efficiency, allowing a substantial **increase in the share of self-produced electricity, which is completely free of greenhouse gas (GHG) emissions**.

With an **estimated annual production of 218,532 kWh and an expected auto-consumption of 100%, the company has achieved significant energy self-sufficiency**, reducing dependence on external energy sources and contributing to greater environmental sustainability. **This upgrade has led to an estimated reduction in CO2 emissions of about 55.73 tons per year, contributing substantially to the reduction of the company’s environmental impact.**

The project was partially financed thanks to the “Parco Agrisolare 2” grant, supported by the European Union - Next Generation EU, which provided a contribution of 35% of the total cost of the investment.

This funding has made it possible to accelerate the implementation of sustainable technologies and to strengthen the Montanari & Gruzza commitment to a greener and more responsible energy transition.

ENVIRONMENT OBJECTIVE: REDUCING THE SUPPLY OF RESOURCES FROM NON-RENEWABLE SOURCES



Montanari & Gruzza is committed to progressively reducing the share of energy resources from non-renewable sources. The company is taking strategic measures to increase the use of renewable resources, with the aim of minimising environmental impact and contributing to energy sustainability.

ENERGY IMPROVEMENTS

During 2023, an in-depth energy diagnosis was carried out at the headquarters at Via Newton 38 in Reggio Emilia (RE). This diagnosis involved a series of activities, including field surveys, data collection and analysis, and the evaluation of energy flows and consumption, with the main objective of optimising energy efficiency and reducing operating costs.

The actions for improvement identified following the diagnosis include:

Management of non-productive consumption: Management of interventions to optimise and reduce the consumption of energy not directly related to production.

LED relamping: Replacement of existing lighting systems with LED lamps, to improve energy efficiency and reduce electricity consumption.

Adjustment of the compressed air room: Modernisation and optimisation of the compressed air system to increase its efficiency and reduce energy consumption.

Modernisation of the refrigeration unit:

Upgrading of the refrigeration systems to improve energy efficiency and reduce operating costs. Depending on the production needs, the chosen compressor allows the power to be adjusted from 10 to 100%, reducing consumption and the risks of breakages or system downtime.

Installation of a co-generator:

Implementation of a co-generation system for the combined production of electricity and heat, in order to improve overall energy efficiency.

The diagnosis also highlighted the opportunity to extend the existing energy monitoring system, in order to gain a more detailed and continuous view of the energy consumption and performance, thus contributing to managing energy resources in a more effective and proactive way.

WATER RECOVERY AND IMPROVEMENT IN WATER RESOURCES MANAGEMENT

Montanari & Gruzza has adopted an innovative and sustainable approach to recovering and managing water within its production processes, with the aim of reducing environmental impact and optimising resource efficiency. The following strategies have been implemented for the recovery of production water:

1. Condensation Water Recovery: The steam generated during the production processes is carefully condensed and turned back into water. This water, which is already heated and treated, is recovered and reused to power the boiler, thus reducing the consumption of fresh water and improving the energy efficiency of the system.

2. Water Recovery from Pasteurisers: The water that is used to cool the pasteurisers is collected in a dedicated tank with a capacity of 100 cubic metres. This water, which is already partially treated, is stored and subsequently reused for washing processes, optimising the water cycle and reducing the need for new drinking water.

3. Water Recovery from Washing: During the washing processes, the last step involves a final rinse with detergent-free water.

By using a conductivity meter, an instrument that measures the conductivity of water and guarantees that there are no detergent residues, this water is recovered in a dedicated cistern. Subsequently, this

water is used for the initial rinses in the washing phase, allowing it to be used further and reducing waste.

These processes not only contribute to environmental sustainability, but also demonstrate the Montanari & Gruzza commitment to promoting responsible and efficient production practices. Thanks to these solutions, the company is able to minimise the consumption of water resources and optimise the water cycle, contributing significantly to environmental preservation.

ENVIRONMENT OBJECTIVE: REDUCTION IN ENERGY CONSUMPTION FOR THE PRODUCTION PROCESS

Montanari & Gruzza is strongly committed to reducing energy consumption for the production process. The company is implementing a series of initiatives aimed at improving the energy efficiency of its plants and processes, with the aim of minimising energy consumption and reducing environmental impact.

NEW COOLING SYSTEM FOR BUTTER PRODUCTION

During 2023, Montanari & Gruzza implemented a major **innovation in the cooling system for the production phases**, with the aim of improving the sustainability and energy efficiency of its processes.

Historically, the company has used a cooling system based on three tanks of cold water, supported by six compressors, four of which were 40 HP and two were 30 HP. This system was designed to store thermal energy by producing ice while the plant was inactive, to then release it during the processing and storage phases of the product. However, with the increase in production, the icy water system could no longer maintain the desired efficiency. The continuous operation, which was necessary to meet the growing demand for refrigeration, prevented the ice from accumulating correctly, significantly reducing the system's performance.

To solve these problems and improve efficiency, the company decided to adopt a **new cooling system, replacing the previous one with a modern chiller (Zudek), equipped with only two inverter compressors**, which operate only when strictly necessary and adjust the power according to specific refrigeration requirements. This approach makes it possible to instantly produce cold water and adapt energy consumption to the real needs of the production process.

The adoption of the chiller has led to a significant improvement in terms of energy efficiency. Before the new system was installed, the company consumed over 120 kW of energy throughout the day. With the new plant, **the average energy consumption has been drastically reduced**, contributing to a significant decrease in operating costs and a lower environmental impact.



WASTE MANAGEMENT

GRI 306-3
Waste
generated

The company has implemented an internal procedure (PO 16) that defines the management of all the waste produced, from wastewater to by-products, in full compliance with current regulations.

This procedure guarantees a systematic and traceable approach to waste management, from its production to its disposal or recovery.

Montanari & Gruzza presents the results of its waste management for 2023, reflecting the constant commitment to sustainability: **14.7 tons of non-hazardous waste were produced, which was entirely recovered.**

Of the **275 kg of hazardous waste, 175 kg was disposed of and 100 kg recovered.** Thanks to recycling systems, the company has avoided about **700 tons of treatment sludge**, bringing the production of this waste to **zero**.

ACTIVITIES CARRIED OUT

Priority to recovery and to the circular economy

Making recovery and circular economy a priority, Montanari and Gruzza favours recovery over waste disposal. This approach makes it possible to extend the life cycle of materials, reduce the environmental impact and help to create a circular economy.

Specific initiatives:

Recycling collection: since 2022, a specialised company has been dealing with the collection and treatment of paper and cardboard waste, a type of material that has a particular impact from a quantitative point of view on our production cycle.

Recycling of special materials: empty toners and batteries are managed through the Eco-Box system.

Enhancement of by-products: buttermilk, a by-product of butter production, is used for livestock feed (over 18,000 tons in 2023). Since 2022, through specialised companies, we have been recovering the

processing sludge, turning it into a second raw material for the generation of biogas. The whey derived from the production of Parmigiano Reggiano in our dairy is intended for livestock use. (5,036 tons in 2023).

Reduction in hazardous waste: over the last three years, the company has managed to reduce the production of hazardous waste to almost zero.

Reduction in food and packaging waste

The company is actively committed to minimising food losses and packaging waste throughout the supply chain, from the producer to the end consumer. Some of the initiatives undertaken include:

Optimisation of production processes: To reduce food waste and maximise the use of raw materials.

Carefully selected packaging: Prioritising recyclable materials and minimising waste.

Introduction of compostable packaging: A few years ago, the company introduced the use of 100% compostable packaging on the organic and supply chain butter range, replacing bonded packaging that was disposed of in the general waste (recyclable packaging in 2022: 638 kg, in 2023: 1,167 kg).

Re-entry of waste into the production cycle: The waste from the cutting and packaging of cheeses is used in the processing of grated products or given to companies that use processing scraps in other food preparations or for pet food.

Thanks to optimised production processes, a careful selection of materials and a strong focus on waste prevention, the company has been able to achieve a reduction in overall waste production (in proportion to total production).

ENVIRONMENTAL SUSTAINABILITY: ACTIVITIES CARRIED OUT

Montanari & Gruzza continues to strengthen its commitment to environmental sustainability, integrating ecological practices into every aspect of its operations. This chapter illustrates the initiatives and results achieved by the company, highlighting the concrete actions taken to reduce environmental impact, promote recycling, optimise resources and contribute to a more sustainable future.

ENVIRONMENT OBJECTIVE: SAFEGUARDING THE REGION AND THE WELL-BEING OF DAIRY CATTLE IS ESSENTIAL FOR SUPERIOR MILK QUALITY.



To ensure animal welfare, it is essential to adopt an integrated approach that combines clinical, ethological and immunological expertise. Montanari & Gruzza therefore requires its supply chain to undergo targeted controls and requires milk suppliers to comply with strict breeding standards, going beyond the requirements of the specifications.

Montanari & Gruzza demonstrates its commitment to animal welfare through several concrete actions:

- It follows the European regulatory framework for animal welfare (Legislative Decree no. 146 of 26 March 2001 and subsequent amendments and Law no. 623 of 14 October 1985) and it guarantees the highest standards of welfare to cows in its own cowshed.
- It makes periodic visits to the cowsheds from which it buys milk to check the level of welfare of the cows.
- The laboratory manager periodically takes milk samples and checks the health of the cows at the various suppliers.

This level of control, which is not required by the regulations or by the PDO regulations, allows Montanari & Gruzza to monitor the quality of products more accurately and encourages producers to improve their animal care, promoting more sustainable production processes and higher quality products.

ETHICAL CHEESE PROJECT:

A NEW FRONTIER FOR PARMIGIANO REGGIANO

In the period 2019-2021, Montanari & Gruzza was the leader of the Ethical Cheese project, an innovative and replicable model for the promotion of high-quality products, obtained in compliance with animal welfare standards. Thanks to a close collaboration between producers, research institutes and certification bodies, Montanari & Gruzza was able to chart a new path towards a more sustainable and responsible future in the agri-food sector.

The Ethical Cheese project was an important initiative aimed at enhancing Parmigiano Reggiano by adopting high standards of animal welfare. Promoted by the Research Centre for Animal Production (the CRPA) and funded thanks to the Rural Development Plan 2014-2020, the project aimed to create a production chain oriented towards the ethics and sustainability of agri-food production.

OBJECTIVES

The main ambition of this project was to add further value to the recognised PDO standard of Parmigiano Reggiano, proposing to adopt models with a high ethical index and high animal welfare standards.

ANIMAL WELFARE STANDARDS

One of the key components of the project was the adoption of a protocol that integrated higher animal welfare standards. After a thorough analysis of the main international regulations, the Red Tractor Assurance for Farms – Dairy Standards (RT) was chosen as the basis for the Ethical Cheese protocol. This standard provides strict guidelines for the living environment of animals, including adequate ventilation and lighting, safe and comfortable flooring, and easy access to water and high-quality food.

APPLICATION AND REFERENCE MARKETS

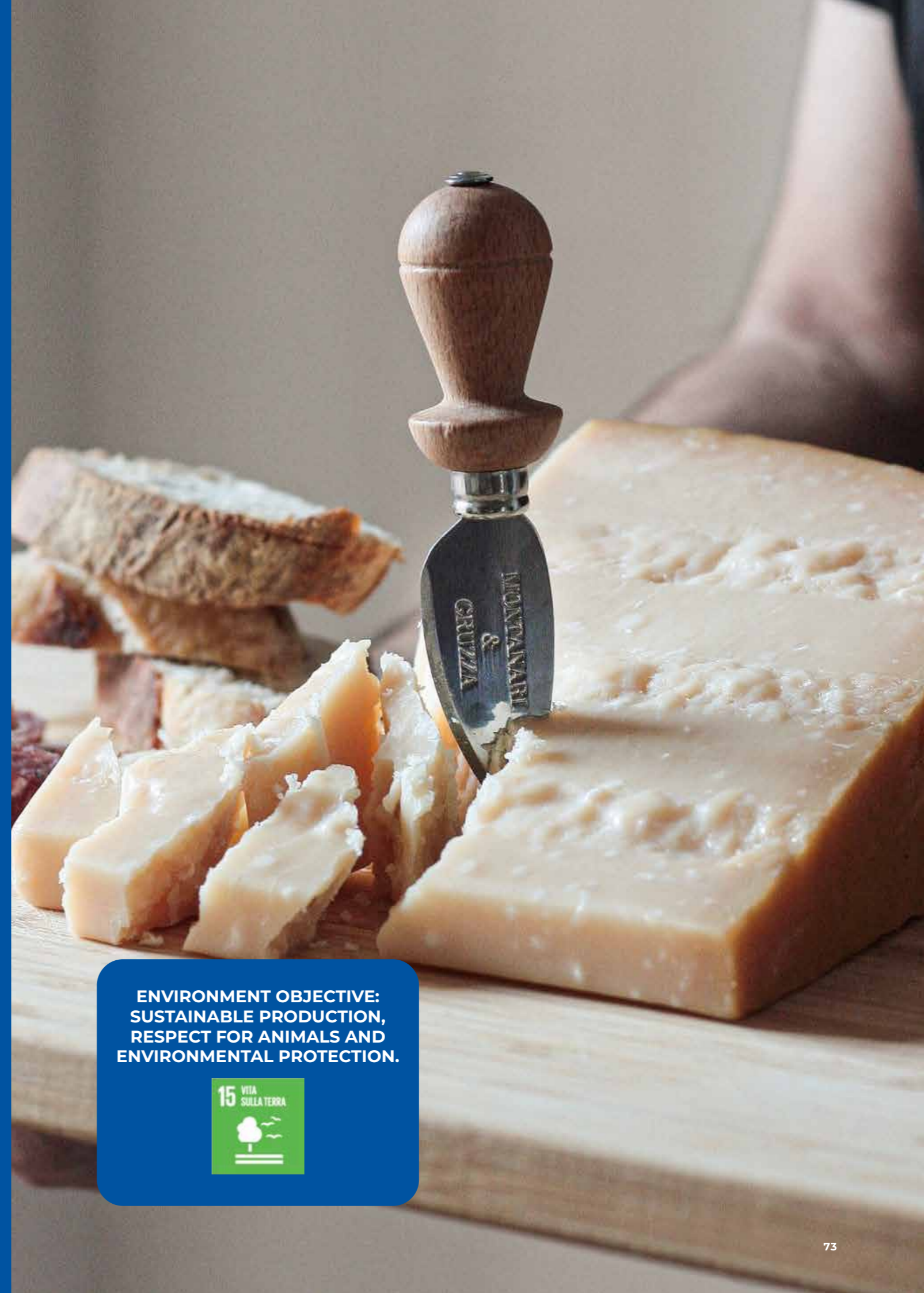
The implementation of the Ethical Cheese protocol has been designed to ensure that it can be applied in technical and economic terms in farms belonging to the Montanari & Gruzza supply chain. The target markets include countries such as Great Britain, Germany, Sweden and the United States, which are all characterised by a growing demand for products with animal welfare certifications.

TECHNICAL REQUIREMENTS AND CONTROLS

The protocol requires strict technical specifications, such as ventilation and lighting management in animal buildings, summer cooling for lactating cows, and the use of appropriate bedding materials. Standards are also established for the management of resting and exercise areas, ensuring that animals can live in conditions that minimise the risk of injury and stress.

IMPACTS AND PROSPECTS

Ethical Cheese aims not only to improve the living conditions of animals, but also to create added value for Parmigiano Reggiano by selling to markets that appreciate the ethical value of the products. This initiative has been a significant step forwards and still drives Montanari & Gruzza and its partners, consolidating their commitment to more ethical and sustainable agri-food production.



**ENVIRONMENT OBJECTIVE:
SUSTAINABLE PRODUCTION,
RESPECT FOR ANIMALS AND
ENVIRONMENTAL PROTECTION.**



IL BURRO NOBILE

LOCAL SUPPLY CHAIN, ANIMAL WELFARE AND LOWER ENVIRONMENTAL IMPACT.



**ENVIRONMENT OBJECTIVE:
SUSTAINABLE PRODUCTION,
RESPECT FOR ANIMALS AND
ENVIRONMENTAL PROTECTION.**



The BURRO NOBILE project is an example of sustainability and environmental and social responsibility in the food industry.

Launched in 2012 from the collaboration between Montanari & Gruzza, the LattEmilia cooperative, the University of Bologna and the CREA-ZA Livestock and Aquaculture Research Centre in Lodi, this project stands out due to its commitment to animal welfare, the local supply chain and the reduction of environmental impact.

THE SUPPLY CHAIN

The LattEmilia supply chain is characterised by a farming approach that respects the animal's natural routine, in contrast to modern intensive methods. The cows are mainly fed with fresh fodder enriched with linseeds, a change that significantly reduces the environmental impact by diminishing methane emissions, and therefore also CO2. This method of breeding not only improves the animals' quality of life, but also contributes to more sustainable production, which is respectful of the environment and natural resources.

NUTRITIONAL VALUES OF IL BURRO NOBILE

IL BURRO NOBILE is made with outcrop cream derived from the milk of cows that follow a diet

enriched with fresh fodder and linseeds. This particular diet increases the presence of beneficial fatty acids such as Omega-3 and CLA in milk, which are concentrated in cream and butter, giving the product an excellent nutritional profile. Omega-3 and CLA are recognised for their benefits for cardiovascular health and their anti-inflammatory properties, thus contributing to a healthier and more balanced diet.

ANIMAL WELFARE

Animal welfare is at the heart of the IL BURRO NOBILE project. LattEmilia is committed to ensuring optimal living conditions for cows, ensuring that farms are managed ethically and responsibly.

The animals' quality of life is constantly monitored and improved, with the aim of ensuring that the animals' well-being translates into high-quality milk and an excellent end product.

SUSTAINABLE PACKAGING

In line with the principles of sustainability, the restyling of the product has required completely compostable packaging to be adopted. This reflects the Montanari & Gruzza commitment to making IL BURRO NOBILE not only a high-quality product, but also an example of environmental sustainability, combining nutritional and ethical values.



ENVIRONMENT (& SOCIAL) OBJECTIVE: PROVIDING SAFE, HEALTHY AND GENUINE PRODUCTS, FOR THE WELL-BEING OF PEOPLE. GUARANTEEING AGRICULTURAL AND SUSTAINABLE PRODUCTION PRACTICES, IN ADDITION TO PRODUCT QUALITY AND SAFETY AT ALL STAGES OF THE SUPPLY CHAIN.



Montanari & Gruzza undertakes to prepare adequate internal control measures and to conduct all business activities with transparency, integrity, and honesty, in full compliance with the law. The company implements policies and practices that define a responsible approach to tax strategy, ensuring the protection of information assets and the safeguarding of privacy.

The company devotes particular attention to selecting suppliers, ensuring not only high-quality standards but also enhancing the best components of the supply chain. The company's suppliers provide raw materials, packaging, transport services, waste management and maintenance, all essential elements for the success of the Montanari & Gruzza activities and to guarantee the high quality of its products.

The identity of the company is clearly reflected in its selection of suppliers: **95% of the 2023 supplier turnover was attributed to Italian companies.**

TRACEABILITY AND TRANSPARENCY OF THE SUPPLY CHAIN FOR OUR ORGANIC PARMIGIANO REGGIANO WITH THE BLOCKCHAIN

In recent years, international markets have shown a marked increase in consumer demand for detailed and transparent information on food products.

Montanari & Gruzza has chosen to provide consumers with complete transparency on the production of its Organic Parmigiano Reggiano. Thanks to the collaboration with the innovative startup in the field of Food Tech Connecting Food, in 2021 Montanari & Gruzza implemented a system that allows every single phase of the production process to be tracked and checkable by the customer: from the origin of the milk, the dates and places of processing, to maturing and distribution at the point of sale. At the base of the project is a Blockchain system that allows information to be recorded correctly, in a timely manner. Once stored, each change is reported in order to guarantee maximum transparency to those who view it.

The packaging of Organic Parmigiano Reggiano by Montanari & Gruzza has been equipped with a QR Code, through which the consumer can access a WebApp, which allows them to explore the entire supply chain and find out information about the product. The collaboration with Connecting Food is still ongoing and the product is distributed on the main German distribution chains specialising in organic products. The sustainability focus involves projects that are able to rethink and redesign processes and products in order to generate a positive impact on the value for all our stakeholders, first and foremost among all customers.

Sustainability orientation goes through projects that rethink and redesign processes and products to generate a positive impact on the value paid to all our stakeholders, first and foremost our customers.



ENVIRONMENTAL SUSTAINABILITY: FUTURE GOALS

Energy Consumption

OBJECTIVES	ACTIONS FOR 2024
Reduce energy consumption from non-renewable sources	Extension of monitoring points
Reduction in CO2 emissions - Increase supply from renewable sources	New photovoltaic system
Carbon Footprint management	Measurement of the parameters according to the GRI criteria
Reduction in non-productive consumption	Optimisation of supply
Detailed and continuous analysis of energy consumption	Installation of a performance-monitoring system
Water resources management	Installation of a homogeniser tank
Reduction in CO2 emissions and energy consumption	Modernisation of the refrigeration unit

New enhancement with Photovoltaics in the Solar Belt

Montanari & Gruzza is expanding the supply of electricity from renewable sources with a new photovoltaic plant located in the immediate vicinity of the site at Via Newton 38, Reggio Emilia (RE).

This expansion will provide an increase in the plant's capacity to 999.92 kWp, with the completion of the works scheduled for the end of 2024.

The implementation of the new photovoltaic system involves an estimated annual production of 1,396,360 kWh. Of this production, it is estimated that approximately 961,541 kWh/year, 69% of the total production, will be used for the company's direct auto-consumption. This significant increase in electricity auto-production capacity will not only contribute to greater energy self-sufficiency, but will also lead to an estimated **annual reduction of 605 tonnes of CO2**, therefore contributing to environmental sustainability.

The upgrading project is partially financed, with a 15% contribution provided by PORFESR 2021-2027, specifically through its "Grant for support for energy interventions and earthquake prevention by companies". This funding supports the company in achieving its sustainability and environmental impact reduction goals, demonstrating a concrete commitment to energy efficiency and environmental sustainability.

Waste management

OBJECTIVES	ACTIONS FOR 2024
Improve the management of recycling collection	Evaluate the separation of plastic waste (CER 150102) from mixed waste (CER 150106).
Reduction in Food Waste and Packaging	Optimisation of production processes
Reduction in paper consumption	Evaluations and tests on less thick multilayer cardboard packaging
Reduction in non-recyclable packaging	Testing and development of monomaterial plastic packaging (polypropylene)
	Expansion of compostable packaging
Reduction in pollutants	Evaluate opportunities to increase the use of eco-sustainable materials for consumables (stationery etc.) and environmentally-friendly detergents
Reduction in CO2 emissions and energy consumption	Modernisation of the refrigeration unit

SOCIAL SUSTAINABILITY

Le risorse umane rappresentano il fulcro del successo di Montanari & Gruzza. La centralità delle persone costituisce un pilastro fondamentale nella strategia di crescita e consolidamento aziendale, orientata su due direttrici principali:

Formazione continua del personale: considerata lo strumento primario per lo sviluppo delle competenze.

Consolidamento dei rapporti di filiera.

Inoltre, le tematiche materiali hanno evidenziato la salute e la sicurezza nei luoghi di lavoro e nei processi produttivi come priorità su cui l'azienda intende concentrare il proprio impegno.

Le attività programmate per il 2024, finalizzate al raggiungimento degli obiettivi legati alla dimensione "sociale" del piano triennale 2024-26, riflettono questa visione.

Human resources are at the heart of Montanari & Gruzza's success. The focus on people is a fundamental element in the company's growth and consolidation strategy, based on two main guidelines:

Continuous staff training: considered the primary tool for skills development. Consolidation of supply chain relationships. In addition, the material issues

highlighted health and safety in the workplace and in production processes as priorities which the company intends to focus its efforts on.

The activities planned for 2024, which aim to achieve the objectives linked to the "social" dimension of the three-year plan 2024-26, reflect this vision.



ACTIVITIES CARRIED OUT

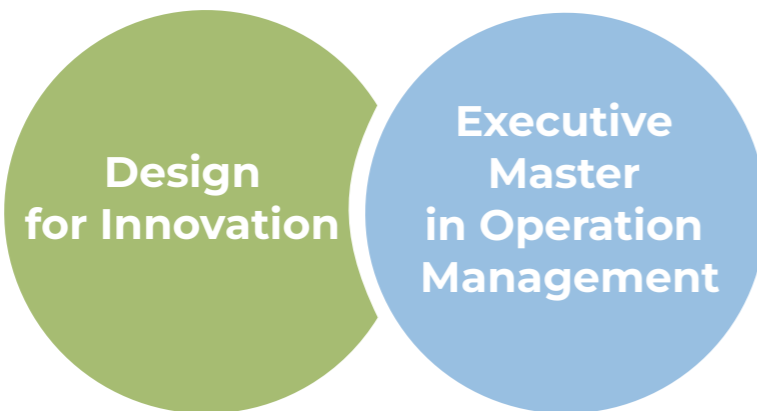
In 2023, Montanari & Gruzza undertook a series of social initiatives that involved different categories of stakeholders that the organisation interacts with. Internally, the company provided coaching and training to a selection of employees who had recently taken on new professional roles or new duties. These employees were able to benefit from tailored training and coaching, supported by a dedicated consultant, to facilitate their transition and success in their new roles.

Through these initiatives and collaborations, Montanari & Gruzza is confirming its commitment to giving value to the local area and the community that inhabits it.

INTERNAL TRAINING

In 2023, Montanari & Gruzza demonstrated a strong commitment to corporate training, investing **over 500 hours to develop the skills of its staff**. The training areas have ranged from IT to marketing, and from quality to food safety, with courses organised by the IFOA, a training body in Reggio Emilia.

In addition to basic training, advanced training and master's courses have been set up for key business figures, with the aim of deepening knowledge on specific and complex issues. Among the training courses activated in 2023, there were:



A course aimed at providing methods and tools for designing innovation, organised by the Tech-up accelerator of the Digital District of Unindustria Reggio Emilia. This programme involved high-level technical personnel.

A course aimed at providing methods and tools for designing innovation, organised by the Tech-up accelerator of the Digital District of Unindustria Reggio Emilia. This programme involved high-level technical personnel. An intensive programme dedicated to operational management, with particular attention to Lean manufacturing and Agile methodologies, curated by Toyota Material Handling. This master's course was attended by production and packaging managers.

Continuous training is a key element in Montanari & Gruzza's growth strategy. These training courses reflect the company's desire to maintain a high standard of skills among its employees, promoting a work environment oriented towards excellence and innovation.

SUPPORT FOR SPORT AND LOCAL COMMUNITIES

Montanari & Gruzza is actively engaged in supporting various local organisations, **promoting sport, inclusivity, and gender equality**, as well as bringing together the **cultural and recreational aspects of the local community**.

SELF ATLETICA REGGIO EMILIA - YOUTH ATHLETICS SERIES A2



For 18 years, Montanari & Gruzza has been the main sponsor of SELF Atletica Reggio Emilia, a historic team in the Reggio Emilia area with 3 facilities and almost 500 registered athletes.

CUS PARMA



The company supports Cus Parma for its competitive and non-competitive sports activities, which are particularly aimed at children and young people, such as the Cross Montanari & Gruzza, a country race organised every year in which hundreds of children participate in the Parma area.

VALDENZAKTIV - MOUNTAIN BIKE



The company supports Team Bike Lorenzo Gruzza SSDRL (GRAVITY GAMES RACING TEAM), a sports organisation in Montecchio Emilia which has been created to honour the memory of the great sportsman Lorenzo Gruzza. The team is actively involved in regional and national cycling competitions for young people, promoting the practice of outdoor sports and the exploration of the territory.

RUGBY REGGIO



Montanari & Gruzza contributes to Rugby Reggio, supporting the development and promotion of this sport in the local community.

BOCCIOFILA DI SANT'ILARIO D'ENZA



Montanari & Gruzza is pleased to support the Bocciofila di Sant'Ilario d'Enza, an organisation with over 200 active members that promotes sport and inclusion through numerous activities: bowling, pool, and soft gymnastics, days dedicated to people with disabilities, as well as archery, knitting courses and padel collaborations. A concrete commitment to well-being and the local community.

SUPPORT FOR ORGANISATIONS FOR INCLUSION AND GENDER EQUALITY

ALLINCLUSIVE SPORT REGGIO EMILIA



Since 2018, Montanari & Gruzza has supported AllInclusive Sport, an organisation in Reggio Emilia that has been promoting inclusive sport for eight years with the aim of “bringing together” children and young people with and without disabilities in an organised extracurricular context such as sports, and has managed to give this opportunity to 185 children and young people with disabilities.

Today, the AIS is a consolidated project which is recognised not only by the families of athletes with disabilities, but throughout the provincial sports movement as it promotes the right to inclusive sport by giving the opportunity to all those involved to benefit from it: members, coaches, managers, and parents.



“NON DA SOLA” ORGANISATION - REGGIO EMILIA



The company supports the organisation “Non Da Sola” in the fight against violence on women, promoting support and awareness programmes on the subject, as well as concrete and operational help to those who are victims of violence.

SUPPORT FOR CULTURAL AND RECREATIONAL ORGANISATIONS

The commitment to support local communities is a fundamental principle that has guided Montanari & Gruzza activities for years now. Therefore, the company supports numerous local organisations which are engaged in the fields of culture, education and promoting and enhancing traditions.

This collaboration is made possible through the sponsorship of events, courses and information initiatives, actively contributing to the development and growth of the local community.

1. Università dell'Età Libera S. Ilario d'Enza
2. Associazione Culturale Teatro l'Attesa
3. Gazzettino Santilariese
4. Associazione Commercianti di S. Ilario d'Enza “Meglio S. Ilario”

In addition, Montanari & Gruzza provides support to schools and nurseries throughout the country, contributing to the education and well-being of children, and to musical events such as “Musica Bella”, organised by the family of Gianni Bella, to promote the creative and artistic development of emerging young people in the field of music.

EDUCATIONAL-CULTURAL INITIATIVES FOR STUDENTS AND COMMUNITIES

In addition to collaborations and specific academic projects, Montanari & Gruzza regularly welcomes groups of students from local schools and

universities at the production sites of its supply chain, including dairy farms, cheese factories and the main plant.

These visits are intended to educate students about food production practices, giving them a direct insight into business processes. They are also an opportunity to promote transparency and strengthen the company's openness to the local educational community, fostering constructive communication and a greater understanding of the activities and commitments at Montanari & Gruzza.

WELFARE AGREEMENTS AND BENEFITS

Montanari & Gruzza offers several agreements for its employees, including:

- Agreement with the local Spallanzani medical centre in Reggio Emilia: Discounts and concessions on health services, specialist visits, procedures and diagnostics.
- Agreement with the Associazione Meglio S. Ilario: Facilitating purchases at local stores, supporting small businesses in the area.
- Agreement with sports organisations and facilities: Easy access to facilities such as the Circolo Tennis/Padel Sant'Ilario d'Enza to promote sports among employees.

Since 2021, there has been a defibrillator in the plant to manage any cardiac emergencies.



#BEWELL PROJECT

Montanari & Gruzza has launched the #BeWell project which includes numerous initiatives aimed at all company stakeholders, to share opportunities for well-being and suggest small daily actions as a stimulus for feeling better. This project includes local cooking classes, recipes and food health tips, and social media content.



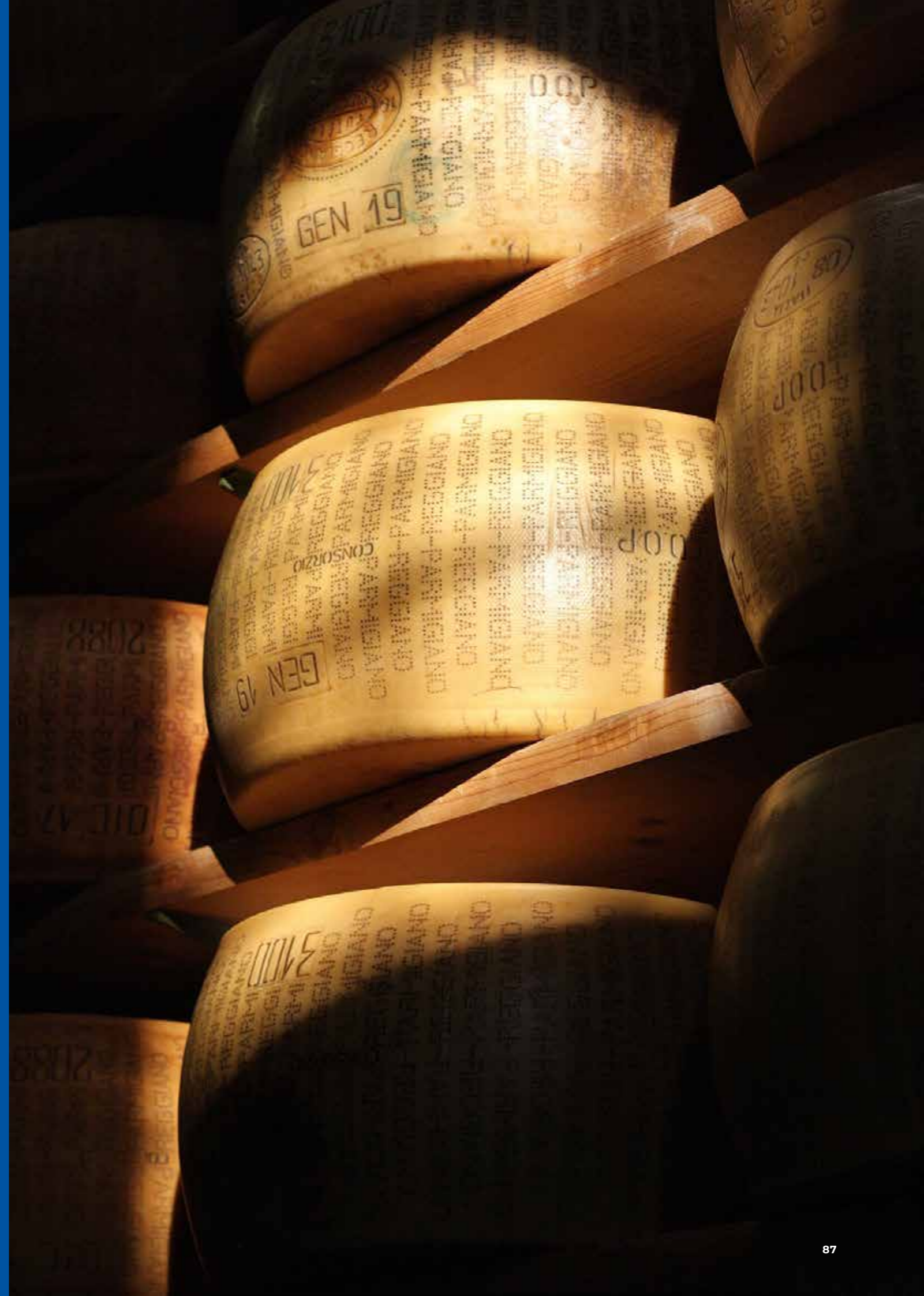
SOCIAL SUSTAINABILITY: FUTURE OBJECTIVES

OBJECTIVES	ACTIONS FOR 2024
Equity and Inclusion	Support for local initiatives
Continuous training	Activation of internal and external courses for employees at all levels, for each department. Renewing and expanding collaborations with schools and training bodies
Employee well-being	Installation of Sanixair devices, which allow continuous air sanitisation.



ENVIRONMENTAL SUSTAINABILITY

Montanari & Gruzza is committed to promoting corporate sustainability through an integrated approach that embraces every aspect of the business. This chapter introduces the initiatives put in place to ensure responsible resource management, improve operational efficiency, and create lasting value for the environment, employees, and the community.



GRI 401-1
New recruitments and turnover

ACTIVITIES CARRIED OUT

GRI 102-8
Information on employees and other workers

This chapter illustrates in detail the concrete actions taken by Montanari & Gruzza to integrate ESG dimensions into our business management. Sustainability governance is a dynamic and constantly evolving process. We are committed to supporting people and transferring value throughout the supply chain. Our commitment to transparent and ethical management sees efforts and resources allocated with continuity and determination and our future plans have been outlined to further consolidate our governance and ensure that sustainability is managed in an increasingly effective and transparent way.

GOVERNANCE (& SOCIAL) OBJECTIVE: IN A SECTOR THAT IS HISTORICALLY DOMINATED BY MEN, THE COMPANY IS COMMITTED TO ENSURING EQUAL EMPLOYMENT OPPORTUNITIES FOR ALL EMPLOYEES.



Montanari & Gruzza recognises the importance of its employees and bases its relationship with human resources on the principles of transparency, loyalty and trust, in accordance with its Code of Ethics. The company strongly condemns any form of harassment, whether physical or psychological, that may violate the dignity of the individual, both inside and outside the workplace, and is committed to ensuring equal employment opportunities for all employees. This is a particularly significant commitment in a sector that is traditionally dominated by a male majority, especially in production areas.

The staff is composed (in 2023) of 40.5% women, with 36 women out of a total of 89 employees. This percentage reflects the company's commitment to greater inclusion and gender diversity within its workforce.

Contracts and Job Stability

Most of the employees at Montanari & Gruzza have permanent contracts: as many as 86 out of 89, which is 96.6% of the workforce. The average duration of permanent contracts is 76 months, demonstrating considerable job stability. In addition, a significant number of people, **20 out of 89, have been working in the company for over**

15 years, highlighting the solidity of the working relationships that we establish with our collaborators.

CAREER GROWTH

In 2023, Montanari & Gruzza demonstrated a strong commitment to gender equity and equality by investing over 500 hours in staff training. This has guaranteed all employees, regardless of their gender, equal opportunities for professional growth, offering training courses and high specialisation courses and masters, responding to individual needs and promoting the development of specific and advanced skills for all employees.

GOVERNANCE OBJECTIVE: COMMITMENT TO TRANSPARENCY, INTEGRITY AND COMPLIANCE



Preparing adequate internal control measures and conducting all business activities with transparency, integrity, honesty and in compliance with the law. Implementing policies and practices by defining the responsible approach to tax strategy. Protecting information assets and privacy.

Listening to employees

Montanari & Gruzza will launch an employee listening project as an integral part of its sustainable governance strategy. This project aims to strengthen internal communication and collect valuable feedback from employees to continuously improve business practices and ensure an inclusive and respectful work environment.

Through a structured consultation and engagement process, the company aims to identify areas for improvement, respond to employee needs and concerns, and promote a culture of transparency and participation. This approach not only contributes to more effective human resource management, but also reflects the Montanari & Gruzza commitment to responsible and sustainable governance. Awareness of sustainability issues Montanari & Gruzza is particularly attentive to social and environmental sustainability. The company is committed to improving awareness in this area among its employees, with the aim of extending training on waste management and respect for the environment to all departments in the following year.

GOVERNANCE OBJECTIVE: DISSEMINATING KNOWLEDGE AND EXPERTISE SHOULD BE THE PURPOSE OF EVERY COMPANY AND ORGANISATION THAT INTENDS TO INNOVATE. FOR US, INVESTING IN TRAINING MEANS PURSUING THIS GOAL



Montanari & Gruzza has undertaken the development of numerous significant collaborations with universities, academic institutions and higher education institutions, also to optimise processes and innovative development. These strategic alliances have allowed projects to be implemented aimed at stimulating advanced research, promoting creativity and refining skills in the food and dairy sector.

Through these collaborations, the company is committed to supporting and enhancing technological and scientific innovation, thus contributing to the advancement of the sector. Joint projects aim not only to respond to current market challenges, but also to anticipate and prepare solutions for future requirements, especially in terms of sustainability and lower environmental impact.

COLLABORATIONS WITH UNIVERSITIES AND RESEARCH INSTITUTIONS FOR INNOVATION

1. Università di Scienze Gastronomiche di Pollenzo (CN) Montanari & Gruzza is providing 50% of a scholarship for the academic year 2023/24 at the Università di Scienze Gastronomiche di Pollenzo.

2. Accademia della Pubblicità di Lucca The company has collaborated with the Accademia della Pubblicità di Lucca, assigning a brief for the creation of a project dedicated to high-end Parmigiano Reggiano.

3. Polidesign (Politecnico di Milano) The company has collaborated with Polidesign of Politecnico di Milano for the creation of a project with the master's class in Design for Food focused on the organic supply chain of Parmigiano Reggiano.

Over time, Montanari & Gruzza has consolidated a solid network of collaborations with various training institutions, including ITS Tech & Food, the Centro di Formazione Professionale "Fondazione A. Simonini" and several local secondary schools. These partnerships aim to provide training opportunities through internships, apprenticeships and school-work alternation projects.

GOVERNANCE OBJECTIVE: VALUE CREATION, ECONOMIC DEVELOPMENT

New Positioning on the German Market

In 2023, Montanari & Gruzza launched a major sustainability initiative as part of the Governance, expanding its sales of organic Parmigiano Reggiano in the German market. The organic supply chain is well received by consumers in Germany. The company has therefore selected ideal sizes and packaging for this market and, thanks to a strategic commercial agreement, the Montanari & Gruzza organic products are now distributed in the renowned BioMarkt and Denns Bio chains, thus expanding the brand's presence in a high-value European market.

To support this expansion and strengthen the knowledge of Parmigiano Reggiano, a dedicated website has been created that explains the story, the production chain and the tradition of this excellent product. This website also provides details on the

05. THE ESG DIMENSIONS

nutritional values, the range of products available and the sustainable processes adopted by Montanari & Gruzza.

This initiative has not only allowed a product that is symbolic of the Italian gastronomic heritage to be

valued, but has also generated economic value for the company (approx. 5% increase in volume, and 7% increase in value only for the German market, in 2023 compared to 2022), strengthening the commitment to sustainable and responsible growth on the international market.

As part of its “Sustainability Governance”, Montanari & Gruzza plans to establish an Internal ESG Committee to formalise the approach to sustainability, managing objectives, actions and performance monitoring in a structured way. This process will require the active involvement of company staff in the sustainability programme undertaken by the company. For 2024, it is planned to launch initiatives aimed at raising awareness and training on sustainability issues.

CORPORATE SUSTAINABILITY: FUTURE OBJECTIVES

OBJECTIVES	ACTIONS FOR 2024
Systemic approach	Establishment of the Internal ESG Committee Internal training on sustainability issues (recycling, waste management, etc.)
Improvement of internal sustainability processes	Development of materials and customised training Monitoring of sustainability performance
Innovation	Continual collaboration with Research and Education Bodies
Transparency and Integrity	Employee Engagement



GRI STANDARDS	DESCRIPTION
GRI 102: General Disclosures 2016	102-1: List of stakeholder groups
GRI 102: General Disclosures 2016	102-2: Main brands, products and services
GRI 102: General Disclosures 2016	102-3: Location of headquarters
GRI 102: General Disclosures 2016	102-4: Location of operations
GRI 102: General Disclosures 2016	102-5: Ownership and legal form
GRI 102: General Disclosures 2016	102-6: Markets served
GRI 102: General Disclosures 2016	102-7: Scale of the organization
GRI 102: General Disclosures 2016	102-8: Information on employees and other workers
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups
GRI 102: General Disclosures 2016	102-43: Approach to stakeholder engagement
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements
GRI 102: General Disclosures 2016	102-47: List of material topics
GRI 102: General Disclosures 2016	102-50: Reporting period
GRI 103: General Disclosures 2016	103-1: Explanation of the material topic and its Boundary
GRI 201: General Disclosures 2016	201-1: Direct economic value generated and distributed
GRI 201: General Disclosures 2016	201-4: Financial assistance received from government

GRI STANDARDS	DESCRIPTION
GRI 302: General Disclosures 2016	302-1: Energy consumption within the organization
GRI 303: General Disclosures 2016	303-3: Water withdrawal
GRI 306: General Disclosures 2016	306-3: Waste generated
GRI 401: General Disclosures 2016	401-1: New recruitments and turnover

In line with our commitment to sustainability, we have decided to print this report in a limited number of copies, using FSC-certified paper.

The FSC label guarantees that forest management is environmentally sound, socially equitable and economically sustainable. FSC standards include the protection of water quality, the prohibition of logging, the prevention of the loss of natural forest cover and the prohibition of the use of highly toxic chemicals.

In addition, FSC requires that forest managers involve local communities in decision-making processes and protect the rights of indigenous peoples, ensuring that their voices are an integral part of the certification process. Finally, FSC requires that the results of certification audits are made public, even in the case of private properties, thus ensuring transparency and accountability at each stage of the process.

