

2023 SUSTAINABILITY REPORT

RICREATING

The Future



DE NIGRIS

ITALIAN VINEGAR MAKER
SINCE 1889

135
YEARS



CONTENTS

THE DE NIGRIS UNIVERSE

The De Nigris Ecosystem	12
Our path of evolution	18
Materiality analysis	24
Our commitment and impact in the industry	36

PURPOSE 1

COMMUNITY

1.1 Attention to our people	52
1.2 Launching an integrated governance model	54
1.3 Preserving territory and tradition	56

PURPOSE 2

SUPPLY CHAIN

2.1 Dal Campo® wine vinegar	56
2.2 Supplier questionnaire	58
2.3 Enhancing the territory	60

PURPOSE 3

CONSUMERS

3.1	Low sugar products	70
3.2	New information labels	74

PURPOSE 4

ENVIRONMENT

4.1	The product life cycle	80
4.2	Photovoltaic System	82
4.3	De Nigris Fermentation	83
4.4	New cooling systems	84
4.5	Introduction of MES	86
4.6	Migliarina Project	88

BIA ASSESSMENT UPDATE	90
CONCLUSION	92

LETTER FROM THE *De Nigris brothers*

The last two years have been extremely complex, characterised by a rapid succession of unprecedented global events such as conflicts, commodity crises and rising energy prices. One might think that a historical company like ours, with its 135 years in business, would have difficulty reacting to such sudden changes, but our extensive experience is precisely what has given us the ability to adapt and transform over the years.

These values are the constant that steers our evolution towards a clear and defined direction, immune to the fluctuations of our operating context. We have recognised the importance of integrating these values into our governance model, making



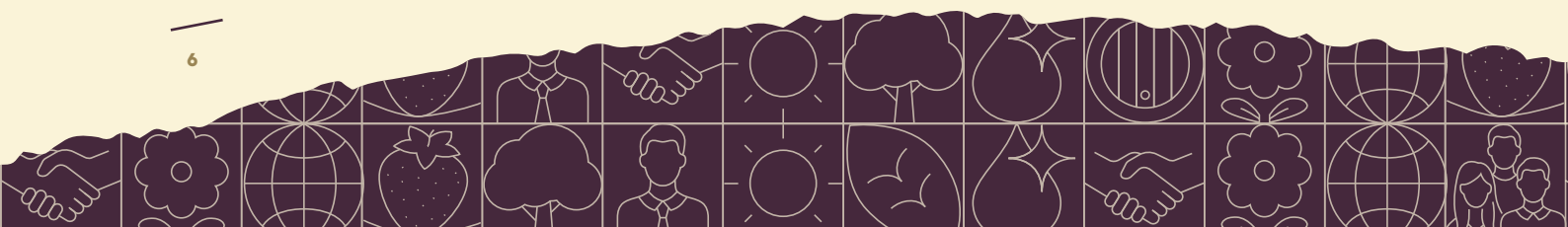
our vocation and our reason for existing explicit in our Articles of Association, which represent the north star guiding all our business decisions, consistently and in an evolutionary manner.

Despite the challenges of the past two years, we have made significant steps in integrating sustainability into all our production and decision-making processes. It is with this spirit that, three years ago, we began a path of evolution that led us to reach an important milestone in 2023: becoming a Benefit Corporation. This legal form embodies our deep-rooted belief in sustainable development, combining the generation of profit with the creation of positive value for society and the environment. We have therefore protected the purpose of Acetificio De Nigris in our bylaw by incorporating



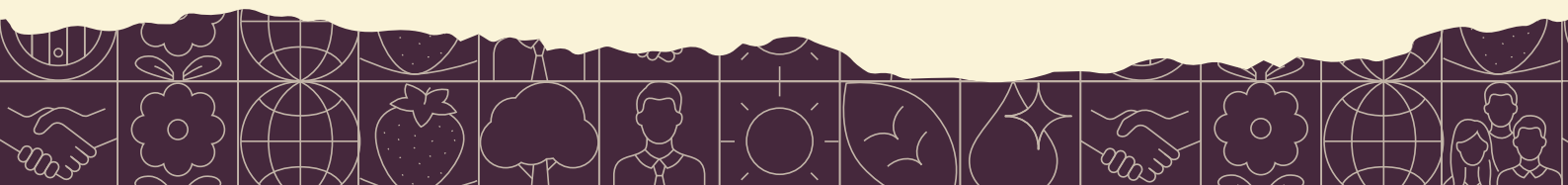
common benefit purposes to have a positive impact on the people in our community, on our supply chain, on the well-being of our consumers, and finally on the planet that we call home.

This milestone is just a small step in our journey of evolution; growing means broadening our horizons and looking to the future we want to build for generations to come. Our roots lie in the generations of the master vinegar producers who came before us, but our gaze looks at the future. This is why we want to be a company at the forefront of sustainability issues, reinterpreting and restructuring ancient traditions through our products and processes. We firmly believe that long-term success is closely linked to the responsible management of environmental, social and economic challenges and the ability to seize



the opportunities that may arise therefrom with a spirit of innovation and creativity. This Sustainability Report of 2024 is the story of our commitment. Our 100-year history does not make us inert to change; on the contrary, it gives us the ability to face the future with flexibility and constant renewal. Like the vines renewing their shoots every year thanks to their roots firmly planted in the soil, our company is constantly evolving towards a more sustainable future.

With confidence and determination,







THE DE NIGRIS UNIVERSE

THE DE NIGRIS ECOSYSTEM

OUR PATH OF EVOLUTION

MATERIALITY ANALYSIS

OUR COMMITMENT AND IMPACT IN THE INDUSTRY

De Nigris was established in 1889 when founder Armando de Nigris inherited a small artisan business in the province of Naples. On the strength of centuries-old recipes, it started a production of wine vinegars of excellent quality. The baton was then passed on to his son Marcello who, true to his motto: "borders do not exist", helped vinegar to become an Italian condiment recognised throughout the world.



Today the company led by the founder's grandchildren - Armando, Raffaele and Luca de Nigris - constitutes the most important industrial reality in its category: **85 million in turnover** in 2023 with a steady growth trend. Products under the De Nigris Eagle brand account for **27%** of all exports and **24%** of Italian production of Balsamic Vinegar of Modena PGI.

An estimated production of around 50 million bottles spread over three sites. The main one is the ultra-modern site in Caivano near Naples and home to the De Nigris Academy, a centre of excellence for research and development of new products. In the north we find the plants in San Donnino, in the province of Reggio Emilia, and in Carpi, in the province of Modena, where Acetifici Italiani Modena has been located since 1997.

EMPLOYEES IN ITALY

207

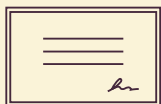
DIPENDENTI BUSINESS UNIT USA

12

PAESI IN CUI È PRESENTE DE NIGRIS

90

CRIBIS PRIME COMPANY CERTIFICATE



Highest level of reliability as a counterparty in a B2B business transaction

PRODUCT CERTIFICATIONS



- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • AIB • BRC • CSQA • IGP | <ul style="list-style-type: none"> • HALAL • IBD • IFS • NOP | <ul style="list-style-type: none"> • SENZA OMG • ECOGRUPPO BIO • ISO 9001 |
|---|--|--|

4 production sites



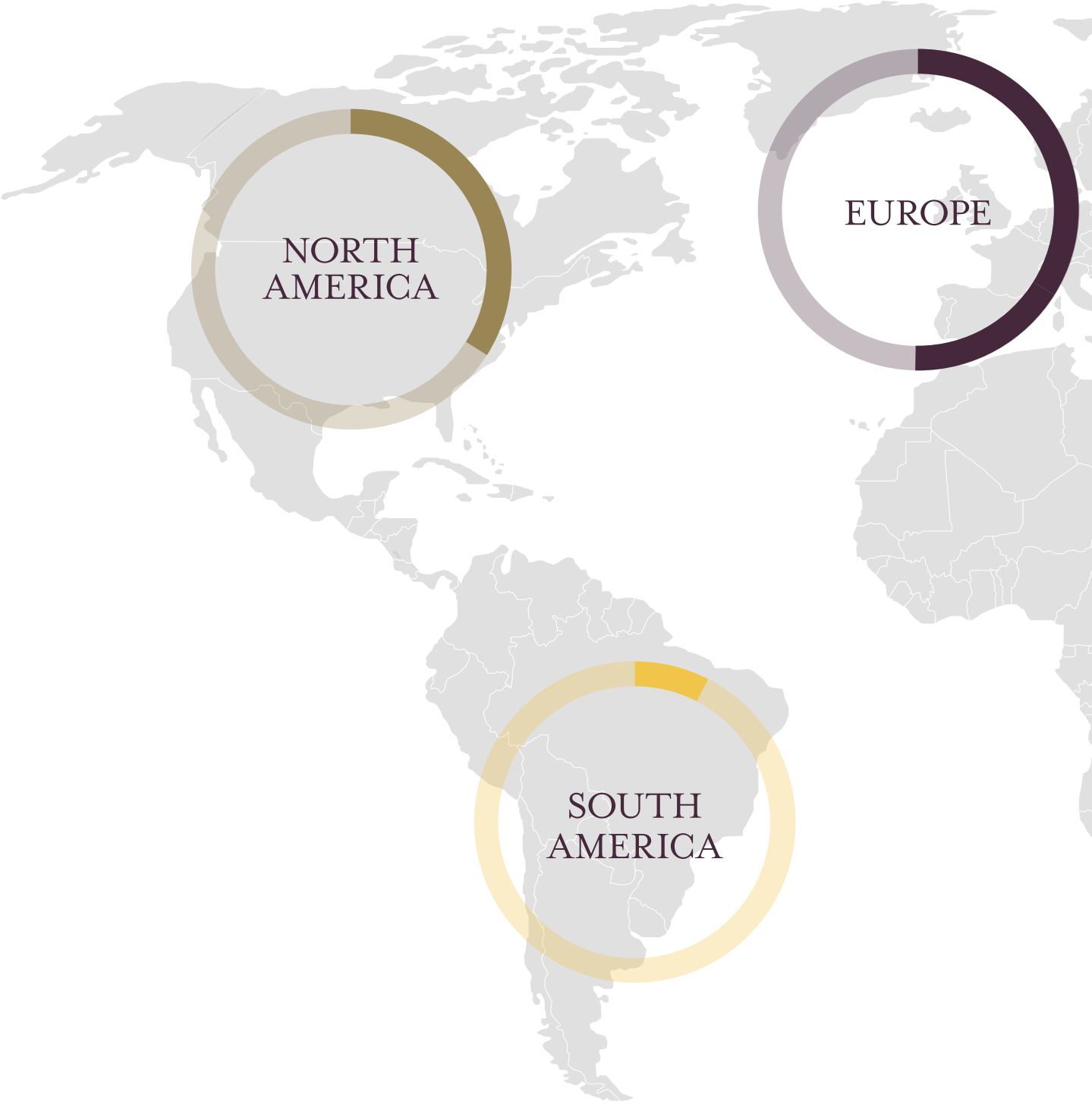
San Donnino (RE)
Winery
FERMENTATION CENTRE

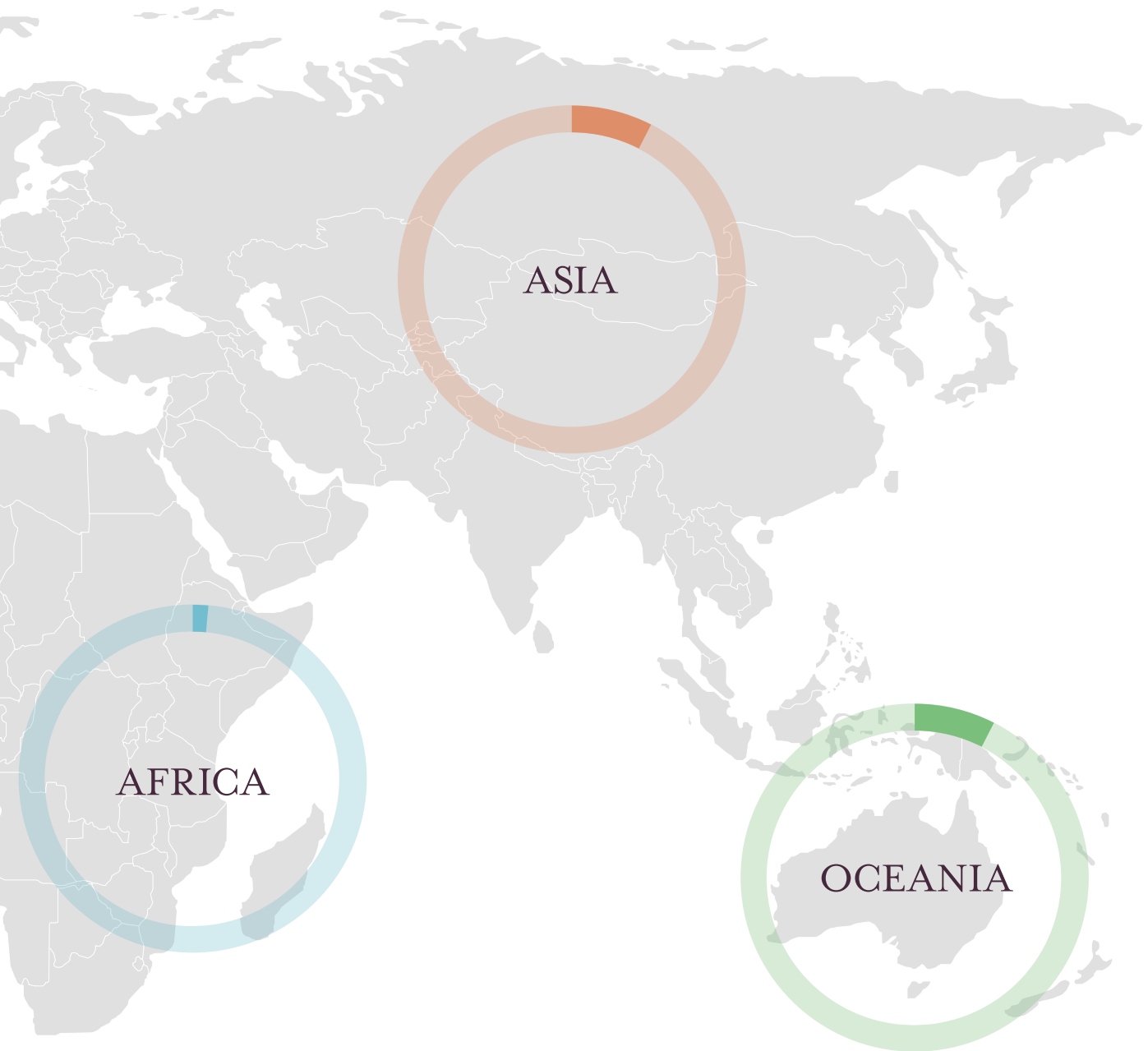
Carpi (MO)
Balsamico Village
AGEING CENTRE

Carpi (MO)
Acetifici Italiani Modena
BOTTLING SITE

Caivano (NA)
Acetificio M. De Nigris
BOTTLING AND FERMENTATION SITE

Distribution of turnover for each area





OUR PATH OF EVOLUTION

Our more than 100-year history as producers of high-quality vinegar is rooted in attention and care for the raw material. The core principles of integrity, innovation and caring for people, which have always been our pillars, constantly guide us in our quest for sustainable and responsible growth.

We wanted to measure ourselves on these parameters for the first time in 2021, working on the analysis and measurement of our impacts and considering strategic directions of evolution supported by NATIVA, Regenerative Design Company and Italy's first B Corp. Together we have developed a clear vision that places sustainability at the heart of our strategies. We recognise that this approach is essential in ensuring the company's long-term success. Our vision has helped to shape our company purpose:

FROM PRODUCT FACTORY TO WELLNESS FACTORY

We want to enhance the heritage of Italian food and wine excellence and carry it beyond geographical and temporal boundaries, broadening the horizons of tradition through creativity and innovation, for the well-being of people and the land that nourishes us.



The achievement and strengthening of our corporate purpose was completed with the transformation into a Benefit Corporation in 2023 and with the definition of our common-benefit purposes, officially enshrined in our bylaw:

"As a Benefit Corporation, we operate responsibly, sustainably and transparently with people, land, environment and other stakeholders. In carrying out our business, we pursue the following common-benefit purposes:

- *People and communities: Fostering creativity and potential in everyone, creating projects around people and the host community in a climate of fairness and integrity, to spread a high-impact culture;*
- *Supply chain and territory: Creating a mutual exchange of values with community and territory, reducing distances with our suppliers and evolving together towards an interdependent supply chain;*
- *Consumers and products: Using the taste of Italian tradition to bring consumers a message of well-being for the people and the ecosystem, to encourage healthier and more sustainable choices that are accessible to all, without compromising on quality;*
- *Environment and processes: Implementing a gradual evolution of our business and operating model towards a climate-neutral economy, in line with European climate neutrality goals and national green transition goals, leveraging innovation, collaboration and circularity."*

The decision to become a Benefit Corporation is part of a broader journey that began several years ago with the analysis of our sustainability performance through the B Impact Assessment standard. The results increased our awareness of the impacts generated, resulting in an Improvement Plan that guides us towards our vision of a sustainable future year after year. The Plan outlines an evolutionary strategy with clear quantitative and qualitative objectives in four distinct areas in line with our goals, as well as a governance area for managing impacts. We have defined precise goals for each area and identified specific managers for achieving them.



GOVERNANCE

GOAL:

As a Benefit Corporation, we operate responsibly, sustainably and transparently with people, land, environment and other stakeholders.

2024 TARGETS:

Disseminate the purpose and goals to the people in the company

Integrate KPIs based on the goals within governance, linking economic incentives to the achievement of social and environmental objectives

Extend the bonus to all workers based on the assigned KPIs



COMMUNITY

GOAL:

Fostering creativity and potential in everyone, creating projects around people and the host community in a climate of fairness and integrity, to spread a high-impact culture.

2024 TARGETS:

Implementation of a welfare platform offering opportunities and initiatives to promote the health and well-being of all workers

Training offer for management on soft skills and leadership styles

Launch a structured feedback process on a regular agenda

Launch the Community Impact Project in collaboration with AIRC



SUPPLY CHAIN

GOAL:

Creating a mutual exchange of values with community and territory, reducing distances with our suppliers and evolving together towards an interdependent supply chain.

2024 TARGETS:

Create and share the Code of Conduct with suppliers

Involve key suppliers in a product co-evolution project



CONSUMERS

GOAL:

Using the taste of Italian tradition to bring consumers a message of well-being for the person and the ecosystem, to encourage healthier and more sustainable choices that are accessible to all, without compromising on quality.

2024 TARGETS:

Launch training courses on nutrition and the transmission of our purpose within the Balsamico Village	Communicate, via label or QR code, information and tips for a healthy lifestyle and suggestions on how to use the product in different recipes	Monitor customer satisfaction and develop engagement actions on material topics.
---	--	--



ENVIRONMENT

GOAL:

Implementing a gradual evolution of our business and operating model towards a climate-neutral economy, in line with European climate neutrality goals and national green transition goals, leveraging innovation, collaboration and circularity.

2024 TARGETS:

Install 700 Mwh photovoltaic system for Acetifici Modena	Energy efficiency works in Caivano for cabin and voltage normalisation	Develop a more structured consumption management for possible environmental management certification	100% in-house production of alcohol through internalisation of the production plant
--	--	--	---

In particular, we have appointed Marcello De Nigris and Massimiliano Caporusco as Impact Managers, entrusting them with the guidance and coordination of all initiatives aimed at achieving our common-benefit goals.

The future is inextricably linked to sustainability, as it is the only way to ensure the health of our planet and the well-being of future generations. Investing in sustainable practices therefore means not only responding to the pressing ecological challenges of our time, but also anticipating market directions and consumer needs. Sustainability is no longer a choice, but an unavoidable necessity for the long-term success of any organisation.

The changes undertaken to date have marked important steps towards integrating sustainability principles into our business operations, with the full knowledge that this is a progressive and continuous journey.

MATERIALITY ANALYSIS

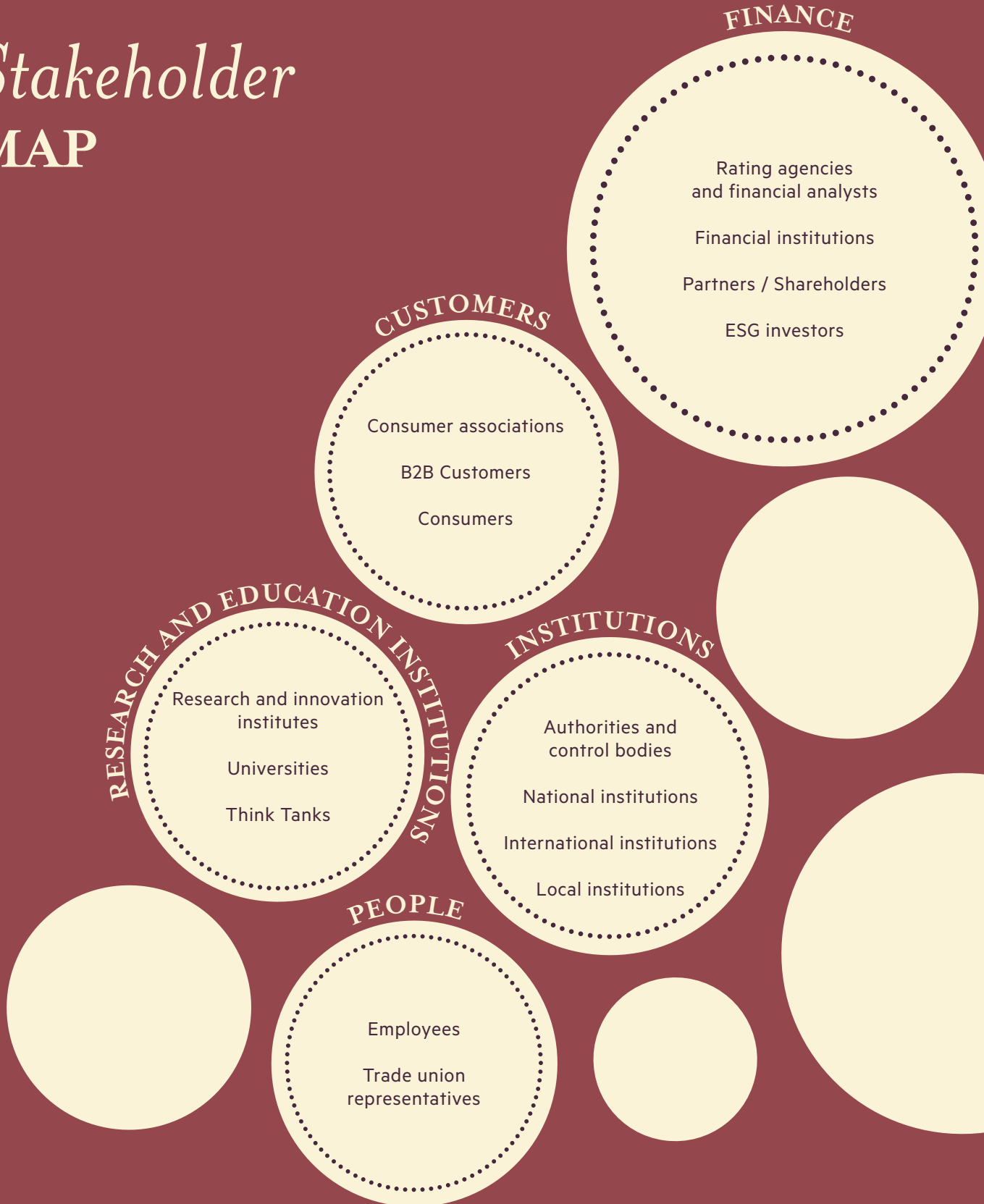
Our principles of sustainable development

Our work on the materiality analysis continues to serve as a compass for our sustainable development strategy. By engaging a range of stakeholders from different sectors - financial, institutional, academic, community, including De Nigris people, customers and consumers, suppliers, partners and future generations - we were able to gather the necessary input to determine the materiality of a

number of key topics for our business.

The topics that emerged as material are those capable of influencing our ability to generate economic, social and environmental value over time. The materiality analysis is an effective tool, as it allows to verify the level of alignment between the vision inside and outside the company and to consolidate the pillars of sustainability of our evolution strategy, within the materiality matrix.

Stakeholder MAP



INTEREST GROUPS

Opinion leaders

Media with local impact
in the areas of interest

Media with national impact

Trade Associations

NGOs and interest groups

Trade Unions

COMMUNITIES

Foundations and
voluntary associations

Disadvantaged categories

New Generations / Schools

Social media

Citizens

SUPPLIERS

Potential suppliers
and contractor
s

Suppliers of goods and services

Strategic suppliers

BUSINESS COMMUNITY

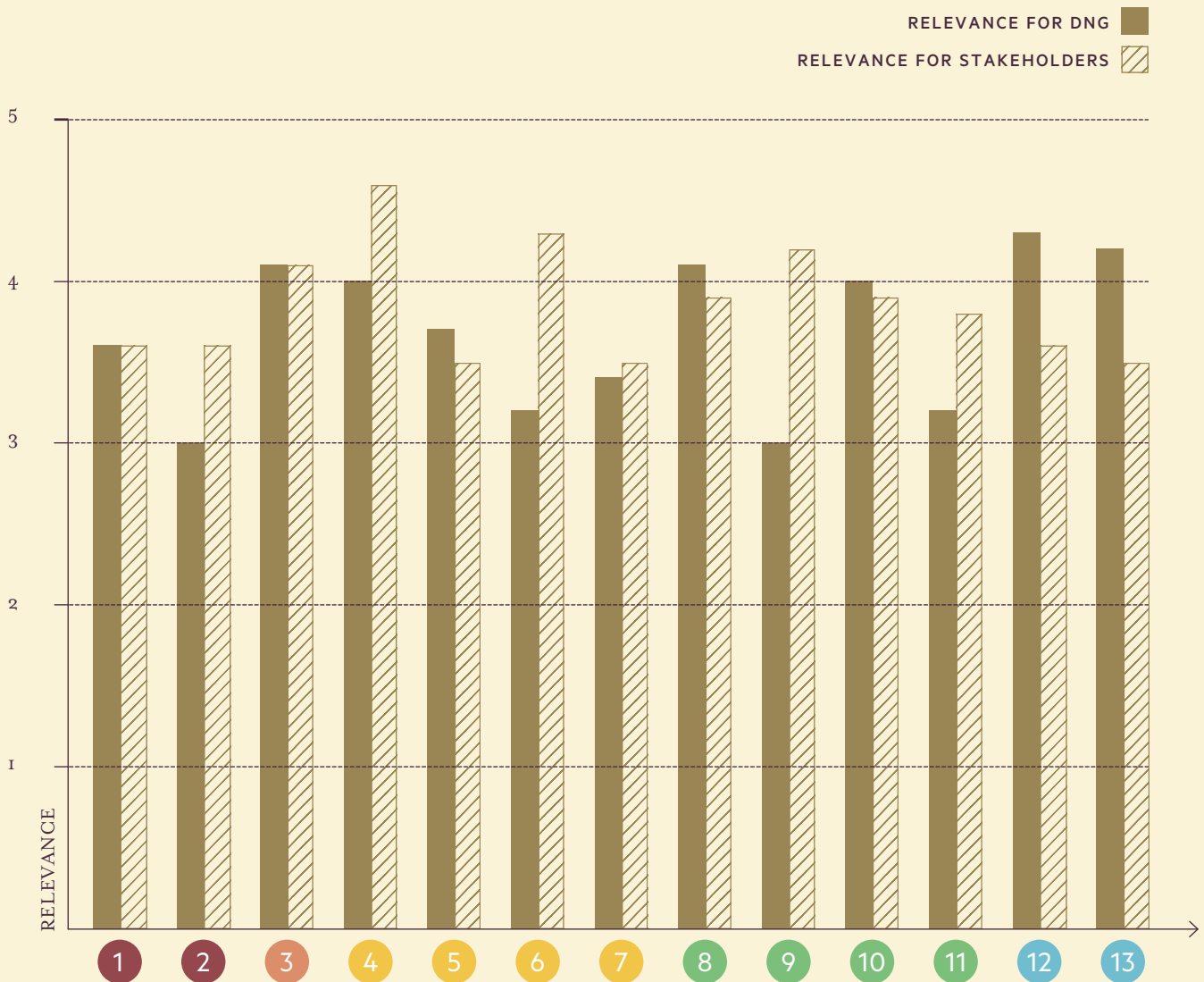
Local Partners

National Partners

International Partners

Competitors

THE RELEVANCE OF MATERIAL ISSUES *for stakeholders in relation to the De Nigris Group*



**GOVERNANCE
ISSUES**

1. Business ethics and integrity
2. Advanced governance tools

**EMPLOYEE
ISSUES**

3. Well-being and empowerment of people

**COMMUNITY
ISSUES**

4. Quality and traceability of raw materials
5. Partnerships and collaborations with local associations
6. Protection of agricultural producers and local supply chain
7. Inclusion and equal opportunities

**ENVIRONMENTAL
ISSUES**

8. Emissions reduction and reforestation
9. Respect of biodiversity
10. Sustainable product innovation
11. Circularity of resources

**CUSTOMER
ISSUES**

12. Promotion of healthy and sustainable lifestyles
13. Consumer health and well-being

We initially selected a wide range of issues by analysing the most scientifically and financially relevant sources for our industry and, through **a frequency analysis** on how often a particular issue was present, we selected the issues of high relevance.

In accordance with the 2019 Non-Financial Reporting Guidelines* of the European Community and the new proposed Corporate Sustainability Reporting Directive** of EFRAG (European Financial Reporting Advisory Group), we adopted a **dual perspective**, drawing on the one hand the **financial relevance**, in terms of the impact of climate and social change on our company, and on the other the **environmental social relevance**, in terms of the company's impact on the biosphere, the community and all stakeholders.

*[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017XC0705\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017XC0705(01)&from=EN)

**https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FSiteAssets%2FEFRAG%2520PTF-NFRS_MAIN_REPORT.pdf&AspxAutoDetectCookieSupport=1

Following the mapping of material topics, we proceeded to identify our most relevant stakeholders in terms of economic, social and environmental impact and established specific engagement methods for each of them, such as interviews, focus groups or surveys.



The vote of 79 relevant stakeholders on the material topics led to the definition of the Y-axis of the Materiality Matrix and was cross-referenced with the judgement expressed by our people and validated by management, plotted in the X-axis of the matrix.

The resulting Materiality Matrix is made up of six quadrants: the top right quadrant contains the five topics that are priorities for both the company and its stakeholders and that play and will increasingly play the leading role in our path of sustainable evolution in the future.

The 2021-22 materiality analysis was key input in the reflection on our common-benefit purpose and in the definition of our Sustainable Development Master Plan. Below is a table showing the relationship between the common-benefit purposes and material topics.

**AS A BENEFIT CORPORATION,
WE OPERATE RESPONSIBLY,
SUSTAINABLY AND
TRANSPARENTLY VIS-
A-VIS PEOPLE, LAND,
ENVIRONMENT AND OTHER
STAKEHOLDERS. IN CARRYING
OUT OUR BUSINESS, WE
PURSUE THE FOLLOWING
COMMON-BENEFIT PURPOSES:**



GOVERNANCE

ETHICS AND INTEGRITY IN THE BUSINESS MODEL

Carrying out activities with transparency, loyalty and fairness and spreading a corporate culture based on ethics and integrity within the organisation

ADVANCED GOVERNANCE

Conduct economic activity, in addition to the aim of generating profit, to generate common benefit and to operate in a responsible, sustainable and transparent manner vis-a-vis stakeholders



SUPPLY CHAIN AND TERRITORY

PROTECTION OF AGRICULTURAL PRODUCERS

Protect and favour small agricultural producers within the supply chain also through fair trade and favourable contract conditions.

QUALITY AND TRACEABILITY OF RAW MATERIALS

Operate according to principles of transparency and collaborate with suppliers to maximise the quality and traceability of raw materials.

LOCAL SUPPLY CHAIN

Generate positive impacts on the territories in which we operate by fostering the local agricultural fabric and a sustainable supply chain.



PEOPLE AND COMMUNITIES

PARTNERSHIPS WITH LOCAL ASSOCIATIONS

Initiate collaborations with local bodies and associations through active citizenship actions.

INCLUSION AND EQUAL OPPORTUNITIES

Operate according to principles of fairness in order to guarantee equal opportunities to the Group's people and to external people with whom we come into contact.

PEOPLE

Promoting a motivating working environment that fosters the well-being of the Group's people and work-life balance.

EXPLOITATION OF POTENTIAL

Encourage professional development and growth paths through the recognition and enhancement of each person's distinctive skills, ad hoc training courses for skills development.





ENVIRONMENT AND PROCESSES

EMISSIONS REDUCTION (AND REFORESTATION):

Evolving our business model towards a climate-neutral economy.

SUSTAINABLE PRODUCT INNOVATION

Integrating sustainability into product design by introducing radical innovations in the entire value chain.

RESPECT FOR BIODIVERSITY

Respect the balance of the ecosystem by reducing the use of toxic substances and pesticides and respecting all forms of life.

CIRCULARITY OF RESOURCES

Operating in a production perspective that is no longer linear, but circular, so that waste and scrap can become inputs for other production stages.



CONSUMERS AND PRODUCTS

CONSUMER HEALTH AND WELL-BEING

Offer consumers products that contribute to their health by rebalancing the microbiota, and provide a nutritious alternative to salt.

PROMOTION OF HEALTHY AND SUSTAINABLE LIFESTYLES

Promoting healthy and sustainable lifestyles through a balanced diet, according to the principles of the Mediterranean diet.

REDUCTION OF TOXINS

Promoting organic and biodynamic farming techniques and providing biodegradable product alternatives to chemical products.



OUR COMMITMENT AND IMPACT IN THE INDUSTRY

On 2 June 2023, Armando De Nigris, president of De Nigris, was awarded the title of “Cavaliere del Lavoro” by the President of the Republic, Sergio Mattarella. This prestigious award has been conferred annually since 1901 and celebrates the work of entrepreneurs who have contributed with tenacity, vision and enterprise to the growth of the country, also demonstrating a high degree of ethical and social commitment.

Founded in 1889, the company is the only one in its category to have been awarded this honour since its inception. Armando De Nigris stated that he felt it was his duty to represent Italy at its best, emphasising his dedication to preserving the country's agri-food traditions. He also shared his gratitude for this honour, emphasising the sense of pride and responsibility that accompanies the award.

Armando De Nigris also expressed his gratitude to his family and colleagues, aware of the fundamental role each one plays in carrying on a tradition that has lasted over 130 years with wisdom and passion.

“ This recognition fills me with pride and responsibility, as we are the only company in the category to be awarded since 1901, the year this honour was instituted. We feel a strong duty to always represent Italy at its best, as witnesses and guardians of the country's agri-food traditions. I am very grateful for this recognition, which I want to share with my family and all my colleagues who, with wisdom and passion every day, carry on a tradition of more than 130 years ”

PURPOSE 1

COMMUNITY

- 1.1** ATTENTION TO OUR PEOPLE
- 1.2** LAUNCHING AN INTEGRATED GOVERNANCE MODEL
- 1.3** PRESERVING TERRITORY AND TRADITION



We feel particularly connected to the territories around us: we are aware that the well-being of the community reflects a healthy and flourishing society and that the value generated in communities is shared value. This conviction motivates us to invest in projects to improve the health of the land and the communities.

COMMUNITY



The enhancement and well-being of our people are among the De Nigris Group's top priorities.

Our employees, thanks to whom our vision is transformed into reality, are fellow travellers with whom we intend to share the company's goals and growth: that is why we adopt various strategies with the aim of involving them and making them feel valued. It is important for us that they feel like part of a family and a shared project. Our success is also built on the people who embrace the company's goals and strive to achieve them every day.

ATTENTION TO OUR PEOPLE

Our company undertook a process of staff reorganisation in 2023, internalising a service previously contracted out to an external company and securing new local hires. This decision affected several corporate departments and was driven by the objective of strengthening the connection with people and the territory by promoting direct working relationships.

The initiative generated new jobs, offering job stability to 30 previously unemployed or unemployable people, as well as improving internal cohesion, productivity, vocational training processes and access to production bonuses.

Another action in this direction was the introduction of the productivity bonus in the Caivano and Carpi plants. The decision to extend the incentive system to blue-collar workers arose thanks to an initiative of the workers themselves, who expressed their desire to be an integral part of the new company objectives. We accepted this request, establishing a premium proportionate to the duration of employment. Following the positive results and success achieved, we decided to extend the bonus to 2024 with the updated parameters, consolidating the company's commitment to valuing its employees and recognising their contribution to overall productivity.

The internalisation of services and the introduction of worker incentives are part of our strategy to build a stable and rewarding working environment. Beginning in 2024, we have also worked to reduce night shifts, thereby improving worker welfare, increasing productivity and reducing the likelihood of accidents.

Finally, as part of an extensive engagement and incentive programme, we are working on integrating sustainability-linked bonuses into specific company roles, helping to make employees feel actively involved in the company's success and sustainable growth.

"Our vision is clear: we aspire to build a future where every team member feels like an essential part of the company's success, working together to achieve goals of excellence and sustainability, valuing each individual contribution in a stimulating and productive work environment."



LAUNCHING AN INTEGRATED GOVERNANCE MODEL

In 2023 we launched a phase of organisational restructuring and strategic redefinition in order to align our activities with future needs and expectations. This process actively involves all corporate departments in constructive dialogue to reformulate our operational directions and key processes.


A cornerstone of this transformation is the integration of sustainability and digitisation as fundamental pillars of our executive strategies. In line with the work undertaken to structure ourselves as a Benefit Corporation, we have set objectives and targets for each of our goals. We are developing a serie of KPIs through direct collaboration with departmental managers; they will help us to monitor the dimensions of sustainability and digitisation over time and in a synergistic manner, through the common key of efficiency gains that bring economic, environmental and social impacts in terms of reduced shifts and workloads.

Tying economic incentives to efficiency and sustainability targets for each department is a key step towards integrating sustainability into our business model and recognising and incentivising the contribution of each business unit towards achieving our ambitions.

This organisational transformation underlines our commitment to a responsible and sustainable business model that recognises and rewards everyone's commitment to results that generate both profit and well-being for society as a whole.

Having a clear and shared roadmap enables concrete progress not only towards financial performance, but also towards continuous improvement in terms of social and environmental impact.

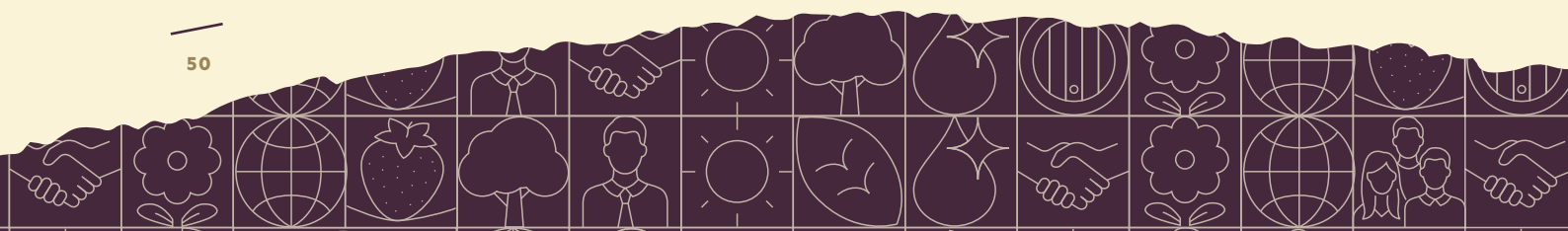
OBJECTIVES

A photograph of a vineyard during harvest. Several workers are seen tending to tall, narrow grapevines. They are wearing casual work clothes. Numerous wooden crates are scattered on the grassy ground, some containing harvested grapes. The background is filled with lush green trees and foliage.

Launch the sustainability goal and KPI assessment system for the company population in order to integrate sustainability parameters into our definition of "success"..

PRESERVING TERRITORY AND TRADITION

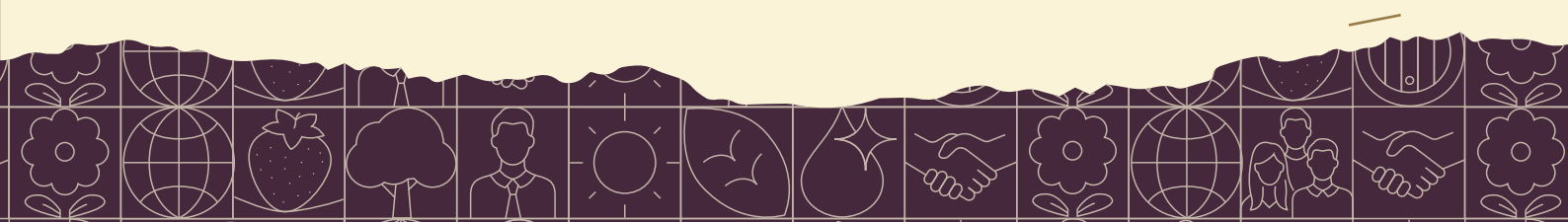
De Nigris Group has decided to invest in the redevelopment of the Torre Gaia vineyard, a symbol of the Campania region operating in the Benevento area since 1905. The company was among the first in Italy to export wine in glass bottles. Today it represents the heart of wine tourism in Campania, where visitors can taste excellent dishes and wines, visit monuments, buy handicrafts and typical products in an elegant environment. The restructuring of the vineyard began in 2023 and is a complex and multifaceted operation that sets new standards for sustainable and responsible agricultural practices.



The project covers an area of 75 hectares and includes the replacement of old vines with new ones, totalling more than 300,000 seedlings, following modern criteria of efficiency and sustainability. An innovative precision irrigation system has been installed that allows a 45% reduction in water waste compared to traditional systems, but also allows more effective and less invasive fertigation, optimising the use of pesticides.

The multimillion-dollar investment, which is located in a Special Economic Zone (SEZ) established by the state to foster the development of existing or new business activities, also entails a five-year plan of local hiring, reflecting a strong commitment to economic revitalisation and the deployment of local resources.

The De Nigris Group's interest in this type of project is deeply rooted in the company's values and a vision in which tradition and territory, well-being and sustainability work hand in hand and are the key to a prosperous future for all.



PURPOSE 2

SUPPLY CHAIN

- 2.1** DAL CAMPO® WINE VINEGAR
- 2.2** SUPPLIER QUESTIONNAIRE
- 2.3** ENHANCING THE TERRITORY



SUPPLY CHAIN



From seed to table, from grape to bottle, from producer to consumer, we aim to create an ethical and respectful relationship between people and the environment, combining tradition and innovation through sustainability.

De Nigris Group has always paid special attention to the supply chain, a crucial issue in the agri-food chain. In the current market context, the supply chain is the link between upstream agriculture and the choice of products for downstream consumers. Our goal is to involve and activate our entire value chain so that every step along the product life cycle can be regenerative for people and for the biosphere.



DAL CAMPO® WINE VINEGAR

As a vinegar producer for more than 130 years and a historic brand of national interest recognised by the MISE, Acetificio De Nigris has initiated a project with Coldiretti to produce a wine vinegar called Aceto Dal Campo®. The name already suggests the desired communication message with this type of product: to highlight the advantages of a reduced supply chain [“Dal campo” means “from the field” in Italian].

In fact, the project envisages that the grapes are exclusively supplied by Italian producers certified by Coldiretti and processed in recognised wineries that are an integral part of the supply chain: the wines are thus obtained in a very short passage to then be processed in the De Nigris plants in Carpi (MO), San Donnino (RE) and Caivano (NA), in facilities that are considered among the most modern and efficient in the oenological field.

In doing so, not only are there greater guarantees on the quality level of the product that reaches the shelf, but the environmental impact of the vinegar production process also improves thanks to a reduction in the number of vehicles used for transport and a reduction in carbon dioxide emissions. Every element of the process, from the grapes and work in the vineyard, to the transport of raw materials, processing and bottling, is fully traceable.

This project enhances the Italian supply chain, from the cultivation of the grapes to the final consumer, offering one more reason to prefer an authentically Italian product, guaranteed by strict quality control and the 'Signed by Italian Farmers' mark on the label.

Dal Campo® wine vinegar celebrates Italian agricultural culture, benefits from the quality of local production, supports small farmers by establishing fair prices and contracts of appropriate duration, and has a lower environmental impact by using only organic grapes.

Produced with a focus on people and the land, this vinegar is also used in the De Nigris line of balsamic vinegars.



SUPPLIER QUESTIONNAIRE

The growing demand for transparency and accountability, coupled with our commitment to making the supply chain increasingly sustainable, prompted us to revise the supplier questionnaire. Used to manage and evaluate suppliers, the tool has been enriched with criteria relating to sustainability and ethics, with the aim of integrating these dimensions into our overall supplier evaluation.

We regularly monitor our supply chain in order to control and improve quality. We now have the ability to assign scores that not only reflect the quality and commercial value of suppliers, but also their commitment to sustainability and social responsibility. Moreover, with this update, we have formalised and enhanced sustainability criteria that were already in use, but not fully recognised.

ENHANCING THE TERRITORY

Our vision of a regenerative future embraces the principle of interdependence, which governs life on earth. We want to approach this transition by involving more and more partners and actors in our industry and beyond, working to optimise available resources and maximise impact and influence on people while preserving local traditions, supporting the promotion of ancient arts and sciences and respect for culture.

We recently started a project to promote the products of the Campania region in collaboration with the Unione Industriali Campania and Conad. The initiative consists of setting up dedicated exhibition areas called "islands" that present a selection of regional products.

The initiative is a tribute to the territory, with the main objective of enhancing the local PGI specialities of the Campania region. The offer includes 15 items, of which three of our products, including wine vinegar from Falanghina and Taurasi.

The products are displayed and promoted by specialised personnel offering detailed information. Enriched by tastings of products such as pasta and Auricchio cheese, the experience enhances the Campania region, creating an event that is not only promotional in nature, but also of cultural and sensory value. This travelling initiative celebrates and promotes local excellence from Campania.

The collaboration between De Nigris, Unione Industriali Campana and Conad represents an ideal partnership between industry, selected local PGI companies and national distribution leaders. Although the project is still niche, we have laid the foundation for future growth opportunities.





Sweet-and-sour condiment with "Pellecchiella" apricots

The sweet taste and intense aroma of "Pellecchiella" apricots, blended with high-quality, barrique-aged white wine vinegars, to give rise to a condiment with a soft, delicate bouquet. Ideal for modern salads, fish, roasts or on desserts and ice cream, and especially on white yoghurt.

Wine vinegar from Falanghina del Sannio DOC

This vinegar is made from Falanghina del Sannio DOC wine, produced and selected by wineries in the area of origin, followed by a period of ageing in barriques to enhance its characteristic aromas and flavours. Bright straw-yellow in colour, its flavour is fruity, elegant and pleasantly acetic. Ideal for vegetable salads or to season grilled and fried fish

Wine vinegar from Taurasi DOCG

This vinegar is made from Taurasi DOCG wine, produced and selected by wineries in the area of origin, followed by a long period of ageing in barriques, where the characteristic scents and aromas are enhanced. It is ruby-red in colour, tending to garnet with age, with a full-bodied, harmonious flavour. Ideal for vegetable salads or braised meats, game and shellfish.

OBJECTIVES

Define a Code of Conduct that integrates ethical and operational principles, not only in terms of environmental and social management, but also in relation to fair and transparent business practices. Although this goal was not fully achieved in 2023, it remains a priority for 2024.



The goal for the coming year is to promote this product line in order to further spread culture and territorial specificities along with the dissemination of the product.



PURPOSE 3

CONSUMERS

3.1 LOW SUGAR PRODUCTS

3.2 NEW INFORMATION LABELS



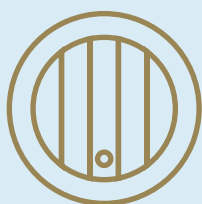
Vinegar is a product with ancient roots that has always been appreciated for its beneficial properties. The link between vinegar and wellness has deep roots dating back to ancient Rome, where besides being a thirst-quenching drink, it was used by early doctors to treat patients and disinfect medical instruments, thus reducing the risk of infectious diseases such as plague and cholera.

During the 19th century, the Italian vinegar tradition was consolidated and gained fame throughout Europe: these were precisely the years in which our family started producing vinegar, helping to transform it from a niche product to a renowned Italian condiment recognised the world over.

We did not stop there, continuing to innovate the tradition towards a concept of vinegar conceived no longer as merely a condiment, but as a drink for wellness. We constantly strive to innovate our industry through our products, keeping in mind the guiding principles of the 'One Health' concept, which sees the health of people and the planet in synergy.



LOW SUGAR PRODUCTS



Attention to consumer desires and market needs drove our decision to develop the 'Low Sugar' line, with the aim of offering balsamic vinegars and glaze with 50% less sugar. It is essential to underline that the sugar in our vinegars is completely natural, as it is derived exclusively from grape must without any additives, thus guaranteeing the authenticity and quality that distinguish our offer.

We have chosen to use natural sweeteners, such as stevia and xylitol, because they allow us to reduce the glycaemic load and preserve the unmistakable taste of our products. Avoiding the use of synthetic sweeteners, for example sucralose, also reflects our commitment to consumer well-being and environmental protection.

-50%
sugar

The Condiment with Balsamic Vinegar of Modena Low Sugar contains only 2 grams of sugar, - 50% compared to the conventional product.

5 kcal

The Condiment with Balsamic Vinegar of Modena Low Sugar has only 5kcal for two 30ml portions

5g

The Low sugar Glazé has only 5g of sugar in a single 15ml serving

-50%
of caloric
intake

The Low sugar Glazé the calories has only 20kcal reducing the caloric ratio per portion by 50%.

This new product range meets the needs of both those on specific diets and those who wish to reduce their calorie and sugar intake while maintaining authentic flavours.

Our 'Low Sugar' line is a clear example of how innovation and tradition can coexist, creating products that meet current needs and anticipate future trends. We will continue to explore new avenues to enrich our offer, aiming to meet and exceed our customers' expectations.



NEW INFORMATION LABELS FOR CONSUMERS

The evolution brought about by the De Nigris Group in the communication of food products has marked a step forward compared to the traditional list of ingredients, thanks to the introduction of three distinctive characteristics on the front label: taste, acidity and density. This innovative label provides consumers with clear and useful information for correct consumption; it has been particularly successful, also abroad.

In the wake of this consumer information and education model, in cooperation with one of our customers we developed an additional original and exclusive label on the use of our products, promoting a healthy lifestyle and meeting consumer needs. Listening and a focus on continuous improvement have generated development that exceeds customers' expectations and benefits them directly.

Our company remains committed to offering consumers high-quality solutions, contributing to a balanced and conscious lifestyle, and always reaching new levels of excellence.



OBJECTIVES

We increasingly evolve our communication on labels in order to inform and involve consumers as part of our sustainable evolution path.

PURPOSE 4

ENVIRONMENT

- 4.1** THE PRODUCT LIFE CYCLE
- 4.2** PHOTOVOLTAIC SYSTEM
- 4.3** DE NIGRIS FERMENTATION
- 4.4** NEW COOLING SYSTEMS
- 4.5** INTRODUCTION OF MES
- 4.6** MIGLIARINA PROJECT



ENVIRONMENT

The radical changes in the global environment have profoundly transformed the supply chain and logistics of our industry, triggering deep reflection on how to future-proof our business model.

The need for deep integration between economic, social and environmental value generation emerges ever more clearly and guides us as a design principle in investment decisions.

Our commitment to evolving our business model towards a climate-neutral model has finally crystallised in our articles of association with the transition to the legal form of a Benefit Corporation. By including a specific goal on the commitment to reduce emissions, we joined a movement of more than 100 companies, Co2alizione which collaboratively address the challenge of climate neutrality.

We have implemented a series of actions in pursuit of this commitment, aimed at significantly reducing our emissions and promoting a responsible use of natural resources starting from the basics, i.e., measuring our impacts throughout the entire life cycle of a product, and then adopting measures to make our production processes more energy independent through the use of renewable energy, and finally also engaging in actions in our host community.

This chapter tells of a change in perspective and how sustainability, if truly integrated into the design of products and business processes, can make sudden changes in the context an opportunity to rethink and innovate one's business model: a model that has worked to date, but that cannot be the one that will carry us into the future.

THE PRODUCT LIFE CYCLE

As part of our sustainable evolution path, we continuously innovate and implement improvements at the product level, acting on packaging, raw materials and production processes.

In order to increase the knowledge of our products also with regard to the related impacts, we decided to quantify these impacts through a life cycle analysis (LCA) of a number of representative De Nigris products.

This analysis provides a comprehensive, science-based assessment of a product's environmental impact, allowing us to identify opportunities for improvement and, consequently, to make informed, impactful decisions throughout the life cycle of our products.

We have chosen four flagship products of the De Nigris brand, symbols of the diversity and richness of our production lines, including different categories of balsamic vinegar and the apple vinegar Mela Madre, part of the wellness food category.

The analysis has focused on impact categories for a product such as vinegar, including climate change, water scarcity and consumption of abiotic resources such as minerals and metals. The functional reference unit for making the measurements comparable is one litre of vinegar per consumption together with the respective packaging, and the analysis was conducted following the guidelines laid down in the product category rules (PCR) for vinegar.

The analysis was carried out on each stage of the life cycle of our products, from the production of raw materials and bottles to the disposal of the empty bottle, including the transport and distribution stages.

Close collaboration with our suppliers of raw materials and ingredients was the key to an accurate LCA, allowing us to draw a detailed picture of the impact of our products on the environment.

The results show that for all balsamic vinegars, the aspects that most influence the impacts in all categories are the production of raw materials and the production of the bottle, despite the fact that the latter has a percentage of recycled glass.

The use of a PCR also allowed us to compare ourselves against a benchmark, for which we found our performance to be in line for most products and in some cases better. These results strengthen our conviction to continue on the path we have embarked upon, including further engaging suppliers and consumers in the evolution of the entire value chain.

PHOTOVOLTAIC SYSTEM

We made our commitment to reduce our dependence on non-renewable sources a reality in 2022 by participating and subsequently being admitted to the public tender Agrisolare, which allowed us to design our first photovoltaic system at our Caivano plant.

One of the main achievements of this project was the collaboration with Enel X, which aligned our path with the experience of an energy giant. The formalisation of the contract in August 2023 triggered the construction of a photovoltaic system that will be completed in the first half of 2024, with the potential to almost entirely meet our annual energy needs for the Caivano site.

This photovoltaic system not only fulfils our corporate mission of environmentally-friendly operations, generating 590 MWh per year compared to a consumption of 570,000 kWh, but also redefines the functionality and aesthetics of our plant. The system is carefully integrated into the architecture of our warehouse: its state-of-the-art design blends perfectly with the surrounding landscape, acting as a model of harmony between industry and environment.

We consider this more than just a project: it is a testament to our ongoing commitment to invest in technologies that promote environmentally-friendly production, and to look towards future possibilities, such as expanding the project to other company sites.

268.000 kg

CO2 savings per year,
thanks to the new system.



DE NIGRIS

FERMENTATION

Our team carried out a careful assessment of the feasibility of a strategic investment in alcohol vinegar in early 2022, moving away from the traditional purchasing paradigm towards a self-production dimension. Through a detailed analysis of aspects such as optimising transport, quality control, strengthening our market position and respecting the principles of resource conservation, we came to the conclusion that the best choice was to embark on the self-production route, with the ambitious goal of producing high-quality alcohol vinegar within our own company walls.

Convinced that innovation drives progress, in 2023 we began the installation of state-of-the-art infrastructure, including tanks and fermenters within our San Donnino plant. We undertook a modernisation process that allowed us to fine-tune the cooling circuit, maximising energy efficiency parameters and operational performance.

Over the summer we began a series of rigorous tests, culminating with the start of the first fermentation cycle in November. The excellent quality of the alcohol vinegar obtained marked a turning point for our company, attesting to the successful integration of the in-house fermentation process and enabling us to start full production as early as January 2024.

This investment has allowed us to substantially increase the efficiency and excellence of our production, strengthening our resilience in facing the challenges that the market places before us.

NEW COOLING SYSTEMS

The year 2022 marked another significant change for our company with the optimisation of the cooling equipment at the fermentation towers, a step that became necessary with the doubling of our production capacity in recent years. We paid special attention to developing the new cooling system: maintaining an ideal temperature during the fermentation process is essential to ensure the highest quality of the final product.

We added new cooling towers equipped with high-efficiency coils, and introduced a modern chiller unit with high-efficiency heat exchangers. This change has revolutionised our approach to cooling, allowing us to significantly optimise water consumption and achieve significant energy savings.

At the end of 2023, we were able to successfully inaugurate a new phase of our internal fermentation process. The results confirmed the high performance of the system, laying the foundation for further optimisation. Our ongoing commitment to innovation and sustainability will allow us to continue reducing our impact on natural resources, without compromising on the quality of our processes and products.



INTRODUCTION OF MES

As part of an ongoing commitment to technological innovation and sustainability, we have embarked on a significant reorganisation programme with the aim of improving performance and incorporating the latest technology into our production lines. The modernisation process required a fundamental upgrading of our team's skills and culminated in the implementation of the Manufacturing Execution System (MES), marking a decisive step towards increased efficiency and the transition to Industry 4.0. The MES is software capable of optimising the production process by monitoring, tracking, documenting and controlling the entire product life cycle.

The use of the MES has marked a substantial improvement in our operations, from the introduction of monitors for the real-time display of production progress to the integration of new indicators and tools for analysis. This evolution has led to a positive transformation in how we operate and has also allowed us to understand the impact of work rhythms on employees' well-being and productivity, triggering actions aimed at improving the quality of the working environment.

The new monitoring model has affected the entire organisation and strengthened collaboration between all company areas, providing a comprehensive view of performance and establishing a solid basis for future strategies, targets and KPIs. This system has also enabled effective anticipation and management of problems that may occur in the early stages of a project; a considerable benefit that reduces error margins, thus saving time and resources.

Adopting the MES has thus revolutionised the way we produce, refining our order management and resource optimisation: downtime has been reduced by 15-20%, configuration changes are managed in a more agile manner and we have had more effective maintenance.

In addition, staff training on the benefits of this technological innovation and the introduction of incentives have strengthened commitment to the company's goals, fostering a culture of excellence and innovation.

The introduction of this operating system opens up new perspectives towards a data-driven approach and will enable us to make informed decisions on all our processes, with a view to increasing the efficiency of our production cycle.



MIGLIARINA PROJECT

We are carrying out an ambitious sustainability and urban renewal project in the 'Le Valli' livestock centre in Migliarina, since we are deeply convinced of the importance of working in synergy with local administrations to promote a future where nature occupies more space.

Our company is committed to demolishing the old concrete and iron structures in the 10,000 square metre area, with the intention of transforming the space into a green area through reforestation and planting. The initiative includes planting 10,000 trees that will contribute to an estimated annual carbon dioxide reduction of around 200 tonnes, demonstrating a concrete commitment to combating climate change and improving the environmental quality of our territory.

In addition to the demolition, the De Nigris Group plans to recycle the resulting materials for reuse, thereby also pursuing circular economy strategies. The aim is to create long-term value for the benefit of both the community and the environment by building a model of synergistic collaboration between local companies and public administration.



OBJECTIVES

Our goal is to implement a second step towards energy independence and work towards the installation of a photovoltaic system for the Carpi plant.

.....

The goal is to produce 100% of the alcohol in-house through our own systems

.....

Register water savings between **10 and 20%** on our consumption.

.....

We are committed to protecting the land through investments, creating shared value for the community and the environment.

BIA ASSESSMENT UPDATE

To comply with legal obligations as a Benefit Corporation and report on the impact generated, Acetificio De Nigris uses the international standard B Impact Assessment (BIA) developed by the non-profit B Lab. The tool measures the company's economic, environmental and social impact on a scale of 0 to 200 points in relation to the following impact areas:

- **Governance:** It assesses the company overall mission, ethics, accountability and transparency, on issues such as the integration of social and environmental objectives for employee performance assessment, impact reporting, stakeholder engagement and generally how governance practices and policies integrate sustainability.
- **People:** It assesses the company contribution to employee well-being through questions related to salaries, benefits, training, professional development, health, safety and job flexibility.
- **Communities and suppliers:** It assesses the company commitment to have impact on the community. The topics analysed are related to diversity and inclusion, employment creation, charity and volunteering practices and involvement in the local community. The broader impact of the company through the supply chain is also assessed.

- **Environment:** It assesses a company overall environmental management, including its facilities, resource use, emissions, logistics and (when relevant) its distribution channels and supply chain. This area also includes options for companies whose product or service is designed to solve a specific environmental problem, e.g. by rethinking traditional manufacturing practices or making products that generate renewable energy, reduce consumption or waste, conserve land and wildlife, or educate on environmental issue.
- **Customers:** It evaluates companies whose products or services are designed to address a particular social or environmental problem. The section focuses on the impact of the product or service and the extent to which it creates benefit for the user or category.

Thanks to the support of a selected B team, in 2021 we measured ourselves with this instrument for the first time, achieving a score of 60 points. Our current (unverified) score accounts 72.2 points. The increase is largely due to our transition to a Benefit Corporation and thus the protection of our mission in our bylaw, the consequent appointment of an Impact Manager and the publication of our first Sustainability Report. Moreover, a substantial contribution is due to the adoption of a system for assessing and monitoring the social and environmental impact of suppliers and the quantification of life cycle environmental impacts through LCA analyses.

The improved score is a result of the implementation of an improvement master plan, which has guided our activities since 2021 through an operational plan to achieve sustainability goals and which allows us to always evolve towards a synergistic impact on the key areas identified through our goals.

The details of the assessment in the different impact areas is shown below.

AREA OF IMPACT	SCORE
GOVERNANCE	14.6
WORKERS	19.3
COMMUNITY	16.3
ENVIRONMENT	17.7
CUSTOMERS	4.1

In conclusion, as our sustainability journey continues and reaches new heights, our governance evolves to become the bridge connecting sustainability to our actual business model.

The integration of sustainability metrics and KPIs within corporate governance through key documents such as the Code of Ethics, the updated supplier questionnaire, the Code of Conduct, or even employee incentives, is more than a mere addition. These elements not only shape our corporate culture, but also define our identity and our vision for the future.

Through this integration, we transform sustainability from an abstract concept to an integral part of our business strategy, creating value not only for the company itself, but also for the environment and society as a whole.

We are witnesses of the power of this connection: it guides, inspires and motivates us to pursue success in a responsible and regenerative way.

With each step forward, we show that business can be a driver of positive change, an opportunity to create better conditions for ourselves and for the generations to come.

Analysis, content and
communication design

Nativa

www.natalab.com

Creative concept and design

CBA Italy

www.cba-design.com





*RICREATING
the FUTURE*



DE NIGRIS

1889