

SUSTAINABILITY REPORT 2024





In milk we trust since 1950

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A FUTURE OF VALUE

Dear reader,

Here at Montanari & Gruzza, we have never stood still. Since 1950, we have grown our company one step at a time, just as you develop a genuine dialogue: with patience, dedication, and above all, active listening. It is with this same approach that we present our second Sustainability Report, which focuses on ESG (Environmental, Social and Governance) issues.

This is not just a report; it is our concrete commitment and stance in an era where indifference is no longer an option. For us, doing business today means taking on **profound responsibility** towards our planet, all the people who interact with our company every day at every level, and the community that has seen us grow and develop.

2023 was a year of **conscious transition** for us. We took a critical but constructive look at ourselves, trying to bring to light what often remains hidden. We measured our impact, analysed our processes, and seriously questioned our future. We did not do this to fulfil an obligation, but because we felt a strong need to continue growing without betraying our true identity.

We believe that **sustainability** goes beyond reducing consumption or offsetting emissions. For us, it means above all **creating lasting economic**, human and environmental value. This is precisely the meaning of our journey: seeking the right balance every day between efficiency and care, growth and respect, and our roots and progress.

This document recounts the steps we have taken — some small, some more ambitious — towards a better future. A future that we are certain we cannot build alone. That is why we want to involve you, keep you updated and make you part of the process. The transition to a more sustainable model is a **responsibility that unites us all** and cannot be done alone.

We would like to express our heartfelt thanks to those who have walked with us this far.

Thank you to those who have contributed their expertise, trust or even just a question that has prompted us to reflect.

Thank you to those who inspire us every day to become better.

We are ready to continue this journey.

With the utmost honesty, passion, and determination.

Together.

All of us at Montanari & Gruzza

GRI 102-14
Statement by a
Senior Executive

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

SOCIAL THEMES	Pillar	Material Themes		Description	Relevance on External Stakeholders	Relevance on Internal Stakeholders
	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+

GOVERNANCE	Pillar	Material Themes		Description	Relevance on External Stakeholders	Relevance on Internal Stakeholders
	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+

ENVIRONMENT	Pillar	Material Themes		Description	Relevance on External Stakeholders	Relevance on Internal Stakeholders
	Climate Change	Emissions		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		
	Climate Change	Consumption	 	Energy consumption: energy consumption from renewable and non-renewable sources, with consequent negative impacts on the environment		
	Climate Change	Waste	 	Generation of hazardous waste: environmental impacts related to the production of waste and manufacturing waste and disposing of these inadequately		
	Climate Change	Circularity	 	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		
	Climate Change	Circularity	 	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		
	Climate Change	Waste	 	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		
	Climate Change	Consumption	 	Consumption of water resources: excessive use of water in its production processes with consequences on the availability of water resources		
	Sustainable Supply Chains	Animal Welfare		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		



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

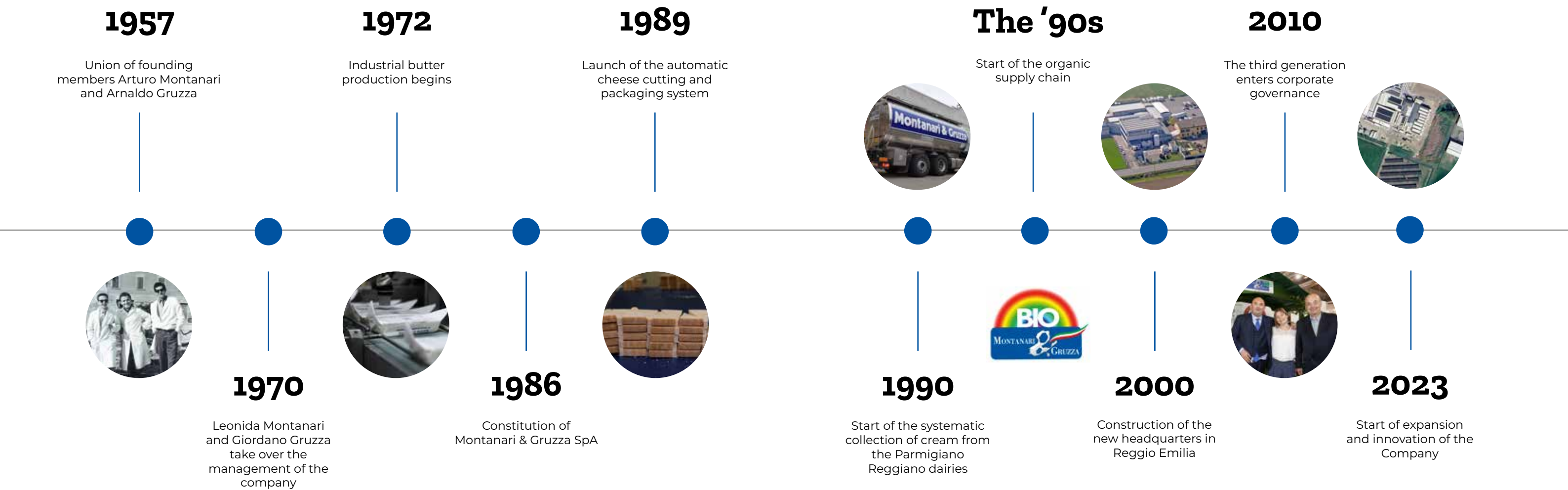
A history of innovation, and a culture of tradition, attention and research to respect the local area and the sustainability of processes.

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

The plant covers a total area of 15,436 sqm, plus approximately 27,000 sqm of agricultural green land (as of 2023). In 2024, the company purchased an additional 740 sqm of buildings and 2,210 sqm of land. In 2025, a new photovoltaic system is scheduled to be installed on 4,000 sqm of agricultural land.



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.

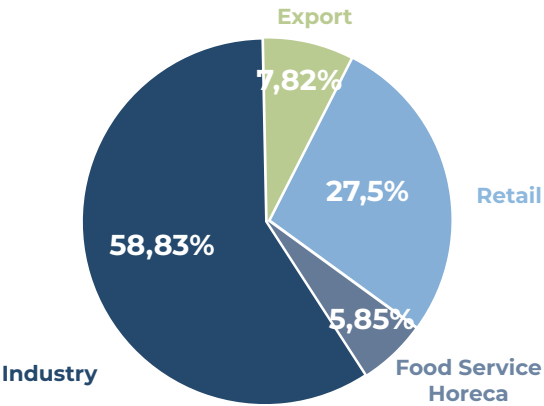
THE ORGANIC

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.

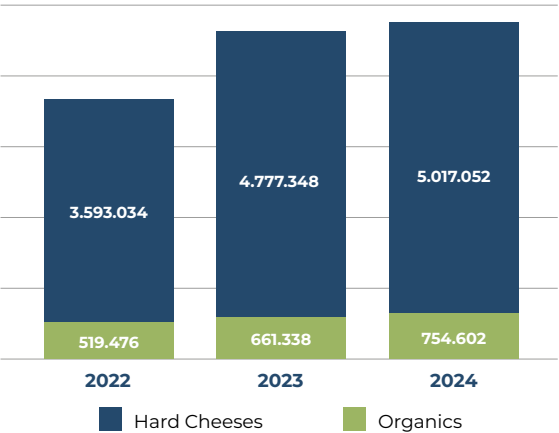
SUMMARY DATA

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.

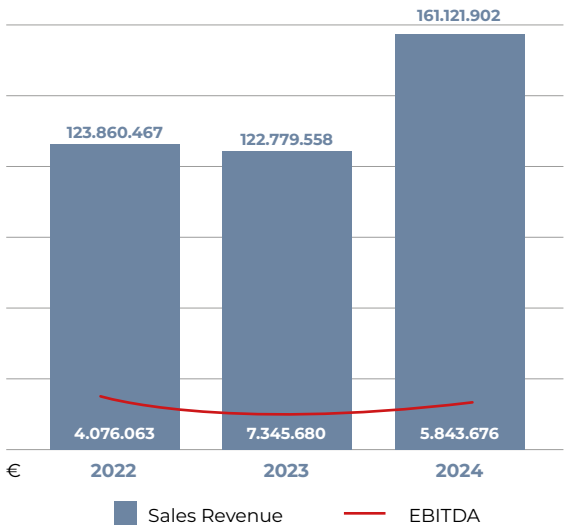
In 2024, Montanari & Gruzza recorded a total revenue of 161 million euros, marking an increase of 31.23% compared to the previous year. This result reflects a varied revenue distribution between the different sales channels, highlighting the following incidence percentages:



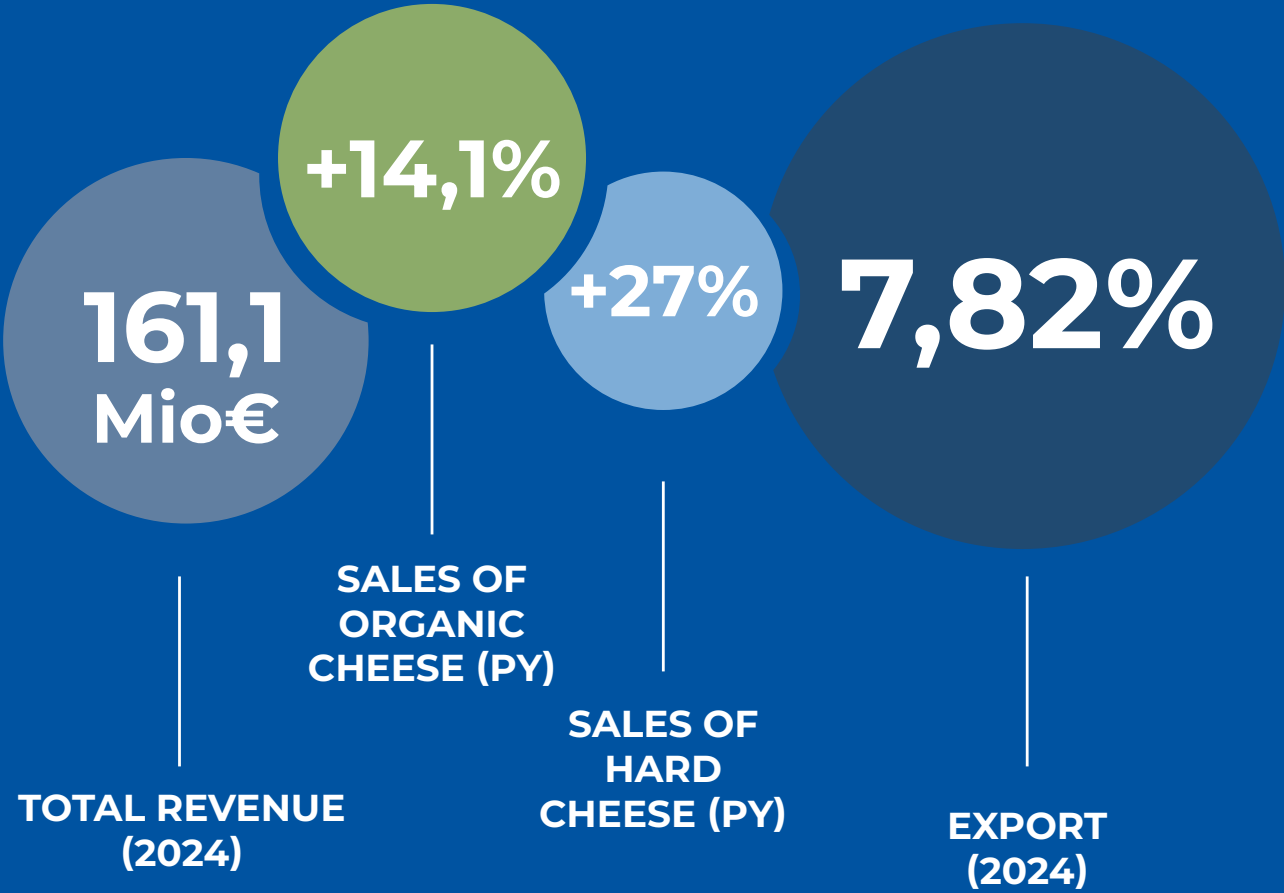
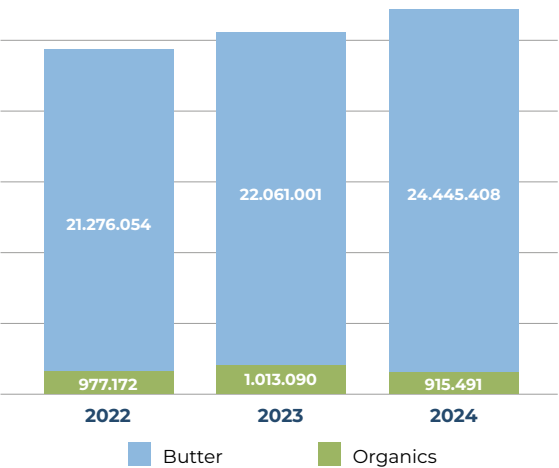
QUANTITIES BY PRODUCT CATEGORY (Kg)



ECONOMIC VALUES



QUANTITIES BY PRODUCT CATEGORY (Kg)



BUTTER SALES

In 2024, the sale of butter generated revenues of over 24 million kilograms, marking an increase of around 10.8% compared to 2023. Organic butter accounted for 3.7% of total production by volume, confirming the continued expansion of the range of sustainable products. Hard cheese sales amounted to over 5 million kilograms, a 5% increase on the previous year's volume. Notably, organic cheeses accounted for over 15% of total production, marking a substantial 14% increase in revenues compared to 2023. This highlights the company's commitment to sustainable agricultural practices and certified products.

AGED CHEESE SALES

Hard cheese sales amounted to over 5 million kilograms, a 5% increase on the previous year's volume. Notably, organic cheeses accounted for over

15% of total production, marking a substantial 14% increase in revenues compared to 2023. This highlights the company's commitment to sustainable agricultural practices and certified products.

In summary, Montanari & Gruzza has achieved positive results in its core areas of business, notably a significant increase in organic cheese sales and an ongoing commitment to producing organic butter.

The company continues to maintain a strong market position, strengthening its offering and responding effectively to consumer trends and demands.

INDUSTRIAL SALES

In 2024, our growth strategy strengthened significantly, demonstrating the market's confidence in our products. We are proud to report a 27% increase in sales in the industrial sector compared to 2023.



02.

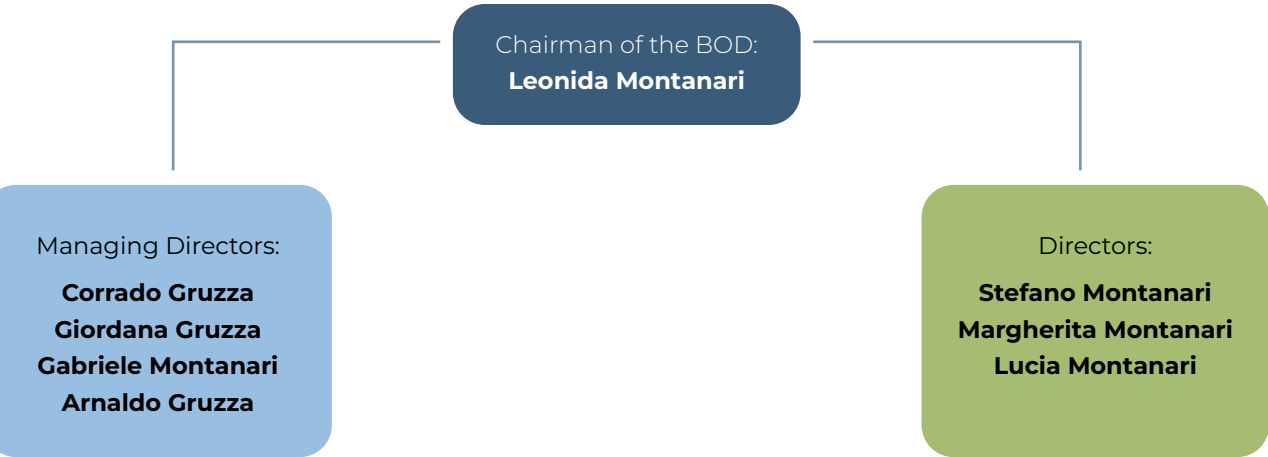
COMPANY GOVERNANCE

OWNERSHIP AND OPERATING STRUCTURES

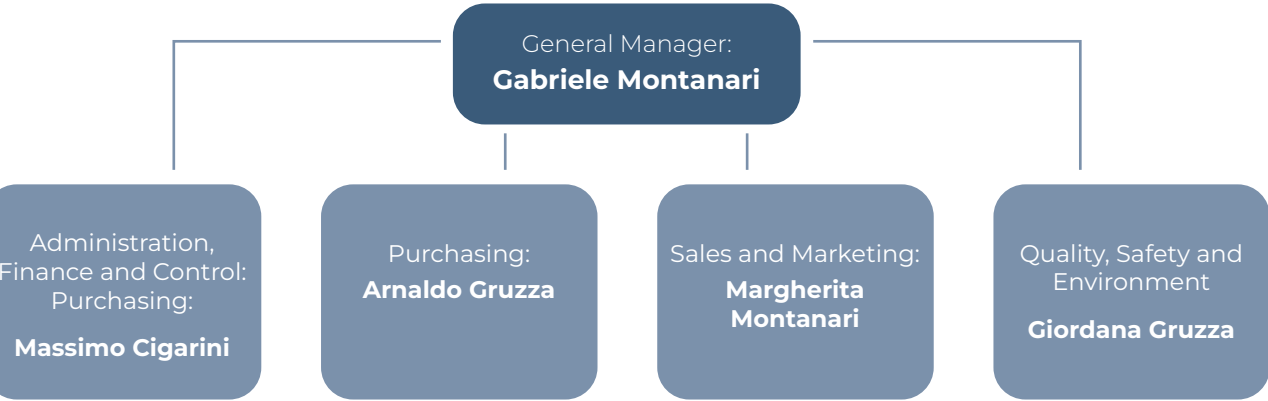


The company Montanari & Gruzza is a joint-stock company led by a corporate structure that includes shareholders and a Board of Directors (BOD) consisting of members of the founding family and experienced professionals. The main shareholders are Leonida Montanari, Paolo Montanari, Corrado Gruzza, Giordana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

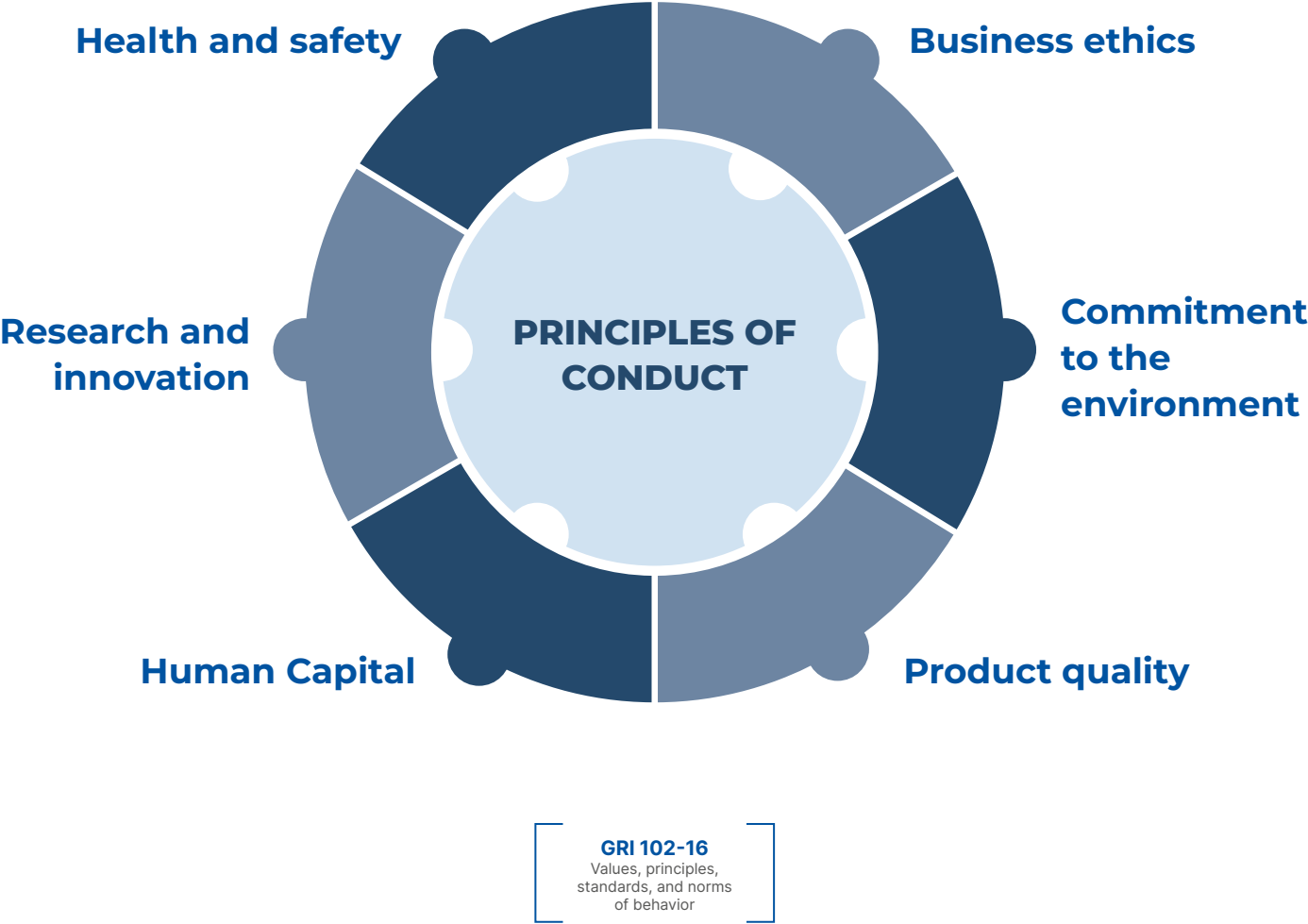
INTERNAL SUSTAINABILITY MANAGER

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.



CREDIT REPUTATION AWARD

In 2024, the company received the Credit Reputation Award. This prestigious accolade recognises our solid financial reputation and reliability within the economic landscape.

Receiving this award reflects our ongoing commitment to ethical and transparent management, and strengthens the trust of our

stakeholders, including customers, suppliers, and financial institutions.

Winning the 2024 Credit Reputation Award is clear evidence of our stability and our ability to create long-term value — two fundamental pillars of our sustainability and growth strategy.



HUMAN RESOURCE MANAGEMENT

In 2024, Montanari e Gruzza maintained a solid workforce of 82 employees, comprising 49 men and 33 women. The vast majority of staff (76 employees) were employed on permanent contracts, reflecting the job stability offered by the company.

Analysis of the age distribution shows a prevalence of employees in the 30–50 age group (47 employees), followed by the over-50s (17 employees) and finally the under-30s (7 employees). This reflects a combination of experience and fresh talent within the organisation. Geographically, there is a strong presence of Italian employees (69), while 13 employees are from other countries.

Regarding recruitment in 2024, the company hired nine new employees, with fairly balanced gender and age group distribution (five men and four women). Most of the new hires were in the over-50 age group (five hires).

There were 11 terminations in 2024. Again, most of the terminations (nine) involved employees over the age of 50. The personnel management strategy demonstrates continuity and stability, reflecting an approach that prioritises the well-being of employees.

	2024			2023			2022		
	Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Permanent contract	43	33	76	45,88	31,5	77,38	37,83	26,5	64,33
Temporary contract	6	0	6	3	2	5	4	1	5
Total	49	33	82	48,88	33,5	82,38	41,83	27,5	69,33

Employees by age group

	2024			2023			2022		
	Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
<30 anni	7	2	9	11	2	13	9	2	11
30-50 anni	25	22	47	23,75	21,5	45,25	19,75	18,5	38,25
>50 anni	17	9	26	14,13	10	24,13	13,08	7	20,08
Total	49	33	82	48,88	33,5	82,38	41,83	27,5	69,33

Employees by geographic area

	2024			2023			2022		
	Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Italians	42	27	69	40,88	26,5	67,38	35,83	20,5	56,33
Foreigners	7	6	13	8	7	15	6	7	13
Total	49	33	82	48,88	33,5	82,38	41,83	27,5	69,33

New employees

	2024			2023			2022		
	Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
<30 anni	3	2	5	5	2	7	4	0	4
30-50	4	2	6	3	3	9	3	1	3
>50 anni	3	2	5	9	1	10	2	0	2

Terminations

	2024			2023			2022		
	Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
<30 anni	4	1	5	2	1	3	3	0	3
30-50	1	1	2	2	1	3	2	0	2
>50 anni	9	2	11	4	2	6	2	1	3

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 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 and in which the company has a majority stake. In 2024, the dairy produced 35,095.79 quintals of milk and guarantees high-quality milk thanks to modern farming techniques and constant care of the animals.

The Caseificio

The Montanari & Gruzza dairy, located in Tizzano Val Parma, is the heart of Parmigiano Reggiano production. Here, over 68,000 quintals of milk per year are processed from local suppliers, of which over 34,000 quintals are organic milk. In 2024, the dairy produced 12,786 wheels of Parmigiano Reggiano, of which 6,579 were organic.

A distinctive aspect of the dairy is the high percentage of organic production. Five of the thirteen 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**.

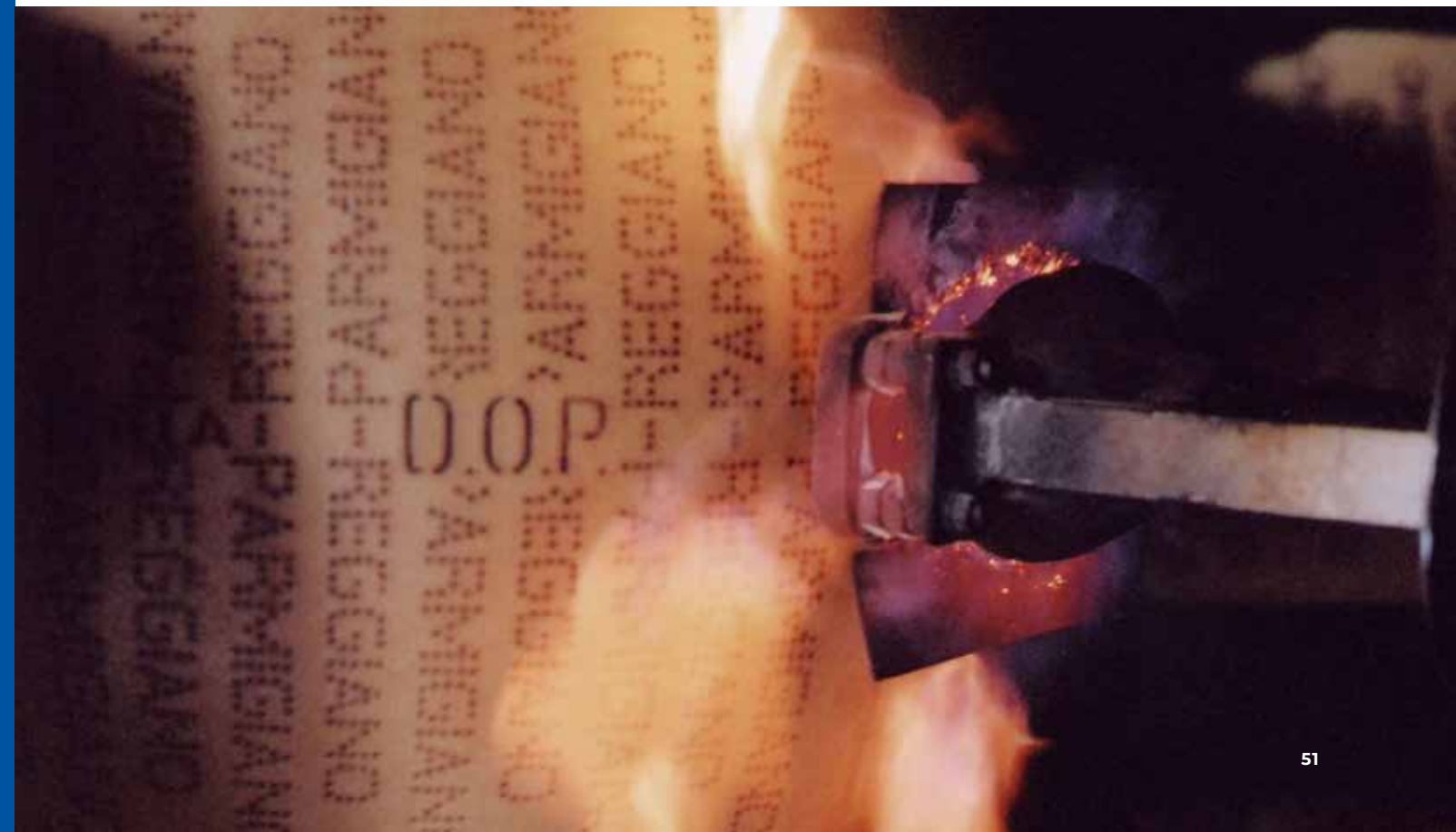
PDO BRAND VALUE

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.





ORGANIC SUPPLY CHAIN AND ANIMAL WELFARE

Montanari & Gruzza's commitment to sustainability is clearly evident in our organic Parmigiano Reggiano supply chain. This project is founded on a profound appreciation of the land and its animals.

OVER 30 YEARS OF ORGANIC PRODUCTS

Since the 1990s, the company has embraced the philosophy of organic farming, building a network of trusted milk suppliers for its dairy who share its ethical vision, primarily with regard to animal welfare. The organic supply chain differs from the conventional one precisely in its early stages, namely agriculture and livestock farming. The company works with five main farmers located in the hills and mountains of Parma — an area of unique biodiversity with permanent pastures that give the milk an unparalleled quality.

At Montanari & Gruzza, we prefer a respectful approach to farming. Our cows are free to graze in the open air and feed on organic fodder produced locally. In most cases, the farm produces the hay itself in a closed-loop supply chain. This freedom of movement and access to a wide variety of feed not only contributes to the cows' physical well-being and longevity, but also to soil conservation and regeneration. The result is milk of excellent quality.

VIRTUOUS SUPPLY CHAIN

The company is proud of this collaboration, which connects it to farms such as Antica Cascina Gazza di Maristella Mazza Pietranera and Azienda Agricola Biologica Conforti, which is owned by the Bianchi family. These farmers are guardians of ancient knowledge and are passionately dedicated to caring for their herds. They use farming methods that follow the rhythms of nature and homeopathic remedies for animal care, reducing the use of antibiotics to almost zero. This attention to detail results in superior-quality milk.

Montanari & Gruzza's journey has led to the development of a distinctive business model present at every stage of the value chain since the company's

inception. This model encompasses the selection of rare and native cattle breeds, such as Vacca Bianca Modenese, Bruna Alpina and Rossa Reggiana, as well as the acquisition of a dairy in the Apennines and a majority stake in a barn in the Parma hills.

This comprehensive approach has enabled studies aimed at improving sustainability parameters to be conducted. One such study was carried out between 2019 and 2022 in collaboration with the Animal Production Research Centre (CRPA) as part of the European 'Ethical Cheese' programme. The aim was to reduce the carbon footprint and improve farming techniques in order to achieve high standards of animal welfare. This vision has resulted in authentically organic production, stemming from respect for nature, animals and consumers. Montanari & Gruzza's production method, which the company shares with its suppliers, is a valuable project that looks to the future with responsibility and passion.



ENVIRONMENTAL IMPACTS

Organic farming has a significantly positive impact on the carbon sequestration capacity of agricultural soils. A meta-analysis of 74 scientific studies showed that soils managed using organic methods have an average organic carbon concentration 0.18% higher than conventional systems, resulting in an increase in carbon stocks of 3.5 tonnes per hectare and an annual sequestration rate of 0.45 tonnes of carbon per hectare.

The implementation of advanced regenerative practices, such as the use of compost, agroforestry and the application of biochar, can further amplify these benefits, achieving increases in organic carbon levels of up to 159% and yield increases of up to 29%. FAO estimates confirm the potential of organic fertility to sequester between 0.11 and 1.92 tonnes of carbon per hectare annually in arable land, while silvopastoral systems, which integrate trees and pastures, achieve an average sequestration capacity of 4.38 tonnes of carbon per hectare per year.

ECOSYSTEM RESILIENCE

Organic farming systems support significantly higher biodiversity than conventional methods. There is a 23% increase in species variety and up to a 50% increase in the number of organisms in agricultural ecosystems. Adopting conservation techniques such as reduced tillage and cover cropping improves soil structure, enriches the microbial community, optimises water retention and renews natural fertility. In scenarios of climate change characterised by rising temperatures, conservation agriculture is particularly effective in increasing organic carbon and microbial biomass. This results in long-term improvements in cereal yields of 9.3% and an overall improvement in soil health of 21%.

European standards for organic farming impose strict requirements to ensure that animals are kept in conditions that respect their ethological needs, including specific regulations on stocking density, housing types and opportunities for natural behaviour. Research conducted using the Welfare Quality® protocol has shown that organic farms consistently outperform conventional farms in all areas of animal welfare, including nutrition, housing, health and behaviour. This is thanks to higher levels of comfort, reduced stress,

minimisation of painful practices and guaranteed access to pasture. The organic system also promotes greater longevity in animals, reducing turnover rates and the environmental impact associated with raising replacement animals. While methane emissions per litre of milk may be slightly higher, significant reductions in emissions during the fodder production phase offset this, with a 17% reduction in the carbon footprint per kilogram of milk for indoor systems and a 29% reduction for outdoor systems.

NUTRITIONAL QUALITY

Milk produced using organic methods is of a superior quality, containing higher concentrations of omega-3 fatty acids and substantially lower levels of antibiotic, pesticide and hormone residues than conventional products. Organic standards prohibit the use of growth hormones, require certified organic feed, and guarantee access to pasture. These measures result in a final product that is healthier and of higher nutritional quality. This superior quality reflects the sustainable approach adopted throughout the entire production chain.

MEASURABLE RESULTS

A comparative analysis of organic and conventional agriculture highlights the following substantial advantages: Carbon sequestration increases by 3.5 tonnes per hectare in stocks, and potential increases of up to 159% with regenerative practices. Soil health improves through greater structure, biodiversity, water retention, and climate resilience. Ecosystem biodiversity increases by up to 50% for organisms, and by 23% for species varieties. Animal welfare is characterised by optimal conditions, greater longevity, and a reduction in invasive practices. Overall environmental impact decreases due to reduced emissions in fodder production. The quality of the final product is characterised by a higher omega-3 content and an absence of chemical residues, generating positive consumer perception and access to premium markets that recognise the added value of sustainability.

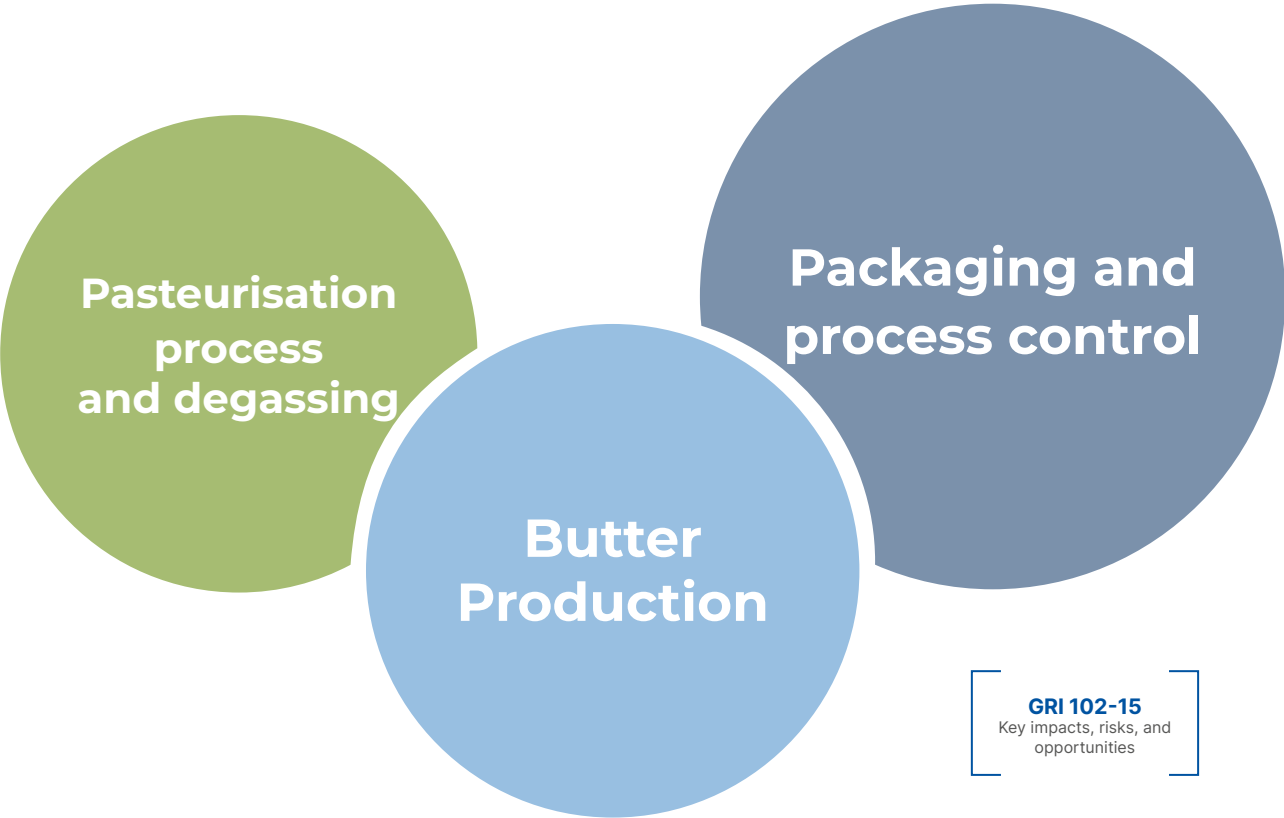
The Montanari & Gruzza organic supply chain is a sustainable model that delivers tangible environmental and quality benefits.



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.



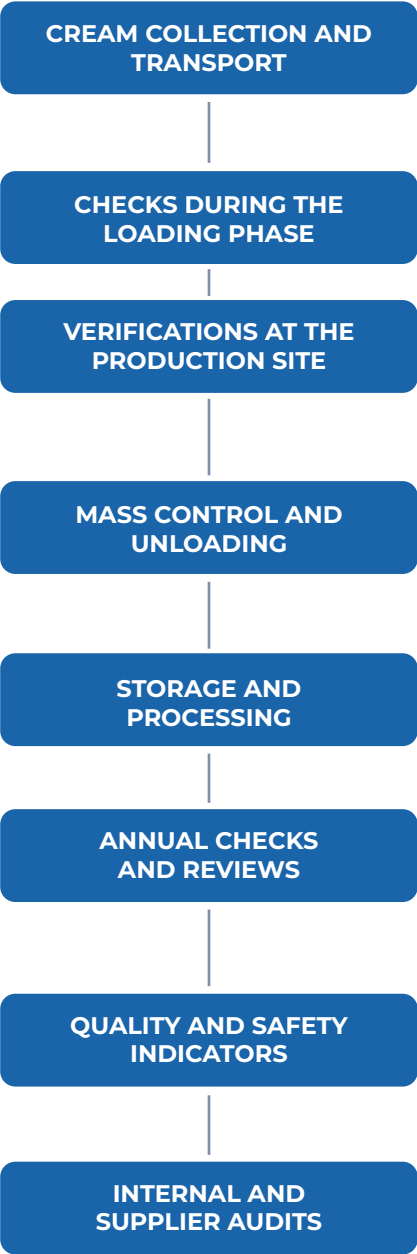
The cream collected is first filtered and then centrifuged and pasteurised. Pasteurisation is a critical control point, which is essential to ensure the health safety of the end product. This process is strictly monitored, with time and temperature parameters recorded continuously. After pasteurisation, 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 2024, no product recalls were recorded, 43 customer complaints, and no non-conformities. 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 2024: 16 internal audits and 8 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

Employees, collaborators, breeders and know-how

Financial

Equity and Debt Equity

Relational

Strong collaboration with its value chain

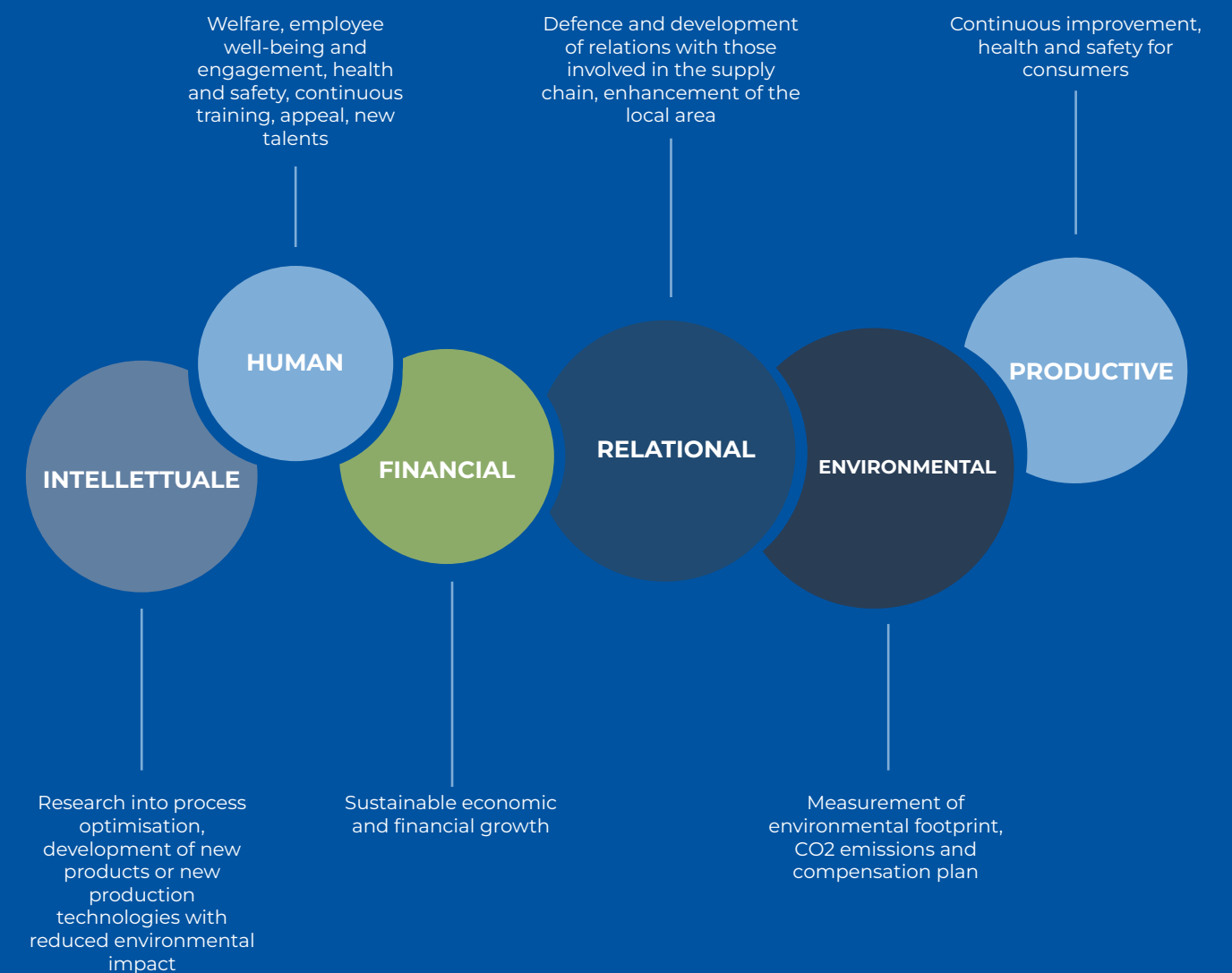
Environmental

Resources and energy produced and consumed

Productive

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

GRI 302-1

Energy consumption within the organization

GRI 303-3

Water withdrawal

Between 2022 and 2024, Montanari & Gruzza monitored its energy consumption trends, demonstrating an increasing dedication to sustainability and the utilisation of renewable resources.

- **Total water withdrawal in 2024:** 95.790 cubic metres.
- **Natural gas:** Consumption increased progressively from 27,697 cubic metres in 2022 to 568,425 cubic metres in 2023, reaching 594,538 cubic metres in 2024.
- **Electricity:** Electricity consumption, derived from a mix of renewable and non-renewable sources from the national grid, fell by 1.5% compared to the previous year: 2,338,474 kWh in 2022, 2,428,463 kWh in 2023 and 2,393,410 kWh in 2024.
- **Electricity from renewable sources (Photovoltaic):** Production of renewable energy from photovoltaic systems increased significantly from 29,708 kWh in 2022 to 450,460 kWh in 2024. This brought the company’s energy independence (self-consumption from photovoltaics/energy requirements) to 15.84%, marking a significant increase in clean energy adoption.

These figures demonstrate the company’s ongoing commitment to reducing its environmental impact and optimising energy resources. There was a significant increase in energy from renewable sources in 2024. Montanari & Gruzza is setting an example of sustainable growth by investing in technologies that reduce the consumption of non-renewable resources.

Montanari & Gruzza site, Via Newton (Reggio Emilia)	2022	2023	2024
Natural Gas (SCM)	527.697	568.425	594.538
Renewable/non-renewable energy combination from the national electricity grid (kWh)	2.338.474	2.428.463	2393410
Electricity from renewable sources Photovoltaic (kWh)	29.708	157.441	450.460
Total water withdrawal* (m3)	75.000	79.177	95.790

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

ENERGY EFFICIENCY

Energy efficiency involves implementing measures relating to both the plant and management, with the aim of reducing energy consumption while maintaining the same level of service.

SELF-PRODUCTION FROM RENEWABLE ENERGY SOURCES (RES)

Clean, renewable energy is self-produced through photovoltaic systems connected directly to company utilities, or through new opportunities offered by Configurations for Self-Consumption and Sharing of Renewable Energy (CACER).

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 2024, the company completed a further expansion of the photovoltaic system located at its headquarters in Via Newton 38, Reggio Emilia, **increasing its production capacity to 999 kWp**. This intervention had a significant positive impact on the company’s energy efficiency, allowing for **a substantial increase in the share of self-produced electricity, completely free of greenhouse gas (GHG) emissions**.

With an **estimated annual production of 1,396,360kWh and an expected self-consumption of 961,541kWh/year, equal to 69% of estimated production, the company has achieved energy self-sufficiency and can contribute to the production of excess clean energy. This intervention has led to an estimated reduction in CO2 emissions of approximately 605 tonnes per year, contributing substantially to reducing the company’s environmental impact.**

The upgrade project was partially funded, with a 15% contribution provided through the PORFESR 2021-2027, specifically through the ‘Call for proposals for support for energy efficiency and earthquake prevention measures in businesses’. This funding supports the company in achieving its sustainability and environmental impact reduction goals, demonstrating a concrete commitment to energy efficiency and environmental sustainability.

ENVIRONMENTAL OBJECTIVE: JOINING RENEWABLE ENERGY COMMUNITIES



Energy production is a crucial aspect of our environmental impact, and we are constantly seeking innovative solutions to reduce our carbon footprint. Aware of the untapped potential of excess clean energy, the company has decided to join **Renewable Energy Communities (REC)**. This initiative represents a fundamental step in our sustainability strategy, allowing us to maximise the benefits of our photovoltaic energy production.

Through participation in RECs, the “extra” energy generated by our photovoltaic systems, which is not immediately consumed, is fed into a shared local grid. This means that our clean energy is made available to other members of the community, including citizens, small businesses and local authorities, contributing to a more efficient, decentralised and sustainable energy consumption model.

This initiative not only underscores our leadership in adopting sustainable practices, but also reflects our belief that collaboration and sharing are key to addressing the environmental challenges of our time. We will continue to explore new opportunities to expand our contribution to the energy transition, striving to be a proactive player in shaping a more sustainable future for all.

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.



EXTENSION OF THE ENERGY MONITORING SYSTEM

- Electricity consumption of monitored utilities (including those currently monitored via the Sensorfact system);
- Natural gas consumption of the PDR associated with steam boilers;
- Thermal energy (step 1): thermal energy production associated with steam generation;
- Energy recovery associated with condensate return;
- Thermal energy (step 2): thermal energy consumption of the main steam utilities;
- Non-energy data relating to the new Bitzer piston refrigeration unit.

The intervention is not intended to improve energy efficiency directly, but rather to enable the identification of potential energy use optimisations and the verification of savings achieved through energy efficiency measures.

COMPRESSED AIR ROOM ADJUSTMENT

In 2024, the company made a significant upgrade to its compressed air room, taking a concrete step towards optimising energy use and increasing operational reliability. Following a careful feasibility assessment, we designed a new setup that would deliver major sustainability and performance benefits.

At the heart of the new system is the variable speed main compressor (Atlas Copco GA 45 VSD+). This cutting-edge technology enables the production of compressed air to be adapted to actual demand, thereby avoiding the energy waste that is typical of fixed-speed compressors. A new 2,000-litre tank will be installed downstream of this compressor to help stabilise pressure and optimise the operation of the entire system.

The new compressor-tank system will be connected to the existing manifold upstream of the Parker Hiross chiller. This configuration will allow the current compressed air production system to remain operational as a backup. The two compressed air generation systems will therefore be completely independent of each other, ensuring greater service reliability and operational continuity when needed.

The feasibility assessment highlighted some highly significant estimated parameters.

- Expected energy savings: 22.6 tonnes of oil equivalent per year (toe/year).
- Expected CO₂ reduction: a decrease of 30.8 tonnes of CO₂ per year is expected.

These tangible results will contribute significantly to our greenhouse gas emission reduction targets and strengthen our contribution to the fight against climate change.

We also considered the possibility of recovering heat lost from the system. However, due to the existing plant density, we decided against this solution in favour of optimising the overall efficiency and functionality of the new setup.

This intervention is another step in Montanari & Gruzza’s journey towards sustainability, showing how technological innovation and careful management of resources can benefit the environment and our company.

The energy analysis conducted in 2023 made it possible to define the following expansion of the energy monitoring system:

Data flow	Step 1	Step 2	Users	# Measurement Points
Methane gas	X		POR 15441000253882	1
Non-energy data	X		Operating parameters from the PLC of the Bitzer single-screw refrigeration unit - to be installed	1
Electricity	X		Vacuum packing department	3*
Electricity	X		Product storage cells	3*
Electricity	X		Plant UTA	3*
Thermal energy	X		Boiler Production 1	3
Thermal energy	X		Boiler Production 2	3
Temperatuea	X		Steam manifold	3
Thermal energy	X		Hot water for washing	4
Thermal energy	X		Osmotic water	4
Thermal energy	X		Boiler feed water (2 lines)	4
Thermal energy		X	Pasteuriser	5
Thermal energy		X	CIP 1,2	5
Thermal energy		X	CIP 3,4	5
Thermal energy		X	Steriliser	5
Thermal energy		X	Preparation of hot H2O	5

**In addition to acquiring three new electricity consumption lines, it will also be possible to acquire data currently acquired by Sensorfact on the Energy Intelligence Platform, relating to the most energy-intensive utilities: Bur 1, Bur 2, SCRE, Zudek, 125B, 125E, 1kg, 250g, 500g, butter cell, comp air 2, comp cond (12 measurements in total).*

EXPECTED BENEFITS

The expected benefits can be summarised as follows: In general, the monitoring system centralises all the plant’s energy flows on a single software platform (the Energy Intelligence Platform), including:

- electricity exchanges with the grid (withdrawal and feed-in).
- Self-production of electricity through a photovoltaic system;

WASTE MANAGEMENT

GRI 306-3
Waste
generated

The company has implemented an internal procedure (PO 16) that defines how all waste produced, from wastewater to by-products, is managed in full compliance with current regulations. This procedure ensures a systematic and traceable approach to waste management, from production to disposal or recovery.

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. In 2024, the company collected and sorted 42,960 kg of paper and cardboard, all of which was sent for recycling.

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 15,000 tons in 2024). 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. (55,729 quintals in 2024).

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 2024: 1,018 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.

ENVIRONMENTAL OBJECTIVE: NEW WATER EQUALISER AND HOMOGENISER

In line with our commitment to environmental protection and continuous process improvement, a water equaliser and homogeniser was installed at the Gaida plant in Reggio Emilia in 2024. This new tank is a significant advancement in optimising the industrial wastewater treatment process. Often, effluents from production processes exhibit significant qualitative and quantitative discontinuities, rendering the treatment process less effective and more complex. The new technology enables us to overcome these challenges. The equaliser and homogeniser stabilise the characteristics of the wastewater before it enters the purification plant. This standardisation process ensures greater efficiency in the flotation and purification tanks and optimises contact time, which is essential for effective treatment.

Consequently, we have achieved a significant reduction in contaminants and a more efficient overall purification process. The end result is purer water that we can return to the environment with a significantly reduced impact.

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

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 2024 raw materials suppliers 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.

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: GOALS

Energy Consumption

OBJECTIVES	TASKS COMPLETED
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

Waste management

OBJECTIVES	TASKS COMPLETED
Improve the management of recycling collection	Evaluate the separation of plastic waste (CER 150102) from mixed waste (CER 150106).
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

OBJECTIVES	FUTURE ACTIONS
Riduzione emissioni di CO2	Ottimizzazione produttiva
Gestione della Carbon Footprint	Misurazione dei parametri secondo i criteri ESRS
Riduzione dei consumi non produttivi	Ottimizzazione dell'approvvigionamento e identificazione fornitori sostenibili
Riduzione degli Sprechi Alimentari e degli Imballaggi	Ottimizzazione dei processi produttivi

SOCIAL SUSTAINABILITY

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 2024, Montanari & Gruzza confirmed its support for a number of social initiatives involving various stakeholders with whom the organisation works. Through these initiatives and collaborations, Montanari & Gruzza demonstrates its commitment to adding value to the local area and community.

SOCIAL COMMITMENT AND SOLIDARITY

Montanari & Gruzza is committed to being a leading economic and social force in the community in which it operates. This commitment is demonstrated through the company's tangible support for non-profit organisations in the local area.

The company has maintained a strong collaborative relationship with Lega del Filo d'Oro and Telethon for several years, recognising the fundamental value of donations and the importance of promoting a culture of solidarity.

In 2024, we extended our support to the Italian Cystic Fibrosis League, helping to fund scientific research and improve the quality of life for those affected by this serious disease. The company is also proud to have donated a new ultrasound scanner to Franchini Hospital in Montecchio Emilia through AIBAT (the Italian Association of Basedowians and Thyreotoxics).

These partnerships reflect our belief that a business's success is inextricably linked to collective well-being.



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.

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 Sant'Ilario
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, a comprehensive initiative that aims to promote a widespread culture of wellbeing among all the company’s stakeholders. The project encourages the pursuit of personal and collective balance by sharing experiences, disseminating good practices, and adopting small daily actions that improve quality of life.

Collaborating with biologist and nutritionist Cecilia Dieci lends the project scientific credibility, enhancing its impact and supporting its content. As part of #BeWell, Montanari & Gruzza has created a comprehensive programme including local events such as cooking classes and sporting activities, as well as digital and social media content. This includes a monthly newsletter distributed via LinkedIn with tips, recipes and in-depth articles. Launched with the aim of integrating the principles of health and wellbeing into corporate practices and community life, the programme will reach a significant milestone in 2025 with the launch of a corporate nutrition help desk for employees.

Through this initiative, Montanari & Gruzza aims to reinforce its dedication to a sustainable development model that prioritises people and their mental and physical well-being, placing well-being at the core of its social responsibility policies.



SOCIAL SUSTAINABILITY: GOALS

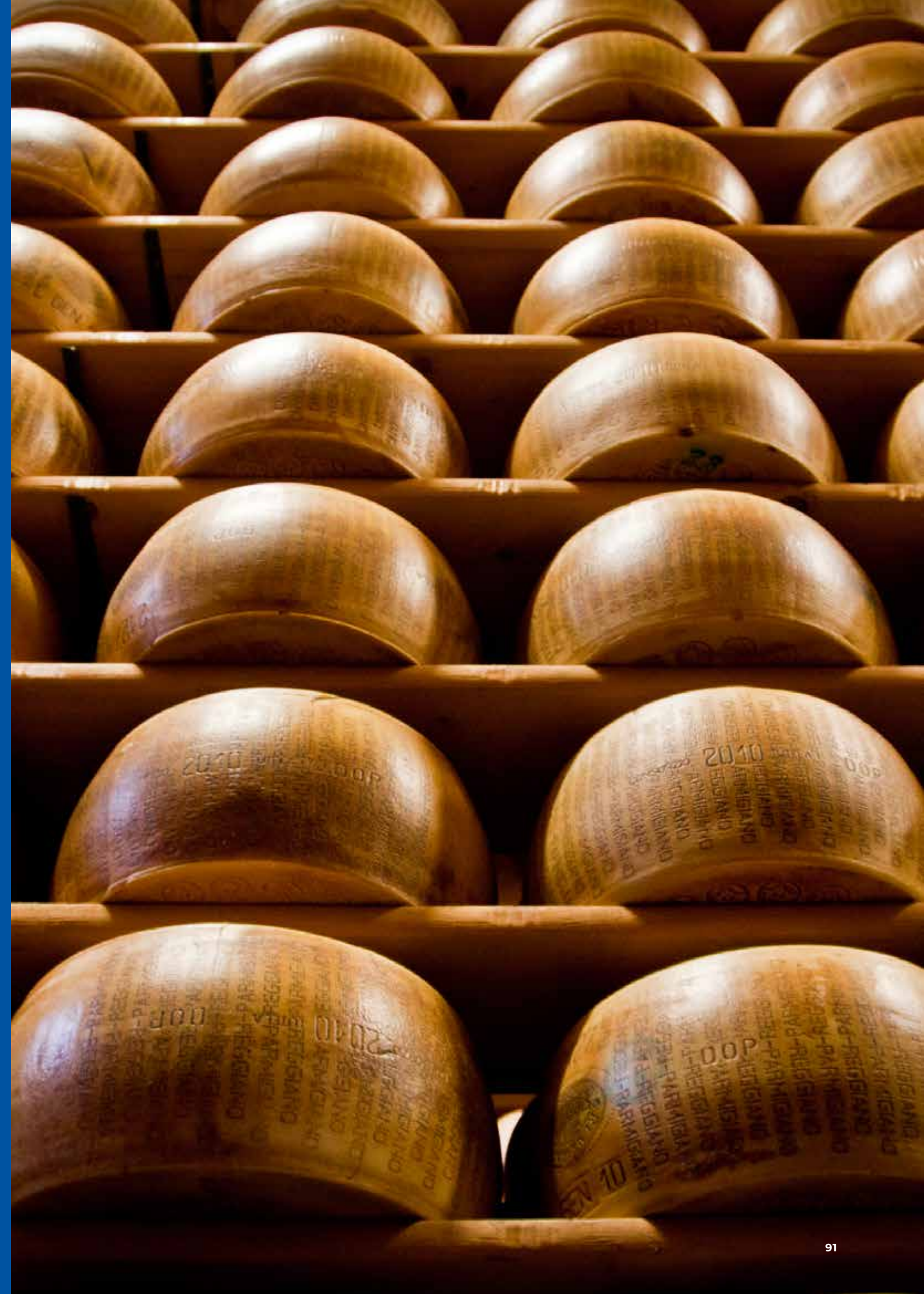
OBJECTIVES	TASKS COMPLETED
Equity and Inclusion	Support for local initiatives
Continuous training	Activation of internal and external courses for employees at all levels, for each department
	Renewing and expanding collaborations with schools and training bodies
Employee well-being	Installation of Sanixair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

OBJECTIVES	FUTURE ACTIONS
Equity and Inclusion	Support and development of local initiatives
Welfare	Establish agreements and partnerships to offer employees benefits for their wellbeing



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 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 human resources relationships 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 violates a person's dignity, whether in or outside the workplace. It is committed to ensuring equal employment opportunities for all, which is particularly significant in a traditionally male-dominated sector, especially in production areas.

PROFESSIONAL GROWTH

In 2024, Montanari & Gruzza continued to invest in staff training. The administration, finance and control managers participated in a critical reading of financial statements course organised by CIS Formazione. This training course forms part of the company's commitment to the continuous professional development of its employees, ensuring they develop advanced skills and adopt increasingly informed and strategic approaches to business management. The company provided 100 hours of

qualified training in 2024, divided into courses aimed at strengthening crucial aspects of our operations. In collaboration with IFOA, our teams participated in sessions dedicated to obtaining quality certifications, maintaining high hygiene standards in departments, and developing innovative marketing strategies. Meanwhile, we ensured that all newly hired staff received specific updates on food safety, which is a non-negotiable aspect of our production chain.

To monitor and continuously improve our processes, we dedicated 16 hours to internal audits conducted by an external consulting firm. These in-depth audits enabled us to evaluate various company areas, implement procedural updates, and optimise document management in relation to our BRC, IFS, and HACCP voluntary certifications. This confirms our commitment to excellence and compliance with the most stringent international standards.

Furthermore, recognising the importance of environmental issues, we organised four hours of specific training to raise staff awareness of best practices and current regulations, thereby strengthening our sustainability-oriented corporate culture. As part of this training programme, an additional 40 hours of internal courses were delivered directly within the departments, focusing on key topics such as food safety and efficient customer complaint management.

GOVERNANCE OBJECTIVE: COMMITMENT TO TRANSPARENCY, INTEGRITY AND COMPLIANCE



Establish adequate internal control measures and conduct all business activities with transparency, integrity, honesty and in compliance with the law. Implement policies and practices defining a responsible approach to tax strategy. Protect information assets and privacy.

Employees Listening

Montanari & Gruzza will launch an employee listening project as an integral part of its sustainable governance strategy. This project aims to strengthen internal dialogue and gather valuable feedback from employees in order 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 Montanari & Gruzza's commitment to responsible and sustainable governance.

Raising awareness of sustainability issues

Montanari & Gruzza pays particular attention to social and environmental sustainability. The company is committed to raising 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 coming year.

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



Montanari & Gruzza has undertaken the development of numerous significant collaborations with universities, academic institutions and higher education bodies, also for the purposes of process optimisation and innovative development. These strategic alliances have enabled the implementation of projects 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 progress of the sector. The joint projects aim not only to respond to current market challenges, but also to anticipate and prepare solutions for future needs, especially in terms of sustainability and reduced environmental impact.

COLLABORATIONS WITH UNIVERSITIES AND RESEARCH INSTITUTES FOR INNOVATION

1. University of Gastronomic Sciences in Pollenzo (CN) Montanari & Gruzza is funding 50% of a scholarship for the 2023/24 academic year at the University of Gastronomic Sciences in Pollenzo.

2. Lucca Advertising Academy The company collaborated with the Lucca Advertising Academy, assigning a brief for the creation of a project dedicated to high-end Parmigiano Reggiano.

3. Polidesign (Milan Polytechnic) The company collaborated with Polidesign at the Milan Polytechnic on a project with the Design for Food master's class focused on the organic supply chain of Parmigiano Reggiano.

Over time, Montanari & Gruzza has consolidated a solid network of partnerships with various training institutions, including ITS Tech & Food, the 'Fondazione A. Simonini' Vocational Training Centre and several local secondary schools. These partnerships are aimed at offering training opportunities through internships, apprenticeships and work-study programmes.

GOVERNANCE OBJECTIVE: VALUE CREATION, ECONOMIC DEVELOPMENT

New Positioning on the German Market

In 2023, Montanari & Gruzza launched a significant sustainability initiative in the area of governance, increasing sales of organic Parmigiano Reggiano in the German market. The organic supply chain has been well received by consumers in Germany. The company has therefore selected ideal formats and packaging for this market. Thanks to a strategic commercial agreement, Montanari & Gruzza's organic products are now distributed in the renowned BioMarkt and Denns Bio chains.

This expands the brand's presence in a high-value European market. To support this expansion and raise awareness of Parmigiano Reggiano, a dedicated website has been created to tell the story of this excellent product, from its production to its tradition. It also provides information on nutritional values, the range of products available, and the sustainable processes adopted by Montanari & Gruzza.

This initiative has not only further enhanced a product that symbolises Italy's gastronomic heritage, but it has also generated economic value for the company. In 2024, for example, sales in the German market grew by 19.2% in value and 8.5% in volume. This strengthens the company's commitment to sustainable and responsible growth in the international market.

GOVERNANCE OBJECTIVE: EMPLOYEE ENGAGEMENT AND LISTENING FOR A BETTER WORKING ENVIRONMENT



In 2024, we launched an active listening project that involves one-to-one meetings between employees and their managers or designated representatives. This initiative aims to create an open and confidential channel of communication, offering everyone the opportunity to express feedback, share ideas, discuss their professional aspirations and address any challenges. To better understand the

needs and priorities of our team, we also conducted an internal survey that provided valuable information about employees' perceptions and expectations.

Installation of Sanixair devices

In order to improve the working environment, Montanari & Gruzza installed Sanixair devices in 2024. These devices allow for continuous air sanitisation thanks to an enhanced UVC system and a photocatalysis system retrofitted for air ducts and rooms. The results have been very positive. The Sanixair devices optimally manage every bacterial load, ensuring a healthy environment and promoting complete well-being within the facility. Furthermore, the sanitisation of wastewater for partial recirculation after purification for general use in industrial and/or sanitary washing results in significant energy savings, as well as providing environmental benefits through resource recovery.

Installation of Re-Cig bins

Montanari & Gruzza is committed to reducing its environmental impact and promoting the circular economy. With this in mind, we have installed five Re-Cig bins for collecting cigarette butts. These will be transformed into new products, helping to reduce pollution and promote a more sustainable material life cycle.

GOVERNANCE OBJECTIVE: PROMOTING A CULTURE OF HEALTHY AND SUSTAINABLE FOOD AND DISSEMINATING KNOWLEDGE



Support for the Scientific Gastronomy World Congress

As part of our ongoing commitment to the community and the dissemination of knowledge, Montanari & Gruzza provided support to the Summer School of Scientific Gastronomy in the summer of 2024. We hosted the participants of the week-long intensive course held at the CIRFOOD District in Reggio Emilia and enriched their training

by organising a masterclass dedicated to the Parmigiano Reggiano supply chain, sharing our expertise and unique traditions. Chef Dorina Burlacu, a valued Montanari & Gruzza collaborator, represented Italy at the inaugural international Scientific Gastronomy course. This significant event took place in Barcelona in November 2024, alongside the Science and Gastronomy World Congress. Chef Burlacu's participation highlights her exceptional talent and dedication to innovation in gastronomy, as well as Montanari & Gruzza's commitment to promoting excellence and scientific research in the culinary arts.

We are also proud promoters of the Aliment-Azione 2024 Challenge, a highly relevant and topical initiative organised by Unindustria Reggio Emilia in collaboration with all local training institutions. This challenge, open to all citizens, aims to promote a culture of healthy and sustainable food, encouraging participants to propose innovative ideas on this crucial issue for the future.

GOVERNANCE OBJECTIVE: INNOVATION AND COMPETITIVENESS



At Montanari & Gruzza, technological innovation is a key part of our strategy to improve competitiveness and sustainability. This is in line with Sustainable Development Goal (SDG) 9: Industry, Innovation and Infrastructure. We demonstrate our commitment

by adopting cutting-edge solutions that enhance our quality standards and food safety.

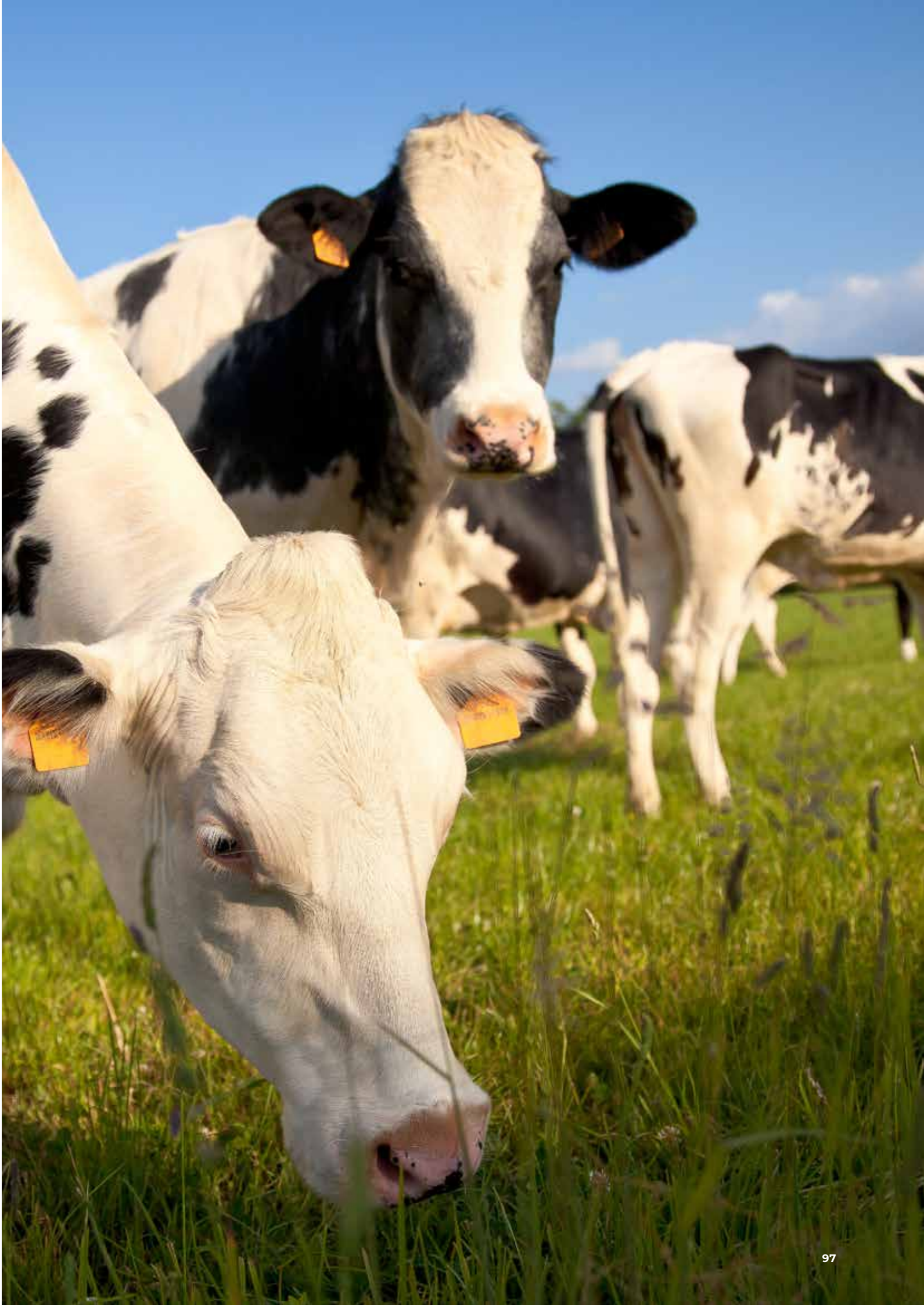
In 2024, we installed a highly innovative cream debacterisation centrifuge. This advanced technology can eliminate up to 90% of the bacterial load in incoming cream. It is also effective at sanitising the raw material by eliminating spore-forming bacteria and their spores, which traditional pasteurisation processes cannot completely remove. This strategic investment ensures greater health and food safety for our products and strengthens our innovative capacity, contributing to more resilient and sustainable industrialisation. In 2024, we further consolidated our commitment to innovation in production processes by investing in a new 200g butter packaging machine. This acquisition has improved the efficiency of our production lines.



CORPORATE SUSTAINABILITY: GOALS

OBJECTIVES	TASKS COMPLETED
Systemic approach	Establishment of the Internal ESG Committee
	Internal training on sustainability issues (recycling, waste management, etc.)
Improvement of internal processes in terms of sustainability	Ad hoc material development and training
	Monitoring sustainability performance
Innovation	Collaboration with Research and Continuing Education Institutions
Transparency and integrity	Employee engagement

OBJECTIVES	FUTURE ACTIONS
Transparency and integrity	Continuous employee engagement
Welfare programmes	Concrete initiatives and programmes for employees
Innovation and competitiveness	Evaluate further expansion and optimisation of production (e.g. cutting area)



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.

