



Sustainability and Awareness Report

2023

ACTING RESPONSIBLY
IN AN INTERCONNECTED WORLD

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Letter from the President

The Branca Group has chosen to base its actions on four fundamental pillars: Sustainability, Awareness, Quality and Care. These values, deeply rooted in our corporate culture, are the compass that guides our every day decisions and actions.

Sustainability is the beating heart of our business model. We interpret it as a constant search for a harmonious balance with the social and environmental context in which we operate. Global challenges, such as climate change and social inequalities, require a responsible and forward-looking approach. In 2023, a year marked by geopolitical uncertainties, widespread economic weakness and high inflation, we are committed to reducing our environmental impact and promoting sustainable practices throughout our supply chain. We have improved the energy efficiency of our production processes, reducing emissions and consolidating our commitment to 'generative profit': profit that creates shared value while respecting people and the environment.

Awareness is the ability to understand and anticipate the needs of the global context in which we operate. In an interconnected and constantly changing world, we are aware of our responsibilities as a company. By training our employees and raising the awareness of our partners, we promote a corporate culture that is aware of the present and the future and the challenges it brings. Our awareness translates into concrete actions to proactively address the economic and environmental challenges of our time.

Quality is an inalienable principle for the Branca Group. For over 179 years, our company has maintained an unwavering commitment to creating products of excellence, while respecting tradition and adopting innovative solutions. Our founder's motto, 'Novare Serbando', inspires us to continuously improve, combining innovation with tradition to ensure a sustainable future. In 2023, we invested significantly in developing the skills of our employees and the quality of our production processes, maintaining high standards of efficiency and reliability.

Caring is the value that guides us in our relationships with our employees, customers and communities. We care about the well-being of the people we work with and the communities in which we operate. We are committed to contributing to sustainable development and improving the quality of life. We believe that a caring and collaborative approach is essential to meet the challenges of our time and create a better future for generations to come.

We are aware that we live in a world that is changing faster and faster and that there is thus more and more uncertainty, and therefore that the challenges will be more and more complex, but we are equally convinced that our four pillars - Sustainability, Awareness, Quality and Care - are the key to a fairer and more sustainable future. We would like to thank all our employees for their commitment and passion, which allows us to build a more sustainable tomorrow.

Niccolò Branca

Niccolò Branca
President and CEO
of Branca International e F.lli Branca Distillerie S.p.A.



Methodological Note

Reporting Principles and Criteria

The Branca Group Sustainability and Awareness Report represents an ongoing commitment to transparency and communication of the objectives achieved and the actions taken in the social, environmental and governance spheres. Drawn up annually in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards 2021, this document provides a comprehensive overview of the Branca Group's performance and the initiatives implemented to promote sustainable development.

structure, ownership and supply chain.

Performance Indicators

The information contained in this document, referring to the reporting period 1 January 2023 - 31 December 2023 unless otherwise specified, reflects the principle of materiality or relevance, an element provided for by the GRI Standards. The materiality analysis and issues relevant to the Branca Group are described in the section "Sustainability issues and materiality analysis".

Perimeter

This Sustainability and Awareness Report maintains consistency with previous editions by extending reporting to all operating companies of the Branca Group, i.e. Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A. and Branca USA Inc. These companies fully report all ESG indicators. On the other hand, the non-operating companies, such as Centro Studi Fratelli Branca S.r.l., Branca International S.p.A and Branca Real Estate S.r.l., provide reporting focused on social and governance aspects. No significant changes were found in the organisational

In order to ensure continuity in reporting and to allow comparative analysis over time, data for the years 2021 and 2022 have been reported and compared. The trends presented were calculated accurately, using decimal data even if not explicitly stated in the document. In order to ensure the reliability of the information, the use of estimates has been kept to a minimum, and these have been appropriately reported where present. For a better understanding of performance, data have been broken down by company or geographic area where deemed relevant, while in other cases they have been presented at a consolidated level. Where changes have been made to figures for previous years, these have been clearly indicated in the notes.

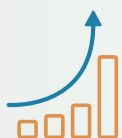
The data and information contained in the document were collected by sending appropriate reporting packages to the various Branca Group functions and companies. In line with the previous year, the Sustainability and Awareness Report 2023 was drafted by a specially constituted Working Group, whose members transversally represent all the areas related to social, environmental and economic reporting of the various Branca Group Companies.

For this reporting period, the Company has opted not to have the document audited by external companies. The document will be published and disseminated through the communication tools used by the Branca Group, including the website: www.brancainternational.com. For any clarification on this Sustainability Report, please contact: ufficiostampa@branca.it.

The main results

AN OVERVIEW

GOVERNANCE & BUSINESS



355

million revenues in 2023
(-16 compared to 2022)



79.701

tonnes of bottled product
(-6% compared to 2022)



160

export countries
(in line with 2022)

SOCIAL THEMES



341

employees
(+8% compared to 2022)

99%

employed on open-ended contracts
(in line with 2022)



24%

female presence out of total employees
(+3 pp compared to 2022)



over 10.800

total training hours delivered
(-6% compared to 2022)

ENVIRONMENTAL ISSUES



0,502 GJ/ton

Energy intensity index
(in line with 2022)

0,035 tCO2eq/ton

Emission intensity index
(-10% compared to 2022)



0,044 ton/ton

Waste generation index
(+4% compared to 2022)



1,08 L/ton

Water consumption index
(roughly in line with 2022:
+3,9%)



Who we are

*OUR IDENTITY AND
OUR HISTORY*

The profile of the Branca Group

The Branca Group is an Italian entrepreneurial reality with an important international presence. The Branca Group consists of several companies, including Branca International S.p.A., Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerias S.A., Branca Real Estate S.r.l. and Centro Studi Fratelli Branca S.r.l..

For over five generations, with the sixth already in the company, the Branca family has controlled and led Fratelli Branca Distillerie S.p.A., a company with 179 years of experience in the spirits industry. The Branca Group oversees a wide range of activities, from the production and distribution of spirits to real estate and financial investments. The company is committed to being a responsible business model, promoting an alliance between ethics and profit through the application of the principles of the Economy of Awareness.



VISION

The Branca Group is an Italian business with an international vocation that operates from a vision of balance and interdependence of all its activities - from the production and distribution of spirits, to real estate, to financial activities - and all levels of the production process.

The Branca Group activates positive growth circuits in its activities as part of a single living organism interconnected internally and with the external environment, respecting past, present and future generations.



MISSION

The Branca Group intends to present itself as a model of responsible business that promotes a definitive alliance between ethics and profit through the application of the principles of the Economy of Awareness at corporate and social level. The Branca Group aims to enhance its activities by taking care of the people involved, the planet and its resources. The Branca Group puts sustainability first, to achieve lasting profit and an ethical and responsible development model at all levels of doing business.

The family boasts a long entrepreneurial tradition in the alcoholic beverage sector, which began in Milan in 1845 with the foundation of Fratelli Branca Distillerie by Bernardino Branca. Its current structure, the result of a reorganisation started in 1999 by the current President and CEO, Niccolò Branca, has led to the creation of the Branca Group.

Branca International S.p.A. is headquartered in Milan and controls the **three companies dedicated to the production and marketing of spirits**, the nerve centres of the Branca world: the historical **Fratelli Branca Distillerie S.p.A.**, based in Italy at the via Resegone plant in Milan, the Argentinean **Fratelli Branca Destilerías S.A.**, based in Tortuguitas in the province of Buenos Aires, and **Branca USA Inc.**, the sales office established in 2019 in New York, USA, with the aim of managing the import, distribution and direct sale of Branca products in North America.

Through the three companies, Branca products are marketed in 160 countries on five continents: the plant in Milan serves not only the domestic market, but also the European, US and Asian



markets, while the production centre in Buenos Aires is dedicated to the Argentinean market and some South American countries such as Chile, Uruguay, Paraguay, Bolivia and Brazil. Thanks to numerous partnership agreements signed over the years, the Branca Group also deals with the distribution of high-end international products on the domestic markets.

The Branca Group also stands out in the **real estate sector** through **Branca Real Estate S.r.l.**, which aggregated the Group's real estate assets, including industrial buildings and spaces for residential, commercial and cultural use, as well as agricultural estates, both in Italy and abroad. The significant international presence and rapid growth of the product had led Fratelli Branca Distillerie S.p.A., in the early decades of the 20th century, to invest in production plants in various European countries, as well as in North and South America (New York and Buenos Aires). The strategy of restructuring the corporate structure initiated by Niccolò Branca has led to a reconversion of unused factories and the creation of separate companies for production and commercial activities as opposed to those related to real estate, now managed with an entrepreneurial approach, supported by the holding company for strategic coordination of growth and value creation.

Branca International S.p.A. is also active in **the financial sector**, independently managing its assets through diversified investments on a global scale.

In the cultural field, the Branca Group operates the **Centro Studi Fratelli Branca S.r.l.**, a state-of-the-art laboratory dedicated to the study of medicinal herbs. This centre not only ensures the control and quality of Branca products, but also promotes innovative initiatives such as the Branca Academy, the Branca Collection and the Branca Tower.

The history of Branca

FROM THE BIRTH OF THE HERBAL LIQUEUR FOR MEDICINAL PURPOSES TO INDUSTRY LEADER

In 1845, the apothecary Bernardino Branca in his workshop in Milan devised and started producing and marketing **a preparation based on herbs, spices and roots for the treatment of then widespread diseases**, including cholera and malaria. Thus Fernet-Branca was born and, with it, the long history of Fratelli Branca Distillerie S.p.A.. The product was a great success, so much so that in a short time, in Italy and abroad, the fame of this curative bitter spread. In just a few years, thanks to its great properties, the founder's intuition and the Italian migratory waves that reached unprecedented peaks during the Great Depression, **Fernet-Branca** began to spread first in Europe and later also in North and South America. It was in those years that Fratelli Branca Distillerie S.p.A. was transformed from a craft workshop into a successful enterprise: in a short time, the original premises in Porta Nuova in Milan had to be expanded to meet the demand of the wide range of products that had in the meantime been added to Fernet-Branca, and was subsequently replaced

by a new plant in Via Resegone, which is still the production site today. The considerable growth in consumption at the end of the 19th century also led the company, which until then had relied on a trusted distributor, to invest in 1935 in the **creation of the Buenos Aires** plant and to establish the Argentinean company Fratelli Branca Destilerías S.A. in 1941 for the on-site production of the product. In 1982, the Company moved to the Tortuguitas plant in the province of Buenos Aires, where Fratelli Branca Destilerías S.A. still resides today and operates a technologically advanced alcoholic beverage production plant. Since 2000, when the new production site in Tortuguitas was built, under the strategic leadership of Niccolò Branca as President, supported by the local management, the Argentine market has grown significantly. Even during the years of this country's difficult economic crisis, Fratelli Branca Destilerías S.A. has managed the emergency with courage and innovation, avoiding staff reductions and confirming investments in the company

and its development to the extent that, between 2006 and 2015, it has progressively expanded the production site.

The Branca Group's continuous expansion, starting with Fernet-Branca, has gone through the creation of other "historical" brands - such as Stravecchio Branca and Brancamenta - and the expansion of its product portfolio through a policy of acquisitions, extension lines and entry into sectors related to its core business. From 1999 to the present day, the strategic and operational choices made have led the Branca Group to occupy significant new positions in its reference markets and to compete with leading multinationals, while safeguarding the company's autonomy and keeping the founding family at the helm.



From 1845 to the present

BETWEEN INGENUITY AND CREATIVITY



1845: Foundation

Bernardino Branca invents Fernet-Branca, a bitter with a secret formula that will make history. From domestic production to the opening of the factory in Corso di Porta Nuova: one of the most lively entrepreneurial ventures in Italy, Fratelli Branca Distillerie S.p.A., from which Fernet-Branca is distributed throughout Italy, is born in Milan.

1862

Stefano Branca joined the company, launched new products on the market and organised the great Milanese international exhibition of 1881: it was an immediate success.



1891

When Stefano died, his wife Maria Scala successfully ran the company until young Bernardino came of age.

1895

The iconic image of the eagle clutching a bottle of Fernet-Branca while flying over the world was created by Leopoldo Metlicovitz. After a few years of use, on 27 November 1905, the company logo, which invaded bars, restaurants and confectioner's shops all over the world in the new century, was officially deposited with the Ministry of National Economy.



1907

Dino Branca took over as director and began work on the construction of the new factory at Via Resegone 2 in Milan, site of the current production site and the company museum, which opened in 1911.

1918

Dino Branca transforms Fratelli Branca Distillerie S.p.A. into a joint-stock company, consolidates the capital to 150 million lire and expands it by building production sites all over the world. During the post-war period, it took care of the reconstruction and resumption of production. In 1933, he was authorised to use the pontifical title of Count and in 1938, King Victor Emmanuel III conferred on him the title of Count of Romanico, recognising his merits in the industrial and welfare fields.



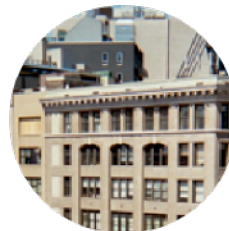


1930

The Saint-Louis plant in Alsace was opened.

1932

Fratelli Branca Distillerie S.A. in Chiasso and Fratelli Branca & C. Inc. in New York are established, where in 1934 a plant for the production of a medicinal Fernet-Branca is opened at 131 Hudson str.



1941

The Argentinean company Fratelli Branca Destilerías S.A. was founded in Buenos Aires. Fernet-Branca had already arrived in Argentina with the Italian migrations at the end of the 19th century and, given its great popularity, in 1925 the company decided to authorise the Società Hofer & C. - the product's exclusive concessionaire in South America - to manufacture the liqueur in Argentina from the extract sent



1955

Two years before his death, Dino Branca relinquished the presidency, which passed to his son Pierluigi: with him began the full recovery and expansion of sales and communication in Italy.



1965

Pierluigi revamped the company by focusing on Italian production, introducing an innovative liqueur, Brancamenta, which combines beneficial and digestive qualities with the pleasure of a refreshing taste. In the United States he repositioned the product from the pharmaceutical channel to retail.



1981

The Fratelli Branca Study Centre for quality control and research in the field of medicinal herbs was founded.



1985

It is Giuseppe Branca who develops the acquisitions of historic Italian brands, such as Distilleria Candolini in Tarcento. Villa Branca S.r.l. is established in Mercatale Val di Pesa, and Branca's product portfolio is enriched with Villa Branca Chianti Classico wines, Villa Branca Chianti Riserva wines and an extra-virgin olive oil. An agreement is signed with the Municipality of Milan for the "exclusive use of the Torre del Parco for a period of 29 years as consideration for the execution, at the Company's care and expense, of the restoration work on the structure". In 1990, work began on expanding the factory area in Via Resegone, which would later be dedicated to the Branca Museum.



1999



The holding company Branca International S.p.A. is established: Pierluigi's son, Niccolò, takes over as Chairman and also becomes Managing Director of Fratelli Branca Distillerie S.p.A. Niccolò Branca gives a strong impetus to the redesigning and reorganisation of the Group according to the principle of innovation while respecting tradition, and also starts to deepen the concepts of sustainability and business ethics, which inspire all the work of Branca International.

The strategic and operational choices that will be made from now on will lead the Distilleries to occupy significant new positions in the reference markets and to compete with leading multinationals. Existing brands are consolidated, new products are acquired and extension lines are created. The presence in Argentina and the US market is also strengthened, the internationalisation process continues and intensifies, and activities are diversified.

2001

Branca acquires Carpano, the historical company from Turin that had created vermouth by blending herbs and spices with Muscat wine in 1786. The company's production activities are transferred to the Milan headquarters of Fratelli Branca Distillerie S.p.A.. Since then, the brand has grown steadily both in Italy and abroad, and the original vermouth market has expanded, in line with Branca's motto of "Novare Servando": the Carpano Dry and Carpano Botanic Bitter were born in the following years.



2001

In the same year, Borghetti, the real espresso coffee liqueur made from the ancient recipe handed down since 1860 by Ugo Borghetti and distributed by the company since 1982, also entered Branca's product portfolio.



2002

Having completed the restoration of the tower, Branca inaugurated its opening to the public: an asset and symbol dear to the Milanese was thus returned to the city with a new meeting point in the green lung of Sempione Park.



2004

The former Fernet-Branca distillery in Saint-Louis, built in the early 20th century, is converted into a museum and on 15 June 2004 the Espace d'Art contemporain Fernet-Branca opens its doors to the public. It is part of the cross-border cultural context linked to the neighbouring city of Basel.



2006

Branca Real Estate S.r.l. became fully operational.



2009

The Collezione Branca Museum opens to the public, a heritage of history and culture in the heart of Milan. An itinerary among raw materials and working tools, herbs, roots and spices, stories and objects, precious evidence of a production system.





2015

Branca celebrates its 170th anniversary: a milestone that concerns the company, its tradition and its soul. For the occasion, the Branca Group presents the city of Milan with a revisitation of the via Resegone factory chimney: a work of street-art that towers over the city in a set of colours and figures that recall the herbs and the Fernet-Branca bottle. Rizzoli publishes the monograph "Branca, sulle ali dell'eccellenza" (Branca, on the wings of excellence), recognised as the best publication of the year by the Osservatorio Monografie Italiane (OMI), and the Ministry of Economic Development recognises Branca's production excellence by issuing a limited edition postage stamp.

2019

The subsidiary Branca USA is established in New York, with the aim of managing the import, distribution and direct sale of Branca products in North America. A further garrison to ensure the expansion of the American market.



Today

The Branca Group is present in 160 countries on five continents, with an extensive and well-organised distribution network. The company is increasingly oriented towards the differentiation of its offer, expanding well

beyond the field of liqueurs and vermouths, although the bitter invented by the founder continues to form the basis of the business, the secret of a success that has lasted uninterruptedly for 179 years.

Our brands

Fernet-Branca, a liqueur created by the founder in 1845, remains the undisputed mainstay of Fratelli Branca Distilleria S.p.A.'s activities, representing the secret of a success that has been perpetuated for 179 years.

Over the years, the Branca Group has expanded its offer beyond bitters, consolidating its historical products, such as Fernet-Branca, Brancamenta, Stravecchio Branca and, from 2019, Stravecchio Branca XO. On the industrial side, the Branca Group, through Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerias S.A., has adopted a strategy of strategic partnerships to enter new markets and has diversified its portfolio with line exten-

sions and **acquisitions of prestigious brands**.

Recent acquisitions include the Borghetti products (the real espresso coffee liqueur and sambuca) and Carpano (Carpano Classico, known as 'Rosso' in Argentina, Bianco, Dry, the recent Carpano Botanic Bitter and the new Ready-to-drink Carpano Negroni and Carpano Mi-To), Punt e Mes and the excellent vermouth Antica Formula. In addition, the Branca Group's product portfolio includes Candolini grappa (leader in Italy), Villa Branca Chianti wine, Sernova vodka (in standard, flavoured, Tropical Passion and Sweet Apple Pear variants).

Fratelli Branca Distillerie S.p.A. also distributes De Luze cognac, Nicholson gin and Tobermory premium

brand gin, as well as Tobermory, Deanston, Bunnahabhain, Templeton Rye, Scottish Leader, Ledaig and Black Bottle whiskies, Passoã speciality and Amara liqueur.

In Argentina, Fratelli Branca Destilerías S.A. distributes Strega liqueur, Strega lemon liqueur, the prestigious wines of the Fabré Montmayou and Infinitus wineries, and world-famous whiskies such as The Macallan, The Famous Grouse and Highland Park. The products with their respective logos are summarised below.

BRANCA PRODUCTS AND HISTORICAL BRANDS ACQUIRED



OTHER DISTRIBUTED BRANDS ITALY



OTHER DISTRIBUTED BRANDS ARGENTINA



THE MAIN BRANCA PRODUCTS AND HISTORICAL BRANDS ACQUIRED



FERNET-BRANCA

Born in 1845, Fernet-Branca has maintained over time the personality and originality with which it has conquered the five continents. Its secret formula, handed down from father to son, an example of great experience and passion for "making", has ensured the excellent quality of Fernet-Branca over time. Twenty-seven herbs, spices and roots make up the product with its typical brown colour and come from four continents: Rhubarb from China, Galanga from Asia, Chamomile from Europe and Argentina, to name but a few. Herbs, spices and roots are processed into alcoholic infusions, extracts or even decoctions. After one year, when the blend, which has rested in oak barrels, evolves and refines all the aromatic components, the production process is completed. This long process gives Fernet-Branca its inimitable flavour.



BRANCAMENTA

Brancamenta was born in the 1960s, a period characterised by great changes, by the economic boom, by a new way of life, more individualistic and less conformist and, consequently, by great desires for novelty, also in tastes and flavours. Fratelli Branca Distillerie S.p.A., thanks to the great and special intuition that has always distinguished it, decided to study and start the production of a perfect drink for every season and created Brancamenta, a product that surprises its consumers and admirers for the "thrill of intense pleasure" it manages to give with every sip. Its formula, composed of herbs and spices, is enriched with the essential oil of P i e d m o n t e s e peppermint, the finest in the world. The result is a high quality, natural and particularly refreshing bitter liqueur.



STRAVECCHIO BRANCA

Stravecchio Branca, the brandy of excellence in the Italian tradition, is a signature distillate with a warm, enveloping taste and complex woody notes of dried fruit. Its secret lies in Fratelli Branca Distillerie S.p.A.'s ability to care for a centuries-old product that reflects the knowledge of its producer. Taste and perfume remain unaltered thanks to the secret stored in the oak Mother Barrel, author of one of the most delicate phases of production: the blending of different eaux-de-vie aged from a minimum of three to a maximum of ten years. One third of the amalgam always remains inside the Mother Barrel, a peculiarity that gives life to the unique bouquet of Stravecchio Branca dal 1888.



**STRAVECCHIO BRANCA
XO (EXTRA OLD)**

Comes from the skilful blending of eaux-de-vie obtained from the distillation of fine Italian wines and left to rest first in oak barrels and then in the 'Botte Madre'. This second phase is crucial, so that all components slowly enrich and harmonise, revealing a complex and balanced personality. It is at this point that spirits aged up to 20 years are added to achieve an elegant, intense and satisfying profile with a special aromatic persistence.



ANTICA FORMULA

The Italian vermouth of excellence was created by Antonio Benedetto Carpano, the inventor of the vermouth category, back in 1786 in Turin. Antica Formula has come down to us in its original and inimitable recipe to this day thanks to the passion and skill of Fratelli Branca Distillerie S.p.A. in preserving the product's unique bouquet with unmistakable notes of vanilla. This 'nectar of the Gods', characterised in taste and aroma by an infusion of carefully selected mountain herbs and spices, including the precious saffron, is produced in limited quantities and packaged in precious blown glass bottles with a reproduction of the original 1786 label.



CARPANO CLASSICO
(CARPANO ROSSO IN ARGENTINA)

Carpano Classico, also called Carpano Rosso in Argentina, was born in the 1900s and is the classic Italian vermouth, with a strong character, citrusy hints and persistent in the mouth. Its bitter-sweet taste is perfectly balanced, thanks to the use of fresh bitter orange peel and burnt sugar, which also gives the product its distinctive amber colour. In its original recipe, the spicy and citrus notes harmonise with each other, complementing the aromas derived from absinthe and making this classic vermouth balanced and perfect for blending.



CARPANO BIANCO

Carpano Bianco was born in the 1930s and is the Italian white vermouth, sweet with a fresh, rich aroma. The aromas and minerality of the wines that make up the Carpano Bianco blend are balanced with spicy and citrus notes. This is the most fragrant product in the Carpano range. The initially sweet taste is immediately followed by complex, slightly bitter, botanical notes that make the product pleasant and suitable for every occasion. The main ingredients are fresh bitter orange peel, mace and cinnamon, which gives a special spicy note to the product.



CARPANO DRY

Carpano Dry is characterised by its dry taste, achieved thanks to a lower sugar content than the other types, and a selection of fine Italian wines that allows the product to retain its organoleptic properties for a long time. Characteristic ingredients of Carpano Dry are Absinthe, cultivated in Italy and coming from uncontaminated mountain areas, and Dittamo Cretico, a herbaceous plant from the island of Crete that gives the product its typical flavour.



CARPANO BOTANIC BITTER

Created and launched in 2019 by blending the Carpano brand's typical experience in knowing how to choose and dose herbs and botanicals with the new consumer needs in re-evaluating classic cocktails, Carpano Botanic Bitter, unique in its kind, is born from the careful selection of ten herbs infused according to the artisanal method to best balance all the botanical components. Its aromatic and balanced taste blends perfectly with Carpano vermouths in the preparation of quality cocktails such as Negroni or Americano.



CARPANO READY-TO-DRINK NEGRONI E MI-TO (MILAN-TURIN)

Created and launched in 2020 by adapting Carpano's brand knowledge and production experience to the trend of consuming authentic, high-quality cocktails at home. Carpano Ready-To-Drinks, made exclusively with Carpano products and available in a 10cl single-serve format that can be purchased individually or in a 10-pack, are convenient to keep in the fridge and ready to use.

Carpano Ready-To-Drinks follow the iconic recipes of Negroni (Carpano Classico, Carpano Botanic Bitter and Carpano Gin created especially for this product) and Milano-Torino (Carpano Classico and Punt e Mes).



PUNT E MES

Punt e Mes is a product with a legendary history. The story goes that in 1870 in the Carpano's shop, a stockbroker caught up in an argument with colleagues, ordered vermouth laced with half a dose of cinchona, using a dialect expression 'Punt e Mes'. The bizarre origin of the new name was, soon afterwards, enhanced by a curious habit of the club's regulars, namely to order Punt e Mes with a gesture. In fact, it was enough for the customer to make a gesture to the waiter consisting of raising his thumb (a Punt) and then drawing a horizontal line in the air (Mes) with his outstretched hand, to immediately obtain the desired Punt e Mes. Punt e Mes is today a vermouth known the world over for its perfect balance between the intriguing citrus note typical of Carpano and the bitterness of cinchona and absinthe. It has a dark red colour, with vermillion veins. The scents are reminiscent of 'port wine', aromatic herbs, 'toffee' and cloves.



BORGHETTI

Borghetti is the real espresso coffee liqueur made from the original recipe created by Ugo Borghetti in 1860 to celebrate the inauguration of the Pescara-Ancona railway line and which quickly gained notoriety and fame in Italy and Europe. An Italian flavour, a product that reflects tradition and original processes that have become the hallmark of a culture, a recipe that has been the same for a long time. A special blend of top-quality Arabica and Robusta, prepared directly in the company in huge coffee pots. Aromatic, with a sweet and smooth taste and an enveloping flavour, Borghetti has a rich and intense aroma that you won't forget and a pleasant aftertaste of espresso coffee, capable of winning over any occasion.



SAMBUCA BORGHETTI

Born thanks to the meticulous selection of star anise flowers, of oriental origin, which guarantee its organoleptic excellence. The elegant bottle, with its golden decorations, and the name chosen for the product, 'Sambuca Borghetti Oro', are intended to emphasise the uniqueness, preciousness and perfection of this flower. Transparent and crystalline, it is sweet on the nose, with a soft and delicate taste.



GRAPPA CANDOLINI

Candolini is the soft and elegant grappa preferred by Italians, acquired by Fratelli Branca Distillerie S.p.A. in 1987. Produced from scrupulously selected distillates of the highest quality, Candolini expanded its presence by launching on the market the single-varietal variants, made from quality distillates originating from a single grape variety: "Candolini Bianca", "Candolini Classica", "Candolini Riserva", "Candolini Ruta", "Candolini Gran Miele", "Candolini Monovitigno Moscato Barrique", "Candolini Monovitigno Chardonnay".



SERNOVA

Sernova is a unique product starting with its name, the result of the fusion of 'Novare Serbando', the motto of Fratelli Branca Distillerie S.p.A.. It is a sophisticated and delicate vodka, a high quality Italian-style product, the result of Branca's knowledge and passion. The production process of Sernova - which is made from domestic wheat in Italy - consists of a series of successive stages of distillation and filtration, during which the vodka is refined and perfected. To ensure a neutral and pure product, Sernova is also filtered with black diamonds, the only case in the Argentine market. In 2020, two new variants, Vodka Sernova Wild Berries and Vodka Sernova Fresh Citrus, and in 2021, two others, Vodka Sernova Sweet Apple Pear and Vodka Sernova Tropical Passion, made from selected locally produced alcohol and filtered through a unique and noble process, with a natural flavour, were launched on the Argentine market.



VILLA BRANCA

Chianti Classico is a very fragrant, lively fruity wine. The taste is powerful, warm, with good structure. It is the result of a blend of Sangiovese grapes with the addition of other black grapes. The Chianti Classico Riserva, the result of prolonged maturation in wood and subsequent refinement in the bottle, is characterised by an intense red colour with garnet reflections, a persistent bouquet of lively and fragrant fruitiness. The taste is savoury, harmonious and of considerable structure.

INTERNATIONAL COMPETITIONS AND AWARDS

International competitions, with panels of expert tasters awarding prizes to different product categories, are an important element of the brand strategy of the Branca product portfolio. Within the various possibilities, the Branca Group focuses on the **most recognised and respected global competitions** for the product categories in which it operates.

Over the years, the Branca Group has won numerous awards that demonstrate the excellence of its product portfolio: in particular, in the last two years, Carpano Botanic Bitter, won the Gold Medal in the aperitif category at the San Francisco World Spirits Competition, the most important competition in North America that includes the largest selection of spirits in the world. The jury of 70 industry experts evaluated around 5,000 spirits over a two-week period and finally awarded the Gold Medal in recognition of the exceptional spirits that set quality standards in their category.

Major **recent** awards **won** by products in the Branca portfolio include¹:

PRODUCT	MOST RECENT AND SIGNIFICANT AWARDS WON
FERNET-BRANCA	Silver medal – International spirits challenge 2019 Gold medal – Los Angeles International Spirits&Wine Competition 2016
BRANCAMENTA	Silver medal – International spirits challenge 2019 Gold medal – San Francisco World Spirits Competition 2016
ANTICA FORMULA	Best sweet vermouth – The world drinks awards 2021 Gold Medal – Excellence Spirits Awards 2020 Silver medal – International spirits challenge 2019 Gold medal – San Francisco World Spirits Competition 2017
CARPANO	Gold medal – World Spirits Competition 2022 Best dry vermouth – The world drinks awards 2021 (dry) Silver medal – International spirits challenge 2019 (White) Double Gold medal – San Francisco World Spirits Competition 2016 (White) Double Gold medal – San Francisco World Spirits Competition 2016 (Classic)
PUNT E MES	Silver medal – International spirits challenge 2019 Double Gold medal – San Francisco World Spirits Competition 2016
BORGHETTI	World Liqueur awards – World's Best Coffee Liqueur 2019
CANDOLINI	Double Gold medal – Los Angeles International Spirits&Wine Competition 2018 Gold medal – Best of Division and Best of Category Los Angeles Gold medal – Los Angeles International Spirits&Wine Competition 2016

The Branca Group's awards and recognition

AS AN ENTREPRENEUR

Niccolò Branca and the Branca Group have received important awards over the years.

Among them: the prestigious '2007 Results Award' promoted by Bain & Company, Il Sole 24 Ore, Centrale dei Bilanci and Bocconi University, the awarding in 2007 of the title of Honorary Professor at the Faculty of Economics of the Universidad del Salvador in Buenos Aires, the appointment as Cavaliere del Lavoro by the President of the Republic Giorgio Napolitano in 2011, the recognition by LIDE Italia and the Argentine Consulate for his commitment to relations between Italy and Argentina, the 'Di Padre in Figlio - Il gusto di fare impresa' (From Father to Son - The taste of doing business) award, an event promoted by Credit Suisse and KPMG for the best generational handover and special mention for the Financial Performance category in 2013, the 'Il Leader Consapevole' International Award by the Republic of San Marino in 2016 and the appointment, in the same year, as Official Knight of the Order of Sant'Agata of the Republic of San Marino. For two consecutive years, Chairman Niccolò Branca was among the three finalist winners of the EY Award: 'Entrepreneur of the Year', Global Category in 2008 and Finance in 2009; in July 2010, he was awarded by the monthly magazine Capital as one of the Italian entrepreneurs who have made Italy great, receiving 'The Golden Book of Italian Entrepreneurship' in the presence of the Prime Minister. In December 2011 he received the Seal of the University of Parma and in 2016 he was awarded the 'Captains of the Year' Award - Lombardy, and the 'Growth & Sustainability' Award, special mention, 'Business Excellence Award'.

In July 2019, President Niccolò Branca received an award from the Universidad Argentina de la Empresa (UADE) for his outstanding track record in business management and commitment to education, and in December, Forbes and Business International presented him with the 'CEO Italian Awards 2019' in the Food & Wine category.

In 2020, Fratelli Branca Distillerie S.p.A. received the 'Industria Felix, l'Italia che compete' award, selected from among 122 companies with registered offices in Italy that distinguished themselves for management performance, financial reliability and sometimes for

sustainability. Lombardy and Veneto with 22 award winners each, including Fratelli Branca Distillerie S.p.A., which was chosen from 18 strategic sectors and awarded this prize on the basis of objective criteria, which took into account an incontrovertible competitiveness algorithm (assessed on the basis of deposited financial statements), the Cerved Group Score (the financial reliability indicator of one of the most important rating agencies in Europe) and, as in the case of Fratelli Branca Distillerie S.p.A., the sustainability report/report.

The Branca Group has received an award as 'Sustainability Leader' based on research published by Il Sole 24 Ore. The result of a collaboration between the analysis company Statista and Il Sole 24 Ore, the award designates the 200 most sustainable Italian companies and takes into consideration, with reference to 2020, a series of environmental indicators such as: energy consumption, emissions, and waste management; social, such as safety at work, percentage of permanent employees, working conditions and economic, financial stability, compliance and transparency in the disclosure of information.

President Niccolò Branca has been appointed Corresponding Academician of Italy by the Argentinean National Academy of Economic Sciences. The award recognises the Branca Group's extraordinary industrial history in Argentina and its vision of a way of doing business based on Awareness, testifying to the unique link between the Company and the country.

In addition, Fratelli Branca Distillerie S.p.A. won the Smau Innovation Award: an award given to companies that have made an innovative and concrete contribution to their business and contributed to the growth of the country system as a whole. The award recognises the Group's digitalisation programme, which the Branca Group has undertaken by transversally involving a number of companies in various international project strands, with the aim of re-engineering, simplifying and automating key business processes and improving operational fluidity, performance and the level of service both internally and externally with timely and continuous sharing of information and KPIs.

¹ A complete view of the prizes won is available on the Branca Group website on the pages dedicated to each product.

Our values

FROM THE MOTTO 'NOVARE SERBANDO' TO THE PRINCIPLES OF THE ECONOMY OF AWARENESS



The motto '**Novare Serbando**' - handed down from generation to generation - is the guiding principle behind the company's growth, which has always combined quality and innovation while respecting tradition. This approach is in harmony with the changing socio-economic environment, market trends and consumer needs. The motto expresses and summarises the company's core values, which today are aligned with the principles of the **Economy of Awareness**.

"Novare Serbando" sums up how the Branca Group manages the present and looks towards the future, always keeping in mind the values that have made the family's industrial and entrepreneurial reality solid, now in its sixth generation. The "serbare" represents the founder's intuition that started a long tradition of craftsmanship and

production, using unchanged formulas for the preparation of products. Innovation has allowed the company to grow and establish itself as a successful business.

The core value of the Group is **Awareness**, which balances profit and ethics to create generative value, fostering harmony between the company, its employees and the territory. Through its Conscientiousness, the Branca Group produces excellence and manages the company with attention to the territories and communities that host it.



Awareness-based business management

Over the years, the Branca Group has been able to combine growth and tradition, holding firm to its **core values**. Values that still today find inspiration in the principles of the **Economy of Awareness**, guiding the Group towards sustainable development that respects all stakeholders. The focus on values translates daily into concrete initiatives that embrace every aspect of the business: from the efficient management of resources to the utmost respect for the environment, and a solid welfare system dedicated to employees and their families.

The Branca Group has always been inspired by **solid values and guiding principles** that have shaped its growth and success. At the heart of this philosophy are **people**, a precious resource and protagonist of the Group's development. **Growth, excellence and quality** are the

principles on which the Branca Group's corporate culture is based. Every Branca product is the result of a constant commitment to striving for perfection, guaranteeing consumers maximum safety and satisfaction. Aware of its social and environmental role, the Branca Group is actively committed to promoting inclusive and sustainable development in all the processes that govern its activities in the countries where it operates.

Creating a positive and productive working environment is crucial to the success of any organisation. The Branca Group places listening, dialogue and transparency at the centre of its corporate philosophy. The company is convinced that only by establishing relationships of trust and cooperation with its employees is it possible to create a serene and stimulating working climate. The Branca Group invests heavily in enhancing its human resources, understanding their **needs and expectations**. To this end, the Group has adopted a series of corporate welfare projects and initiatives aimed at improving the quality of life of its employees and their families. These include almost all permanent contracts, which provide stability and security for workers.

The Branca Group also pays great attention to respecting the fundamental rights of workers, an issue that is an integral part of its corporate culture. In this respect, it should be noted that the Group carries out its most significant operations in Italy and Argentina, countries that have ratified and implemented, in their respective national laws, the **UN Universal Declaration of Human Rights** and the fundamental conventions of the **International Labour Organisation (ILO)**, including the one on the abolition of forced labour and child labour and respect for freedom of association and collective bargaining.

In the area of products, one of the Group's main challenges is to promote the concept of responsible consumption, concentrating - through the various initiatives promoted - the company's commitment to spreading a **culture of quality drinking** that coincides with the pleasure of taste.

In the **environmental field**, **Fratelli Branca Distillerie S.p.A.** has adopted a **certified Environmental Management System (ISO**

14001) that recognises its commitment to continuous improvement in the areas of energy consumption, atmospheric emissions, efficient use of water resources, and waste and water discharge management. In addition, in demonstrating its sensitivity to environmental issues, **Fratelli Branca Distillerie S.p.A.** has adhered to **EC Regulation No. 1221/2009 EMAS**, which provides for a system of certification of the achievement of results of excellence in environmental improvement.

Fratelli Branca Distillerie S.p.A. has also implemented **certified management systems** for Occupational Health and Safety (**OHSAS 18001, later ISO 45001**), confirmed in 2019 after appropriate audits. In addition, the Food Safety and Quality Management System, already certified in past years in accordance with the BRC and IFS standards, was adapted to the requirements of the **ISO 22000** standard, a quality standard adopted during 2015. The system set up according to the ISO 22000 standard was audited and confirmed in November 2022.

The Argentinian subsidiary, **Fratelli Branca Destilerías S.A.**, has also implemented a number of management systems such as ISO 22000, ISO 14001 and, from 2021, ISO 45001, as well as having developed specific policies. During 2017, on the other hand, the organisational model, which had already been introduced in 2014 together with a code of conduct and the 'Code of Ethics', had been updated on several occasions with the regulatory changes that had taken place and the company's needs.

Moving into the future, the Branca Group is aware of the challenges that await it and that it will only be possible to achieve its goals through the continuous commitment of its people and by constantly **listening to its stakeholders**.



The Economy of Awareness

*AND THE CULTURE OF SUSTAINABILITY
IN THE BRANCA GROUP*

Since 1999, Niccolò Branca, President and CEO, has promoted the Economy of Awareness within the company. This entrepreneurial approach puts people at the centre, in harmony with the environment and the community.

The term 'Economy of Awareness' is derived from the etymology of 'economy' (from the Greek oikos - home, and nomos - rule), indicating a living in harmony with oneself and the environment. Awareness implies a sense of limits and a balance in production, consumption and growth.

These principles are the pillars of the Branca Group's sustainability, recognising the interdependence of economic, social, envi-

ronmental and human aspects in business.

The Branca Group has always valued naturalness of products, quality, environmental protection and safety at work. It believes that profit, essential for collective prosperity, must be pursued ethically.

Profit makes it possible to pay salaries, suppliers, invest in research and contribute to state services through taxes. A healthy company creates prosperity for all. However, the Branca Group emphasises that profit must respect people, the environment, communities and consumers, remembering our interconnectedness and common purpose. It is a moral duty to also consider non-financial aspects in new busi-

ness opportunities.

The Branca Group's objectives are also shared with all people, so that everyone has a clear vision of the purpose of their work within a common project.

Our stakeholders

Stakeholders, as also defined by the GRI Standards, are individuals or groups that have a **significant interest** in the organisation's activities, products or services, or whose actions may **influence** the organisation's ability to successfully achieve its strategies and objectives. For the Branca Group, they represent the main stakeholders with whom it is essential to establish a relationship and to whom strategic choices and daily actions must be addressed.

Developing an active collaboration and maintaining a constant dialogue with stakeholders is crucial to improve the perception of the Branca Group externally and align stakeholders' expectations. In 2019, when

preparing the Sustainability and Awareness Report, the Branca Group **updated its stakeholder mapping** to better define their relevance and the impact of their expectations on the Group's strategies. This mapping has also been confirmed for 2023.

The mapping not only identified the most relevant stakeholders, considering the changes within the Branca Group and the operating context, but also identified specific **areas of interest** for each stakeholder category. This identification is crucial for aligning **corporate priorities with stakeholder interests**, providing a clearer perspective on the Group's actions. Indeed, the Branca Group recognises

that meeting stakeholders' legitimate needs and expectations is essential to create value in the territories in which it operates.

STAKEHOLDER CATEGORY	RELEVANCE AND MODES OF INTERACTION
CUSTOMERS	Customers are the Branca Group's first interlocutors: the success of each brand and of the Branca Group depends on the ability to intercept their needs and to identify the most effective product distribution channels. In order to understand their needs, the Branca Group maintains direct contact with its customers through online and telephone channels.
END CONSUMERS	The focus on spreading a culture of responsible drinking and protecting consumer safety through the development of a quality product is a key aspect of the Branca Group's management policy. On the many occasions in which it relates to end consumers, the Branca Group ensures that its messages are conveyed in a consistent and responsible manner.
SHAREHOLDERS	The shareholders of the Branca Group are increasingly focused on how it creates sustainable value, particularly in the long term. Today, corporate social responsibility plays a strategically important role because, in addition to strengthening the reputation, it is the perspective with which the Branca Group looks to the future.

SUPPLIERS

The Branca Group requires its suppliers to manage their business responsibly, in line with the Group's ethical standards. With this in mind, the Group actively cooperates, organising inspections and regular coordination meetings with the aim of establishing relations of mutual trust with its suppliers and ensuring good business management.

LOCAL COMMUNITIES

The Branca Group has always been an integral part of the territories in which it operates, as well as an active participant in a cultural exchange and enrichment towards the territory. To this end, the Branca Group independently undertakes and collaborates with various realities in the implementation of initiatives that support the socio-economic development of local communities, and maintains an active dialogue with them through online and telephone channels.

EMPLOYEES

People, seen as an end and not a means, are the most valuable resource. The Branca Group is committed to involving employees in company life, fostering engagement and a sense of belonging. In particular, it organises performance appraisals and discussions to identify the needs of its people.

PUBLIC ADMINISTRATION

Relations with the Public Administration are inspired by the principles of fairness and transparency and are managed with impartiality. The Branca Group acts in compliance with the law and adopts an organisation and management model to prevent any violation of the regulations in force and to ensure full compliance.

TRADE ASSOCIATIONS

Continuous dialogue with trade associations enables the Branca Group to stay up-to-date on industry trends and to develop coordinated initiatives on issues of common interest, such as responsible consumption, which require the participation of multiple stakeholders to be effective and cannot be limited to the size of a single company.

PRINT/MEDIA

Press and media, understood in the most general sense of the term, thus also including social networks, represent an increasingly strategic player in building solid relationships with its customers and end consumers, as well as in establishing a real dialogue with different targets. The relationship and communication activities, two-way and constant, are based on the principles of transparency, responsibility and relevance of content.

BARTENDER

The satisfaction of the bartender community, in their broadest sense, is a key element in creating a preferential relationship for the portfolio brands over the competition. With this in mind, the Branca Group periodically organises multiple initiatives aimed at involving and motivating bartenders.



Sustainability issues and materiality analysis

The identification of **distinctive and relevant topics** for the business is fundamental to define value creation strategies, ensure the effective implementation of activities and establish the content of communication and dialogue with stakeholders. In past years, the Branca Group has adopted the GRI Standard guidelines for sustainability reporting, identifying the '**material**' topics on which to base its reporting. The materiality analysis, i.e. the process of identifying the sustainability issues to be reported, was conducted in three stages, involving various Branca Group divisions and international offices.

To identify an initial long-list of sustainability topics relevant to the Branca Group, industry publications in the food & beverage field were examined and peers and competitors analysed. Subsequently, to determine the truly material topics for the business, 26 people were involved, including CEOs and executives from Italy, Argentina and the USA, who rated the level of relevance of each topic (on a scale of 1 to 10) both internally and for key stakeholders. The topics with a rating above 7, indicative of high or very high relevance, were considered material.

In 2023, the Branca Group confirmed the results of the materiality analysis concluded in 2022, in line with the new guidelines of the GRI Universal Standards 2021, which introduced the concept of '**impact materiality**' or impact materiality. This update provided for the identification of material topics based on materiality, i.e. the level of benefit or severity of current and potential positive and negative impacts that the organisation can generate on the economy, society and the environment. The analysis of industry trends and peer sustainability documents confirmed the significance of the themes that emerged in the previous year.

SIZE ESG	MATERIAL THEME	RELATED IMPACTS	NATURE OF IMPACT
CORPORATE	• Legality, transparency, ethics and business integrity	An administration and control system of the Company that operates in accordance with the principles of integrity and professional ethics, in compliance with laws and regulations, contributes to building a relationship of trust between the Company and its stakeholders.	Current
	Creation and distribution of the economic value	A reliable and resilient business enables the continuous increase of socially oriented value generation, creating positive impacts for all stakeholders.	Current
SUSTAINABILITY OF BUSINESS	• Management supply chain manager	Poor monitoring or lack of principles and guidelines with respect to management of environmental and social issues by their suppliers increases the risk of negative impacts throughout the supply chain, both environmental and social, with reputational and economic consequences. In order to mitigate the risk, the Branca Group is committed to implementing a selection process based on economic, environmental, social and local criteria and aims, where possible, to establish partnerships that guarantee long-term supplies and relationships marked by the principles of fairness, transparency, correctness and based on mutual trust.	Potential
	• Quality and safety of raw materials and the product	The lack of quality in raw materials has a negative impact on the possibility of establishing trusting relationships with customers, due to the offer of products that are not in line with their expectations and needs. In order to mitigate the risk, establishing its presence in the food chain as a synonym for quality, the Branca Group's production companies have implemented appropriate quality control systems and procedures.	Potential
	• Marketing, communication and responsible consumption	Excessive consumption of alcohol products could potentially have a negative impact on consumers' health. To counter this impact, the Branca Group promotes responsible consumption of its products through communication campaigns that convey to its consumers the importance of using them moderately.	Potential
	• Customer Relationship & satisfaction	The satisfaction of the end consumer and the involvement of the bartender community are fundamental and distinctive elements for the recognition of the portfolio brands. In order to involve them and better understand their needs, the Branca Group provides customers/end consumers with direct, immediate and easily available communication channels with the various companies. Through these listening mechanisms, it is possible to understand the needs and offer products in line with consumer requirements.	Current

SIZE ESG	MATERIAL THEME	RELATED IMPACTS	NATURE OF IMPACT
 SOCIAL THEMES	• Health and safety at work	The use of production machinery, the handling of goods, the organisation of warehouses, can all lead to accidents to the health of employees. In order to minimise these risks, the Branca Group's production companies have set up health and safety management systems and organise initiatives to develop and promote a culture within the organisation that ensures the effectiveness and efficiency of the system.	Potential
	• Development, human capital formation and collaborative meritocracy	Offering employees opportunities for personal and professional growth, investing in continuous development and updating, favours the acquisition by them of skills necessary for business development and the increase of the Branca Group's attraction and retention capacity. This favours business continuity and at the same time generates positive impacts on employee satisfaction and their personal and professional growth, as well as generating employment in the area.	Current
	• Corporate welfare and well-being	Attention to the employee and his needs, the development of diversified initiatives for his physical, mental and economic health, guarantee a positive impact on employee satisfaction, which is indispensable for business continuity. Being a multinational organisation, the Branca Group faces the challenge of managing a heterogeneous workforce, working daily to meet the diverse needs of its people in order to create a virtuous, healthy and motivated working environment.	Current
	• Diversity, inclusion and human rights	A working environment oriented towards inclusiveness, valuing diversity and respecting the needs of all staff (e.g. ethnic, religious, etc.), makes it possible to create a healthy environment in which employees feel accepted and understood, positively impacting on their satisfaction and their personal and professional development.	Current
	• Development of initiatives and involvement of local communities	The Branca Group creates value in the local area, contributing to local economic development by organising and participating in initiatives to support the community.	Current
 ENVIRONMENTAL THEMES	• Energy efficiency and climate-change	Failure to monitor the environmental impact generated by industrial energy-intensive operations leads to an increase in greenhouse gas emissions (thus contributing to climate change and global warming). Aware of the impact of its operations, although the Branca Group is not an energy-intensive company, it has always been committed to the progressive reduction of energy consumption.	Current
	• Circular economy and recyclability	Failure to monitor the environmental impact generated by water-intensive operations and activities can have an impact on water availability, especially in water-stressed areas, just as the improper storage or disposal of waste can contaminate surrounding waters and soils. In order to mitigate these impacts, proper waste management, attention to the use of reusable packaging and optimisation of water consumption play a central role in the Branca Group's approach to the environment.	Current

Material topics are fundamental to the drafting of the **Sustainability and Awareness Report**, as they determine the indicators, data and information to be included in the document. Moreover, their definition will, in the future, be the main tool used by the Group to develop **sustainability policies and strategies**. This will allow it to adapt to changes in the spatial and temporal context in which it operates and to identify areas on which to focus stakeholder engagement activities.







The Branca Group and the 2030 Agenda

THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations adopted the Global Agenda for Sustainable Development, consisting of 17 **Sustainable Development Goals (SDGs)**. They are divided into 169 targets and monitored through more than 240 indicators, with a deadline of 2030. Given the magnitude and importance of the goals, the implementation of the Agenda requires the **involvement of all components of society**, including business, the public sector, civil society, philanthropic institutions, universities, research centres, and the media.



Starting with the 2019 edition of the **Sustainability and Awareness Report**, in order to place its sustainability goals and performance within a broader and more ambitious context, aligned with the Branca Group's way of doing business and understanding development, **the Branca Group has decided to refer to the SDGs**, and in particular to the targets most affected by its activities. This recognition represents the first step towards the UN Sustainable Development Goals, with the prospect of a progressive integration in the Branca Group strategy, as well as in the reporting, to give evidence of the Branca Group's contribution to their achievement.

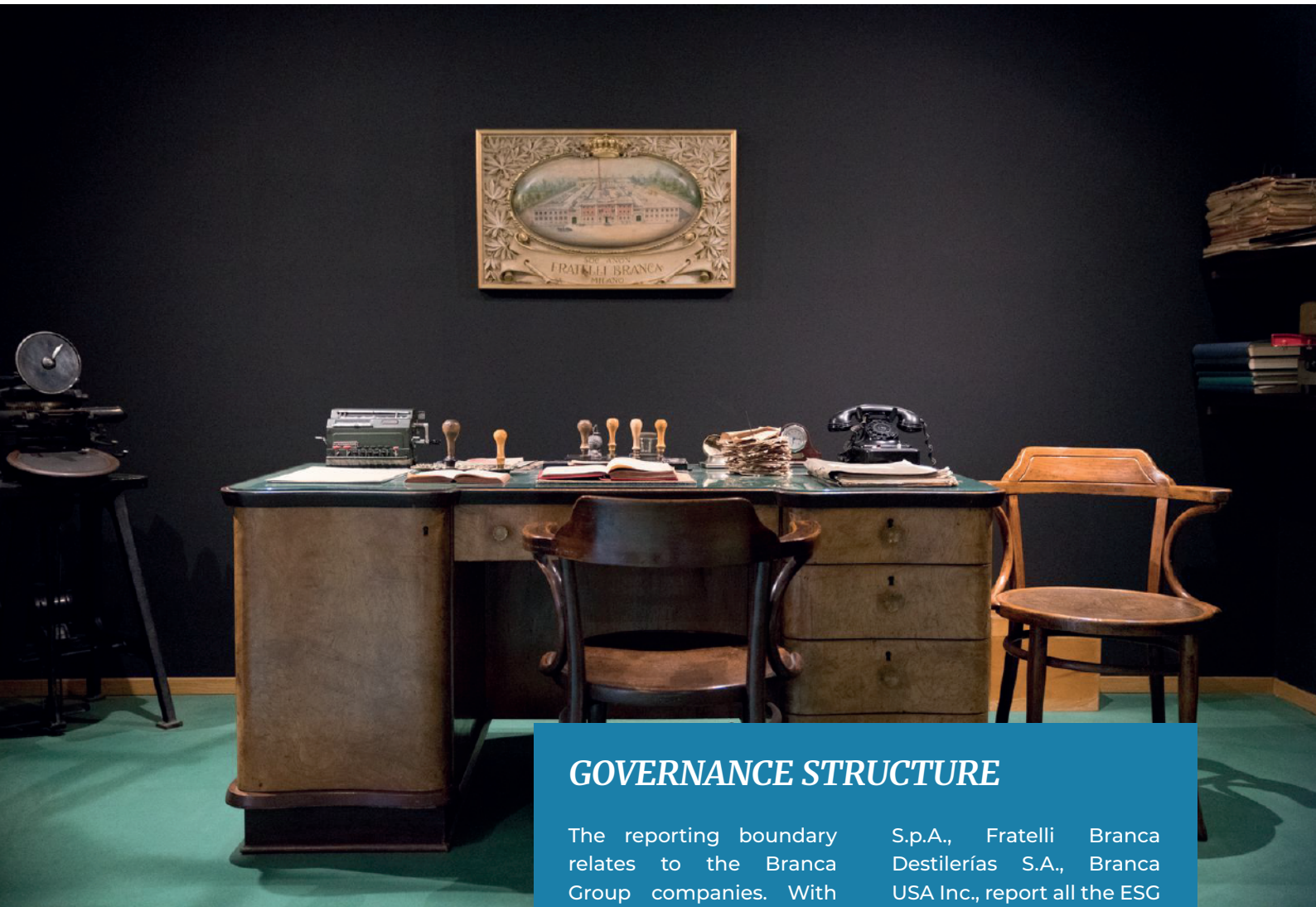
	DESCRIPTION OF THE OBJECTIVE	BRANCA MATERIAL THEMES*	TARGET SDGs LINKED
	Ensuring health and well-being for all and for all ages.	<ul style="list-style-type: none"> Quality and safety of raw materials and product Responsible marketing, communication and consumption Health and safety at work Corporate welfare and well-being Development of initiatives and involvement of local communities 	<p>3.5 Strengthening the prevention and treatment of substance abuse, including drug abuse and harmful use of alcohol</p> <p>3.6 By 2030, halve the number of global deaths and injuries from road accidents</p>
	Ensure quality, equitable and inclusive education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> Development, human capital formation and collaborative meritocracy Corporate welfare and well-being Development of initiatives and involvement of local communities 	<p>4.4 By 2030, substantially increase the number of young people and adults with the necessary skills, including technical and vocational skills, for employment, decent jobs and entrepreneurial skills</p>
	Achieving gender equality and empowerment of all women and girls.	<ul style="list-style-type: none"> Corporate welfare and well-being Diversity, Inclusion and Human Rights Development of initiatives and involvement of local communities 	<p>5.1 Ending all forms of discrimination against all women, girls and young women everywhere</p> <p>5.5 Ensuring women's full and effective participation and equal leadership opportunities at all levels of decision-making in political, economic and public life</p>
	Ensuring access to affordable, reliable, sustainable and modern energy systems for all.	<ul style="list-style-type: none"> Energy efficiency and climate change 	<p>7.2 By 2030, significantly increase the share of renewables in the global energy mix</p>
	Promoting lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"> Creation and distribution of economic value Health and safety at work Responsible supply chain management 	<p>8.3 Promote development-oriented policies that support productive activities, decent work creation, entrepreneurship, creativity and innovation, and foster the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services</p> <p>8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, particularly migrant women, and those in precarious employment</p>
	Ensuring sustainable patterns of production and consumption.	<ul style="list-style-type: none"> Circular economy and recyclability Responsible supply chain management 	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>12.6 Encouraging companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information in their regular reports</p>

	DESCRIZIONE OBIETTIVO	TEMI SOSTENIBILITÀ BRANCA INTERNATIONAL*	TARGET SDGs COLLEGATI
	Take urgent measures to combat climate change and its consequences.	<ul style="list-style-type: none"> Energy efficiency and climate change 	13.2 Integrating climate change measures into national policies, strategies and plans
	Promoting peaceful and more inclusive societies for sustainable development; providing access to justice for all and creating efficient, accountable and inclusive bodies at all levels.	<ul style="list-style-type: none"> Legality, transparency, ethics and business integrity 	16.5 Substantially reducing corruption and bribery in all their forms

● Social themes
 ● Environmental issues
 ● Governance issues
 ● Supply chain themes

*The theme 'Customer relationship & satisfaction' is not linked to any SDGs

Corporate Governance



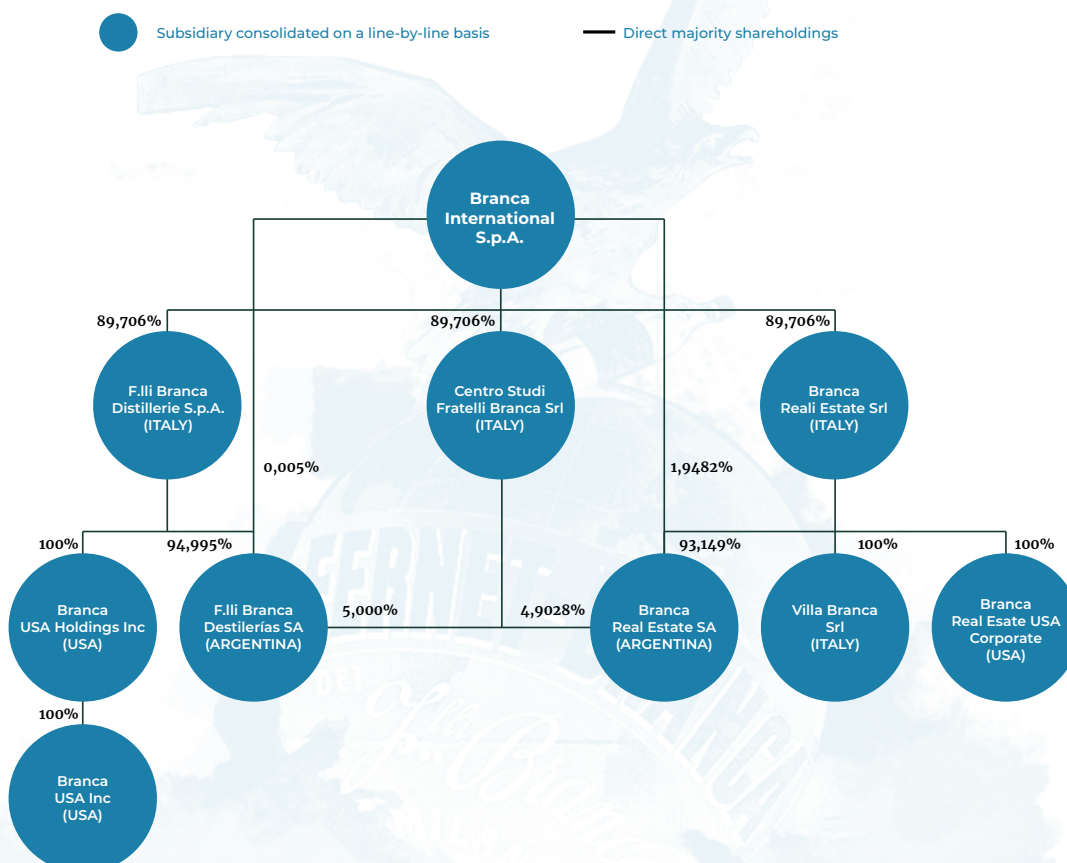
GOVERNANCE STRUCTURE

The reporting boundary relates to the Branca Group companies. With reference to these entities, economic, social and environmental performance is reported, insofar as it pertains to each of them, in accordance with the guidelines set forth in GRI Standard 2021 for defining the contents of Sustainability Reports. In particular, the companies Fratelli Branca Distillerie

S.p.A., Fratelli Branca Destilerías S.A., Branca USA Inc., report all the ESG indicators reported, while the companies Centro Studi Fratelli Branca S.r.l., Branca International S.p.A and Branca Real Estate S.r.l.² not being productive report only the relevant indicators in the social and governance areas.

² This company is not significant as it has no employees, manages its own properties that are used by the other Group companies for which the relevant KPIs have been identified.

THE BRANCA GROUP STRUCTURE



The Branca Group's corporate governance system is inspired by the principles of **fairness and transparency** in management and information to stakeholders, which are also guaranteed through a continuous verification process that ensures their concrete application and effectiveness. In fact, the Branca Group has structured its own Corporate Governance organisation, within which the roles and responsibilities of the professional figures involved in managing and controlling company processes are represented. Moreover, in order to guarantee a 'quality certification' for its activities in favour of the counterparties it interfaces with, the Branca Group has an **Organisational Model 231**.

The main bodies involved in the Branca Group's governance activities are:

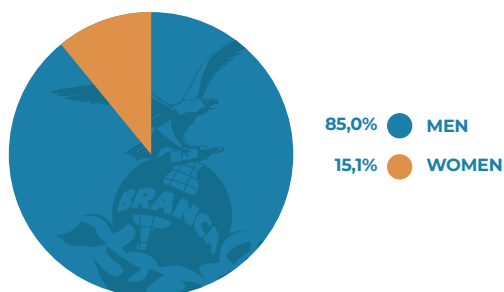
- **Board of Statutory Auditors:** conducts continuous monitoring activities to verify the compliance of company operations with internal directives and corporate objectives, while ensuring the protection of company assets, the accuracy of data and the prevention of fraud and significant errors;

- **Supervisory Board:** (Supervisory Board, pursuant to Legislative Decree 231/01) which is responsible for supervising the operation of and compliance with the Organisation, Management and Control Model, as well as taking care of its updating. The Body is also the recipient of information flows of both a periodic and 'event' nature. The latter, in particular, allow those who become aware of possible violations of the provisions of the Code of Ethics or the measures of the Model to submit reports to protect the integrity of the Company.

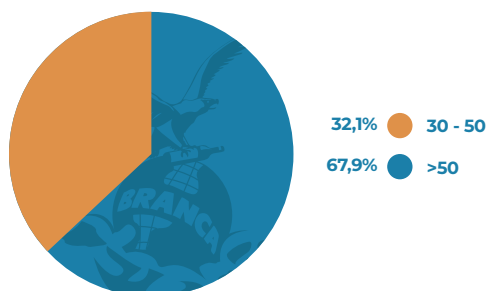
By virtue of the Parent Company's control, the shareholding structure of Fratelli Branca Distillerie S.p.A. is 100% owned by the Branca family. The Board of Directors of Branca International S.p.A. was appointed by the Shareholders' Meeting on 25 June 2020 for a three-year term and is chaired by Niccolò Branca, who is also Chairman and Managing Director of the Parent Company, Executive Chairman of Fratelli Branca Distillerie S.p.A. and Chairman of Fratelli Branca Destilerías S.A. In line with the provisions of the Code of Ethics, the Branca Group acts to ensure that the Chairman, as well as all persons who are in any way involved in transactions, are not in a situation of conflict of interest.

As depicted in the graphs below, which show the percentages relating to the composition of the Board of Directors of all Branca Group companies, women make up 15.1% of the total membership. With respect to age composition, 32.1% of the total is made up of members between 30 and 50 years of age and the remaining 67.9% by members over 50.

FEMALE PRESENCE ON THE BOARDS OF GROUP COMPANIES IN 2023 (HEADCOUNT)



BREAKDOWN BY AGE GROUP OF THE MEMBERS OF THE BOARD OF DIRECTORS OF GROUP COMPANIES (HEADCOUNT)



In the specific cases of the three companies that are the focus of this report, the BoD of Fratelli Branca Distillerie S.p.A. has 8 members, 2 of whom are women; the BoD of Fratelli Branca Destilerías S.A. has 8 members, 2 of whom are women (29% of the total); finally, the BoD of Branca USA has 6 male members. No member of the BoDs is under 30 years of age and, in line with the other governance bodies of the Branca Group.

For **Fratelli Branca Destilerías S.A.**, the Board of Directors is composed of a number of members decided by the Shareholders' Meeting, varying between three and nine, with a three-year term of office, renewable, according to the company's bylaws. Each regular director may have an alternate director, appointed for the same period, to replace the regular director in case of absence or impediment.

Board decisions require the presence of a majority of the members and are approved by a majority of the votes present. Legal representation is the President of the Board of Directors or, in his absence, a Vice-President.

Supervision is entrusted to a Full Trustee, elected by the Shareholders' Meeting for a three-year term, which may be re-elected. The Shareholders' Meeting also elects an Alternate Trustee to replace the incumbent in the event of absence. Currently, the Board consists of eight full and six alternate directors, as well as one statutory auditor and one alternate trustee. The Board sets strategy and monitors management, meeting quarterly to review company performance. The company is subject to the Companies Act No. 19.550. The term of office of the directors ends with the Annual General Meeting at the end of the fiscal year 2024, scheduled for April 2025.

Branca USA is governed and guided by the six-member Board of Directors. In line with the parent company, the Board sets long-term goals, establishes corporate policies and ensures full adherence to the Branca Group's vision and values. In addition, Branca USA has three committees. The Compensation Committee is responsible for defining and implementing compensation policies that are competitive and aligned with corporate objectives, ensuring that executive compensation is linked to individual and collective performance. On the other hand, the Executive Leadership Team, composed of key executives, is responsible for defining and implementing corporate strategy, overseeing operations and developing talent. Finally, the Sales Leadership Team, consisting of the top salespeople, guides sales activities and promotes a customer-oriented culture.

LEGALITY, TRANSPARENCY, ETHICS AND INTEGRITY

The Branca Group is committed to ensuring **fair and correct** behaviour in corporate relations in all the countries where it operates. In fact, the Branca Group ensures constant control and monitoring of its partners and third parties so that they behave **ethically, non-discriminatorily and with respect for the working environment and for the personali-**

ty and dignity of each individual anywhere in the world. The Branca Group's commitment to recognising its own founding values as a unique asset through which to spread a corporate culture oriented towards legality, fairness and loyalty has been implemented through various tools that have been introduced over time:

Thanks to the tools described above, the Branca Group strives daily to ensure compliance with local and industry regulations and **high standards of integrity, transparency and ethics** in business management in every decision.

The Branca Group ensures compliance with all regulations in the areas of product quality, consumer health and safety, environment and marketing practices: all areas in which, in the last three years, there have been **no reports or incidents of non-compliance and no monetary sanctions have been received**. Moreover, within the Branca Group there are no companies or operating units located in low-tax countries or with restrictions on trade union freedom.

In order to actively involve employees in preventing unlawful conduct or violations of the law in the organisation's operations or business relations, the Italian company Fratelli Branca Distillerie S.p.A. has activated a **whistleblowing platform**. Through this channel, any employee can make anonymous and confidential whistleblowing reports, regardless of whether the individuals themselves have been wronged or not, within a protected system in line with the provisions of the relevant regulations.

In the last three years, **no cases of corruption have been recorded and/or reported** in any of the entities in which the Branca Group operates.

THE PRINCIPLE OF COLLABORATIVE MERITOCRACY AND HUMAN RESOURCES MANAGEMENT

The governance approach adopted by the company has been defined as '**Collaborative Meritocracy**', i.e. a culture of responsibility and not power, an organisational logic based on cooperation and recognition of the merit not only of the individual but of all the people who, with their work and support, have contributed to implementing the original idea. Collaborative Meritocracy encourages the sharing of ideas and develops self-responsibility, recognising that the well-being of the company and its people is interconnected. Proactivity, assertiveness, accountability, integrity and the ability to execute are in fact the pillars of doing business, according to a principle of organising the work environment based on the simplification of procedures, the circulation of information, and a culture of collaboration and responsibility.

Human resources management policies also include a focus on meritocratic selection principles and 'talent attraction and retention'. Finally, the Group maintains a constant and constructive dialogue with trade unions in all its territorial offices.

- The **Code of Ethics**, drafted in 2006 following the evolution and expansion of the Branca Group, which gathers the essential core of values rooted in the corporate culture underlying people's actions and which defines the ethical commitments and responsibilities of Branca Group directors, employees and collaborators, both in conducting business and in managing relations;
- The **Organisation, Management and Control Model** pursuant to Legislative Decree no. 231/01 (hereinafter also Model 231) with the aim of preventing the offences provided for therein, including offences against the Public Administration, corporate and financial offences, offences against the Environment and against Safety in the Workplace;
- The **Code of Conduct**, an integral part of Model 231, which regulates the set of rights, duties and responsibilities that the Branca Group assumes, through its corporate bodies and its staff, in carrying out its business, towards all stakeholders that have a direct or indirect relationship with the Branca Group and that are able to influence its business or are affected by it;
- The policies and procedures adopted locally that, in line with the values and guidelines established by the Branca Group, guide each company in achieving common goals;
- The Sustainability and Awareness Report as a further tool available to stakeholders to disseminate the Branca Group's commitment to Corporate Social Responsibility issues.



Economic value directly generated and distributed



In 2023, the Branca Group confirms the export of Made in Italy worldwide. With its conscious business model and the quality of its products, the Branca Group bases its strategy on the following **strategic levers**:

THE BRANCA GROUP'S STRATEGIC LEVERS

- BRANDS
- HERITAGE DUE TO MARKET PRESENCE WITH MAJOR AND INNOVATIVE ADVERTISING INVESTMENTS FOR ALMOST 180 YEARS
- HIGH PRODUCT QUALITY STANDARDS: RAW MATERIALS, PRODUCTION PROCESS AND QUALITY CONTROL SYSTEM
- THE UNIQUENESS OF THE PRODUCTS, ALSO LINKED TO THE SECRECY OF HISTORICAL RECIPES
- ITALIAN KNOW-HOW
- CRAFTSMANSHIP THAT IN THE WORLD OF SPIRITS BRINGS NOT ONLY ATTENTION TO THE PRODUCT, BUT ALSO THE PERSONALITY OF TASTE, MAKING IT ACCESSIBLE TO ALL
- GEOGRAPHICAL PRESENCE PROGRESSIVELY EXTENDED SINCE THE BEGINNING OF ENTREPRENEURIAL ACTIVITY IN THE MID-19TH CENTURY
- THE VALORISATION OF PEOPLE, CONSIDERED AS AN END AND NEVER AS A MEANS, IN THE BROADER LOGIC OF 'COLLABORATIVE MERITOCRACY'.



The Branca Group operates with an increasingly international outlook, continuing the development trend it has pursued over the years and also confirmed with the start of Branca USA operations in 2019.

In this context, without prejudice to the appreciation for Italian products and the recognised quality of Branca products, the economic results cannot but be conditioned also by exogenous variables that do not depend on the Branca Group's choices. The most significant, and most challenging, event of the year was undoubtedly the ongoing conflict between Russia and Ukraine, the size and outcome of which at present remain largely unpredictable. In addition, the conflict between Israel and Palestine further prolonged and aggravated the situation of uncertainty and a further tightening of costs, mainly due to the increase in the cost of gas and energy, as well as a lower availability of raw materials.

Despite the unstable geopolitical and macroeconomic context, 2023 was a positive year for the Branca Group. In Italy, in its specific segment, Fratelli Branca Distillerie S.p.A. increased its value share to 6.3 points and recorded an increase of +0.1pts compared to last year, while in volume the share reached 5.7 points with an increase of +0.2pts. All brands contributed to the growth by recording positive performances in both volume and value.

The year 2023 proved particularly complex for Argentina, characterised by an unstable political and macroeconomic environment. The presidential elections, held later in the year, generated a high degree of uncertainty, with a fragmented election result further complicating the political situation. At the same time, the country faced one of the worst droughts in decades, with serious repercussions on the agricultural sector, a fundamental pillar of the Argentine economy. The drastic reduction in agricultural exports

limited foreign currency inflows, putting pressure on the central bank's reserves and fuelling tensions in the currency market. Faced with this situation, the government introduced restrictive exchange rate measures, trying to contain the demand for dollars and avoid an excessive devaluation of its currency. However, these measures have generated a significant gap between the official and parallel exchange rates, further fuelling economic instability.

Political uncertainty and the economic crisis triggered an unprecedented inflationary spiral. The exchange rate depreciated by 356.3% annually, while inflation exceeded 211%. Despite price controls, inflation has eroded consumers' purchasing power and made economic planning difficult for businesses and households alike.

In Argentina, Fratelli Branca Destilerias S.A. achieved sales growth of 13.5%, and an increase in total volumes sold of +5.6% compared to the previous year, where the local market grew by 15.2%, while the foreign market had a significant increase of 15.6%. The company saw continued growth in Fernet-Branca and good performances in the Sernova vodka line and Carpano vermouth, with volume increases well above the company's general average.

Branca USA began operations in early 2019, effectively replacing the incumbent importer and taking care of the coordination and management of the commercial side in the North American territory through the direct import of products and the implementation of strategies for the diffusion of Branca-branded brands and products. In line with previous years, the Company is committed to consolidating the foundations for solid, sustainable and lasting growth. In 2023, net sales revenues decreased by 13.8% year-on-year.

In general, the export markets (particularly the Far East, Europe

and the United States) confirmed a significantly growing trend, making a decisive contribution to the positive performance of the core business.

During the reporting year, the management of Branca's product portfolio confirmed the strategy of maintaining the focus on existing and traditionally strong products such as Fernet-Branca and Brancamenta and on the vermouth and aperitif segment. This segment continues to attract particular interest from consumers, both in the domestic market and in the international markets where the Branca Group competes.

At a general level, the Branca Group's further development objectives on a country/brand basis include:

- **continuation and consolidation of the Branca Group's international development;**
- **deseasonalisation and deregionalisation of consumption of certain brands;**
- **expansion of the product portfolio to customers already served;**
- **expansion of the customer base served;**
- **improving internal operational integration;**
- **internal sharing of development objectives and common brand management;**
- **consolidation of a sustainable business model that integrates ESG aspects throughout the value chain.**

Branca Group results

The results of operations are summarised in the following tables as presented in the Branca Group Consolidated Financial Statements, which show the main figures 2023 of the Consolidated Balance Sheet and Profit and Loss Account of the companies belonging to the Branca Group, i.e. Branca International S.p.A, Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A., Branca USA Inc., Branca Holding Inc., Branca Real Estate S.r.l, Branca Real Estate USA Corp., Branca Real Estate Argentina S.A and Centro Studi Fratelli Branca S.r.l., compared with the two previous years.

MAIN ITEMS IN THE PROFIT AND LOSS ACCOUNT	CONSOLIDATED BRANCA GROUP		
AMOUNTS IN €/000 ³	2021	2022	2023
Revenues	307.473	420.142	355.219
Gross Operating Margin	124.920	192.219	168.001
Operating Result	111.379	179.803	157.186
Net Result	36.451	51.872	76.284

As shown in the table, the main items of the Income Statement (Revenues, Gross Operating Margin, Operating Result and Net Result) referring to the year 2023, show a decrease compared to the previous year. In particular, revenues from sales and services amounted to €/000 64,923 (-18.27%) compared to 2022, standing at €/000 355,219 in 2023, against €/000 420,142 in the previous year. This decrease is the result of a reduction in business volumes of the Argentine companies due to the devaluation of the Euro/ARS exchange rate.

The results in 2023 are a reflection of the geopolitical situation considering that the weakness of the world economy and that of international trade, linked to the continuing geopolitical uncertainty, continued in the first months of the year. This caused inflation to persist at high levels in the major advanced economies and interest rates to rise.

The main items of the Branca Group's Balance Sheet and Consolidated Balance Sheet are presented below. As can be seen from the table, Current Assets at the end of 2023 increased due to the growth in the Branca Group's business (increase in securities) while Payables decreased by about 28%, Shareholders' Equity continues to increase by about 6 percentage points each year due to a steady growth in profit in the company.

MAIN BALANCE SHEET ITEMS	CONSOLIDATED BRANCA GROUP		
AMOUNTS IN €/000	2021	2022	2023
Circulating Assets	694.231	741.112	785.497
Active Fixed	179.982	187.577	172.422
Shareholders' Equity	772.884	818.427	879.375
Debts	94.866	106.211	75.780

³ The figures shown are taken from the Management Report prepared by Branca Group management

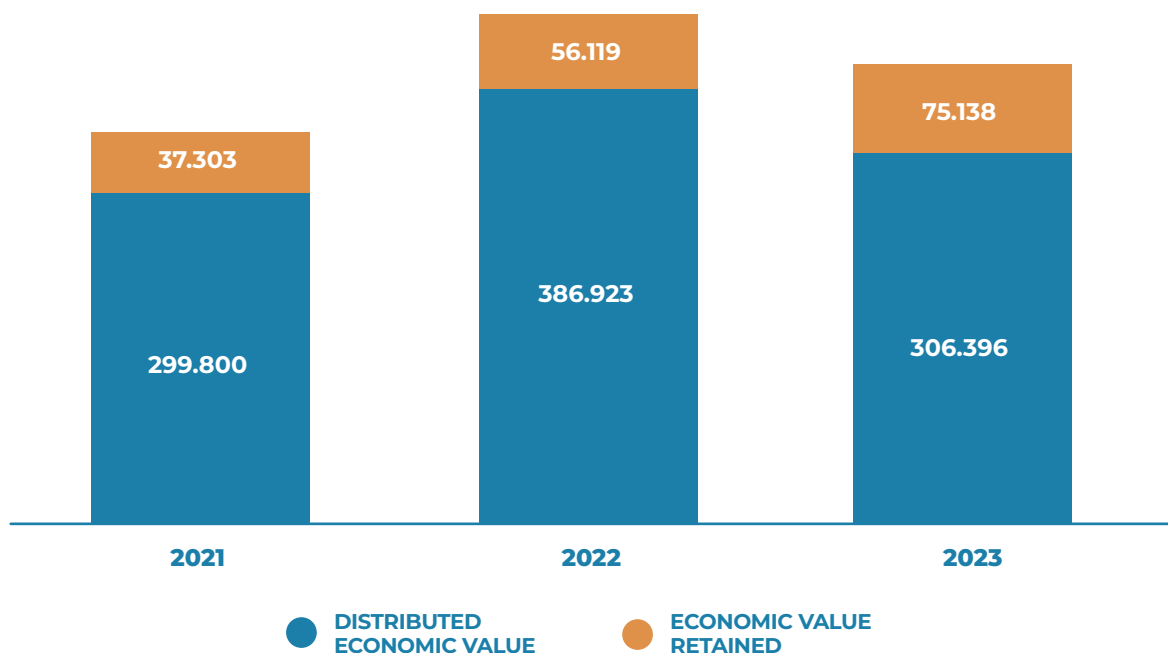
Directly generated and distributed economic value

In 2023, the Branca Group generated an economic value of €381.53m through its business activities, which was 14% lower than in 2022. This is partly due to the unstable geopolitical environment caused by the ongoing wars, resulting in cost inflation and tax increases. Despite this, the Branca Group has seen real growth in turnover mainly in Italy, Argentina and the United States. The incidence of production costs decreased despite the general rise in prices; this improvement is mainly attributable to the

higher volumes sold, which allowed a good absorption of the cost increase.

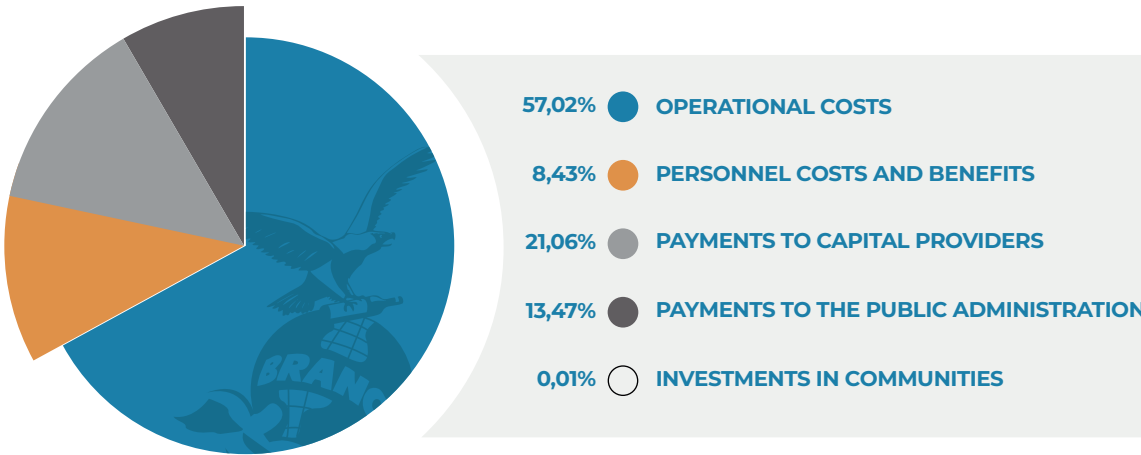
More than 80% of the generated value (corresponding to EUR 306.4m) was distributed to the various stakeholders. The distributed value decreased by 20% compared to 2022 (not reconfirming the upward trend that had already been recorded in 2022 compared to 2021).

CONSOLIDATED
ECONOMIC VALUE GENERATED AND DISTRIBUTED OVER THE THREE-YEAR PERIOD (€/000)



More specifically, as depicted in the graph below, over 57% of the economic value distributed went to cover the company's costs for the acquisition of goods and services (production costs, payments to suppliers) and 21% to capital suppliers ⁴. To a lesser extent,

13.4% went to the public administration for tax payments, 8% was distributed to employees, and 0.1 went to community investments, e.g. through grants and donations.



⁴ This value includes the accounting for the consolidation of hyperinflation in Argentina and other financial valuations included in income statement item C ¹⁷⁾ Interest and other financial expenses

Overall, the economic value retained, i.e. the difference between the value generated and the value distributed, amounted to some €75.13 million.

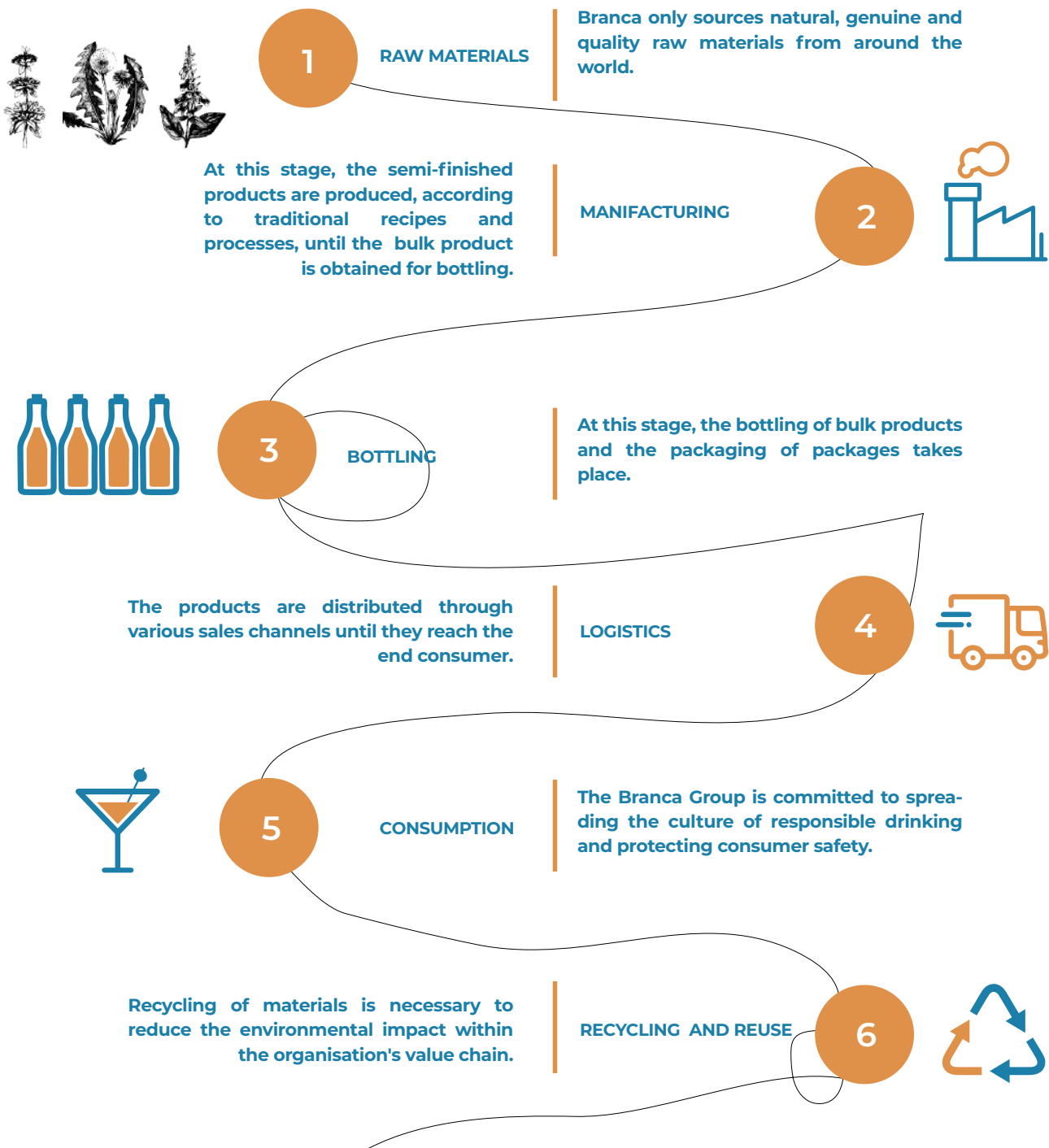


The excellence of Branca products

Made in Italy quality and innovation, together with respect for tradition, are the values that make Branca products unique and appreciated all over the world. The careful selection of ingredients and adherence to traditional formulas, handed down intact over time, allow the Branca Group to maintain strict quality control over the entire production chain.

THE VALUE CHAIN AND RESPONSIBLE SUPPLY MANAGEMENT

To guarantee **top quality products** to its consumers, the Branca Group adopts a rigorous and careful approach at every stage of the production process. The company carefully follows every step, from the selection of raw materials to processing and packaging, to ensure maximum quality and food safety. Collaboration with suppliers is a key element in this process. The Branca Group shares high quality standards and guarantees an efficient and transparent production chain. In 2023 the Branca Group embarked on a process of rationalising the supply chain, preserving the pillars of high quality and excellence in raw materials, decreasing sourcing risk and safeguarding the balance with cost-effectiveness



Responsible supply chain management

The Branca Group considers the supply chain a **fundamental asset** to guarantee the **quality of its products**. Suppliers, in fact, are seen as strategic partners in the creation of value and in the development of an excellent product from high quality raw materials. The search for suitable suppliers to meet high production standards requires the establishment of stable and long-lasting business relations with subjects from all over the world.

The Branca Group is committed to constantly exploring new sourcing opportunities, maintaining relations with alternative and complementary partners within homogeneous product groups. The selection of new suppliers is therefore a particularly sensitive activity for the Branca Group, both to guarantee the quality of its products and to ensure the creation of relationships with suitable interlocutors. During 2023, the Branca Group worked to reduce the impact of transporting raw materials. Specifically, efforts were made to rationalise suppliers' product portfolios to optimise deliveries.

The Branca Group is committed to implementing a selection process based on economic, environmental, social and local criteria and aims, where possible, to establish partnerships that guarantee long-term supplies and relationships marked by the principles of **fairness, transparency, correctness** and based on mutual trust.

The supplier selection process adopted includes the following steps:

- prior generic technical evaluation;
- evaluation of requirements according to production needs;
- analysis of key economic/financial indicators;
- analysis of the voluntary standards with which the supplier has equipped itself;
- evaluation of industrial supply.

In the selection of suppliers, a particularly sensitive element - also in view of the **geographic extension** of the supply chain - is compliance with local regulations, including those on human rights, by parties operating outside the company perimeter. Attention to compliance with these provisions is constant and continuously updated in relation to regulatory developments. All partners selected as official suppliers are located in countries that have ratified the main **ILO and UN conventions**, and whose laws already independently regulate the violation of human rights as a criminal offence.

In addition to strictly complying with these regulations, the Branca Group disseminates the values and principles expressed in the **Code of Ethics** to its suppliers and periodically checks its correct application. Suppliers are in fact required to sign the Code of Ethics and undertake to **comply with** it as a general condition of the contract.

For the Branca Group, preference is also given in the selection process to those suppliers that have their own business continuity plan, that ensure full compliance with the specific and restrictive taxation of the alcoholic beverages industry, and that have a timely and effective non-compliance management.

Following the selection of a supplier and the establishment of a cooperation relationship, activities are conducted to **assess and monitor** the supplier's performance and compliance

with contractual conditions. These activities include sampling and laboratory analyses, conducting **periodic audits** on suppliers and evaluating any non-conformities that emerge.

In 2023, the Branca Group took an important step towards enhancing the European territory by selecting new suppliers of raw materials and packaging. All the partners selected by the company are located in Europe and guarantee full compliance with the regulations in force in the European Union.

The main types of goods and services purchased, particularly from production sites in Italy and Argentina, are listed below:

- dry raw materials (e.g. herbs, spices, roots, natural flavourings);
- alcoholic raw materials (e.g. alcohol, wine spirits, grape marc spirits, wine);
- packaging materials (primary, secondary);
- production auxiliary material;
- promotional materials (e.g. point-of-sale material, gift on pack);
- logistics services;
- machinery and equipment;
- automation services;
- general services;
- production support services;
- company car fleets.

Below, we present some qualitative-quantitative insights into the supply chain of Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A. and Branca USA inc. The latter, not being a production but a distribution company, has a more limited and different number and type of suppliers compared to the Italian and Argentine companies.

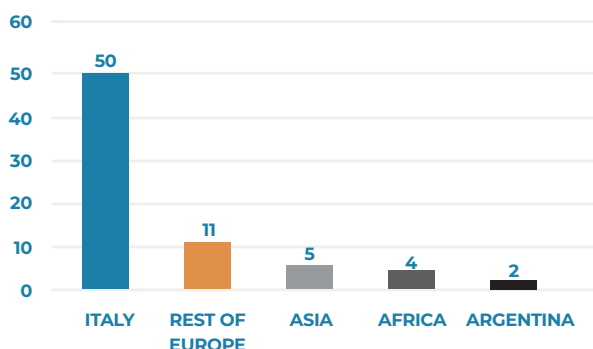
Fratelli Branca Distillerie

In 2023, Fratelli Branca Distillerie S.p.A. worked with **72 suppliers**. The breakdown of the **value of orders by geographical area** is shown in the graph below. In this regard, it should be noted that part of the Company's purchases are made through the use of **brokers** with

whom Fratelli Branca Distillerie S.p.A. collaborates in order to guarantee the high quality of the raw materials purchased. These brokers, employed for the purchase of certain types of materials, have the role of monitoring the market and procuring from suppliers that, in the

reference period, offer the best raw material on the market. Consequently, for some materials that the company sources, the origin of a supplier/broker may be different from the origin of the material purchased.

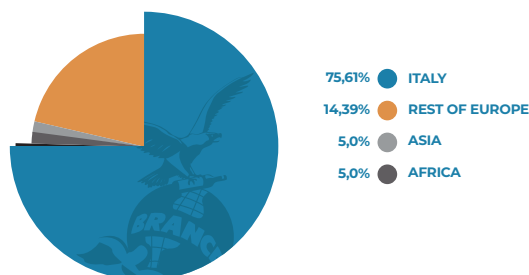
Number of suppliers by geographical area (n°)



The Branca Group confirms its commitment to sustainability and quality, choosing local suppliers for 76% of the value of orders placed in 2023. This is particularly evident in the **packaging** category, which is the largest item of expenditure. Sourcing from

Italian and European suppliers offers multiple advantages. First of all, it ensures the highest quality of materials, thanks to the selection of reliable and certified partners, and helps to reduce the environmental impact of transporting goods, reducing CO2

Value of orders placed by geographical area (%)

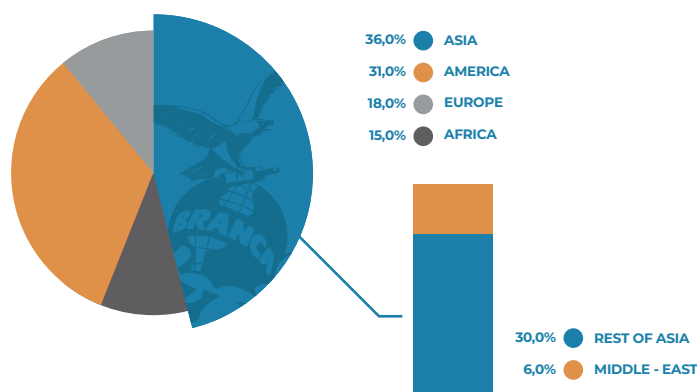


emissions and kilometres travelled. For its **herbs, spices and roots**, important raw materials for the quality of its products, the Branca Group relies on a network of international suppliers. As the chart shows, these precious ingredients come

The breakdown by geographical area of the value of placed orders was made taking account of the origin of the purchased material and not that of the supplier/broker from whom the material was purchased.

from different parts of the world, in particular Asia and South America. Over the years, the Branca Group has carefully identified and selected the best suppliers that can guarantee raw materials of the highest quality, perfectly in line with the company's high standards. The Branca Group is committed to working with its partners in a sustainable and responsible way, promoting fair and environmentally friendly farming practices.

DRIED RAW MATERIALS (HERBS, SPICES, ROOTS) BY GEOGRAPHICAL AREA (%)



The supplier evaluation process takes into consideration different criteria. Specifically, an evaluation questionnaire, prepared by the Group, identifies:

- compliance with the required technical specifications;
- punctuality in processing requests and deliveries;
- administration, specifically precision and accuracy of the administrative process;
- non-conformity management, in particular timeliness, flexibility, effectiveness in handling non-conformities;
- Organisation, design and production, with verification and evaluation of the development and production process;
- logistics organisation through verification and evaluation of the logistics process;
- quality environment safety system to verify and evaluate the system in place;
- customer service, with verification and evaluation of the level of customer service;
- risk management, through the review and evaluation of risk management processes.

The Branca Group relies on suppliers who comply with safety and environmental regulations. In 2023, Fratelli Branca Distillerie S.p.A. has further strengthened its quality management system, developing **three new internal modules** that contribute to: nonconformity management on the consumer side, nonconformity management on the customer side, and nonconformity management on the subcontractor and supplier side. These modules integrate seamlessly with existing procedures, creating a complete and structured system for managing non-conformities. The Branca Group is also engaged in active collaboration with its suppliers. Regular meetings are organised to analyse the progress of complaints, identify critical issues and define joint corrective actions.

The Company works daily to create virtuous synergies with **suppliers** sensitive to sustainability issues. **86%** of Fratelli Branca Distillerie S.p.A.'s suppliers hold **at least one certification**, among quality, environment, energy, workers' health and safety and/or food safety management systems:

ISO 9001 Quality Management System	68%
ISO 14001 Environmental Management System	28%
OHSAS 18001/ISO45001 Health and Safety Management System	22%
ISO 2200, BRC, IFS Food Safety Management System	20%

100% of new suppliers are evaluated including environmental and social criteria, and, in order to encourage them to adopt increasingly sustainable business models, the Company participates in opportunities for discussion. In this regard, during 2023, the Company participated in a symposium that is organised annually by a label supplier, on the ethical and aesthetic theme of design, to promote a constructive exchange of ideas on the most effective ways to combine beauty and environmental sustainability without compromise.

The Branca Group is also working on the implementation of a 'Green Procurement' strategy, capable of increasingly ensuring the procurement of sustainable products and services, also taking into account a cost-benefit assessment.

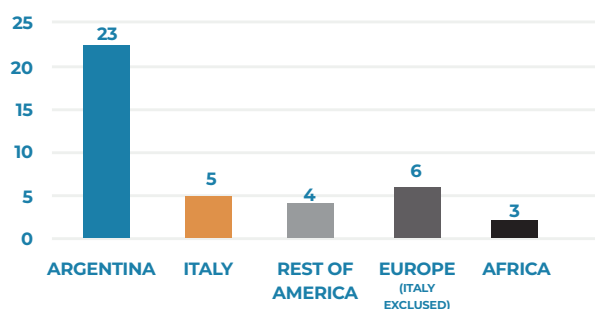
Fratelli Branca Destilerías

Fratelli Branca Destilerías S.A., on the basis of the production plan, identifies monthly the **procurement** needs of domestic raw materials and packaging materials, and annually (with quarterly reviews) the need for imported raw materials. In the supplier selection phase, the Company conducts an economic assessment of the service in conjunction with a qualitative assessment: for each

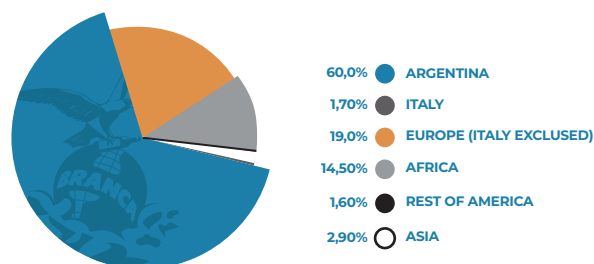
supplier identified, an **evaluation** is carried out on the basis of certain analyses laid down in the **quality standard adopted** and, following this verification, the **supplier selection** phase takes place. Being in both cases production sites, the main types of goods and services purchased by Fratelli Branca Destilerías S.A. are raw materials (saffron, aloe ferox, myrrh gum, agaric and espe-

cially alcohol) for 19% of the total purchase and bottling supplies (bottles, theft-proof aluminium capsules, labels, cardboard boxes) for 38% of the total purchase. In 2023, Fratelli Branca Destilerías S.A. collaborated with **41 suppliers**. 6 more suppliers than in 2022. The details of the **value per geographical area** can be seen in the graph below.

Number of suppliers by geographical area (n°)



Value of orders placed by geographical area(%)

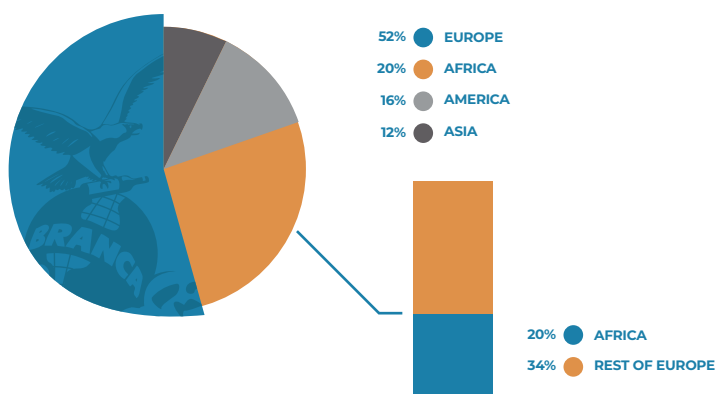


The breakdown by geographical area of the value of placed orders was made taking account of the origin of the purchased material and not that of the supplier/broker from whom the material was purchased.

As with Fratelli Branca Distillerie S.p.A., part of Fratelli Branca Destilerías S.A.'s purchases are made through the use of brokers, whose origin may be different from the origin of the material purchased. Approximately 57% of the suppliers operate in Argentina, and more than half, or 60.3%, of the value of the orders issued are in Argentina. As for the Italian affiliate, the sourcing of herbs, spices and roots has a **more international** connotation.

With reference instead to the supplier qualification process, it should be noted that, in line with 2022, **100%** of Fratelli Branca Destilerías S.A.'s qualified suppliers **hold at least one of the following certifications**⁷:

**DRY RAW MATERIALS
(HERBS, SPICES AND ROOTS)
BY GEOGRAPHICAL AREA OF SUPPLY IN 2023**



⁷ The table refers to ²⁴ qualified suppliers of primary raw materials and packaging materials. These suppliers account for about ⁸⁰% of the total order.

ISO 9001 Quality Management System	81,8%
ISO 14001 Environmental Management System	68%
OHSAS 18001/ISO45001 Health and Safety Management System	48%
ISO 2200, BRC, IFS Food Safety Management System	65%

All new suppliers of Fratelli Branca Destilerías S.A. were assessed according to environmental and social criteria, and compared to the previous year, the number of suppliers with ISO 14001, OHSAS 18001 and ISO 45001 increased by more than 50%.



Branca USA

Branca USA distributes the finished products manufactured by the headquarters in Milan, so even in 2023, the Company maintained relations with suppliers that are instrumental in offering its services and not related to production activities. Specifically, Branca USA has maintained its strategy unchanged, focusing exclusively on the management of finished products, both spirits and vermouth, under the direction of the Milan headquarters.

During 2023, US supply chain partners continued to provide only services, excluding any production-related activities. The company has successfully partnered with four forwarding agents specialising in the shipping of wines and spirits, and has also used the services of three third-party logistics operators based in New Jersey and California. Through constant dialogue and full transparency with both suppliers and the parent company, Fratelli Branca Distillerie S.p.A., Branca USA has consolidated its relationships and ensured the continuity of the activities of partners involved in import, transportation and storage operations. This approach

has enabled the company to successfully meet the challenges of a still complex logistical environment.

Branca USA has improved demand planning and forecasting with the aim of reducing over-sourcing and rationalising the movement of goods along the supply chain. In addition, the company has strengthened its relationships, providing full transparency of production processes, sharing short- and medium-term forecasts with suppliers, in order to favour the continuity of import partners, transport companies and warehouses. As a result, in continuation of 2022, Branca USA reduced its minimum inventory and continued to optimise truck and shiploads with a view to reducing its carbon footprint. Frequent contact between Branca USA's Procurement function managers, Fratelli Branca Distillerie S.p.A.'s operations, production, and logistics teams, and its suppliers has allowed it to build an agile supply chain capable of responding to the challenges posed by an ever-changing external environment. In 2022 Branca USA related to a total of 10 suppliers, all

from the United States, of which 25% hold at least one of the following certifications:

ISO 9001 Quality Management System	10%
ISO 14001 Environmental Management System	10%
OHSAS 18001/ISO45001 Health and Safety Management System	10%

In 2023, following the quarterly renegotiation of tariffs with national shippers and transport partners, imposed by the new post-pandemic supply chain scenario, Branca USA recorded a significant cost reduction compared to the previous year.

The quality and safety of raw materials and the product



For the Branca Group, **the excellence** of its products is not a goal, but a daily commitment. Quality, which is synonymous with excellence, is the result of the dedication and passion of all the people who work consistently to spread the values of a unique brand around the world. The Branca Group has a history rich in experience, skill and respect.



Branca products are distinguished by their uniqueness, the result of a centuries-old tradition. Original recipes, jealously guarded over time, and an internationally recognised brand are the pillars on which the identity of the Branca Group is based. Authenticity is a fundamental value for the Branca Group. The company pays the utmost attention to the protection of aromatic and medicinal plants, guaranteeing that they come from selected cultivations and using environmentally friendly harvesting and processing methods.

The Branca Group pursues excellence in every aspect, **from tradition to innovation**. Respect for the original formulas and strict quality control along the entire production chain are evidence of a constant commitment to the pursuit of perfection. Innovation, however, is never an end in itself. The Branca Group integrates it perfectly with tradition, nurturing it through **research and development, certification, manufacturing, production and distribution**. The main objective remains to meet the needs of its consumers in an ever-changing world.

FRATELLI BRANCA DISTILLERIE S.p.A.

In continuity with 2022, Fratelli Branca Distillerie S.p.A. benefits from the **Quality and Food Safety management system** certified according to the **ISO 22000:2018** standard. The Branca Group guarantees the **continuous improvement** of its production processes and affirms its presence in the food chain. This Management System was audited and confirmed last year by the certifying body, which assesses compliance with principles such as: product quality and safety (food safety), accuracy in the approach to selecting suppliers and raw materials, communication along the supply chain and traceability of activities carried out, the effectiveness of the Hazard Analysis Critical Control Point (HACCP) system and, more generally, the constant application of the Company Code of Ethics.

Fratelli Branca Distillerie S.p.A.'s Quality Management System is based on the **company's Quality Policy**, which, inspired by the values of the **Code of Ethics**, defines the company's commitment to guarantee the safety, quality and **reliability** of its products. Through the use of advanced technologies and compliance with the regulations in force, the company pursues continuous improvement, both in terms of regulatory compliance and its offer to the market.

Fratelli Branca Distillerie S.p.A., in order to **oversee the value chain**, carries out strict controls on raw materials, from the procurement phase to distribution. The company constantly monitors the entire production chain, ensuring compliance with defined specifications

and food safety requirements. Staff are regularly trained in hygiene and health regulations.

In recognition of the quality and safety of Branca products, it should be noted that the company has obtained **Kosher and Vegan** certifications for some of its most iconic products such as Fernet-Branca and Brancamenta.

With regard to the **monitoring of the production process**, the Branca Group pays particular attention to the following activities:

- **Adaptation of labelling to regulatory requirements:** the labelling of all products marketed within the EU is aligned with the relevant European regulation (Regulation (EU) No. 1169/2011⁸). All marketed product labels include information on the safe use of the products and the related environmental and/or social impacts, in compliance with the laws in force in the countries where they are distributed. Also in 2023, in line with regulatory requirements, the Italian company Fratelli Branca Distillerie S.p.A. has continued the process of integrating on the labels of all products for the Italian market the reference to a link explaining how to properly dispose of the container;
- **Promotion of responsible consumption of alcoholic beverages:** on labels and in particular on specific products there are indications on the best and safest way to enjoy alcoholic beverages;
- **Evaluation and revision of the types of closures/seals:** in order to mitigate the risk of tampering (tampering), making evident any attempt to tamper with the bottle closure seals.

In 2023, the Branca Group took an important step towards sustainability and transparency by renewing the packaging of some iconic products. Two main actions were taken:

1. **Reducing plastic** by eliminating the plastic dispenser for Fernet-Branca, Brancamenta and Borghetti. The Branca Group decreases the amount of CO2 released into the environment, contributing to the fight against climate change.

2. **More informative labels.** The Branca Group has revised and updated its Vermouth labels to ensure clearer and more transparent communication to consumers. It has added the nutrition and energy declaration in compliance with current regulations. It updated the ingredients list for greater completeness and transparency. Finally, it adapted to the PGI (Protected Geographical Indication) Vermouth di Torino to enhance its origin and quality.

⁸ For more information, please consult the following link: EUR-Lex - 32011R1169 - EN - EUR-Lex (europa.eu)

The company carries out periodic product recall checks and tests in order to ensure a prompt company response in the event of food safety-related defect cases and handles any complaints according to an internal procedure developed according to the **ISO 22000:2018** standard. Complaints, which are collected and managed with a view to continuous improvement, are received mainly through: the website, telephone calls from consumers or reports from individual company departments.

FRATELLI BRANCA DESTILERÍAS S.A.

The objective of Fratelli Branca Destilerías S.A., in line with that of the Branca Group, is to guarantee the safety of its products, ensuring compliance with current legal regulations and the strict quality parameters established. To achieve this objective, the Company has adopted a **Quality, Food Safety and Environmental Management Policy** and a **Quality and Food Safety Management System**, based on the **ISO 22000:2018** standard. The Management System has been certified since 2007 by Bureau Veritas and accredited by UKAS, and undergoes an annual recertification audit by the certifying body, which has reconfirmed the validity of the certification for 2023. In addition, the company's strategy is based on the production and marketing of high-quality, premium products, enabling it to achieve and maintain excellent gross margins and operating results.

For the implementation of good quality practices within its operations, the Company is guided by the FSMS Manual, the Good Manufacturing Practices Manual, the HACCP Plan, Good Manufacturing Practices (GMP) and POES (Procedimientos Operativos Estandarizados de Saneamiento) and a series of procedures and instructions for implementing the requirements of the standard (Quality Control, handling of non-conformities, verifications, internal audits, training, etc.). Amongst these, the company has a 'traceability' procedure in place to determine the batch of raw material used in each production, and a complaints management procedure, established by the Quality and Food Safety Management System (SGIA). With respect to both procedures, recall exercises are carried out annually and verified by Bureau Veritas.

Also in 2023, the company pursued with:

- **Hazard Analysis and Critical Control Points (HACCP).**
- **Monitoring of critical control points, control points, GMP activities and application of POES**
- **Staff training**

In addition, in order to monitor the issue within the production processes, the company monitors the following KPIs:

- **Good Manufacturing Practices (GMP) index: the report, which is based on monthly internal audits and takes into account several criteria, including: company hygiene, staff training and infrastructural advances, scored 89.5% (in line with the previous year);**
- **number of consumer complaints: during 2023, the corporate target of receiving a maximum number of consumer complaints of 0.64 per 100,000 bottles per year was maintained. During 2023, Fratelli Branca Destilerías S.A. increased its coverage of new regions and networks, thus expanding the base of consumers heard;**
- **energy and process savings: by analysing the infusion decanting and equipment processes, it was possible to optimise these processes, and the goal of supplying 100% First Time Right released products was maintained, reducing rework costs and downtime.**

The results obtained during 2023 confirm the company's commitment and constant evolution to guarantee high levels of quality within its production processes. With a view to continuous improvement, among the initiatives promoted by Fratelli Branca Destilerías S.A. are:

- **New product launches: the product range was expanded with the introduction of London Dry Gin Spirito Blu and Sernova Caribbean Blend, a new flavour in the Sernova line characterised by notes of natural coconut and pineapple.**
- **Logistics optimisation: new procedures were implemented to improve pallet coding and optimise the goods traceability system.**
- **Automation of the production process: an infusion automation system was introduced into the manufacturing process, ensuring more precise and constant control of alcohol, infusion and water dosages, improving hygiene and overall efficiency.**
- **Improvement of product quality: new dedicated filtering equipment was installed at Vodska Sernova, with the aim of optimising the quality of the finished product.**

In addition to monitoring the issue in the phases in which it plays a leading role, the Company maintains close contact with suppliers in order to monitor production processes from the outset, to verify the quality of raw materials before shipment and to limit potential negative impacts related to the supply chain. In order to monitor the issue along the value chain,

the Company conducts audits of suppliers to verify compliance with good manufacturing practices and the working conditions they guarantee their employees and to check the quality of raw materials before shipment. Nevertheless, the Company examines finished products to verify their fitness for consumption and safety, respecting the frequency defined at the National Control Organisations.

Finally, the Company is committed to ensuring that customers and end users receive adequate and accessible information on the environmental and social impacts of its products in order to guide them in making responsible purchasing choices. For this reason, 100 per cent of its products are labelled with information that helps customers make responsible purchasing choices. Thanks to its commitment to managing aspects of product quality and safety, the Company has not recorded any non-compliance and no observations regarding any inadequacy of the labelling methods and the information contained therein.

BRANCA USA

As far as quality control of final products is concerned, Branca USA relies on the processes and procedures of Fratelli Branca Distillerie S.p.A.. Branca USA only deals with the final product purchased from the Milan headquarters; therefore, production controls and checks are entirely handled by Fratelli Branca Distillerie S.p.A. 100% of the products distributed are marked with labels bearing useful information for customers to make responsible purchasing choices. In this context, it should be noted that the Company has not recorded any episodes of non-compliance concerning labelling and information on products and services under federal and state regulations of the Alcohol and Tobacco Tax and Trade bureau (TTB) and the Liquor Control Boards.

Consumer protection and the promotion of responsible consumption



For years, the Branca Group has stood out for its active commitment to **promoting responsible drinking**. Through targeted communication campaigns, the company pursues the goal of spreading a culture of quality drinking, which is combined with the pleasure of taste and moderation. At the core of the Branca Group's philosophy is the idea that its products can enrich people's lives, provided they are consumed with awareness and moderation. The company is convinced that a conscious approach to the consumption of alcoholic beverages is fundamental to creating a healthier and more responsible society.

Therefore, the Branca Group is committed to carrying out its promotion and communication activities in full compliance with current marketing regulations. The company has never recorded any cases of non-compliance with these regulations, which demonstrates its commitment to responsible and transparent communication. The bottles of Fratelli Branca Distillerie S.p.A. in Italy and Fratelli Branca Destilerías S.A. in Argentina clearly display recommendations on responsible consumption, as well as the necessary legal warnings. The company takes particular care to convey messages discouraging alcohol consumption by pregnant women and drivers.

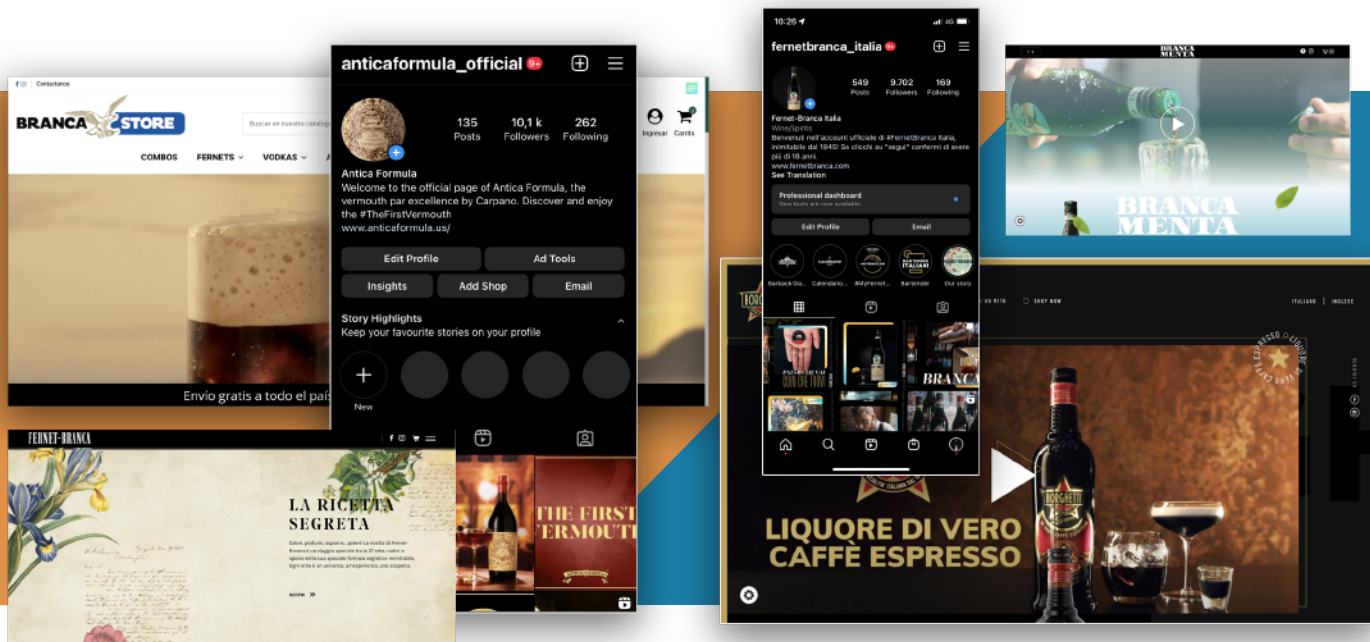
The Branca Group's commitment to responsible consumption also extends to in-person events such as tastings. The company activates specific control mechanisms to monitor consumption by visitors, ensuring compliance with regulations and the protection of minors. At the promotional stands for Branca products, information posters are installed that recall the ban on underage drinking. The protection of minors also extends to the digital world. Access to the Branca Group's institutional and product websites is regulated by an **age check system**, which allows only users of legal age to access content.

Responsible promotion is also reflected in the management of advertising campaigns. Corporate communications are only broadcast during protected time slots in order to avoid exposing minors to alcoholic content. Every advertisement, promotional video or commercial for Branca products clearly states the warning **'Drink responsibly'**. This message is conveyed in a clear and concise manner to make the public aware of the importance of moderate and conscious consumption of alcohol. The Branca Group's marketing communications **are always attentive to context and content**. The company pays particular attention to conveying messages that promote responsible consumption, protecting **minors**, discouraging **driving** under the influence of alcohol and advising against alcohol consumption by **pregnant** women.

Fratelli Branca Destilerías S.A. is a key member of **FADA**, the Argentine Federation of the Distillation Industry, which has carried out several campaigns in this respect, such as: 'Minors Not a Drop', 'Take Control', 'Dispelling Myths', 'Better Together', 'The Right Fit' through its social media platforms and by investing in targeted advertising to increase visibility. In the particular case of the 'Minors Not a Drop' (FADA) campaign, the Fernet-Branca brand integrated the hashtag #MenoresNiAGota in its TV, print and billboard advertisements.

Similarly, in 'Responsible Consumption Month', Fernet-Branca embraces its transcendent role in Argentine culture, reaffirming its commitment to community care. With the 'Fernet Tranka: Child with Responsibility' campaign, educational content provided by influencers was promoted, reaching more than 14 million people in Argentina.

The Branca Group is also committed to responsible communication on **social media**. The company adheres to the principles of Netiquette, which promotes moderate and conscious consumption of alcoholic products on the Facebook platform. It carefully **monitors the digital content**



produced or conveyed by its suppliers. Branca Group Fanpages, both those managed directly by the company and those created by third parties, are subject to an active moderation system, ensuring that the content published is always respectful and consistent with the company philosophy. Finally, the Branca Group regularly conducts a press review activity, both online and traditional, to monitor media perceptions and to promptly intervene in case of negative news or comments.

The primary objective of all these media monitoring activities is to ensure that the Branca name is always associated with a message that promotes responsible consumption, understood as a founding element of the culture of **quality drinking**.

To ensure that the business conducted, both internally and externally, is perceived as responsible and attentive to the health and safety of its consumers, Branca USA has internal training courses planned for employees.

To ensure that there is always **dialogue and cooperation with institutions and trade** associations, the companies liaise with important trade associations in the areas where the Branca Group operates.

In Italy, the Branca Group participates in the drafting of association guidelines on

Responsible Consumption, in particular through Federvini and Federalimentare, both belonging to Confindustria and Centromarca. Nevertheless, the Company is a member of Utenti Pubblicità associati (UPA), the associative body that brings together the most important and prestigious industrial, commercial and service companies that invest in advertising. In addition, the Company is a member of the Consorzio del Vermouth di Torino (Turin Vermouth Consortium), whose main purpose is the protection, promotion, valorisation, supervision and general care of the interests of the IG "Vermouth di Torino". Finally, the Branca Group adheres to the Advertising Self-Discipline Code established by IAP, the Institute of Advertising Self-Discipline.

In Argentina, the Branca Group is a key member of the Federación Argentina de la Industria de la Destilación, (FADA) which represents and unites distillers and liquor producers in Argentina, defending their interests and working collaboratively for the development of the sector. The Anden Foundation participated in the 'Arte Único' competition with the aim of providing artistic opportunities to the most vulnerable communities. The Digitalizadas association, dedicated to empowering women entrepreneurs, worked with Fratelli Branca to support female entrepreneurs and

foster an inclusive business environment. Publicitarias contributed to the 'Arte Único' competition by creating innovative and safe spaces for education and inspiration, with a focus on promoting diversity and a gender perspective. In addition, UADE University endorsed the training offered through the Branca Academy, demonstrating a shared commitment to high-quality education.

Finally, in the United States, the Branca Group is a member of: American Distilled Spirits Association (DSA), the leading voice and advocate for distilled spirits in the United States; Wine & Spirits wholesalers of America (WSWA) - a national organisation that deals with federal, state, regulatory and legal issues impacting the distributors and spirits industry; and, Women of the Vine - the leading membership organisation dedicated to empowering and promoting women in the spirits industry, worldwide.

FRATELLI BRANCA DESTILERÍAS S.A.

In Argentina, Branca has continued to promote responsible consumption in all its communications and marketing initiatives. The company's strategy focuses on ensuring that messages convey the idea of enjoying products responsibly, emphasising pleasure and the shared experience of memorable moments. The Branca Group believes that understanding consumer trends and attitudes towards the consumption of alcoholic beverages is essential to deliver consistent and responsible messages. Moreover, the company firmly believes that various initiatives can be powerful tools to drive positive social change.

The major initiatives in 2023 are listed below.

<i>Fernet-Branca "Monthly Responsible Campaign"</i>	In 'Responsible Consumption Month', Fernet-Branca embraces its role as a transcendent brand in Argentine culture to convey a message of responsible consumption, reaffirming our commitment and responsibility to the community. Through the creation of educational content, facilitated by a team of influencers, we aim to convey a credible and authentic message, distancing ourselves from mere advertising.
<i>Brand experiences: Ensuring responsible controls and measures</i>	Strict controls were maintained to prohibit tasting by under-18s at all Brand Experience events. Clear communication measures were implemented on the stands and staff were trained to ensure strict adherence to these rules.
<i>Product labels: Better legal warnings on product labels</i>	The commitment to responsible consumption was demonstrated not only through the inclusion of essential legal warnings, but also through messages on back labels discouraging the consumption of alcoholic beverages by pregnant women and drivers.
<i>Communication: Inclusion of #MenoresNiUnaGota spots</i>	In order to amplify the 'Menores Ni Una Gota' (FADA) campaign, the hashtag #MenoresNiUnaGota was integrated into television, print and billboard advertisements, alongside the mandatory legal warnings.
<i>Arte Único: Partnership with the Anden Foundation</i>	In cooperation with the Anden Foundation, a deeper social perspective has been integrated into the 'Arte Único' competition, with the aim of creating opportunities for the most vulnerable communities through art. The Branca Group firmly believes that art, being an integral part of its heritage and DNA, is a powerful and creative tool that can inspire personal development.
<i>Arte Único: Agreement with the NGO 'Publicitarias'</i>	In the context of the Arte Único competition, thanks to the partnership with the association and the 'Publicitarias' foundation, a launch event and continuous communication throughout the campaign was guaranteed to promote diversity and gender perspectives.
<i>Branca Academy: Approval of the Universidad Argentina de la Empresa (UADE)</i>	In the context of the Branca Academy programme, a collaboration was initiated with the prestigious Argentinean university UADE. Our brand ambassadors conducted Master Classes for students in the fields of gastronomy and food engineering. In addition, special workshops and distillery visits were organised for the students with the best academic results. Part of this programme included a specific lesson on responsible consumption, with a focus on adult education and the promotion of correct alcohol consumption habits.

<p><i>Branca Academy: Approval of the Universidad Argentina de la Empresa (UADE)</i></p>	<p>In the context of the Branca Academy programme, a collaboration was initiated with the prestigious Argentinean university UADE. Our brand ambassadors conducted Master Classes for students in the fields of gastronomy and food engineering. In addition, special workshops and distillery visits were organised for the students with the best academic results. Part of this programme included a specific lesson on responsible consumption, with a focus on adult education and the promotion of correct alcohol consumption habits.</p>
<p><i>Branca Academy: NGO agreement with “Pescar Foundation”</i></p>	<p>Furthermore, Fratelli Branca Destilerías S.A. continued its evolution by collaborating with the Pescar Foundation to support low-income youth. Thanks to this partnership, essential training tools were provided to facilitate the integration of these young people into the labour market. As part of this commitment, 50 scholarships were awarded to young adults associated with the NGO for the inaugural course of the Familia Branca Bartender Programme, ‘Branca Academy’. This initiative aims to empower and uplift the younger generation, offering them a path to a more promising future.</p>
<p><i>Branca Academy: ‘Digitalizadas’ Agreement</i></p>	<p>In collaboration with Digitalizadas, an organisation dedicated to empowering women entrepreneurs, an exclusive Branca Academy training course was specifically designed for their female members. This partnership reflects the company’s commitment to promoting the advancement and success of women in business. In addition, Fratelli Branca Destilerías S.A. actively participated in the Digitalizadas Day event, which brought together over 500 women entrepreneurs, demonstrating its support for their initiatives. This commitment underlines the company’s ongoing efforts to support gender equality and diversity in business.</p>
<p><i>Launch of Blue Spirit in Argentina: celebrating the ‘Good Life’ and promoting the Blue Zones philosophy</i></p>	<p>The launch of the new Spirito Blu gin in Argentina not only introduced a high-quality spirit to the market, but also had a positive impact on the community, thanks to the philosophy of ‘La Buona Vita’. This philosophy, inspired by the Italian values of celebration and community, has resulted in initiatives that promote well-being within the industry.</p>
<p><i>Carpano Week Campaign</i></p>	<p>Carpano Week has become a cultural event of great relevance for Argentina. It helped revalue the category of vermouth, highlighting the importance of Argentine mixology and promoting vermouth as a low-alcohol cultural drink. It also created opportunities for gathering and socialising spaces.</p>
<p><i>Sernova Vodka ‘Never Ending Night’ campaign</i></p>	<p>Sernova Vodka’s ‘Never Ending Night’ campaign, launched in 2021 and 2022 to celebrate the winter solstice in Ushuaia, has had a significant impact on tourism in the city. Combining unique experiences, unforgettable parties and the natural beauty of the ‘World’s Longest Night’, this initiative has attracted new visitors and helped position Ushuaia as a fascinating tourist destination, ideal for experiencing an extraordinary night aimed at a young-adult audience.</p>

*Branca Brothers Destilerías
S.A. in support of 'FADA
Responsible Campaigns*

Fratelli Branca Destilerías S.A. is a key member of FADA, the Federación Argentina de la Industria de la Destilación. This federation represents and unites distillers and liquor producers in Argentina, defending their interests and working in collaboration for the development of the sector. FADA is committed to the defence of rights and regulations concerning the production and marketing of distilled beverages, as well as the promotion of quality standards and sustainable practices.

FADA has conducted numerous campaigns for responsible alcohol consumption, including: 'Minors, not a drop', 'Take control', 'Demolish myths', 'Better together' and 'The right fit'. These campaigns were amplified through social media platforms and targeted advertising to increase their visibility.

As part of the 'Minors, not a drop' campaign, in cooperation with the Fundación Padres, 500 schools were contacted, reaching approximately 80,000 people. 45 workshops were organised for parents, teachers and students, involving some 3,600 participants. Radio programmes with an audience of 70,000 listeners were used to amplify the initiative, and the activity was supported by journalists and governmental organisations.

Fratelli Branca Destilerías S.A. has undertaken a number of significant initiatives to promote responsible consumption and support the community. The 'Fernet Tranka' campaign reached over **14 million people in Argentina**, reinforcing the message against underage consumption and using prohibition pictograms on products. In collaboration with the Anden Foundation, the company offered artistic opportunities to low-income sectors through the 'Arte Único' competition, promoting inclusivity and personal development.

Fratelli Branca Destilerías S.A. also worked with Publicitarias to ensure inclusive representation and participation in the 'Arte Único' competition, supporting **diversity** and gender **equality**. In terms of training, it organised workshops and courses to educate over **480 bartenders** on responsible and sustainable consumption practices, involving industry experts.

With Accademia Branca, the company extended its messages of responsibility to university students and young people in vulnerable economic situations, offering them educational opportunities. Working with Digitalizadas, Fratelli Branca Destilerías S.A. supported **women entrepreneurs**, contributing to a more equitable business environment.

The launch of Blue Spirit in Argentina promoted Blue Zones values⁹, advocating wellness and sustainable practices. Carpano Vermut Week reinvigorated the culture of vermouth, attracting gastronomic tourists and creating new opportunities in the hospitality sector. Finally, Sernova Vodka's 'Never Ending Night' campaign **increased** Ushuaia's **tourist appeal** to a young-adult audience, making the city a unique destination.

⁹ Term coined by demographer Michel Poulain. In the 2000s he introduced the concept of the 'Blue Zone' linked to populations with exceptionally high longevity.

Customer satisfaction

Customer satisfaction is a top priority for the Branca Group, which is committed to maintaining consistently high quality standards. The company pays particular attention to customer/consumer enquiries, reports and complaints, providing appropriate responses. **End-consumer** satisfaction and involvement of the **bartender community** are key elements to distinguish the brands in the Branca portfolio from competitors and to establish privileged relations with stakeholders.

To maintain a constructive dialogue, the Branca Group offers **direct, immediate and easily accessible communication channels**, such as web solutions, e-mail and plant visits. Furthermore, to actively engage customers and communities, the companies develop communication activities based on transparency and content relevance, highlighting the brands' unique characteristics and links with their communities.

FRATELLI BRANCA DISTILLERIE S.p.A.

The Branca Group has implemented an internal complaints handling procedure, compliant **with the ISO 22000:2018 standard**, to collect customer reports from different channels, such as website, phone calls and internal reports. The aim is to handle requests constructively in order to continuously improve customer satisfaction. In parallel, the company nurtures an ongoing dialogue with consumers through its brand social channels, encouraging direct and spontaneous feedback.

During 2023, the Company launched several communication initiatives aimed at consolidating a relational bond with its consumers and actively involving them.

The company took part in the **Mixology Experience International Bar & Beverage Trade Show 2023**, held in **Milan**. The fair, dedicated to the world of

mixology, was attended by the most renowned brands in the sector, including those of the Branca Group, which offered participants the chance to taste the iconic products and their variations in different cocktails. For the occasion, the company created an impressive stand by bringing to the fair the historic Branca van that functions as a real bar and was an interesting attraction for all the guests.

The first Milanese event of the **BarBack Games** was also held during the event. The epic games-event open to the public and dedicated to those who work hard every night behind the bar to make flawless cocktails: the 'barbacks'. The 'barbacks', also known as runners, play a key role in nightclubs. Their job is to support the bartenders so that they succeed in their role to the best of their ability, taking care of less visible but fundamental tasks, such as managing the supply of ice and alcohol and keeping the

bar tidy at all times. The aim of the game is to demonstrate the centrality of this figure for the functioning of the bar and the success of the evenings through a series of physical challenges, of endurance but also of competence, speed and versatility that the Barbacks face in order to win the title of "Night Hero" of Italy 2023.

Over the course of the two evenings, the Branca Group was present with its own stand and a guest bartending programme. In addition, the company participated as main partner in the **'Torino Cockatil Week'** event. A mixing week in Turin that was attended by more than 15,000 people including participants in events, masterclasses, experiences and workshops. The Company contributed to spreading experimentation and the quality of its products, as well as a culture of conscious and responsible drinking, through its collaboration with

high-profile venues.

February was the month of **Beer&Food Attraction**, an event organised by Italgrob. The only event of its kind to present the most comprehensive offer of beers, drinks, food and trends for the global Out Of Home sector, all in one event. The company's presence took the form of a complete presentation of Branca products and, for the first time, the COCKTAIL LAB, a time for education and training in the preparation of high-level cocktails.

Many communication campaigns are on air for 2023, starting with Fernet-Branca, which consolidates its position as Top Investor in the world of communication with the historic 'Code' campaign that recounts the brand's important heritage, confirmed decade after decade.

Nonetheless, in order to tell consumers about its products, the company launched a TV campaign featuring Borghetti as the official sponsor of get-togethers with friends, and one to celebrate the fact that Grappa Candolini is the number 1 selling grappa in home consumption, through the product's historical positioning 'it is what it looks like'. But the big news 2023 was the launch of the new communication campaign and positioning platform for the Brancamenta brand. The new Brancamenta spot inaugurates a new course for the Fratelli Branca Distillerie S.p.A. brand. It is a story that starts with some iconic images of the brand, around which a storytelling develops, centred on the taste and sensations that the product gives. "Feel the

thrill?" is the question that will accompany the brand's various activities throughout the summer. With this new campaign, we wish to convey the authenticity and genuineness of Brancamenta, our thirst-quenching and refreshing bitter perfect for summer and undisputed king of iced drinks. A campaign that aims to show the distinctive character of Brancamenta that awakens the senses and, at the same time, brings consumers in search of a fresh and versatile drink.

The Brancamenta summer then saw the arrival in the best beaches of Versilia and Puglia of a tour of parties dedicated to summer and being together. Thirty-two venues were involved in two months to bring to life the thrill of pleasure that only frozen Brancamenta can offer.

Also travelling around Italy was the first Antica Formula tour dedicated to both the bartender community and the end consumer. "La Formula dell'Eccellenza", Antica Formula's multi-cup tour of Italy's coolest venues, included a full calendar of experiences for professionals, from dedicated masterclasses to guided tastings for vermouth lovers.

The appointments reserved for trade and industry professionals were hosted by two guests of Italian mixology: 'The Maestro' Salvatore Calabrese, bartender and entrepreneur of several prestigious bars, and Fabio Bacchi, bartender, manager, trainer, editor-in-chief of the magazine BarTales and co-founder of Roma Bar Show.

The evenings open to the public included a tasting of Antica Formula with ad hoc food pairing and an exclusive drink list signed by an exceptional guest: Bruno Vanzan, successful bartender and entrepreneur.

In addition to those mentioned above, marketing initiatives include:

- **Fernet-Branca Special Pack:** for Christmas 2023, in fact, it comes with a new bottle and a collector's glass in a super pop revival of the 1920s advertising poster featuring a crocodile. Legend has it that the iconic character has eaten too much, but instead of crying his tears, he appears cheerful and buoyant, sporting a bottle of Fernet-Branca, an impeccable remedy for digesting at its best and continuing the festivities without burdens on the stomach. With its recipe mix of 27 herbs, it becomes the perfect gift to put under the tree and the ideal remedy for surviving binge drinking.
- **Stravecchio Special Pack:** to honour Stravecchio buyers with an iconic glass perfect for appreciating all the scents and nuances of the Italian Brandy par excellence.
- **Brancamenta Special Pack:** a tribute dedicated to Brancamenta buyers, including the iconic 'ICE GLASS', a glass with an ice effect graphic. This design emphasises the ideal way to consume Brancamenta, served strictly iced.
- **Borghetti:** a perfect glass to savour all the intense, enveloping flavour of Borghetti, the real espresso liqueur with an unmistakable aroma. So many 'perfect' gifts thanks to 'Borghetti'.



Our social channels are always active, allowing brands to establish a direct relationship and participation with the community. Moreover, the brands' social channels have been the main means of promulgating the activities implemented.



FRATELLI BRANCA DESTILERÍAS S.A.

With regard to the Argentinean company, there has been an important **expansion of communication channels with consumers**, which has also led to an improvement in the quality of products delivered to customers (in the storage and distribution phases). In particular, through the SAC (Consumer Care Service, which covers the entire national territory), the Company is able to respond to any question or complaint within the same day and to take the necessary actions to resolve any misunderstandings, contacting consumers by telephone.

Thanks to these channels, the Company was able to establish a **constructive dialogue with consumers** that positively influenced the **development of new products**. In fact, by means of the nume-

rous **surveys and tests** conducted throughout the country, it was possible to incorporate suggestions and make improvements or changes in product formulation, ultimately leading to a broader and more positive reception of these products by the final consumer communities. In particular, from the consumer surveys conducted, improvements in product packaging were greatly appreciated.

In addition to maintaining a constructive dialogue with them, the Company involves consumers by supporting the country's most relevant cultural events. In particular, in 2023 Fratelli Branca Destilerías S.A. took part in the following initiatives:

Sponsorship of music events, including: 'Cosquín Rock', Argentina's most important national music festival attended by 120,000 people in 2 days, as main sponsor; 'Lollapalooza', a music festival that is organised annually and in 2023 had 300,000 visitors in 3 days; 'Jesús María', a folk music event attended by 200,000 people and their families.

Sponsorship of sporting and cultural initiatives, including: sponsorship of men's and women's amateur football championships that were enjoyed by over 55,000 young people in 2023, and sponsorship of the Rap Battle between the best national and international freestylers (a phenomenon followed by millions of fans, mainly Gen Z and Millennials). The event was organised by the Free Style Master Series (FMS), the only professional Free Style league in the world that has turned rap battles into a sport, a discipline and a competition. In addition, the Company **organises events and promotes television and social campaigns** aimed at creating a climate of healthy entertainment, promoting the values underpinning the brand. These include the social campaign that the Company publishes annually on Friend's Day, an important date for Fernet-Branca, whose brand values include friendship as one of its most deeply rooted pillars. With the aim of reaching even the youngest customers, the social campaign shows Fernet-Branca as another member of the ever-present group of friends.

This was the year of artificial intelligence. Along these lines, a campaign called '**Armadores**' was also developed to support bartenders and end consumers in the preparation of Fernet-Branca.

In addition, to support the feelings of empathy and closeness, the company realised for the first time a wide-ranging campaign for **Responsible Drinking Day**, in which, together with its Brand Ambassadors and Fernet-Branca influencers, it spread messages of moderation and awareness, urging consumers to consume alcoholic beverages responsibly.

To honour its roots and heritage, Fernet-Branca presented an **update** of its '**UNIQUE**' campaign, launched in 2022. This time, the creative concept delved into the values that represent the main ingredients of the secret formula. With high levels of cinematic production, the pieces managed to visually and emotionally represent what is involved in the selection and cultivation of saffron, agaric mushroom, myrrh, among other components. The message was also reinforced through the presence of influencers, press, digital advertising, non-traditional advertising and points of sale. In addition, the 'Branca opens the doors' competition, inviting consumers to visit the distillery, was reintroduced. The results of these advertising initiatives once again set a record in the brand's history.

In March, '**Vermuth week**' was held again. This time, extending it beyond Buenos Aires and encouraging the creation of new 'Distrito Carpano' (brand-sponsored Vermuthero neighbourhoods). In any case, it was seven uninterrupted days of partying in various bars in Buenos Aires with live music performances, games and tapas accompanied, of course, by Carpano Vermuth. All this was heavily promoted on social networks and mass media through Branded Content.

Finally, the company once again created the '**Never Ending Night**', a TV and digital campaign aimed at depicting the innovative and entertaining character of the Sernova brand, which knows the best of the night. Seeking to take ownership of the 'longest night in the world', which takes place every year on 21 June in Ushuaia, the company focused heavily on media, on and off Trade. A group of celebrities and influencers were taken through a unique experience, from which content was produced to be disseminated in media oriented towards the youth target audience. As part of the same concept, parties were organised across the country, where the public could experience the same feeling and share it with their group.

To conclude the year, November

saw the **launch of Gin Spirito Blu**, a new company brand inspired by Sardinia, the world's first Blu Zone. The last two months of the year focused on the distribution of the product, but presentations to customers, the sales force and the press also began, for which immersive digital experiences were created on the Italian coastline, in order to convey the uniqueness of a proposal that defies paradigms in every way.



ACTIVITIES ORGANISED IN THE REST OF THE WORLD

In 2023, Fratelli Branca Distillerie S.p.A. consolidated its global presence with a series of strategic activities involving key markets and promoting the brands through high-impact events and initiatives.

To celebrate and continue the success of Fernet-Branca Coins, special coins were created and introduced for each of the following countries: Denmark, Spain, Mexico, UK, Germany, Sweden and Switzerland. These coins not only reflect the rich cultural diversity and local traditions, but also served as a tangible symbol of the deep connection between the brand and each market, supporting and promoting Fernet-Branca with a personalised and distinctive touch.

In **Germany**, Fernet-Branca returned to television with a commercial based on the **Life is Bitter** campaign, sponsoring one of the most-watched prime-time programmes. This return reinforced the brand's presence in a highly visible context, emphasising the campaign's iconic message with a large and relevant audience.

The Barback Games, a highly successful annual event, saw enthusiastic participation in **Denmark, Mexico, the UK and Sweden**. These tournaments showcased the talent and creativity of the best barbacks in their respective countries, providing a platform to compete and celebrate each other. Each event was enhanced by a strong media presence and social media strategy, which amplified the visibility and impact of the initiative. In addition, Global Export launched the first **Branca-menta Winter Games**, an

innovative event that took place in **Poland, Norway and Sweden**. These events celebrated the winter season with a mix of engaging activities, reinforcing the brand's positioning as a protagonist in moments of conviviality.

2023 was also a year of memorable festivals, with **CopenHell** marking an important milestone as the first festival sponsored by Branca Global Export. This sponsorship represented a significant step in our marketing strategy, expanding our visibility in the music and cultural sector and creating new opportunities to connect with a large and diverse audience.

In addition, the Branca Group took part in high-profile trade fairs, such as **TFWA in Cannes** and the **Bar Convent in Berlin**. These events have been crucial opportunities to interact with industry professionals and to strengthen our network of **12 Brand Ambassadors**, which is constantly growing and has played a key role in promoting the brand and its values.

In addition, 2023 marked the launch of **Antica Formula's** new campaign, entitled **The Perfect Formula**, which highlighted the leading role of this Carpano family product. The Global Export division focused its efforts on this campaign to enhance Antica Formula, the jewel in the Carpano family's crown, by highlighting its elegance, quality craftsmanship and historical tradition. Through a sophisticated and targeted communication strategy, The Perfect Formula reaffirmed Antica Formula's position as a symbol of excellence in the world of vermouths.

The historical link between the Branca Group and the Bartender community

In the past, bartenders used to drink a glass of Fernet-Branca when they changed shifts; this custom became known as the 'bartender's handshake'. Being naturally close to the bartender community, the Branca Group took the opportunity to materialise this ritual by creating a coin to celebrate this precise moment. Since then, the ritual has been extended to all bars; thus, when a bartender visits another bar and shows a Fernet-Branca coin to a colleague behind the bar, they are offered a free shot of Fernet, unless they are presented with another coin in response, and the 'bartender's handshake' takes place to celebrate their joint membership of the Branca Group. Fernet-Branca coins have quickly become a symbol of belonging to the bartending community. They have travelled across oceans and continents to the furthest corners of the world. They represent not only a momentary achievement but a genuine collector's item, jealously guarded as a status symbol and privilege. In them, the sense of mutual belonging and the desire to be great protagonists of the Fernet-Branca family shine through. In the name of these values, for years the most passionate community of bartenders has been collecting, exchanging and requesting Fernet-Branca coins, which have been tirelessly produced in Limited Edition since 2013.





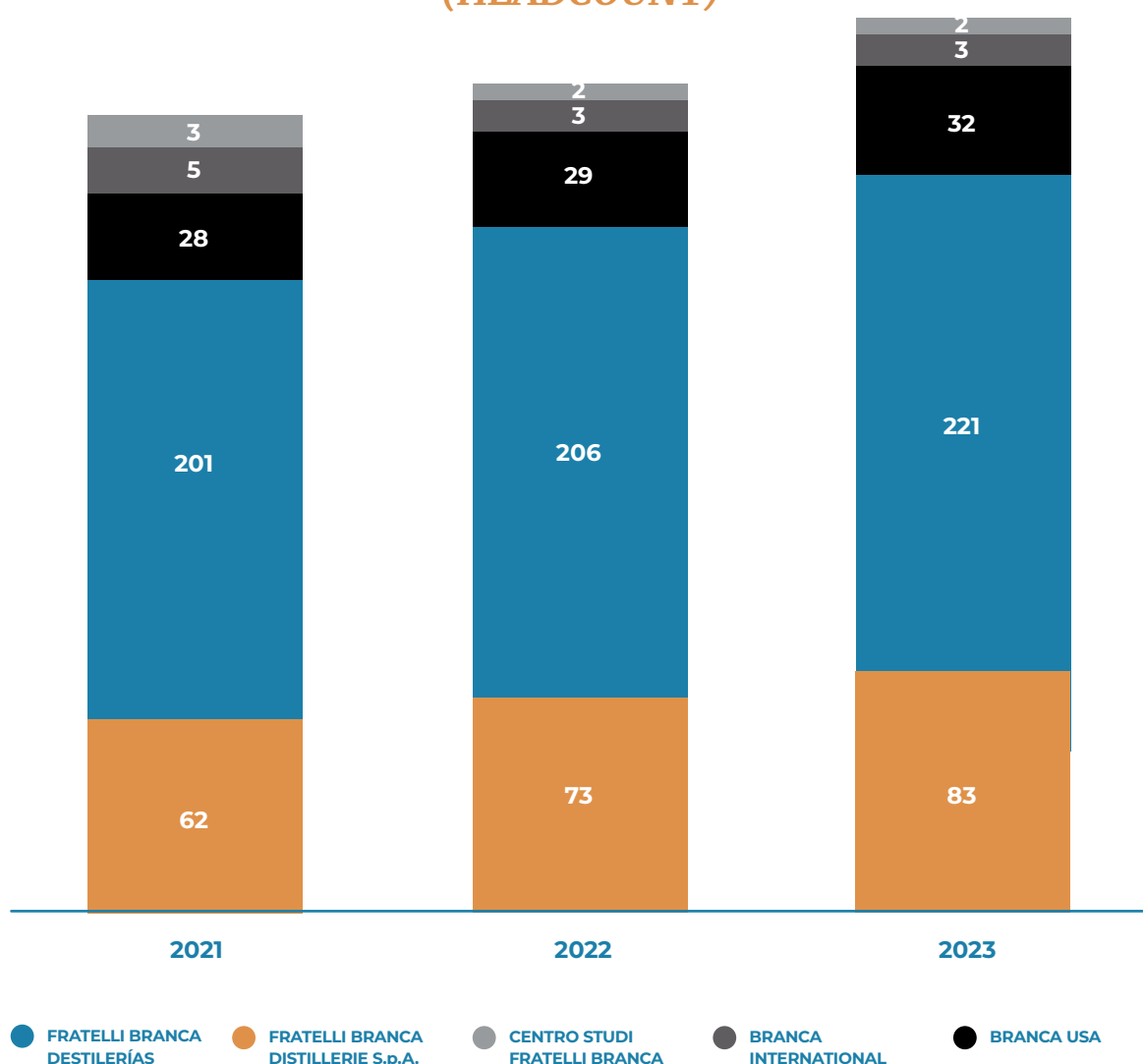
People and communities

For the Branca Group, valuing people and building a working environment based on listening, dialogue and transparency are the fundamental pillars of corporate management, in line with the principles of the Economy of Awareness. Considering people as an end and not a means, the company is committed to creating a positive and cohesive context, fostering organisational success through the application of the principles of collaborative meritocracy.

Employee Profile Branca Group

As at 31 December 2023, the Branca Group had a total of 341 employees, an increase of 7% compared to the previous year. Ninety-nine per cent of the workforce is made up of employees with permanent, full-time contracts, testifying to the employment stability offered by the company.

CONSOLIDATED EVOLUTION OF THE WORKFORCE OVER THE THREE-YEAR PERIOD BY COMPANY (HEADCOUNT)



In addition to employees, the Branca Group also has 21 interns and temporary workers in 2023 (23 in 2022).

Appointments and terminations¹⁰

¹⁰ The number of hirings and terminations and the calculation of turnover rates did not take into account the contract terminations of employees of Branca International who joined F.lli Branca Distillerie. Any differences in the balance between employees who joined and left and those in force during the year may depend on the employees with terminated contracts and the way in which the data are extracted from the system.

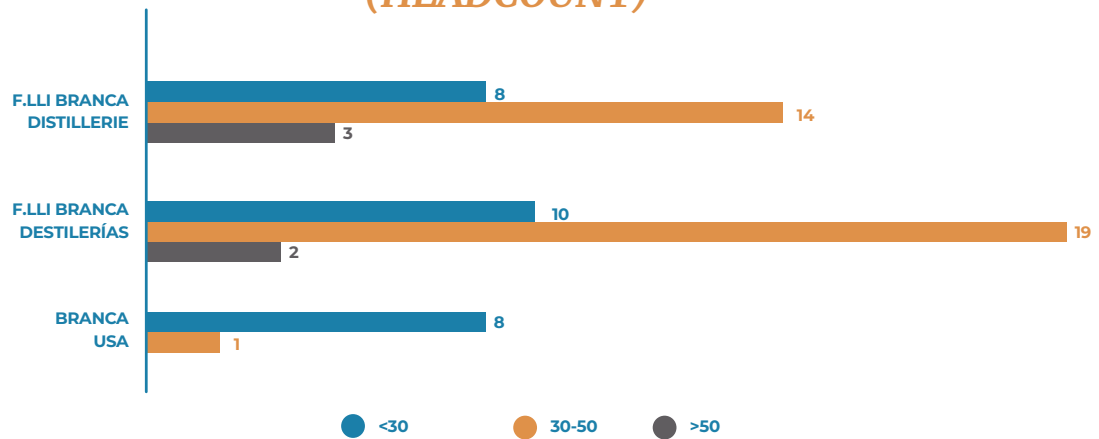
Unlike last year, the current year saw an **increase in the number of hirings**, to 64, compared to 60 in 2022. The composition of the new staff shows continuity with respect to gender parity, with 46% represented by women, and a prevalence of the 30-50 age

group (52%). Particularly noteworthy is the increase in the recruitment of young talent under 30, who make up 40% of the total new hires, an increase of 9 over the previous year.

RECRUITMENT IN 2023 BY GENDER AND COMPANY (HEADCOUNT)



RECRUITMENT IN 2023 BY AGE AND COMPANY (HEADCOUNT)



In line with the company's recruitment policies, the Branca Group's **incoming turnover rate** remained stable in 2023, at 19% of the total workforce. At the same time, there was a slight decrease in outgoing turnover, from 16% in 2022 to 11% this year.

Diversity and inclusion in the working environment

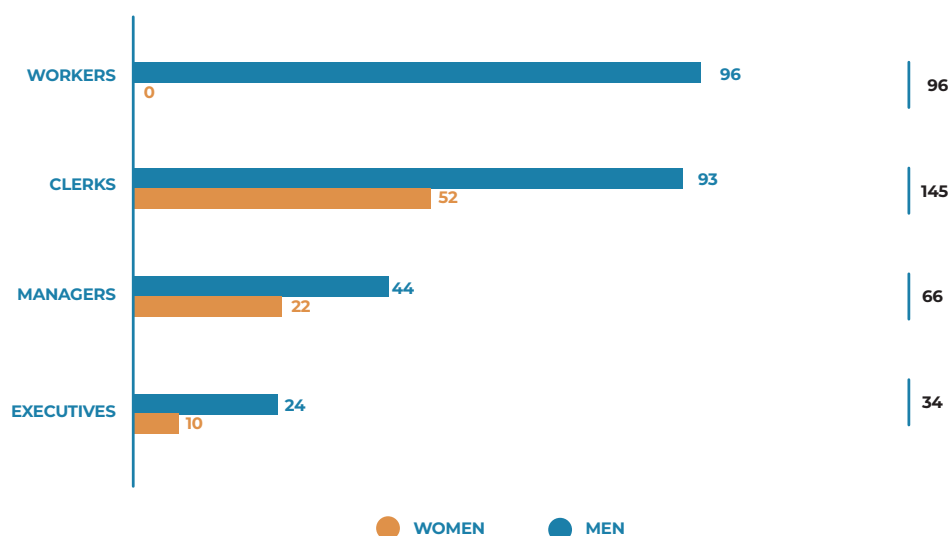


The Branca Group recognises the fundamental role of people at all organisational levels, considering them strategic assets for the achievement of corporate objectives. The company is committed to enhancing and developing the skills of its human capital. Thanks to its presence in many countries and the cultural diversity of its resources, the Branca Group benefits from a mutual enrichment that favours its growth and development.

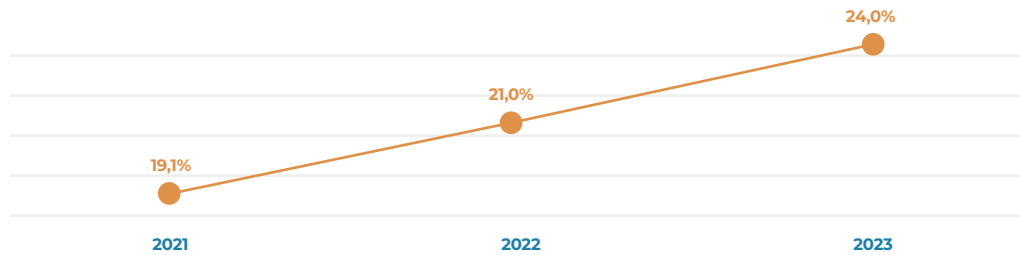
The entire Branca Group adopts a single Code of Ethics that promotes the values of inclusion, human rights, equal opportunities and non-violence. Acknowledging the central role of people in achieving the company's objectives, the Branca Group is committed to enhancing its human capital, guaranteeing equal opportunities to all employees at every stage of their working relationship. Company policies, from personnel selection to career management, are designed to prevent any form of discrimination.

The Branca Group achieved a new milestone in promoting gender diversity: **women now represent 24%** of the total workforce, a significant increase over the previous year.

NUMBER OF EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY (HEADCOUNT)

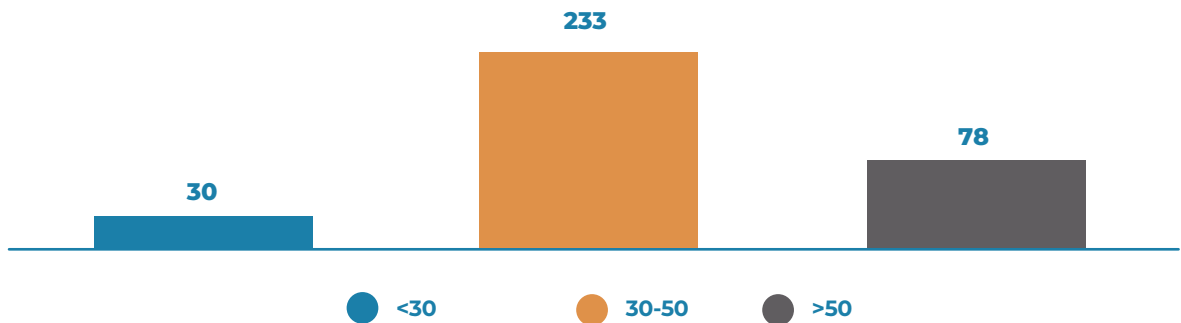


CONSOLIDATED GROWTH TREND OF WOMEN IN THE TOTAL WORKFORCE (%)



With regard to the age of employees, in line with the previous year, the Branca Group's largest age group in 2023 is between 30 and 50 (233 resources, or 68% of the total workforce). The percentages of employees aged under 30 and over 50 are 8.9% (+0.9% compared to 2022) and 22.6% respectively.

CONSOLIDATED PROPORTION OF EMPLOYEES BY AGE GROUP IN 2023 (HEADCOUNT)



¹¹For further qualitative and quantitative details, please refer to the sections: "Calculation Methodologies" and "Performance Tables".

¹²Basic salary is defined as the fixed minimum amount paid to an employee for performing the tasks assigned to him/her, excluding any additional remuneration such as overtime payments or bonuses.

¹³Total remuneration, on the other hand, includes both the basic salary and additional amounts such as those based on years of service, cash bonuses and shares (stocks and shares), benefits, overtime, time owed and any additional allowances, including travel, board and lodging and childcare contributions

REMUNERATION

The Branca Group adopts a **remuneration policy** aimed at incentivising and retaining employees with the required skills. Branca Group companies constantly monitor the gender pay gap¹¹, i.e. the gender pay gap, by analysing both the base salary¹² and the total remuneration¹³ of male and female employees. For a more in-depth examination of the calculation methods and data, please refer to the specific sections.

With reference to Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A. and Branca USA, if we consider the basic salary received on average by women workers compared to the average basic salary of men belonging to the same employee category, there is no gap for both executives and middle managers, while there is a maximum gap of 4% for white collars. Similarly, when considering the average salary received by women workers compared to the average salary of men belonging to the same category of employees, the gap in the salary level of women compared to that of men is zero for executives and middle managers and is around 3% for office workers.

Industrial relations

The Branca Group has established a constructive dialogue with trade union representatives in order to meet the needs of all stakeholders. In 2023, all the employees of the Branca Group's Italian companies (Fratelli Branca Distillerie S.p.A., Centro Studi Fratelli Branca S.r.l., and Branca International S.p.A) were hired in compliance with the relevant national collective labour agreements. As regards Fratelli Branca Destilerías S.A., it should be noted that 44.8% of employees are covered by union agreements.¹⁴

¹⁴ The indicator is not applicable for Branca USA.

Human Capital Development and Training



The Branca Group considers training a fundamental pillar for the professional development of its employees and the achievement of operational excellence in the industry.

The Branca Group actively promotes the professional development of its employees through various initiatives, including managerial skills assessment, individualised coaching and skill paths, personalised development plans and competitive remuneration policies. In order to enhance the potential of each employee, targeted training programmes have been implemented or planned at all company locations.

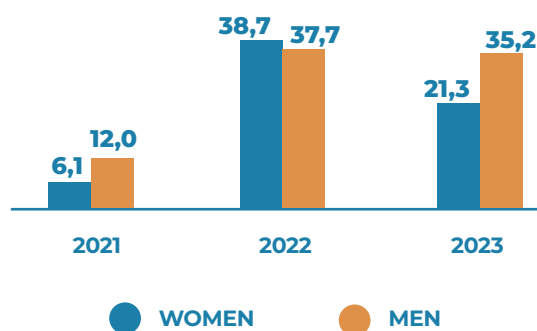
As can be seen from the chart below, during 2023, there was a significant increase in the number of training hours provided to all categories of employees in order to stimulate their professional and personal growth, with the aim of enhancing their skills and competencies. The Branca Group companies provided a total of 10,832 hours of training to employees (corresponding to an average of 31.4 hours

¹⁵ total). Specifically, 403 hours were dedicated to managers, 1,821 hours to middle managers, 3,771 to office workers and 4,837 to blue-collar workers.

The persistence of this approach can be attributed to several factors, including: the receipt of regional funding by Fratelli Branca Distillerie S.p.A., which enabled an expansion of the training offer; and the high involvement of employees in English and Italian

¹⁵ The average number of training hours per employee is given by the ratio of the total number of training hours provided to employees to the total number of employees

AVERAGE HOURS OF TRAINING PROVIDED OVER THE THREE-YEAR PERIOD (NUMBER OF HOURS)



language courses.

During the reporting year, the Branca Group focused its training activities on strategic areas such as the development of technical-specialist skills related to production, the strengthening of soft skills (with a focus on customers, people management, time management and language skills), occupa-

tional health and safety, food safety and the psycho-physical wellbeing of employees. By way of example, Fratelli Branca Distillerie S.p.A. offered mindfulness courses to its employees.

Some additional information on the different local realities is given above.

FRATELLI BRANCA DISTILLERIE S.p.A.

Over the past few years, Fratelli Branca Distillerie S.p.A. has been able to develop a training course focused on people's awareness of their professional, current and prospective dimension. The courses delivered include: Diversity & Inclusion, Emotional Leadership, Managerial Development, Team Working and Improve Feedback Culture have been designed using a methodology based on active participation. The various courses delivered provide the theoretical framework within which people have been able to develop - through structured exercises, role plays and self-cases - that stimulate mutual comparison and reflection on the experience

from which true learning emerges. 2023 was also a year in which the 'Charter of Values' of Fratelli Branca Distillerie S.p.A. was written - in cooperation with an external training company - in which the company's key values were defined. All departments and top management participated in defining and writing this important initiative. "Vision and Awareness; Tradition and Innovation; Belonging and Responsibility; Collaboration and Interdependence; Assertiveness and Authenticity" are the values described for the Branca Group.

FRATELLI BRANCA DESTILERÍAS

The Argentinean company gives each employee the opportunity to express their satisfaction with the training courses received and conducted a survey on employee involvement during the reference year. Based on the results, an action plan for improvement was developed and monitored on a monthly basis. Also with a view to continuous improvement, the company is

working on a project to digitise and build a training and monitoring system on a web-based platform in order to increasingly encourage the participation of as many employees as possible.

BRANCA USA

In 2023, Branca USA focused its efforts on redefining its vision and creating a more stable work environment through intensive staff training and involvement. Similar to the other Branca Group companies, albeit in much smaller numbers attributable to the company's smaller size, Branca USA also provided training to all its employees.

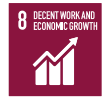
PERIODIC PERFORMANCE EVALUATION

During 2023, **Fratelli Branca Distillerie S.p.A.** continued its performance appraisal activities, involving the entire management population, almost all middle managers and more than half of the employees. This process also included the executives hired by the **Parent Company Branca International S.p.A.** In

parallel, **Fratelli Branca Destilerías S.A.** assessed the performance of all employees, a practice initiated in 2018 and consolidated in subsequent years. At **Branca USA**, particular attention was paid to individual and team goal setting and performance measurement. Key performance indicators (KPIs)

have been aligned with corporate objectives at the national and regional level, with a specific focus on aspects such as distribution, product display and bar positioning. To monitor and measure KPIs more effectively, the app-based KARMA system was implemented.

Health and safety at Work



As already emphasised in relation to training activities, the Branca Group considers the creation of a safe and healthy working environment a key element of its strategy. Protecting the health and safety of employees requires an integrated **approach involving multiple aspects**, from risk management to training and corporate culture. During 2023, only one accident was recorded at the Fratelli Branca Distillerias S.A. plant.

FRATELLI BRANCA DISTILLERIE S.p.A.

Recognising the importance of occupational health and safety as an indicator of good company management, Fratelli Branca Distillerie S.p.A. has implemented, since 2010, a health and safety management system certified according to OHSAS 18001, now ISO 45001. This system, based on a risk-oriented approach (Risk Based Thinking), defines specific roles, responsibilities and procedures to prevent risks associated with the production and marketing of spirits, distillates and aromatised wines.

The company has implemented an Integrated Management System for the environment and safety at work, actively promoting employee participation and involvement. To this end, company policies on the environment, safety and the prevention of major accidents have been made available at several locations in Italy, in order to facilitate consultation and

clearly communicate the company's objectives in these areas.

As a company classified as a Major Accident Hazard in accordance with Legislative Decree 105/15, Fratelli Branca Distillerie S.p.A. has adopted a proactive approach to **health and safety management**. The company is constantly committed to improving its performance in this area, through the updating of the safety management system, the assessment of specific risks, plant maintenance and staff training. The aim is to create a safe and healthy working environment for all employees. It provides for a continuous improvement of the control of these issues and the definition of objectives for the achievement of which specific **activity plans** are defined.

The company undertakes to:

- **Constantly updating the security management system; Assess and minimise the specific risks for each activity;**
- **Monitor and maintain facilities and equipment;**
- **Planning interventions and management of plant and equipment, in case of changes that may affect safety and risk prevention;**
- **Provide employees with safety training and promote a culture of prevention.**

The company has implemented a risk management system, based on a Risk Assessment Document (DVR) that is regularly updated. This document, drawn up with the support of certified bodies, allows the risks present in the workplace to be identified and assessed. In addition, the company has set up a reporting channel for employees to gather information on any anomalies or risk situations. Reports are handled by the Prevention and Protection Service Manager (RSPP) with the utmost confidentiality.

In order to ensure **constant improvement** of the safety management system, the company carries out regular reviews of emergency procedures, operating instructions and checklists. In addition, safety performance indicators are regularly monitored. To ensure the objectivity of evaluations, the company annual inspections conducted by a certification body. Finally, an annual strategy meeting is organised with the Prevention and Protection Service (SPP) to share best practices and define new objectives.

Based on the job description, the Branca Group provides its employees with personal protective equipment (PPE) and makes available a competent doctor, who, unless specifically required, is present in the Company at least once a month to carry out medical examinations and/or for alignment with the SSP and Plant Manager. The doctor performs the examinations in the Company, in a dedicated

environment and during working hours and, once a year, carries out the inspection of the working environments, with reference to the obligations set forth in Article 25, paragraph 11 of Legislative Decree 81/08. The Company also constantly monitors the risks arising from the tasks performed and undertakes to implement all activities necessary to protect the health of personnel, including the periodic review of work-related stress risks.

The Company has implemented an annual training plan, compliant with Legislative Decree 81/08, aimed at ensuring that all workers receive adequate health and safety training. In addition to initial training, periodic update programmes provide for various training sessions on specific topics (and by area of competence) in order to improve each worker's awareness of safety management in the workplace. With a view to continuous improvement, the Training Plan is drawn up and approved annually with the aim of increasing awareness of health and safety issues in all roles within the organisation.

The training aspect is in fact strongly linked to that of **staff awareness**, which the Company is committed to involving on an ongoing basis. In this regard, documentation recalling good practices on health and safety, as well as on the proper management of health and site emergencies, are posted in the most frequented areas of the Company and in transit

routes, in order to ensure maximum visibility. Health, safety and environmental policies and certificates from accredited bodies are also posted in the Company's entrance areas and at other relevant points.

Fratelli Branca Distillerie S.p.A. managed to record zero accidents in 2023, as was the case in previous years, with the exception of the single accident that occurred in 2022. Furthermore, no episodes attributable to the development of occupational diseases, i.e. acute, recurring or chronic health problems caused or exacerbated by working conditions or practices, were reported by the organisation.

Looking to the future, the company is gradually reducing the quantities of flammable liquids with the aim of moving away from being a major accident hazard company.

FRATELLI BRANCA DESTILERÍAS S.A.

In line with 2022, also in 2023 the company implemented a health and safety management system compliant with ISO 45001 and local regulations, covering all plant activities. In 2023, the system was successfully audited by TÜV, confirming its effectiveness.

The company has implemented a customised **risk matrix** to classify hazards and assess their severity. Based on the results of this assessment, specific control measures are taken to mitigate the identified risks. In the event of an incident, an ad hoc committee analyses the event and defines **corrective and preventive actions**. In recent years, these actions have included improving machine guarding, installing safety barriers and analysing the risks of potential explosions.

To encourage active employee involvement in health and safety management, the company organises regular six-monthly meetings with all operational areas and has set up a joint committee, with trade union representation, which meets monthly to discuss occupational safety issues. The functioning of the committee complies with current legislation. Accidents, if any, are periodically analysed to identify their causes. The company has entrusted the management of the medical service to an external professional who works on site for 20 hours a week, exceeding the regulatory requirements. The service is coordinated by the SSMA and HR functions. Communication takes place through various channels and six-monthly meetings are organised to take stock of the situation. The company has a dedicated safety team and is advised by a specialist insurer.

During 2023, several initiatives were undertaken to further improve occupational safety, including the verification and management of the ISO 45001 standard, the expansion of health campaigns, the increase of safety training courses and the launch of 'Safety Week'.

Several activities were carried out as part of the International Day for Safety and Health at Work. These included training activities on cardiopulmonary resuscitation, the use of fire extinguishers and live fire drills. Also during 2022, the Company carried out studies on administrative tasks in accordance with Resolution 886/15 of the Ministry of Labour, Employment and Social Security with respect to occupational health and safety risks. In line with the recommendations of this study, specific elements for adjusting the height of monitors and ergonomic adapters for laptops were purchased and delivered to staff.

Thanks to the issue management methods described therein, Fratelli Branca Destilerías S.A. did not record any accidents in 2023. Furthermore, no episodes attributable to the development of occupational diseases, i.e. acute, recurring or chronic health problems caused or aggravated by working conditions or practices, have been reported to the organisation.

BRANCA USA

Branca USA is committed to providing a workplace free of risk of physical injury, which, given the nature of the business and compliance with the provisions of the Occupational Safety and Health Act (OSH Act) of 1970, is relatively low. As in 2022, the Company recorded no injuries in 2023.



Employee Welfare

The Branca Group considers the well-being of its employees a priority. The three Branca Group companies offer a range of benefits¹⁶ including life and health insurance, annual bonuses, accident policies, use of company cars or reimbursement of private car expenses, corporate credit cards and company mobile devices.

In addition, the three companies pursue further initiatives that better suit the different contexts in which they operate.

¹⁶ It should be noted that the way in which these benefits are provided varies according to the legislative context in which different companies operate.

FRATELLI BRANCA DISTILLERIE S.p.A.

- Reimbursement for participation in summer centres for employees' children
- Refund on the purchase of secondary school books to promote the education of employees' children
- Bonus for the promotion of children of employees attending secondary schools
- Bonus for the promotion of the children of employees who have passed their baccalaureate examinations
- Scholarship for children of employees who are enrolled at university
- Prize for university examinations taken during the year by children of employees and for graduation

FAMILY SUPPORT

OTHER INITIATIVES

- Employee seniority bonus
- Medal for seniority
- Prizes (product parcels) during the festive season (Christmas and Easter)
- Paid leave of various kinds

In 2017, Fratelli Branca Distillerie S.p.A. obtained BSCI certification - Business Social Compliance Initiative, an international recognition that attests to the respect of high ethical and social standards in its supply chain. The company is committed to ensuring decent working conditions, gender equality and respect for workers' rights by adhering to the fundamental principles of the Code of Conduct. Therefore, it operates on the basis of the following values: continuous improvement, collaboration and empowerment, and ensures compliance with the following principles: freedom of association and the right to collective bargaining, non-discrimination, adequate remuneration, reasonable working hours, protection of workers, prohibition of child labour, prohibition of forced labour, environmental protection, and ethical trade.

Business companies adhering to BSCI certification must comply with the principles set out in the document and fulfil their responsibility to respect human rights in their sphere of influence. This code is based on international conventions such as the Universal Declaration of Human Rights, the Guidelines on the Rights of the Child and Entrepreneurial Action, the United Nations Economic and Human Rights Guidelines, the Organisation for Economic Co-operation and Development (OECD) Guidelines, as well as the United Nations Global Compact and the International Labour Organisation (ILO) Conventions and Recommendations, which are fundamental for the improvement of working conditions in the supply chain.

FRATELLI BRANCA DESTILERÍAS

As far as Fratelli Branca Destilerías S.A. is concerned, it should be noted that the Company monitors the employee satisfaction index with respect to the benefits provided on an annual basis. In 2023, it confirms its support for the following initiatives:

FAMILY SUPPORT

- Extended paternity leave (15 days)
- Children's Day, a day dedicated to the children of employees up to the age of 12, on which a small gift is donated (147 gifts donated in 2023)
- Free school supplies backpacks for employees' children (185 backpacks donated in 2023 to 118 families)
- Christmas hamper

HEALTH SUPPORT

- Extension of the influenza vaccination campaign: in line with the official public health calendar, the vaccination programme for staff and their families is developed
- Presence in the company canteen of foods chosen for a healthy diet
- Life insurance
- Assistance in purchasing certain drugs and medicines
- Bonus Transport
- Gymnasium

BRANCA USA

With reference to Branca USA, health care in the United States is not universal and therefore represents a significant expense for the employer and can also be a significant expense for the employee. Therefore, the Company in 2023 continued to partner with an organisation (Professional Employment Organisation) with the goal of offering its staff comprehensive health care coverage, keeping the costs paid by employees and their families below the national average. During 2023, various insurance packages were offered to provide employees with various pricing options tailored to their specific individual and/or family needs, including coverage for spouses, domestic partners and qualified dependents.

It then implemented the following additional initiatives:

FAMILY SUPPORT

- 100% paid maternity and paternity leave

OTHER INITIATIVES

- Supplementary pension contribution plans (401(k)) matched by employer
- Short- and long-term disability
- Life and supplementary life insurance
- Health cover (includes medical/mental insurance, dental insurance and vision insurance)



The Branca Group, culture and territory



Aware of its influence on local communities, the Branca family has always shown a deep sensitivity towards the social and cultural context in which it operates. Since its origins, the company has actively supported the development of local communities, helping to generate a positive impact on society, people and the environment.

Building on its historical ties with culture, the Branca Group continues to promote and support cultural initiatives, both independently and in collaboration with local, national and international partners, with the aim of engaging communities and sharing its values.

The main initiatives

Branca Collection Museum

A journey through history, tradition and innovation

Inaugurated in 2009, the Branca Collection Museum offers an immersive experience in the history and culture of the company. Born from an initiative of the Branca family, the museum narrates the entrepreneurial evolution of the company from its origins to the present day, guiding visitors on a sensory journey through unmistakable aromas. Visitors are greeted by the unmistakable aroma of Fernet-Branca that pervades the rooms of the museum and accompanies them on a journey that allows them to relive the history of the company, breathe in the aromas, see the craft tools of the beginnings up close and follow the evolution of technique and innovation. An itinerary of over 1,000 square metres that winds its way through paintings, sculptures, raw materials and working tools that tell of a reality made of quality and

passion.

The "Branca Collection", the result of more than ten years of research, selection and restoration work, also includes a rich collection of promotional posters, advertising campaigns and calendars, bearing witness to the special attention paid to the communication of the corporate image that distinguished the Branca Group, as early as the mid-nineteenth century, through avant-garde methods. The exhibition also displays in its areas various objects that have come to the 'Branca Collection' as gifts from enthusiasts. The Collection is thus not only a business history itinerary that looks at past history, but is also a space in which the objects take on a dual significance as historical documentation of a production system, as well as a communication and organisational concept. It also plays a formative and educational role,

through a policy of 'open doors' towards associations and schools in the entire Milanese urban context, which guarantees free access to the sections of the museum that tell the history of the company, as well as the possibility of activating possible curricular training internships and/or apprenticeships for young graduates.

In recent years, the historical route has experienced a great influx of visitors, who have confirmed their satisfaction also through positive feedback on the Tripadvisor platform and on social networking sites Instagram and Facebook. When possible, extraordinary openings are planned during the 'culture week' period, as well as evening openings, in response to the great interest from the community.



Branca Tower

Designed by the famous architect Giò Ponti and built in record time for the 5th Milan Triennale, the Branca Tower is an icon of Italian design and a symbol of the city. With its 108.6 metres and steel structure, the tower offers a breathtaking panoramic view of the city. Restored by the Branca family and reopened to the public in 2002, it is now a landmark for Milanese and tourists alike, a privileged vantage point over the changing city. Welcoming thousands of visitors every year, it continues to serve the city by offering tourists, but especially residents, a different perspective on the beauty of Milan. In line with the Branca Group's social commitment to the local community, a complementary

structure has been built at the base of the Tower, which, with its transparent glass wall and suggestive perspective on the tower, is intended to be a new landmark for the city, a symbol of a new creative ferment projected into the future. The structure, conceived as a restaurant-bar, hosts cultural and innovative events.



Fondation Fernet-Branca, Saint Louis

Part of the Branca Group's development is written between the pages of French history. In Saint Louis, in fact, one of the Milanese family's distilleries has been in operation since 1909. The 50-metre-long building is surmounted by a copper eagle, the emblem of Fratelli Branca Distillerie S.p.A., which was designed to dominate the company's pavilion during the 1906 Milan International Fair. Today, with distillation activities discontinued, the building houses the Fondation Fernet-Branca and has been included in the inventory of French historical monuments since 4 July 1996, following recognition by the prefect of the Alsace region.

The idea of transforming the old

Fernet-Branca distillery into a contemporary art museum was born in 2003 from a joint project of the local administration and the Branca family, which has always been sensitive to social and cultural issues and interested in finding a new use for the plant, for years the dynamic hub of life in the town of Saint Louis, and for its territory. In 2003, Count Niccolò Branca signed an agreement with the city of Saint Louis under which, for 23 years, he made the factory building available for the creation of the museum. The initiative is part of the cross-border cultural context connected to the neighbouring city of Basel where the Fondation Beyeler, the Tinguely Museum, the Schaulager, the annual exhibition 'Art'Basel' and

in Weil am Rhein, Germany, where the 'Vitra Design Museum' is located.

The work was designed by the architect Jean-Michel Wilmotte, who studied the transition to the future exhibition space in two stages: the first with the use of the area to host the exhibitions and the public, and a second intervention with the covering of the inner courtyard with a glass roof and the creation of an underground restaurant in the old cellar where the original barrels are located. The museum was inaugurated on 15 June 2004 by the President of the French Republic.

The Branca Group, in collaboration with Eataly and the museum services of the city of Turin, has dedicated a museum to the history of the Carpano brand. The Carpano Museum is located on the first floor of the former factory, in the spaces that now house Eataly Torino, and offers a journey through the history and milestones of Carpano vermouth production. A journey that starts in Turin, in 1786, when Antonio Benedetto Carpano invented the King's favourite drink in the old workshop in Piazza Castello, and arrives in Milan, in the present day, at the Fratelli Branca distilleries.

Carpano Museum





Branca Chimney

The collaboration between the Orticanoodles and Fratelli Branca Distillerie S.p.A. in 2015, on the occasion of the company's one hundred and seventy years of activity, gave rise to the street art project dedicated to the restyling of the Branca chimney in via Resegone. An initiative symbolising the union between contemporary art and business, promoted with the intention of enhancing the smokestack located inside the factory, a truly common urban element in industrial architecture that, before the murales, had been almost forgotten, but of such dimensions that it could not be ignored by those who open their windows in the morning and look in its direction.

The work, in keeping with the company's tradition, followed the theme of 'Novare Serbando' by renovating the chimney, which dates back to the early 20th century, with the key elements of the Group's

communication and accentuated colours, while preserving its original shape and link with the territory.

The mural, one of the tallest in Europe, for Orticanoodles represents the laborious and skilful production process of the famous Fernet-Branca: a colourful tangle of herbs intertwining and climbing towards the sky of Milan, all amidst bottles and historical icons of the company such as the globe with the eagle and the irreverent crocodile from the 1920s. The grasses represented create plays of shapes and colours that can only be fully perceived hundreds of metres away from the work. For the creation, which took about 10 days, the Orticanoodles used the 'spolvero' technique, the same technique that Michelangelo used as early as 1500.

The project also continued inside the plant, where all employees and family members who were an integral part of this work of art by participating in

the collective painting activity were allowed to put their signature in the roots drawn at the base of the chimney, symbolising in a certain sense the roots of the company and its history. The company's decision to use the artistic channel of street art is certainly linked to the aspiration of wanting to reach as many people as possible, and this through a work capable of telling the story of the Branca Group through images, dialoguing with the territory.

The realisation of the project has given a new face to Milan's skyline through an innovative work with an original and colourful appeal both during the day and at night. In fact, thanks to the collaboration with Futuro Luce, the chimney shines even at night with its LED lighting system in which light and cutting-edge technology are linked to the values of tradition, excellence, refinement and contemporary Milanese art.

The most recent initiatives

In line with the corporate culture of the Branca Group, even Branca USA, despite being a relatively young company, has launched a number of initiatives to support local communities. Although the projects are still limited, they represent a first step towards a more structured and lasting commitment.

FRATELLI BRANCA DISTILLERIE S.p.A.

Fratelli Branca Distillerie S.p.A. actively collaborates in numerous social initiatives to meet the different cultural realities of the territory, creating moments of sharing and dialogue with its stakeholders and, in particular, developing and reinforcing a continuous cultural exchange and enrichment towards the territory.

Among the main initiatives in 2023, it is possible to highlight the **Branca Collection Museum**:

- Participation in the MuseoCity project with the City of Milan, with the realisation of a video simulating a virtual visit of the Branca Collection for the YouTube channel;
- realisation of a virtual video tour of the Branca Collection Museum also for the Culture Week promoted by Musei d'Impresa, published on the YouTube channel and made available with links from the Museimpresa association;
- presence at the seminar and annual meeting organised by the association Museimpresa, which brings together more than 130 museums and archives of large, medium and small Italian companies for the definition of new projects;
- increase in television reports, press articles and the use of social networking sites Facebook, Instagram and

YouTube to make the Torre Branca known to an increasing number of people. Videos about the Torre Branca were posted on social pages showing the beauty of Milan, reaching an average of 20,000 views. As a result, the Torre Branca attracted 27,000 people in 2023 (15,800 in 2022), registering a significant increase in visitors compared to the previous year, largely made up of foreign visitors;

- daytime and evening visits to the Branca Collection in the presence of 160 groups of visitors, for a total of approximately 2,400 people, including university students from the Bovisa Polytechnic, Università Cattolica and Università Bocconi. With the aim of helping to bring young people closer to the history and culture of the Branca Group, the possibility of visiting the collection during evening hours was increased.

In addition, the Branca Collection Museum often hosts cultural initiatives such as visits by university professors, scientists and men of culture, book presentations and conferences to share the history of Italian enterprise and the culture of spices, herbs and roots.

Finally, with reference to the initiatives developed on products, over the years the

Branca Group has participated in numerous activities with important Made in Italy companies that, like the Branca Group, are spokesmen for a culture of quality 'know-how'.

Through telephone contacts, e-mails and social channels, the Company handles any complaints and holds conversations with stakeholders to answer their questions and curiosities; in 2022, in line with previous years, the Company did not register any complaints in this area.

FRATELLI BRANCA DESTILERÍAS S.A.

Fratelli Branca Destilerías S.A. reinforces the trust of young Argentines through an ongoing commitment to the Fernet-Branca brand. One of the initiatives is the brand's strong presence in art. In 2023, Fratelli Branca continued to develop its artistic and cultural platform through **the Unique Art Contest**, maintaining its rich and extensive tradition and allowing young and new Argentine artists to capture their art and make it known. For the second consecutive year, it joined the **Anden 2222 Cultural Foundation**, which promotes access to and dissemination of the arts in disadvantaged contexts. In this way, the participation of people interested in the arts and economically vulnerable was encouraged. On the other hand, this year the **'Publicitarias'** foundation was integrated into the campaign ecosystem to complement its commitment to promoting diversity and gender equity. This partnership ensures the representation and inclusive participation of diverse voices and talents within the creative industry.

Another important area is the universe of access to work within the core business: **On Trade and Bartenders**. Thus was born the Branca Family Project, from which this year the company launched the second level of **"Accademia Branca"** for the Southern Cone. "Accademia Branca" is the first virtual educational programme for professional development in bartending, with world-class content approved by one of the country's most prestigious universities (UADE). The aim is to offer unique professional development opportunities to the region's bartenders, while fostering social inclusion: to this end, courses are offered to both members of the Branca Family and low-income young people seeking employment. For the latter, a strong alliance has been forged with Fundación Pescar, to which scholarships are awarded for the Academy.

Gender equality is an issue to be attended to with great responsibility and sensitivity. In 2023 Fratelli Branca Destillerías S.A. collaborated with **Digitalizadas**, an organisation committed to the empowerment of women entrepreneurs. An exclusive Branca Academy training designed specifically for its members was held. This commitment reflects ongoing efforts to

support gender equality and diversity.

In addition, Fratelli Branca Destillerías S.A. has collaborated with various entities in the region to develop multiple initiatives that contribute to the creation of sustainable value over time.

PERSONAL, CHILD AND FAMILY CARE:

- **Caritas:** Caritas is an organisation of the Catholic Church that brings together 165 national relief, development and social service organisations. It is dedicated to the fight against poverty, exclusion, intolerance and discrimination.
- **Casa Cuna:** the oldest children's hospital in the Americas, also known by its traditional name 'Casa Cuna'. Around 550,000 children with various illnesses and ailments are treated each year.
- **Union Memorial:** an NGO that provides lunches and snacks to children and adolescents between the ages of 3 and 18 in vulnerable situations. Assistance is currently provided to 398 families.
- **Fatima Foundation:** NGO dedicated to providing a therapeutic educational space for people with deafblindness in order to achieve their family and social integration and improve their quality of life.
- **Decent Housing:** Foundation working with low-income families in building, improving and equipping their homes. The company has involved its employees in volunteer activities.
- **Nutriéndonos:** an NGO dedicated to the treatment and prevention of child malnutrition that supports pregnant women, mothers and children up to 5 years of age in vulnerable situations.

EDUCATION, EMPLOYMENT AND EMPLOYMENT SUPPORT:

- **Fundación Cimientos:** an NGO that promotes educational equity through programmes that improve the quality of education and promote educational continuity and/or employment for young people living in vulnerable contexts. The company has provided several scholarships.
- **Fundación Pescar:** providing training tools to low-income young people to facilitate their integration into the world of work: 50 scholarships were awarded to young adults associated with the NGO for the first course of the Branca Family Bartender programme 'Branca Academy'.
- **Universidad Argentina de la Empresa (UADE):** as part of the Familia Branca programme, representatives from the company had the pleasure of holding Master Classes for students in the Gastronomy and Food Engineering careers at UADE, organising workshops and various visits to the Fratelli Branca Distillerie S.p.A. distillery for the most deserving students.
- **The Margarita Barrientos Foundation** is an institution that feeds about 2700 people a day, including children of all ages, mothers, grandparents, and people in precarious situations. They are provided with breakfast, lunch, snacks and dinner.



- Fundación Reinicia is an association whose challenge is to accompany young people with neurological disorders in a new phase, according to their needs, interests and age, promoting their integral development, contributing to their happiness and improving their quality of life.

ENVIRONMENTAL PROTECTION

The Bella Vista Nature Reserve is located near the Reconquista River, in the municipality of Bella Vista, San Miguel district. Through various activities in which the community is invited to participate, the reserve aims to carry out a complete environmental restoration of its entire length, to convert a place that was destined for the disposal of all kinds of waste, into an area of recreation and sustainability. The company donated herbs for compost processing and involved its employees in volunteer activities.



BRANCA USA

For Branca USA, engagement in local communities represents a win-win strategy: on the one hand, it allows the brand to be strengthened and creates a deeper connection with consumers; on the other, it offers the opportunity to support charitable initiatives and to contribute to the development of territories.

In line with this thinking, the company continues to sponsor the following social development initiatives:

- **Tales of the Cocktail¹⁷** a local, national, and international non-profit organisation founded in New Orleans that serves as a catalyst to educate, promote, and support communities while advancing the hospitality industry.

- **Women of the Vine & Spirits**, a global organisation that aims to empower and advance women in the alcoholic beverage sector, pushing the industry towards a more diverse and inclusive era.

- **Speed Rack Women**, an exclusively female high-speed bartending competition whose proceeds go towards breast cancer research and awareness.

With the aim of protecting biodiversity, the company financially supported the creation of a pollination area in the heart of Atlanta, Georgia. This initiative has not only promoted the pollination of the surrounding gardens,

but has also helped to raise public awareness of the importance of bees. In addition, through the 'Branca Gives Back' programme, the company organised various volunteer activities, such as beach clean-ups and the restoration of natural habitats, thus promoting a collaborative approach to environmental protection.



¹⁷ For further details, please consult the following link: [Tales of the Cocktail® - Tales of the Cocktail Foundation](#)



Environmental Protection

For the Branca Group, environmental sustainability is a fundamental pillar of its activities. The company is committed to operating responsibly, respecting the environment and using natural resources efficiently.

The Branca Group has adopted a Code of Ethics that promotes fairness, loyalty and professional rigour in all company activities. These principles are the basis of the Environmental Policy, adopted by Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías S.A. since 2019, which defines the company's commitment to the responsible management of environmental issues.

The company pursues a process of continuous improvement by constantly monitoring performance indicators and setting specific targets to be achieved. Through timely data analysis, the company is able to measure progress and adapt its strategies to optimise activities, going beyond mere regulatory obligations. The Branca Group is actively committed to promoting environmental sustainability, going beyond simply managing its impact on the ecosystem. The company considers sustainability a key element of its strategy, actively involving its stakeholders in spreading responsible behaviour towards the environment. In order to optimise the use of resources and reduce its environmental impact, the Branca Group has implemented several initiatives, including the continuous monitoring of energy and water consumption, the adoption of innovative technologies and personnel awareness. Moreover, the

company pays great attention to all stages of the production process to prevent pollution and promotes sustainable practices also among its suppliers. Both Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías S.A. have implemented an ISO 14001:2015 certified Environmental Management System a , aimed at controlling and improving the environmental performance of their industrial operations. This system allows them to effectively manage key aspects such as energy consumption, emissions, water use and waste management.

Fratelli Branca Distillerie S.p.A., confirming its commitment to environmental sustainability, has also decided to adhere to EC Regulation No. 1221/2009 EMAS, which provides for a certification system that recognises at European level the achievement of excellence in environmental improvement. It obtained EMAS certification in 2008,

attesting to the company's excellence in improving its environmental performance and optimal resource management.

This chapter presents a detailed analysis of the Branca Group's environmental performance, focusing on consolidated data and investigating the most relevant aspects related to the production sites in Italy and Argentina. The latter, being the main sources of environmental impact in terms of energy consumption, emissions and waste management, constitute the focus of the analysis. The data for Branca USA, although included, are of lesser weight as the company is not a production site.



Energy consumption and emissions



The Branca Group is constantly striving to minimise the environmental impact of its activities, from production to product end-of-life. Although not an energy-intensive company, the Branca Group has always invested in energy efficiency.

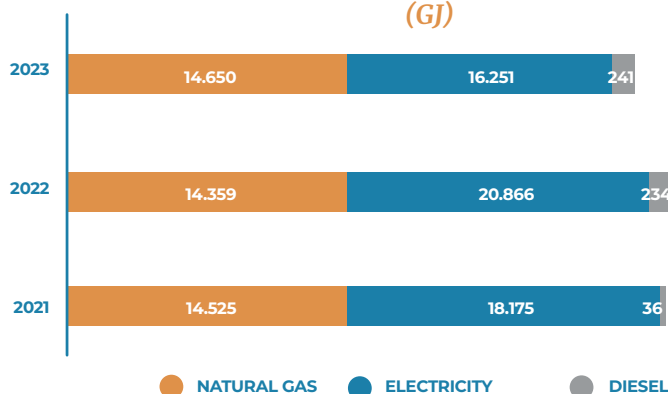
¹⁸ Consumption related to the production plants includes that of the subcontractor company responsible for bottling on behalf of the Italian company Fratelli Branca Distillerie S.p.A. It should be noted that the data reported were provided by the subcontractor through the use of drivers on the utilisation of production lines.

¹⁹ For the conversion of consumption into GJ, reference was made to the factors made available by the UK Department for Business, Energy & Industrial Strategy (UK Government GHG Conversion Factors for Company Reporting), Conversions sheets and Fuel properties.

I CONSUMI ENERGETICI

In 2023, energy consumption related to the¹⁸ production facilities in Italy and Argentina in the two subsidiaries amounted to 31,141 Gigajoules (GJ)¹⁹, a decrease of 12.1% compared to 2022. Specifically, this reduction is mainly attributable to the outsourcing of the bottling process, started in 2021, which involved significant energy consumption for the operation of the related equipment. In 2023, there was a further, albeit slight, decrease in consumption, resulting from the replacement of lamps and forklifts with more efficient models. Natural gas consumption remained more or less in line with the previous year, showing a slightly increasing trend of 1.02%.

PRODUCTION FACILITIES
CONSOLIDATED DETAIL OF ENERGY CONSUMPTION BY SOURCE
(GJ)

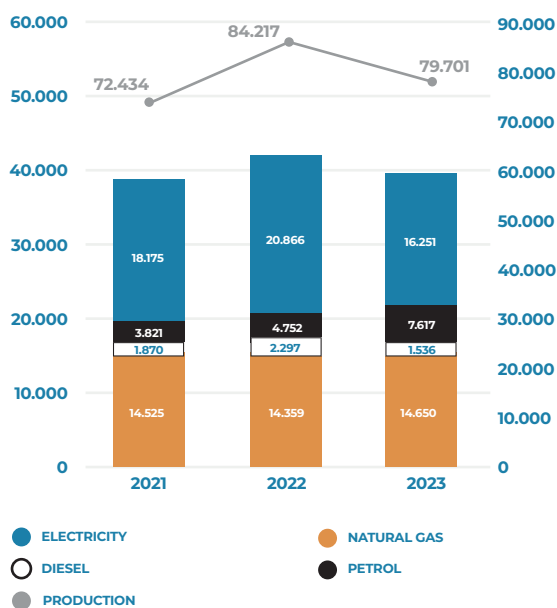


The data refer to the energy consumption of the plants present at Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerias S.A. and include the consumption of the subcontractor company responsible for bottling for Fratelli Branca Distillerie S.p.A.

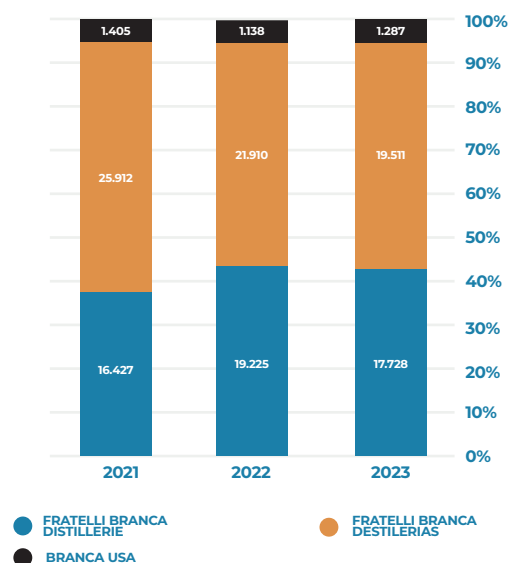
To the energy consumption used for heating and industrial processes, and thus directly related to the plants, must be added the consumption of petrol and diesel, by means of which the companies power the company car fleet, which in 2023 amounted to 7,617 GJ and 1,536 GJ respectively. These values are on average increasing compared to 2022 but, despite this, total consumption decreased and amounted to 40,055 GJ, showing a decreasing trend (-6%) compared to the previous year.

CONSOLIDATED TREND IN ENERGY CONSUMPTION (GJ) AND TOTAL ANNUAL PRODUCTION (T) OVER THE THREE-YEAR PERIOD

The data refer to energy consumption related to the plants and automotive activities of the perimeter companies and include consumption by the subcontractor company responsible for bottling for Fratelli Branca Distillerie S.p.A.



DETAIL OF ENERGY CONSUMPTION BY COMPANY ON TOTAL CONSUMPTION (GJ) IN 2023



Even in the face of a 5.3% reduction in production, overall energy consumption decreased, showing a significant improvement in energy efficiency. The energy intensity index, which measures the ratio of energy consumed to production, remained unchanged at around 0.50 GJ/ton, confirming the values of previous years.

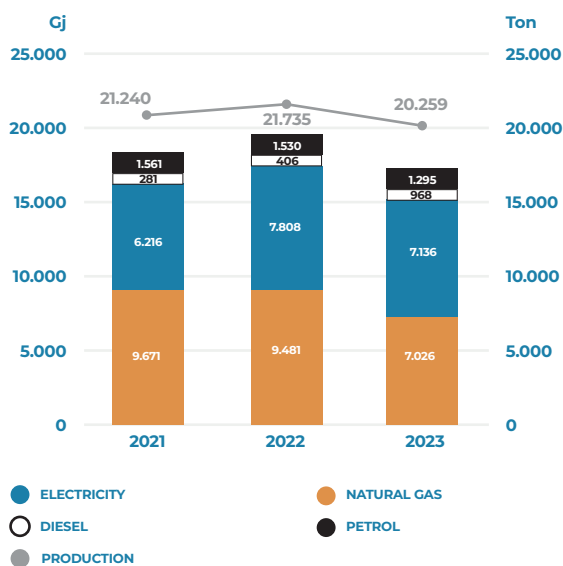
The graph below shows the contribution of each company to the Branca Group's total energy consumption, to which Fratelli Branca Destilerias S.A. contributes the most, also in view of its higher production volumes.

FRATELLI BRANCA DISTILLERIE S.p.A.

Fratelli Branca Distillerie S.p.A. is constantly committed to improving its environmental performance. Through rigorous monitoring of consumption, the adoption of cutting-edge technologies and staff awareness, the company optimises the use of energy in all production phases, preventing waste and minimising pollution risks. As proof of this commitment, a photovoltaic system with accumulation has been installed at the headquarters in via Resegone 2, which powers the LED lighting of the Chimney, making it completely energy autonomous. In addition, a 14 kW solar thermal system was realised for domestic water heating. In view of the limited contributions, these installations are not monitored in the Environmental Declaration.

As shown in the graph below, total energy consumption in 2023 decreased by 15% compared to the previous year. At the same time, in 2023 Fratelli Branca Distillerie S.p.A.'s production volume decreased by approximately 6.7%, the ratio between the two values positively affects the energy intensity index²⁰, which stands at 0.811GJ/ton, showing a slightly decreasing trend compared to the previous year (when the same index stood at 0.88 GJ/ton).

FRATELLI BRANCA DISTILLERIE TREND IN ENERGY CONSUMPTION (GJ) AND TOTAL ANNUAL PRODUCTION (T) OVER THE THREE-YEAR PERIOD



The data refer to the energy consumption of Fratelli Branca Distillerie S.p.A. including the subcontractor company responsible for bottling

Production is defined as tonnes of bottled product

FRATELLI BRANCA DESTILERÍAS S.A.

In 2023, Fratelli Branca Destilerías S.A. continued on its path towards environmental sustainability, acting in full compliance with its Environmental Policy and current regulations. Following ISO 14001 standards, the company has identified and classified the environmental impacts of its activities, implementing targeted actions to reduce their impact. Through constant monitoring and setting new annual targets, Fratelli Branca Destilerías S.A. is committed to continuously improving its environmental performance.

Following the mapping of the main sources of consumption, starting in 2017 Fratelli Branca Destilerías S.A. finalised several initiatives related to energy efficiency, including:

- automation of water pumping wells, which not only made the use of water resources more efficient, but also optimised electricity consumption;
- construction of a new production hall with transparent sheet metal cladding, which saved electricity for lighting;
- acquisition of new data processing equipment with improved performance and lower power consumption;
- development of an LED lighting system not only for production areas, but also inside offices and internal circulation routes;
- Reduction of the boiler's operating time, resulting in a decrease in the amount of natural gas used, following an analysis of the demand for steam needed for production during the day and the attainment of daily requirements even with limited boiler operation;
- Introduction of a shutdown configuration and optimisation of the operation of air compressors - identified through a demand analysis as responsible for one of the most significant shares of electrical energy used - which reduced electricity consumption;
- placing auxiliary services (steam production, compressed air) in locations close to where the demand for them occurs, in order to achieve greater efficiency in the energy consumption associated with each piece of equipment;
- staff training on energy-saving issues.

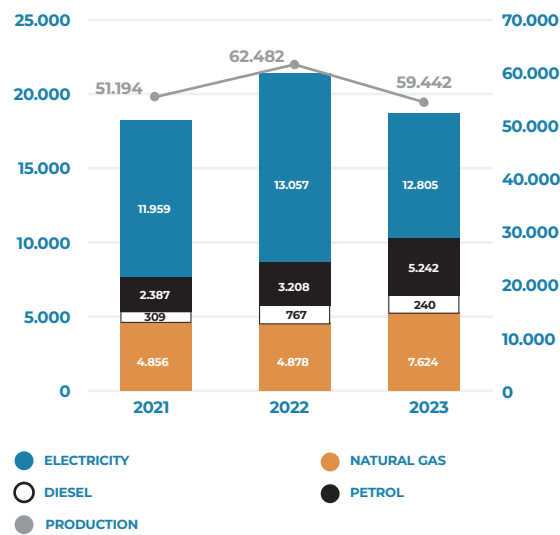
As illustrated in the graph below, Fratelli Branca Destilerías S.A.'s consumption of 25,912 GJ increased by approximately 18% compared to 2022. With respect to consumption sources, natural gas and purchased electricity together amount to more than 79% of the Company's consumption. In this regard, natural gas consumption increased by more than 50% year-on-year (7,624 GJ in 2023 versus 4,878 GJ in 2022), while electricity

consumption decreased by 1.9%. To a lesser extent, the Company consumes diesel for activities related to plant maintenance, as well as diesel and petrol to fuel the car fleet, and these consumptions also show an upward trend compared to last year.

However, there is a 5% decrease in production (59,442 vs. 62,482 tonnes in 2022), which negatively affects the energy intensity index²¹, which stands at 0.44 GJ/tonne.

²¹ The energy intensity index is calculated as the ratio of energy consumption in Gigajoules to the volume of annual production of bottled product in tonnes.

FRATELLI BRANCA DESTILERÍAS
TREND IN ENERGY CONSUMPTION (GJ) AND
TOTAL ANNUAL PRODUCTION (T) OVER
THE THREE-YEAR PERIOD



Data refer to energy consumption related to Fratelli Branca Destilerías S.A.

Production is defined as tonnes of bottled product

Atmospheric emissions

²² For the calculation of emissions from R410 refrigerant gas refills, the emission factor consisting of the DEFRA 2023 standard parameters was used.

The main sources of greenhouse gas emissions in the Branca Group are **energy consumption** and the use of **refrigerant gases** in air conditioning systems. For an accurate assessment of our environmental impact, we have adopted the GHG Protocol emission calculation method, which divides emissions into different categories (Scope).

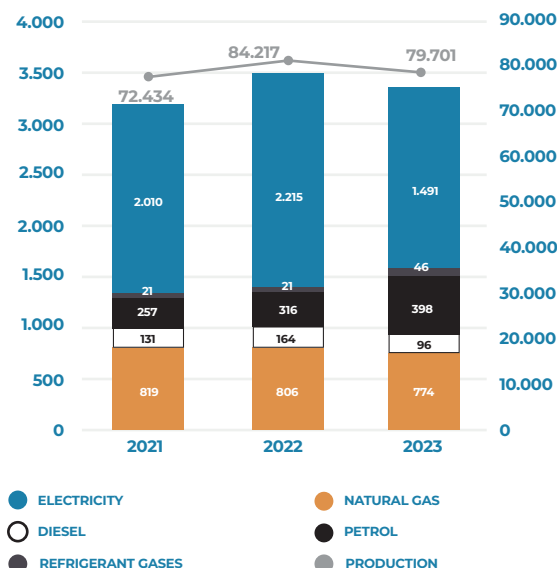
- **Scope 1 - Direct emissions from the combustion of fossil fuels** - i.e. methane gas consumed in Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías S.A. plants in Italy and Argentina and consumption for automotive purposes - and from refrigerant gas refills.
- **Scope 2 - Indirect emissions from the production of electricity taken from the grid and consumed for the operation of plants and for lighting.** In light of the fact that to date the Branca Group does not adopt specific policies for purchasing electricity certified from renewable sources, the Scope 2 emissions have been calculated according to the location-based criterion (with appropriate emission factors), which takes into account the national energy mix of the country where the site/plant is located. Furthermore, within the "performance tables" it is possible to verify the Scope 2 emissions according to the market-based criterion, which, compared to the first method, excludes emissions offset by the use of certified renewable electricity guaranteed from origin.
- **Scope 3 - Indirect emissions, which include all emissions that are generated by the company's value chain and are not covered by Scope 1 and 2.**

In 2023, Branca Group's plant-related emissions (from consumption of electricity, natural gas, diesel for plant-related activities and refrigerant gases) amount to 2,806 tCO₂ eq., of which 2,398 tCO₂ eq. caused directly by the consumption of Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías S.A. and 408 tCO₂ eq. caused by the bottling activity carried out by a subcontractor company on behalf of Fratelli Branca Distillerie S.p.A.

To obtain the total emissions caused by the consumption of the companies covered by this Report, the 96.2 tCO₂ eq. emitted due to diesel consumption and the 398.4 tCO₂ eq. related to the consumption of petrol to fuel the company car fleet must be added to the emissions related to the plants.

With reference only to the **refrigerant gases**²², the only source of emissions comes from the quantity of R410 recharged in 2023 at the Argentine plant. It should be noted that recharges of refrigerants do not have a linear trend, but it is possible to detect years in which values are higher, while in others they are close to zero, depending on the maintenance and replacements carried out on the plants.

The total value of emissions caused by the Companies in 2023 amounts to 2,806 tCO₂ eq. of which 42.1%, or 1,182 tCO₂ eq. is attributable to Scope 1 emissions, while 43.3%, or 1,215 tCO₂ eq. is caused by Scope 2 emissions and 14.5, or 408 tCO₂ eq. corresponds to Scope 3 emissions.



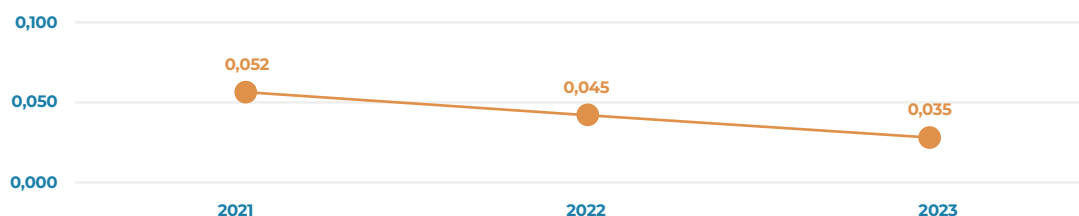
CONSOLIDATED EMISSIONS BY SOURCE OF CONSUMPTION IN THE THREE-YEAR PERIOD (tCO₂eq.)

The data refer to emissions related to the perimeter companies and include emissions caused by the subcontractor company responsible for bottling for Fratelli Branca Distillerie S.p.A.

Production is defined as tonnes of bottled product.

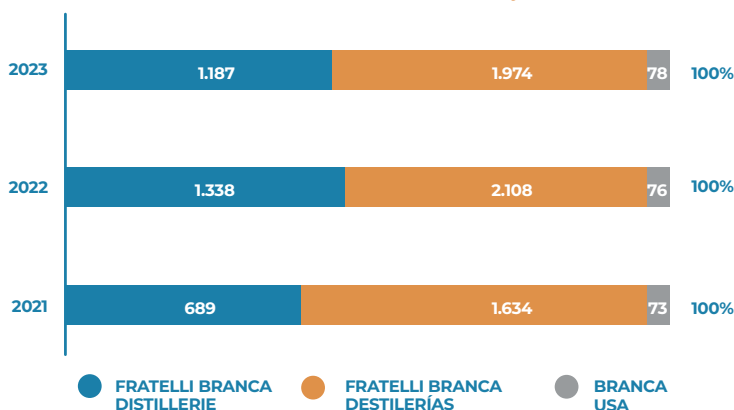
In 2023, the Branca Group recorded a significant reduction in total emissions (Scope 1, 2 and 3) of 10% compared to the previous year, in line with the 6% decrease in production. The emissions/production ratio stood at 0.035 tCO₂ eq/ton, improving from the value of 0.04 tCO₂ eq/ton in 2022. These positive results confirm **the effectiveness of the energy efficiency policies** implemented over the years, such as the replacement of obsolete plants with more **sustainable technologies**.

CONSOLIDATED ENERGY INTENSITY INDEX OVER THE THREE-YEAR PERIOD (tCO₂eq./ton.)



The following graph shows the contribution of each company to the Branca Group's overall emissions, similar to the section on consumption, the Argentine company is responsible for most of the Branca Group's emissions.

BREAKDOWN OF EMISSIONS BY COMPANY (tCO₂ eq.)



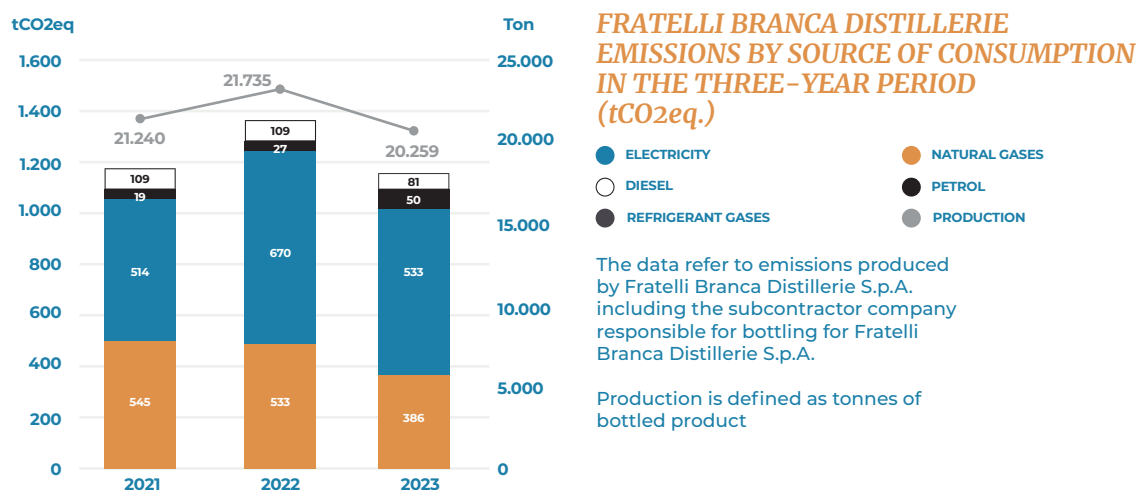
The data refer to emissions related to the perimeter companies and include emissions caused by the subcontractor company responsible for bottling for Fratelli Branca Distillerie S.p.A.

Production is defined as tonnes of bottled product.

The following paragraphs go into some details on the atmospheric emissions of the companies that make up the Branca Group, in particular Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías S.A. and their respective production sites.

FRATELLI BRANCA DISTILLERIE S.p.A.

With reference to **Fratelli Branca Distillerie S.p.A.**, in 2023, Scope 1 and Scope 2 emissions amounted to 432 tCO₂ eq. and 257 tCO₂ eq. respectively: the average values show a decreasing trend compared to the previous year. Furthermore, in line with the previous year, Scope 3 emissions caused by the subcontractor company responsible for the bottling phase on behalf of Fratelli Branca Distillerie S.p.A. are reported. The value of emissions caused by the subcontractor's consumption of natural gas for the activity carried out on behalf of the Branca Group is 132 tCO₂ eq, at the same time electricity consumption caused the emission of 276 tCO₂ eq. Overall, total emissions of 408 tCO₂ eq decreased slightly compared to the value recorded in 2022, but remained in line with the previous year.

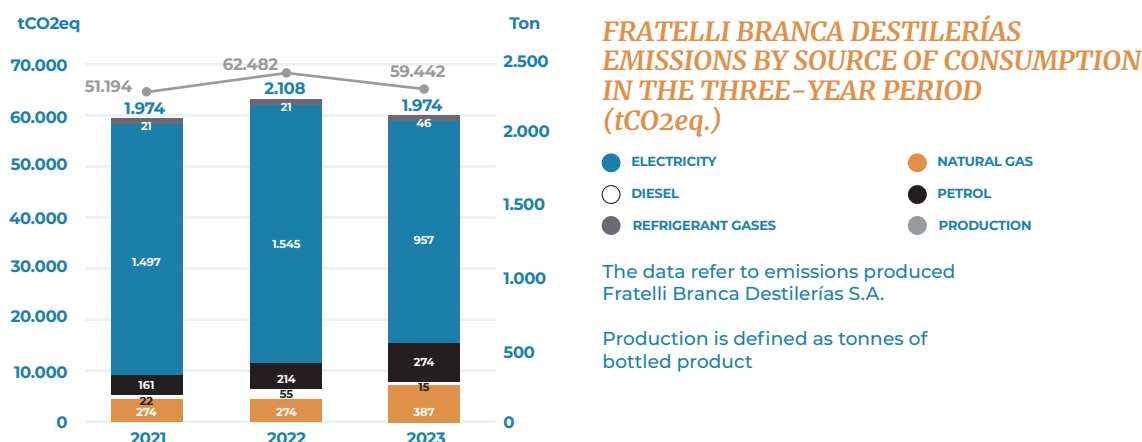


²³ The energy intensity index is calculated as the ratio of energy consumption in Gigajoules to the volume of annual production of bottled product in tonnes. Bottled product is defined as the total product that is packaged and destined for the consumer or customer, including packaging materials.

Overall, total emissions of 1,096 tCO₂ eq. are down about 16% year-on-year, resulting in a 6% decrease in production. In line with the consumption trend, the ratio between total emissions and production volumes²³, is 0.054 tCO₂ eq/ton, showing a decreasing trend compared to the previous year (the same index stood at 0.062 tCO₂ eq/ton).

FRATELLI BRANCA DESTILERÍAS

As for **Fratelli Branca Destilerías S.A.**, in 2023, Scope 1 and Scope 2 emissions amounted to 676 tCO₂ eq. and 957 tCO₂ respectively (a total of 1,634 tCO₂ eq.). Despite the decrease in consumption, Scope 1 emissions increased, while Scope 2 emissions decreased compared to the previous year, by 20.2% and 20% respectively.



Overall, total emissions are down by about 10 per cent compared to 2022, accompanied by a 5 per cent decrease in production. These figures, when combined, explain the improved performance of the energy intensity index, which figures the ratio of emissions to production and records a value of 0.027 tCO₂ eq/ton (0.034 in 2022 tCO₂ eq/ton).

Circular Economy and Recyclability



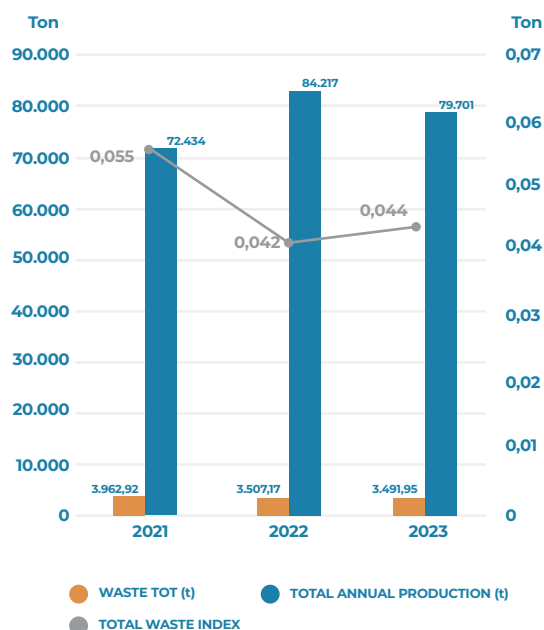
WASTE MANAGEMENT

The Branca Group is strongly committed to the promotion of a circular economy. Waste management is centralised on three fundamental pillars: reduction, recovery and recycling. The exclusive use of natural raw materials and the absence of production waste, thanks to strict reworking processes, testify to our commitment to sustainability. The chemicals used for cleaning and maintenance are carefully selected and safely managed in accordance with current regulations. The graph below shows the total quantities of waste produced in the last three years by the Branca Group (Italy, Argentina and, to a lesser extent, the USA) and by the subcontractor company handling the bottling phase in Italy, compared with production volumes.

Despite a slight decrease of 0.5 per cent in total waste generation in 2023 compared to the previous year, the Total Waste Index (TIR), which measures the ratio of the volume of waste generated to the volume of production, increased from 0.042 tonne/tonne to 0.044 tonne/tonne.

Below are some insights into the Productive Companies²⁴.

²⁴ For more details on the composition of waste, please refer to the section "Performance Tables".



CONSOLIDATED WASTE AND RELATIONSHIP TO PRODUCTION OVER THE THREE-YEAR PERIOD (t)

The data refer to waste generated by the perimeter companies, including the subcontractor company responsible for bottling on behalf of Fratelli Branca Distillerie S.p.A.

The IRT (Total Waste Index) is measured in tonnes of total waste (hazardous and non-hazardous - disposed of and recovered) /tonnes of finished product

FRATELLI BRANCA DISTILLERIE S.p.A.

In 2023, total waste production for Fratelli Branca Distillerie S.p.A. amounted to 2,152 tonnes, an increase of approximately 7% compared to 2022, against a decrease in production (of bottled product) of 7%.

Most of the waste falls under the classification 'non-hazardous', while the share of hazardous waste was negligible, accounting for only 0.001% of the total in 2023, in line with the previous year.

In its Environmental Declaration, Fratelli Branca Distillerie S.p.A. monitors waste by means of three detailed indicators, thus distinguishing between:

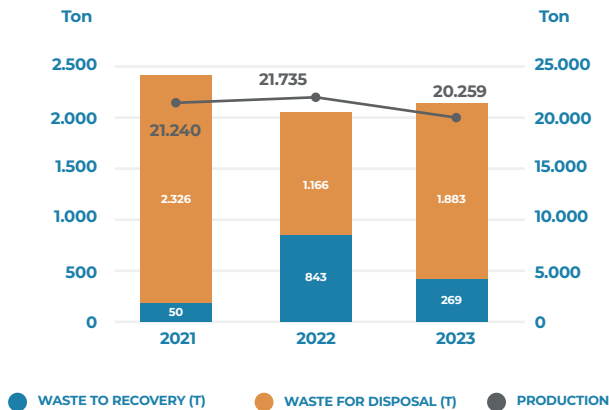
- indicator referring to non-hazardous waste including wet, filter aids, waste water. This indicator refers to the output of the manufactured product, as the above-mentioned wastes derive from processes linked to the manufacturing activity (processing waste, water and filter aids);
- indicator referring to non-hazardous waste including paper/cardboard, plastic, iron, electrical material. This indicator refers to the production of bottled product as the waste mentioned is directly linked to the intrinsic processes of the bottling activity (packaging materials, packaging, etc.);
- indicator referring to hazardous waste that refers to the production of bottled product.

In the reporting year, out of the total waste, 13% was recovered and 87% disposed of, the percentage of recovered waste decreased significantly compared to the previous year (48% in 2022). With regard to the type of disposal, part of the waste produced (wood, glass, undifferentiated or mixed) is delivered to the public service provider AMSA (Azienda Municipale Servizi Ambientali), which disposes of the materials collected at the company's facilities. The other types of waste, on the other hand, are entrusted to specialised companies with disposal authorisations. The company also refers to authorised parties for transport, in full compliance with regulatory requirements.

The company made changes to the waste classification in 2022. The EWC codes for paper and cardboard and plastic were discontinued following the closure of the bottling plant, as the quantities produced became negligible, and were included in the EWC code mixed packaging. In addition, the EWC code for solid waste was reclassified, as coffee grounds fall more correctly into this category.

²⁵ It should be noted that these variations also depend on the fact that in a given year, quantities of waste accumulated in previous periods may be disposed of, resulting in variations in the indicator.

FRATELLI BRANCA DISTILLERIE BREAKDOWN OF WASTE BY DESTINATION IN 2023 (t)



The data refer to waste generated by the perimeter companies, including the subcontractor company responsible for bottling

Production is defined as tonnes of bottled product

The increase in waste and the decrease in production have contributed to a worsening of the Total Waste Index (TIR), which measures the ratio between the volume of waste generated and the volume of production, which is 0.10 ton/ton in 2023 (0.09 ton/ton in 2022)²⁵.

In line with the Company's commitment to responsible waste management, precise areas of action have been identified on which specific activities will be conducted for the continuous improvement of environmental performance. In the particular case of waste:

- Involving and sensitising staff on correct waste separation methods through training courses and audits of area managers and through waste reduction initiatives, such as the abolition of plastic bottles and cups in offices;
- centralised drafting of operating instructions to regulate and provide guidance to the entire company population on environmental aspects related to company processes;
- recovery and reuse of packaging and packaging materials, with the recovery of packaging and the separate collection of municipal waste such as plastic, paper and cardboard.

FRATELLI BRANCA DESTILERÍAS S.A.

Fratelli Branca Destilerías S.A. during 2023 maintained its environmental policy defined in 2019, which redesigns the overall management of waste within the company, with the aim of reducing waste production. During 2023, the status of ZWTL ('Zero waste to Landfill') was maintained, which is monitored through the IRT (Total Waste Index) measured in kg of total waste/m³ of finished product. With respect to this index, the target was reached and exceeded in 2023. In order to meet the targets, all activities already initiated to reduce the quantities of waste produced to be sent to external disposal centres were continued during 2023. In particular, the following types of waste were addressed:

- **industrial waste of an organic nature (spent grasses) for which a pressing process is planned in order to reuse them as organic fertiliser and raw material for the production of 'compost';**
- **biological sludge, generated by the waste water treatment plant, the quantity of which is significantly reduced through the use of a specific decantation centrifuge.**

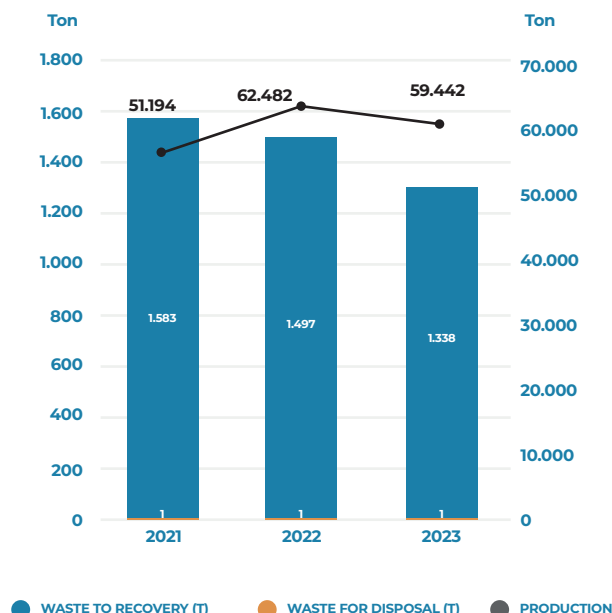
For the management of municipal solid waste, the Company adopts the Plan de Gestión Integral de Residuos Sólidos Urbanos (GIRSU), which provides for the on-site separation of the recyclable/reusable elements of the waste produced.

In 2023, total waste production decreased to

1,338.4 tonnes compared to 1,497 tonnes in the previous year. This decrease is mainly attributable to the reduction in non-hazardous waste. In contrast, hazardous waste recorded a slight increase. It is important to emphasise that the share of hazardous waste remains marginal, representing less than 0.1% of the total even in the three-year period under review. The Company confirms its dedication to sustainability, sending almost all of its waste to recycling, reuse and energy recovery processes.

The following graph shows the trend in the ratio of total waste (hazardous and non-hazardous) to annual production. In 2023, the decrease in waste and the consequent decrease in production positively affected the ratio between the two indicators, which decreased slightly to 0.023 ton/ton against 0.024 ton/ton in 2022.

This reduction can be attributed in particular to the reduction in the volume of exhausted herbs, thanks to the implementation of a new herb drying device, which significantly reduced the amount of water in the waste.



FRATELLI BRANCA DESTILERÍAS BREAKDOWN OF WASTE BY DESTINATION IN 2023 (t)

The IRT (Total Waste Index) is measured in tonnes of total waste (hazardous and non-hazardous - disposed of and recovered) /tonne of finished product.

In order to fulfil its commitments, and in line with the Branca Group's long-term goal regarding waste management, the company has implemented the following initiatives:

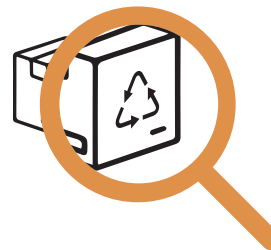
- redesigning the way waste is sorted and training staff on the correct disposal of waste: in order to improve the plant's recycling performance, the types of materials to be separated have been expanded, and new containers have been set up for each type of waste;
- valorisation of recyclable waste: for each separated waste, an assessment is made regarding the disposal method, its treatment and the disposal or sale price. After the assessment, the type of treatment of some of them is optimised resulting

in more competitive prices for sale;

- reduction of a significant volume of non-recyclable waste through ad hoc recyclers, for waste that should be destined for landfill;
- disposal of depleted grasses in a circular manner, through the decision to use this raw material for animal feed.

FOCUS

SUSTAINABLE PACKAGING AND RECYCLABILITY



For the Branca Group, product packaging not only represents a strong element of brand recognition, but also serves to guarantee the high quality of the products and to protect them during transport. The care that the Branca Group takes in selecting and sourcing all the materials used for packaging is an integral part of its commitment to minimising environmental impact.

The packaging that the Branca Group uses for its products can be classified into the following three categories:

- primary packaging: consists of the product wrapping or container that directly covers the item, i.e. the bottle, cap and label;
- secondary packaging: the packaging used for grouping a certain number of bottles, designed both to facilitate shelf replenishment at the point of sale and as sales packaging for the end consumer. Cardboard packaging, pallets or displays fall into this category of packaging;
- co-packing or special packaging: consists of the outsourcing of non-standard types of packaging, such as gift-on-pack.

Over the years Branca has developed consolidated and long-lasting relationships with suppliers in order to guarantee quality and minimise the impact of transport. The search for innovative solutions to reduce the materials used and the monitoring of developments in the packaging sector are activities that the Branca Group carries out, both for Fratelli Branca Distillerie S.p.A. and for the Argentinian company, with the aim of reducing the overall product weight and environmental impact, also through dedicated initiatives and projects. Glass, for example, is the main primary packaging for all products. Recycling this material appears to be an environmentally friendly process in all its aspects: it reduces the amount of waste to be treated or

dumped in landfills, thus reducing environmental damage. Moreover, scrap re-melting reduces the amount of raw materials needed for production, especially silica sands and calcium carbonate, thus reducing environmental damage from quarry exploitation, to the benefit of local areas and communities. It also reduces energy consumption: each tonne of remelted cullet saves 1.2 tonnes of raw materials and about 100 kg of fuel. The use of cullet in the vitrifiable mix also lowers the temperature required for melting and consequently less fuel is needed for melting.

The glass recycling system is a closed cycle: it starts with recovery and ends with recycling. The glass is collected and processed, the cullet becomes a quality raw material, ready to be used again in the factories for new glass containers. Therefore, this process is environmentally friendly as the container glass is 100% recyclable an infinite number of times; it can be used in any food contact conditions, including sterilisation. It guarantees absolute impermeability to gases (0.0 cm³/m²/24h /23°C), vapours (0.0 g/m²/24h /38°C), humidity, micro-organisms. It consists of silica, sodium and calcium oxides from silica sand, soda ash and calcium carbonate with the addition of recycled cullet in varying % depending on the availability of cullet on the market.

For Fratelli Branca Distillerie S.p.A. articles, the range of use of recycled glass is:

- 75-85 % for coloured glass (green AG-Brown-Dead Leaf-VN Noble Green)
- 55-65 % for glass in colour Half White
- 15-35 % for White and Extra White glass

Eighty per cent of Fratelli Branca Distillerie S.p.A.'s references are coloured glass (e.g. Fernet-Branca, Brancamenta, Antica Formula, Carpano) in which the recycled part is a maximum percentage.

The materials making up the second-

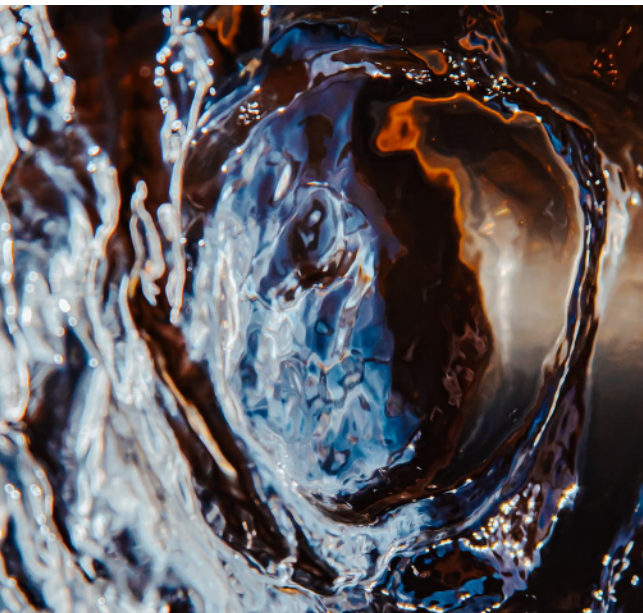
dary packaging of glass are also fully recyclable:

- Polyethylene shrink film: 100 % recyclable
- Cardboard lid: 100 % recyclable
- Polypropylene Interfaldia: reusable
- Wooden floor: reusable

Fratelli Branca Distillerie S.p.A. has completed the process of revising secondary packaging specifications, which has led to the transition to lighter, less impactful but equally high-performance specifications, such as cardboard, the type of secondary packaging most commonly used on all references, or paper, a completely recyclable material that allows lower costs for its disposal and production, as well as ecological protection of forest resources (it is enough to recover one tonne of cellulosic material to save 3 trees 20 metres high).

Moreover, even in the case of secondary packaging and especially as regards cardboard Fratelli Branca Distillerie S.p.A. undertakes to use packaging specifications with the highest possible percentage of recycled material. In fact, the percentage of recycled material in the corrugated cardboard packaging purchased by Fratelli Branca Distillerie S.p.A. is over 56%, i.e. the maximum % of recycled material inside the cardboard: the packaging is designed and manufactured in compliance with the material recycling standard (UNI EN 13430-2005).

With reference to co-packing, and in particular to gift-on-pack materials, Fratelli Branca Distillerie S.p.A. is experimenting with replacing currently used plastic materials with recyclable materials (e.g. paper-based) or permanent resources (e.g. steel).

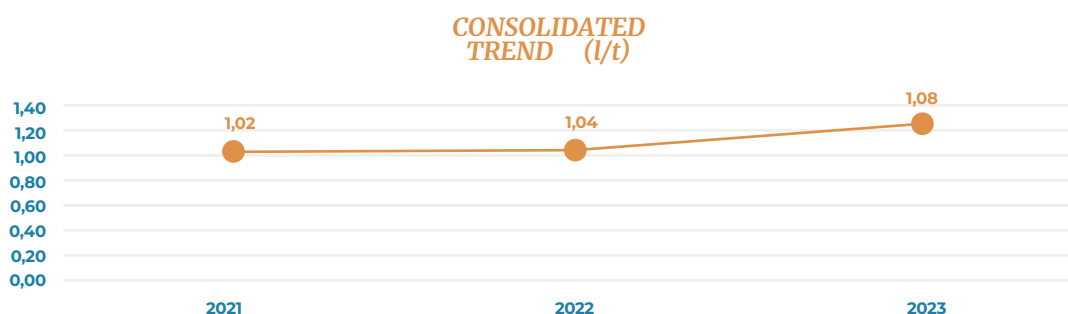


PROTECTING WATER RESOURCES

Water is a fundamental resource for the Branca Group's production processes. Aware of the impact of water use on the territory, the Branca Group is committed to optimising consumption, focusing on an efficient and rational use of this resource, especially in the production and sanitation phases of the plants.

In 2023, the Water Consumption Index (WCI) remained substantially stable compared to the previous year. The analysis will focus on the policies implemented and the results obtained at the two main production sites, in Italy and Argentina.

The value of the indicator was derived by dividing the water consumption of Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías S.A. in litres by the total annual production of manufactured product in tonnes



FRATELLI BRANCA DISTILLERIE S.p.A.

Fratelli Branca Distillerie S.p.A. has implemented a water management system aimed at identifying critical areas and focusing efforts **on optimising consumption, minimising waste.**

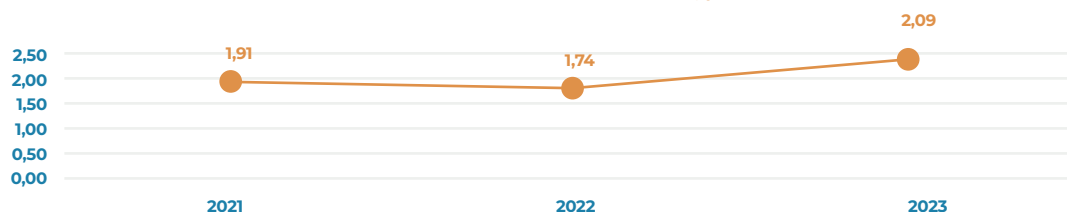
The company's water consumption is related to the **quantities of product manufactured** and the sanitation **washings** of the production facilities. Water discharges are divided into three main flows: process water, white water and black water. The waste management process requires process water from the various departments to be conveyed through a special network into two water holding tanks, the disposal of which is entrusted to specialised third-party companies. Clean water (white water), relating to the last rinsing of the plants, is fed directly into the municipal sewage system, as it is free of any detergent residues and pollutants. With regard to industrial effluents, or black water, the Branca Group conducts **periodic checks** to ensure the quality of the outflows before they are discharged.

The main areas of improvement in water management are closely linked to production processes and require specific technical interventions on the plants. Among the various areas of activity in which Fratelli Branca Distillerie S.p.A. is implementing activities to contain water consumption:

- carrying out maintenance and plant monitoring activities by the managers and operators of the various departments;
- investment in initiatives that optimise consumption;
- raising staff awareness, through information and training activities, to ensure correct behaviour in order to safeguard water resources;
- optimising product changes to minimise washing;
- installation of meters to account for water flows by differentiating between production and domestic consumption.

The water consumption corresponds to the sum of the consumption of the three meters of Fratelli Branca Distillerie S.p.A., the water comes from the aqueduct of the city of Milan. In 2023, water consumption is up about 20% compared to 2022, while production is down about 19% compared to last year. Last year, consumption had returned to a stable level after the Covid-19 pandemic, yet, the increase in the production volume of manufactured product had contributed to the decrease in the value given by the consumption/production ratio, which, the lower it is, corresponds to a higher efficiency of production processes. The consumption/production ratio calculated for 2023 belied the downward trend that had already been observed last year.

FRATELLI BRANCA DISTILLERIE TREND IN WATER CONSUMPTION INDEX OVER THE THREE-YEAR PERIOD (l/t)



The value of the indicator was derived by dividing the water consumption in litres by the total annual production of manufactured product in tonnes

FRATELLI BRANCA DESTILERÍAS S.A.

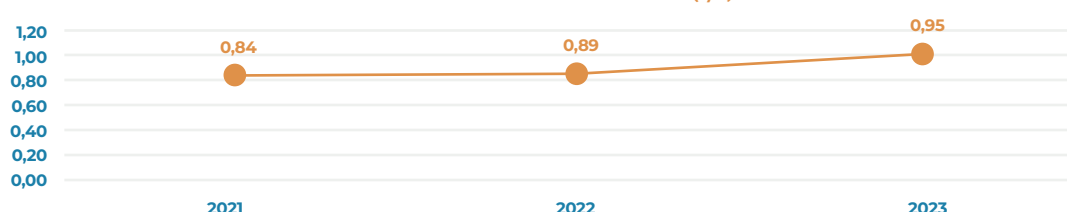
Fratelli Branca Destilerías S.A. is committed to **containing** and **optimising** water consumption. The company sources its water exclusively from underground aquifers, taking strict measures to preserve the quality and quantity. The water extracted from three wells is stored in a 120 cubic metre reservoir and distributed for production processes and civil use. This approach ensures a rational and sustainable use of the water resource.

The initiatives implemented to achieve the purposes described above include:

- process analysis of company operations in order to understand the most impactful activities and evaluate possible programmes to reduce these impacts (also related to water consumption);
- optimisation of the water recirculation system, which allows the reuse of consumed water resulting in a daily saving of about 10m;
- Automation of water abstraction systems in each of the extraction wells to avoid over-exploitation and preserve water quality;
- implementation of recirculation systems by means of a hydraulic pump to minimise the consumption of groundwater that is not directly incorporated into the product (e.g. cleaning and washing of equipment);
- training of internal and external operational staff in ISO 14001:2015 environmental management;
- installation of the recirculation system for treated effluent in the treatment plant, in order to reuse it in the equipment cleaning process.

Every four months, hydrodynamic checks are carried out on wells to monitor aquifer parameters and conditions through the analysis of water samples. Water consumption is assessed through the Water Consumption Index (WCI), which is calculated by comparing the volume of water consumed (expressed in cubic metres and converted to litres for homogeneity with Italian company data) to the volume of production. In 2023, there was a 5% decrease in both production and water consumption, but the ICA increased by 6% to 0.95 compared to 0.89 in 2022.

FRATELLI BRANCA DESTILERÍAS TREND IN WATER CONSUMPTION INDEX OVER THE THREE-YEAR PERIOD (l/t)



The value of the indicator was derived by dividing the water consumption in litres by the total annual production of manufactured product in tonnes

Attachment

CALCULATION METHODOLOGIES

CORPORATE GOVERNANCE	
INDICATOR	DESCRIPTION
ECONOMIC VALUE	The economic value generated represents the wealth generated by the company in carrying out its activities. A significant portion of this value is in turn distributed ('distributed economic value'), in the form of: operating costs, wages and salaries for employees, payments to capital suppliers and payments to the public administration. The remaining portion of generated economic value that is not distributed constitutes retained economic value.
SOCIAL ISSUES	
INDICATOR	DESCRIPTION
ORGANIC DATA	Number of employees expressed as Headcount (HC) as at 31 December.
TURNOVER RATE	Ratio of the number of recruitments/resignations of permanent contracts to the number of employees in the reporting year.
GENDER PAY GAP	The ratio is calculated using the average value of the basic salary or total remuneration received by female employees divided by the average value of the basic salary or total remuneration received by male employees, for each professional category.
TRAINING HOURS	Average total training hours are calculated as total training hours divided by the number of employees in the year. Similarly, average training hours for the different categories and genders of employees are calculated as the total number of training hours provided for the different attributes divided by the relevant number of employees.
ENVIRONMENTAL THEMES	
INDICATOR	DESCRIPTION
GHG EMISSIONS	<ul style="list-style-type: none"> • Scope 1 emissions: these are emissions directly generated from the Company's own or controlled sources. Direct GHG emissions include the following gases: CO₂, CH₄ and N₂O. For the calculation of direct CO₂ emissions (Scope 1), refills of all refrigerant gases carried out, and consumption of natural gas, petrol and diesel were considered. For the calculation of tonnes of CO₂eq., reference was made to the emission factors updated in 2024 and made available by the UK Department for Business, Energy & Industrial Strategy (UK Government GHG Conversion Factors for Company Reporting). • Scope 2 emissions: for the calculation of CO₂ emissions derived from electricity consumption (Scope 2) relative to the Italian plant, the calculation parameters indicated by the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) were used, in particular: the conversion factor used is the Gross electricity production updated to 2022 for Italy (308.9). • Scope 3 Emissions: For the calculation of CO₂ emissions derived from indirect energy consumption linked to the value chain, the Branca Group considers the emissions from natural gas and electricity consumption of the subcontractor company responsible for the bottling phase of Fratelli Branca Distillerie S.p.A.'s products, which from 2022 has been completely outsourced. Similarly, for natural gas consumption, reference was made to the emission factors updated in 2024 and made available by the UK Department for Business, Energy & Industrial Strategy (UK Government GHG Conversion Factors for Company Reporting). For electricity consumption, the calculation parameters indicated by the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) were used.

Performance tables

Corporate Governance

Creation and distribution of economic value

Main items of the reclassified Profit and Loss Account (Euro/000)

Consolidated Branca Group

GRI 201-1	2021	2022	2023
Directly generated economic value	337.103	443.042	381.534

Distributed economic value

Corporate costs	176.392	232.213	174.722
Personnel costs and benefits	25.285	30.907	25.833
Payments to capital providers	64.499	85.635	64.521
Payments to the Public Administration	33.709	37.183	41.284
Investments in Communities	307	317	36

Total distributed economic value **300.192** **386.254** **306.396**

Economic value retained	36.911	56.788	75.138
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Governance Structure

Composition of Boards of Directors in 2023 by Company

GRI 2-9 v.	< 30			30 - 50			> 50			CONSOLIDATED		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
BRANCA INTERNATIONAL S.p.A.	0	0	0	0	1	1	5	0	5	5	1	6
FRATELLI BRANCA DISTILLERIE S.p.A.	0	0	0	1	2	3	5	0	5	6	2	8
FRATELLI BRANCA DESTILERIAS S.A.	0	0	0	0	1	1	6	1	7	6	2	8
BRANCA USA Inc.	0	0	0	4	0	4	2	0	2	6	0	6
CENTRO STUDI FRATELLI BRANCA S.r.l.	0	0	0	1	1	2	3	1	4	4	2	6
BRANCA REAL ESTATE ITALIA S.r.l.	0	0	0	3	0	3	3	1	4	6	1	7
BRANCA REAL ESTATE ARGENTINA S.A.	0	0	0	1	0	1	6	0	6	7	0	7
BRANCA REAL ESTATE USA	0	0	0	2	0	2	2	0	2	4	0	4
BRANCA USA HOLDINGS Inc.	0	0	0	0	0	0	1	0	1	1	0	1

Business sustainability

Responsible supply chain management

Number of suppliers
and value of orders²⁶ issued
by geographic area per company

2021		2022		2023	
NUMBER OF SUPPLIERS	ORDER VALUE (%)	NUMBER OF SUPPLIERS	ORDER VALUE (%)	NUMBER OF SUPPLIERS	ORDER VALUE (%)

FRATELLI BRANCA DISTILLERIE S.p.A.

TOTAL	72	100,0	72	100,0	72	100,0
ITALY	50	75,0	50	75,0	50	75,0
EUROPE (EXCLUDING ITALY)	11	14,4	11	14,4	11	14,4
ARGENTINA	2	0,6	2	0,6	2	0,6
AMERICA (EXCLUDING ARGENTINA)	0	0,0	0	0,0	0	0,0
ASIA	5	5,0	5	5,0	5	5,0
AFRICA	4	5,0	4	5,0	4	5,0

FRATELLI BRANCA DESTILERÍAS S.A.

TOTAL	32	100,0	35	100,0	41	100,0
ITALY	5	1,0	5	0,2	5	1,7
EUROPE (EXCLUDING ITALY)	6	7,3	4	3,5	6	19
ARGENTINA	18	86,8	20	93,1	23	60
AMERICA (EXCLUDING ARGENTINA)	1	0,1	4	0,2	4	1,6
ASIA	0	0,0	0	0,0	1	2,8
AFRICA	2	4,8	2	3,0	2	14,5

Percentage of qualified suppliers with certifications (%) per company

FRATELLI BRANCA DISTILLERIE S.p.A.

	2022	2023
ISO 9001	68,0%	68,0%
ISO 14001	28,0%	28,0%
OHSAS 18001/ISO 45001	22,0%	22,0%
ISO 2200, BRC, IFS (in food safety)	20,0%	20,0%
% of suppliers with at least one certification	86,0%	86,0%

FRATELLI BRANCA DESTILERÍAS S.A.

	2022	2023
ISO 9001	81,8%	81,8%
ISO 14001	36,4%	68,0%
OHSAS 18001/ISO 45001	18,2%	48,0%
ISO 2200, BRC, IFS (in food safety)	63,6%	65,0%
% of suppliers with at least one certification	100,0%	100,0%

BRANCA USA

	2022	2023
ISO 9001	10,0%	10,0%
ISO 14001	10,0%	10,0%
OHSAS 18001/ISO 45001	10,0%	10,0%
ISO 2200, BRC, IFS (in food safety)	0,0%	0,0%
% of suppliers with at least one certification	25,0%	25,0%

²⁶ The breakdown of the value of orders by geographic area was made taking into account the origin of the material purchased and not the origin of the supplier/broker from whom the material was purchased.

Quality and safety of raw materials and product

Information and labelling requirements for products and services

GRI 417-1	FRATELLI BRANCA DISTILLERIE S.p.A.			FRATELLI BRANCA DESTILERÍAS S.A.			BRANCA USA		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
% of significant products or categories of services treated or assessed for conformity with procedures on product and service information and labelling	100%	100%	100%	100%	100%	100%	100%	100%	100%

Incidents of non-compliance with regard to information and labelling of products and services

GRI 417-2	FRATELLI BRANCA DISTILLERIE S.p.A.			FRATELLI BRANCA DESTILERÍAS S.A.			BRANCA USA		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total number of cases of non-compliance with regulations and/or self-regulatory codes on product and service information and labelling	0	0	0	0	0	0	0	0	0
of which: resulted in a fine or penalty	0	0	0	0	0	0	0	0	0
of which: resulted in a warning	0	0	0	0	0	0	0	0	0
of which: non-compliance with voluntary codes	0	0	0	0	0	0	0	0	0

Responsible marketing, communication and consumption

Cases of non-compliance with regulations and/or self-regulatory codes on marketing communications

GRI 417-3	FRATELLI BRANCA DISTILLERIE S.p.A.			FRATELLI BRANCA DESTILERÍAS S.A.			BRANCA USA		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total number of cases of non-compliance with regulations and/or self-regulatory codes on marketing communications	0	0	0	0	0	0	0	0	0
of which: resulted in a fine or penalty	0	0	0	0	0	0	0	0	0
of which: resulted in a warning	0	0	0	0	0	0	0	0	0
of which: non-compliance with voluntary codes	0	0	0	0	0	0	0	0	0

Social Themes

Profile of Group Employees

Number of Group employees by gender, contract type and company

GRI 2-7	2021			2022			2023		
	T. INDET.	T. DET.	TOTAL	T. INDET.	T. DET.	TOTAL	T. INDET.	T. DET.	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	61	1	62	70	3	73	76	7	83
MEN	37	0	37	42	1	43	42	0	42
WOMEN	24	1	25	28	2	30	34	7	41
F.LLI BRANCA DESTILERÍAS S.A.	201	0	201	206	0	206	221	0	221
MEN	186	0	186	185	0	185	194	0	194
WOMEN	15	0	15	21	0	21	27	0	27
BRANCA USA	28	0	28	29	0	29	32	0	32
MEN	14	0	14	16	0	16	18	0	18
WOMEN	14	0	14	13	0	13	14	0	14
BRANCA INTERNATIONAL	5	0	5	2	0	2	2	0	2
MEN	3	0	3	1	0	1	1	0	1
WOMEN	2	0	2	1	0	1	1	0	1
CENTRO STUDI FRATELLI BRANCA	3	0	3	3	0	3	3	0	3
MEN	2	0	2	2	0	2	2	0	2
WOMEN	1	0	1	1	0	1	1	0	1
TOTAL	298	1	299	310	3	313	334	7	341
MEN	242	0	242	246	1	247	257	0	257
WOMEN	56	1	57	64	2	66	77	7	84

Number of Group Employees by Gender, Type of Employment and Company

GRI 2-7	2021			2022			2023		
	FULL TIME	PART TIME	TOTALE	FULL TIME	PART TIME	TOTALE	FULL TIME	PART TIME	TOTALE
F.LLI BRANCA DISTILLERIE S.p.A.	60	2	62	71	2	73	81	2	83
MEN	37	0	37	43	1	43	42	0	42
WOMEN	23	2	25	28	2	30	39	2	41
F.LLI BRANCA DESTILERIAS S.A.	201	0	201	206	0	206	221	0	221
MEN	186	0	186	185	0	185	194	0	1194
WOMEN	15	0	15	21	0	21	27	0	27
BRANCA USA	28	0	28	29	0	29	32	0	32
MEN	14	0	14	16	0	16	18	0	18
WOMEN	14	0	14	13	0	13	14	0	14
BRANCA INTERNATIONAL	3	2	5	1	1	2	2	0	2
MEN	3	2	5	1	1	2	1	0	1
WMEN	0	0	0	0	0	0	1	0	1
CENTRO STUDI FRATELLI BRANCA	2	1	3	2	1	3	3	0	3
MEN	2	1	3	2	1	3	2	0	2
WOMEN	0	0	0	0	0	0	1	0	1
TOTAL	297	2	299	311	2	313	339	2	341
MEN	242	0	242	247	0	247	257	0	257
WOMEN	55	2	57	64	2	66	82	2	84

Number of temporary and trainee workers in the Group by gender – Consolidated

GRI 2-8	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Internship	4	3	7	6	3	9	6	9	15
Temporary/ temporary workers	20	2	22	14	0	14	5	1	6
TOTAL	24	5	29	20	3	23	11	10	21

Number of incoming employees by age, gender and company

GRI 401-1	WOMEN <30 ANNI			WOMEN 30 - 50 ANNI			WOMEN >50 ANNI			MEN <30 ANNI			MEN 30-50 ANNI			MEN >50 ANNI		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
F.LLI BRANCA DISTILLERIE S.p.A.	0	4	7	4	11	7	0	1	3	0	1	1	1	11	7	0	2	1
F.LLI BRANCA DESTILERIAS S.A.	2	3	5	6	6	4	0	0	0	0	6	5	9	4	15	0	2	0
BRANCA USA	1	0	3	2	1	0	0	0	0	0	3	5	1	4	0	0	0	1
BRANCA INTERNATIONAL	0	0	0	1	1	0	0	0	0	0	0	0	1	0	0	1	0	0
CENTRO STUDI FRATELLI BRANCA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	3	7	15	13	19	11	0	1	3	0	10	1	12	19	22	1	4	2

Incoming turnover rate by gender and company

GRI 401-1	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	2,7%	16,0%	8,1%	33,0%	53,0%	41,0%	11,0%	20,0%	31,0%
F.LLI BRANCA DESTILERIAS S.A.	4,8%	53,3%	8,5%	6,0%	43,0%	10,0%	9,0%	4,0%	13,0%
BRANCA USA	7,1%	21,4%	14,3%	41,0%	8,0%	28,0%	19,0%	9,0%	28,0%
BRANCA INTERNATIONAL	66,7%	50,0%	60,0%	50,0%	0,0%	50,0%	0,0%	0,0%	0,0%
CENTRO STUDI FRATELLI BRANCA	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
TOTAL	5,37%	28,1%	9,7%	13,4%	40,9%	19,2%	10,0%	9,0%	19,0%

Number of employees who left by age, gender and company

GRI 401-1	WOMEN <30 ANNI			WOMEN 30 - 50 ANNI			WOMEN >50 ANNI			MEN <30 ANNI			MEN 30-50 ANNI			MEN >50 ANNI		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
F.LLI BRANCA DISTILLERIE S.p.A.	0	1	2	6	9	4	2	1	0	2	1	0	10	7	7	9	4	3
F.LLI BRANCA DESTILERIAS S.A.	2	1	1	2	2	2	0	1	0	2	0	0	7	10	9	2	3	2
BRANCA USA	0	1	0	3	1	2	0	0	0	0	0	0	0	1	3	0	2	1
BRANCA INTERNATIONAL	0	1	0	0	2	0	0	0	0	0	0	0	0	1	0	0	1	0
CENTRO STUDI FRATELLI BRANCA	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	2
TOTAL	2	4	3	11	14	9	2	2	0	4	1	0	17	19	19	11	10	8

Exit turnover rate by gender and company

GRI 401-1	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	56,8%	32,0%	46,8%	28,0%	37,0%	32,0%	12,0%	7,0%	19,0%
F.LLI BRANCA DESTILERIAS S.A.	5,9%	26,7%	7,5%	7,0%	19,0%	8,0%	5,0%	1,0%	6,0%
BRANCA USA	0,0%	21,4%	10,7%	18,0%	15,0%	17,0%	13,0%	6,0%	19,0%
BRANCA INTERNATIONAL	0,0%	0,0%	0,0%	300,0%	200,0%	250,0%	0,0%	0,0%	0,0%
CENTRO STUDI FRATELLI BRANCA	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	67,0%	33,0%	100,0%
TOTAL	13,2%	26,32%	15,72%	12,1%	30,3%	16,0%	8,0%	4,0%	11,0%

Diversity and inclusion in the working environment

Number of employees by gender, professional category and age group
as at 31/12/2023 – Consolidated

2023		< 30			30 - 50			> 50			TOTAL GROUP 2021
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
	MANAGERS	0	0	0	9	13	22	0	11	12	34
	QUADRI	0	2	02	15	27	42	7	14	21	65
	EMPLOYEES	14	13	27	34	64	98	4	17	21	146
	WORKERS	0	1	1	0	71	71	0	24	24	96
	TOTAL	14	16	30	58	175	233	12	66	78	341

2022	GRI 405-1	< 30			30 - 50			> 50			TOTAL GROUP 2022
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
	MANAGERS	0	0	0	9	11	20	0	13	13	33
	QUADRI	0	1	1	10	19	29	5	13	18	48
	EMPLOYEES	11	10	21	27	71	98	4	17	21	140
	WORKERS	0	3	3	0	70	70	0	19	19	92
	TOTAL	11	14	25	46	171	217	9	62	71	313

2021		< 30			30 - 50			> 50			TOTAL GROUP 2021
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
	MANAGERS	0	0	0	5	6	11	0	17	17	28
	QUADRI	0	0	0	10	23	33	5	12	17	50
	EMPLOYEES	9	8	17	24	73	97	3	14	17	131
	WORKERS	0	3	3	0	71	71	0	16	16	90
	TOTAL	9	11	20	39	173	212	8	59	67	299

Percentage of employees covered by collective bargaining agreements per company

GRI 2-30	2021	2022	2023
F.LLI BRANCA DISTILLERIE S.p.A.	100%	100%	100%
F.LLI BRANCA DESTILERIAS S.A.	50,5%	45,6%	44,8%
BRANCA INTERNATIONAL	100%	100%	100%
CENTRO STUDI FRATELLI BRANCA	100%	100%	100%

Ratio of basic salary and total remuneration of women to men per company

FRATELLI BRANCA DISTILLERIE S.p.A.

GRI 405-2	2021		2022		2023	
	SALARY	REMUNERATION	SALARY	REMUNERATION	SALARY	REMUNERATION
EXECUTIVES	n.d.	n.d.	85%	85%	94,14%	94%
MANAGERS	88%	88%	86%	90%	110,42%	110%
EMPLOYEES	70%	70%	68%	79%	64,60%	65%
WORKERS	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

FRATELLI BRANCA DESTILERÍAS S.A.

EXECUTIVES	124%	124%	112%	111%	112%	111%
MANAGERS	92%	92%	92%	92%	102%	102%
EMPLOYEES	103%	103%	99%	99%	98%	98%
WORKERS	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

BRANCA USA

EXECUTIVES	54%	54%	72%	63%	56%	46,09%
MANAGERS	103%	103%	95%	93%	191%	159,95%
EMPLOYEES	86%	86%	121%	118%	92%	71,60%
WORKERS	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

Human capital development and training

Training hours per employee by gender and company

GRI 404-1	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	246	92	338	1.906	1.714	3.620	441	366	807
F.LLI BRANCA DESTILERIAS S.A.	2.520	176	2.696	7.380	823	8.203	8.405	1.224	9.628
BRANCA USA	68	60	128	20	18	38	92	125	108,5
TOTAL	2.834	328	3.162	9.306	2.555	11.861	9.046	1.787	10.832

Average hours of training per employee by gender and company

GRI 404-1	2021			2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	6,6	3,7	5,5	44,3	57,1	49,6	10,5	8,9	9,7
F.LLI BRANCA DESTILERIAS S.A.	13,5	11,7	13,4	39,9	39,2	39,8	43,2	45,3	43,5
BRANCA USA	4,9	4,3	4,6	1,3	1,4	1,3	6	5,3	5,6
BRANCA INTERNATIONAL	0,0	0,0	0,0	0,0	0,0	0,0	92	125	108,5
CENTRO STUDI FRATELLI BRANCA	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	12,0	6,1	10,9	37,7	38,7	37,9	35,2	21,3	31,7

Average hours of training by gender and employee category – Consolidated

GRI 404-1	2023		
	MEN	WOMEN	TOTAL
EXECUTIVES	16,79	40,30	11,8
MANAGERS	42,35	82,77	27,5
EMPLOYEES	40,12	72,52	26,0
WORKERS	40,12	72,52	26,0

Health and safety

Accident indices by company

GRI 403-9

	2021	2022	2023
CONSOLIDATED			
Number of deaths as a result of accidents at work	0	0	0
Number of occupational accidents with serious consequences (excluding deaths)	0	0	0
Number of accidents at work	1	1	0

FRATELLI BRANCA DISTILLERIE S.p.A.

Number of deaths as a result of accidents at work	0	0	0
Number of occupational accidents with serious consequences (excluding deaths)	0	0	0
Number of accidents at work	0	1	0

FRATELLI BRANCA DESTILERÍAS S.A.

Number of deaths as a result of accidents at work	0	0	0
Number of occupational accidents with serious consequences (excluding deaths)	0	0	0
Number of accidents at work	1	0	1

BRANCA USA

Number of deaths as a result of accidents at work	0	0	0
Number of occupational accidents with serious consequences (excluding deaths)	0	0	0
Number of accidents at work	0	0	0

Environmental issues

Energy efficiency and climate change

Energy consumption – Consolidated

GRI 302-1

	UNITS OF MEASUREMENT	2021	2022	2023
NATURAL GAS	Gj	14.525	14.359	14.650
DIESEL	Gj	1.870	2.297	1.536
PETROL	Gj	3.821	4.752	7.617
PURCHASED ENERGY	Gj	18.175	20.866	16.251
TOTAL ENERGY CONSUMPTION	Gj	38.390	42.274	40.055
TOTAL PRODUCTION YEAR	Ton	72.434	84.217	79.701
ENERGY INTENSITY	Gj/Ton	0,530	0,502	0,502

Energy consumption – FRATELLI BRANCA DISTILLERIE S.p.A.

GRI 302-1	UNITS OF MEASUREMENT	2021	2022	2023
NATURAL GAS	Gj	9.671	9.481	7.026
DIESEL	Gj	1.561	1.530	1.295
PETROL	Gj	281	406	968
ELECTRICITY	Gj	6.216	7.808	7.136
TOTAL ENERGY CONSUMPTION	Gj	17.728	19.225	16.427
TOTAL PRODUCTION YEAR	Ton	21.240	21.735	20.269
ENERGY INTENSITY	Gj/Ton	0,835	0,885	0,811

Energy consumption – FRATELLI BRANCA DESTILERÍAS S.A.

GRI 302-1	UNITS OF MEASUREMENT	2021	2022	2023
NATURAL GAS	Gj	4.856	4.878	7.624
DIESEL (IMPLANTS)	Gj	36	234	240
DIESEL	Gj	273	534	-
PETROL	Gj	2.387	3.208	5.242
ELECTRICITY	Gj	11.959	13.057	12.805
TOTAL ENERGY CONSUMPTION	Gj	19.511	21.910	25.912
TOTAL PRODUCTION YEAR	Ton	51.194	62.482	59.442
ENERGY INTENSITY	Gj/Ton	0,381	0,351	0,44

²⁷ For the calculation of direct CO₂ (Scope 1), the refilling of all refrigerant gases carried out, the consumption of natural gas, diesel for plant-related activities, as well as diesel and petrol for automotive use were taken into account. For the calculation of tonnes of CO₂ eq, reference was made to the emission factors made available by the UK Department for Business, Energy & Industrial Strategy (UK Government GHG Conversion Factors for Company Reporting).

Energy consumption – BRANCA USA

GRI 302-1	UNITS OF MEASUREMENT	2021	2022	2023
PETROL	Gj	1.152	1.138	1.405

Emissions and emission intensity – Consolidated

GRI 305-1,2, 4	2021	2022	2023
SCOPE 1 EMISSIONS (tCO ₂ eq.) ²⁷	1.149	1.159	1.182
SCOPE 2 EMISSIONS (tCO ₂ eq.) ²⁸ Location Based	1.860	1.867	1.215
SCOPE 2 EMISSIONS (tCO ₂ eq.) Market Based	-	-	2.073
SCOPE 3 EMISSIONS (tCO ₂ eq.)	229	496	408
TOTAL EMISSIONS (Scope 1, Scope 2 – Location based, Scope 3) (tCO ₂ eq.)	3.238	3.522	2.806
TOTAL PRODUCTION YEAR (t)	72.434	84.217	79.701
EMISSIONS/PRODUCTION RATIO ²⁹ (tCO ₂ eq./t)	0,045	0,042	0,035

²⁸ For the calculation of CO₂ emissions from electricity consumption (Scope 2), the calculation parameters specified by the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) were used.

²⁹ Production is defined as tonnes of bottled product.

Emissions and emission intensity – Fratelli Branca Distillerie S.p.A.

GRI 305-1,2, 4	2021	2022	2023
SCOPE 1 EMISSIONS (tCO ₂ eq.)	595	520	432
SCOPE 2 EMISSIONS (tCO ₂ eq.) Location Based	364	322	257
SCOPE 2 EMISSIONS (tCO ₂ eq.) Market Based	-	-	439
SCOPE 3 EMISSIONS (tCO ₂ eq.)	229	496	408
TOTAL EMISSIONS (Scope 1, Scope 2 – Location based, Scope 3) (tCO ₂ eq.)	1.187	1.338	1.098
TOTAL PRODUCTION YEAR (t)	21.240	21.735	20.259
TOTAL EMISSIONS/PRODUCTION RATIO (tCO ₂ eq./t)	0,056	0,062	0,054

Emissions and emission intensity – Fratelli Branca Distillerie S.p.A.

GRI 305-1,2, 4	2021	2022	2023
SCOPE 1 EMISSIONS (tCO ₂ eq.)	477	563	676
SCOPE 2 EMISSIONS (tCO ₂ eq.) Location Based	1.497	1.545	957
SCOPE 2 EMISSIONS (tCO ₂ eq.) Market Based	-	-	1.633
TOTAL EMISSIONS (Scope 1, Scope 2 – Location based) (tCO ₂ eq.)	1.974	2.108	1.634
TOTAL PRODUCTION YEAR (t)	51.194	62.482	59.442
TOTAL EMISSIONS/PRODUCTION RATIO (tCO ₂ eq.)	0,039	0,034	0,027

Emissions and emission intensity – Branca USA

GRI 305-1	2021	2022	2023
SCOPE 1 EMISSIONS(tCO ₂ eq.)	78	76	73

Waste generated – Consolidated and detailed by Company

	2021	2022	2023
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CONSOLIDATED

Total hazardous waste	5,22	1,84	1,59
Total non-hazardous waste	3.957,70	3.505,33	3.490,36
Total waste (t)	3.962,92	3.507,17	3.491,95
Total production year	72.434	84.217	79.701
TOTAL WASTE/PRODUCTION RATIO	0,055	0,042	0,044

FRATELLI BRANCA DISTILLERIE S.p.A.

Total hazardous waste	1,43	1,2	1,58
Total non-hazardous waste	2.374,9	2007,87	2.151,01
Total waste (t)	2.376,33	2.009,07	2.152
Total production year	21.240	21.735	20.259
TOTAL WASTE/PRODUCTION RATIO	0,112	0,092	0,106

FRATELLI BRANCA DESTILERÍAS S.A.

Total hazardous waste	3,79	0,6	0,7
Total non-hazardous waste	1.582,55	1.496,8	1.337,65
Total waste (t)	1.586,34	1.497,4	1.339,11
Total production year	51.194	62.482	49.442
TOTAL WASTE/PRODUCTION RATIO	0,031	0,024	0,023

Water Consumption Index – Consolidated and Detailed by Company

	2021	2022	2023
CONSOLIDATO			
<i>Water consumption</i>	74.208	78.727	76.144
<i>Production</i>	72.487	75.756	70.380
<i>Index of water consumption (ICA)</i>	1,024	1,039	1,081

ITALY

<i>Water consumption</i>	23.988	22.827	22.934
<i>Production</i>	12.560	13.113	10.938
<i>Index of water consumption (ICA)</i>	1,910	1,741	2.096

ARGENTINA

<i>Water consumption</i>	50.220	55.900	53.210
<i>Production</i>	59.927	62.643	59.442
<i>Index of water consumption (ICA)</i>	0,838	0,892	0,895

Table of Contents GRI

Declaration of use	Branca International SpA has reported the information mentioned in this GRI content index for the period between 1 January 2022 and 31 December 2022 with reference to GRI Standard	
Used GRI 1	GRI 1 - Fundamental Principles - Version 2021	
Relevant GRI sector standards	N/A - will await the publication of the specific industry standard	
STANDARD GRI / OTHER SOURCE	INFORMATION NOTE	SECTION

GENERAL INFORMATION

GRI 2 General Disclosures 2021	2-1 Organisational details	Methodological note, p.5
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Specific indicators reported in relation to material topics

Lawfulness, transparency, ethics, and integrity

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GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Lawfulness, transparency, ethics and integrity, p. 37

Creation and distribution of economic value

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Energy efficiency and climate-change

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Circular economy and recycling

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Diversity, inclusion and human rights

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Corporate welfare and well-being

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GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee well-being, pp. 74-75

Development, training the human capital and collaborative meritocracy

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GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Development and training of our human capital, pp. 68-70 Performance tables, p. 108
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Development of projects for and involvement of the local communities

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