



Branca International S.p.A.

Sustainability and Awareness Report

2022

ACTING RESPONSIBLY
IN AN INTERCONNECTED WORLD

Table of contents

LETTER FROM THE CHAIRMAN	3
METHODOLOGICAL NOTE	5
THE MAIN RESULTS: AN OVERALL VISION	7
WHO WE ARE: OUR IDENTITY AND OUR HISTORY	8
Group profile	9
The history of Branca: from craft herbal liqueur for medicinal purposes to industry leader	11
Our brands	16
International competitions and awards	21
Awards and recognitions received by Branca as an established company	21
Our values: from the motto 'Novare Serbando' to the principles of the Economy of Awareness	22
AWARENESS- BASED BUSINESS MANAGEMENT	23
Our stakeholders	26
Sustainability topics and materiality analysis	28
Branca and the 2030 Agenda: the UN sustainable development goals	31
CORPORATE GOVERNANCE	34
Governance structure	34
Lawfulness, transparency, ethics and integrity	37
Economic value directly generated and distributed	38
BRANCA PRODUCT EXCELLENCE	44
The value chain and responsible supply chain management	45
Quality and safety of raw materials and products	53
Consumer protection and promoting responsible consumption	56
Customer satisfaction	58
PEOPLE AND COMMUNITIES	62
Group employee profile	63
Diversity and inclusion in the work environment	66
Development and training of our human capital	68
Occupational health & safety	71
Employee well-being	74
Branca, culture and local communities	76
ENVIRONMENTAL PROTECTION	84
Energy consumption and emissions	86
Circular economy and recycling	92
ANNEXES	99
Calculation methodologies	99
Performance tables	100
GRI Table of Contents	114

A circular portrait of a man with a grey beard and glasses, wearing a dark suit, white shirt, and patterned tie. He is looking directly at the camera.

Letter from the Chairman

Sustainability, Awareness, quality and care are the cornerstones we have chosen to guide the action of Branca International Group.

Sustainability as the ongoing pursuit of a relationship of maximum balance with the social and environmental context that we belong to; Awareness as an entrepreneurial reality in our M.O., in motivation and in relationships, seeing the Company as a living organism that interacts both internally and externally, in an interdependent fashion, in a continuous and mutual exchange, setting as its ultimate goal the creation of well-being not only for itself but also for the entire community and the environment.

The year 2022 was characterised by the weakness of the world economy and international trade, combined with continuing geopolitical uncertainty and persistently high inflation in the major advanced economies. These events show how interconnected and interdependent the world is, suggesting that at such a complex time in history, responsibility, solidarity and thus Sustainability, Awareness and Care must guide our actions more than ever.

Moreover, the climate emergency has long been confirming the need to collectively and extensively re-think production systems to make them even more virtuous and efficient, and requires a concrete and cohesive response from governments, businesses, and citizens. We, as Branca Group, work daily to do our part, like the eagle, the iconic symbol of Branca Group, with one eye looking far ahead and one eye looking down, i.e. maintaining the right balance between long-term and short-term vision, with execution being ever more important.

In line with previous years, also 2022, the year that this edition of the Sustainability and Awareness Report refers to, we are committed to continuing our path of creating 'generative profit'. By this term we mean a 'profit' that is pursued and achieved with the utmost respect for the social context and the natural environment, and such as to generate lasting benefits for all stakeholders with whom the Group has relations. Faithful to this choice of principle, Branca International Group, with a united intention that brings together the various international businesses, practices an idea of enterprise that puts people at the centre, considered as the 'noble end' of our actions and never the means.


This way of thinking and acting has enabled us to achieve significant economic, social and environmental performance. Together, guided by our values and ambitions, we turned the uncertainties arising from a changing environment into opportunities to improve.

In particular, we recorded an increase in revenues, sales volumes and economic value distributed to stakeholders. We have invested heavily in the development of employees' skills, knowing that if employees grow, companies grow too. In addition, we made energy consumption more efficient, confirming the trend of improving energy efficiency and reducing the emission intensity of our production.

This way of doing business draws strength and purpose from a continuous and intimate relationship between our past and our future. On the one hand, there is our history, tradition and a formula of consistent success, created in Italy and today existing in 160 countries around the world. On the other hand, there is an eye always looking to the future, to research and innovation, in the continuous effort to satisfy our customers and to operate in harmony and balance with the new scenarios that are offered to us.

In short, NOVARE SERBANDO, Innovation within Tradition: the motto of our founder, our motto.

I would like to conclude by thanking all employees, inside and outside the company, who believe in this vision and work daily to put it into practice with commitment and passion, giving continuity to this wonderful entrepreneurial adventure that began 177 years ago.



Nicola Branca

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

Methodological Note

Reporting principles and criteria

The Sustainability and Awareness Report of Branca International Group (hereinafter also referred to as 'Branca' and 'Group'), drawn up on an annual basis, is the tool for communicating the activities carried out, the commitments made, the performance and the results achieved by the Group as part of its ongoing commitment to sustainability, understood in all its aspects: social, environmental and governance. The Sustainability and Awareness Report 2022 is prepared with reference to the 'GRI Sustainability Reporting Standards' (GRI Standards 2021) of the Global Reporting Initiative (GRI).

structure, ownership structure and supply chain between 2021 and 2022. Any exceptions to the scope of reporting or specific in-depth analyses are nevertheless stated in the individual sections.

Scope

In line with the previously published edition, the reporting scope of the data and information contained herein relates to Branca International Group Companies. 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 Sr.l¹ not being productive, report only the relevant indicators in the social and governance areas. There were no significant changes in organisational

¹ 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.

Performance Indicators

The information contained in this document, covering the reporting period 1 January 2022 - 31 December 2022 unless otherwise specified, reflects the principle of materiality or relevance, an element required by the GRI Standards. The materiality analysis and relevant topics for the Group are described in the section on 'Sustainability topics and materiality analysis'.

In order to allow the comparability of data over time and ensure continuity of reporting, the comparison with the 2020 and 2021 data is shown. Trends for data and performance indicators are also calculated using decimal figures not shown in the document. For a correct representation of performance and to guarantee the reliability of data, the use of estimates has been limited as far as possible and, if present, they are appropriately reported. Moreover, where useful for a more accurate and clearer representation of performance, the data is presented separately by company/geographical area, while in other cases it is consolidated at Group level. In the event of additions or updates to data published in previous editions of the Report for previous years, the changes are indicated in the notes.

The data and information contained in the document were collected by sending appropriate reporting packages to the various Group functions and companies. The ²⁰²² Sustainability and Awareness Report was prepared by an ad hoc Working Group, whose members represent all

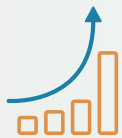
the social, environmental and economic reporting areas of the various Branca International Group companies.

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

The main results

AN OVERALL VISION

GOVERNANCE & BUSINESS



420

millions euros
revenues in 2022
(+37% compared to 2021)



84,217

tonnes of bottled product
(+16% compared to 2021)



160

export countries
(in line with 2021)

SOCIAL TOPICS



313

employees
(+5% compared to 2021)

99%

of Group employees with
long-term contracts
(in line with 2021)



21%

of female employees out of the total
number of employees
(+2 pp compared to 2021)



11,861

total training hours
provided
(+275% compared to 2021)

ENVIRONMENTAL TOPICS



0.502

Energy Intensity Index
(-5% compared to 2021)

0.042

Emission Intensity Index
(-6% compared to 2021)



0.042

Waste Generation Index
(-24% compared to 2021)



1.04

Water Consumption Index
(nearly in line with 2021:
+1.5%)



Who we are

*OUR IDENTITY
AND OUR HISTORY*

Group profile

Branca International S.p.A. Branca International S.p.A. is a wholly Italian-owned holding Company, led by the Branca family for five generations, with the sixth already working in the Company: a well-established Italian Company that has been operating for 177 years in the alcoholic beverages sector.



VISION

Branca International is an Italian group with an international vocation that operates according to a vision of balance and interdependence of all its activities - from the production and distribution of spirits to real estate and financial activities - at all levels of production.

Branca International kick-starts positive growth circuits within the framework of a single living entity, interconnected both internally and with the external environment, respecting the past, present and future generations.



MISSION

Branca International intends to present itself as a model of responsible business and, by applying the principles of the Economy of Awareness at both corporate and community levels, it aims to foster a definitive alliance between ethics and profit.

The Group pursues the objective of enhancing its activities by taking care of its stakeholders, as well as the planet and its resources.

Branca International puts sustainability first, in order to achieve lasting profit over time and a model of ethical and responsible development at all levels of business.

The long entrepreneurial history of the Branca family began in Milan, in 1845, with the founding of a distillery, Fratelli Branca Distillerie by Bernardino Branca. The Group's current configuration has been active since 1999 and is the result of the re-organisation process initiated by the current Chairman and CEO, Niccolò Branca.

Branca International Group has maintained its headquarters in Milan and controls the three companies engaged in the production and marketing of spirits, the nerve centres of the Branca world, namely, the historic Fratelli Branca Distillerie S.p.A., based in Milan, Italy, at the plant in Via Resegone, the Argentine Fratelli Branca Destilerías S.A., based in Tortuguitas in the province of Buenos Aires, and Branca USA Inc., with its commercial headquarters established in 2019 in New York, USA, with the aim of managing the import, distribution and direct sales of Branca products in North America.

Through the three companies, Branca products are marketed in 160 countries on five continen-



ts: the Milan plant serves the European, US and Asian markets in addition to the domestic market, while the Buenos Aires production centre focuses on the Argentinean market and some South American countries such as Chile, Uruguay, Paraguay and Bolivia. Thanks to numerous partnership agreements signed over the years, the Group is also involved in the distribution of high-end international products on domestic markets.

Branca International Group is also active in the real estate market through Branca Real Estate S.r.l., which holds the Group's real estate assets, including its properties used for industrial, residential, commercial and cultural purposes and its agricultural estates, in Italy and abroad. The international expansion and large-scale growth of Fratelli Branca Distillerie S.p.A., in fact, prompted the Company to invest in production facilities in several European countries, as well as in North and South America (New York and Buenos Aires) in the early decades of the 20th century. The policy of redesigning the corporate structure launched by Niccolò Branca then allowed the reconversion of unused factories and the organisation of industrial production, commercial activities, and real estate management into separate Companies, which are today run in an entrepreneurial fashion with the role of management and coordination played by the holding Company with the strategic aims of growth and value creation.

The Group also operates in the financial sector; through the centralised management of financial flows and investments it pursues the twofold objective of (i) facilitating the expansion projects of its subsidiaries - strengthening their presence in the relevant sectors through the acquisition of brands and companies in Italy and abroad - and (ii) diversifying investments, by enhancing the wealth of international relations secured over the years.

Lastly, Branca International Group operates in the cultural sphere, with the Centro Studi Fratelli Branca S.r.l., one of the laboratories at the forefront of study and research in the field of medicinal herbs. In addition to guaranteeing the control and quality of Branca products, it is also involved in promoting innovative initiatives, such as the Branca Academy, the Branca Collection and the Branca Tower.

The history of Branca

FROM CRAFT HERBAL LIQUEUR FOR MEDICINAL PURPOSES TO INDUSTRY LEADER

In 1845, an apothecary, Bernardino Branca, created and started producing, in his laboratory in Milan, and selling a medicinal preparation based on herbs, spices and roots for the treatment of various widespread diseases at the time, including cholera and malaria. This marked the launch of the Fernet-Branca herbal liqueur and long history of Fratelli Branca Distillerie, the original core of Branca International Group.

The product was so successful that in a short time, in Italy and abroad, the fame of this herbal liqueur 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 was transformed from an artisan workshop into a successful enterprise: within a short time, the original site in Porta Nuova in Milan had to be expanded to cope with the demand for 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 Group's 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 factory and to found the Argentinian Company F.lli Branca Destilerías S.A. in 1941 for the on-site production of the product. In 1982, the Company relocated to the Tortuguitas plant in the Province of Buenos Aires, which is still today the headquarters of Fratelli Branca Destilerías, and which has since been transformed into a technologically state-of-the-art alcoholic beverage production plant.

Since 2000, the year that the new Tortuguitas production plant was built, the Argentinian market has grown significantly under the strategic guidance of Niccolò Branca as Chairman, supported by local management. Even during the difficult years of the economic crisis that hit the coun-

try, F.lli Branca Destilerías S.A. tackled the emergency with courage and innovation, avoiding staff layoffs and confirming its investments in the Company and its development, to the extent that, between 2006 and 2015, it also gradually extended its production facility.

the Group, from the original Fernet-Branca liqueur, has included the creation of a number of other "historic" brands - such as Stravecchio Branca and Brancamenta - and the additions to the product portfolio through a policy of acquisitions, extension lines and the entry into other sectors related to its core business. From 1999 to the present day, the strategic and operational decisions adopted by the Group have enabled it to occupy significant new positions in its reference markets and to compete with leading multinationals, protecting the Company's independence and keeping the founding family at the helm.



From 1845 to date

THROUGH INGENUITY AND CREATIVITY



1845: The Founding

Bernardino Branca invented Fernet-Branca, a herbal liqueur based on a unique and still secret recipe that would make history. From a cottage industry to the opening of the factory in Corso di Porta Nuova: one of Italy's most exciting entrepreneurial adventures started in Milan with the foundation of Fratelli Branca Distillerie and the distribution of the Fernet-Branca liqueur throughout Italy.

1862

Stefano Branca entered the Company, launched several new products and organised the great International Expo of 1881 in Milan, which was an immediate success.



1891

After Stefano's death, his wife Maria Scala successfully ran the Company until young Bernardino came of age.

1895

1895 A new logo was created for the Company by Leopoldo Metlicovitz featuring the iconic image of an eagle seizing a bottle of Fernet-Branca in its claws as it flies over the world. A decade later, on 27 November 1905, the Company logo, which, at the turn of the century, was displayed in bars, restaurants and patisseries around the world, was officially registered with the Italian Ministry of National Economy.



1907

Dino Branca took over the management and started building the new factory in Via Resegone 2, Milan, which still houses the production plant the Branca Museum, inaugurated in 1911.

1918

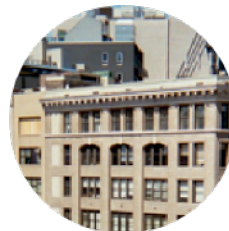
Dino Branca transformed Fratelli Branca Distillerie into a società anonima, an anonymous Company, increasing its share capital to 150 million lire. He also extended its operations by building factories around the world. After World War I, he was active in the reconstruction and industrial recovery effort. In 1933, he was authorised to use a Pontifical noble title and, in 1938, King Victor Emanuel III awarded him the transmissible title of Conte di Romanico, in recognition of his merits in the industrial and welfare fields.





1930

The new plant of Saint Louis, in Alsace, was opened



1932

Two new companies were incorporated, S.A. Fratelli Branca Distillerie in Chiasso (Switzerland) and Fratelli Branca & C. Inc. in New York (USA), where, in 1934, a plant for producing the medicinal Fernet-Branca was opened at 131 Hudson Street.



1941

A new Company was established in Buenos Aires (Argentina) called Fratelli Branca Destilerías. The Fernet-Branca liqueur was already widely known in Argentina through the Italian migrants at the end of the 19th century and, given its enormous success, in 1925 the Company decided to license Hofer & C. - the exclusive distributor of the product in South America - to produce the liqueur in Argentina using the extract sent from Italy.



1955

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



1965

Pierluigi renewed the Company focusing primarily on its Italian operations, launching a novel liqueur called Brancamenta, which combined the beneficial and digestive properties of the original liqueur with a pleasant, fresh minty flavour. In the United States, he moved the product from the pharmaceutical to the retail channel.



1981

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



1985

It was Giuseppe Branca who developed the acquisition strategy regarding historical Italian brands, such as the Distilleria Candolini of Tarcento. He established Villa Branca S.r.l., based in Mercatale Val di Pesa, and the Branca product portfolio welcomed new entries, such as the Villa Branca Chianti Classico and Villa Branca Chianti Riserva wines and an extra-virgin olive oil. The Company also entered into an exclusive 29-year concession agreement with the City of Milan for the exclusive use of the Torre del Parco - an iron panoramic tower located in the city's Sempione Park - to be renamed the Branca Tower, in return for its restoration at the Company's expense. In 1990, he launched the extension plans for the Via Resegone plant, which would subsequently be used for the Branca Museum.

1999



Pierluigi Branca passed away and the holding Company Branca International SpA was established: Pierluigi's son, Niccolò, takes over as Chairman and becomes CEO of Fratelli Branca Distillerie as well. Niccolò Branca, with enormous drive, played an important part in the revamping and reorganisation of the Group according to the principle of innovation within tradition and also started to look into the concepts of sustainability and corporate ethics, which inspires all the work of Branca International.

The strategic and operational decisions adopted from then onwards would lead Distillerie to gain new, significant positions in the reference markets, competing with leading multinational companies. The existing brands were strengthened, new products acquired and extension lines created. The Group's operations in Argentina and the US were also bolstered and the entire internationalisation and product diversification process continued and intensified.

2001

Branca acquired the historic Turin-based distillery Carpano, which had invented Vermouth in 1786 by adding herbs and spices to white muscat wine. The Company's production operations were moved to the Milan headquarters of Fratelli Branca Distillerie. Since then the brand has continued its relentless growth in Italy and abroad, extending its original vermouth market in line with the Branca motto of "Innovation within Tradition" (Novare Serbando): in the following years, in fact, two new products Carpano Dry and Carpano Botanic Bitter were launched.



2001



This year marked another new entry in Branca's product portfolio with Caffè Borghetti, a real espresso coffee liqueur based on the original recipe invented in 1860 by Ugo Borghetti and already distributed by the Company in 1982.

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 hub of Sempione Park.



2004



The old Fernet-Branca distillery in Saint-Louis (France), built in the early 20th century, was transformed into a Museum, the Espace d'Art contemporain Fernet-Branca, which opened on 15 June 2004 and has become part of the cross-border cultural reality linked with the nearby city of Basel (Switzerland).

2006

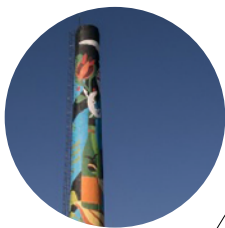
Branca Real Estate S.r.l. started operating fully.



2009



The Branca Collection Museum opened to the public in the heart of Milan, showcasing a wealth of Company history and culture. It offers visitors the opportunity to learn about the raw materials, tools, herbs, roots and spices and production processes, with a valuable insight into the brand's creation and development.



2015

Branca celebrated its 170th anniversary, an important milestone for the Company, its tradition and its soul. For the occasion, the Group unveiled, as its gift to the City of Milan, the newly restyled chimney of the Via Resegone plant, decorated by internationally renowned street artists in a blaze of colours and patterns inspired by the herbs and bottles that have secured the fame of Fernet-Branca. The publisher Rizzoli also published the essay "Branca, sulle ali dell'eccellenza" (Branca on the wings of excellence), acclaimed as the best publication of the year by the Osservatorio Monografie Italiane (OMI) and the Ministry for Economic Development recognised the industrial excellence of Branca by issuing a limited-edition postage stamp.

2019

The Branca USA subsidiary was established in New York, for the purpose of managing the import, distribution, and direct sale of Branca products in North America. Yet another step forward in ensuring the Group's expansion in the US market.



Today

Branca is present in 160 countries on five continents, with a widespread and well-organised distribution network. The Company is increasingly oriented towards the differentiation of its products, expanding well beyond the

field of liqueurs and vermouths, even though the bitter invented by the founder continues to form the basis of the business, the secret of a success that has been ongoing for 177 years.

Our brands

Fernet-Branca, the liqueur invented by the founder in 1845, undoubtedly remains the flagship product of Branca International Group, the secret of its seamless success over 177 years.

However, during this time Branca has also focused on differentiating its offer, expanding well beyond the industry of bitters. In addition to consolidating its historic products (Fernet-Branca, Brancamenta, Stravecchio Branca and, since 2019, Stravecchio Branca XO), the Group has also pursued a policy of strategic partnerships aimed at penetrating new markets and has expanded its product portfolio through extension lines and the acquisition of other

prestigious brands.

Hence, for example, the introduction of the following products at Branca: Borghetti (Caffè Borghetti and Sambuca Borghetti) and Carpano products (Carpano Classico - 'Rosso' in the Argentine market -, Bianco, Dry, the recent Carpano Botanic Bitter and the new Ready-to-drink Carpano Negroni and Carpano Mi-To, the historic Punt e Mes and the vermouth par excellence Antica Formula), Candolini grappas (leader in Italy), Chianti Villa Branca wine, Sernova vodka (standard and flavoured), and, from 2021, its new Tropical Passion and Sweet Apple Pear variants. Products distributed by Fratelli Branca Distillerie include De Luze cognac, Nicholson gin and

Tobermory brand premium gin, Tobermory, Deanston, Bunnahabhain, Templeton Rye, Scottish Leader, Ledaig and Black Bottle whiskies, Passoã speciality and Amarula liqueur. In 2022, the VII Hills premium gin was introduced into distribution.

Furthermore, in Argentina, Fratelli Branca Destilerías distributes the Strega and Limone Strega liqueurs, the renowned wines of the Fabré Montmayou and Infinitus wineries, as well as world-famous whiskies such as The Macallan, The Famous Grouse and Highland Park. The products are briefly summarised below with their respective logos.

BRANCA PRODUCTS AND ACQUIRED HISTORICAL BRANDS



OTHER DISTRIBUTED BRANDS ITALIA



OTHER DISTRIBUTED BRANDS ARGENTINA



THE MAIN BRANCA PRODUCTS AND ACQUIRED HISTORICAL BRANDS



FERNET BRANCA

Developed in 1845, Fernet-Branca retains the personality and originality that allowed it to conquer five continents. Its secret formula, handed down from father to son, an example of great experience and passion for 'doing', has ensured the excellent quality of Fernet-Branca over time. Twenty-seven herbs, spices and roots make up the typically brown product and come from four continents: Rhubarb from China, Galanga, 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 journey gives Fernet-Branca its inimitable flavour.



BRANCAMENTA

Brancamenta was created in the Sixties, a period of radical change triggered by the economic boom, with a new, more individualistic and less conventional way of living and, consequently, a great longing for novelty in all fields, including taste and flavour. In these years, Fratelli Branca Distillerie, thanks to the great and special intuition that has always been its hallmark, decided to research and start the production of a perfect drink for every season and created Brancamenta, which surprises consumers and admirers with its "thrill of intense pleasure" released with every sip. The recipe, composed of herbs and spices, is enriched with the essential oil of Piedmont peppermint, the most prized peppermint worldwide. The result is a high-quality, natural and particularly refreshing bitter liqueur.



STRAVECCHIO BRANCA

Stravecchio Branca, the Italian brandy par excellence, is a skilfully prepared distillate with a warm and enveloping taste and complex woody notes of dried fruit. Its secret is Fratelli Branca's ability to tend to a centenary product that reflects the know-how of its producers. Taste and perfume remain unaltered thanks to the secret of the oak mother barrel, the author of one of the most delicate phases of the production process: the mixture of different spirits aged from a minimum of three to a maximum of ten years. The Mother Barrel always contains a third of the mix, a peculiarity that has produced the unique bouquet of Stravecchio Branca since 1888.



**STRAVECCHIO BRANCA
XO (EXTRA OLD)**

Comes from the balanced mixture of spirits obtained from the distillation of fine Italian wines and left to rest in oak barrels first and then in the so-called "Mother Barrel". This second phase is decisive and all the components are slowly enriched and harmonised, revealing a complex yet 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 particular aromatic nose.



ANTICA FORMULA

This excellent Italian vermouth was created in Turin back in 1786, by Antonio Benedetto Carpano, the actual inventor of vermouths. Antica Formula has come down to us in its original and unique recipe, thanks to the passion and capacity of Fratelli Branca Distillerie to keep the product unchanged over the years, with its unique bouquet and unmistakable vanilla notes. 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 bottled in precious blown glass bottles bearing the reproduction of its original 1786 label.



CARPANO CLASSICO
(CARPANO ROSSO IN ARGENTINA)

Carpano Classico, also called Carpano Rosso in Argentina, was created in the 20th century and is the classic Italian vermouth, with a strong character, citrus notes and persistent flavour. Its bitter-sweetness is perfectly balanced, thanks also to the use of fresh bitter orange peels and burnt sugar, which also gives the product its particular amber colour. In its original recipe, the spicy and citrus notes harmonise together, complementing each other with the aromas deriving from absinthe and making this classic, balanced vermouth perfect for mixing.



CARPANO BIANCO

Carpano Bianco was created in the 1930s and is the classic Italian white vermouth, sweet, with a fresh and rich aroma. The aromas and mineral quality of the wines, which make up the blend of Carpano Bianco, are balanced with spicy and citrus notes. It is the Carpano range product featuring the most aromas. The initially sweet taste is immediately replaced by botanical and complex, slightly bitter notes that make the product pleasant and suitable for any occasion. The main ingredients are fresh bitter orange peel, mace and cinnamon, which confer a particular spicy note to the product.



CARPANO DRY

Carpano Dry is characterised by its dry taste, thanks to a lower sugar content than the other variants and to a selection of refined Italian wines that allows the product to maintain its organoleptic properties over a long time. Characteristic ingredients of Carpano Dry are Absinthe, cultivated in Italy, in unspoiled mountain areas, and Origanum dictamnus, a herbaceous plant from the island of Crete that gives the product its typical flavour.



CARPANO BOTANIC BITTER

created and launched in 2019, by combining the typical experience of the Carpano brand in choosing and dosing herbs and botanicals with the new consumer needs to reinterpret classic cocktails, Carpano Botanic Bitter, unique in its kind, is the result of the careful selection of ten aromatic herbs infused according to traditional methods to create a perfect balance of all its botanical components. Its aromatic and balanced taste is an excellent match for Carpano vermouths in the preparation of quality cocktails such as Negroni or Americano.



CARPANO READY-TO-DRINK NEGRONI E MI-TO (MILANO-TORINO)

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. The Carpano Ready-To-Drink cocktails, made exclusively with Carpano products and available in a 10cl single-serve format that can be purchased individually or in packs of 10, are convenient for keeping in the fridge, ready to use.

The Carpano Ready-To-Drink cocktails follow the iconic recipes of Negroni (Carpano Classico, Carpano Botanic



PUNT E MES

Punt e Mes is a product with a legendary history. According to legend, in 1870 in the Carpano 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, promoted by a curious habit of the restaurant's regulars, namely to order Punt e Mes with a hand movement. In fact, it was enough for the customer to gesture to the waiter by raising his thumb (a Punt) and then drawing a horizontal line in the air (Mes) with his outstretched hand, to immediately be served a Punt e Mes. Today, Punt e Mes is 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 is dark red with vermillion veins. The notes are reminiscent of 'Port wine', aromatic herbs, 'toffee' and cloves.



CAFFÈ BORGHETTI

Caffè 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 fame and renown 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 maintained for a long time. A special blend of top-quality Arabica and Robusta, prepared in-house in huge coffee pots. Aromatic, with a sweet and smooth taste and an enveloping flavour, Caffè Borghetti has a rich and intense aroma that you won't forget and a pleasant aftertaste of espresso coffee, fitting for any occasion.



SAMBUCA BORGHETTI

This is the result of the meticulous selection of star anise blossoms, 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 crystal-clear, the nose is sweet, with a smooth and delicate taste.



GRAPPA CANDOLINI

Candolini is the soft and elegant grappa preferred by Italians, acquired by Fratelli branca Distillerie in 1987. Produced from carefully selected distillates of the highest quality, Candolini expanded its market presence by launching single-varietal versions, produced 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 very name, a fusion of 'Novare Serbando', the motto of the Fratelli Branca distilleries. It is a sophisticated and delicate vodka, a high quality product made in Italian style, the fruit of Branca's wisdom and passion. The process of producing Sernova - which, in Italy, is made from locally-grown wheat - consists of a series of distillation and filtration phases, during which the vodka is refined and perfected. To guarantee a neutral and pure product, Sernova is also filtered with black diamonds, the only case of its kind in the Argentine market. In 2020, two new variants, Vodka Sernova Wild Berries and Vodka Sernova Fresh Citrus, and in 2021, 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 highly scented wine with a lively and fragrant fruitiness. The taste is powerful, warm, with good structure. It is the result of a blend of Sangiovese grapes with the addition of other black grape varieties. Chianti Classico Riserva, the result of prolonged ageing in wood and subsequent refining in the bottle, is characterised by an intense red colour with garnet reflections, a persistent bouquet and a lively and fragrant fruity taste. It has a harmonic flavour and a remarkable structure.

INTERNATIONAL COMPETITIONS AND AWARDS

² For further details, please consult the following link:
Carpano Botanic Bitter, Gold Medal at San Francisco World Spirits Competition 2022 - Fratelli Branca (brancadistillerie.com)

³ A full picture of the awards can be found on the Group's website, in the pages dedicated to each product.

International competitions, with panels of experienced tasters that award prizes to various product categories, are an important element in the Branca portfolio brand strategy. Within the various possibilities, Branca focuses on the world's most highly recognised and respected competitions for the product categories in which it operates.

Over the years, the Group has won numerous awards recognising the excellence of its product portfolio: in particular, during the year of reporting, Carpano Botanic Bitter, won the Gold Medal in the aperitif category at the San Francisco World Spirits Competition 2022, North America's most important competition comprising the world's largest selection of spirits. The jury of 70 industry experts evaluated around 5,000 liqueurs in a fortnight and finally awarded the Gold Medal in recognition of the exceptional spirits that set quality standards in their category².

Major awards recently won by products in the Branca portfolio include³:

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 (Bianco) Double Gold medal – San Francisco World Spirits Competition 2016 (Bianco) Double Gold medal – San Francisco World Spirits Competition 2016 (Classico)
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

Awards and recognitions RECEIVED BY BRANCA AS AN ESTABLISHED COMPANY

Niccolò Branca and Branca International Group have won some important awards over the years.

These include: the prestigious '2007 Results Award' promoted by Bain & Company, Il Sole 24 Ore, Centrale dei Bilanci and Bocconi University, the award in 2007 of the title of Honorary Professor at the Faculty of Economics of the Universidad del Salvador in Buenos Aires, the appointment of Cavaliere del Lavoro by the President of the Republic Giorgio Napolitano in 2011, the recognition of 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 Saint Agatha of the Republic of San Marino. For two consecutive years, President Niccolò Branca was among the three winning finalists for 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, Chairman 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.

Most recently, in 2020 Fratelli Branca Distillerie received the "Industria Felix, L'Italia che compete" award, selected from among 122 companies with registered offices in Italy that stood out for their management performance, financial reliability and sometimes sustainability: Lombardy and Veneto excelled with 22 awards each, including

Fratelli Branca Distillerie, which was chosen from 18 strategic sectors and awarded this prize on the basis of objective criteria, which took into account an indisputable algorithm on competitiveness (assessed on the basis of the financial statements filed), the Cerved Group Score (the financial reliability indicator of one of the most important rating agencies in Europe) and also, as in the case of Fratelli Branca Distillerie, the sustainability report.

In 2022, Branca International received recognition as a '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, waste management; social, such as safety at work, percentage of permanent employees, working conditions; and economic, such as financial stability, compliance and transparency in the disclosure of information.

In the same year, Chairman Niccolò Branca was appointed Corresponding Academic of Italy by the Argentine National Academy of Economic Sciences. The award recognises Branca'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.

Also in 2022, Fratelli Branca Distillerie won the Smu Innovation Award: an award given to companies that have made a concrete innovative contribution to their business and contributed to the growth of the country system as a whole. The award recognises the Group's digitisation programme that Branca has undertaken by transversally involving a number of companies in various cross-functional project strands in order to re-engineer, simplify and automate key business processes and improve operational fluidity, performance and service levels both internally and externally with timely and continuous sharing of information and KPIs.

Our values

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



The motto 'Novare Serbando', innovation within tradition - handed down from generation to generation - has always been the leitmotif of the Company's growth, based on quality and innovation while respecting tradition, in tune with the evolution of the socio-economic context, market trends and consumer needs. A motto as a nutshell expression of the Company's guiding values which, today, feature alongside the principles of the Economy of Awareness. The expression "Novare Serbando" sums up the way in which Branca International Group manages the present and looks to the future, never forgetting the values that have consistently guaranteed the solidity of the family's industrial and business progress, now into its sixth generation. In fact, 'serbare' (tradition) represents the founder's intuition that started a long tradition

of making and in making, an inimitable craftsmanship that uses unaltered formulas to prepare products. Conversely, innovation has allowed the Company to grow and develop, becoming the success story we all know today.

The keyword and core value of the Group is, in fact, Awareness, which allows it to combine and balance profit and ethics for the creation of a generative value, harmoniously bringing together the Company, its employees and the communities that welcome them. The results of this conscious activity pursued by Branca are superior-class products and a management approach sensitive to the needs of the local communities.



Awareness-based business management

Branca International Group has grown over the years maintaining its core values, which remain current and valid today. These values are inspired by the principles of the Economy of Awareness reflecting the spirit with which the Group is committed to developing its business, through respect and care of its people. This attention is manifested every day through the initiatives linked to its various areas of activity: from human resource management, to respect for the environment, the welfare programmes implemented by Branca for its employees and their families.

The values and guiding principles around which the Group has developed and which have been handed down for six generations include attention to people, considered as an end and never as a means, responsibility for growth, product excellence and quality, the guarantee of

maximum safety for consumers, and a commitment to inclusive development of social and environmental concerns in every process that governs the Group's activities in the countries where it operates.

According to Branca, establishing relationships based on listening, dialogue and transparency with people are essential for guaranteeing a serene working environment and, at the same time, promoting the success of the organisation. The Branca International Group's approach is to enhance the value of its staff and to understand their needs and expectations, for example by encouraging the adoption of a series of corporate welfare projects and initiatives aimed at improving quality of life and guaranteeing that almost all work contracts are permanent.

Branca International also pays great attention to respect for the fundamental rights of its employees as an integral part of the Branca corporate culture. In this regard, the Group carries out its most significant operations in Italy and Argentina, countries that have ratified and implemented the UN Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO), including the abolition of forced labour and child labour and respect for freedom of association and collective bargaining.

As regards its products, one of the Group's main challenges is to promote the concept of responsible consumption, focusing - through the various projects it promotes - the Company's commitment to spreading a culture of quality drinking that coincides with the pleasure of taste.

Environmentally, a certified Environmental Management System (ISO 14001) has been adopted, which recognises the commitment towards ongoing improvements in terms of energy consumption, air emissions, the efficient use of water resources and the management of waste and effluents. Furthermore, in demonstrating its sensitivity towards environmental issues, Fratelli Branca Distillerie has signed up to EC Regulation no. 1221/2009 EMAS, which provides for a certification system for the achievement of outstanding results in environmental improvement.

Fratelli Branca Distillerie has also implemen-

ted certified management systems for Occupational Health and Safety (OHSAS 18001, later ISO 45001), confirmed in 2019 after due audits. In addition, the Food Safety and Quality Management System, already certified in previous years, in compliance with the BRC and IFS standards, has been brought into line with the requirements of ISO 22000, the quality standard adopted in 2015. The system set up according to the ISO 22000 standard was verified and confirmed in November 2022.

The Argentine subsidiary, Fratelli Branca Destilerías, has also implemented some management systems such as ISO 22000 and ISO 14001, and in 2021, ISO 45001, in addition to developing specific policies. Moreover, during 2017, the organisation model, already introduced in 2014, together with a code of conduct and the Code of Ethics, was updated on several occasions to be in line with new regulations and company requirements.

Moving towards the future, Branca is aware of the challenges that lie ahead and that it will only be able to achieve its objectives with the ongoing commitment of its people and by consistently listening to its stakeholders.



The Economy of Awareness

Since taking office in 1999, the current Chairman and CEO Niccolò Branca has laid the foundations for the development of the principles of the Economy of Awareness and their application within and across the Company: a new entrepreneurial approach that places people at the centre of the Group's thinking and action and in harmony with the environment and the community.

The expression "Economy of Awareness" originates from the etymological meaning of "economy" (from the Greek *oikos* - home, dwelling - and *nomos* - norm, rule), as thriving in harmony with oneself and everything around us, and from the idea of awareness as a sense of a limit, such as a balance in production, consumption and growth.

The pillars of corporate sustainability for the Branca Internatio-

nal Group are based precisely on these principles, i.e. on awareness of the existing interdependence between economic, social, environmental and human aspects when doing business.

Branca has always worked to maintain a number of fundamental values such as using only natural products and focusing on quality, environmental protection and health and safety at work, and is convinced that profit is essential to make a concrete contribution to collective prosperity, if pursued in an ethical perspective.

It is only through the creation of a profit that the company is able to pay its staff, pay its suppliers, invest in research and development, and thus participate, through the payment of its taxes, in the cost of services rendered by the state: if the company is making a profit, it

means that it is creating welfare for the community. According to Branca, however, profit must be pursued while showing full respect for people, the area where it operates, the local communities and the end consumer, remembering that we are all interconnected with each other and with our surrounding environment, and that we all share a common goal; it is precisely for this reason that it believes it is a moral duty to also take non-financial aspects into account when considering new business scenarios.

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

Our stakeholders

Stakeholders, also according to the definition in the GRI Standards, are defined as entities, groups or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products and/or services or whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies or achieve its objectives. They are the Group's principal focus, the people with whom the Group relates and who are the main reference for its strategic decisions and daily actions.

The development of active cooperation and moments of exchange and dialogue

with stakeholders are fundamental to increasing the perception of Branca International Group in the external environment as well as the interests and expectations of its stakeholders. In 2019, during the preparation of its Sustainability and Awareness Report, Branca updated its stakeholder map to better define their relevance and the influence of their expectations on the strategic actions implemented by the Group. This mapping was also confirmed for 2022.

The mapping not only made it possible to identify stakeholders of particular importance in the light of the changes that have taken place within the Group itself and the context it operates

in, but also to identify for each category of stakeholder specific areas of interest that circumscribe the priority areas of intervention. The identification of these priority aspects responds to the need to combine and align business priorities as closely as possible with the interests expressed by stakeholders, in order to give perspective depth to the Group's action. Branca International is increasingly aware, in fact, that satisfying the needs and legitimate expectations of its stakeholders is one of the most important tools it has for creating value in all the countries and communities where it operates.

STAKEHOLDER CATEGORY

RELEVANCE AND MODES OF INTERACTION

CUSTOMERS

Customers are Branca International Group's number one focus: the very success of the individual brands and of the Group as a whole depends on the ability to understand their needs and identify the most effective product distribution channels. In order to understand their needs, the Group maintains direct contact with its customers through online and telephone channels

END CONSUMERS

The focus on spreading a culture of responsible drinking and the protection of consumer safety through the development of a quality product is a key aspect of Branca International's management policy. On the many occasions when dealing with end consumers, the Group ensures that its messages are conveyed in a consistent and responsible manner.

SHAREHOLDERS

Branca's shareholders are increasingly attentive to how the Group creates sustainable value, particularly in the long term. Corporate social responsibility today plays a strategically important role because, in addition to strengthening the Group's reputation, it is the spirit with which Branca looks to the future.

SUPPLIERS

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

LOCAL COMMUNITIES

Branca has always been an integral part of the areas it operates in, as well as an active participant in a cultural exchange and enrichment with the local area. To this end, the Group independently undertakes and collaborates with various entities 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 are Branca International's most precious resource and are considered an end and not a means. The Group is committed to involving employees in company life, fostering engagement and a sense of belonging. In particular, it organises performance appraisals as well as 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 Group acts in compliance with the applicable laws and regulations and adopts an organisational and management model designed to prevent any violation of current legislation and ensure full compliance.

TRADE ASSOCIATIONS

Continuous dialogue with trade associations allows the 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 the individual company.

PRESS/MEDIA

Generally speaking, the press and media including social media represent an increasingly strategic element for building solid relations with both customers and end consumers, as well as for establishing a real dialogue with the various target groups. Consistent two-way relationship-building and communication activities are based on the principles of transparency and content relevance.

BARTENDERS

Meeting the needs of the bartender community, in its broadest sense, is key to creating a preference for Branca portfolio brands over the competition. With this in mind, the Group periodically organises multiple initiatives aimed at involving and motivating bartenders.

Materiality analysis and sustainability topics

The identification of the most distinctive and relevant topics for the business is the key tool for defining value creation strategies, ensuring the implementation of activities and establishing the contents of communication and dialogue with stakeholders. In recent years, the Group, following the adoption of the GRI Standard sustainability reporting guidelines, has identified 'material' topics, i.e., the most relevant topics on the basis of which to develop its sustainability reporting. The materiality analysis, i.e., the process for identifying the sustainability issues to be reported, was carried out in three stages involving the different parts of the Group and the different countries.

In order to identify an initial long-list of potentially relevant sustainability issues for Branca International Group, in line with industry best practices and macro-trends, several publications relevant to the food & beverage sector, and a panel of peers and competitors were analysed. In a second step, with the aim of identifying the issues that are really material and most relevant to Branca's business, 26 people, including CEOs and front-line staff from Italy, Argentina and the USA, were asked to rate the level of relevance of each issue (on a scale of 1 to 10) both from an internal point of view and for the main stakeholders. The topics that received a rating higher than 7 and thus with high or very high relevance were identified as material.

In 2022, the Group updated its materiality analysis considering the principles and guidelines resulting from the update of the GRI Universal Standards 2021, introducing, in particular, the concept of impact materiality. The new process involves identifying material issues based on the significance, i.e., the level of benefit or severity, of the related positive and negative impacts, current and potential, that the organisation generates or could generate on the economy, society and the environment. The analysis of trends and sustainability documents published by peers made it possible to identify current and potential impacts related to the material topics for Branca, which basically confirm the relevance of the topics that had already emerged during the previous year.

ESG PILLAR	MATERIAL TOPIC	RELATED IMPACTS	NATURE OF THE IMPACT
CORPORATE GOVERNANCE	Lawfulness, transparency, ethics, and integrity of business	A system of administration and control of the company that operates in accordance with the principles of integrity and professional ethics, in compliance with laws and regulations helps to build a relationship of trust between the company and its stakeholders.	Current
	Creation and distribution of economic value	A reliable and resilient business enables the continuous increase of socially oriented value generation, creating positive impacts for all stakeholders.	Current
BUSINESS SUSTAINABILITY	Responsible management of the supply chain	Poor monitoring or lack of principles and guidelines with respect to the management of environmental and social issues by its suppliers increases the risk of negative impacts, both environmental and social, throughout the supply chain with reputational and economic consequences for the Group. In order to reduce the risk, Branca is committed to implementing a strict selection process based on economic, environmental, social and local criteria and aims, where possible, to establish partnerships that can guarantee long-term supplies and relationships based on the principles of equity, transparency, fairness and mutual trust.	Potential
	Quality and safety of raw materials and products	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 their presence in the food chain as synonymous with quality, the 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 the health of consumers. To counter this impact, Branca 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 Group provides customers/end consumers with direct, immediate and easily available communication channels with the various companies. Through these listening mechanisms, Branca is able to best understand their needs and offer products in line with their requirements.	Current

DIMENSIONE ESG	TEMA MATERIALE	IMPATTI CORRELATI	NATURA DELL'IMPATTO
SOCIAL TOPICS	Occupational health & safety	The use of production machinery, the handling of goods, the organisation of warehouses, can lead to accidents to the health of employees. In order to minimise these risks, the Group's production companies have implemented 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, training the human capital and collaborative meritocracy	Providing employees with opportunities for personal and professional growth by investing in continuous development and updating, favours the acquisition by part of them of skills necessary for business development and to increase the Group's attraction and retention capacity. This promotes business continuity and at the same time generates positive impacts on employee satisfaction and personal and professional growth, as well as generating employment in the region.	Current
	Corporate welfare and well-being	Attention to the employee and his or her needs, the development of diversified initiatives for his or her physical, mental and economic health, guarantee a positive impact on employee satisfaction, which is indispensable for business continuity. As a multinational organisation, 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 work 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 where employees feel accepted and understood, positively impacting on their satisfaction and their personal and professional development.	Current
	Development of projects for and involvement of the local communities	The Group creates value in the local area, contributing to local economic development by organising and participating in initiatives to support the community.	Current
ENVIRONMENTAL TOPICS	Energy efficiency and climate-change	Failure to monitor the environmental impact generated by industrial energy-intensive operations leads to increased greenhouse gas emissions (thus contributing to climate change and global warming). Aware of the impact of its operations, although the Group is not an energy-intensive company, it has always been committed to the progressive reduction of energy consumption.	Current
	Circular economy and recycling	Failure to monitor the environmental impact generated by water-intensive operations and activities can impact water availability, especially in water-stressed areas, just as improper waste storage or disposal can contaminate surrounding waters and soils. In order to mitigate these impacts, proper waste management, a focus on the use of reusable packaging and optimising water consumption play a central role in the Group's approach to the environment.	Current

With respect to the list of material topics identified within the Sustainability and Awareness Report 2021, it should be noted that the topic 'Integrated Sustainability Strategy' has been incorporated within the topic 'Legality, Transparency, Ethics and Business Integrity', since, the sustainability strategy is considered a transversal prerequisite to all ESG topics, as well as a fundamental tool to guide governance bodies in the responsible conduct of business.

The material topics guide the drafting of the Sustainability and Awareness Report, and, based on them, the indicators, data and information to be reported within the document were defined. Nonetheless, the definition of these issues will in the future become the main tool adopted by the Group to prepare sustainability policies and strategies, to capture changes with respect to the space-time context that it operates in and to identify which areas to focus its stakeholder engagement activities in.

Branca and the 2030 Agenda





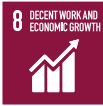

THE UN SUSTAINABLE DEVELOPMENT GOALS


In 2015, the United Nations approved the Global Agenda for Sustainable Development, which consists of 17 Sustainable Development Goals (SDGs) - linked to 169 targets and over 240 indicators to be used for monitoring purposes - to be achieved by 2030. Given the level and breadth of the goals, the imple-

mentation of the Agenda requires considerable involvement of all components of society, from businesses to the public sector, civil society, philanthropic institutions, universities and research centres, and also information and culture professionals.



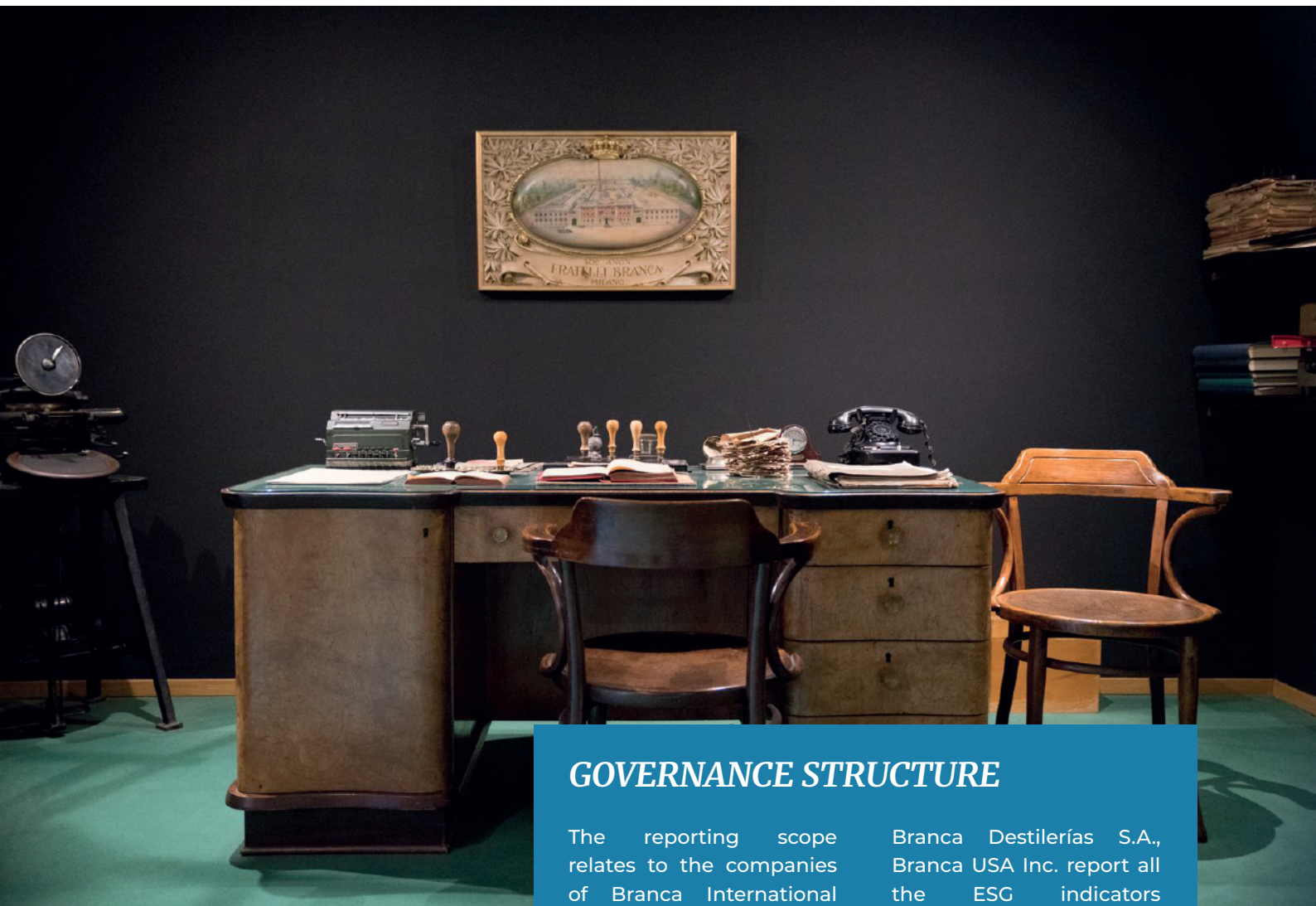
Beginning with the 2019 edition of the Sustainability and Awareness Report, Branca International decided to refer to the SDGs, and in particular to the targets most affected by its activities, with a view to including its own sustainability goals and performance figures within a broader and more ambitious framework, in line with the Group's way of doing business and understanding the meaning of development. This report is the first step towards the achievement of the UN Sustainable Development Goals, with a view to progressively integrating them within the Group's strategy and reporting, and ultimately to highlighting the contribution of the Branca International Group to their achievement.

	DESCRIPTION OF THE OBJECTIVE	BRANCH INTERNATIONAL MATERIAL TOPICS*	RELATED SDG TARGETS
	Ensuring health and well-being for all and for all ages.	<ul style="list-style-type: none"> • Quality and safety of raw materials and products • Marketing, communication, and responsible consumption • Occupational health & safety • Corporate welfare and well-being • Development of projects for and involvement of the local communities 	<ul style="list-style-type: none"> • 3.5 To strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol • 3.6 By 2030, halve the number of global deaths and injuries from road accidents
	Ensuring quality, equitable and inclusive education and promoting lifelong learning opportunities for all.	<ul style="list-style-type: none"> • Development, training the human capital and collaborative meritocracy • Corporate welfare and well-being • Development of projects for and involvement of the local communities 	<ul style="list-style-type: none"> • 4.4 By 2030, to substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
	Achieving gender equality and empowering all women and girls.	<ul style="list-style-type: none"> • Corporate welfare and well-being • Diversity, inclusion and human rights • Development of projects for and involvement of the local communities 	<ul style="list-style-type: none"> • 5.1 To end all forms of discrimination against all women and girls everywhere • 5.5 To ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
	Ensuring access to affordable, reliable, sustainable and modern energy for all.	<ul style="list-style-type: none"> • Energy efficiency and climate-change 	<ul style="list-style-type: none"> • 7.2 By 2030, to substantially increase the share of renewable energy in the global energy mix
	Promoting sustained, 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 • Occupational health & safety • Responsible management of the supply chain 	<ul style="list-style-type: none"> • 8.3 To promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services • 8.8 To protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	Ensuring sustainable consumption and production patterns.	<ul style="list-style-type: none"> • Circular economy and recycling • Responsible management of the supply chain 	<ul style="list-style-type: none"> • 12.5 By 2030, to substantially reduce waste generation through prevention, reduction, recycling and reuse • 12.6 To encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

	DESCRIZIONE OBIETTIVO	TEMI SOSTENIBILITÀ BRANCA INTERNATIONAL*	TARGET SDGs COLLEGATI
	Taking urgent action to combat climate change and its impact.	<ul style="list-style-type: none"> • Energy efficiency and climate-change 	<ul style="list-style-type: none"> • 13.2 To integrate climate change measures into national policies, strategies and planning
	Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and build effective, accountable and inclusive institutions at all levels.	<ul style="list-style-type: none"> • Lawfulness, transparency, ethics and integrity of business 	<ul style="list-style-type: none"> • 16.5 To substantially reduce corruption and bribery in all their forms

* The topic "Customer relationship & satisfaction" is not linked to any SDG

Corporate Governance



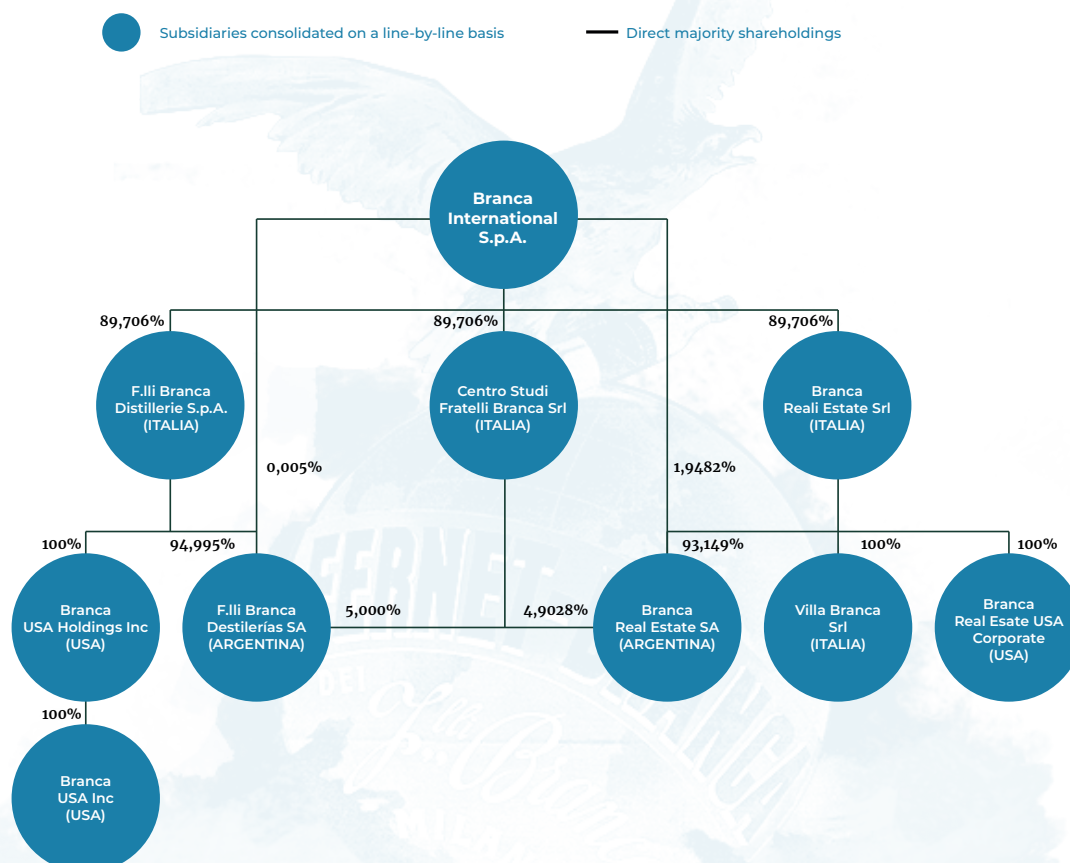
GOVERNANCE STRUCTURE

The reporting scope relates to the companies of Branca International Group. With reference to these entities, economic, social and environmental performance is reported, to the extent of each entity's purview, in accordance with the GRI Standard 2021 guidelines 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.⁴ not being productive, report only the relevant indicators in the social and governance areas.

⁴ 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.

BRANCA INTERNATIONAL S.p.A. GROUP STRUCTURE



Branca International S.p.A. adopts best practices in terms of Governance and collaborates on an ongoing basis with the management of its part-owned companies, respecting their operational autonomy. The corporate governance system of Branca International Group is inspired by the principles of fairness and transparency in management and information to stakeholders. Such principles are guaranteed also through a continuous auditing process that ensures their actual application and effectiveness. Branca has in fact structured its own Corporate Governance organisation, within which the roles and responsibilities of the professional figures engaged in the management and control of corporate processes are represented. Moreover, in order to guarantee "quality certification" for its activities in favour of the counter-parties it deals with, Branca has adopted a 231 Organisational Model. The key bodies involved in the governance of Branca Group are:

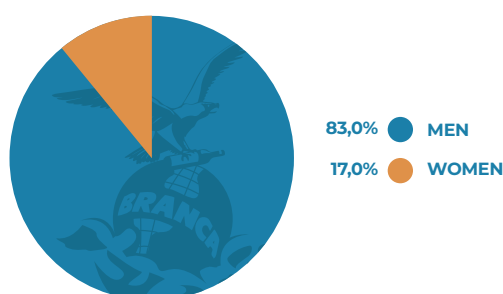
- **Board of Statutory Auditors: it conducts constant monitoring activities to ensure that the activities of the corporate bodies comply with internal directives and the corporate purpose pursued by Branca. Furthermore, it ensures the safeguarding of company assets, the reliability of all data and the prevention of fraud and material errors;**

- **Supervisory Board: (SB, appointed 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 its updating. The Board is also the recipient of regular and "event-specific" information flows. The latter, in particular, allow any persons who become aware of possible violations of the Code of Ethics or the provisions of the Model to submit reports to protect the Company's integrity.**

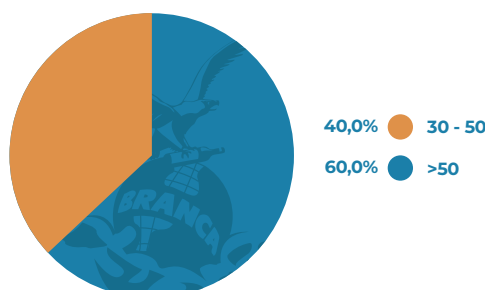
By virtue of control by the Parent Company, the shareholding structure of Fratelli Branca Distillerie is wholly in the hands of the Branca family. The Board of Directors of Branca International S.p.A. was appointed by the Shareholders' Meeting on 25 June 2020 for a three-year term and is chaired by Niccolò Branca, who is also Chief Executive Officer of the Parent Company, Chairman and Chief Executive Officer of Fratelli Branca Distillerie and Chairman of Fratelli Branca Destilerías. In line with the Code of Ethics, the 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 illustrate the percentages relating to the composition of the Board of Directors of all Group companies, women make up 17% of the total membership. With respect to age composition, 40% of the total are members between 30 and 50 years of age and the remaining 60% are members over 50.

FEMALE PRESENCE IN THE BOARDS OF GROUP COMPANIES IN 2022 (HEADCOUNT)



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



In the specific cases of the three companies that are the focus of this report, the Board of Directors of Fratelli Branca Distillerie has 9 members, of whom 3 are women (33% of the total), while the Board of Fratelli Branca Destilerías has 7 members, of whom 2 are women (29% of the total), and finally, the Board of Directors of Branca USA has 5 male members. No Board member is under 30 years old and, almost in line with the Group's trend, 43% are between 30 and 50 years old and 57% are over 50.

LAWFULNESS, TRANSPARENCY, ETHICS AND INTEGRITY

Branca Group is committed to ensuring fairness and correctness in corporate relations in all the countries that it operates in. In fact, the Group ensures constant control and monitoring of its partners or third parties so that they observe ethical, non-discriminatory behaviour, marked by respect for the work environment as well as for the personality

and dignity of each individual anywhere in the world. Branca's commitment to the recognition of its founding values, as a unique heritage capable of spreading a business culture geared to lawfulness, fairness and loyalty, has been achieved through a range of tools introduced over time:

Thanks to the tools described above, in every decision and on a daily basis, Branca is committed to ensuring compliance with local and industry regulations and high standards of integrity, transparency and ethics in business management.

The Group ensures compliance with all regulations in the areas of product quality, consumer health and safety, environment, and marketing practices: all areas in which no reports or incidents of non-compliance have been recorded or monetary penalties received in the last three years. Plus, within the Group, there are no companies or operating units based in countries with low taxation or trade union restrictions.

In order to actively involve employees in preventing unlawful conduct or violations of the law in the organisation's operations or business relationships, the Italian Company Fratelli Branca Distillerie has activated a whistleblowing platform. Through this channel, any employee can make reports anonymously and confidentially, regardless of whether the individuals themselves have been harmed or not, within a protected system in keeping with the relevant regulations.

In the last three years, there have been no recorded and/or reported cases of corruption in any of the businesses that Branca International operates in.

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 accountability and not power, an organisational rationale based on cooperation and the recognition of merit not only of individuals but of all the people who, with their work and support, contribute to implementing the original idea.

The value of Collaborative Meritocracy is that it encourages the sharing of ideas and proposals and helps to develop a strong sense of self-responsibility in individuals, based on the awareness that the benefits and well-being of the company as a whole, and of its individual employees, coincide and are intrinsically linked.

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'. Last but not least, the Group maintains a constant and constructive dialogue with the trade union organisations in all its local sites.

- The Code of Ethics, drawn up in 2006, following the Group's evolution and expansion, which gathers the core values rooted in the corporate culture that underlies people's actions and defines the commitments and ethical responsibilities of Branca's 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 the 231 Model, which regulates the set of rights, duties and responsibilities that the Group assumes, through its corporate bodies and staff, in the performance of its activities, towards all stakeholders who have a direct or indirect relationship with the Group and who are able to influence its activities or who are affected by them;
- Locally adopted policies and procedures that, in line with the values and guidelines established by the Group, guide each Company in achieving common goals;
- The Sustainability and Awareness Report as a further tool for stakeholders to disseminate Branca's commitment to Corporate Social Responsibility issues.



Economic value directly generated and distributed



Year after year, Branca continues to export quality Made-in-Italy brand products and its model of awareness business throughout the world, pursuing a strategy based on the following strategic levers:

THE STRATEGIC LEVERS OF BRANCA

- THE BRANDS
- OUR HERITAGE BUILT OVER 177 YEARS IN THE MARKETPLACE WITH SIGNIFICANT AND INNOVATIVE ADVERTISING INVESTMENTS
- OUR HIGH STANDARDS OF PRODUCT QUALITY: RAW MATERIALS, PRODUCTION PROCESS AND QUALITY CONTROL SYSTEM
- OUR UNIQUE PRODUCTS, THE RESULT OF SECRET HISTORICAL RECIPES
- OUR "MADE IN ITALY" BRAND KNOW HOW
- THE CRAFTSMANSHIP THAT IN THE WORLD OF SPIRITS BRINGS WITH IT NOT ONLY ATTENTION TO THE PRODUCT, BUT ALSO THE PERSONALITY OF TASTE, MAKING IT ACCESSIBLE TO ALL
- THE GEOGRAPHICAL PRESENCE PROGRESSIVELY EXTENDED SINCE THE BEGINNING OF THE BUSINESS IN THE MID-19TH CENTURY
- OUR PEOPLE-CENTRED APPROACH, VIEWING PEOPLE AS AN END AND NEVER AS A MEANS, ACCORDING TO THE BROADER RATIONALE OF "COLLABORATIVE MERITOCRACY"



The Branca International Group operates according to an increasingly international vision, continuing a long-established trend of expansion and further confirmed by the creation of Branca USA in 2019.

Against this backdrop and without prejudice to the appreciation for Italian products and the widely-recognised quality of Branca products, economic results can also be influenced by external variables over which the Group decisions have no control. The most significant, and most challenging, event of the year has certainly been the ongoing conflict between Russia and Ukraine, the size and outcome of which remains largely unpredictable at the moment. This event prolonged and aggravated the situation of uncertainty that had been caused by the COVID-19 pandemic and the resulting severe macroeconomic damage. The main consequences of the outbreak of the 2022 conflict include a further tightening of costs, mainly due to higher gas and energy costs, as well as reduced availability of raw materials.

Despite the unstable geopolitical and macroeconomic environment, 2022 was a good year for Branca, which benefited from an increase in consumption, which, albeit with an ever-increasing focus on convenience, definitely recovered to pre-covid levels.

In Italy, in its specific segment, Fratelli Branca Distillerie's value market

share remained at 6.2 points overall and recorded a +0.1 point increase in volume market share to 5.5. Caffè Borghetti, Candolini and Carpano brands led the growth.

In Argentina, Fratelli Branca Destilerias SA achieved a 23.7 % growth in sales, an increase of + 11.2 % in total volumes sold compared to the previous year, and a market share growth of + 0.1 % in volume, reaching a total of 48.2 %. The Company recorded positive performances of the Semova vodka line and Carpano vermouths with sales volume increases well above the overall Company average.

Branca USA started its operations in early 2019, effectively replacing the historical importer and taking care of the coordination and management of the commercial side in the North American territory through the direct importation of products and the implementation of strategies for the diffusion of Branca brands and products. In line with previous years, the Company is committed to consolidating the foundations for solid, sustainable, and lasting growth. In 2022, net sales revenue showed a percentage increase of 17.17% over the previous year. The Company achieved record results in 2022 in terms of market share, volumes distributed and operating margins.

The export markets (particularly the Far East, Europe, and the United States) confirmed a

significantly growing trend, contributing decisively to the positive performance of the core business.

During the reporting year, the management of the Branca 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 consumer interest, both in the domestic market and in the international markets where the Group competes.

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

- **continuation and consolidation of the Group's international development;**
- **extensions to seasonal and regional consumption of some brands;**
- **extension of the product portfolio to existing customers;**
- **expansion of the existing customer base;**
- **improvements in 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.**

⁵ The values shown are taken from the data provided by the Management Report prepared by the Branca Group's management.

Group financial highlights

The results of operations are summarised in the following tables as presented in the Branca Group Financial Statements, which show the main 2022 figures of the Balance Sheet and Financial Statement of the companies belonging to the Group, i.e. Branca International S.p.A., Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A., Branca USA Inc., Branca USA 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.

KEY ITEMS OF THE INCOME STATEMENT	GROUP FINANCIAL STATEMENT		
AMOUNT IN €/000 ⁵	2020	2021	2022
REVENUES	216.146	307.473	420.142
GROSS OPERATING MARGIN	79.586	124.920	192.219
OPERATING EARNINGS	73.545	111.379	179.803
NET EARNINGS	33.899	36.451	51.872

As shown in the table, the main items of the Income Statement (Revenues, Gross Operating Margin, Operating Earnings and Net Earnings) referring to the year 2022, show a significant increase compared to the previous year. In particular, revenues from sales and services increased by €/000 112,669 (+36.6%) compared to 2021, reaching €/000 420,142 in 2022, against €/000 307,473 in the previous year. This increase is the result of a growth in the business volume of the three companies operating in the alcohol production and marketing sector of Branca International Group.

Overall, the increase in revenue was supported by an increase in production volumes, which amounted to approximately 84 thousand tonnes in 2022, an increase of 16.2% over the previous year's results. The incidence of production costs also 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.

The results achieved in 2022 are even more appreciable when one considers that, in the first months of the year, in addition to the aftermath of the Covid 19 pandemic, the weakness of the world economy and that of international trade, linked to ongoing geopolitical uncertainty, continued. This caused inflation to persist at high levels in the major advanced economies and interest rates to rise.

The main items of the Group's Balance Sheet and Financial Statement are presented below. As illustrated by the table, Current Assets and Payables at the end of 2022 increased partly due to the growth in the Group's business (inventory and trade payables) and partly due to the cash generated by the Group (available and invested), while Shareholders' Equity increased by about 6% mainly due to the net profit generated in 2022.

KEY BALANCE SHEET ITEMS	GROUP FINANCIAL STATEMENT		
AMOUNT IN €/000	2020	2021	2022
CURRENT ASSETS	620.423	694.231	741.112
FIXED ASSETS	173.491	179.982	187.577
SHAREHOLDERS' EQUITY	737.091	772.884	818.427
PAYABLES	53.411	94.866	106.211

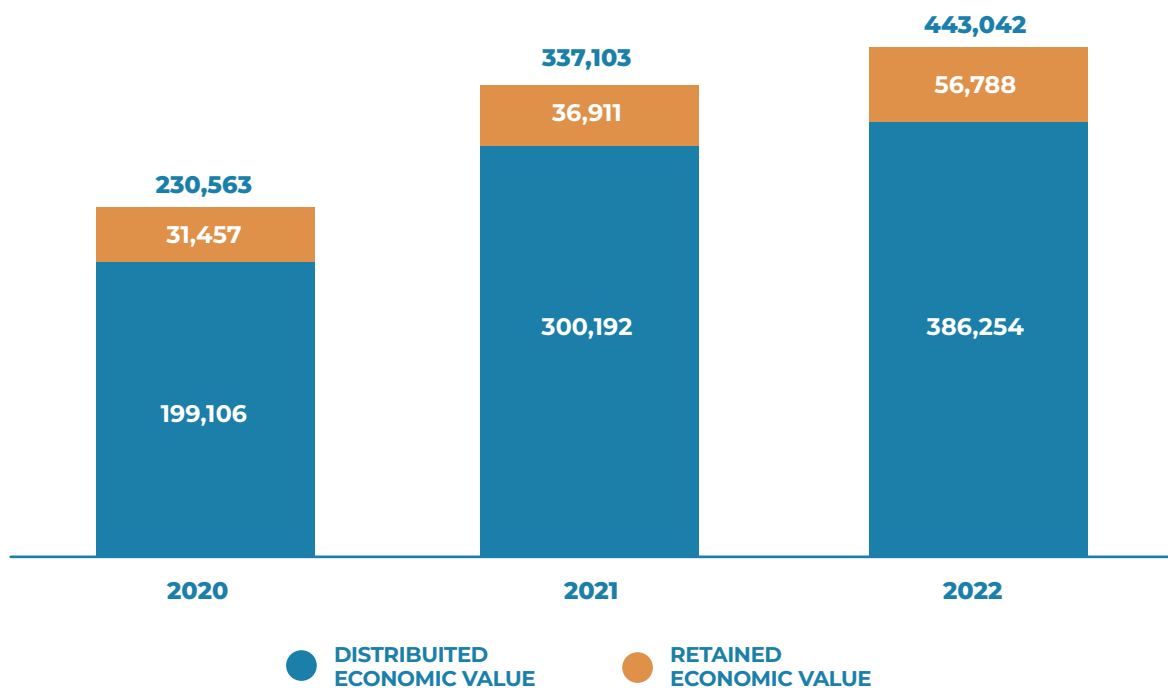
Economic value directly generated and distributed

In 2022, Branca generated an economic value of 443.05m Euro through its business activities, an increase of 31.5% compared to 2021. This trend, as already mentioned in the previous paragraph, is partly due to the economic recovery of the reference markets, and partly due to an actual growth in the Group's turnover, and the consequent increase in sales volumes, mainly in Italy, Argentina, and the United States. The incidence of production costs also 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 87% of the generated value (corresponding to 386.3 mln €), was distributed to the various stakeholders. The distributed value is up by 29% compared to 2021 (confirming the upward trend that had already been recorded in 2021 compared to 2020).

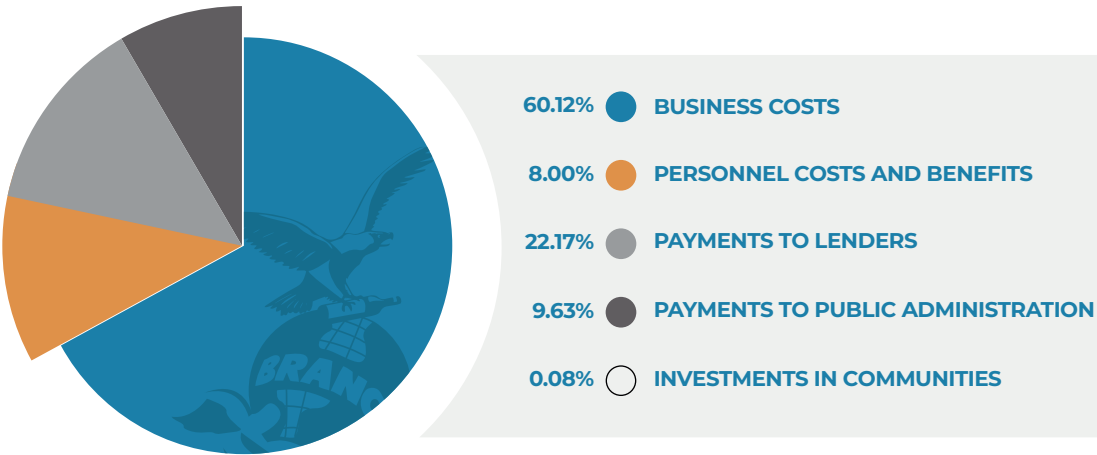
CONSOLIDATED VIEW
ECONOMIC VALUE GENERATED AND DISTRIBUTED OVER THE THREE-YEAR PERIOD (€/000)



More specifically, as depicted in the graph below, more than 60% of the distributed economic value is allocated to cover the Company's costs for the acquisition of goods and services (production costs, payments to suppliers) and 22% to capital suppliers⁶. To a

lesser extent, 9.6 %went to public administration to pay taxes, 8 % was distributed to employees, and 0.1 % went to community investments, e.g. through donations and gifts.

⁶ This value includes the accounting for the consolidation of hyperinflation in Argentina and other financial evaluations included in the Income Statement item C ¹⁷) Interest and other financial expenses



Overall, the retained economic value, i.e. the difference between the generated and distributed value, is about €56.8m, an increase of 54% compared to the previous year, which is

also increasing as a retained share compared to the directly generated economic value (13% in 2022, 11% in 2021).

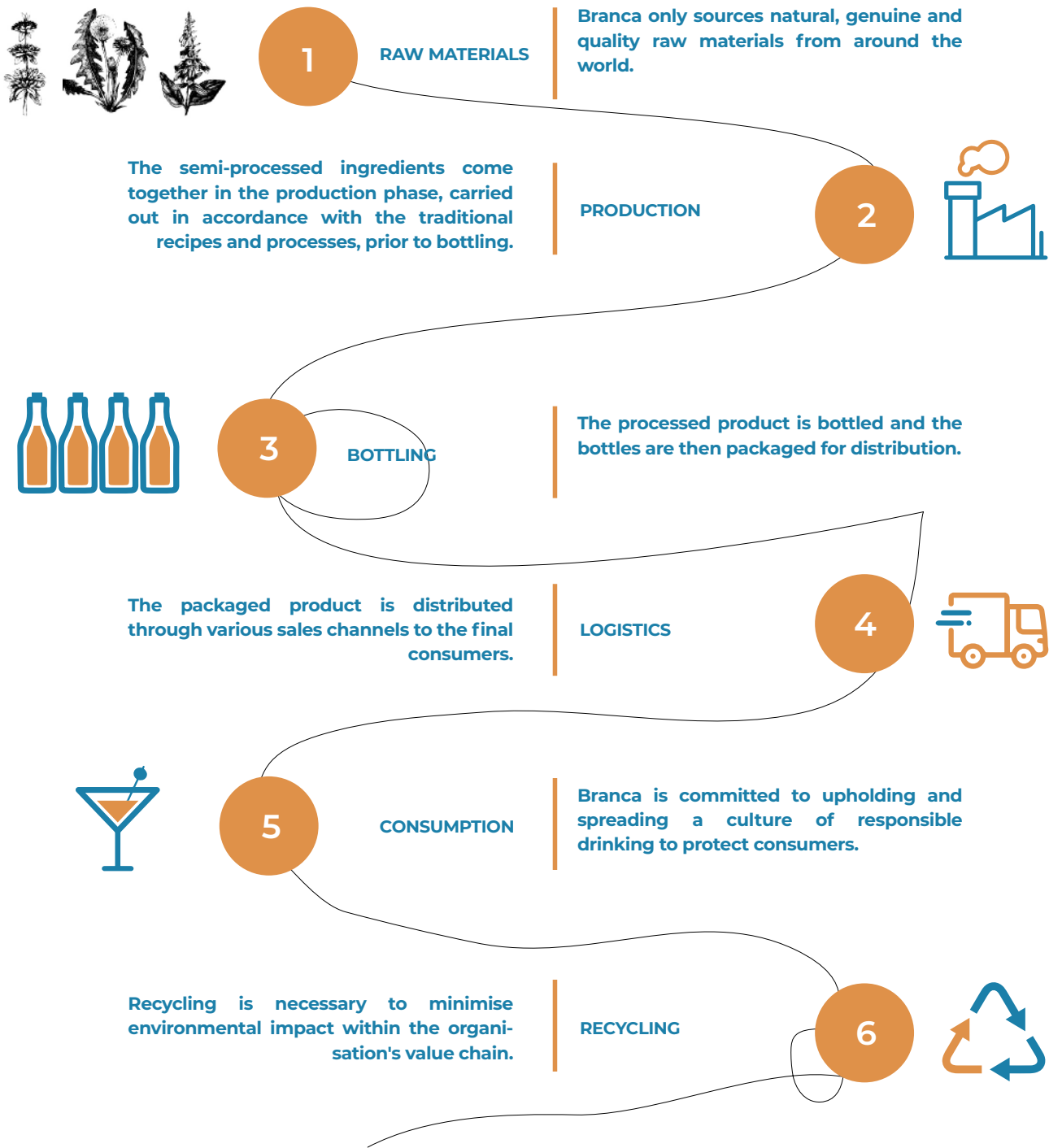


Branca product excellence

Authentic, Italian-style quality and innovation in accordance with tradition are the values that have always distinguished Branca products, making them unique and therefore highly appreciated worldwide. The careful selection of the various ingredients used in the production process, as well as respect for the traditional recipes, handed down from one generation to the next and never altered, have enabled Branca International to guarantee rigorous quality controls throughout the entire production chain.

THE VALUE CHAIN AND RESPONSIBLE SUPPLY CHAIN MANAGEMENT

In order to meet increasingly stricter quality standards and offer consumers superior class products, Branca carefully oversees the entire production process and collaborates closely with all the suppliers involved. This collaboration is all the more crucial as the sources of raw materials, particularly aromatic plants, are spread across four continents.



Responsible management of the supply chain

The Branca International Group views its supply chain as a fundamental asset for guaranteeing the quality of its products. Suppliers, in fact, are considered strategic partners in the creation of value and the development of a superior product that comes from high quality raw materials. The search for suitable suppliers qualified to meet the high production standards requires the establishment of stable, long-lasting business relationships with entities from all over the world.

The Group is committed to constantly seeking out new sourcing opportunities, maintaining relationships with alternative and complementary partners, with regard to the supply of specific goods. The selection of new suppliers is, therefore, a particularly sensitive activity for Branca, both to guarantee the quality of its products and to ensure the creation of relationships with suitable parties.

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

The supplier selection process entails the following steps:

- general technical pre-assessment;
- assessment of the necessary qualifications based on production requirements;
- analysis of the key economic and financial indicators;
- analysis of the standards adopted by the supplier on a voluntary basis;
- assessment of the industrial supply.

Also considering the geographical extension of our supply chain, when selecting suppliers, a particularly sensitive element is the compliance with local regulations, including those on human rights, by the entities operating outside the Company scope. Attention to compliance with these provisions is constant and continuously updated in line with regulatory developments. In the Branca International Group, all our partners that are selected to be official suppliers are based in countries that have ratified the main ILO and UN conventions, and whose legislation already independently treats human rights violations as criminal offences.

In addition to strictly complying with these regulations, Branca is also engaged in disseminating among its suppliers the values and principles expressed in its Code of Ethics and in periodically checking its correct application. Suppliers are actually required to sign our Code of Ethics and undertake to comply with it as a general contractual condition.

As regards supplier selection, the Group also prefers those suppliers who have their own business continuity plan, who guarantee full compliance with the specific and restrictive taxation envisaged by the alcoholic beverages sector and who have timely and effective management of any non-conformities.

The supplier selection stage is followed by the establishment of a partner relationship and the assessment and monitoring of the supplier's performance and compliance with contractual conditions. These activities include sampling and laboratory analyses, conducting periodic audits of suppliers and evaluating any non-conformities that have

arisen.

The main goods and services sourced by the Group, primarily in Italy and Argentina, are listed below:

- dry raw materials (e.g. herbs, spices, roots, natural flavourings);
- alcoholic raw materials (e.g. alcohol, wine spirit, grape marc spirit, wine);
- packaging materials (primary, secondary);
- ancillary production materials;
- promotional materials (e.g. point-of-sale materials, gifts-on-pack);
- logistical services;
- plants and machinery;
- automation services;
- general services;
- production support services;
- company fleets of cars.

The following pages provide qualitative and quantitative information about the supply chain of Fratelli Branca Distillerie, Fratelli Branca Destilerías and Branca USA. Since the latter is not a production plant but a distribution Company, it has a more limited number and type of suppliers compared to the Italian and Argentine companies.

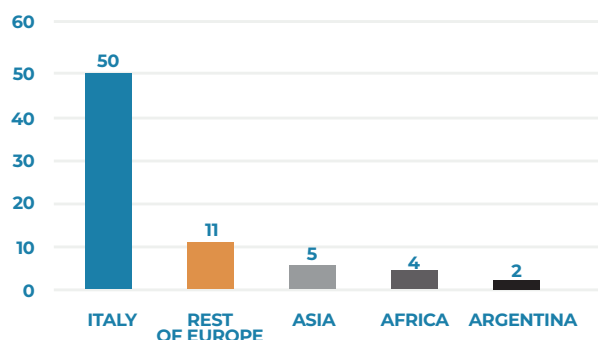
Fratelli Branca Distillerie S.p.A

In 2022, Fratelli Branca Distillerie had dealings with a total of 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 brokers with whom

Fratelli Branca Distillerie collaborates in order to guarantee the high quality of the raw materials purchased. These brokers, employed for the procurement of certain types of materials, have the role of monitoring the market and sourcing from suppliers who offer the best

raw material on the market during the reference period. Consequently, for some materials that the Company sources, the origin of a supplier/broker may be different from the origin of the acquired material.

Number of suppliers by geographical area in 2022 (n°)

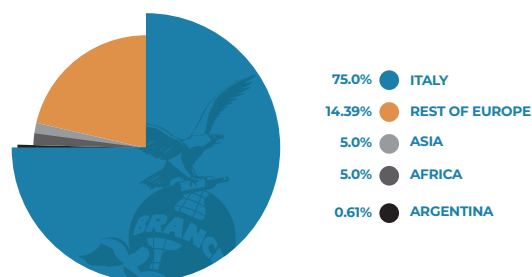


As the table above shows, about 70% of suppliers operate on Italian soil and about 75% of the value of orders placed in 2022 went to Italian or European suppliers: this is largely due to the decision to use local suppliers for the procurement of packaging

materials - the category with the greatest impact on orders - in order to guarantee quality and minimise the impact of logistics.

On the other hand, the scenario for other types of raw materials, such as herbs, spices and roots, which are

Value of orders placed by geographical area in 2022(%)

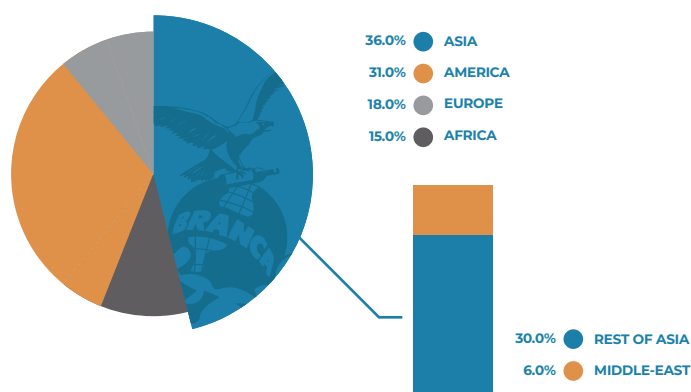


those elements most directly related to product quality, is different. In this case, as illustrated by the graph below, a more international overview emerges, indicating that these materials come from different areas of the world, in particular from the Asian

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.

continent and South America, bearing witness to the Group's quest for excellence, which over the years has identified and selected the best raw materials for its production.

DRY RAW MATERIALS (HERBS, SPICES, AND ROOTS) BY GEOGRAPHICAL AREA IN 2022 (%)



As already mentioned, the supplier evaluation process takes different criteria into account. Specifically, an evaluation questionnaire, prepared by Branca, is required to be drawn up to identify:

- compliance with the required technical specifications;
- promptness with expediting requests and deliveries;
- administration, in specific terms: precision and accuracy in administrative procedure;
- management of non-conformities, in particular: promptness, flexibility and effectiveness in managing non-conformities;
- design and production organisation, with checks and assessments of the development and production process;
- logistical organisation through checks and assessment of the logistical process;
- environmental and safety quality system to check and assess the existing system;
- customer assistance, with checks and assessment of the customer service level;
- risk management, through checks and assessment of the risk management processes.

As of 2022, Fratelli Branca Distillerie is working on perfecting three new internal modules aimed at further integrating the procedures that have already been in place for some time in the quality area, for the management of non-conformities on the consumer-, customer-, subcontractor- and supplier-side. Periodically, where necessary, the Company organises meetings with contractors in order to analyse trends in complaints and implement corrective actions.

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

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 comparison opportunities. In this regard, during 2022, the Company participated in a symposium 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 Group is also working on the implementation of a 'Green Procurement' strategy to ensure the procurement of the greenest and most sustainable products and services possible, also taking into account a cost-benefit assessment.

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%

Fratelli Branca Destilerías

On a monthly basis, Fratelli Branca Destilerías, based on the production plan, identifies the procurement needs of domestic raw materials and packaging materials, and annually (with quarterly reviews) ascertains the need for imported raw materials.

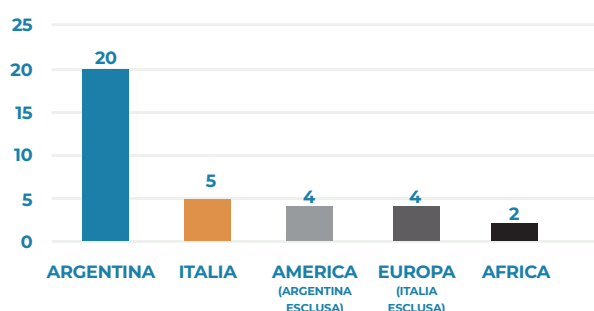
In the supplier selection phase, the Company conducts an economic assessment of the service in conjunction with a qualitative assessment: for each supplier identified, an evaluation is carried out on the basis of certain analyses required by the adopted quality standard and, following this verification, the supplier selection phase takes place.

Being production sites in both cases, the main types of goods and services purchased by Fratelli Branca Destilerías are raw materials (saffron, aloe ferox, myrrh gum, agaric and especially alcohol): for 31% of the total purchase and bottling supplies (bottles, theft-proof aluminium capsules, labels, cardboard boxes) for 15% of the total purchase. In 2022, Fratelli Branca Destilerías collaborated with 35 suppliers: details of the value per geographic area is illustrated in the graph. As with Fratelli Branca Distillerie, part of the purchases made by Fratelli Branca Destilerías are through brokers, whose origin may

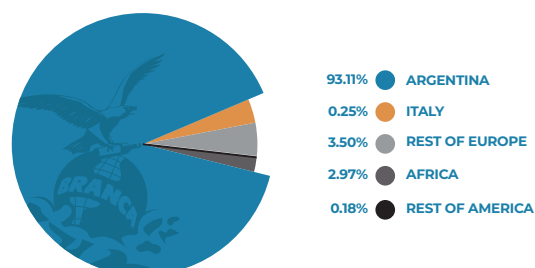
be different from the origin of the purchased material. 57% of the suppliers operate in Argentina and the value of the orders issued is almost entirely concentrated, i.e. 93.1% in Argentina. If, on the other hand, other types of raw materials are analysed, such as herbs, spices, roots, a more international overview emerges which, as for the Italian subsidiary, indicates that these materials come from various parts of the world.

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.

*Number of suppliers
by geographical area in 2022 (n°)*

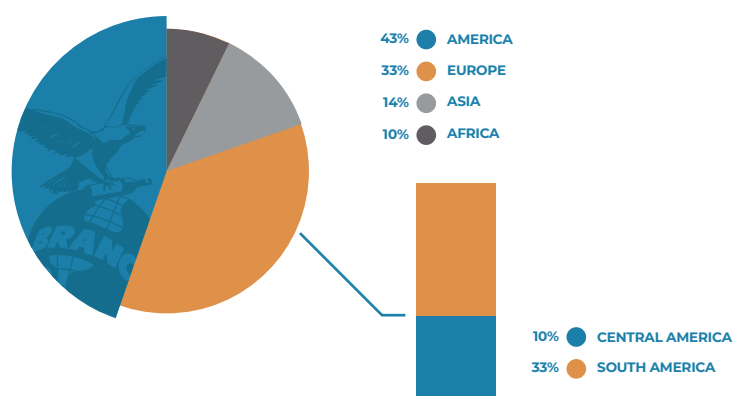


*Value of orders placed by
geographical area in 2022(%)*



With regard to the supplier qualification process, it should be noted that, in line with 2021, 100% of Fratelli Branca Destilerías' qualified suppliers hold at least one of the following certifications⁷

DRY RAW MATERIALS
(HERBS, SPICES, AND ROOTS)
BY GEOGRAPHICAL AREA IN 2022 (%)



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

ISO 9001 (Quality management system)	81,8%
ISO 14001 (Environmental management system)	36,4%
OHSAS 18001/ISO45001 (- Health and safety management system)	18,2%
ISO 2200, BRC, IFS (Food safety management system)	63,6%



Branca USA

Branca USA distributes the final products produced at the site in Milan, so even in 2022, the Company had relationships with suppliers that were instrumental in offering its services and not related to production activities. Specifically, in line with the previous year, the Company worked with suppliers specialising in the intermodal shipment of wine and spirits by sea and with third-party logistics service providers for distribution.

The supply chain is still suffering from the aftermath of the COVID-19 pandemic, which had made it difficult to streamline the procurement process in the early years of the Company's operation by increasing stocks in the warehouses. Further challenges arising from the new conflict caused by Russia's invasion of Ukraine, domestic and international logistical congestion, and rising procurement costs, have prompted Branca USA to work on streamlining loads, minimising inventory levels.

In its fourth year of operation, Branca USA 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 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, Branca USA reduced minimum stocks and continued to optimise lorry and ship loads, also with a view to reducing its carbon footprint. Frequent contact between Branca USA's Procurement managers, Fratelli Branca Distillerie SpA's operations, production and logistics teams, and its suppliers has consolidated 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%

With an eye on the future, Branca USA participated in webinars and conferences held remotely by the Wine & Spirits Shippers Associations, an association that negotiates shipping contracts on behalf of importers and distributors in the wine and spirits industry, in order to stay up-to-date on evolving supply chain trends for the industry.

Quality and safety of raw materials and products



For the Group, ensuring the excellence of its products on the market is a primary objective. From this point of view, quality is synonymous with excellence, a condition achieved thanks to the work of all the people who, with perseverance and commitment, work daily to spread the values of a unique brand around the world, built on a history of experience, skill and respect for fundamental and indispensable principles.

Branca products are marketed by leveraging on their uniqueness and tradition - featuring the use of original secret recipes - and on an internationally renowned brand. Indeed, protecting the authenticity of aromatic and medicinal plants and an emphasis on the quality of natural ingredients sourced from four continents have always been essential elements in Branca's production philosophy.

Respect for the original formulas and strict quality control of the production chain are still today the confirmation of the Group's quest for excellence in every area. At the same time, innovation in respect of tradition, which also includes research and development, certification, manufacturing, production and distribution, is instrumental in meeting the needs of its consumers, while protecting their health, in a constantly changing world.

FRATELLI BRANCA DISTILLERIE S.p.A.

In order to ensure the continuous improvement of its production processes and to establish its presence in the food chain as a synonym for quality, Fratelli Branca Distillerie has implemented a Quality and Food Safety Management System certified according to the ISO 22000:2018 standard. This Management System was audited and confirmed in November 2022 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. Underpinning the Management System is the Company's Quality Policy, a reference point for the Company's approach to quality, which outlines the guidelines of the Company's approach to the issue on the basis of the founding values set out in the Code of Ethics. In line with the reference documentation, Fratelli Branca Distillerie guarantees the safety, quality and reliability of its products, which are manufactured using safe and advanced technological tools and procedures, in compliance with the laws and regulations in force in the countries where it operates. In addition, with a view to continuous improvement, the Company carries out constant research and development activities both with a view to regulatory compliance and the possibility of

offer on the market, adopting control tools and systems within the production processes and along the value chain. In order to monitor the value chain, Fratelli Branca Distillerie carries out checks on the compliance of raw materials with the defined specifications, both at the offer and purchase stage, monitoring the production chain from the entry of raw materials through to product distribution. Furthermore, in line with current food safety regulations, the Company is constantly engaged in assessing risks to consumer health throughout all phases of the product life cycle and provides periodic training to its employees engaged in production on food hygiene and safety aspects. With the aim of satisfying consumer needs as much as possible, it should be noted that the Company has received Kosher and Vegan certification for its Fernet-Branca and Branca-menta products.

With regard to the monitoring of the production process, Branca 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 labels of marketed products carry 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. Over the course of 2022, in line with regulatory requirements, the Italian Company Fratelli Branca Distillerie started the process of integrating the reference to a link explaining how to properly dispose of the container, on the labels of all products for the Italian market;
- **Promotion of responsible consumption of alcoholic beverages:** on labels - and particularly on some specific products -, indications are included on the best and safest way to enjoy them;
- **Evaluation and revision of the types of closures/caps:** in order to mitigate the risk of tampering, making any attempt to tamper with the bottle closure seals evident.

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. Reports, 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.

It should be noted that during 2022 (in line with previous years), no non-compliances relating to regulations/self-regulatory codes concerning product information and labelling were reported or detected, either as a result of internal audits or inspections by the competent authority, the Ministry of Agricultural Food and Forestry Policies, regarding product labelling.

⁸ For more information, please consult the following link: [EUR-Lex - 32011R1169 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2011/1169/oj)

FRATELLI BRANCA DESTILERÍAS

The objective of Fratelli Branca Destilerías, in keeping with that of the Group, is to guarantee the safety of its products, ensuring compliance with current legal regulations and the strict quality parameters established. To achieve this, the Company has a Quality, Food Safety and Environmental Management Policy and a Quality and Food Safety Management System, based on ISO 22000:2018. 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 reconfirmed the validity of the certification for 2022.

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

In addition, as a preventive measure, the Company implements the following initiatives:

- **Hazard Analysis and Critical Control Points (HACCP).**
- **Monitoring of critical 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: the company target of receiving a maximum number of consumer complaints of 0.53 per 100,000 bottles per year was maintained in 2022.**
- **energy and process savings: from the analysis of the infusion decanting processes and equipment, it was possible to optimise these processes, furthermore, the target of supplying 99.96% First Time Right released products was maintained, reducing re-processing costs and downtime.**

The results obtained during 2022 confirm the Company's commitment and constant evolution to guarantee high levels of quality within the production processes. With a view to continuous improvement, the initiatives promoted by Fratelli Branca Destilerías in 2022 included:

- **Improvement of pallet coding, resulting in optimisation of the traceability register.**
- **Reducing environmental impact and optimising storage and transport costs by increasing the number of boxes per pallet.**
- **automation of the infusion system in the process, optimising strict control of alcohol, infusion and water dosages, improving hygiene and optimising costs.**
- **Installation of new tanks and filtration equipment for the orderly processing of Sernova Vodka, optimising the space and dynamics of the production process**

In addition to ensuring that the issue is taken care of in the phases in which it plays a leading role, the Company is in close contact with suppliers in order to monitor production processes from the outset, verifying the quality of raw materials before shipment and limiting potential negative impacts related to the supply chain. In order to monitor the issue along the value chain, the

Company carries out audits at 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 shipping. Nevertheless, the Company examines finished products for their suitability 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% of the products have been labelled with useful information for customers to make responsible purchasing choices. Thanks to its commitment to the management of product quality and safety aspects, the Company has not recorded any non-conformities and no observations concerning any inadequacy of labelling methods and the information contained therein.

BRANCA USA

When it comes to quality control of final products, Branca USA relies completely on the processes and procedures of Fratelli Branca Distillerie SpA. Branca USA only deals with the final product purchased from the head office in Milan; therefore, controls and checks during production are entirely handled by Fratelli Branca Distillerie SpA. As a result, during the reporting year, 100% of the products distributed were labelled with information useful to customers in making responsible purchasing choices and the Company had no incidents of non-compliance regarding labelling and information on products and services under federal and state regulations from the Alcohol and Tobacco Tax and Trade bureau (TTB) and Liquor Control Boards.

Consumer protection and promoting responsible consumption



For many years now Branca has been actively engaged in promoting responsible alcohol consumption: the Company's communication campaigns aim to spread a culture of quality drinking associated with the pleasure of taste. The basic idea, conveyed by Branca, is that its products can add pleasure to life, provided they are consumed conscientiously and moderately.

Therefore, promotion and communication activities are conducted in accordance with the current marketing regulations and no cases of non-compliance have been reported with respect to these. At the labelling level, responsible consumption recommendations are displayed on the products of Fratelli Branca Distillerie in Italy and Fratelli Branca Destilerías in Argentina. In addition to the necessary legal warnings, messages are also conveyed discouraging the consumption of alcoholic beverages by pregnant women and drivers.

Even during in-person events such as tastings, companies activate specific control mechanisms in order to monitor consumption by visitors, by installing information posters on the prohibition of underage drinking on their promotional stands and requiring the presentation of identity cards. In order to protect minors, access to the institutional and product websites, making up the digital universe of Branca products, is regulated by an age-check system that prevents minors from accessing the contents.

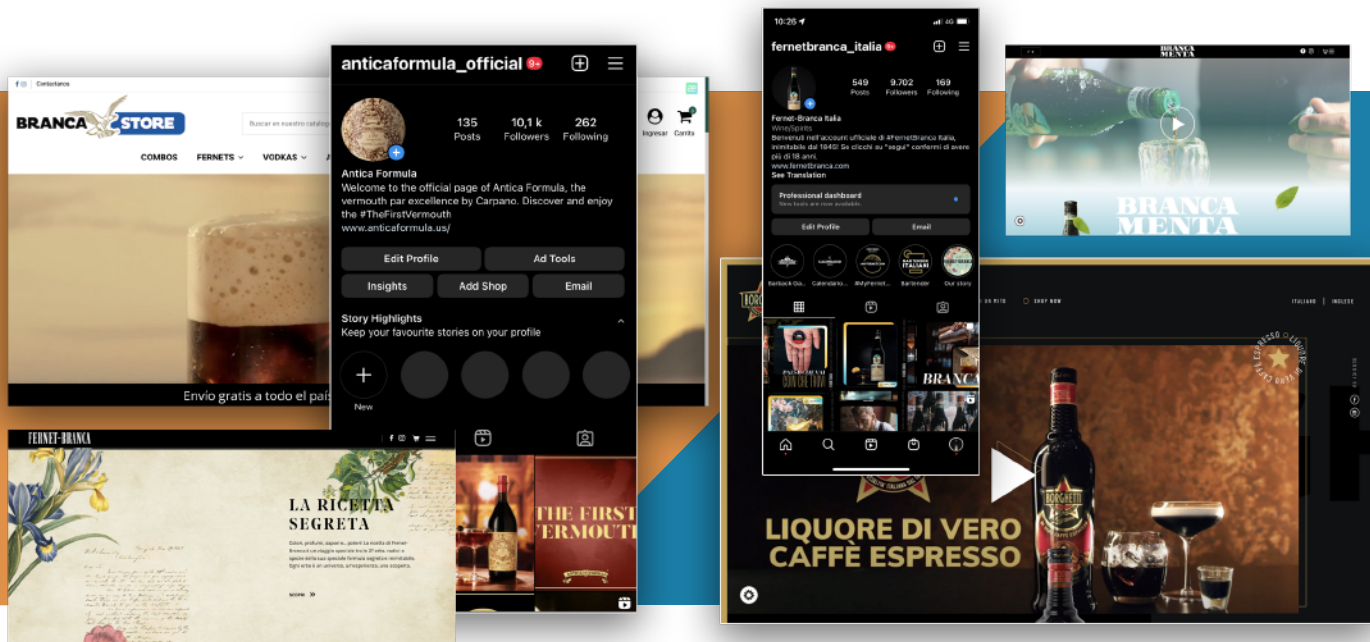
In addition, advertising campaigns are only broadcast during protected time slots and every advertisement, promotional video or

commercial carries the warning 'Drink responsibly'. Commercial communications always pay attention to context and content in order to convey messages related to responsible consumption, with a focus on the protection of minors, alcohol consumption while driving and among pregnant women.

In this respect, in 2022 Fratelli Branca Distillerias partnered with Cabify, a DRT service operating in Spain and Latin America, to reinforce the message: "If you drink, don't drive" during Alcohol Responsibility Month. In addition, to support the campaign launched by the Federación Argentina de Destilados y Aperitivos (FADA) 'Menores Ni Una Gota'⁹, which aims to eradicate underage drinking, the Company has included the hashtag #MenoresNiUnaGota in its TV, print and billboard advertisements alongside the legal warnings.

In general, communication via social media is a strongly guarded area: in addition to Netiquette, which via the Facebook platform invites responsible drinking, Branca regularly monitors the digital content produced or conveyed by its suppliers. The Company constantly monitors Fanpages - both those managed directly and those created by third parties - through an active moderating system, and conducts online and traditional press reviews

⁹ For further information, please consult the following link: [Menoresniunagota.org](https://www.menoresniunagota.org)



All these media monitoring activities have the primary objective of ensuring that the Branca name is always associated with a message that promotes responsible consumption, seen 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. At the same time, Fratelli Branca Distillerie organises training masterclasses for the bartender community aimed at presenting/tasting/preparing cocktails made with Branca products. Moreover, strongly believing that, in order to promote responsible consumption and share its values with a wide public, dialogue and collaboration with institutions and trade associations are fundamental, the Companies liaise with important trade associations located in the territories where the Group operates. In Italy, the Group participates in the drafting of association guidelines on Responsible Consumption,

in particular through Feder-vini and Federalimentare, both belonging to Confindustria, and Centromarca. Nevertheless, the Company is a member of Utenti Pubblicità Associati (UPA), the association body that brings together the most important and prestigious industrial, commercial and service companies that invest in advertising. Furthermore, the Company is a member of the Consorzio del Vermouth di Torino, whose main purpose is the protection, promotion, valorisation, supervision and general care of the interests of the 'Vermouth di Torino' IG. In Argentina, Branca 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. In addition, the Cámara Argentina de Destiladores Licoristas has set up a Corporate Social Responsibility programmerelated to the topic of responsible consumption, that Fratelli Branca Destilerías participates in,

and which includes, among other activities, raising awareness among parents and children on the topics of responsible consumption and alcohol monitoring. Finally, in the US, Branca 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.

Customer satisfaction

Customer satisfaction is one of Branca's main goals. Branca is extremely careful to maintain consistent and high quality standards, to ensure attention to customers/consumers by collecting various enquiries, reports and complaints and providing appropriate responses. In fact, end-consumer satisfaction and the involvement of the bartender community are considered fundamental and distinctive elements for the recognisability of the Branca portfolio brands vis-à-vis their main competitors for the creation of a preferential relationship with relevant stakeholders.

In order to maintain a constructive dialogue with them, the Group provides customer-/end consumers with direct, immediate and easily available channels of communication with the companies (web solutions, e-mail, invitations to factory visits, etc.). In addition, in order to actively involve them, the companies develop communication activities based on transparency and content relevance to tell the story of the uniqueness and enhance the common elements between the brands and the communities they are part of.

FRATELLI BRANCA DISTILLERIE S.p.A.

The Company maintains direct contact with its customers thanks to the internal procedure developed according to the ISO 22000:2018 standard, for the handling of complaints, taking up any reports received via the website, telephone calls from consumers or directly from Company departments, in a constructive manner in order to better satisfy customer requests. In order to maintain long-lasting relationships with them, the Company constantly nurtures the relationship with its consumers through the social channels of all the Group's brands, publishing content related to the brands' initiatives. In this way, the Company avails of a direct channel of communication with its consumers, who can spontaneously offer comments and remarks. During 2022, 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 2022, held in Milan. The fair, dedicated to the world of mixology, was attended by the most renowned brands in the sector, including Branca, which offered participants the chance to taste Branca's iconic products and their variations in different cocktails. For the occasion, the Company designed an impressive stand with various mixology moments, guests and dedicated focus¹⁰.

Also in Milan, the Company also participated as a partner in the Natale in 5VIE ('Christmas in 5 streets') project, realised in collaboration with the municipality of Milan and Dada in Taverna, a restaurant/cocktail bar in the Brera area. The event was intended to animate the oldest part of Milan's historic

centre for the pre-Christmas festive period and proved to be a perfect opportunity to showcase Branca's authentic 'Milanese-style'. In addition, the Company participated as main partner in the 'Torino Cocktail week' event. Mixing Week in Turin was attended by more than 15,000 people including participants in events, master classes, experiences and workshops. The Company has helped to spread experimentation, the quality of its products, and a culture of conscious and

¹⁰ For further details, please consult the following link: [Fratelli-Branca-at-Milano-Mixology-Experience.docx \(live.com\)](#)



responsible drinking, through its collaboration with high-quality venues.

Fratelli Branca Distillerie organised the 'BarBack Games' in Rome, 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 restocking of ice and alcohol and keeping the bar tidy at all times. The aim of the game is to demonstrate how crucial of this figure is to the functioning of the club and the success of the evenings through a series of physical challenges of endurance but also of skill, speed and versatility that the Barbacks face in order to win the title of 'Night Hero' of Italy 2022. During the two evenings, Branca participated with its own stand and a guest bartending programme¹¹.



In addition to those mentioned above, the Company brought the following marketing initiatives:

- **Fernet-Branca Special Pack:** made up of four Fernet-Branca glass tumblers depicting four historical posters from the Branca Collection revisited in a modern key, contributing to the rejuvenation of the brand through attractive, modern graphics;
- **Stravecchio Special Pack:** to honour Stravecchio buyers with a pack of cards (French/poker) customised with an image taken from a painting in the Branca Collection;
- **Brancamenta Special Pack:** to honour Brancamenta purchasers with the iconic 'ICE GLASS', Brancamenta's iconic glass characterised by an ice-effect graphic sleeve emphasising the ideal way to consume Brancamenta, strictly iced;
- **Fernet-Branca Special Pack and Brancamenta Special Pack:** to present buyers with a miniature Brancamenta.



¹¹ For further details, please consult the following link [Fernet-Branca-Bar-back-Games-2022_-docx \(live.com\)](#)

¹² Nielsen data source: tot italy Large-scale retail trade

Nonetheless, in order to tell consumers about its products, the Company has launched a television campaign featuring Borghetti as the official sponsor of gatherings among friends and one to celebrate the fact that Grappa Candolini is the number 1 selling grappa¹² finalised in home consumption, through the historical positioning of the product 'it is what it looks like.

FRATELLI BRANCA DESTILERÍAS

As far as the Argentine Company is concerned, there has been a significant expansion in its communication channels with consumers, which has also led to an improvement in the quality of the products delivered to its 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 action to resolve any misunderstandings. With a view to continuous improvement, the Company contacts consumers by telephone in order to measure their degree of satisfaction with the complaint handling service. 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, through the numerous surveys and tests conducted throughout the country, it was possible to incorporate suggestions and make improvements or changes in the formulation of the products, ultimately leading to a broader and more positive acceptance of these products by the end-consumer communities. In particular, in consumer surveys, improvements to product packaging were highly 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 2022 Fratelli Branca Destilerías 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 2022 had 300,000 visitors in 3 days; 'Jesús María', a folk music event attended by 200,000 people and their families. ①**
- **Sponsorship of sports and cultural initiatives including: sponsorship of men's and women's amateur football leagues appreciated by more than 55,000 young people in 2022 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 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. ②**

In addition, the Company organises events and promotes TV and social media campaigns aimed at creating a climate of healthy entertainment, enhancing the values behind the brand. These include the social media campaign that the Company publishes annually on Friendship 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 media campaign shows Fernet-Branca as another component of the friend group, always there. ③

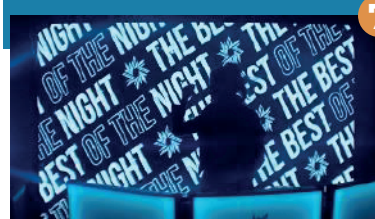
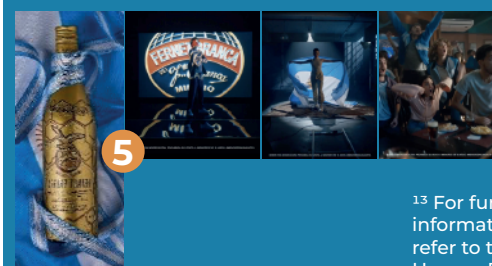
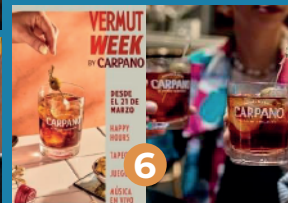
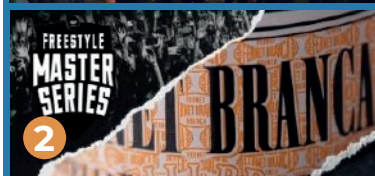
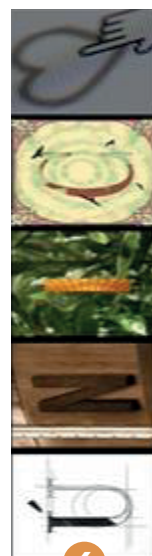
To honour its roots, its 177 years of tradition and its unalterable secret formula, Fernet Branca presented 'ÚNICO'. The campaign involved the broadcast of television and digital content, also shared by some of the country's best-loved influencers. On this occasion, Fernet Branca presented the limited-edition tin that recalls the Slavonian oak vats where Fernet Branca rests for 12 months to reach the exact point of maturation that makes it unique. The Company also gave ten people, chosen from the over 20,000 who participated in the online competition 'Branca abre sus Puertas', the opportunity to visit the distillery where Fernet Branca is produced¹³. ④

On the occasion of the FIFA World Cup Qatar 2022, the Company shared a TV ad that conveys the deep

connection between Fernet Branca and Argentina, with the following message: no matter where you are in the world, just drink Fernet Branca and you'll feel like you are in Argentina. Also on the occasion of the World Cup, the Company sold 1,000,000 golden sleeve bottles of Fernet Branca, which accompanied the celebrations throughout the World Cup, and were an essential part of the celebration of a historic achievement. ⑤

Moreover, the Company organised a series of events in the territory that conveyed the iconic yet versatile identity of the Carpano brand. In March 2022, the first 'Vermut Week' took place in Buenos Aires: on this occasion, Fratelli Branca Destilerías organised seven uninterrupted days of partying in several bars in Buenos Aires with live music, games and tapas accompanied, of course, by Carpano Vermouth. ⑥

Finally, the Company created a TV and digital campaign aimed at describing the innovative and fun character of the Sernova brand, which knows the best of the night. In particular, the Company involved a group of celebrities and influencers in a trip to Ushuaia, the capital of Tierra del Fuego, on the occasion of the winter solstice, when the city experiences the longest night in the world. Thanks to the digital content broadcast by the influencers who took part in various local activities, including a party until dawn on the beaches of Ushuaia, consumers were also able to experience the brand. ⑦



¹³ For further information, please refer to this link: [Home - Brand \(branca.com.ar\)](https://www.branca.com.ar)

BRANCA USA

Like the other companies in the Group, Branca USA believes strongly in the power of communication and customer relations, studying and monitoring US market trends on a regular basis to maintain high quality and provide valuable input to headquarters.

In 2021, Branca USA began its first sports partnership in the United States with Inter Miami (Club Internacional de Fútbol Miami), a Miami-based American football team owned by David Beckham and José R. Mas. In 2022, Branca USA became the club's official sponsor, which resulted in the creation of a special Branca bar corner inside the DRV PNK Stadium.

The American Company also organised the 'BarBack Games': a day of challenges and shows open to the public and dedicated to those who work hard every night behind the bar to create flawless cocktails: the 'barbacks'. Branca USA also resumed the Branca Bar tour in the reporting year, participating in a series of food events around the United States to publicise the versatility of Fernet-Branca and bringing together active communities in different states.

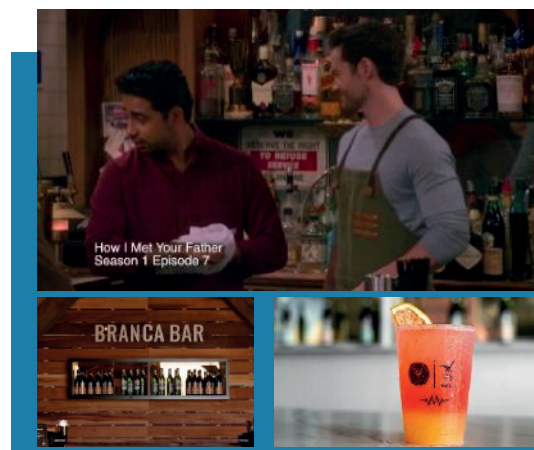
In 2022 Fernet-Branca had its first media

appearance on a show: *How I Met Your Father* on Hulu, an American streaming platform owned by the Walt Disney Company. Also in 2022, Caffè Borghetti was presented during an episode of a successful American TV show called *Extra*. During the episode, the brand ambassador of Caffè Borghetti, who was invited to present the product, shared tips on how to prepare a delicious Espresso Martini.

The historical link between Branca Group and the Bartender community

In the past, bartenders used to drink a glass of Fernet-Branca when changing shifts, this custom became known as the 'bartender's handshake'. Being naturally close to the bartending community, Fernet-Branca took the opportunity to materialise this ritual by creating a coin to celebrate this exchange. 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 counter, he is offered a free shot of Fernet, unless he is presented with another coin in response, and the 'bartender's handshake' takes place to celebrate their joint membership of the group.

Fernet-Branca coins quickly became a symbol of membership in the bartending community. They have travelled across oceans and continents to the furthest corners of the world. They represent not just a momentary achievement but a genuine collector's item, coveted as a status symbol and privilege. Recognition, a sense of mutual belonging and the desire to be big players in the Fernet-Branca family. 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.



ATTIVITÀ ACTIVITIES ORGANISED IN THE REST OF THE WORLD

During 2022, Branca organised multiple activities to engage consumers and customers in other parts of the world as well.

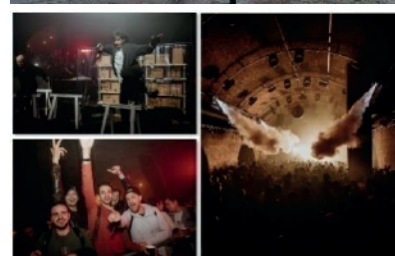
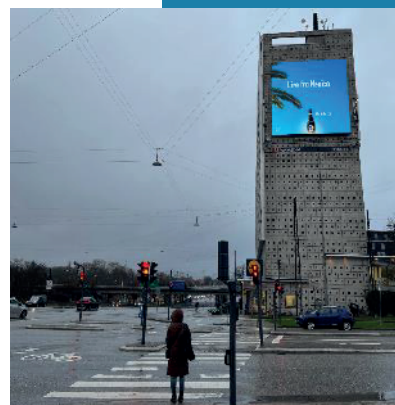
The 20th anniversary of the Life is Bitter campaign was celebrated in Denmark, a particularly strong market for Fernet-Branca and the Bitters category. This campaign celebrated the fact that life is not always sweet, it can also be uphill and challenging. Fernet-Branca knows that sometimes 'life is bitter' and, through this campaign, discreetly reminds its consumers that it is always there to support them, even in difficult times. The campaign was celebrated throughout the autumn period in the press, digital and in-store.

In addition, Branca participated in several trade fairs, including the Tax Free World Association in Cannes, the Convent Bar in Berlin and the Athens BarShow in Athens, all dedicated to bar professionals and bartenders. All events are aptly supported by a network of Branca Brand Ambassadors who at each event take the opportunity to meet, engage and influence key industry stakeholders.

Nonetheless, this year the Barback Games were also organised in the UK: the biggest Fernet-Branca event of the year in the country, supported by major newspapers such as *Difford's Guide* as well as proprietary social channels. Ten Barbacks from some of the country's best bars were invited, along with their bartenders, to the event held in London.

Finally, in Spain in 2022, the bartending community was actively involved in the design of the new Fernet-Branca currency: 25 bartenders from Madrid and 25 from Barcelo-

na collaborated with a caricature artist to express the icons of Spain that reflect their passions for the industry and their connection to the Fernet-Branca brand. The coin will be chosen by a group of consumers and launched in 2023.





People and communities

Branca International is a people-centred business, committed to enhancing the skills and to understanding the needs and expectations of our employees, as fundamental elements for ensuring the success of the Group and its individual companies, according to the principles of the Economy of Awareness.

The development and maintenance of relations built on listening, dialogue and transparency with people - who are considered as an end and never as a means - are the main requirements to guarantee a positive, serene and united working environment, and to promote the success of the organisation through the application of collaborative Meritocracy tools.

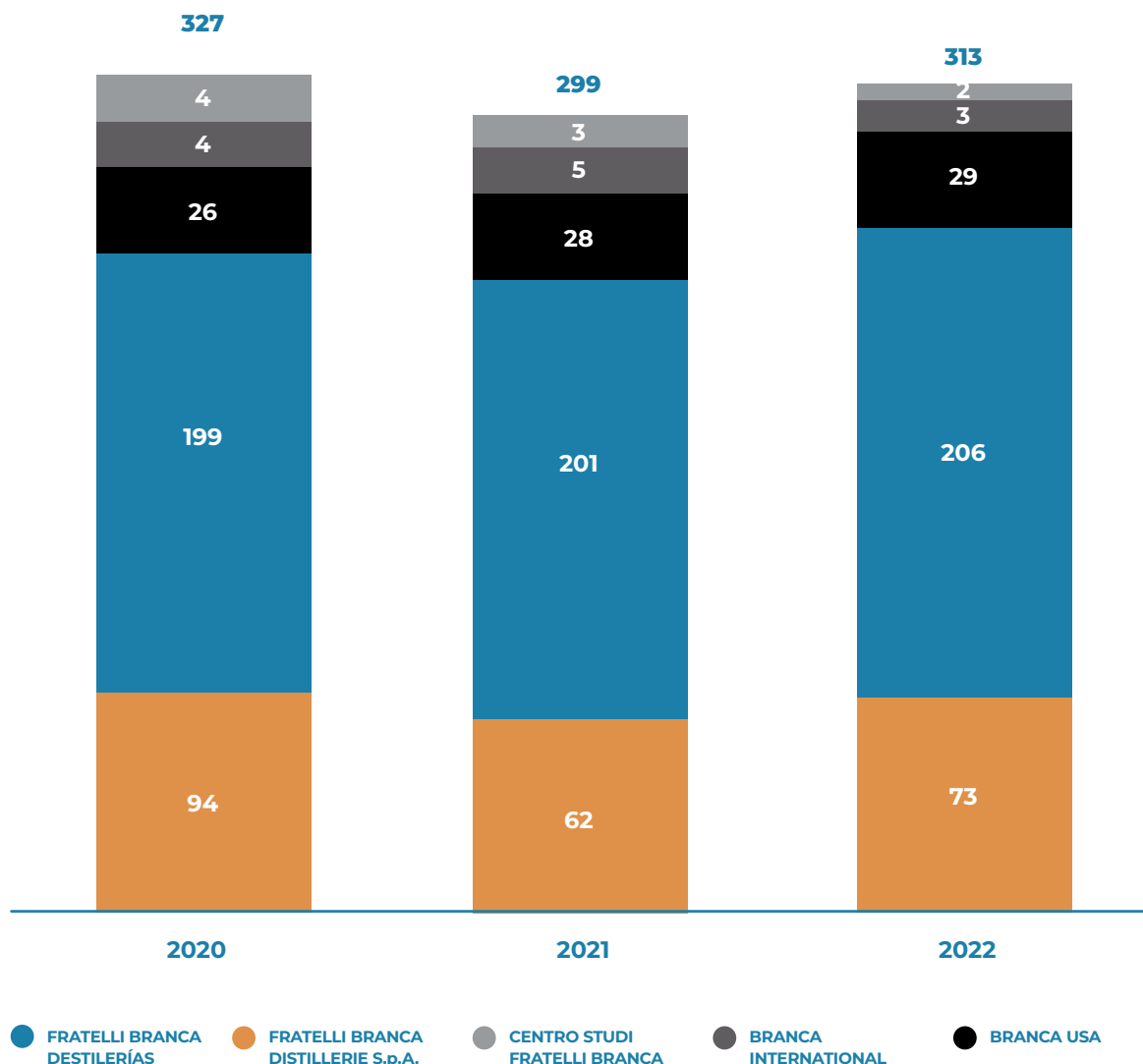
Group employee profile

¹⁴ The total includes employees of the Companies Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A., Branca USA Inc, Centro Studi Fratelli Branca S.r.l and employees who are hired directly by the Parent Company Branca International SpA. For simplicity, the company names are not repeated in the graphs and tables.

¹⁵ An employee with non-guaranteed work hours is defined as a person who enters into an employment relationship with an organisation, according to national legislation or its implementation, without a guarantee of a minimum or fixed number of working hours per day, week or month, rather who may have to make himself or herself available for work as needed.

As at 31 December 2022, the total number of employees of the reporting companies was 313¹⁴ (up 4.7% compared to 2021), 99% of whom were employed on permanent, full-time contracts. There are no workers in any of the companies without guaranteed hours¹⁵.

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



In 2022, in addition to employees, Branca also counts 23 trainees and interns/temporary workers (29 in 2021), respectively: 9 and 14.

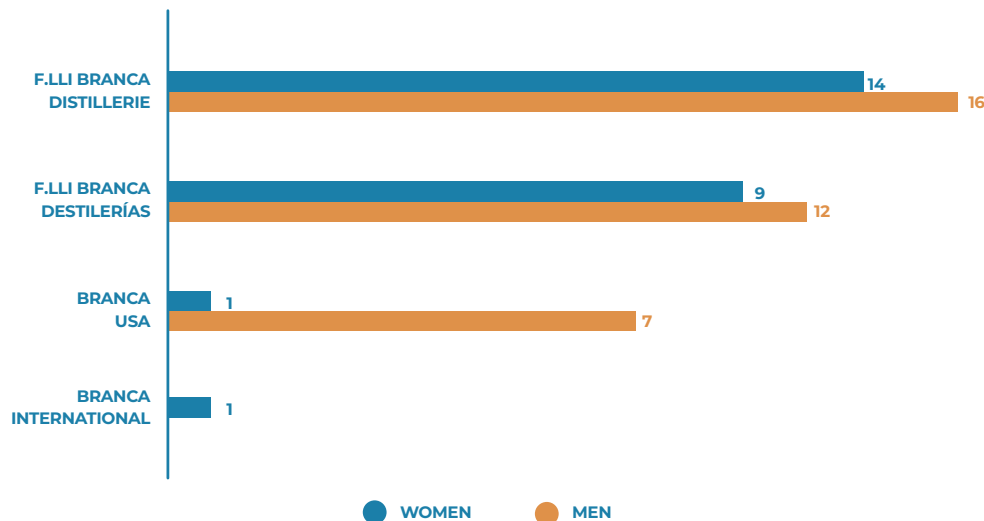
Employee turnover¹⁶

¹⁶ The number of incoming and outgoing staff and the turnover rates do not take into account the outgoing employees of Centro Studi Fratelli Branca and Branca International who were transferred to F.lli Branca Distillerie. Any differences in the balance of incoming and outgoing employees and employees in service in the year may depend on the employees with a terminated contract and the manner in which the data is sourced from the system.

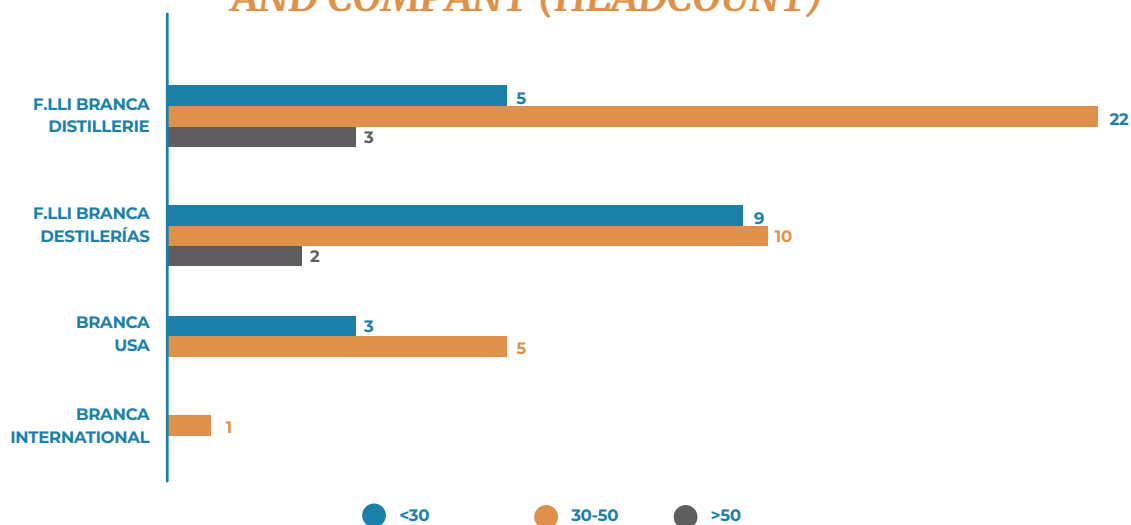
In contrast to last year, when terminations exceeded recruitments, there was a significant increase in recruitments in the reporting year, 60 in total (29 in 2021) exceeding 50 terminations (47 in 2021). With regard to the employees hired in 2022, 45% are women and the majority of new employees belong to the 30-50 age group

(63.3%). Compared to 2021, there was also a significant increase in the recruitment of under-30 talent, which accounted for 28.3% of total hires: the number of new employees under 30 amounted to 17 (+14 compared to last year).

RECRUITMENT IN 2022 BY GENDER AND COMPANY (HEADCOUNT)



RECRUITMENT IN 2022 BY AGE AND COMPANY (HEADCOUNT)



¹⁷ The incoming turnover rate is equal to the ratio between the number of incoming employees and the total workforce as at 31/12.

¹⁸ The outgoing turnover rate is equal to the ratio between the number of outgoing employees and the total workforce as at 31/12

¹⁹ For further quantitative details, refer to the section on 'Performance Tables'

Incoming turnover, i.e. the percentage of people who were hired by Branca in the reporting year, increased significantly compared to previous years, reaching 19.2%¹⁷(9.7% in 2021). Furthermore, the year 2022 marked an increase in the incoming turnover compared to outgoing, i.e. the percentage of people leaving Branca during 2022, which, at 16.0%¹⁸, was still slightly higher than the previous year (15.7% in 2021)¹⁹.

Diversity and inclusion in the work environment



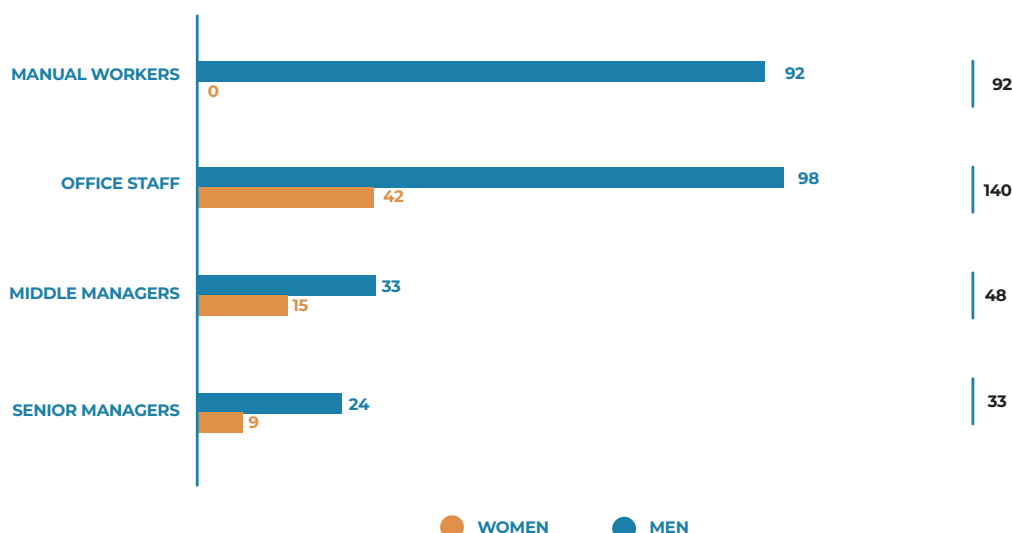
The Group recognises the centrality of people employed at all levels as indispensable players in the achievement of corporate objectives and is committed to enhancing and developing its human capital, understood as an end and not a means. Having offices and factories not only in Italy but also in other countries around the world, and operating in almost all international markets, the Group recognises the added value that the different nationalities and cultures of its people bring, as factors of enrichment and growth for Branca.

All Group companies apply the same Code of Ethics, which sets out values and principles on inclusion, human rights, equal opportunities and non-violence. The Code of Ethics recognises the centrality of people as indispensable protagonists in achieving the Company's objectives. In line with the principles enshrined in the document, the Group is committed to valuing its people, rejecting all forms of discrimination and pledging to ensure equal opportunities in employment and professional advancement. Concretely, policies on recruitment, training, remuneration, promotions, transfers and termination of employment with employees are designed to exclude any decision made on the basis of discriminatory motives.

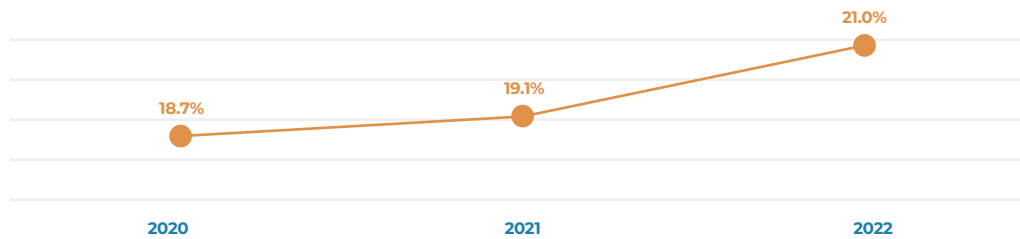
Testifying to Branca's commitment to building an increasingly inclusive environment, over the three-year period, the presence of women in the Group recorded a steadily increasing trend. Specifically, in the reporting year, the Group 21% of the total number of employees was women, up from the previous year (19.1% in 2021)²⁰.

²⁰ For further quantitative details, refer to the section on 'Performance Tables'

CONSOLIDATED VIEW NUMBER OF EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY (HEADCOUNT)



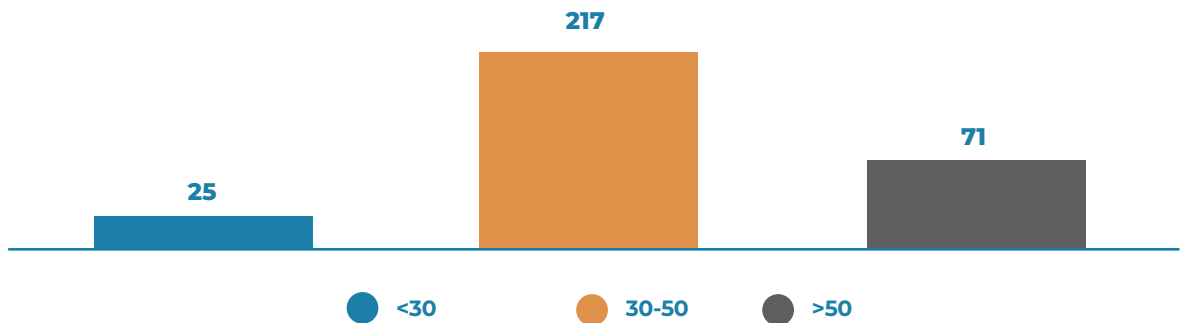
CONSOLIDATED VIEW GROWTH TREND OF WOMEN IN THE TOTAL WORKFORCE (%)



²¹ The age groups are as follows: <30: persons under 30 years old (30 years excluded); 30-50: between 30 and 50 years old (30 and 50 years included); >50: over 50 years old (50 years excluded).

With regard to the age of employees, in line with the previous year, the largest age bracket²¹ in the Group in 2022 is between 30 and 50 years (217 resources, or 69.3% of the total workforce). The percentages of employees aged under 30 and over 50 are 8% (6.7% in 2021) and 22.7% (22.4 in 2021), respectively.

CONSOLIDATED VIEW PROPORTION OF EMPLOYEES BY AGE GROUP IN 2022 (HEADCOUNT)



²² For further qualitative and quantitative details, refer to these sections: "Calculation Methodologies" and "Performance Tables"

²³ Basic 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.

With the aim of developing an increasingly inclusive corporate culture, in particular, Branca USA launched several initiatives during the reporting year.

The Company has identified a 'Values Committee' comprising team members from across the country, of all professional levels, gender and race, in order to identify the values and guiding principles that guide the Company's mission, goals and behaviour. In addition, with the help of Perpetual, a consulting firm that aims to cultivate human-centred corporate cultures, it identified the strengths and weaknesses of corporate culture. As part of this project, a discussion session on corporate values took place in order to align them with the changing expectations of Branca USA's internal and external environment.

Finally, the Company maintained its corporate sponsorship and active participation in Women of the Vine and Spirits, an organisation that strives to drive the alcoholic beverage industry towards a more diverse and inclusive era that allows everyone to succeed.

REMUNERATION

The Group adopts a remuneration policy aimed at motivating and retaining in the Company those people who are deemed to possess the necessary professional qualities required. The reporting companies closely monitor the values attributable to the gender pay gap²², i.e. gender parity in the ratio of the average value of basic salary²³ and total remuneration²⁴ between female and male employees.

With reference to Fratelli Branca Distillerie, Fratelli Branca Destilerías and Branca USA, the salary level of women compared to that of men, when considering the average basic salary received by female employees compared to the average basic salary of men in the same employee category, differs by a maximum of 28% for executives, 14% for middle managers and 32% for office workers. Similarly, when considering the average salary received by female employees compared to the average salary of men in the same employee category, the difference in the salary level of women compared to that of men is a maximum of 37% for executives, 10% for middle managers and 21% for office workers.

²⁴ Total 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

Industrial relations

Branca has established a constructive dialogue with trade unions and workers' representatives, with a view to fully meeting the needs of its stakeholders. In 2022 all the employees of Fratelli Branca Distillerie, Branca International and Centro Studi Fratelli Branca were hired under the relevant national collective labour agreement (CCNL). As far as Fratelli Branca Destilerías is concerned, it is reported that 45.6 % of employees are protected by union agreements²⁵.

²⁵ The indicator turns out not to be applicable for Branca USA.

Development and training of our human capital



Branca International believes that training is key to the professional development of its people, to achieve the highest standards of efficiency in the industry.

The Group promotes the development of its employees' skills through management skills assessment, individual coaching and skills coaching programmes, and individual development plans aimed at the assignment of roles of greater responsibility for management, and also market-based merit policies. With this in mind, Branca has implemented or planned training programmes at all its offices aimed at professional and personal development, with the aim of enhancing the skills and competences of its employees.

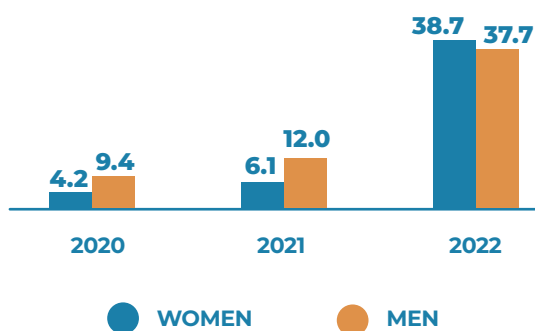
As can be seen from the chart below, during 2022, there was a significant increase in the number of training hours provided to all categories of employees in order to stimulate their professional and personal growth, with the aim of enhancing their skills and competences. Group companies provided a total of 11,861 hours of training to employees (corresponding to a total average of 37.9 hours²⁶), triple the total recorded in 2021 of 3,162²⁷ (10.9 total average hours). In particular, the following were disbursed: 1,058 hours of training to managers (31.1 average hours),

2,504 hours to middle managers (52.2 average hours), 3,356 to office workers (24.1 average hours) and 4,943 to manual workers (53.7 average hours).

²⁶ 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

²⁷ Details of the total hours disbursed and the number of employees involved in training can be found in the appendix.

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



The increase over the previous year is due to several factors, including in particular:

- Fratelli Branca Distillerie's access to funding from the Regional Government of Lombardy, which enabled the Company to provide more training hours;
- the involvement of more employees in English and Italian language learning courses
- resuming the organisation of training events following the Covid-19 pandemic.

During the reporting year, Branca focused mainly on the following strategic training areas:

- technical-specialist skills related to the use of means and tools for production
- the strengthening of soft skills particularly in the areas of customer care, people and time management, and language skills
- occupational health & safety;
- food safety;
- employee mental-physical well-being: in particular, the Fratelli Branca Distillerie Company offered its employees the opportunity to follow a mindfulness course.

Some additional information on the various local realities is given below:

FRATELLI BRANCA DISTILLERIE S.p.A.

Over the course of 2022, thanks to a grant from the Regional Government of Lombardy, Fratelli Branca Distillerie was able to develop a training course focused on people's awareness of their professional, current and prospective dimension. The courses provided included: Diversity & Inclusion, Emotional Leadership, Managerial Development, Team Working and Improve Feedback Culture conceived through a methodology based on active participation. The

various courses offered provide a theoretical framework within which the people were able to develop - through structured exercises, role play and real life situations, which stimulate mutual dialogue and reflection on the experience that real learning emerges from.

FRATELLI BRANCA DESTILERÍAS

The Argentinean Company gives each employee the opportunity to express his or her satisfaction with the training courses received and conducted an employee engagement survey during the reporting year. Based on the results, an action plan for improvement was drawn up and is monitored on a monthly basis. Also with a view to continuous improvement, the Company

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

BRANCA USA

Similar to the other Group companies, albeit in much smaller numbers, attributable to the smaller size of the Company, Branca USA also provided training to all its employees.

PERIODICAL PERFORMANCE ASSESSMENT

In 2019, Fratelli Branca Distillerie launched a performance assessment process for the first time and in 2022 this involved all senior managers, almost all middle managers and more than half of office staff. This assessment also involved the senior managers hired by the Parent Company Branca International. In the same year, Fratelli Branca Destilerías performance appraisal process involved all employees for the third time, which as in Italy, until 2018 only covered the categories of middle managers and executives. Branca USA also maintained the regular performance appraisal process, which began in 2019.

Occupational health & safety



²⁸ In line with GRI Standard 403-9 a.iii., the TRIR is calculated as follows: (Number of recordable occupational injuries/Number of hours worked) * 1,000,000. For further qualitative and quantitative details, please refer to the section: 'Performance Tables'. It should be noted that, in 2022, hours worked by FBDI employees amount to 113,755, hours worked by FBDA employees to 432,559 and hours worked by Branca USA employees to 60320, for a total of 606,634 hours worked

As already highlighted in relation to the training activities for employees, creating and maintaining a safe working environment for the health and well-being of all people is a key principle for Branca International Group. Although the results can be quickly summarised through simple indicators, there are many factors that affect health and safety protection. Therefore, the issue requires the integrated and coordinated management of different aspects such as work organisation, risk management, plant status, production process management, training and continuous increase of people's awareness, prevention policies and the corporate culture itself.

The various commitments undertaken guarantee satisfactory results in terms of safety at work. During the reporting year, Branca recorded only one accident in the entire Group perimeter, which occurred outside the plants and offices. As a result, the Recordable Injury Rate (TRIR)²⁸ was 1.65.

FRATELLI BRANCA DISTILLERIE S.p.A.

Aware that performance in terms of health and safety protection is among the indicators of good company management as a whole, Fratelli Branca Distillerie has had a health and safety management system certified according to OHSAS 18001, now ISO 45001, since 2010. This system defines, within the organisation, roles, tasks, responsibilities and tools for risk prevention, applying a Risk Based Thinking method, and applies to all processes related to the production and marketing activities of liqueurs, distillates and aromatised wines existing within Fratelli Branca Distillerie.

An Integrated Environment - Occupational Safety and Health Management System is in place in the Company. The Company is therefore committed to ensuring the participation and involvement of workers in every phase of the integrated management system, making all relevant information available at all times, and encouraging them to consult it. In this regard, the

Environmental Policy, the Occupational Health and Safety Policy and the Major Accident Prevention Policy, where the Company's objectives in the different areas are defined, have been displayed in several places at the Italian plant.

The Company is included in the register of Major Accident Hazard Companies pursuant to Legislative Decree 105/15 (Seveso Directive), albeit at a lower threshold, demonstrating that the Company is even more aware of the importance of managing health and safety issues. In this context, Fratelli Branca Distillerie identifies and regularly updates its commitment in terms of health and safety in the workplace, in line with the management policy that entails continuous improvement in the monitoring of these issues and the definition of a series of objectives, for the achievement of which specific activity plans are defined. The main commitments that the Company

endeavours to maintain are:

- the continuous updating of the Safety Management System, ensuring the availability of the resources necessary for its operation;
- assessing activity- and process-specific risks in order to prevent occupational accidents and illnesses, implementing specific measures to minimise them;
- continuous monitoring and planning of maintenance work on plant and equipment
- planning actions and the management of plants and equipment, in relation to any changes that might affect safety and risk prevention
- raising awareness and providing training to employees with respect to the risks associated with their activities and the correct application of the procedures for the prevention of major accident hazards, the dissemination of the objectives of the health and safety system and the promotion of a culture within the organisation that ensures the effectiveness and efficiency of the system

In order to monitor the risks that the Company is exposed to, the organisation has a Risk Assessment Document (RAD) in place, which it updates according to the timeframes and mandatory requirements, also thanks to specific technical analyses, through certified bodies. In addition, the Company provides its employees with a register for collecting reports of any process anomalies and/or risk situations encountered in the workplace. Reports are instrumental in preventing and mitigating risks and are handled confidentially by the HSO.

With a view to keeping emergency management procedures up-to-date and appropriate, the Company provides for a constant review of procedures, operating instructions, control checklists and periodic monitoring of work safety indicators. With a view to continually improving the performance of the Safety Management System, the Company has a certification body conduct annual audits. Moreover, at least once a year, a strategic meeting is held with the participation of all members of the PPS (Prevention and Protection Service).

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

dedicated room and during working hours and, once a year, carries out the inspection of the work environment, with reference to the obligations laid down in article ²⁵ paragraph ¹l of Legislative Decree ^{81/08}. The Company also constantly monitors the risks arising from the tasks performed and undertakes to implement all necessary activities to protect the health of personnel, including the periodic review of work-related stress risks.

The Company provides general and specific training pursuant to Legislative Decree ^{81/08} for all workers. In addition to the training carried out at the time of hiring (general training and job-specific training), the Company provides periodic refresher programmes and various training sessions on specific topics (and by area of expertise) 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 with regard to health and safety, as well as the proper management of health and site emergencies, are posted in the most crowded 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 entrance areas of the Company and at other relevant points.

Whereas in the previous two years, Fratelli Branca Distillerie had recorded no accidents, this year an employee inadvertently tripped on their way to visit a customer. In line with previous years, no incidents attributable to the development of occupational diseases, i.e. acute, recurring or chronic health problems caused or aggravated by working conditions or practices, were reported to 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

In line with Branca Group's management of health and safety issues, the health and safety management system of Fratelli Branca Destilerías also received ISO 45001 certification in January 2022 following an audit in October 2021. In order to ensure its operation, the Company has a team of professionals in charge of health and safety and the support of a figure specialised in occupational risks and their prevention.

The classification of hazards and risks and the analysis of incidents is carried out using an ad hoc risk matrix to assess the level of risk encountered and, consequently, to adopt operational controls. If negative events occur, an ad hoc committee is convened in order to take timely corrective and mitigating actions. These include improved safety guards for machinery, physical barriers between pedestrians and industrial vehicles, and an analysis of the risk of potential explosions.

In order to actively involve its people in the management of the issue, it organises biannual meetings on the health and safety management system together with all the Company's operational areas. In addition, the Company has a joint health and safety committee, in which workers' representatives (trade union) participate. The committee, which functions in accordance with current legislation, meets monthly and records these meetings in a minutes book.

The Company has also provided for the following initiatives to promote the health and safety of its employees:

- **outsourced medical service** (for a total of 20 hours per week), provided by an occupational physician directly in the workplace; the service goes beyond the requirements of current local regulations and is supervised by SSMA and HR;
- **medical coverage for all employees, together with life insurance and the provision of free flu vaccination campaigns, diabetes testing and blood pressure measurement for all families;**
- **a company nutritionist available to assist employees in choosing a diet plan that best suits their needs and the possibility of healthy meals at the company canteen;**
- **the promotion of employee participation in health and safety issues through specific training courses (including the following topics: Emergency evacuation plan, Fire risk and use of fire extinguishers, General electrical risk, Safe and responsible driving, Hazard and risk identification, Rapid Risk Forecasting, Safety Policy) and through communication methods involving multiple tools (printed posters, electronic posters, e-mail, corporate intranet);**

In particular, a number of activities took place from 21 to 28 April as part of the World Day for Safety and Health at Work. These include: training activities on cardiopulmonary resuscitation, the use of fire extinguishers with 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 topic management methods described therein, Fratelli Branca Destilerías had no accidents in 2022. Furthermore, no incidents 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 risks of physical harm, which, given the nature of the business and compliance with the provisions of the Occupational Safety and Health Act (OSH Act) of 1970, are in any case relatively low. As in 2021, the Company did not record any injuries in 2022.



Employee well-being

For Branca International, fostering people's mental and physical well-being and work-life balance is a primary value. The main welfare initiatives provided by the three companies²⁹ include the possibility for employees to be covered by life and health insurance and the provision of different types of annual bonuses. Specific categories may also benefit from occupational and non-occupational accident insurance, use the company car fleet or be reimbursed for the use of their own car, use corporate credit cards, make use of company mobile devices or be reimbursed for the use of their mobile phone.

²⁹ It should be noted that the way these benefits are provided varies according to the legislative context in which the different companies operate

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

Further initiatives implemented by Fratelli Branca Distillerie include the following:

FRATELLI BRANCA DISTILLERIE S.p.A.

- Reimbursement of summer holiday camp costs for employees
- Reimbursement for the purchase of secondary school books to promote the education of employees' children
- Bonuses for the children of employees attending secondary schools when they pass their grade
- Bonuses for the children of employees when they graduate from high school
- Scholarships for the children of employees who enrol in University
- Awards for the children of employees when they pass university exams according to schedule and when they get their degree

FAMILY SUPPORT ALLOWANCES

OTHER BENEFITS

- Employee seniority bonus
- Medal for seniority
- Prizes (product packs) during the holidays (Christmas and Easter)
- Paid leave for various reasons

As already mentioned in the previous section on training, the Company has reserved the opportunity for all of its employees to take part in a Mindfulness course consisting of 5 two-hour sessions. In addition to covering a field of training that is not usually offered at companies, this course represents a stimulus to research and pursue mental-physical wellbeing also in the workplace, which has always been a fundamental element of Branca's cultural heritage and values, in line with the idea that the company is a living organism where everyone can make the best use of their skills and contribute to a common project

It should also be noted that, in October 2017, Fratelli Branca Distillerie received the BSCI - Business Social Compliance Initiative certificate, a recognition that testifies to the Company's commitment to decent working conditions and respect for gender equality. BSCI member companies undertake to implement the values and principles set out in the Code of Conduct in their supply chain. Therefore, they operate on the basis of the following values: continuous improvement, collaboration and empowerment, and ensure compliance with the following principles: freedom of association and the right to collective bargaining, non-discrimination, adequate remuneration, reasonable working hours, worker protection, prohibition of child labour, prohibition of forced labour, environmental protection, ethical trade.

In essence, businesses that choose to observe the Code of Ethics must abide by the principles set forth in the document and fulfil their responsibility to respect human rights within their

sphere of influence. This code is based on international conventions such as the Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Principles, the United Nations Economic and Human Rights Guidelines, the Guidelines of the Organisation for Economic Co-operation and Development (OECD), as well as the UN Global Compact and the International Labour Organisation (ILO) conventions and recommendations, which are fundamental for improving working conditions in the supply chain.

FRATELLI BRANCA DESTILERÍAS

As far as Fratelli Branca Destilerías is concerned, the Company, which monitors employee satisfaction in relation to the benefits provided on an annual basis, has implemented the following additional initiatives

FAMILY SUPPORT ALLOWANCES

- Extended paternity leave (15 days)
- Children's Day, a day dedicated to the children of employees up to the age of 12, when a small gift is donated (173 gifts donated in 2022)
- Free school supplies and backpacks for employees' children (180 backpacks donated in 2022 to 103 families)
- Christmas hamper

HEALTH BENEFITS

- Psychological support for employees
- Assistance from a nutritionist for employees who want and/or need support
- Extension of the flu vaccination campaign: in line with the official public health schedule, a vaccination programme for staff and their families is provided
- The company canteen offers food selected for a healthy diet
- Gym

BRANCA USA

With reference to Branca USA, health care in the US is not universal and therefore represents a major expense for the employer and can also be a major expense for the employee. With regard to Branca USA, the Company in 2022 continued to work with an organisation (Professional Employment Organization) with the aim of offering its staff comprehensive health coverage, while keeping the costs paid by employees and their families below the national average. During 2022, various formulas were offered in order to provide employees with differing cost options tailored to their specific individual and/or family needs, including coverage for spouses, cohabitants and qualified dependents.

It then implemented the following additional initiatives:

FAMILY SUPPORT ALLOWANCES

- 100% paid maternity leave

OTHER BENEFITS

- Additional pension contribution plans (401(k)) matched by the employer



Branca, culture and local communities



Aware that the activities and infrastructure of an organisation can have significant economic, social, cultural and/or environmental impacts on local communities, the Branca family has always shown, from the very beginning, great attention to culture and the social context, to its changes and needs. For this reason, Branca actively supports local community development in order to generate a positive impact on society, communities, people and the environment.

In the light of the historical link between the Group and culture, in all its facets, today Branca continues to promote and espouse cultural activities carried out on its own initiative or in collaboration with local, national and international associations to involve local communities and share its history and values. The following paragraphs describe the main activities carried out in this area by the Group over the years.

Key cultural initiatives

Branca Collection Museum

A journey through history, tradition and innovation

The Branca Collection museum, inaugurated in 2009, is a business museum created on the initiative of the Branca family with the aim of presenting Branca's history, tradition and culture, and the Company's entrepreneurial evolution from its origins to the present day. Visitors are greeted by the unmistakable aroma of Fernet-Branca that pervades the rooms of the museum and accompanies them on a tour that allows them to relive the history of the Company, breathe in the aromas, see the craft tools of the early days up close and follow the evolution of technology and innovation. An itinerary of over 1,000 sqm that winds its way through paintings, sculptures, raw materials and working tools that recount a reality made of quality and passion. The 'Branca Collection', the result of more than ten years of research, selection and restora-

tion work, also includes a rich collection of promotional posters, advertising campaigns and calendars, bearing witness to the special attention to corporate image communication that distinguished Branca in the mid-19th century through avant-garde methods. The various areas of the museum also display objects that have been donated to the 'Branca Collection' by enthusiasts. The Collection is therefore not only a business museum looking at past history, but also a space where objects take on a dual significance, as historical documentation of a production system, as well as a communication and organisational concept. The Museum also plays a training and educational role, through an 'open doors' policy towards associations and schools in the entire Milanese urban area, which guarantees free access to the sections of

the Museum that tell the history of the Company, as well as offering the opportunity for internships and/or apprenticeships for young graduates. In recent years, the museum has experienced a large influx of visitors, who have also confirmed their satisfaction through positive feedback on the Tripadvisor platform. When possible, special openings are planned at weekends and during the 'culture week' period, as well as evening openings, in response to the great interest of the community.



Branca Tower

Designed by Giò Ponti and erected in record time, only two and a half months, in 1933 on the occasion of the fifth Triennale exhibition, the 'Branca Tower' is one of the most famous sights in the city of Milan, and is considered a true work of art. With its impressive panoramic terrace and standing 108.60 metres high, made of flanged and bolted special steel tubes provided by Dalmine, it is the tenth tallest accessible structure in Milan. In 1972 it was closed due to a poor state of repair, but it was subsequently renovated by the Branca family and reopened in 2002 as a tribute to the city of Milan and has been known since then as the "Branca Tower". 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 Branca's social commitment to the local community, a new transparent glass structure has been erected at the base of the Tower, providing a charming view of the Tower and acting as a new venue where people can meet up and enjoy the creative feel of Milan as a symbol of culture that looks to the future. The structure was conceived as a restaurant-bar and also hosts innovative, cultural events.



Fondation Fernet-Branca, Saint Louis

Part of Fratelli Branca's development is written among the pages of French history. In St. Louis, in fact, one of the Milanese family's distilleries was in operation from 1909. The 50-metre-long building bears a copper eagle on top, the emblem of Fratelli Branca Distillerie, designed to stand over the Company's pavilion during the 1906 Milan International Fair. Today, with distillation activities discontinued, the building houses 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 museum of contemporary art

came about in 2003, based on 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 the surrounding area. Count Niccolò Branca signed an agreement with the city of Saint-Louis in 2003 under which, for 23 years, he made the factory building available for 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 'Art'Basel' event and to 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 involved the use of the area to host exhibitions and the public, and the second intervention of covering 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.

Branca, 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. This historic journey began in Turin, in 1786, when Antonio Benedetto Carpano invented the King's favourite drink in the ancient workshop in Piazza Castello, and ended in Milan, in the present day, at the Fratelli Branca distilleries.

Carpano Museum





³⁰ For further details, please consult the following link: [Arte Unico - Fernet-Branca \(fernetbranca.com\)](https://arteunico-fernetbranca.com)

Branca Chimney

The collaboration between Orticanoodles and Fratelli Branca Distillerie in 2015, on the occasion of the Company's one hundred and seventy years of business, led to the street art project dedicated to the restyling of the Branca chimney in via Resegone. It is a project that symbolises the union between the business world and contemporary art, with the aim of enhancing the value of the chimney which is a common urban element in industrial architecture. Before being turned into a mural, it went largely unnoticed, despite its height, but since its transformation into a colourful landmark it stands out in every direction.

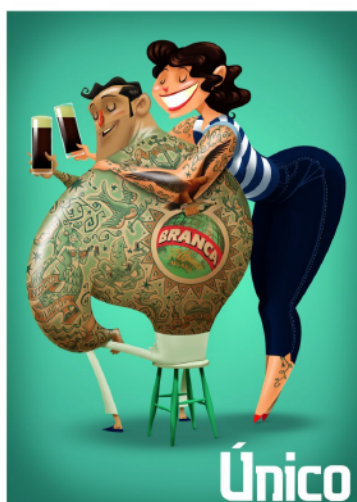
The work, in keeping with the Company's tradition, followed the theme of 'Novare Serbando' by renovating the chimney, which dates back to the early 20th century, with the key elements of Branca communication and accentuated colours, while preserving its original shape and bond with the area.

For Orticanoodles the mural, one of the tallest in Europe, 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 cheeky crocodile from the 1920s. The herbs depicted here create playful shapes and colours that can only be clearly seen in full a few hundred metres away. To paint the mural, which required about 10 days to complete, Orticanoodles used the so-called "pouncing" technique, the same used by Michelangelo in the 1500s.

The project also continued inside the factory 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 mark their signature in the roots drawn at the base of the chimney, symbolising in a way the roots of the

Company and its history. The Company's choice of Street-art project is undoubtedly linked to its aspiration to reach as many people as possible through a work-of-art capable of recounting the history of Branca through images that speak to the community.

This art project has given a facelift to the Milan skyline, thanks to its innovative style conveying an original and colourful charm both day and night. In fact, thanks to a partnership with Futuro Luce, the chimney shines brightly at night too, lit up by a LED lighting system where light and cutting-edge technology come together with the values of tradition, excellence, refinement and contemporary Milanese art.



Concurso "Arte Único"

With the aim of maintaining the historical link between Fernet-Branca and Art, a poster competition was launched in 2008 by Fratelli Branca Destilerías in Argentina to promote and encourage art among young people throughout the country³⁰. Under the slogan 'Your art connects the world', Fernet Branca launched its renowned design and poster competition for the 15th consecutive year and, as of this year, with an expansion to some South American countries, including Uruguay, Chile and Paraguay. From 2008 to 2022, the project involved more than 25,000 participants.

Recent events

The following provides an overview of the latest events in Italy and Argentina. The activities in this area organised by Branca USA are clearly still limited, since the Company has only been operational since 2019. Nevertheless, in line with the Group's corporate culture, it believes that a commitment to the benefit of local communities is not only a means of enhancing corporate brand perception, but also a way of crafting a true corporate citizenship.

FRATELLI BRANCA DISTILLERIE

Fratelli Branca Distillerie actively collaborates in numerous social initiatives to engage with the different cultural realities of the area, 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 of 2022, 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;**
- **the creation of a virtual visit video of the Branca Collection Museum for the Week of Culture promoted by Musei d'Impresa, published on the YouTube channel and made available with a link from the Museimpresa association;**
- **participation at the seminar and annual meeting organised by the Museimpresa association, which brings together more than 130 museums and archives of large, medium and small Italian companies for the definition of new projects;**
- **increased television reports,**

press articles and the use of social media sites Facebook, Instagram and YouTube to make the reality of the Branca Tower known to more and more people. Videos about the Branca Tower were posted on social media pages showing the beauty of Milan, reaching an average of 20,000 views. As a result, the Branca Tower attracted 15,800 people in 2022 (7,500 in 2021), recording a significant increase in visitors compared to the previous year, largely consisting of foreigners;

- **in-person daytime and evening visits to the Branca Collection of 160 groups of visitors, a total of around 2,400 people, including university students from the Bovisa Polytechnic, Cattolica University and Bocconi University. From 2022, with the aim of helping to bring young people closer to the history and culture of Branca, the possibility of visiting the collection in the evening hours has been increased.**

In addition, the Branca Collection Museum often hosts cultural initiatives such as lectures 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 Branca has participated in numerous activities with important Made in Italy companies which, like Branca, are spokesmen for a culture of quality 'know-how'.

Through telephone contacts, e-mails and social media channels, the Company handles any complaints and holds conversations with those concerned 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

During 2022, Fratelli Branca Destilerías continued to develop its artistic and cultural platform, through the Arte Único Poster Competition, now in its 14th edition, maintaining its rich and broad-based tradition and enabling young and new Argentine artists to capture and publicise their artwork. This year, thanks to the participation of the Fundación Cultural Anden, which promotes access to and dissemination of the arts in disadvantaged contexts, the participation of people interested in the arts yet economically vulnerable was encouraged. In 2022 around 3,360 people participated (+30% compared to 2021). To further strengthen the bond with the artists' community, the Company rewarded the winners with the creation of an NFT for their works, so the financial profit they can make continues for life.

Also in the reporting year, through the Branca Family Project, an initiative launched in 2019 and aimed at the most esteemed and renowned bartenders, in collaboration with expert speakers on responsible alcohol consumption, the Company created the 'Branca Academy' in Argentina. "Branca Academy" constitutes the first virtual educational programme for professional development in bartending, with world-class content endorsed by one of the country's most prestigious universities (UADE). The aim is to offer unique professional development opportunities to the region's bartenders, promoting social inclusion: to this end, courses are offered both to members of the Branca Family and to low-income young people seeking employment.

In addition, Fratelli Branca Destilerías has collaborated with various local bodies in the development of 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 America, known by this traditional name. Every year, around 550,000 children are treated for various illnesses and diseases.
- **Union Memorial:** NGO providing lunches and snacks to children and adolescents aged between 3 and 18 in vulnerable situations. Assistance is currently provided to 398 families.
- **Fundación Fatima:** NGO dedicated to providing a therapeutic educational space for people with deafblindness in order to achieve family and social integration and improve their quality of life.
- **Vivienda Digna:** Foundation working with low-income families to build, improve and equip their homes. The Company involved its employees in voluntary activities.
- **Nutriendonos:** 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 occupational support:

- **Cimientos Foundation:** NGO promoting educational equity through programmes that improve the quality of education and promote educational continuity and/or job placement for young people living in vulnerable contexts. The Company has provided several scholarships.
- **Pescar Foundation:** provision of training tools to low-income young people to facilitate their entry into the work world: awarding of 50 scholarships to young adults associated with the NGO for the first course of the Branca Family's 'Branca Academy' Bartender Programme.
- **Universidad Argentina de la Empresa (UADE):** As part of the Branca Family programme, a number of Company representatives had the pleasure of holding Master Classes for students in the Gastronomy and Food Engineering degree courses, organising workshops and several visits to the Branca distillery for the most deserving students.



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 that the community is invited to participate in, 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

According to Branca USA, engagement with local communities is a way to not only to introduce its brands to local markets, but also a way to support local initiatives, such as working with charities to raise funds or to raise public awareness about various issues.

In line with this thinking, the Company sponsors the following social development initiatives:

- **Tales of the Cocktail³¹** a local, national, and international non-profit organisation founded in New Orleans that serves as a catalyst to educate, promote, and support communities while fostering the hospitality industry.
- **Women of the Vine & Spirits**, a global organisation that aims to empower and advance women in the spirits industry, pushing it 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.

In order to help protect the ecosystem, through a financial donation, the Company also sponsored a pollination plot in downtown Atlanta, Georgia that was used to help

pollinate other gardens/plots. Finally, the Company organised several events under the Branca Gives Back programme during which the Company pledged to help clean up local beaches and repair wildlife refuges.



³¹ For further details, please consult the following link: [Tales of the Cocktail® - Tales of the Cocktail Foundation](#)



Environmental protection

Branca believes that a style of management that is not only respectful of the rules, but also aware of the wider need to protect the environment, is a key prerequisite for running any business. Environmental protection and the sustainable use of natural resources are in fact key priorities for the Group as a whole. Branca has adopted a Code of Ethics in which it affirms the principles of fairness, loyalty and professional rigour that govern all the activities and behaviour of its people. These principles also form the basis of the Environmental Policy adopted by Fratelli Branca Distillerie and Fratelli Branca Destilerías from 2019, aimed at defining the companies' commitment to the responsible management of environmentally relevant activities.

The focus on these issues is pursued through the timely and measurable control of indicators year by year, the setting of targets and plans for their achievement and the monitoring of progress. These actions are part of a continuous improvement process defined to optimise its activities, regardless of any regulatory constraints. Its commitment in favour of the environment is of particular importance to Branca, and goes beyond the simple management of the organisation's direct impact on the ecosystem: the actual qualified contribution that the Group intends to make to sustainable development translates into the possibility of activating processes for the promotion and dissemination of environmentally correct values and behaviour by its stakeholders. In order to encourage better management of resources by rationalising their use and improving its environmental performance, the Group is committed to the following initiatives

- **optimisation of energy and water consumption through**

continuous monitoring, technological improvement and raising staff awareness;

- **attention to all stages of the production process to prevent the risk of pollution;**

- **orientation of suppliers towards environmental protection and safeguarding natural resources.**

Both companies, Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías SA, have adopted an ISO 14001:2015 Environmental Management System to enable organic management of environmental aspects. This system, revised and updated over the years, enables all the environmental aspects associated with industrial activities to be controlled, coordinated and improved, including the management of energy consumption, air emissions, the efficient use of water resources and the management of waste and effluents. In line with its commitment to the environment, Fratelli Branca Distillerie has also decided to adhere to EC Regulation No. 1221/2009 EMAS, which provides for a certification system that

recognises the achievement of results of excellence in environmental improvement, at European level. The awarding of this certification in December 2011, and the registration of Fratelli Branca Distillerie in the European Register of EMAS companies, testifies to the Company's commitment to optimised management of resources and the ongoing improvement of its environmental performance. The purpose of this chapter is to illustrate the Group's main environmental performance providing, for each topic, a general overview of consolidated data at Group level and then further examining the most relevant aspects relating to the two production sites in Italy and Argentina, to which almost all environmental data (energy consumption, emissions, waste) is associated. As regards Branca USA, which has a more limited environmental impact since it is not a production site, in-depth analyses are reported only where relevant.



Energy consumption and emissions



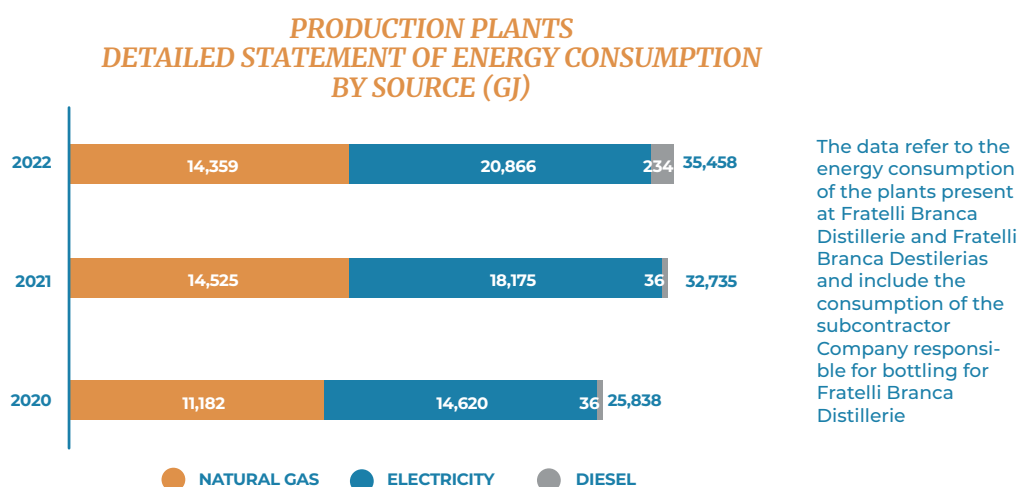
Branca is committed to responsibly managing its operations to reduce the environmental impact of said operations and products throughout their life cycle. Although the Group is not an energy-intensive company, it has always been committed to improving its energy efficiency.

³² Consumption related to production facilities includes that of the subcontractor Company responsible for bottling on behalf of the Italian Company Fratelli Branca Distillerie. It should be noted that the reported data was provided by the subcontractor through the use of production line utilisation drivers.

FRATELLI BRANCA DISTILLERIE S.p.A.

In 2022, in line with the increase in production volumes, energy consumption related to the production³² facilities in Italy and Argentina in the two subsidiaries will amount to 35,458 Gigajoules (GJ)³³, an increase of 8.3% compared to 2021. Specifically, this trend is caused by a 14.9% increase in the consumption of electricity and diesel fuel, which, although it constitutes a minimal part of direct consumption related to the plants, shows an upward trend mainly due to the Argentine Company's performance of a boiler test that provided for the installation of reserve tanks in the event of a natural gas supply failure. Natural gas consumption remained more or less in line with the previous year, showing a downward trend of 1.1%.

³³ 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), Conversion sheets and Fuel properties.



³⁴ Compared to the data reported in the Sustainability and Awareness Report 2021, it should be noted that fuel consumption for the three-year period (2020-2022) has been added to the consumption figures for the Italian Company Fratelli Branca Distillerie. This integration, implemented in order to further refine the representation of energy consumption and related emissions, causes a mismatch between the data in this report and in its previous version. For the year 2020, diesel consumption amounts to 1,395 GJ and 304 GJ of petrol, in 2021, these amount to 1,561 GJ and 281 GJ respectively.

On top of the energy consumption used for heating and industrial processes, and thus directly related to the plants, it is necessary to add the consumption of petrol and diesel, that the companies use to power their car fleet, which in 2022 amounted to 4,752 GJ and 2,297 GJ respectively. These values are on the rise compared to 2021 and contribute to the fact that total consumption of 42,274 GJ also shows an upward trend (+10%) compared to the previous year³⁴.

Nevertheless, the increase in overall consumption goes hand in hand with a significant increase in productivity (by 16.2%), which causes the energy intensity index³⁵, which measures the Group's energy efficiency, to fall from 0.530 in 2021 to 0.502 in 2022. This result confirms the positive trend in energy efficiency that the Group had already seen in the previous year, confirming the success of the various initiatives that the Group's various bodies are pursuing in this area.

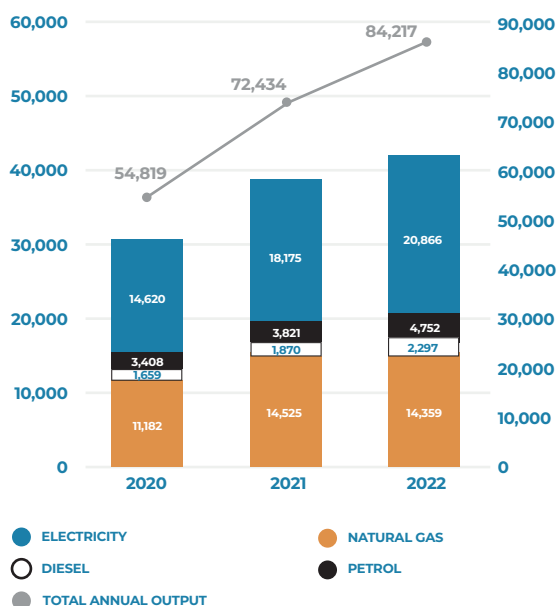
The following graph shows the contribution of each company to Branca's total energy consumption: the largest portion comes from Fratelli Branca Destilerias.

³⁵ 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.

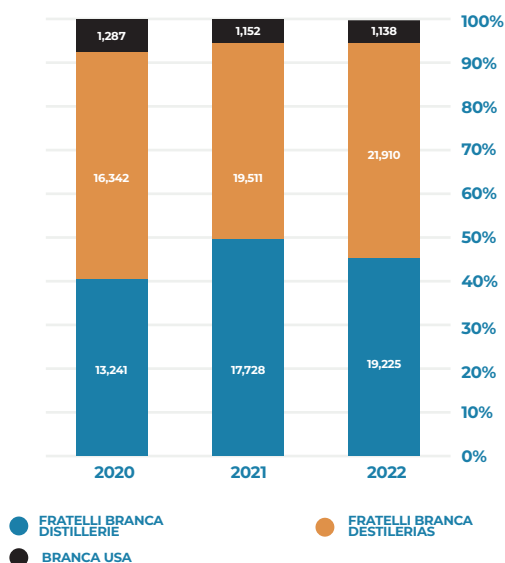
CONSOLIDATED VIEW TREND IN ENERGY CONSUMPTION (Gj) AND TOTAL ANNUAL PRODUCTION (t) OVER THE THREE-YEAR PERIOD

The data refer to energy consumption related to the plants and automotive activities of the perimeter Companies and include the consumption of the subcontractor Company responsible for bottling for Fratelli Branca Distillerie.

Output is measured in tonnes of bottled product



DETAIL OF ENERGY CONSUMPTION BY COMPANY ON TOTAL CONSUMPTION (Gj) IN 2022



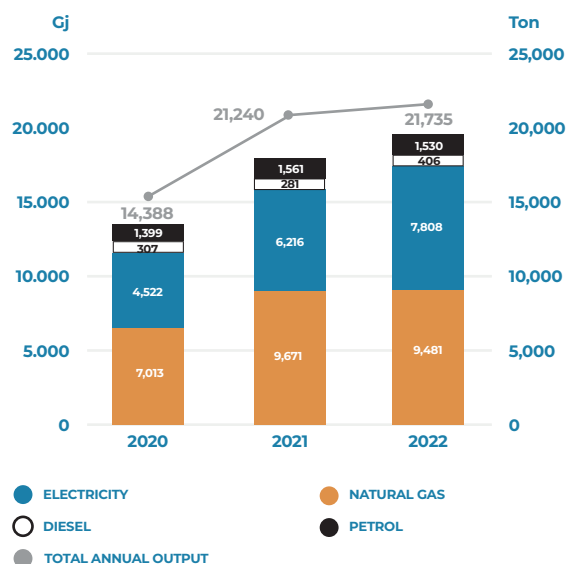
A few in-depth analyses relating to the energy consumption of the individual companies are shown below.

FRATELLI BRANCA DISTILLERIE S.p.A.

With a view to continuously improving its environmental performance, Fratelli Branca Distillerie optimises its energy consumption through continuous monitoring, technological improvement, and staff awareness, and pays attention to all stages of the production process in order to prevent energy waste and pollution risks. As a further confirmation of the Company's commitment, at Fratelli Branca Distillerie S.p.A.'s headquarters in via Resegone 2, a photovoltaic system has been installed to serve the LED lighting system of the Chimney, characterised by an accumulation system aimed at making the plant totally independent, thanks to the renewable energy used for the power supply, and a solar thermal system with a power of 14 kW to support the heating of domestic water in the various utilities of the plant. Due to their limited contributions, these plants are not monitored in the Environmental Declaration.

As illustrated in the graph below, total energy consumption in 2022 increased by 8.5% compared to the previous year. At the same time, Fratelli Branca Distillerie's production volume increased by 2.3% in 2022. The ratio of the two values negatively affects the energy intensity index³⁶, which stands at 0.88, showing a slightly increasing trend compared to the previous year (when the same index stood at 0.83).

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



The data refer to Fratelli Branca Distillerie's energy consumption including the subcontractor Company responsible for bottling.

Output is measured in tonnes of bottled product

FRATELLI BRANCA DESTILERÍAS

During 2022, Fratelli Branca Destilerías continued to operate in accordance with its Environmental Policy, complying with regulations in order to reduce its energy consumption. Based on ISO 14001-compliant standards, the Company identifies the impacts associated with its production activities, classifies them, implements corrective, preventive and mitigation actions, monitors their progress and annually defines new targets. Following the mapping of the main sources of consumption, Fratelli Branca Destilerías has finalised several energy efficiency initiatives since 2017, including:

- automation of water pumping wells, which helped to improve water use efficiency and also optimised electricity consumption;
- construction of a new production warehouses with transparent sheet cladding, which saved electricity for lighting;
- acquisition of new data processing equipment with improved performance and lower energy consumption;
- development of a LED lighting system, not only for the production areas but also inside the offices and along the internal road system;
- reduction of the boiler's operating time, thereby decreasing 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 an analysis of the demand as being responsible for one of the most significant electrical energy consumption factors - which made it possible to reduce power 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.

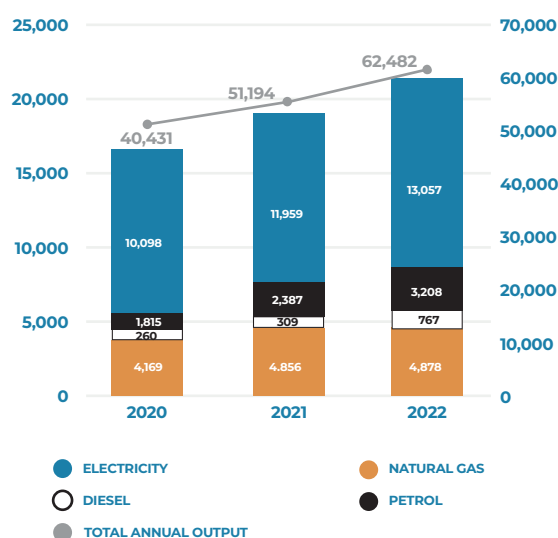
As shown in the graph below, Fratelli Branca Destilerías' consumption of 21.910 GJ increased by 12.3% compared to 2021. With respect to consumption sources, natural gas and purchased electricity together account for more than 80% of the Company's consumption. In this regard, natural gas consumption remained in line with the previous year (4,878 GJ in 2022 versus 4,856 GJ in 2021), while electricity consumption increased by 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 this consumption also shows an upward trend compared to last year.

In any case, the 22% increase in production (62,482 tonnes in 2022 and 51,194 tonnes in 2021) has a positive impact on the energy intensity index³⁷, which stands at 0.351, confirming the downward trend that had already been recorded in 2021, when the same value stood at 0.381.

³⁷ 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

Output is measured in tonnes of bottled product.

Air emissions

³⁸ For the calculation of emissions from R410 refrigerant gas refills, the emission factor consisting of the DEFRA 2022 standard parameters was used.

³⁹ With respect to the data reported in the Sustainability and Awareness Report 2021, it should be noted that those emissions deriving from fuel consumption relating to the Italian Company Fratelli Branca Distillerie have been added to the total emissions represented for the three-year period (2020-2022). This integration, implemented in order to further refine the representation of energy consumption and related emissions, causes a mismatch between the data in this report and in its previous version. For the year 2020, emissions from the consumption of automotive diesel 98 tCO₂eq. while those from petrol 21 tCO₂eq. in 2021 will amount to 109 tCO₂eq. and 19 tCO₂eq.

⁴⁰ The scope of Scope 3 emissions is limited to the consumption of the subcontractor Company responsible for the bottling of Fratelli Branca Distillerie

At Branca, the emissions into the atmosphere mainly come from energy consumption and refrigerant gas refills for the HVAC systems. More specifically, the Group has chosen to report greenhouse gas emissions on the basis of the GHG Protocol's 'Scope' distinction:

- **Scope 1 - Direct emissions from the combustion of fossil fuels - i.e., methane gas consumed in the Fratelli Branca Distillerie plant in Italy and the Fratelli Branca Destilerías plant in Argentina and consumption for transportation - and from refrigerant gas refills;**
- **Scope 2 - Indirect emissions from the production of electricity sourced from the grid and consumed for powering systems and lighting. In light of the fact that to date Branca does not adopt specific policies for purchasing certified electricity from renewable sources, Scope 2 emissions were 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.**
- **Scope 3 - Indirect emissions which include all emissions that are generated by the company's value chain and which do not fall within Scope 1 and 2.**

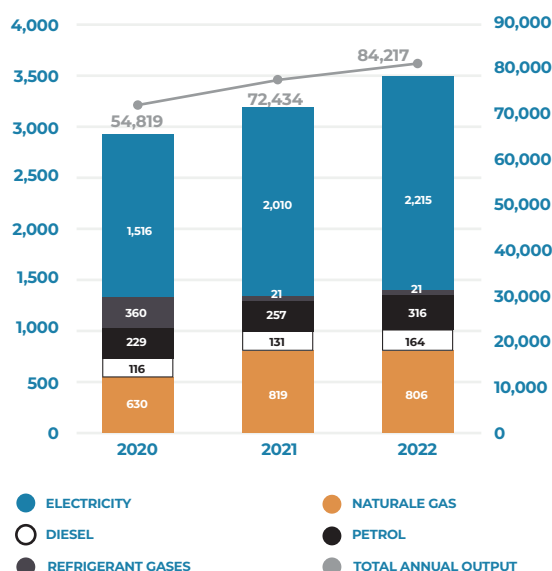
In 2022, Branca's factory-related emissions (deriving from the consumption of electricity, natural gas, diesel for factory-related activities and refrigerant gases) amount to 3,059tCO₂ eq., of which 2,563 tCO₂ eq. caused directly by the consumption of

Fratelli Branca Distillerie and Fratelli Branca Destilerías and 496 tCO₂ eq. caused by the bottling activity carried out by a subcontractor company on behalf of Fratelli Branca Distillerie.

To obtain the total emissions caused by the consumption of the Companies covered by this Report, the 147 tCO₂eq. emitted due to diesel consumption, the 316 tCO₂eq. related to the consumption of petrol to fuel the company car fleet, and the 21 tCO₂eq. caused by the use of refrigerant gases must be added to the emissions related to the plants.

With reference to refrigerant gases only³⁸, the only source of emissions comes from the quantity of R410 refilled in 2022 at the Argentine plant. It should be noted that refrigerant refills do not have a linear trend, but it is possible to observe years in which values are higher, while in others they are close to zero, depending on the maintenance and refills carried out on the systems.

The total value of emissions caused by the Companies in 2022 amounts to 3,522 tCO₂eq. of which 33%, corresponding to 1,159 tCO₂ eq. is attributable to Scope 1 emissions (1,149 tCO₂ eq in 2021³⁹) while 53%, corresponding to 1,868 tCO₂ eq. (1,860 in 2021) is caused by Scope 2 emissions and 14%, corresponding to 496 tCO₂ eq. corresponds to Scope 3 emissions⁴⁰(229 in 2021).



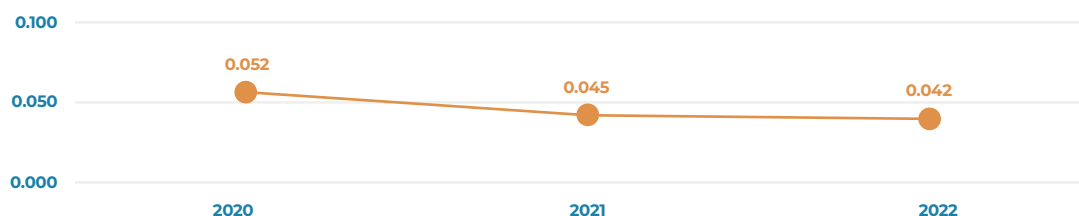
CONSOLIDATED VIEW EMISSIONS BY SOURCE OF CONSUMPTION IN THE THREE-YEAR PERIOD (tCO₂eq.)

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.

Output is measured in tonnes of bottled product.

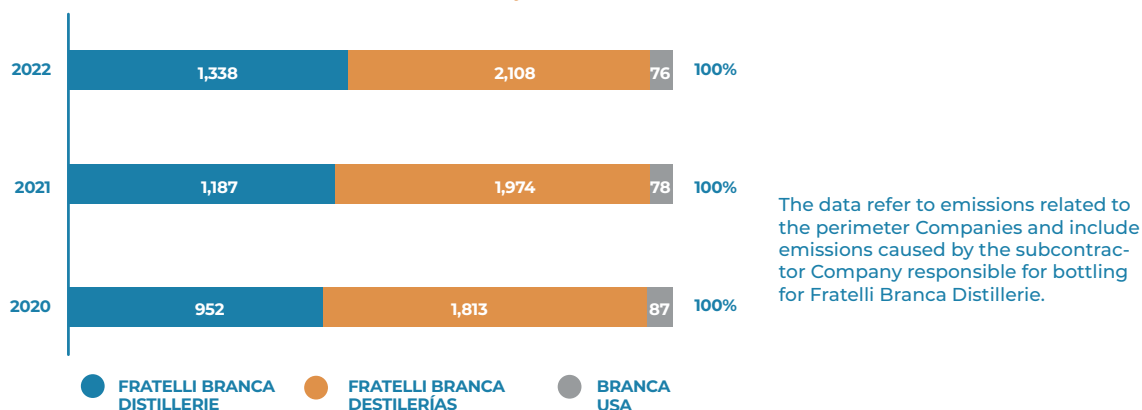
Overall, total emissions (Scope 1, Scope 2, Scope 3) are up 8.8% compared to last year, while production is up 16.2%. The ratio of emissions to production stands at 0.042 (0.045 in 2021), confirming the downward trend that had already been observed in 2021: this result is significant for the Group as it testifies to the success of the implementation of energy efficiency policies, such as the replacement of old plants with new generation plants with a lower environmental impact, implemented over the years.

**CONSOLIDATED VIEW:
EMISSION INTENSITY INDEX OVER THE THREE-YEAR PERIOD (tCO₂eq./tonnes)**



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

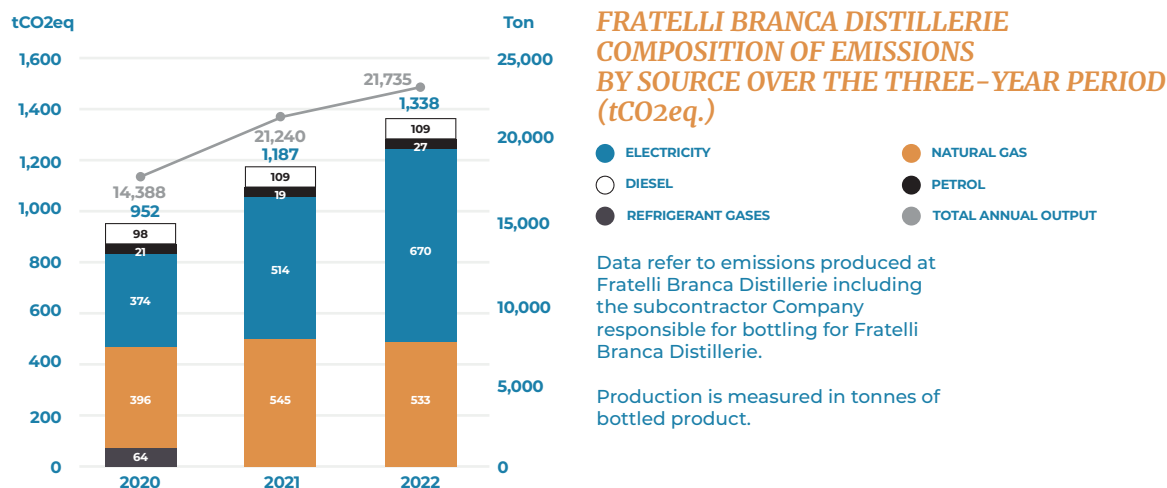
**BREAKDOWN OF EMISSIONS
BY COMPANY (tCO₂ eq.)**



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

FRATELLI BRANCA DISTILLERIE S.p.A.

With reference to Fratelli Branca Distillerie, in 2022, Scope 1 and Scope 2 emissions were 520 eq. and 322 tCO₂eq. respectively; both 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 stage on behalf of Fratelli Branca Distillerie are reported. The value of emissions caused by the consumption of natural gas by the subcontractor in relation to the activity carried out on behalf of Branca is 149 tCO₂eq., at the same time the consumption of electricity caused the emission of 347 tCO₂eq. Overall, the total emissions of 496 doubled compared to the value recorded in 2021, which was 229. The explanation for this increase is to be found in the fact that the start of the process of transferring the bottling business to the subcontractor had begun in the middle of last year.



⁴¹ The emission 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 means the total amount of product that is packaged and destined for the consumer or customer, including packaging materials.

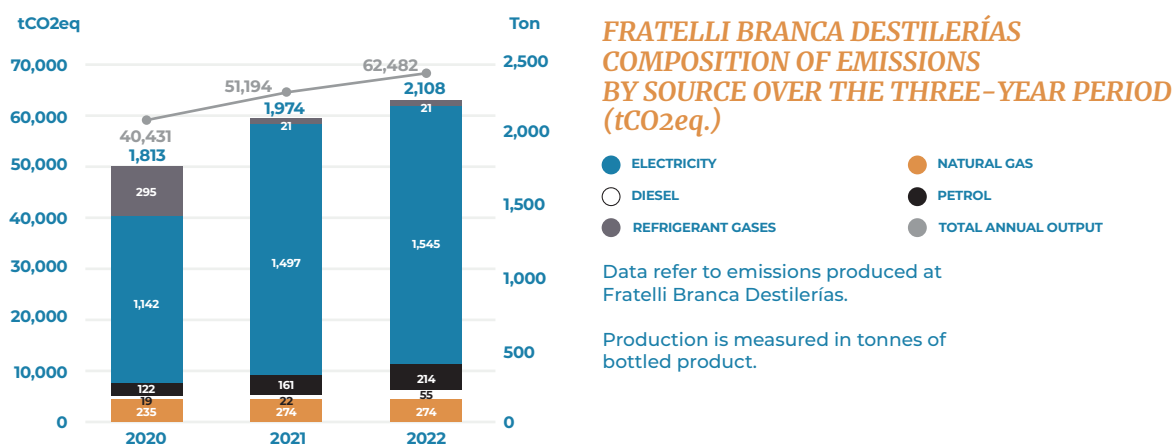
Overall, total emissions of 1,338 tCO₂eq. are up 13% in comparison to the previous year, against an increase in production of 2.3%. In line with the consumption trend, the ratio of the two values negatively affects the ratio of total emissions to production volumes⁴¹, which stands at 0.062 showing a slightly increasing trend compared to the previous year (the same index stood at 0.056).

FRATELLI BRANCA DESTILERÍAS

In the case of Fratelli Branca Destilerías, in 2022, Scope 1 and Scope 2 emissions amounted to 563 tCO₂eq. and 1,545 tCO₂ respectively (a total of 2,108 tCO₂eq.). In line with the increase in consumption, both Scope 1 and Scope 2 emissions increased compared to the previous year, by 18% and 3.2% respectively.

Overall, total emissions are up 6.8 % compared to 2021, accompanied by a 22% increase in production. These data, when combined, explain the improved performance of the emission intensity index, which gives the ratio of emissions to production and provides a value of 0.034 (0.039 in 2021).

Finally, it should be noted that emissions from Branca USA's operations amounted to 76 tCO₂ eq in 2021 from petrol consumption, a slight decrease from 2021 (78 tCO₂ eq).



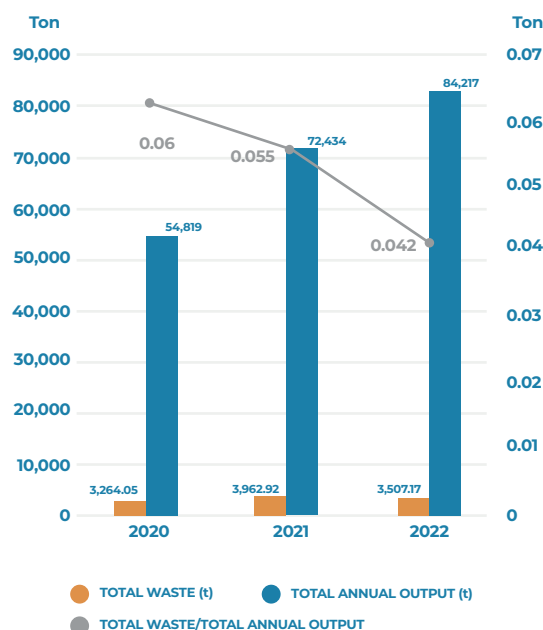
Circular economy and recycling



WASTE MANAGEMENT

Waste minimisation and correct management play a central role in the Group's environmental policy, which has always been based on waste reduction, recovery and recycling. Branca uses only natural products in its production cycles. The use of hazardous substances such as detergents, sanitisers and lubricating oils (for which up-to-date safety data sheets are kept, on the basis of regulatory requirements) is limited to the cleaning and maintenance of the sites and systems.

The graph below shows the total quantities of waste produced in the last three years by Branca Group (Italy, Argentina and, to a lesser extent, the USA) and by the subcontractor handling the bottling phase in Italy, compared with production volumes.



Overall, the graph here shows a decreasing trend of 11.5% for waste produced in 2022 compared to the previous year, against an increase in production of 16.2%. Thus, the Total Waste Index (TWI), which measures the ratio of the volume of waste generated to the volume of production, shows a significant improvement during the reporting year, standing at 0.042 (0.055 in 2021).

The following are some insights into the Production Companies⁴².

⁴² For more details on the composition of the waste, please refer to the section on "Performance Tables"

CONSOLIDATED VIEW WASTE AND RATIO 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.

Production is measured in tonnes of bottled product.

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

FRATELLI BRANCA DISTILLERIE

In 2022, total waste production for Fratelli Branca Distillerie amounted to 2,009 tonnes, a decrease of 15.4% compared to 2021, against an increase in production (of bottled product) of 2.3%.

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 2022, in line with the previous year.

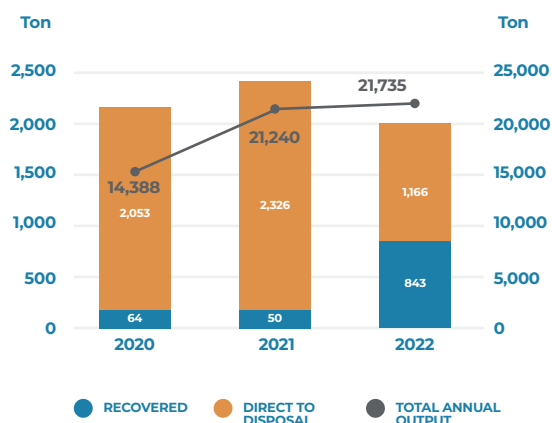
In its Environmental Declaration, Fratelli Branca Distillerie monitors waste through three detailed indicators, and thus distinguishes between:

- this indicator refers to non-hazardous waste including processing waste, filtration aids, waste water. This indicator refers to the output of the manufactured product, as this waste arises from processes linked to the manufacturing activity (processing waste, water and filtration aids);
- indicator referring to non-hazardous waste including paper/cardboard, plastic, iron, electrical equipment. This indicator refers to the production of bottled product as the waste mentioned is directly linked to the intrinsic processes of bottling (packaging materials, packaging, etc.);
- indicator relating to the hazardous waste produced in connection with the bottling process.

⁴³ 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.

In the reporting year, out of the total waste, 42% was recovered and 58% disposed of, the percentage of recovered waste significantly increased from the previous year (2% in 2021). As regards the type of disposal, part of the waste produced (wood, glass, landfill waste) is disposed of through the municipal waste disposal service, AMSA (Azienda Municipale Servizi Ambientali), which disposes of the collected waste materials at its own disposal facilities. Conversely, the other types of waste are disposed of through specialist, licensed companies. Other types of waste, on the other hand, are entrusted to specialised companies with disposal permits. The Company also refers to authorised parties for transport, in full compliance with regulatory requirements.

FRATELLI BRANCA DISTILLERIE BREAKDOWN OF WASTE BY DESTINATION IN 2022 (t)



The data refer to waste generated by the Fratelli Branca Distillerie, including the subcontractor Company responsible for bottling.

Production is measured in tonnes of bottled product.

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

The decrease in waste and the increase in production have contributed to an improvement in the Total Waste Index (TWI), which measures the ratio between the volume of waste generated and the volume of production, which is 0.09 in 2022 (0.11 in 2021)⁴³.

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

- involvement and raising awareness of staff on the correct ways of sorting waste through training courses and tests by area managers and through waste reduction initiatives, such as the abolition of plastic bottles and cups in offices;
- centralized drafting of specific operating instructions to regulate and give instructions to the entire company population on environmental aspects associated with company processes;
- recovery and reuse of packaging materials, recycling of municipal waste such as plastic, paper and cardboard through appropriate sorting.

In 2022, the Company continued a project that had already been initiated in 2020, following specific research activities aimed at verifying the possible reuse of raw material residues from production processes. The research had yielded good results with regard to both the reuse of coffee grounds and the recovery of used raw materials, with a view to circularity.

The coffee grounds recovered in the first part of the reporting year were used as a component for pellet and compost production. In the second part of the year, coffee grounds and spent herbs were destined for a recovery centre, which turned them into quality compost in accordance with Law 75/2010, used in the horticultural sector and the sports turf sector.

By 2022, the project had recovered 229,660 kilos of coffee grounds and 228,364 kilos of herbal.

FRATELLI BRANCA DESTILERÍAS

Fratelli Branca Destilerías in 2022 maintained its environmental policy defined in 2019 that redesigns overall waste management within the Company, with the aim of reducing waste production. During 2022, the status of ZWTL ("Zero waste to Landfill") was maintained, which is monitored through the TWI (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 2022. In order to achieve the targets, all activities already begun to reduce the amount of waste produced to be sent to external disposal centres, continued during 2022.

In particular, action was taken on the following types of waste:

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

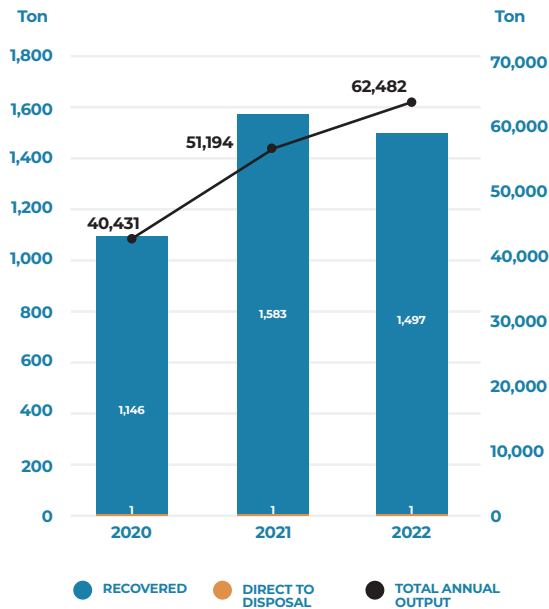
For the management of solid urban waste, the Company adopts the Plan de Gestión Integral de Residuos Sólidos Urbanos (GIRSU), which provides for the recyclable/reusable elements of the waste produced to be separated on site.

In 2022, in comparison to 2021, the Company

recorded decreasing values for both hazardous and non-hazardous waste production, with a total of 1497.4 tonnes (1583.9 in 2021). Even for the Argentinean Company, hazardous waste is a marginal amount of the total (the percentage of hazardous waste over the three-year period is still less than 0.1% of the total). In line with previous years, also in 2022 almost all waste (99.96%) was destined for recycling or reuse (including energy recovery).

The following graph shows the trend in the ratio of total waste (hazardous and non-hazardous) to annual production. Although the values remain more or less constant over time, from 2020 to 2021 there was a slight increase, as both production and waste increased similarly. In 2022, the decrease in waste and the significant increase in production positively affected the ratio between the two indicators, which decreased by about 5.5 % to 0.024 compared to 0.031 in 2021.

This reduction can be attributed in particular to the reduction in the volume of spent 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 2022 (t)

The data refer to waste generated by the Fratelli Branca Distilleries.

Production is measured in tonnes of bottled product.

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

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

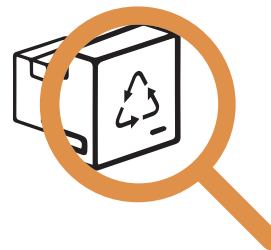
- redesigning of the waste sorting methods and staff training on correct waste disposal: to improve the plant's performance in terms of recycling, the types of materials for sorting were increased and new containers were introduced for each type of waste;
- making the most of recyclable waste: each sorted waste fraction is assessed in terms of appropriate disposal methods, treatment and disposal/sale

price. After evaluation, 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 herbs in a circular manner, through the decision to use this raw material for animal feed.

FOCUS

SUSTAINABLE PACKAGING AND RECYCLABILITY



Product packaging is extremely important to Branca for brand recognition purposes but it is also essential for guaranteeing the high quality of products and to protect them during transportation. The care Branca takes in the selection and sourcing of all materials used for packaging is an integral part of its commitment to minimising environmental impacts. The packaging the 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:** this is the exterior packaging to group together a number of bottles and designed both to facilitate shelf filling at the point of sale and as sales packaging for the end consumer. This category of packaging includes cardboard packaging, pallets or display cases;
 - **co-packing or special packaging:** this consists of outsourcing non-standard types of packaging, such as on pack gifts.
- Over the years Branca has built up strong ties and long-lasting relationships with its suppliers, in order to guarantee quality and minimise the impact of transport. Research into innovative solutions for reducing the materials used and monitoring developments in the packaging sector are activities that the Group conducts, on behalf of both Fratelli Branca Distillerie and the Argentine 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 our 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. Remelting

scrap also reduces the amount of raw materials needed for production, especially silica sands and calcium carbonate, thus reducing the environmental damage caused by quarrying, to the benefit of local areas and communities. It also reduces energy consumption: each tonne of remelted scrap saves 1.2 tonnes of raw materials and about 100 kg of fuel. The use of cullet (i.e. scrap glass) in the glass-making mixture also lowers the temperature required for melting and consequently less fuel is required.

The glass recycling system is a closed cycle: it starts with recovery and ends with recycling. The glass is collected and transformed and this cullet becomes a quality raw material, ready to be used again in the production facilities for new glass containers. Therefore this process is ecological since the glass of the containers in question is 100% recyclable for an infinite number of times; it can be used in any condition of contact with food, including sterilisation. It guarantees absolute impermeability to gas (0.0 cm³/m²/24h/23°C), vapours (0.0 g/m²/24h/38°C), humidity and micro-organisms. It is composed of silica, sodium and calcium oxides, coming from silica sand, soda and calcium carbonate with the addition of cullet in variable percentages depending on the availability of cullet on the market.

For the items produced by Fratelli Branca Distillerie, the range of use of glass for recycling is:

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

80% of Fratelli Branca Distillerie's products are coloured glass (e.g. Fernet, Brancamenta, Caffè Borghetti, Antica Formula, Carpano) in which the recycled part is the maximum

percentage.

The materials making up the secondary packaging of the glass are also fully recyclable:

- Polyethylene shrink film: 100 % recyclable
- Cardboard lid: 100 % recyclable
- Polypropylene interlayer: reusable
- Wooden pallet: reusable

This has led to the use of materials with lighter specifications and less impact but equally high-performing, such as cardboard, the most used type of secondary packaging, or paper, a wholly recyclable material, which entails lower production and disposal costs, as well as ecological protection of forest resources (the recovery of one tonne of cellulose material can save 3 trees with a height of 20 metres).

Moreover, also with regard to secondary packaging and especially cardboard, Fratelli Branca Distillerie undertakes to use packaging specifications with the maximum possible percentage of recycled material. In fact, the percentage of recycled material in the corrugated cardboard packaging purchased by Fratelli Branca Distillerie is over 56%, which is the maximum % of recycled material within 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 the materials used in connection with gifts on pack, Fratelli Branca Distillerie is experimenting with the replacement of the currently used plastic materials with recyclable (e.g. paper-based) materials or permanent resources (e.g. steel).



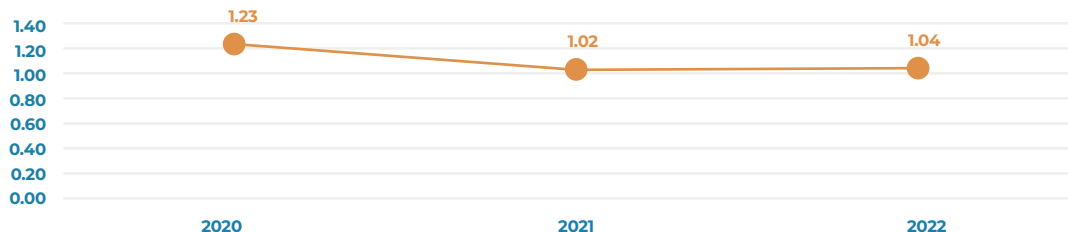
PROTECTING WATER RESOURCES

Water is at the heart of Branca's production process and is one of the main resources used. Water consumption is more highly related to total output and to the plant sanitisation requirements. The Group is sensitive to water stress issues that directly impact various territories and is therefore constantly committed to the responsible use of water, ensuring its efficient and rational use in production processes.

During 2022, the overall Water Consumption Index (WCI) remained more or less in line with the previous year. Below are details of the policies implemented and the performance recorded at the two main production sites, in Italy and Argentina.

CONSOLIDATED VIEW WATER CONSUMPTION INDEX TREND OVER THE THREE-YEAR PERIOD (l/t)

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



FRATELLI BRANCA DISTILLERIE

The water management system adopted at Fratelli Branca Distillerie is structured in such a way as to identify the areas where major efforts should be concentrated to optimise water consumption and avoid unnecessary waste.

The Company's water consumption is tied to product output and to the sanitisation of the production plants. Water effluents are divided into three main flows: process water, white water and sewage. The waste management process requires the process water coming from the various departments to be conveyed through a special network into two water containment tanks, which are disposed of by specialised third-party companies. Clean water (white water) from the last flushing of the plants is fed directly into the municipal sewage system, as it is free of all detergent residues and pollutants. With regard to industrial discharges, or sewage, Branca conducts periodic inspections to ensure the quality of outflows before they are discharged.

The most relevant areas of improvement that have been identified with respect to water management are closely related to production and almost always concern technical interventions on production facilities. Among the various areas in which Fratelli Branca Distillerie is implementing activities to reduce water consumption:

- carrying out maintenance and plant monitoring

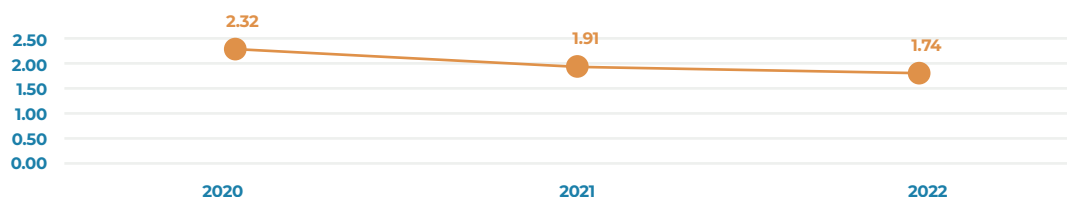
activities by the managers and operators of the various departments;

- investments in consumption optimisation projects;
- 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 is equal to the sum of the consumption of the three meters at Fratelli Branca Distillerie, the water comes from the aqueduct of the city of Milan. In 2022, water consumption is down by 5 % compared to 2021, while production is up by about 4.5 % compared to last year. Last year, consumption had returned to a steady state after the Covid-19 pandemic, yet the increase in the volume of manufactured product⁴⁴ contributed to the decrease in the value given by the consumption/production ratio, which, the lower it is, means more efficient production processes. The ratio of consumption to production calculated for 2022 confirmed the downward trend already observed last year, standing at 1.74 compared to 1.91 in 2021 (-8.8%).

⁴⁴ The monitored indicator refers to the production of the manufactured product, as the quantities of water consumption are more relevant to the manufacturing activity. Manufactured product means the total product made from the raw materials in bulk and available for bottling.

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

Fratelli Branca Destilerías also pays special attention to the containment and optimisation of water consumption. By sourcing its water exclusively from underground aquifers, the Company also aims to safeguard them from overexploitation that would damage the very quality of the water withdrawn. In fact, all the water used in the plant comes from three underground boreholes, is then stored in an elevated tank with a capacity of 120 cubic metres and then distributed for production processes, service areas and personal hygiene.

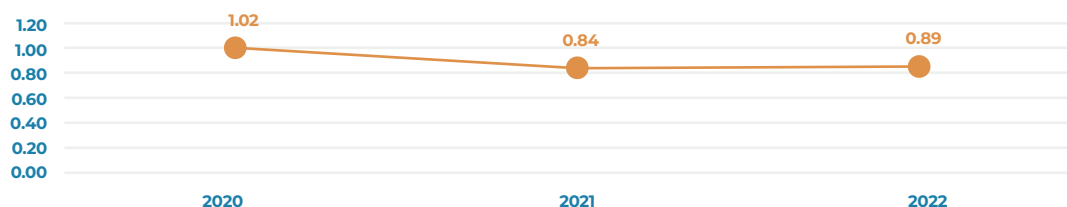
The initiatives implemented to achieve the purposes described above include:

- 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 10m³;
- Automation of water abstraction systems in each of the extraction wells to avoid over-exploitation and preserve water quality;
- implementation of recirculation systems by 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, specifically an awareness campaign on responsible water consumption was conducted during 2022
- incorporation of the treated effluent recirculation system in the treatment plant, in order to reuse it in the equipment cleaning process.

Quarterly hydrodynamic monitoring is carried out in underground boreholes, and, through sampling, a check is made on the parameters and condition of the aquifer. Water consumption is monitored by taking into account the WCI (water consumption index) calculated in cubic metres of water consumed, in relation to production volume. For comparison purposes, the volume in cubic metres was converted into litres, in line with the value reported for the Italian Company. Water consumption increased by 11% against a 5% increase in production, causing the WCI to rise by about 6% to 0.89 compared to 0.84 in 2021.

Some extraordinary events may explain the indicator's trend during the reporting year, in particular: the Company started new operational cleaning processes for flavoured vodkas and undertook the cleaning of all factory facades with pressurised water. Finally, there was a rupture of an underground pipe inside the extraction wells.

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

Annexes

CALCULATION METHODOLOGIES

GOVERNANCE AZIENDALE	
INDICATOR	DESCRIPTION
ECONOMIC VALUE	The economic value generated represents the wealth generated by the company in carrying out its activities. A significant part 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 residual portion of generated economic value that is not distributed constitutes retained economic value.
SOCIAL TOPICS	
INDICATOR	DESCRIPTION
WORKFORCE DATA	Numero di dipendenti espressi come Headcount (HC) al 31 dicembre.
TURNOVER RATE	Ratio of the number of recruitments/resignations of permanent contracts compared 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, the average training hours for the different categories and genders of employees corresponds to the total number of training hours provided for the different attributes divided by the respective number of employees.
TOTAL RECORDABLE INJURY RATE (TRIR)	Numerator: number of total recordable accidents at work; denominator: hours worked during the same period. Result of the ratio multiplied by 1,000,000.
ENVIRONMENTAL TOPICS	
INDICATOR	DESCRIPTION
GHG EMISSIONS	<ul style="list-style-type: none"> • Scope 1 emissions: these are emissions directly generated by the company or its subsidiaries. Direct GHG emissions include the following gases: CO₂, CH₄ and N₂O. For the calculation of direct CO₂ emissions (Scope 1), the refilling of all refrigerant gases that was carried out, and the consumption of natural gas, petrol and diesel were taken into account. For the calculation of tonnes of CO₂eq., reference was made to the emission factors updated in 2023 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). For the calculation of Scope 2 emissions for the Argentine plant, however, the emission factors given by the Secretariat of Electricity of the Argentine Ministry of Energy, updated to 2021 (latest version available), were used. • Scope 3 emissions: For the calculation of CO₂ emissions from indirect energy consumption related to the value chain, Branca considers the emissions from the natural gas and electricity consumption of the subcontractor Company responsible for the bottling phase of Fratelli Branca Distillerie's products, which has been completely outsourced since 2022. Similarly, for natural gas consumption, reference was made to emission factors updated in 2023 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

Key items of the Reclassified
Income Statement (Euro/ooo)

Group Financial Statement

GRI 201-1	2020	2021	2022
Direct economic value generated	230,563	337,103	443,042
Distributed economic value			
Business costs	121,624	176,392	232,213
Personnel costs and benefits	22,242	25,285	30,907
Payments to capital providers	35,648	64,499	85,635
Payments to the Public Administration	19,094	33,709	37,183
Investments in Communities	581	307	317
Total distributed economic value	199,106	300,192	386,254
Economic value retained	31,457	36,911	56,788

GOVERNANCE STRUCTURE

Composition of Boards of Directors in 2022 by Company

GRI 2-9 v.	< 30			30 - 50			> 50			TOTAL		
	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	3	4	5	0	5	6	3	9
FRATELLI BRANCA DESTILERIAS S.A.	0	0	0	0	2	2	5	0	5	5	2	7
BRANCA USA Inc.	0	0	0	4	0	4	1	0	1	5	0	5
CENTRO STUDI FRATELLI BRANCA S.r.l.	0	0	0	1	2	3	3	0	3	4	2	6
BRANCA REAL ESTATE ITALIA S.r.l.	0	0	0	3	1	4	3	0	3	6	1	7
BRANCA REAL ESTATE ARGENTINA S.A.	0	0	0	1	0	1	5	0	5	6	0	6
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
VILLA BRANCA S.r.l.	0	0	0	0	0	0	1	0	1	1	0	1

BUSINESS SUSTAINABILITY

Responsible management of the supply chain

Number of suppliers and value of orders⁴⁵ issued by geographic area by Company

2020		2021		2022	
Number of suppliers	Value of orders (%)	Number of suppliers	Value of orders (%)	Number of suppliers	Value of orders (%)

FRATELLI BRANCA DISTILLERIE

TOTAL	72	100.0	72	100.0	72	100.0
ITALY	50	75	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

TOTAL	20	100.0	32	100.0	35	100.0
ITALY	3	3.5	5	1.0	5	0.2
EUROPE (EXCLUDING ITALY)	4	8.9	6	7.3	4	3.5
ARGENTINA	11	86.6	18	86.8	20	93.1
AMERICA (EXCLUDING ARGENTINA)	0	0.0	1	0.1	4	0.2
ASIA	0	0.0	0	0	0	0.0
AFRICA	2	1.0	2	4.8	2	3.0

Percentage of qualified suppliers holding certifications (%)⁴⁶ by Company

FRATELLI BRANCA DISTILLERIE

	2021	2022
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

	2021	2022
ISO 9001	81.8%	81.8%
ISO 14001	36.4%	36.4%
OHSAS 18001/ISO 45001	18.2%	18.2%
ISO 2200, BRC, IFS (in food safety)	63.6%	63.6%
% of suppliers with at least one certification	100%	100%

BRANCA USA

	2021	2022
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%

⁴⁵ 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.

⁴⁶ The table refers to all 24 qualified suppliers of raw materials and primary packaging. These suppliers account for about 80% of the total order.

Quality and safety of raw materials and product

Information and labelling requirements for products and services

GRI 417-1	FRATELLI BRANCA DISTILLERIE			FRATELLI BRANCA DESTILERÍAS			BRANCA USA		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
% 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 concerning product and service information

GRI 417-2	FRATELLI BRANCA DISTILLERIE			FRATELLI BRANCA DESTILERÍAS			BRANCA USA		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
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 self-regulatory codes	0	0	0	0	0	0	0	0	0

Marketing, communication, and responsible consumption

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

GRI 417-3	FRATELLI BRANCA DISTILLERIE			FRATELLI BRANCA DESTILERÍAS			BRANCA USA		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
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 self-regulatory codes	0	0	0	0	0	0	0	0	0

SOCIAL TOPICS

Group employee profile

Number of Group employees by gender, contract type and Company

GRI 2-7	2020			2021			2022		
	PERM.	Temp.	TOTAL	PERM.	Temp.	TOTAL	PERM.	Temp.	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	93	1	94	61	1	62	70	3	73
MEN	62	1	63	37	0	37	42	1	43
WOMEN	31	0	31	24	1	25	28	2	30
F.LLI BRANCA DESTILERÍAS	199	0	199	201	0	201	206	0	206
MEN	188	0	188	186	0	186	185	0	185
WOMEN	11	0	11	15	0	15	21	0	21
BRANCA USA	26	0	26	28	0	28	29	0	29
MEN	11	0	11	14	0	14	16	0	16
WOMEN	15	0	15	14	0	14	13	0	13
BRANCA INTERNATIONAL	4	0	4	5	0	5	2	0	2
MEN	2	0	2	3	0	3	1	0	1
WOMEN	2	0	2	2	0	2	1	0	1
CENTRO STUDI FRATELLI BRANCA	4	0	4	3	0	3	3	0	3
MEN	2	0	2	2	0	2	2	0	2
WOMEN	2	0	2	1	0	1	1	0	1
TOTAL	326	1	327	298	1	299	310	3	313
MEN	265	1	266	242	0	242	246	1	247
WOMEN	61	0	61	56	1	57	64	2	66

Number of Group employees by gender, type of employment and Company

GRI 2-7	2020			2021			2022		
	FULL TIME	PART TIME	TOTALE	FULL TIME	PART TIME	TOTALE	FULL TIME	PART TIME	TOTALE
F.LLI BRANCA DISTILLERIE S.p.A.	93	1	94	60	2	62	71	2	73
MEN	63	0	63	37	0	37	43	1	43
WOMEN	30	1	31	23	2	25	28	2	30
F.LLI BRANCA DESTILERÍAS	199	0	199	201	0	201	206	0	206
MEN	188	0	188	186	0	186	185	0	185
WOMEN	11	0	11	15	0	15	21	0	21
BRANCA USA	26	0	26	28	0	28	29	0	29
MEN	11	0	11	14	0	14	16	0	16
WOMEN	15	0	15	14	0	14	13	0	13
BRANCA INTERNATIONAL	3	1	4	3	2	5	1	1	2
MEN	3	1	4	3	2	5	1	1	2
WOMEN	0	0	0	0	0	0	0	0	0
CENTRO STUDI FRATELLI BRANCA	2	2	4	2	1	3	2	1	3
MEN	2	2	4	2	1	3	2	1	3
WOMEN	0	0	0	0	0	0	0	0	0
TOTAL	326	1	327	297	2	299	311	2	313
MEN	247	0	247	242	0	242	247	0	247
WOMEN	59	1	60	55	2	57	64	2	66

Number of temporary/temporary workers and interns in the Group by gender – Consolidated view

GRI 2-8	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
INTERNS	2	0	2	4	3	7	6	3	9
AGENCY/TEMPORARY WORKERS	20	6	26	20	2	22	14	0	14
TOTAL	22	6	28	24	5	29	20	3	23

Number of incoming employees by age, gender and Company

GRI 401-1	WOMEN <30 YEARS			WOMEN 30 - 50 YEARS			WOMEN >50 YEARS			MEN <30 YEARS			MEN 30-50 YEARS			MEN >50 YEARS		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
F.LLI BRANCA DISTILLERIE S.p.A.	4	0	0	11	4	2	1	0	0	1	0	0	11	1	1	2	0	0
F.LLI BRANCA DESTILERÍAS	3	2	0	6	6	0	0	0	0	6	0	0	4	9	2	2	0	0
BRANCA USA	0	1	1	1	2	1	0	0	0	3	0	0	4	1	1	0	0	0
BRANCA INTERNATIONAL	0	0	0	1	1	1	0	0	0	0	0	0	0	1	1	0	1	0
CENTRO STUDI FRATELLI BRANCA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	7	3	1	19	13	4	1	0	0	10	0	0	19	12	5	4	1	0

Incoming turnover rate by gender and Company

GRI 401-1	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	1.6%	6.5%	3.2%	2.7%	16.0%	8.1%	33.0%	53.0%	41.0%
F.LLI BRANCA DESTILERÍAS	1.1%	0.0%	1.0%	4.8%	53.3%	8.5%	6.0%	43.0%	10.0%
BRANCA USA	9.1%	13.3%	11.5%	7.1%	21.4%	14.3%	41.0%	8.0%	28.0%
BRANCA INTERNATIONAL	50.0%	50.0%	50.0%	66.7%	50.0%	60.0%	50.0%	0.0%	50.0%
CENTRO STUDI FRATELLI BRANCA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	1.9%	8.2%	3.1%	5.37%	28.1%	9.7%	13.4%	40.9%	19.2%

Number of outgoing employees by age, gender, and Company

GRI 401-1	WOMEN <30 YEARS			ANNI 30 - 50 YEARS			ANNI >50 YEARS			MEN <30 YEARS			MEN 30-50 YEARS			MEN >50 YEARS		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
F.LLI BRANCA DISTILLERIE S.p.A.	1	0	0	9	6	1	1	2	3	1	2	2	7	10	0	4	9	4
F.LLI BRANCA DESTILERÍAS	1	2	1	2	2	0	1	0	0	0	2	2	10	7	5	3	2	2
BRANCA USA	1	0	0	1	3	1	0	0	0	0	0	0	1	0	2	2	0	0
BRANCA INTERNATIONAL	1	0	0	2	0	1	0	0	0	0	0	0	1	0	1	1	0	0
CENTRO STUDI FRATELLI BRANCA	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	4	2	1	14	11	4	2	2	3	1	4	4	19	17	8	10	11	6

Outgoing turnover rate by gender and Company

GRI 401-1	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	9.5%	12.9%	10.6%	56.8%	32%	46.8%	28%	37%	32%
F.LLI BRANCA DESTILERIAS	4.8%	9.1%	5.0%	5.9%	26.7%	7.5%	7%	19%	8%
BRANCA USA	18.2%	6.7%	11.5%	0.0%	21.4%	10.7%	18%	15%	17%
BRANCA INTERNATIONAL	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	300%	200%	250%
CENTRO STUDI FRATELLI BRANCA	0.0%	50.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	6.8%	13.1%	8.0%	13.2%	26.32%	15.72%	12.1%	30.3%	16%

DIVERSITY AND INCLUSION IN THE WORK ENVIRONMENT

Number of employees by gender and professional group and age group at 31/12/2022
– Consolidated view

2022	GRI 405-1	< 30			30 - 50			> 50			TOTAL GROUP 2022
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
	Senior managers	0	0	0	9	11	20	0	13	13	33
	Middle managers	0	1	1	10	19	29	5	13	18	48
	Office staff	11	10	21	27	71	98	4	17	21	140
	Manual workers	0	3	3	0	70	70	0	19	19	92
	TOTAL	11	14	25	46	171	217	9	62	71	313

2021	GRI 405-1	< 30			30 - 50			> 50			TOTAL GROUP 2021
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
	Senior managers	0	0	0	5	6	11	0	17	17	28
	Middle managers	0	0	0	10	23	33	5	12	17	50
	Office staff	9	8	17	24	73	97	3	14	17	131
	Manual workers	0	3	3	0	71	71	0	16	16	90
	TOTAL	9	11	20	39	173	212	8	59	67	299

2020	GRI 405-1	< 30			30 - 50			> 50			TOTAL GROUP 2020
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
	Senior managers	0	0	0	3	8	11	0	15	15	26
	Middle managers	0	0	0	15	24	39	3	14	17	56
	Office staff	7	11	18	23	76	99	6	16	22	139
	Manual workers	0	6	6	2	78	80	2	18	20	106
	TOTAL	7	17	24	43	186	229	11	63	74	327

Percentage of employees covered by collective bargaining agreements by Company

<i>GRI 2-30</i>	2020	2021	2022
<i>F.LLI BRANCA DISTILLERIE S.p.A.</i>	100%	100%	100%
<i>F.LLI BRANCA DESTILERÍAS</i>	47,2%	50,5%	45,6%
<i>BRANCA INTERNATIONAL</i>	100%	100%	100%
<i>CENTRO STUDI FRATELLI BRANCA</i>	100%	100%	100%

Ratio of basic salary and total remuneration of women to men by Company

FRATELLI BRANCA DISTILLERIE

<i>GRI 405-2</i>	2020		2021		2022	
	Salary	Remuneration	Salary	Remuneration	Salary	Remuneration
<i>Senior managers</i>	n.d.	n.d.	n.d.	n.d.	85%	85%
<i>Middle managers</i>	81%	86%	88%	88%	86%	90%
<i>Office staff</i>	87%	86%	70%	70%	68%	79%
<i>Manual workers</i>	95%	95%	n.d.	n.d.	n.d.	n.d.

FRATELLI BRANCA DESTILERÍAS

<i>Senior managers</i>	n.d.	n.d.	124%	124%	112%	111%
<i>Middle managers</i>	n.d.	n.d.	92%	92%	92%	92%
<i>Office staff</i>	92%	92%	103%	103%	99%	99%
<i>Manual workers</i>	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

BRANCA USA

<i>Senior managers</i>	66%	54%	54%	54%	72%	63%
<i>Middle managers</i>	92%	91%	103%	103%	95%	93%
<i>Office staff</i>	104%	105%	86%	86%	121%	118%
<i>Manual workers</i>	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

Development and training of our human capital⁴⁷

⁴⁷ Branca International and Centro Studi Fratelli Branca hours are counted within Fratelli Branca Distillerie

Training hours per employee by gender and Company

GRI 404-1	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	146	66	212	246	92	338	1,906	1,714	3,620
F.LLI BRANCA DESTILERÍAS	2,231	118	2,349	2,520	176	2,696	7,380	823	8,203
BRANCA USA	45	58	103	68	60	128	20	18	38
TOTAL	2,422	242	2,664	2,834	328	3,162	9,306	2,555	11,861

Average hours of training per employee by gender and Company

GRI 404-1	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE S.p.A.	2.7	2.1	2.5	6.6	3.7	5.5	44.3	57.1	49.6
F.LLI BRANCA DESTILERÍAS	12.0	10.7	12.0	13.5	11.7	13.4	39.9	39.2	39.8
BRANCA USA	5.2	4.7	4.9	4.9	4.3	4.6	1.3	1.4	1.3
BRANCA INTERNATIONAL	2.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
CENTRO STUDI FRATELLI BRANCA	6.0	1.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	9.4	4.2	8.4	12.0	6.1	10.9	37.7	38.7	37.9

Average hours of training by gender and employee category – Consolidated view

GRI 404-1	2022		
	MEN	WOMEN	TOTAL
Senior managers	35.8	8.3	31.1
Middle managers	44.7	68.7	52.2
Office staff	20.7	32.4	24.1
Manual workers	53.7	0.0	53.7
TOTAL	37.7	38.7	37.9

HEALTH AND SAFETY

Accident indices by Company

GRI 403-9	2020	2021	2022
Consolidated view			
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	1
FRATELLI BRANCA DISTILLERIE			
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	1
FRATELLI BRANCA DESTILERÍAS			
Number of deaths as a result of accidents at work	0	0	0
Numero e tasso di infortuni sul lavoro con gravi conseguenze (esclusi i decessi)	0	0	0
Number of accidents at work	1	1	0
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 TOPICS

Energy efficiency and climate-change

Energy consumption – Consolidated view

GRI 302-1	UNITS OF MEASUREMENT	2020	2021	2022
Natural gas	Gj	11.182	14.525	14.359
Diesel	Gj	1.659	1.870	2.297
Petrol	Gj	3.408	3.821	4.752
Purchased energy	Gj	14.620	18.175	20.866
Total energy consumption	Gj	30.870	38.390	42.274
Total annual output	Ton	54.819	72.434	84.217
Energy intensity	Gj/Ton	0,563	0,530	0,502

Energy consumption – Fratelli Branca Distillerie

GRI 302-1	UNITS OF MEASUREMENT	2020	2021	2022
Natural gas	Gj	7.013	9.671	9.481
Diesel	Gj	1.399	1.561	1.530
Petrol	Gj	307	281	406
Electricity	Gj	4.522	6.216	7.808
Total energy consumption	Gj	13.241	17.728	19.225
Total annual output	Ton	14.388	21.240	21.735
Energy intensity	Gj/Ton	0,920	0,835	0,885

Energy consumption – Fratelli Branca Destilerías

GRI 302-1	UNITS OF MEASUREMENT	2020	2021	2022
Natural gas	Gj	4.169	4.856	4.878
Diesel (plants)	Gj	36	36	234
Diesel	Gj	224	273	534
Petrol	Gj	1.815	2.387	3.208
Electricity	Gj	10.098	11.959	13.057
Total energy consumption	Gj	16.342	19.511	21.910
Total annual output	Ton	40.431	51.194	62.482
Energy intensity	Gj/Ton	0,404	0,381	0,351

⁵⁰ For the calculation of direct CO₂ emissions (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. The total tonnes of CO₂ eq are based on the emission factors provided 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	2020	2021	2022
Petrol	Gj	1.287	1.152	1.138

Emissions and emission intensity – Consolidated view

GRI 305-1,2, 4	2020	2021	2022
Scope 1 emissions (tCO ₂ eq.) ⁵⁰	1.336	1.149	1.159
Scope 2 emissions (tCO ₂ eq.) ⁵¹	1.516	1.860	1.867
Scope 3 emissions (tCO ₂ eq.)	N/A	229	496
Total emissions (Scope 1, Scope 2, Scope 3) (tCO ₂ eq.)	2.851	3.238	3.522
Total annual output (t)	54.819	72.434	84.217
Emission/production ratio ⁵² (tCO ₂ eq./t)	0,052	0,045	0,042

⁵¹ The indirect emissions of CO₂ from electricity consumption (Scope 2²) at the Italian plant have been calculated based on the parameters indicated by the Italian Higher Institute for Environmental Protection and Research (ISPRA). Conversely, the Scope 2 emissions at the plant in Argentina have been calculated based on the emission factors provided by the Secretariat for Electricity of the Argentine Ministry of Energy.

⁵² Output is measured in tonnes of bottled product.

Emissions and emission intensity – Fratelli Branca Distillerie

GRI 305-1,2, 4	2020	2021	2022
Scope 1 emissions (tCO ₂ eq.)	578	595	520
Scope 2 emissions (tCO ₂ eq.)	374	364	322
Scope 3 emissions (tCO ₂ eq.)	N/A	229	496
Total emissions (Scope 1, Scope 2, Scope 3) (tCO ₂ eq.)	952	1.187	1.338
Total annual output	14.388	21.240	21.735
Total emissions / production ratio (tCO ₂ eq./t)	0,066	0,056	0,062

Emissions and emission intensity – Fratelli Branca Destilerías

GRI 305-1,2, 4	2020	2021	2022
Scope 1 emissions (tCO ₂ eq.)	671	477	563
Scope 2 emissions (tCO ₂ eq.)	1.142	1.497	1.545
Total emissions (Scope 1, Scope 2) (tCO ₂ eq.)	1.813	1.974	2.108
Total annual output	40.431	51.194	62.482
Total emissions / production ratio (tCO ₂ eq./t)	0,045	0,039	0,034

Emissions and emission intensity – Branca USA

GRI 305-1	2020	2021	2022
Scope 1 emissions (tCO ₂ eq.)	87	78	76

Waste generated – Consolidated view and detailed by Company

	2020	2021	2022
--	------	------	------

Consolidated view

Total hazardous waste (t)	4,12	5,22	1,84
Total non-hazardous waste(t)	3.259,93	3.957,70	3.505,33
Total waste (t)	3.264,05	3.962,92	3.507,17
Total annual output (t)	54.819	72.434	84.217
Total waste / production ratio (t/t)	0,060	0,055	0,042

FRATELLI BRANCA DISTILLERIE

Totale rifiuti pericolosi (t)	3,06	1,43	1,2
Total non-hazardous waste(t)	2.113,63	2.374,9	2007,87
Total waste (t)	2.116,69	2.376,33	2.009,07
Total annual output (t)	14.388	21.240	21.735
Total waste / production ratio (t/t)	0,147	0,112	0,092

FRATELLI BRANCA DESTILERÍAS

Totale rifiuti pericolosi (t)	1,06	3,79	0,6
Total non-hazardous waste(t)	1.146,05	1.582,55	1.496,8
Total waste (t)	1.147,11	1.586,34	1.497,4
Total annual output (t)	40.431	51.194	62.482
Total waste / production ratio (t/t)	0,028	0,031	0,024

Water consumption index

	2020	2021	2022
<i>Consolidated view</i>			
Water consumption(l)	57.031	74.208	78.727
Production(t)	46.243	72.487	75.756
Water Consumption Index (WCI)(l/t)	1,233	1,024	1,039

ITALY

Water consumption(l)	17.911	23.988	22.827
Production(t)	7.725	12.560	13.113
Water Consumption Index (WCI)(l/t)	2,319	1,910	1,741

ARGENTINA

Water consumption(l)	39.120	50.220	55.900
Production(t)	38.518	59.927	62.643
Water Consumption Index (WCI)(l/t)	1,026	0,838	0,892

GRI Table of Contents

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
-----------------------------	------------------	---------

INFORMATIVE GENERALI

GRI 2 General Disclosures 2021	2-1 Organisational details	Methodological note, p.5
	2-2 Entities included in the organisation's sustainability reporting	Methodological note, p.5
	2-3 Reporting period, frequency and point of contact	Methodological note, p.6
	2-4 Restatements of information	Methodological note, p.5
	2-5 External assurance	Methodological note, p.5
	2-6 Activities, value chain and other business relationships	Our brands, pp.16-20 The value chain and responsible supply chain management, p.45
	2-9 Governance structure and composition	Governance structure, p. 36 Performance tables, p.100
	2-11 Chair of the highest governing body	Governance structure, p. 36
	2- 15 Conflicts of interest	Governance structure, p. 36
	2-22 Statement on sustainable development strategy	Letter from the chairman, pp.3-4
	2-23 Policy commitments	Awareness-based business management, pp.23-24 Lawfulness, transparency, ethics and integrity, p.37
	2-24 Embedding policy commitments	Awareness-based business management, pp.23-24 Lawfulness, transparency, ethics and integrity, p.37
	2-25 Processes to remediate negative impacts	La qualità e sicurezza delle materie prime e del prodotto, p.54-55 La soddisfazione dei clienti, p.58,60 Branca, la cultura e il territorio, p.81
	2-26 Mechanisms for seeking advice and raising concerns	Lawfulness, transparency, ethics and integrity, p.37
	2-27 Compliance with laws and regulations	Lawfulness, transparency, ethics and integrity, p.37
	2-28 Membership associations	Consumer protection and promoting responsible consumption, p.57
	2-29 Approach to stakeholder engagement	Our stakeholders, pp.26-27
	2-30 Collective bargaining agreements	Diversity and inclusion in the work environment, p.68 Performance tables, p.107

STANDARD GRI / OTHER SOURCE	INFORMATION NOTE	SECTION
Material topics		
GRI 3 Material topics 2021	3-1 Process to determine material topics	Sustainability topics and materiality analysis, p.28
	3-2 List of material topics	Sustainability topics and materiality analysis, pp.29-30

Specific indicators reported in relation to material topics

Lawfulness, transparency, ethics, and integrity

GRI 3 Material topics 2021	3-3 Management of material topics	Lawfulness, transparency, ethics and integrity, p. 37
GRI 205: Anticorruption 2016	205-3 Confirmed incidents of corruption and actions taken	Lawfulness, transparency, ethics and integrity, p. 37
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

GRI 3 Material topics 2021	3-3 Management of material topics	Economic value directly generated and distributed, pp.42-43
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Economic value directly generated and distributed, pp.42-43 Performance tables, p.100

Energy efficiency and climate-change

GRI 3: Material topics 2021	3-3 Management of material topics	Energy consumption and emissions, p.85-91
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy consumption and emissions, p.86-88 Performance tables, p.109-110
	302-3 Energy intensity	Energy consumption and emissions, p.86-88 Performance tables, p.109-110
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy consumption and emissions, pp. 89-91 Performance tables, p. 111
	305-2 Energy indirect (Scope 2) GHG emissions	Energy consumption and emissions, pp. 89-91 Performance tables, p. 111
	305-4 GHG emissions intensity	Energy consumption and emissions, pp. 89-91 Performance tables, p. 111

Quality and safety of raw materials and products

GRI 3: Material topics 2021	3-3 Management of material topics	Quality and safety of raw materials and products: pp. 53-55
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labeling	Quality and safety of raw materials and products: pp. 53-55 Performance tables, p. 102
	417-2 Incidents of non-compliance concerning product and service information and labeling	Quality and safety of raw materials and products: pp. 53-55 Performance tables, p. 102

Marketing, communication, and responsible consumption

GRI 3: Material topics 2021	3-3 Management of material topics	Consumer protection and promoting responsible consumption, p.56-57
GRI 417: Marketing and labelling 2016	417-3 Incidents of non-compliance concerning marketing communications	Lawfulness, transparency, ethics and integrity, p.37 Performance tables, p. 102

CUSTOMER RELATIONSHIP & SATISFACTION

GRI 3: Material topics 2021	3-3 Management of material topics	Customer satisfaction, pp.58-61
--	-----------------------------------	---------------------------------

STANDARD GRI / OTHER SOURCE	INFORMATION NOTE	SECTION
--------------------------------	------------------	---------

Responsible management of the supply chain

GRI 3: Material topics 2021	3-3 Management of material topics	The value chain and responsible supply chain management, p.45-52
GRI 204: Procurement practice 2016	204-1 Proportion of spending on local suppliers	The value chain and responsible supply chain management, p.45-52 Performance tables, p.101
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	The value chain and responsible supply chain management, p.45-52
GRI 414: Social evaluation of suppliers 2016	414-1 New suppliers that were screened using social criteria	The value chain and responsible supply chain management, p.45-52

Circular economy and recycling

GRI 3: Material topics 2021	3-3 Management of material topics	Circular economy and recycling, pp.92-98
GRI 303: Water and effluents 2018	303-5 Water consumption	Circular economy and recycling, pp.97-98 Performance tables, p.113
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Circular economy and recycling, pp.92-95
	306-3 Waste generated	Circular economy and recycling, pp.92-95 Performance tables, p.112

Diversity, inclusion and human rights

GRI 3: Material topics 2021	3-3 Management of material topics	Diversity and inclusion in the work environment, p.66-67
GRI 2 General Information 2021	2-7 Employees	Group employee profile, p.63 Performance tables, pp.103-104
	2-8 Non-employees	Group employee profile, p.63 Performance tables, p. 104
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Group employee profile, p.64-65 Performance tables, pp.105-106
GRI 405 Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion in the work environment, pp.66 Performance tables, p.106
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and inclusion in the work environment, p.67 Performance tables, p.107

Occupational health & safety

GRI 3: Material topics 2021	3-3 Management of material topics	Occupational health & safety, pp.71-73
GRI 403: Health and Safety at Work 2018	403-1 Occupational health and safety management system	Occupational health & safety, pp.71-73
	403-2 Hazard identification, risk assessment and incident investigation	Occupational health & safety, pp.71-73
	403-3 Occupational health services	Occupational health & safety, pp.71-73
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational health & safety, pp.71-73
	403-5 Worker training on occupational health and safety	Occupational health & safety, pp.71-73
	403-6 Promotion of worker health	Occupational health & safety, pp.71-73
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health & safety, pp.71-73
	403-9 Work-related injuries	Occupational health & safety, pp.71-73 Performance tables, p. 109
	403-10 Work-related ill health	Occupational health & safety, pp.71-73

STANDARD GRI / OTHER SOURCE	INFORMATION NOTE	SECTION
<i>Corporate welfare and well-being</i>		
GRI 3: Material topics 2021	3-3 Management of material topics	Employee well-being, pp. 74-75
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
<i>Development, training the human capital and collaborative meritocracy</i>		
GRI 3: Material topics 2021	3-3 Management of material topics	Development and training of our human capital, pp. 68-70
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
	404-3 Percentage of employees receiving regular performance and career development reports	Development and training of our human capital, p.70
<i>Development of projects for and involvement of the local communities</i>		
GRI 3: Material topics 2021	3-3 Management of material topics	Branca, culture and local communities, pp. 76-83



Branca International S.p.A.

**Sustainability
and Awareness
Report**

2022