



Branca International S.p.A.

Sustainability and Awareness Report

2020

ACTING RESPONSIBLY
IN AN INTERCONNECTED WORLD

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Letter by the Chairman

A company can be defined healthy, both economically and in terms of relationships, if it is feeding the environment in which it operates. This principle has driven the Branca International Group in its daily actions ever since.

In this sense, when speaking of wealth and profit, I like to speak of generative profit, a profit pursued with respect for people and the environment, for rights and duties, and which continues over time to generate new developments in research, innovation, quality, training and raising professional skills.

A profit that provides benefits and well-being for all stakeholders involved, but also for society as a whole.

The health emergency throughout 2020 has brought with it an economic and social crisis, which has made even more evident, and indeed dramatic, the interdependency among the various players in a complex system.

At the heart of this was the relationship crisis: the human being was born to relate, and when this need was severely restricted, it became even more clear how fundamental it is, and that technology, however valuable, cannot replace human relationships.

Every activity, whether business or not, had to face a crossroads: either surrender resignedly to the crisis or try to seize the opportunity to renew itself and manage the change.

The driving dynamics of our times make it clear that it is increasingly important to work not as individuals but rather in synergy with everything and everyone, as the action of each of us affects others and the environment.

I have always believed the Company to be a living organism that lives and interacts with the outside world, in a continuous and mutual exchange, with the ultimate goal of creating well-being not only for itself but also for the entire community, in this perspective the context is both the lifeblood and the receiver of the value created by the company itself.

For the business owner, the environment and every player involved in it are not merely 'resources' to be used, but rather the ultimate goal in the care that the entrepreneur places into his own business.

Nowadays, as during any great transformation phase, this vision proves to be as true and strategic as ever.

Our Sustainability and Awareness Report, as I chose to call it, expresses this vision: a company that is first and foremost a people-based and quality-driven business that is concerned about values, and not merely about success. And these are our keywords: Well-being, Care, Interdependence, Sustainability, Awareness.

Sustainability, in the broadest terms, environmental sustainability, but also social sustainability, is the search for an all-round dynamic balance that affects every field, and is a choice that we as a Group made a long time ago and that today is becoming increasingly undeniable.

This document outlines the Group's most recent environmental protection initiatives, with a reduction in energy and water consumption, the adoption of innovative packaging that aims to reduce waste from a circular economy perspective, optimizing the waste disposal cycle and much more.

But the real challenge we have set ourselves is to create a conscious way of doing business that focuses on the Person as well as the environment.

The person is the customer, the co-worker, the supplier, the human being, his value and dignity, his well-being. The person considered as the 'noble purpose' of our actions and never as a medium.

This is how Branca International Group works, with shared aims that bind the diverse international entities, taking care of the person in any role, taking care as well of co-workers well-being and enhancement, through training and listening, selecting suppliers that, besides guaranteeing quality raw materials, can become lasting partners who share values and principles with the Group. Last but not least, customers, seen as partners in the company's journey, as co-entrepreneurs.

Together with employees and suppliers, we have built a value chain that aims to provide the customer/co-entrepreneur with a quality product that meets his needs, while at the same time offering a value system that puts the consumer at the heart of it.

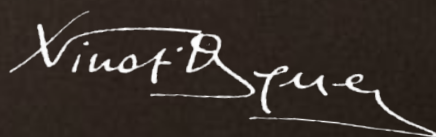
The company has sought to establish a loyalty agreement between the entrepreneur and employees and between the company, the environment, consumers-customers and every player in the context.

This agreement was clearly perceived during the lockdown: I saw with my own eyes people who never stopped, neither in Italy nor elsewhere, even in the darkest moments, with empty city streets. The workers continued tirelessly to work so that the Organism could continue to work and create value, for itself of course, but also and above all for the community, with a series of activities including the production of thousands of liters of sanitizing alcohol donated to fight the pandemic.

A loyalty agreement that has been going on for 176 years and that is renewed every day with a twofold commitment: on the one hand, preserving tradition, preserving a formula that has thrilled people in Italy and around the world for generations, but with an eye to the future, pushing on research and innovation, with the aim of going along with our customers as well, always guaranteeing harmony and balance with the new developments that we are called upon to deal with.

NOVARE SERBANDO, our founder's motto.

I conclude by thanking all the men and women, collaborators, suppliers and our families, without whom the Branca International Group could not continue to create the value we desire.



Niccolò Branca
President and CEO
of Branca International

Methodology note

The 2020 Sustainability and Awareness Report of Branca International Group (hereinafter also referred to as "Branca" or the "Group") is a tool for effectively communicating the activities, commitments, performance and results achieved by the Group, as part of our ongoing commitment to sustainability, comprehensively understood in its social, environmental and economic aspects.

Consistent with the previous edition, the scope of the reporting, and of the data and information contained herein, includes all the major Group companies: Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A., Branca USA Inc., Branca Real Estate S.r.l. and Centro Studi Fratelli Branca S.r.l.. On the other hand, the direct majority and minority shareholdings have not been examined in detail, although they are nevertheless mentioned in the sections on Group composition. Any exceptions to the scope of reporting or specific in-depth analyses are stated in the individual sections.

There were not, from 2019 to 2020, significant changes in the organisation, ownership structure and supply chain.

The 2020 Sustainability and Awareness Report has been prepared in accordance with the "GRI Sustainability Reporting Standards" defined

in 2016 (and updated in 2018) by the Global Reporting Initiative (GRI), according to the "In accordance - Core" option, and is in line with the following reporting principles, as established by the standard, for the definition of the content and quality of the report:

- *STAKEHOLDER INCLUSIVENESS;*
- *SUSTAINABILITY CONTEXT;*
- *MATERIALITY;*
- *COMPLETENESS AND ACCURACY;*
- *BALANCE;*
- *CLARITY;*
- *COMPARABILITY;*
- *RELIABILITY;*
- *TIMELINESS.*

The information set out in this report, for the 1 January 2020 - 31 December 2020 reporting period, reflects the principle of materiality or relevance, as required by the GRI Standards. The analysis of materiality and the Group-relevant issues are described in the section on "Business - awareness Management - Sustainability issues and materiality analysis".

At the end of the document is the GRI Content Index, which provides comprehensive evidence of the coverage of all GRI indicators associated with the material issues.

In order to allow the comparability of data over time and ensure continuity of reporting, the comparison with the 2018 and 2019 data is shown. Moreover, where useful for a more accurate and clearer representation of performance, the data are presented separately by company/geographical area, while in other cases they are consolidated at Group level. Where data from previous years have been updated or supplemented, the changes are disclosed in the notes.

The data and information contained in the document have been collected through appropriate reporting packages sent to the various Group companies. In particular, most of the environmental data referring to the Italian company Fratelli Branca Distillerie comes from the Environmental Declaration drawn up annually and verified by a third-party certification body. For a correct representation of performance and to guarantee the reliability of the data, the use of estimates has been limited as far as possible and, if present, they are

appropriately reported.

The Sustainability and Awareness Report has been 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. The entire final document was approved by the Chairman. For this reporting period, the Company has opted not to have the report audited by an external company.

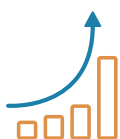
The Sustainability and Awareness Report will be published and disseminated through the Group's dedicated communication channels, including the website:

[*www.brancainternational.com*](http://www.brancainternational.com)



Main findings

AN OVERVIEW



228,4

million euro turnover



54.819

of bottled product



327

employees in total

94 employees of Fratelli Branca Distillerie
199 employees of Fratelli Branca Destilerías
26 employees of Branca USA
4 employees of Branca International
4 employees of the Centro Studi Fratelli Branca



-7%

The Group's energy intensity index is down by 7% compared to 2019

160

export countries



99%

of employees have an indefinite-term employment contract



-6%

Total group emissions are down by 6% (Scope 1 and Scope 2) compared to 2019 the emission intensity index is stationary



The year of the great pandemic

The COVID-19 pandemic, its health consequences and its socio-economic impact affected the whole world, including the Branca Group's reference countries: Italy, Argentina and the United States.

The Group acted quickly and with great energy to face this dramatic emergency.

The first concern was for the safety of the people working with us. As detailed in the following pages, in the Group's two production plants - in Milan and Buenos Aires - and in the sales offices in New York, extraordinary measures were taken to fully and immediately implement the rules and directives issued by the public authorities: sanitising the environments, keeping people apart, providing all employees with disposable glasses and gloves, carrying out periodic tests to detect COVID-19, implementing remote

working methods for administrative staff, creating emergency management committees with the direct involvement of the employees.

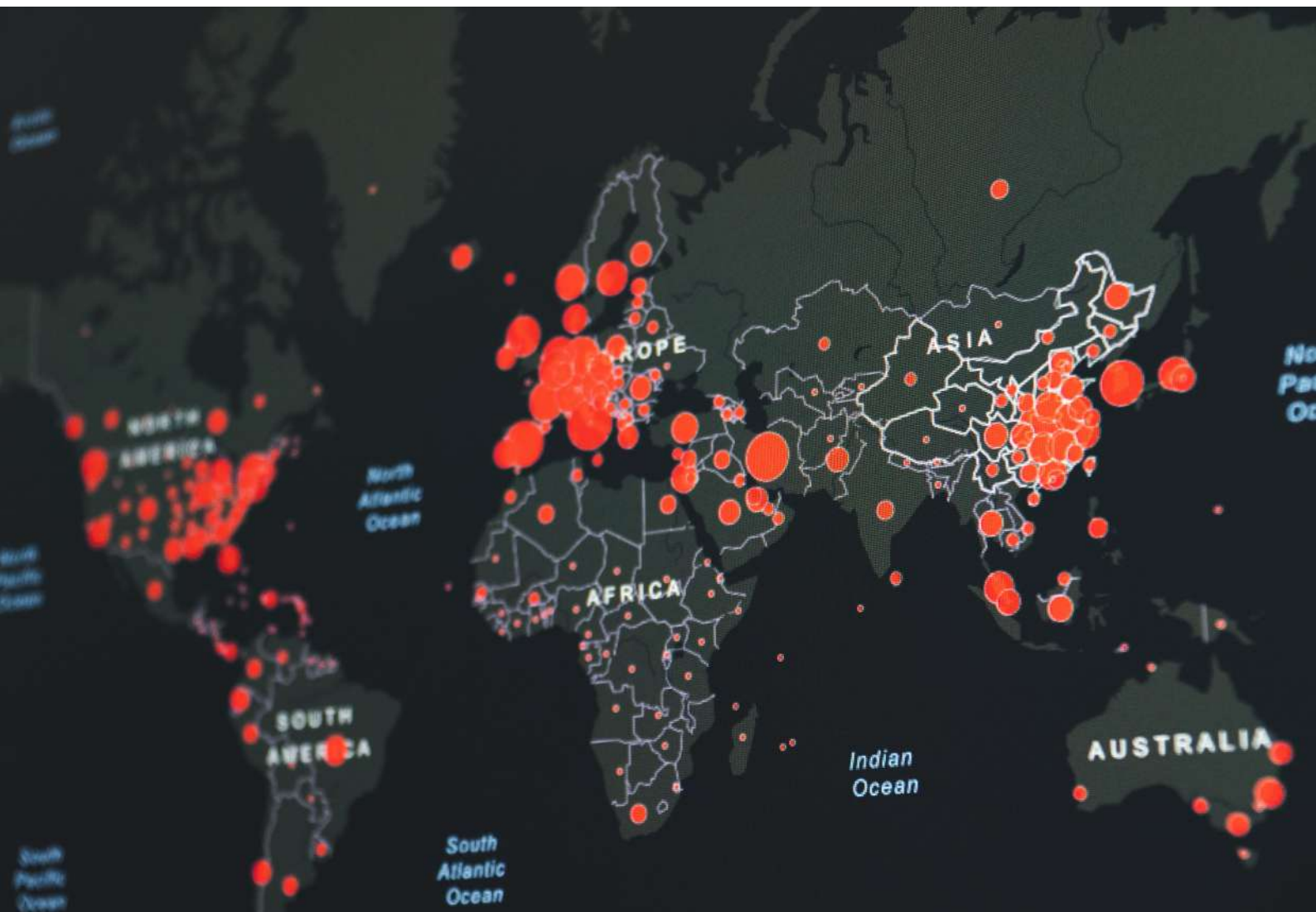
We have also made it a priority to give as much support as possible to the communities in the places where we operate, by donating money and protective equipment to public administrations and health and civil protection structures.

In this context, we should mention the supply to Milan and Argentina of about 50 thousand bottles of sanitising detergent prepared and packaged directly in our factories.

Finally, the Branca Group's commitment has been to protect our employees and suppliers as much as possible from the economic repercussions that the pandemic has inevitably generated.

At the time we are writing, the health emergency is not over, although we are beginning to see light at the end of the tunnel. The efforts of sharing

and social responsibility that have been made in recent months will remain an important testimony to our history as well as to our future.





ABOUT US

*OUR IDENTITY
AND HISTORY*

Group profile

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 175 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 propose itself as a model of responsible business and, by applying the principles of the Economy of Awareness at both corporate and community levels, aims to promote 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 dates to 1999 and is the result of the re-organization process initiated by the current Chairman and CEO, Niccolò Branca.

Branca International Group has maintained its headquarters in Milan and controls the three companies dedicated to 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 the newly founded Branca USA Inc., 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 these three companies, Branca markets its products in 160 countries on the five conti-



nents: the Milan plant serves the domestic market, as well as the European and Asian markets, while the Buenos Aires production facility is dedicated to the Argentine market and several other 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 also operates on 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, had 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 started by Niccolò Branca has then allowed the reconversion of unused factories and the organisation of industrial production, commercial activities and real estate management into separate companies, maintaining the role of direction and coordination in the holding company with the 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 many international relations secured over the years.

Finally, Branca International Group also operates in the cultural sphere through its Centro Studi Fratelli Branca S.r.l., a cutting-edge laboratory for study and research in the field of medicinal herbs which, in addition to guaranteeing the control and quality of all Branca brand products, is also involved in promoting innovation initiatives, such as the Branca Academy, the Branca Museum and the Branca Tower, recently renovated and reopened to the public.

The history of Branca International

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 diseases that were very widespread at the time, such as cholera and malaria. This marked the creation of the Fernet-Branca herbal liqueur and the start of the long history of Fratelli Branca Distillerie, the original core of the Branca International Group.

The product was so successful that, in a very short time, the fame of this herbal liqueur had spread throughout Italy and abroad as well. In the space of just a few years, thanks to its great properties, the founder's intuition and the Italian migrant waves that reached unprecedented peaks during the Great Depression, the Fernet-Branca liqueur started spread first in Europe and then in North and South America.

In those years, Fratelli Branca soon developed from a craft activity into a successful enterprise, to the point that the original factory in the Porta Nuova

district of Milan had to be extended to meet the demand for the wide range of products that, in the meantime, had been added to the Fernet-Branca and, later, it was replaced by a new plant in Via Resegone, which is still today the Group's production facility.

In 1935, 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 the creation of the Buenos Aires plant and, in 1941, it founded a subsidiary in Argentine called F.lli Branca Destilerías S.A. for the on-site production of the liqueur. In 1982, the Company relocated to the Tortuguitas plant in the province of Buenos Aires, which still today is 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 in which the new Tortuguitas production plant was built, under the strategic guidance of Niccolò Branca as Chairman, with the support of the local

management, the Argentine market has grown significantly. Even during the difficult years of the economic crisis that hit the country, 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 gradually even enlarged the the production facility.

The Group's continuous expansion, from the original Fernet-Branca liqueur, has led to the creation of a number of other "historic" brands - such as Stravecchio Branca and Brancamenta - and the expansion of 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.



Major milestones from 1845

MARKED BY INVENTIVENESS AND CREATIVITY



1845

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, in Milan, the foundation of Fratelli Branca Distillerie represents one of Italy's most exciting entrepreneurial adventures, with the distribution of the Fernet-Branca liqueur throughout Italy.

1862

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



1891

When Stefano died, his wife Maria Scala managed the company until their son, Bernardino, came of age.

1895

A new logo was created for the company by Leopoldo Metlicovitz featuring the iconic image of the eagle grasping bottle of Fernet-Branca in its claws as it flies over a globe. A decade later, on 27 November 1905, the logo, which, at the turn of the century, had invaded bars, restaurants and patisserie shops around the world, was officially registered with the Ministry of National Economy.



1907

Dino Branca took over the management and started building the new factory in via Resegone 2, Milan, which is still the current production plant, also housing the company Museum, inaugurated in 1911.

1918

Dino Branca transformed Fratelli Branca Distillerie into a società anonima, an anonymous company, consolidating its capital to 150 million lire, and 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 granted him the transmissible title of Conte di Romanico, in recognition of his important contribution to industry and social welfare.





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 St..



1941

A new company was established in Buenos Aires (Argentina) called Fratelli Branca Destilerías. The Fernet-Branca liqueur was already widely known in the country, thanks to the migration there of many Italians since the end of the 19th century and, given its success, in 1925 the company had licensed 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 retired as Chairman and was succeeded by his son Pierluigi, who initiated the full recovery and business and communication expansion in Italy.



1965

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



1981

The Centro Studi Fratelli Branca research facility was founded, for quality control and research on medicinal herbs.



1985

Giuseppe Branca developed the acquisition strategy of historical Italian brands, such as 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 wineries and an extra-virgin olive oil. The company also entered into an exclusive 29-year concession agreement with the City of Milano for an iron panoramic tower located in the city's Sempione Park called the Park Tower, and renamed the Branca Tower as a result of the operation, in exchange for its restoration at the company's expense. In 1990, he launched the Via Resegone factory expansion project, subsequently dedicated to the Branca Museum.



1999



A holding company, Branca International SpA, founded after the death of Pierluigi Branca: Niccolò Branca, Pierluigi's son, was appointed Chairman and also became CEO of Fratelli Branca Distillerie. Niccolò Branca greatly boosted the overhauling and reorganisation of the Group according to the principle of innovation within tradition, while also starting to look into the concepts of sustainability and corporate ethics, which inspires the work of Branca International. The strategic and operational decisions adopted from then onwards would lead Distillerie to new and significant positions on the reference markets, competing with prime 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 strengthened and the entire internationalisation and product diversification process continued and intensified.

2001

Branca acquired the historical Turin-based distillery Carpano, which had invented vermouth in 1786 by adding an infusion of 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 grown continuously, in Italy and abroad, extending its original vermouth market in line with the Branca motto of "innovating 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, an espresso coffee liqueur based on the original recipe invented in 1860 by Ugo Borghetti and distributed by the company since 1982.

2002

The restoration of the Branca Tower was completed and it re-opened to the public. This much loved landmark in the Sempione Park features an observation deck at the top and a café at the base.



2004



The old Fernet-Branca distillery of 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 unit with the nearby city of Basel (Switzerland).

2006

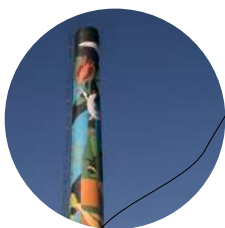
Branca Real Estate Srl started operating.



2009



The Branca Branca Museum opened to the public in the heart of Milan, showcasing the history of the company and offering visitors the opportunity to learn about the raw materials, instruments, herbs, roots and spices and production processes, with an insight into how the brand was created and evolved.



2015

Branca celebrated its 170th anniversary, an important milestone for the company, its tradition and its soul. On this 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 monographic work "Branca, sulle ali dell'eccellenza", acclaimed as the best publication of the year by the Osservatorio Monografie Italiane (OMI) and, last but not least, 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 all Branca products in North America. Yet another step forward in ensuring the group's expansion on 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 engaged in differentiating its offer, expanding well beyond the field of liqueurs and

vermouths, even though the original herbal liqueur invented by its founder continues to represent the core of its business, the secret of a success story that has continued seamlessly for 175 years. The latest new products, in 2020, are Ready-to-drink Carpano

Negroni and Carpano Mi-To. In addition to the production and distribution of spirits, today Branca International Group also operates in the real estate, cultural and financial sectors.

Our values

*FROM OUR MOTTO
"NOVARE SERBANDO" (INNOVATION WITHIN TRADITION)
TO THE PRINCIPLES OF THE ECONOMY OF AWARENESS*

The motto "Novare Serbando" - Innovation within Tradition - handed down from one generation to the next, has always represented the leitmotif of the company's growth, based on quality and innovation yet respectful of tradition, in line with socio-economic developments, 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 "Innovation within Tradition" 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 over six generations. In fact, the "within tradition" part of the motto encompasses the founder's intuition, which

started a long tradition of know-how, the expression of an inimitable craftsmanship that is still based on the original unchanged recipes. Innovation, instead, 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 to combine and balance profit and ethics for the creation of a generative value, harmoniously bringing together the company, its employees and the communities in which they operate. The results of this conscious activity pursued by Branca are superior-class products and a management approach centred on the needs of the local communities.



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 a period of 175 years.

However, during this time Branca has also focused on differentiating its offer, expanding well beyond the field of liqueurs and vermouths. 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 the acquisition of Borghetti (Caffè Borghetti and Sambuca Borghetti) and (Carpano Classico - "Red" on the Argentine market -, White, Dry, the recent Carpano Botanic Bitter and the new ones Ready-to-drink Carpano Negroni and Carpano Mi-To, the historic Punt e Mes and vermouth par excellence Antica Formula), Candolini grappas (a leader in Italy), Sernova vodka (standard and flavoured), Magnamater brandy and Chianti Villa Branca wine.

The products distributed by Fratelli Branca Distillerie include: De Luz cognac, Nicholson gin, Tobermory,

Deanston, Bunnahabhain and Templeton Rye, the Passoã speciality and the prestigious Tsarine Champagne. Furthermore, in Argentina, Fratelli Branca Destilerías distributes the liqueurs Strega and Limone Strega, the renowned wines of the Fabré Montmayou and Infinitus wineries, as well as world-famous whiskies such as The Macallan, The Famous Grouse, Highland Park and Cutty Sark.

The following pictures show the logos of the Branca brand portfolio.

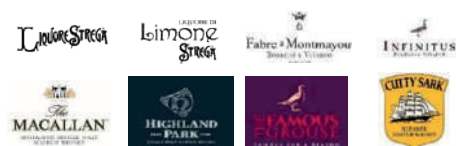
THE ORIGINAL BRANCA BRANDS AND OTHER HISTORIC BRANDS SINCE ACQUIRED



OTHER BRANDS DISTRIBUTED IN ITALY



OTHER BRANDS DISTRIBUTED IN ARGENTINA



LIST OF BRANCA PRODUCTS AND THE HISTORICAL BRANDS ACQUIRED



FERNET-BRANCA

Created in 1845, Fernet-Branca, over the years, has preserved the personality and originality that has enabled it to conquer the five continents. Its secret formula, handed down from father to son, an example of great experience and passion for know-how, has guaranteed the long standing excellence of Fernet-Branca. The recipe features twenty-seven herbs, spices and roots, which confer the product's typical brown colour and are sourced from four continents: rhubarb from China, galanga, camomile from Europe and Argentina, to name but a few. Herbs, spices and roots are processed in alcoholic infusions, extracts or decoctions. The production process requires a year, during which the mixture is left to rest in oak barrels, evolving and refining all its aromatic components. This long process 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 unconventional way of living and, consequently, a great longing for novelty in all fields, including taste and flavours. 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 for the "thrill of intense pleasure" that it releases in every sip. The recipe, composed of herbs and spices, is enriched with the essential oil of Piedmont peppermint, the most prized peppermint worldwide. This produces a high quality, natural and particularly refreshing amaro liqueur.



STRAVECCHIO BRANCA

Stravecchio Branca, the Italian brandy of excellence, is an auteur distillate with a warm and enveloping taste and complex woody notes of dried fruit. Its secret is Fratelli Branca's ability to care for 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, which defines one of the most delicate phases of the production process: the melange 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 produces 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 harmonized, revealing a complex and balanced personality. It is at this point that spirits aged up to 20 years are added to achieve an elegant, intense and satisfying profile with a particular aromatic nose.



ANTICA FORMULA

This excellent Italian vermouth was created by Antonio Benedetto Carpano, the inventor of vermouth itself, in Turin, back in 1786. 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 packaged in precious blown glass bottles with the reproduction of the 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 the original recipe, the spicy and citrus notes harmonize and complement the aroma of absinthe, making this classic balanced vermouth perfect for blending.



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 peculiar spicy note to the product.



CARPANO DRY

Carpano Dry is characterized by its dry taste, thanks to a lower sugar content than its peers and to a selection of fine 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 uncontaminated 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 enhance classic cocktails, Carpano Botanic Bitter, unique in its kind, is the result of the careful selection of ten aromatic herbs infused according to a craft method to best balance all its botanical components. Its aromatic and balanced taste perfectly marries the Carpano vermouth for preparing quality cocktails such as Negroni or Americano.



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

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

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



PUNT E MES

Punt e Mes has a legendary history. The story goes that in 1870, in the Carpano shop, a stockbroker, in the midst of a discussion with colleagues, ordered a slightly different vermouth with half a dosage of china, using the local dialect "Punt e Mes" (a point and a half). Shortly after, the bizarre origin of the new name was emphasised by a curious custom adopted by the regulars to the shop, who began ordering Punt e Mes with a simple gesture to the waiter, a thumbs up sign (signifying the point of sweetness) followed by a horizontal line drawn in the air with an outstretched hand (signifying the half point of bitterness). This was enough to indicate that the customer wanted a Punt e Mes. Today it is known and appreciated across the world for its correct balance between the intriguing citrus hint of the Carpano range and the bitter notes conferred by china and absinthe. It has an intense red colour streaked with vermillion and its aroma is reminiscent of Port wine, aromatic herbs, toffee and cloves.



CAFFÈ BORGHETTI

Caffè Borghetti is the authentic espresso coffee liqueur from the original recipe created by Ugo Borghetti in 1860, to celebrate the inauguration of the Pescara-Ancona railway line, which in a short time became famous throughout Italy and Europe. With its typically Italian flavour, it reflects tradition and the original processes which have become the hallmark of a culture, a recipe that has remained the same for a long time. A special blend of Arabica and Robusta coffee beans of excellent quality, prepared directly at the production plant in huge coffee pots. Aromatic, with a sweet soft taste and an enveloping flavour, Caffè Borghetti has a rich and intense aroma that is hard to forget and a pleasant aftertaste of espresso coffee, able to conquer everyone in every occasion.



SAMBUCA BORGHETTI

Based on a painstaking selection of star anise flowers, of oriental origin, which guarantee the excellence of its flavour and aroma. Its elegant bottle, with golden decorations, and special name "Sambuca Borghetti Oro", are designed to highlight the uniqueness, preciousness and perfection of the star anise flower. Transparent and crystalline, the nose is sweet, with a soft and delicate taste.



GRAPPA CANDOLINI

Candolini is the smooth and elegant grappa preferred by Italians, acquired by Fratelli Branca Distillerie in 1987. Produced from carefully selected distillates the highest quality, Candolini has widened its presence on the market by launching a range of monovarietal versions, using quality distillates from single grape varieties: "Candolini Bianca", "Candolini Classica", "Candolini Riserva", "Candolini Ruta", "Candolini Gran Miele", "Candolini Monovitigno Moscato Barrique", "Candolini monovarietal chardonnay".



SERNOVA

Sernova is a unique product, right from its name, which comes from a merger of "Novare Serbando", the motto of the Fratelli Branca distilleries (Innovating within Tradition). It is a sophisticated and delicate vodka, a high quality product made in Italian style, the fruit of Branca's wisdom and passion. The production process - which, in Italy, is made from locally-grown wheat - consists of a succession 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, a unique case in the Argentine market. In 2020, two new variants, Vodka Sernova Wild Berries and Vodka Sernova Fresh Citrus, both sourced from selected locally produced alcohol and filtered through a unique and noble process with natural flavour, were launched on the Argentinian market.



MAGNA MATER

The name Magna Mater, which means the "great mother", conjures up the "Mother Barrel", a symbol of the century-old tradition of the Branca distilleries, the wooden barrel kept in the Milan plant, one of the biggest and oldest in Europe, which hosts one of the most important stages in the production process. An impressive name that underlines the excellence and exclusive nature of the distillate, the result of a unique process inspired by experience and refinement. The brandy, distilled from selected wines from all over Italy, is left to rest in oak barrels, where it refines with the help of the substances released by the wood and oxygenation. The selection of 7 fine brandies, the oldest of which is aged for 27 years, produces a unique and excellent formula. The subsequent passage in the Mother Barrel allows the aroma and flavour of the spirits to blend together, amalgamating and balancing the characteristics of the blend. The black frosted glass bottle has gold scratches on the label, giving an impression of great sophistication and exclusiveness. Each bottle is numbered and enclosed inside a prestigious packaging with graphics that recall the magnificence of the Mother Barrel. The Branca family coat of arms embossed in the lid and in the details of the seal represent the value of tradition.



VILLA BRANCA

Chianti Classico is a highly aromatic wine with a lively and fragrant fruitiness, a powerful warm taste and a good structure. It is the result of the combination of Sangiovese grapes with the addition of other black grape varieties. Chianti Classico Riserva, the result of prolonged aging in wood and subsequent refinement in the bottle, is characterised by an intense red colour with garnet reflections, a persistent bouquet, a lively and fragrant fruity taste. It has a harmonic flavour and a remarkable structure.

INTERNATIONAL COMPETITIONS AND AWARDS

International competitions, with panels of experienced tasters that award prizes to different product categories, are an important element of the Branca brand strategy. Within the various possibilities, Branca focuses on the world's top wine competitions for the product categories in which it operates. Following is an overview of several of the main awards recently won by products in the Branca portfolio¹.

¹ A full picture of the prizes can be found in the Group's website, in the pages dedicated to each product.

PRODUCT	MOST RECENT AND IMPORTANT PRIZES RECEIVED
FERNET-BRANCA	Effie Awards Argentina 2020 - Grandi Marchi Internazionali 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	Gold Medal - Excellence Spirits Awards 2020 Silver medal – International spirits challenge 2019 Gold medal – San Francisco World Spirits Competition 2017
CARPANO	Silver medal – International spirits challenge 2019 (Bianco) Double Gold medal – San Francisco World Spirits Competition 2016 (Bianco)
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

Prizes and awards RECEIVED BY BRANCA

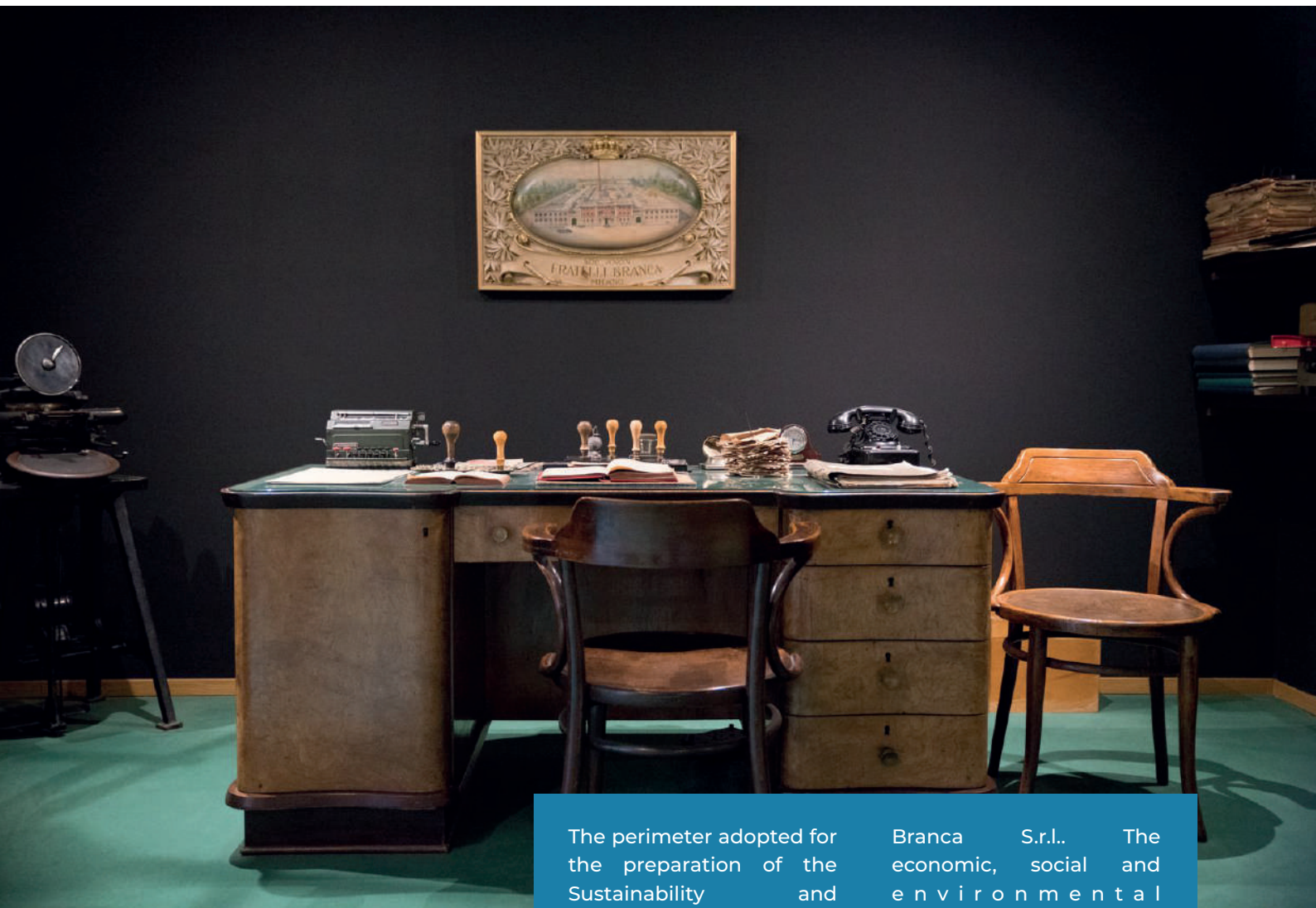
Niccolò Branca and Branca International Group have won important awards over the years, such as the prestigious "2007 Results Award" promoted by Bain & Company, Il Sole 24 Ore, Centrale dei Bilanci and Università Bocconi, the awarding in 2007 of an Honorary Professorship at the Faculty of Economics of the Universidad del Salvador, in Buenos Aires, the appointment as Cavaliere del Lavoro by the President of the Italian Republic Giorgio Napolitano in 2011, the recognition of LIDE Italia and the Argentine Consulate for Branca's commitment to building relations between Italy and Argentina, the "Di Padre in Figlio - Il gusto di fare impresa" prize, for the best generational changeover and a special mention for the Financial Performance category in 2013, the International "Aware Leader" prize granted 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 years running, Chairman Niccolò Branca made it into the top three of EY's "Entrepreneur of the Year" award, Global Category in 2008 and Finance in 2009; in July 2010, he was included by the monthly magazine Capital among the Italian entrepreneurs who have made Italy great, receiving the "Golden Book of Italian Entrepreneurship" at an event attended by 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 Branca received an award from the UADE (Universidad Argentina de la Empresa) for his exceptional management performance and commitment to education and, in December, Forbes and Business International awarded him 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: Lombardia 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 competitiveness algorithm (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, as in the case of Fratelli Branca Distillerie, the sustainability report.

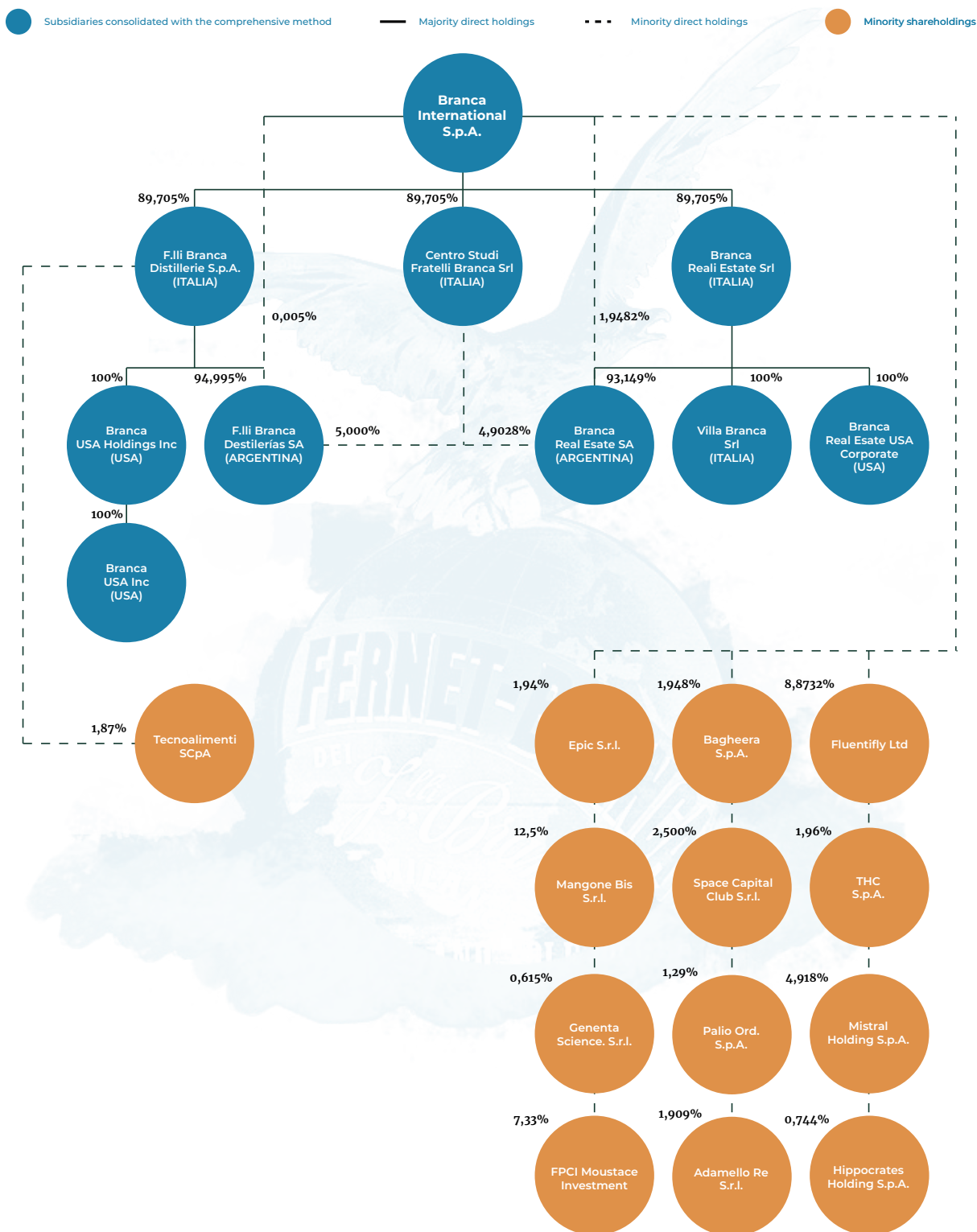
Governance



The perimeter adopted for the preparation of the Sustainability and Awareness Report takes into account both the Group's two production companies, namely, Fratelli Branca Destilerías S.A. and Fratelli Branca Distillerie S.p.A., and then also Branca USA Inc., Branca Real Estate S.r.l. and Centro Studi Fratelli

Branca S.r.l.. The economic, social and environmental performance is reported for all these entities, in accordance with the GRI 2018 guidelines for the definition of the contents of Sustainability Reports.

STRUCTURE OF BRANCA INTERNATIONAL GROUP



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 concrete application and effectiveness. Branca has in fact structured its own Corporate Governance

organisation, within which the roles and responsibilities of the professional figures involved in the management and control of corporate processes are represented.

Moreover, in order to guarantee "quality certification" for its activities in favour of the parties with which it interfaces, the Group has adopted a 231 Organisational Model. The key bodies involved in the governance of Branca Group are:

- **Board of Statutory Auditors** which constantly monitors the activities of the corporate bodies to ensure that they consistently comply with internal directives and the purpose pursued by Branca. Furthermore, it is tasked with safeguarding the company's assets, ensuring the reliability of the data produced and preventing fraud and material errors;
- **Supervisory Board** (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 updating it. The Board is also the recipient of periodical 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.



The two companies², Fratelli Branca Distillerie and Fratelli Branca Destilerías, have adopted a traditional system of corporate governance, with a Board of Directors ("Directorio" in Argentina), which is tasked with the management of the company, and a Board of Statutory Auditors (with a single member, called the "Sindico Titular" in Argentina) which performs internal control functions, as described above. According to the Articles of Association, the Board of Directors is vested with the widest powers for the ordinary and extraordinary management of the company and has the power to carry out any actions deemed appropriate for the implementation and achievement of the company's purpose. By virtue of the control by the Parent Company, the shareholding structure of Fratelli Branca Distillerie is wholly owned by the Branca family. The current Board of Directors of the Company was appointed by the Shareholders' Meeting on 24 April 2019.

² Fratelli Branca Distillerie and Fratelli Branca Destilerías are audited by a prime auditing firm.

COMPOSITION OF THE BOARD OF DIRECTORS

	< 30			30 - 50			> 50			OVERALL		
	MEN	WOMEN	Total	MEN	WOMEN	Total	MEN	WOMEN	Total	MEN	WOMEN	Total
FRATELLI BRANCA DISTILLERIE S.p.A.	0	0	0	0	2	2	6	2	8	6	4	10
FRATELLI BRANCA DESTILERÍAS S.A.	0	0	0	1	4	5	9	0	9	10	4	14
BRANCA USA Inc.	0	0	0	1	0	1	2	0	2	3	0	3

As shown in the table above, the Board of Directors of Fratelli Branca Distillerie is made up of 10 members, of which 4 are women, 40%, while there are 14 Directors of Fratelli Branca Destilerías with a 29% female membership, 4 in total. Finally, the Board of Directors of Branca USA is composed of 3 male members. Today, the Board of the three companies is chaired³ by Niccolò Branca, who is also CEO of the Parent Company Branca International.

³ Niccolò Branca is Executive Chairman of Fratelli Branca Distillerie and President of Fratelli Branca Destilerías, as well as President of Branca USA since 2020.

LAWFULNESS, TRANSPARENCY, ETHICS AND INTEGRITY

Branca Group is committed to ensuring fairness and correctness in corporate relations in all the countries in which it operates and consistently controls and monitors the adoption, by its partners or third parties, of an ethical and non-discriminatory behaviour, based on respect for the work environment and 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 that is conducive to lawfulness, fairness and loyalty, has been achieved through a range of tools introduced over time:

- a 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;
- an Organisation, Management and Control Model, established pursuant to Legislative Decree 231/01 (also referred to as the 231 Model), which is tasked with preventing an array of criminal offences, such as those against the Public Administration, corporate and financial offences, crimes against the environment and occupational health and safety;
- a Code of Conduct, which is an integral part of the 231 Model and sets out the rights, duties and responsibilities undertaken by the Group, through its governance bodies and its employees, in the performance of their activities, towards the Group's direct and indirect stakeholders or other interested parties capable of influencing its operations or who are affected by it in any way;
- a Sustainability and Awareness Report, which serves as a further tool made available to the stakeholders for the purpose of disseminating Branca's commitment to upholding its Corporate Social Responsibility policy.

The subsidiaries too are consistently committed to ensuring, in all their decisions, compliance with the applicable local and industry-wide regulations, besides high standards of integrity, transparency and ethics in the management of their business.

In addition to the above, Branca also focuses on ensuring compliance with all regulations applicable to product quality, consumer health and safety, the environment and marketing practices: all areas in which, in the last three years, the Branca Group has recorded no reports or incidents of non-compliance or received monetary sanctions.

Within the Group, there are no companies or operating units based in Countries with low taxation or trade union restrictions. Moreover, in the last three years, no cases of corruption have been recorded and/or reported in any of the companies in which Branca International operates.

THE PRINCIPLE OF COLLABORATIVE MERITOCRACY AND HUMAN RESOURCES MANAGEMENT

The Governance approach adopted by the company has been defined as "Collaborative Meritocracy", i.e. a culture of responsibility and not power, an organisational rationale based on cooperation and the recognition of the merit not only of the individual 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 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 its individual resource, coincide and are intrinsically linked. Proactivity, assertiveness, accountability, integrity and execution skills are, in fact, the pillars of the company's business, according to a principle of work environment organisation based on the simplification of procedures, the circulation of information, and a culture of collaboration and responsibility. The human resources management policies also include particular attention to the principles of meritocratic selection 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 entities.



Awareness-based business management

The 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 carried out by the various areas of activity: from human resources management, to respect for the environment, to 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, seen as an end and never as a means, responsibility for growth,

product excellence and quality, a guarantee of the utmost consumer safety, a commitment to the inclusive development of social and environmental issues in all the processes carried out in the countries where the Group operates.

According to Branca, establishing listening relationships, dialogue and transparency with people are key to 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 corporate welfare projects and initiatives aimed at improving quality of life, guaranteeing that almost all contracts are permanent.

Branca International also pays great attention to respect for the fundamental rights of its employees as an integral part of its 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 and child labour and respect for freedom of association and collective bargaining.

Regarding its product output, one of the Group's main challenges is to promote the concept of responsible consumption, focusing - through the projects it promotes - on the commitment to spreading a culture of quality drinking that coincides with the pleasure of taste.

Environmentally, we have adopted a certified Environmental Management System (ISO 14001), which recognises the commitment to continuous improvement in terms of energy consumption, atmospheric emissions, the efficient use of water resources and the management of waste and effluents. Furthermore, in demonstrating sensitivity towards environmental issues, Fratelli Branca Distillerie has applied 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 implemented certified occupational health and safety management systems (OHSAS 18001, later ISO 45001), which were confirmed in 2019 on the basis of appropriate audits. In addition, the Food Safety and Quality Management System, already certified in previous years, in

compliance with BRC and IFS standards, has been adapted to the requirements of ISO 22000, the quality standard adopted in 2015. The system set up in accordance with the ISO 22000 standard was audited and confirmed in September 2019.

The Argentine subsidiary, Fratelli Branca Destilerías, has also implemented several management systems such as ISO 22000 and ISO 14001, and from 2021 ISO45001, in addition to developing specific policies.

Moreover, during 2017, the organisation model, already introduced in 2014, in conjunction with a code of conduct and the Code of Ethics, was updated on several occasions with new regulations and company requirements.

It should also be noted that Fernet-Branca and Brancamenta products are Kosher certified.

These aspects, like the others mentioned above, will be discussed in more detail below in the dedicated chapters.

Looking 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.



Branca's Economy of Awareness

AND CULTURE OF SUSTAINABILITY

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 limit, as balance, in production, consumption and growth.

The pillars of corporate sustainability for the Branca

International Group are based precisely on these principles, i.e. on awareness of the 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 according to an ethical perspective.

Only by creating profit, in fact, can a company remunerate its staff, pay its suppliers, make investments in research and development, help fund public services through taxation: if the company performs successfully it can create prosperity for the community as a whole.

According to Branca, however, profit must be pursued based on full respect for people, the environment, the local communities and the end consumer, remembering that we are all interconnected, between ourselves and with the natural environment, and that we all share a common goal; it is precisely for this reason that it believes it is its 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, according to the definition in the GRI Standards, are defined as entities 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 collaboration and opportunities for discussion and dialogue with stakeholders are fundamental means for

increasing the perception of the Branca International Group in the external environment and among the interests and expectations of its stakeholders.

In 2019, during the preparation of its new Sustainability and Awareness Report, Branca updated its stakeholder map to better define their relevance and the influence of their expectations on the strategic actions performed by the Group.

This mapping has also been confirmed for 2020.

The mapping has made it possible to identify not only the specific areas of interest for each stakeholder category, in view of the definition of priority action areas, but also significant stakeholders,

in light of changes within the company itself and the context in which it operates.

As also highlighted by the materiality analysis, which will be presented later on, the identification of priority aspects responds to the need to combine and align the business priorities, as far as possible, with the interests expressed by the stakeholders, in order to give prospective depth to the Group's actions.

Branca International is increasingly aware, in fact, that satisfying the needs and legitimate expectations of its stakeholders is an important tool for creating value in all the countries and communities in which it operates.

Clients are the Branca International Group's number one focus: the very success of the single brands and of the Group as a whole depends on our ability to understand their needs and identify the most effective product distribution channels. As the market evolves, it is essential to identify not only the traditional distribution channels, such as large-scale retail and Ho.Re.Ca., but the more recent ones as well, learning how to exploit the potential of the Internet and new technologies.

CLIENTS

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. The Group believes that understanding consumer trends and their attitude towards the consumption of alcoholic beverages is essential to ensure that its messages come across in a consistent and responsible manner.

FINAL CONSUMERS

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.

SHAREHOLDERS

SUPPLIERS

Branca International requires its suppliers to manage their operations responsibly, in line with the Group's ethical standards. Branca also actively collaborates with its entire supply chain in areas of mutual interest, with the aim of establishing relations based on mutual trust and ensuring good business management.

LOCAL COMMUNITIES

Branca has always been an integral part of the communities in which it operates. It is committed on a daily basis to establishing a constant and constructive dialogue with the local communities to understand and satisfy their needs and respond to their demands. The Group also actively promotes cultural and other projects for community improvement.

EMPLOYEES

People, considered as an end and not a means, are Branca International's most precious resource. The Group is committed to enhancing their career paths, protecting health and safety in the workplace and implementing activities that increase the sense of cohesion, for example through welfare programmes.

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

Dialogue with trade associations enables the Group to keep in step with industry trends and develop coordinated initiatives on issues of common interest, such as responsible consumption, which require the participation of several players in order to be effective and cannot be limited to individual companies.

PRESS/MEDIA

Generally speaking, the press and media includes the social media and represent an increasingly strategic player in building solid relations with both customers and end consumers, as well as 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

The satisfaction of the bartender community, in their broadest sense, is key to creating a preference for Branca portfolio brands over the competition. In this perspective, the communication activities developed by the brands are based on transparency and relevance of content, on providing elements of differentiation and uniqueness, and on enhancing common elements between the brands and the communities of which they are a part.

Sustainability topics and materiality analysis

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. Following the adoption of the sustainability reporting guidelines contained in the 2018 GRI Standard, the Group has identified a set of "material" topics, i.e. the most relevant topics to be included in its reporting.

The process for identifying the sustainability topics for reporting purposes was carried out in three steps, as illustrated below, involving the various souls of the Group and the various countries.

STEP 1

Benchmark analysis

To ensure the consistency of the Branca reporting with the macro-trends and best practices in the industry, a number of general and specific publications on sustainability for the food & beverage sector were examined and a benchmark analysis was conducted on a panel of peers and competitors. Thanks to these activities, we were able to identify an initial long list of sustainability topics of relevance to the Branca International Group.

STEP 2

Topic assessment

For the purpose of limiting the possible topics and identifying those that are material and relevant to the business of Branca, the level of relevance for each topic - both internally and with regards to the key stakeholders - was established by means of an online survey involving 26 persons, including the CEOs and key management positions in Italy, Argentina and the USA,.

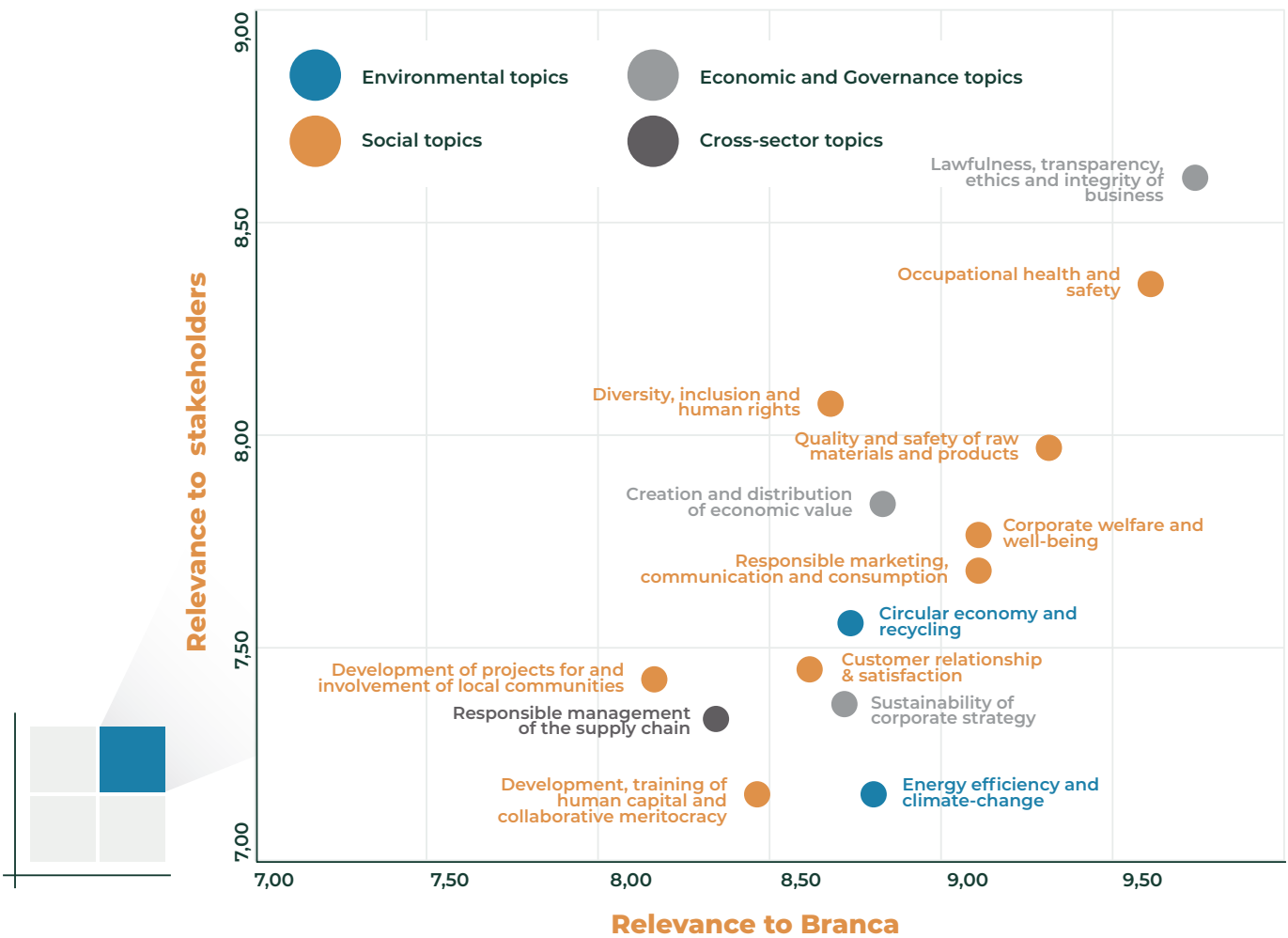
STEP 3

Materiality matrix

Based on the outcomes of the analysis, we then built a materiality matrix containing - in order of priority - the 14 most relevant and strategically important topics for Branca. The matrix, shown below, was shared with and validated by the Chairman's office and a Working Group of the company.

The sustainability topics set out in the matrix represent the "backbone" of the Sustainability and Awareness Report based on which the indicators, data and information to be reported in the document have been defined.

The themes are arranged on the basis of relevance (on a scale from 1 to 10) to Branca (x axis) and to stakeholders (y axis) and are grouped into 4 macro-areas: environmental, social, economic and governance, cross-sector topics.



The 14 topics shown in the matrix above are those that emerged as the most relevant (with a score higher than 7 and therefore of high or very high relevance), ordered on the basis of the relative importance between them. During the analysis, another 9 topics were also assessed, but they obtained lower scores, thus resulting less relevant to Branca International, in relation to the others, and not included in the report.

In detail, the topics are reported according to the appropriate GRI Standard indicators within the different chapters of the Sustainability and Awareness Report, as highlighted below (further details on the GRI indicators are provided in the appendix).

MACRO-AREA	SUSTAINABILITY TOPICS	GRI TOPIC-SPECIFIC DISCLOSURE	REFERENCE CHAPTER(S)
ECONOMIC AND GOVERNANCE TOPICS	<ul style="list-style-type: none"> • Lawfulness, transparency, ethics and integrity of business • Sustainability of corporate strategy • Creation and distribution of economic value 	<p>GRI 201: ECONOMIC PERFORMANCE (2016)</p> <p>GRI 205: ANTI-CORRUPTION (2016)</p> <p>GRI 307: ENVIRONMENTAL COMPLIANCE (2016)</p> <p>GRI 416: CUSTOMER HEALTH AND SAFETY (2016)</p> <p>GRI 419: SOCIOECONOMIC COMPLIANCE (2016)</p>	<p>About us: our identity and history</p> <p>Awareness-based business management</p> <p>Creation and distribution of economic value</p>
SOCIAL TOPICS	<ul style="list-style-type: none"> • Quality and safety of raw materials and products • Customer relationship & satisfaction • Responsible marketing, communication and consumption • Corporate welfare and well-being • Development, training of human capital and Collaborative Meritocracy • Occupational health and safety • Diversity, inclusion and human rights • Development of projects for and involvement of local communities 	<p>GRI 102: GENERAL DISCLOSURES (2016)</p> <p>GRI 205: ANTI-CORRUPTION (2016)</p> <p>GRI 401: EMPLOYMENT (2016)</p> <p>GRI 402: LABOR/ MANAGEMENT RELATIONS (2016)</p> <p>GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)</p> <p>GRI 404: TRAINING AND EDUCATION (2016)</p> <p>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)</p> <p>GRI 406: NON-DISCRIMINATION (2016)</p> <p>GRI 412: HUMAN RIGHTS ASSESSMENT (2016)</p> <p>GRI 417: MARKETING AND LABELING (2016)</p>	<p>Branca product excellence</p> <p>Our people: profile, well-being, health and safety at work</p> <p>Branca, culture and local communities</p>
ENVIRONMENTAL TOPICS	<ul style="list-style-type: none"> • Energy efficiency and climate-change • Circular economy and recycling 	<p>GRI 302: ENERGY (2016)</p> <p>GRI 306: EFFLUENTS AND WASTE (2016)</p>	<p>The environment: sustainable business and impact mitigation</p>
CROSS-SECTOR TOPICS	<ul style="list-style-type: none"> • Responsible management of the supply chain 	<p>GRI 102: GENERAL DISCLOSURES (2016)</p> <p>GRI 204: PROCUREMENT PRACTICES (2016)</p> <p>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)</p> <p>GRI 412: HUMAN RIGHTS ASSESSMENT (2016)</p> <p>GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)</p>	<p>Branca product excellence</p>

In the future, the definition of these topics will become the main tool adopted by the Group for the preparation of sustainability policies and strategies, to grasp changes in the space/time environment in which we operate and to identify areas on which to turn the spotlight of our stakeholder engagement activities. Consequently, these topics will be included in our disclosures, including those of a non-economic and financial nature.

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 for monitoring, to be achieved by 2030.

Given the level and breadth of the goals, the implementation of the Agenda requires the



strong involvement of all components of society, from businesses to the public sector, from civil society to philanthropic institutions, from universities to research centres and information and culture professionals.



Beginning with the 2019 edition of the Sustainability and Awareness Report, Branca International has decided to refer to the SDGs, and in particular to the targets most affected by its activities, in order to fit our sustainability objectives and performance within a broader and more ambitious framework, consistently with the Group's way of doing business and understanding 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 GOAL	SUSTAINABILITY TOPICS OF BRANCA INTERNATIONAL*	RELATED SDG TARGETS
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Quality and safety of raw materials and products • Responsible marketing, communication and consumption • Occupational health & safety • Development of projects for and involvement of the local communities 	<ul style="list-style-type: none"> • 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol • 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> • Development, training the human capital and collaborative meritocracy 	<ul style="list-style-type: none"> • 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • Corporate welfare and well-being • Diversity, inclusion and human rights 	<ul style="list-style-type: none"> • 5.1 End all forms of discrimination against all women and girls everywhere • 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
	Ensure 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, increase substantially the share of renewable energy in the global energy mix
	Promote 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 • Sustainability in corporate strategy • Occupational health & safety • Responsible management of the supply chain 	<ul style="list-style-type: none"> • 8.3 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 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
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Circular economy and recycling 	<ul style="list-style-type: none"> • 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse • 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

	DESCRIPTION OF THE GOAL	SUSTAINABILITY TOPICS OF BRANCA INTERNATIONAL*	RELATED SDG TARGETS
	Take 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 Integrate climate change measures into national policies, strategies and planning
	Promote peaceful and inclusive societies for sustainable development, provide 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 Substantially reduce corruption and bribery in all their forms

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



Creation and distribution of economic value



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

THE STRATEGIC LEVERS OF BRANCA

- OUR BRANDS
- OUR HERITAGE, BUILT UP OVER 175 YEARS ON THE MARKETPLACE, WITH IMPORTANT AND INNOVATIVE ADVERTISING TOOLS
- 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
- OUR CRAFTSMANSHIP IN THE WORLD OF SPIRITS SHINES A LIGHT ON THE PRODUCT, BUT ALSO THE PERSONALITY OF TASTE, MAKING IT ACCESSIBLE TO EVERYONE
- OUR GEOGRAPHICAL EXPANSION OVER THE YEARS SINCE THE ESTABLISHMENT OF THE BUSINESS IN THE MID-19TH CENTURY
- OUR PEOPLE-CENTRED APPROACH, VIEWING PEOPLE AS AN END AND NEVER A MEANS, ACCORDING TO THE BROADER RATIONALE OF "COLLABORATIVE MERITOCRACY"



The Branca International Group operates according to an increasingly international mission, continuing along the path opened up over many years and recently further confirmed by the establishment of Branca USA activities in 2019.

Against this backdrop, without prejudice to the appreciation for Italian products and to the widely-recognised quality of Branca products, the economic results can also be influenced by external variables over which the management has no control, as described in detail in the following pages.

The most relevant and challenging event of the year, which drastically affected both the global economy and the Branca Group's economic performance, was certainly the COVID-19 pandemic, which caused the most severe recession since the post-war period. In addition to causing serious socio-economic damage at a macroeconomic level and a considerable slowdown in global growth, the spread of COVID-19 considerably affected the Group's business performance, with a decrease in sales volumes at an international level caused by the consequent drop in alcohol consumption, and a reduction in marketing activities, due to the numerous restrictive measures adopted around the world, and particularly in Italy, to fight the pandemic.

In 2020, the management of Branca's product portfolio confirmed the strategy of maintaining the focus on

existing, traditionally strong products such as Fernet-Branca and Brancamenta and on the vermouth and aperitif segment. This segment continues to attract particular interest from consumers, both in the domestic market and in the international markets where the Group competes. Moreover, during the year, two new products were launched on the Italian market - Carpano Ready-to-drink Negroni and Mi-To, which are discussed in more detail in the next chapter - and two on the Argentinean market, Vodka Sernova and Brancamenta Ricetta Italiana.

The portfolio of products distributed remained in line with the previous year.

At the management and innovation level, during 2020 the Group's major digitalisation programme, which had already begun in 2018, continued. The programme is structured in several cross-functional project strands that have transversally involved a number of companies, with the main aim of re-engineering, simplifying and automating key business processes and improving operational fluidity, performance and service level both internally and externally with timely and continuous sharing of information and KPIs.

The newly formed Branca USA has been able to adapt its business model to the new regulations put in place by the US Government, including increased tariffs and duties applied directly to products. In 2020, Branca USA continued its

commitment to create the foundation for solid, sustainable and long-lasting growth by drafting annual business plans to ensure that the U.S. subsidiary is successful in the marketplace and creates economic value by hiring the best talent in the industry and building strong partnerships with distributors, customers and marketing agencies.

In general, the Branca International Group's further development objectives on a like-for-like country/brand basis include:

- **continuation and consolidation of the group's international development;**
- **seasonal adjustment and deregionalization of the consumption of some brands;**
- **extension of the product portfolio to existing customers;**
- **expansion of the customer base served;**
- **improving internal operational integration.**

Group financial highlights

The Group-wide operating results are presented in the following summary tables, which show the 2019 highlights of the consolidated Balance Sheet and Income Statement of the Group companies, namely Fratelli Branca Distillerie S.p.A., Fratelli Branca Destilerías S.A., Branca USA Inc., Branca Real Estate S.r.l and Centro Studi Fratelli Branca S.r.l., compared with the two previous years.

KEY ITEMS OF THE INCOME STATEMENT	CONSOLIDATED FIGURES		
AMOUNTS IN KEURO	2018	2019	2020
REVENUES	273.238	263.533	228.434
EBITDA	91.445	78.666	72.585
OPERATING RESULT	85.182	71.726	66.544
NET RESULT	57.541	55.894	33.899

At a consolidated Group level, the main items of the income statement (Revenues, EBITDA, EBIT) in recent years have been negatively affected mainly by external variables, mainly reflecting the contraction in global turnover caused by the COVID-19 pandemic. In fact, in 2020, the Branca Group's total sales volume amounted to approximately 49.6 million litres, slightly down (3.5%) compared to the results achieved in the previous year.

In addition to causing heavy economic losses in the World, especially in the last quarter of 2020, the effect of the unexpected health emergency worsened the economic conditions in Argentina, the Group's reference market, further increasing the effects of the depreciation of the Argentine Peso.

The Argentine economy, in fact, has experienced three consecutive years of high inflation (36.1% for the balance sheet as at 31 December 2020) and a further devaluation of the national currency (40.5%), caused mainly by the collapse in the prices of exported commodities, which have had a strong negative impact on the purchasing power of consumers and the level of consumption⁴. Despite the company's policy based on the production and sale of premium-quality, premium-priced products and proper cost control management, the Branca Group's main balance sheet ratios show decreasing trends during 2020, due to the difficulties caused by an economic context significantly affected by the pandemic.

The main items of the Group's Balance Sheet and Consolidated Balance Sheet are presented below. As can be seen from the chart, Current Assets did not undergo any significant decrease, while Shareholders' Equity shows a significant increase of 18.5% compared to 2019. Debt items, on the other hand, decreased.

In 2020, as can be seen from the figure for fixed assets, significant revaluations of approximately 100 million euro were accounted.

KEY ITEMS OF THE BALANCE SHEET	CONSOLIDATED FIGURES		
AMOUNTS IN KEURO	2018	2019	2020
CURRENT ASSETS	584.951	616.057	620.423
FIXED ASSET ⁵	70.369	72.727	173.491
SHAREHOLDERS' EQUITY	580.015	622.189	737.091
PAYABLES	69.030	63.558	53.411

⁴ Source: INDEC (Instituto Nacional de Estadística y Censos)/Ecolatina

⁵ The figure for fixed asset is included for the first time this year.

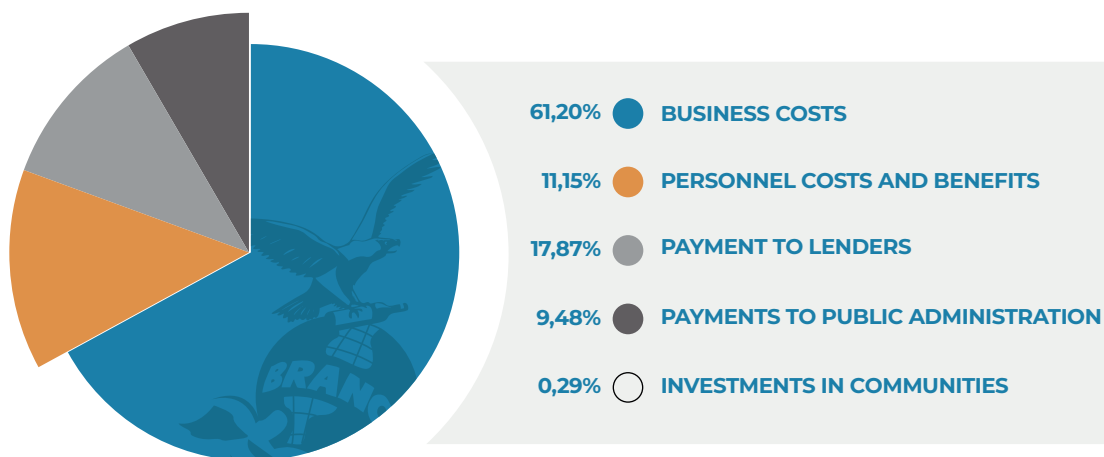
Direct economic value generated and distributed

The table below shows the reclassified highlights of the Group's Consolidated Financial Statements, according to the GRI Standard, in order to identify the direct economic value generated by the Group's production activities - equal to revenues from sales and other revenues - and its distribution among some of the main macro-categories of stakeholders. After a stable trend in the previous three years, between 2019 and 2020 the economic value generated (totalling about € 228,343 million in 2020) shows a decrease of 13.3%, mainly due to a decrease in revenues caused by the

socio-economic impact of the global COVID-19 pandemic, which is also reflected in a reduction in the economic value distributed (equal to approximately € 199,482 million in 2020), although less than that of the economic value generated. This decrease is mainly due to the cut in corporate costs and to the reduction in the purchase of raw materials and in the promotional and marketing costs of Fratelli Branca Distillerie S.p.A caused by the drop in business as a result of the restrictive measures taken to contain the aforementioned health emergency.

KEY ITEMS OF THE CONSOLIDATED INCOME STATEMENT	CONSOLIDATED FIGURES		
AMOUNTS IN KEURO	2018	2019	2020
ECONOMIC VALUE DIRECTLY GENERATED			
REVENUES	273.238	263.533	228.434
ECONOMIC VALUE DISTRIBUTED			
BUSINESS COSTS	154.287	144.159	122.091
PERSONNEL COSTS AND BENEFITS	17.139	22.707	22.242
PAYMENT TO LENDERS	32.455	27.649	35.648
PAYMENTS TO PUBLIC ADMINISTRATION	20.838	21.238	18.920
INVESTMENTS IN COMMUNITIES	323	294	581
TOTAL ECONOMIC VALUE DISTRIBUTED	225.042	216.047	199.482
ECONOMIC VALUE RETAINED	48.196	47.486	28.952

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

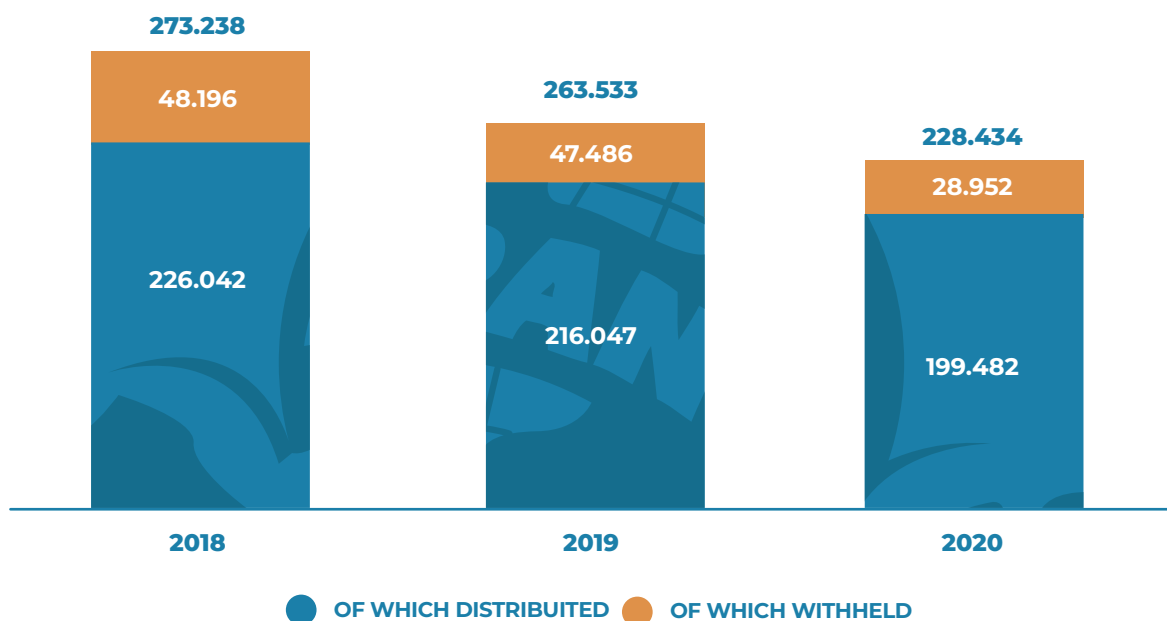


Specifically speaking, as efficiently represented in the pie chart on the right, the economic value distributed was primarily allocated (61.2%) for business costs incurred to purchase goods and services (production costs, payments to suppliers) and, to a lesser extent, for the employees' wages and salaries, and the remuneration of lenders, the State (taxation), as well in the end, in investments in Communities, such as contributions and donations, almost doubled compared to 2019. It should be noted that during 2020 the distributed economic value decreased by 7.7% compared to the previous year, mainly due to the change in corporate costs.

More specifically, as well represented in the graph alongside, the distributed economic value was mainly allocated (61.20%) to cover the company's costs for the acquisition of goods and services (production costs,

payments to suppliers) and to a lesser extent to employees' salaries and wages, which remained stable compared to 2019, as well as to the remuneration of capital suppliers, to the State (through taxes), and, to a more marginal extent, to investments in the Communities, for example through grants and donations. It should be noted that during 2020 the distributed economic value decreased by 7.7% compared to the previous year, mainly due to the change in corporate costs. Overall, the economic value retained, i.e. the difference between the value generated and distributed, was approximately €28,952 million, a decrease of 39% compared to the previous year, caused mainly by the decrease in the economic value directly generated (-13.3%) and to a lesser extent by the decrease in the economic value distributed.

ECONOMIC VALUE GENERATED (KEURO)





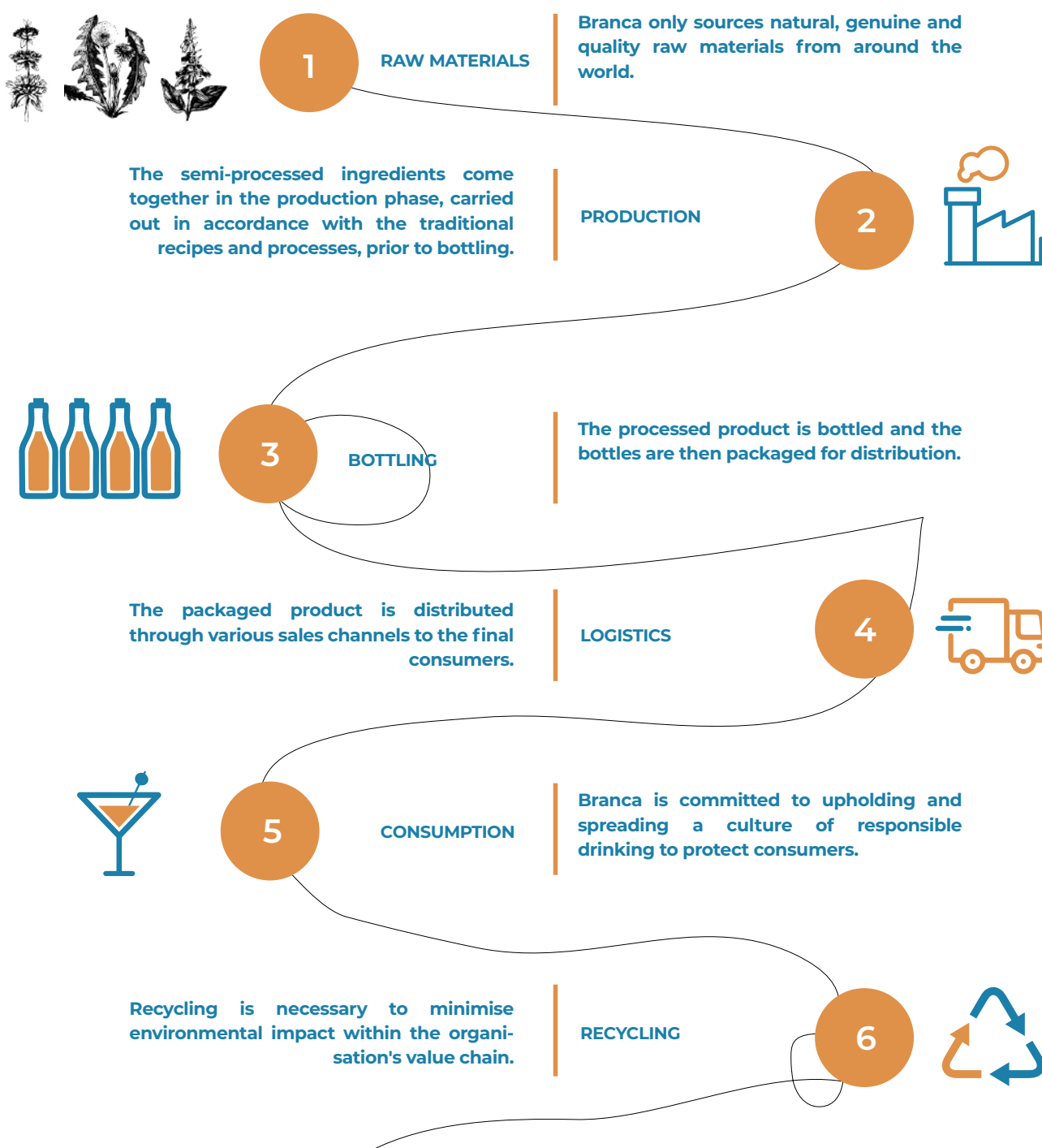
Branca product excellence

Quality and innovation Made in Italy, in accordance with tradition, are the values that have always distinguished Branca products, making them unique and therefore very appreciated worldwide.

In order to meet increasingly higher 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 fundamental as

the sources of supply of raw materials, especially aromatic plants, are distributed on four continents.

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 strict quality controls up and down the entire production chain.



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 and long-lasting business relationships with entities from all over the world.

The Group is committed to constantly exploring 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 envisages the following steps:

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

When selecting suppliers, a particularly sensitive element - also considering the geographical extension of our supply chain - is the respect of local regulations, including those on human rights, by the parties operating outside the company perimeter. Attention to compliance with these provisions is constant and continuously updated in relation to regulatory developments. In the Branca International Group, all our partners selected as official suppliers are located in countries that have ratified the main ILO and UN conventions, and whose legislation already independently treats human rights violations as offences.

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

Furthermore, regarding supplier selection, are preferred 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 non-compliance.

The supplier selection stage is followed by the establishment of a collaborative relationship and the assessment and monitoring of the supplier's performance and compliance with the contractual conditions. The latter activities include sampling and laboratory analysis, conducting periodic audits on suppliers and assessing any non-conformities that may

emerge.

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

- 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 materials;
- promotional materials (e.g. point-of-sale material, gift on pack);
- logistical services;
- machinery and plants;
- automation services;
- general services;
- production support services;
- company vehicle fleets.



FOCUS COFFEE BEAN SUPPLIES

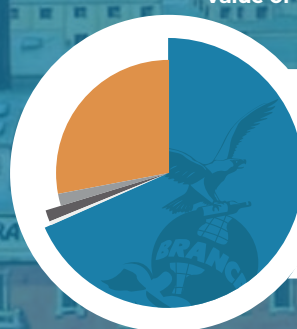


Branca's partner coffee bean producer is consistently attentive to technological innovation and to compliance with the national and international regulations for the protection of the environment and consumers, and has taken the following steps to confirm compliance with its procurement commitments:

- implementation of a Quality System according to the ISO 9001 standard, which involves the entire production chain with the aim of guaranteeing high quality standards and greater customer satisfaction (ISO 9001 Certification - Regulation 02);
- adoption of the "Organisation, management and control model" in accordance with Legislative Decree 231/01: although it is optional, the adoption of this model is considered an opportunity to strengthen the control system and make the resources employed more aware of crime prevention;
- adoption of a Code of Ethics to guarantee transparency and fairness in business relations.

The following pages present qualitative and quantitative information about the supply chain of Fratelli Branca Distillerie, Fratelli Branca Destilerías and Branca USA. The latter, not being a production plant but a distribution company, has a more limited number and type of suppliers and differs from the Italian and Argentine companies.

Fratelli Branca Distillerie S.p.A



Value of orders by geographical area in 2020 (%)

75,0%	ITALY
14,4%	EUROPE (ITALY EXCLUDED)
5,0%	ASIA
5,0%	AFRICA
0,6%	ARGENTINA

In 2020, Fratelli Branca Distillerie had a total of 72 suppliers. The pie chart on the right features a breakdown of the value of orders by geographical area.

The company procures a part of its raw materials through brokers, with which Fratelli Branca Distillerie collabora-

tes to guarantee the highest quality. The brokers, engaged in respect of certain types of materials, are tasked with monitoring the market and purchasing from suppliers offering the best raw materials on the market, in the reference period. This means that, for certain mate-

rials, the supplier/broker may be based in a different country from the country of origin of the raw materials.

SUPPLIERS AND VALUE OF ORDERS⁶ PLACED BY GEOGRAPHICAL AREA (FRATELLI BRANCA DISTILLERIE)

	2018		2019		2020	
	SUPPLIERS	ORDERS	SUPPLIERS	ORDERS	SUPPLIERS	ORDERS
TOTAL	70	100,0	72	100,0	72	100,0
ITALY	52	55,2	57	69,0	50	75,0
EUROPE (ITALY EXCLUDED)	14	42,3	11	28,2	11	14,4
ARGENTINA	1	0,3	1	0,6	2	0,6
AMERICA (ARGENTINA EXCLUDED)	0	0,0	1	0,1	0	0
ASIA	2	1,6	1	1,4	5	5,0
AFRICA	1	0,6	1	0,7	4	0,7

⁶ The value of the orders has been broken down by geographical area taking into account the origin of the purchased materials and not the location of the supplier/-broker from which the materials were purchased.

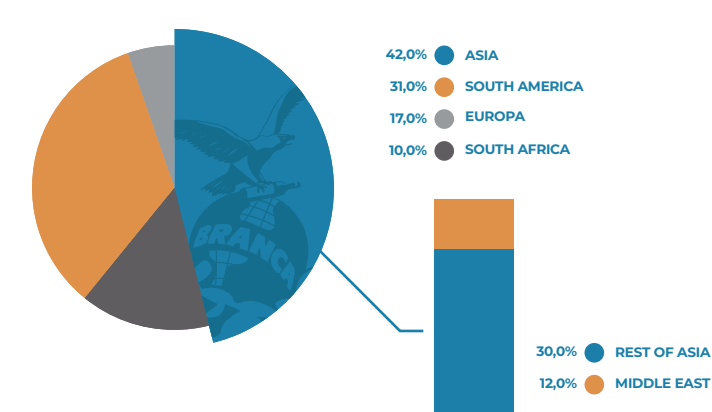
As can be seen from the table above, around 89% of the value of orders placed in 2020 went to Italian or European suppliers. This is largely due to the decision to use local suppliers for the procurement of packaging materials - the category that has

the greatest impact on orders - in order to guarantee quality and minimise the impact of logistics. The scenario regarding other types of raw materials, such as herbs, spices and roots, which are more directly related to product quality, is

different. In this case, as can be seen in the graph below, a more international view emerges, indicating that these materials come from different areas of the world, in particular South America and Asia, bearing witness to the Group's quest for excel-

lence, which over the years has identified and selected the best raw materials for its production.

DRY RAW MATERIALS
(HERBS, SPICES AND ROOTS)
FOR GEOGRAPHIC AREA – 2020



As already mentioned, the supplier evaluation process takes into account different criteria. Specifically, an evaluation questionnaire is prepared by Branca to determine:

- fulfilment of the required technical specifications;
- punctuality in processing requests and deliveries;
- administration, specifically precision and accuracy of the administrative procedure;
- management of non-conformities, in particular timeliness, flexibility, effectiveness in managing non-conformities;
- design and production organisation, with verification and evaluation of the development and production process;
- logistical organisation through verification and evaluation of the logistical process;
- environmental quality and safety system to verify and evaluate the system in place;
- customer assistance, with the verification and evaluation of the customer service level;
- risk management, through the verification and evaluation of risk management processes.

The Group has also adopted a "Green Procurement" strategy, which guarantees the procurement of the greenest and most sustainable products and services possible, also on the basis of a cost-benefit assessment.

Over 91% of the suppliers of Fratelli Branca Distillerie possess at least one certification including quality management system, environment, energy, occupational health and safety and/or food safety.

PERCENTAGE OF QUALIFIED SUPPLIERS
POSSESSING A CERTIFICATION (%)⁷
(FRATELLI BRANCA DISTILLERIE)

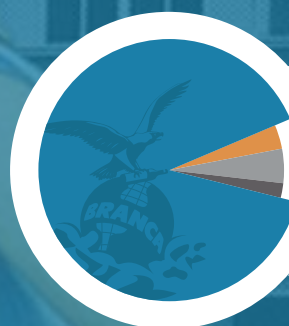
	2019	2020
ISO 9001	58,3%	66,6%
ISO 14001	29,2%	33,3%
OHSAS 18001/ISO 45001	25,0%	25,0%
ISO 2200, BRC, IFS (in food safety)	16,7%	16,7%
% OF SUPPLIERS WITH AT LEAST ONE CERTIFICATION	87,5%	91,7%

⁷ La tabla muestra a 20 proveedores calificados de materias primas y materiales de embalaje primarios. Estos proveedores representan, del total de las compras, alrededor del 80% de la facturación.

Finally, all new suppliers are assessed including environmental and social criteria.

Fratelli Branca Destilerías

Value of orders 2020 by geographical region (%)



86,6%	ARGENTINA
3,5%	ITALY
8,9%	EUROPE (ITALY EXCLUDED)
1,0%	AFRICA

According to the production plan, Fratelli Branca Destilerías identifies its procurement needs of domestic raw materials and packaging materials on a monthly basis, and determines its need for imported raw materials annually (with quarterly reviews). During the supplier selection phase, the company conducts an economic evaluation and a qualitative assessment of the service: for each shortlisted supplier, an evaluation is carried out on the basis of certain analyses set out in the quality standard adopted and the

supplier is then selected after this verification process. Since both are production plants, the main types of goods and services procured by Fratelli Branca Destilerías are substantially the same as Fratelli Branca Distillerie. Specifically, the first two categories of goods and services purchased account for 86% of all orders (on the local market), while dry raw materials account for 14% of orders (via imports).

In 2020, Fratelli Branca Destilerías had 20 suppliers: the pie chart above features a

breakdown of the value of orders by geographical area. Like in the case of Fratelli Branca Distillerie, Fratelli Branca Destilerías also procures part of its goods and services through brokers, who may be based in a different country from the country of origin of the purchased materials.

NUMBER OF SUPPLIERS AND TOTAL ORDERS⁸ PLACED BY GEOGRAPHICAL AREA (FRATELLI BRANCA DESTILERÍAS)

	2018		2019		2020	
	Suppliers	Orders (%)	Suppliers	Orders (%)	Suppliers	Orders (%)
TOTAL	23	100,0	24	100,0	20	100,0
ITALY	5	1,4	5	3,1	3	3,5
EUROPE (ITALY EXCLUDED)	4	5,2	5	4,7	4	8,9
ARGENTINA	12	89,0	9	89,7	11	86,6
AMERICA (ARGENTINA EXCLUDED)	0	0	2	0,5	0	0
ASIA	0	0	1	0,2	1	0
AFRICA	2	4,4	2	1,7	2	1,0

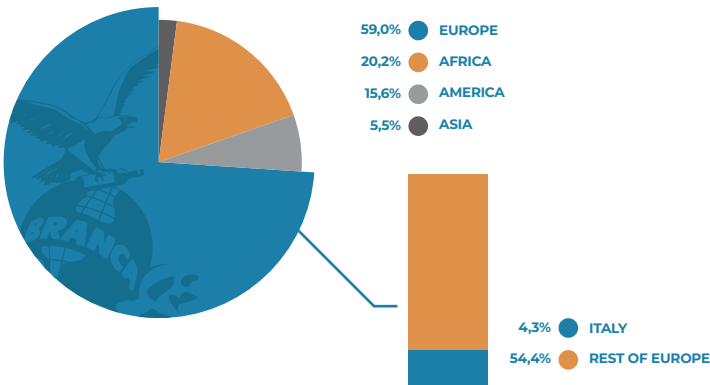
⁸ The value of the orders has been broken down by geographical area taking into account the origin of the purchased materials and not the location of the supplier/broker from which the materials were purchased.

As shown in the table, almost all the orders were placed locally, in Argentina (86.63%).

If, instead, we examine the other types of raw materials, such as herbs, spices, roots, a more international picture emerges which, like in the case of the Italian subsidiary, indicates how these materials are sourced from various parts of the world, in particular from Europe and Africa, as illustrated below.

With reference instead to the supplier evaluation process, it should be noted that 100% of suppliers of Fratelli Branca Destilerías possess at least one certification including quality, environmental, energy, health and safety and/or food safety management system.

DRY RAW MATERIALS
(HERBS, SPICES, ROOTS)
BY GEOGRAPHICAL AREA – 2020



PERCENTAGE OF QUALIFIED SUPPLIERS
POSSESSING A CERTIFICATION (%) ⁹
(FRATELLI BRANCA DESTILERÍAS)

	2019	2020
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)	27,3%	63,3%
% OF SUPPLIERS WITH AT LEAST ONE CERTIFICATION	100%	100%

⁹ The table refers to 24 qualified suppliers of raw materials and primary packaging materials. These suppliers account for about 80% of the turnover regarding total orders



Branca USA

As far as Branca USA is concerned, the goal in its second year of operation was to strengthen relationships with all existing supply chain suppliers. In 2020, Branca USA imported only finished products and its positive impact with respect to a sustainable supply chain relied on choosing reliable partners. While Branca USA continued to optimise loads and utilise intermodal options, the main focus was on supplier conduct and the supply chain of different partners. In light of the COVID-19 pandemic, with its first wave in Lombardy, Italy, where the Group's headquarters and source of products are located, Branca USA revised its procurement organisation to respond to the emergency situation, accelerating its imports from Milan in March/April during the escalation of the pandemic and anticipating risky and unpredictable developments and impacts. To respond to the impacts of COVID-19 on the supply system, Branca USA also

strengthened its relationships and worked to foster greater flexibility to import partners, transportation companies and warehouses. In 2020, Branca USA connected with a total of 10 suppliers, all from the US, of which 25% hold at least one certification. Due to the difficulties related to the pandemic, Branca USA has retained its existing suppliers and no new screening has been implemented, while specific issues such as social and health and safety

aspects have been investigated, especially of the "frontline" workers most affected by the health emergency.

**PERCENTAGE
OF QUALIFIED SUPPLIERS
POSSESSING A CERTIFICATION (%)
(BRANCA USA)**

	2019	2020
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%
% OF SUPPLIERS WITH AT LEAST ONE CERTIFICATION	20,0%	25,0%

Quality and safety of raw materials and products



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 of Branca's production philosophy. Strict quality control of the production chain and compliance with the original recipes are still today key elements of the Group's core values: innovation within tradition and the search for excellence in all fields.

Branca also confirms its desire, as reiterated in its Code of Ethics, to ensure fairness and honesty in company relations in all the countries in which we operate. The Group, in fact, is committed to consistently reviewing the work of its partners and third party collaborators to ensure that they behave ethically and fairly, respect the work environment and the personality and dignity of people in every part of the world.

For Branca, quality is synonymous with excellence, achieved through the hard work of all the people who, with perseverance and commitment, strive daily to spread the values of a unique brand throughout the world, building on a history of expertise, skills and respect for fundamental and essential principles.

The Group believes that one of its primary objectives is to ensure the excellence of its products on the market. Branca products are marketed by leveraging on their uniqueness, tradition - featuring the use of original secret recipes - and an internationally renowned brand.

FRATELLI BRANCA DISTILLERIE

To support the continuous improvement of its production processes and assert its position in the food chain as a mark of superior quality, Fratelli Branca Distillerie has implemented a Food Quality and Safety management system certified according to the ISO 22000 Standard (verified and confirmed in September 2019), at the basis of which is the company's Quality policy, a benchmark of the company's approach to quality. The latter, in fact, explicitly refers to the Code of Ethics, in which the

founding values of the company and the operational guidelines for Food Quality and Safety are laid down. By adopting this management system, Fratelli Branca Distillerie guarantees its wholehearted attention to Branca product consumers, ensuring the same levels of quality, safety and reliability. The annual audit by the certification body is based on compliance with the following principles:

- product quality and safety (food safety);
- internal communication and along the production chain; effectiveness of the hazard
- analysis critical control point (haccp) system; traceability of all activities;
- Care in the approach to
- selecting suppliers and raw materials with verification of the documentary procedures adopted to guarantee the safety and quality of the products supplied; consistent application of the
- company's Code of Ethics.

Fratelli Branca Distillerie is also committed to producing superior quality, safe and reliable products, from all points of view, using safe and state-of-the-art machinery and procedures, in accordance with the laws and regulations in force in the countries where it operates.

In order to guarantee the achievement of these objectives, the company carries out constant research and development activities - with a view to ensuring both regulatory compliance and responding to market needs - through the adoption of control instruments within the production process and along the entire value chain.

Concerning the production process control, there is always a high level of attention and involvement in the following activities:

It is also essential to specify the presence of any allergens on the label, as well as container disposal instructions and warnings about responsible consumption.

With regard to the offer on the Italian market, as already reported in the previous paragraphs, in 2020 Fratelli Branca Distillerie launched two new products: Carpano Ready-to-Drink Negroni and Mi-To with the aim of matching the quality and knowledge of the Carpano brand with the needs of consumers for quality ready-to-drink cocktails.

Finally, as required by current food safety regulations, the company is constantly committed to assessing risks to consumer health throughout the entire product life-cycle and periodically implements training programmes for its production personnel, with regard to hygiene and food safety.

In 2020, the following measures were put into place to effectively monitor the production process:

- prior selection of suppliers and monitoring during the supply phase;
- verification of compliance of raw

materials with the defined specifications, during both the tender and procurement phases;

- implementation of controls on the automation process of the production chain, to guarantee constant product quality;
- checking and monitoring the production chain, from the entry of raw materials to product distribution;
- product traceability;
- periodical product recall checks and tests, to guarantee a prompt response from the company in the event of food safety related defects.

We wish to point out that no non-conformities have been reported or found, in relation to regulations/self-regulation codes, either as a result of internal controls or following inspection by the competent authority, the Ministry of Agricultural, Food and Forestry Policies, regarding the labelling of products.

- labelling: all products marketed within the EU are labelled in accordance with the relevant European regulation (Regulation (EU) No 1169/2011). The labels also carry information on the safe use of the product and the related environmental and/or social impacts, if the products are intended for countries where this type of information is required by law.

Regarding the promotion of responsible consumption of alcoholic beverages, the labels - especially those on certain specific products - carry information on the best way to enjoy the product. No non-compliance with regulations or voluntary codes regarding the information and labelling of Branca products was found during the reporting period;

- continuous commitment to assessing and reviewing the types of bottle caps or tops to minimise the risk of tampering, to ensure that any such attempts become immediately obvious.

FRATELLI BRANCA DESTILERÍAS

In Argentina too Fratelli Branca Destilerías has implemented a Food Quality and Safety Management System, based on the ISO 22000:2018 Standard, certified since 2007 by Bureau Veritas and accredited by UKAS. Every year the company undergoes a recertification audit process by the certifying body, with great results: in 2020, for the third year in a row, no non-conformities or observations were reported.

The company's target, in line with the Group objectives, is to guarantee product safety, ensuring compliance with current legislation and the strict quality parameters laid down. To achieve this objective, the company has provided the following:

- A quality, food safety and environmental management policy.
- A firm structure of documents consisting of: a Food Quality and Safety Management System manual, a Good Manufacturing Practices manual, a HACCP plan, POES and procedures, instructions and operating procedures for the implementation of the standard requirements.
- Good Manufacturing Practices (GMP).
- A staff training plan.
- a Hazard Analysis and Critical Control Points (HACCP) system;
- monitoring of critical control points, GMP activities and application of POES.

En materia de seguridad, salud y medio ambiente, la In relation to safety, health and

the environment, the Company has adopted an integrated system, which follows the guidelines of ISO 14001 and ISO 45001, and established policies in which it commits to comply with applicable national, provincial and municipal regulations, and adhere to other regulations that strengthen management. For the identification of legal requirements, there is a monthly regulatory update monitoring service and from 2021 third-party audits will be carried out.

In addition, the company has defined a Code of Ethics, in accordance with international and national best practices in corporate governance, with the aim of directing its activities according to the principles of legality, fairness and loyalty.

As far as internal KPIs related to the issue of product quality are concerned, considerable progress has been made over the last year, certifying the company's commitment and constant evolution:

- Good Manufacturing Practices (GMP) index: the report, based on monthly internal audits, showed an improvement of 4.7% over the period, based on a number of criteria that took into account increased company hygiene, more extensive staff training and infrastructure advancements;
- number of consumer complaints: the company's target of reducing the number of annual consumer complaints to 50 was maintained in 2020.
- energy and process savings: thanks to optimised maceration processes and technical improvements to machinery (including reprocessing costs and downtime), there has been a 42% increase in energy and process savings.

Fratelli Branca Destilerías also promoted the following initiatives, among others:

- Launch of new products, Sernova Wild Berries Vodka and Sernova Fresh Citrus Vodka, both of which are made from selected locally produced alcohol and filtered through a unique and noble process, with a natural flavour.
- Improvements in packaging development for Fernet Branca, with a new art design and optimisation of the bottling process dynamics and costs.
- Automation of the infusion system in the process, optimising strict control of alcohol, infusion and water dosages, improving hygiene and optimising costs.
- New packaging design for Sernova Vodka, optimising the space and dynamics of the production process.
- Internal audits to ensure and maintain compliance with ISO 22000:2018.
- With regard to suppliers and distributors, clear definition of obligations and responsibilities in contracts and implementation of quality audits, to verify predefined targets on quality, environmental care and other relevant aspects.

Consumer protection and promoting responsible consumption

For many years now Branca has been actively engaged in promoting the responsible consumption of alcoholic beverages: the company's communication campaigns aim to spread a culture of quality drinking that coincides with the pleasure of taste, as opposed to binge drinking.

The basic idea, conveyed by Branca, is that its products can add pleasure to life, provided they are consumed in a responsible and moderate manner.

At Branca, promotion and communication activities are conducted in accordance with the current marketing regulations, with respect to which no cases of non-compliance have been reported. All advertising campaigns, which are consistently attentive to both context and content, promote responsible consumption and are based on creative storyboards aimed at discouraging underage drinking, drink driving and drinking by pregnant women. Commercial communications on TV are aired exclusively in protected time slots and each advertisement, promotional video or commercial also carries the warning "Drink responsibly".

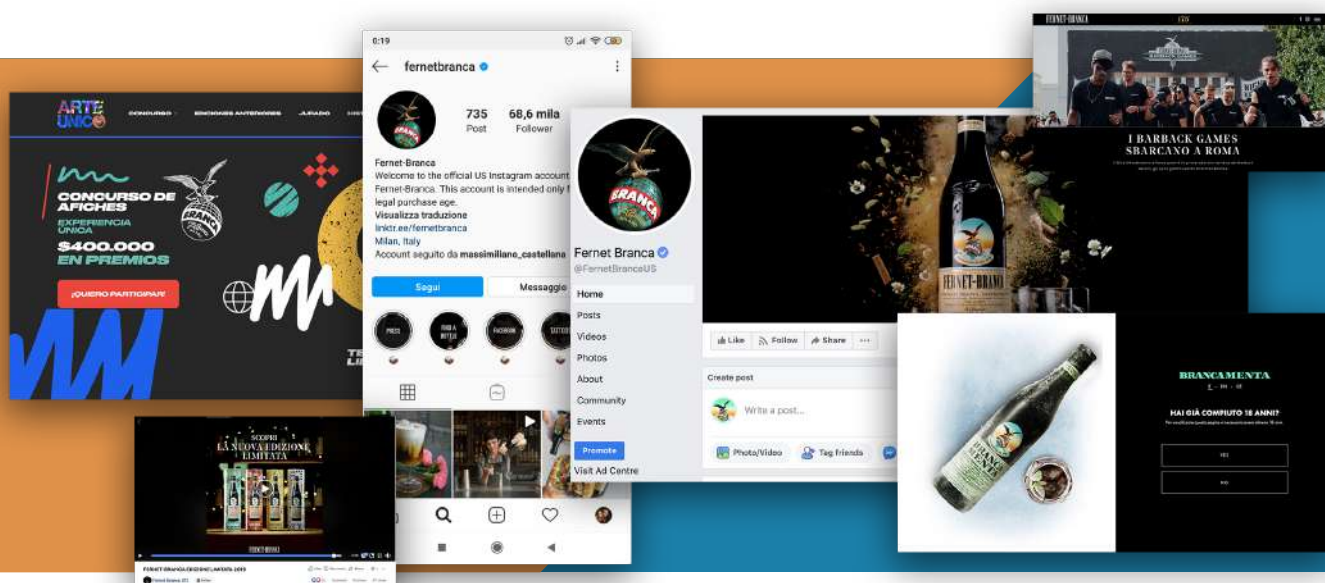
Fratelli Branca Destilerías also pays great attention to promoting messages recommending responsible consumption and spreading a drinking culture grounded on the importance of sharing, in particular through campaigns, promotional stands and product labelling. The Argentine company has also implemented specific controls in relation to the tasting activities carried out at its premises, to monitor consumption by visitors, and has put up posters informing about the ban on underage drinking at its promotional

stands.

Regarding labelling, the same recommendations on responsible consumption can be found on the products of Fratelli Branca Distillerie in Italy and Fratelli Branca Destilerías in Argentina.

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.

Generally speaking, communication through the social media is closely and consistently monitored. In addition to Netiquette, which invites to responsible consumption on Facebook, Branca regularly monitors the digital content produced or disseminated by its suppliers, as well as its own and third-party Fanpages, through an active moderating system, and conducts online and traditional press reviews. All these media activities have the primary objective of ensuring that the Branca name is always associated with a message that promotes responsible consumption, understood as a founding element of the culture of quality drinking.



Branca firmly believes that dialogue and collaboration with institutions and trade associations is key to promoting responsible consumption and sharing its values with the broader public. To this end, in Italy, the Group participates in the drafting of association guidelines on Responsible Consumption, in particular through Federvini and Federalimentare, both members of the employers' organisation Confindustria, and Centromarca.

The Cámara Argentina de Destiladores Licoristas, on the other hand, has set up a Corporate Social Responsibility programme for promoting responsible consumption, in which Fratelli Branca Destilerías participates, and which involves, among other things, raising awareness among parents and children on responsible consumption and monitoring alcohol levels.

In addition to marketing and promotional activities, consumer protection at Branca also involves research

and development, certification, manufacturing, production and distribution. All these activities are designed and managed with a focus on consumer health protection, which is therefore an essential value in the way Branca conducts its business. The Code of Ethics and Code of Conduct of Fratelli Branca Distillerie further ensure that the Group's founding values and principles are consistently observed in all relations established with stakeholders.

The principles of the Economy of Awareness, which guide the sustainable development of all Group activities, also specifically call for enhancing the quality of people's lives, which can be achieved through awareness of the interdependence between all human beings and between all activities, both inside and outside the company.

Last but not least, Branca USA is also planning to set up in-house training programmes for employees, to ensure that the work

carried out, both internally and externally, is perceived as responsible and attentive to the health and safety of its consumers.

Customer Relations & Satisfaction

Achieving customer satisfaction is one of Branca's key objectives. Regarding Quality, the company is extremely focused on maintaining consistent and high standards, on customer/consumer care by collecting requests for information, reports and complaints and adequately responding. Final customer satisfaction and the involvement of the bartender community are, in fact, considered fundamental and distinctive elements for Branca brand appreciation, vis-à-vis our main competitors, in view of the creation of a preferential relationship with the relevant stakeholders. From this point of view, the communication activities developed by the individual brands are based on transparency and on the relevance of content, on emphasising elements of

differentiation and uniqueness (e.g. Accademia Branca), on enhancing common elements shared by the brands and the relevant communities (e.g. the city of Milan, the bartenders, etc.).

In fact, the Group consistently strives to provide customers/consumers with direct, immediate and easily available communication channels with the various companies (web solutions, emails, invitations to visits to the plant, etc.).

FRATELLI BRANCA DISTILLERIE

Among the main communication, relationship and involvement initiatives with customers, consumers and, more generally, stakeholders, carried out by Fratelli Branca Distillerie in the last year, the following should be highlighted:



BEVI RESPONSABILMENTE®

**SCOPRI LA NUOVA
XMAS LIMITED EDITION
FERNET-BRANCA®**

175 years TV and digital campaign

Fernet-Branca, on the occasion of its 175th anniversary, has developed a new communication campaign (TV & Digital) that tells the story of an authentic Brand that does not adapt or bend to fashions, always itself, strong in its identity. The message is that, like Fernet-Branca, each of us can be the hero of our own story, looking ahead and remaining ourselves. A synthesis of energy that looks to the future, with an iconic message: "Inimitable. Like you". The campaign was created by reinterpreting the extensive cultural and material archive of objects, images, languages and icons of Fernet-Branca in a contemporary key, combining history and modernity:

- History and roots, represented by the founder, Bernardino Branca.
- The secrets of the recipe, to this day guarded only by President Niccolò Branca, the fifth generation of the Family, who, as an unexpected cameo, we find in the film portrayed among the barrels.
- The adventure and the courage to face every challenge and remain true to oneself for 175 years.
- Freedom represented by one of the unmistakable icons of the brand, the eagle.
- The world, to underline the internationality of Fernet-Branca and its presence in over 160 countries.
- The rules told by the coin: a cult object for the Bartender community.
- A code that is also reflected in the graphics.

on the occasion of the 175th anniversary of its foundation, Fratelli Branca Distillerie decided to give life to a project dedicated to young talents in collaboration with Accademia Teatro alla Scala, creating the Fernet-Branca 2021 Calendar, the proceeds of which were allocated to a scholarship to attend courses at Accademia Teatro alla Scala. Since the beginning of its history, Fratelli Branca Distillerie has been a pioneer both in creating an innovative product and in rapidly internationalising it, and in exploring new ways of communication in line with the tastes and trends of the time, from the artistic posters placed in bars and streets to the famous Branca calendars.

The inspiration came from Branca's historical calendars, first produced in 1886 and quickly becoming a cult object awaited every year. Each edition brought to light, through the eyes and talents of famous artists of the time, a subject of particular value to civil society and in which, in keeping with its mission as a 'sustainable' company, Branca showed its closeness to the community and its awareness of its role in society. Examples of this are the 1892 calendar for the 400th anniversary of the discovery of America and the 1904 calendar dedicated to Marconi's genius. Suspended during the period of the world wars, today, in the year of the celebration of 175 years since the creation of Fernet-Branca, the idea was born to return to making the Branca calendar while maintaining its original mission and making it contemporary in the role it plays within the community.

2021
APRILE
FERNET-BRANCA

			1	2	3
5	6	7	8	9	10
12	13	14	15	16	17
19	20	21	22	23	24
26	27	28	29	30	

Fernet-Branca Milk, Christmas 2020

On the occasion of its 175th Anniversary, Fernet-Branca paid tribute to Cocktail Bars, one category, among many, deeply affected by COVID-19. To represent the whole category, Fernet-Branca collaborated with four Cocktail Bars in Milan, the city where it was born. The exclusive and eagerly awaited cans thus recounted four special recipes created by four Milanese bars using Fernet-Branca, demonstrating the versatility of the product and its ability to make a precious mix. The four venues that have collaborated with the brand are:

- Ceresio7 Pools&Restaurant with the cocktail "175 BOULEVARD BRANCA "
- Lacerba Milano with the "DIGESTIVE OF WORK" cocktail
- Mag Café with the cocktail "YOU CAN'T IMAGINE THIS FLAVOR".
- Milano The Stage Octavius, with the cocktail "BRANCA HOME PUNCH".

FERNET-BRANCA®



FRATELLI BRANCA DESTILERÍAS

As far as the Argentine company is concerned, there has been an important expansion of communication channels with consumers, which has also led to an improvement in the quality of the products delivered to customers (in the storage and distribution phases). In fact, the strengthening of these channels has enabled a constructive dialogue with consumers that has positively influenced the development of new products (Brancamenta Ricetta Italiana, Sernova): in particular, thanks to the numerous surveys and tests conducted throughout the country, it has been possible to report and make numerous improvements or changes in the formulation of the products, ultimately leading to a wider and more positive reception of the latter by the final consumer communities.

The strengthening of these channels has enabled a constructive dialogue with consumers, which has had a positive impact on the development of new products (Brancamenta Ricetta Italiana, Sernova). In particular, thanks to the numerous surveys and tests carried out throughout the country, it has been possible to point out and make numerous improvements or changes in the formulation of products, ultimately leading to a wider and more positive acceptance of these products by the final consumer community. Below is an overview of the main initiatives carried out in 2020 by Fratelli Branca Destilerías:



In the context of the pandemic and at a time of great uncertainty, in order to give a message of support and optimism, the format "Se Sale en Casa" was created through which recreational spaces and digital shows with the main Argentine musicians, comedians and artists were offered to everyone through the social networks of Fernet Branca, a brand that has always been a symbol of meetings and pleasant moments. The initiative reached important numbers, with more than 8 million people involved and over 70 thousand unique viewers.

In October 2020, the new Fernet Branca commercial "Volver" was launched in Argentina. Within the pandemic context, the advertising campaign proposed a message of hope and optimism, communicating a desire for tradition, meeting and toasting, while also proposing a message of responsibility. Also in 2020, the commercial for the new Brancamenta Ricetta Italiana was launched, together with the proposal of a new cocktail for the season, the 'Mint Tonic'.



Branca also celebrated 175 years of uninterrupted history in Argentina in 2020, with limited, commemorative and collector's editions made available to aficionados and consumers for the important anniversary.



To support the different expressions of art and culture in Argentina, Fernet Branca continued to build its connection with music and took part, presenting it, the 20th anniversary edition of the Cosquín Rock event, where local and international bands join forces for two days with more than 80,000 spectators. Fernet Branca was present with a wide range of experiences for all festival goers as part of the 360° "Paraíso Fernetista" campaign full of moments for all rock and Fernet fans.



In line with one of the main values linked to the Fernet Branca brand, friendship, the #PROMESA-DEAMIG@ initiative was created, a contest for loyal consumers to celebrate the Día del Amigo and win Fernet Branca, even in a difficult situation like the pandemic. The initiative reached a wide audience, with 18 million unique users.



As part of the Effie Awards Argentina 2020 ceremony, Fernet Branca was awarded as one of the Great International Brands, entering the Hall of Fame in Argentina. Fernet Branca has achieved this award because of its capability to consolidate itself over the years as a true icon of the Argentine national culture, with a strong emotional and affective bond with its loyal consumers.



After the launch in 2019 of the original version of Sernova vodka, in 2020 the Wild Berries and Fresh Citrus versions were launched on the Argentine market, the first two versions of the Natural Flavours line, which combines different fruit blends and 100% natural flavours.



BRANCA USA

Like the other companies of the Group, Branca USA strongly believes in the power of communication and in the relationship with its customers, studying and periodically monitoring the performance of the US

market in order to maintain a high quality and provide valuable market's insights to the headquarters.

Key initiatives implemented in 2020 include:

To commemorate Fernet-Branca's 175th anniversary and to strengthen ties with local communities, Branca USA created an online shop with exclusive commemorative POS items for the 175th anniversary.

Branca USA donated \$20,000 to the Speed Rack event, a national cocktail competition that pits top bartenders against each other in timed challenges, with proceeds going to breast cancer education, prevention and research initiatives. For the occasion Branca sold themed coins, the earnings from which were donated to charity.

COVID-19 EMERGENCY RESPONSE

Given the impact of COVID-19, Branca USA quickly changed its training and information activities with customers and distributors to a virtual format. In this way, training was offered on a variety of topics on different brands, including Fernet-Branca, Brancamenta, and the history of Fratelli Branca, Stravecchio Branca & Caffè Borghetti, and Carpano Vermouth. In addition, all the physical events cancelled from March 15th have also been replaced by virtual meetings and tastings for the rest of the year.





Our people

EMPLOYEE PROFILE, WELL-BEING, HEALTH & SAFETY

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

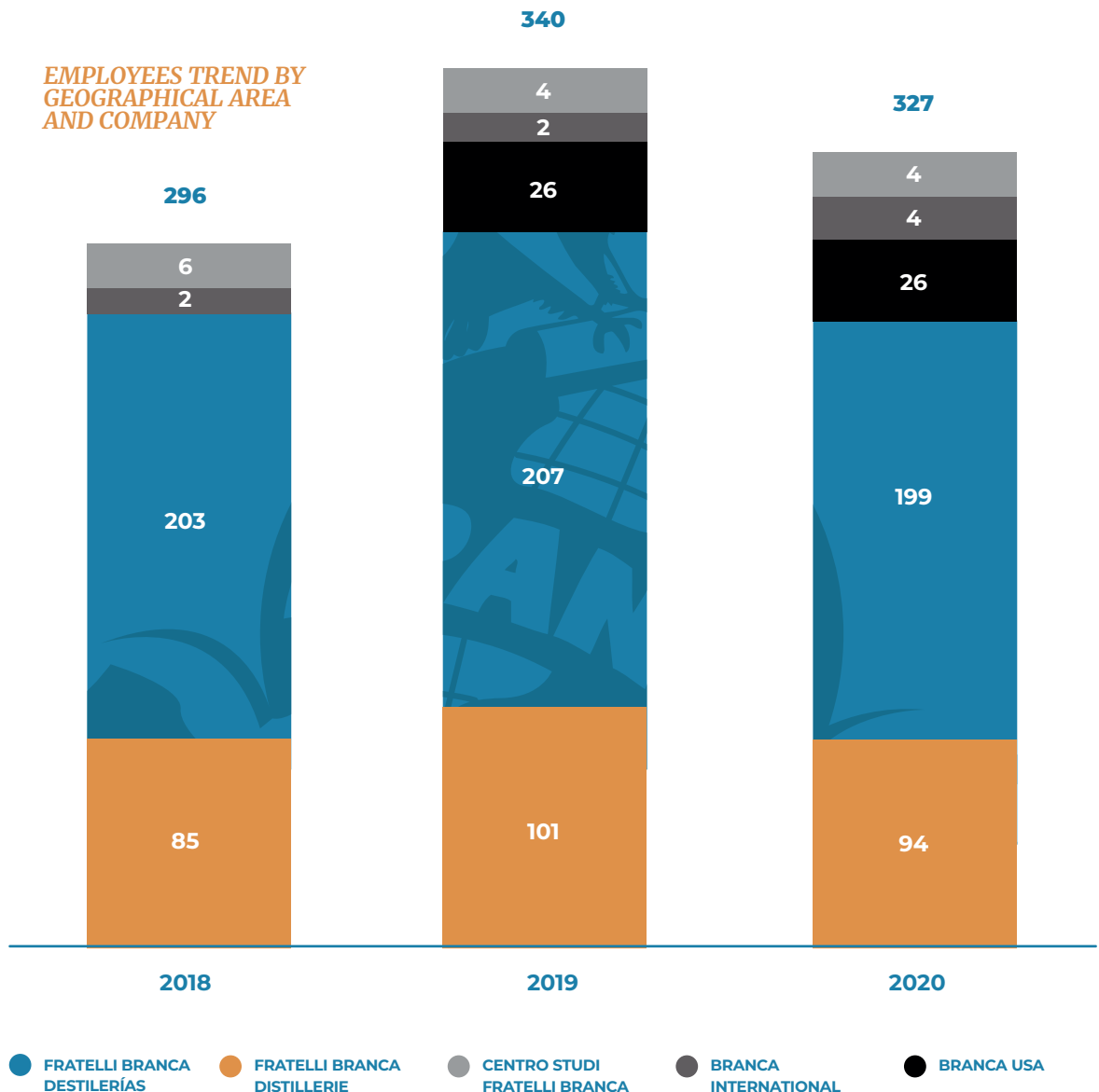
The creation and maintenance of listening, dialogue and transparency relations with people, considered as an end and never as a means, are the main requirements to guarantee a positive, serene and cohesive working environment, and to promote the success of the organisation through the application of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

Employee profile

¹⁰ The total includes the employees of Fratelli Branca Distillerie SpA, Fratelli Branca Destilerías SA, Branca USA Inc, Centro Studi Fratelli Branca S.p.A. and the employees who are directly employed by the parent company Branca International SpA. For simplification, the company names are not repeated in the graphs and tables. The 2019 figure for Branca USA has been adjusted by aligning it with the number of employees terminated during the first year of operations, resulting in the total number of employees in 2019 falling to 340 from 345 previously reported.

At December 31st 2020, the Branca International Group had a total of 327 employees¹⁰, 99.0% of whom were employed under indefinite-term contracts. The decrease of 13 staff members compared to the previous year, which is limited in percentage terms (-3.8%), is due to the consequences of the COVID-19 pandemic, which has clearly affected the global economy: against a slightly reduced number of layoffs, the number of hires was reduced, resulting in a decrease in the total number of employees. Concerning the gender composition, in 2020 the female presence represents 18.7% of the total workforce.

EMPLOYEES TREND BY GEOGRAPHICAL AREA AND COMPANY



The table below shows the number of employees broken down by gender, type of employment contract (fixed-term and open-ended employment contracts) and geographical area/company:

NUMBER OF GROUP EMPLOYEES BY GENDER, CONTRACT TYPE AND COMPANY	2018			2019			2020		
	Fixed-term	Open-ended	Tot.	Fixed-term	Open-ended	Tot.	Fixed-term	Open-ended	Tot.
F.LLI BRANCA DISTILLERIE	80	5	85	94	7	101	93	1	94
Men	54	4	58	65	4	69	62	1	63
Women	26	1	27	29	3	32	31	0	31
F.LLI BRANCA DESTILERÍAS	203	0	203	207	0	207	199	0	199
Men	196	0	196	195	0	195	188	0	188
Women	7	0	7	12	0	12	11	0	11
BRANCA USA ¹¹	-	-	-	26	0	26	26	0	26
Men	-	-	-	12	0	12	11	0	11
Women	-	-	-	14	0	14	15	0	15
BRANCA INTERNATIONAL	2	0	2	2	0	2	4	0	4
Men	1	0	1	1	0	1	2	0	2
Women	1	0	1	1	0	1	2	0	2
CENTRO STUDI FRATELLI BRANCA	6	0	6	4	0	4	4	0	4
Men	3	0	3	2	0	2	2	0	2
Women	3	0	3	2	0	2	2	0	2
TOTAL	291	5	296	333	7	340	326	1	327
Men	254	4	258	275	4	279	265	1	266
Women	37	1	38	58	3	61	61	0	61

¹¹ The 2019 figure for Branca USA has been adjusted by aligning it with the number of employees who ceased work during the first year of operation, which were previously not counted.

The following table breaks down the employees by professional group and working hours (full time and part-time) at consolidated level.

NUMBER OF GROUP EMPLOYEES BY GENDER AND PROFESSIONAL GROUP	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
SENIOR MANAGERS	24	2	26	27	3	30	28	3	31
MIDDLE MANAGERS	28	9	37	37	17	54	34	18	52
WHITE-COLLAR	104	23	127	112	37	149	103	36	138
BLUE-COLLAR	102	4	106	103	4	107	101	4	105
TOTAL	258	38	296	279	61	340	266	61	327

NUMBER OF GROUP EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
FULL TIME	257	36	293	278	59	337	266	60	326
PART-TIME	1	2	3	1	2	3	0	1	1
TOTAL	258	38	296	279	61	340	266	61	327

Besides the above mentioned employees, every year F.lli Branca Distillerie and F.lli Branca Destilerías hosts internship and agency/temporary workers, as follows.

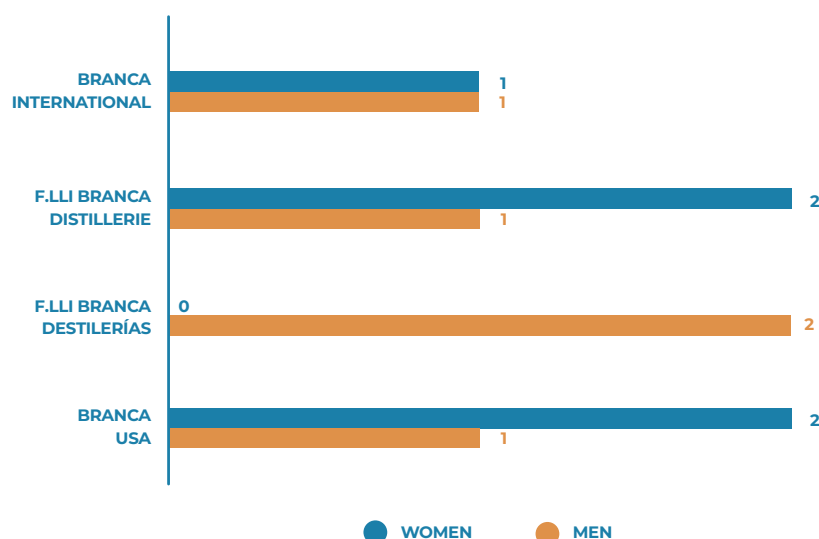
NUMBER OF AGENCY/TEMPORARY WORKERS AND INTERNS ENGAGED BY THE GROUP BY GENDER	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
INTERNSHIP	1	2	3	3	1	4	2	0	2
AGENCY/ TEMPORARY WORKERS	15	3	18	14	4	18	20	6	24
TOTAL	16	5	21	17	5	22	22	6	28

Employee turnover¹²

During 2020, there were 10 new hires and 26 employees leaving. With reference to the employees hired in 2020, the chart below shows the breakdown by gender. Most of the new employees are in the 30-50 age bracket (90%), plus one woman under 30. While the trend in the number of terminations remained substantially stable over the three-year period, the trend in hiring reflects the difficulties linked to the COVID-19 pandemic and the consequent impact on the market and production. However, the overall number of employees in the Group remains relatively stable between 2019 and 2020 (-13 resources in total). The incoming turnover in 2020 at Group level is, as anticipated above, lower than in previous years, at 3.1%¹³.

¹² The number of incoming and outgoing employees and the turnover rates do not take into account the outgoing employees of Centro Studi Fratelli Branca and Branca International 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.

NEW HIRES IN 2020



¹³ The incoming turnover rate is equal to the ratio between the number of incoming employees and the total number of employees at December 31st.

INCOMING TURNOVER RATE BY GENDER AND GROUP COMPANY	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
F.LLI BRANCA DISTILLERIE	6,9%	0,0%	4,7%	18,8%	15,6%	17,8%	1,6%	6,5%	3,2%
F.LLI BRANCA DESTILERÍAS	11,7%	0,0%	11,3%	8,2%	50,0%	10,6%	1,1%	0,0%	1,0%
BRANCA USA	-	-	-	100,0 %	100,0%	100,0%	9,1%	13,3%	11,5%
BRANCA INTERNATIONAL	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	50,0%	50,0%	50,0%
CENTRO STUDI FRATELLI BRANCA	33,3%	33,3%	33,33%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
TOTAL	10,9%	2,6%	9,8%	15,3%	43,8%	20,6%	1,9%	8,2%	3,1%

With regard to outgoing employees, the number is substantially stable compared to previous years, with an outgoing turnover of 8.0 % in 2020 at Group level¹⁴.

¹⁴ The outgoing turnover rate is given by the ratio of outgoing employees to total employees at December 31st.

**NUMBER OF OUTGOING
EMPLOYEES BY GENDER
AND GROUP COMPANY**

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
F.LLI BRANCA DISTILLERIE	4	4	8	5	2	7	6	4	10
F.LLI BRANCA DESTILERÍAS	10	1	11	15	0	15	9	1	10
BRANCA USA	-	-	-	2	3	5	2	1	3
BRANCA INTERNATIONAL	0	2	2	0	0	0	1	1	2
CENTRO STUDI FRATELLI BRANCA	0	3	3	1	0	1	0	1	1
TOTAL	14	10	24	24	5	28	18	8	26

¹⁵ The 2019 rate for Branca USA has been adjusted by aligning it with the number of employees terminated during the first year of operation, which were previously not counted. As a result, the overall 2019 rate also varies slightly.

**OUTGOING TURNOVER
RATE BY GENDER
AND GROUP COMPANY**

	2018			2019 ¹⁵			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
F.LLI BRANCA DISTILLERIE	6,9%	14,8%	9,4%	7,2%	6,3%	6,9%	9,5%	12,9%	10,6%
F.LLI BRANCA DESTILERÍAS	5,1%	14,3%	5,4%	7,7%	0,0%	7,2%	4,8%	9,1%	5,0%
BRANCA USA	-	-	-	16,7%	21,4%	19,2%	18,2%	6,7%	11,5%
BRANCA INTERNATIONAL	0,0%	200,0%	100,0%	0,0%	0,0%	0,0%	50,0%	50,0%	50,0%
CENTRO STUDI FRATELLI BRANCA	0,0%	100,0%	50,0%	50,0%	0,0%	25,0%	0,0%	50,0%	25,0%
TOTAL	5,4%	26,3%	8,1%	8,2%	8,2%	8,2%	6,8%	13,1%	8,0%

¹⁶ The turnover rate is higher than 100% because employees hired directly by the holding company are gradually decreasing over the years and the number of employees terminated during the year (e.g. women terminated in 2019) is higher than the number of employees at December 31st of the same year (e.g. women on the payroll at 31/12/19).

Diversity and inclusion in the work environment

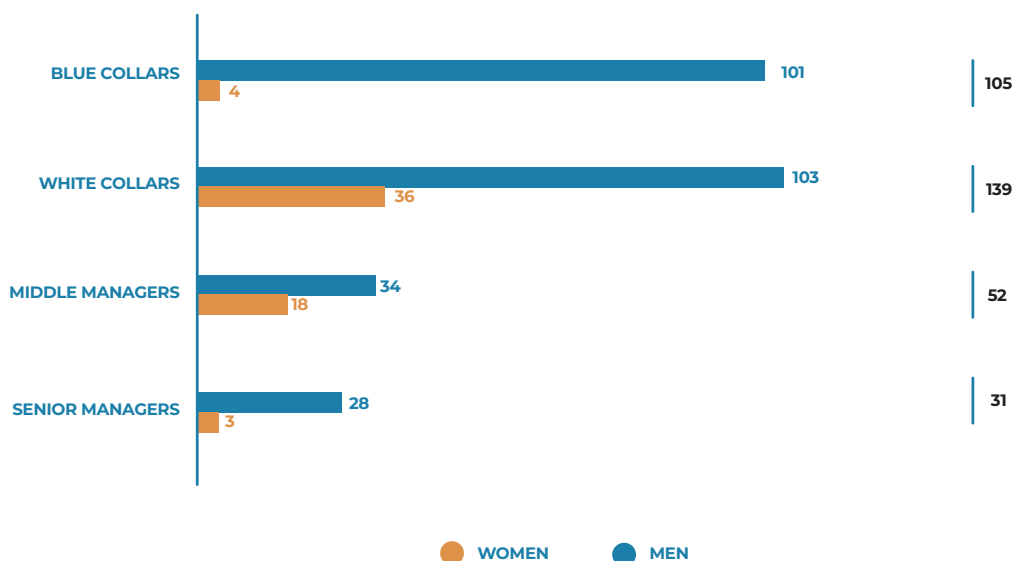
As explained in the Code of Ethics, the Group recognises the central and essential role of the people employed at all levels in achieving the company's objectives and therefore undertakes to enhance and develop its human capital, viewed as an end and not as a means.

Since the Group has offices and plants not just in Italy but also in other countries around the world, and operates in almost all international markets, it believes that the contribution by human resources from different nationalities and cultures is key to the enrichment and growth of the Group as a whole. Branca International rejects all forms of discrimination, particularly on grounds of race, gender, age, nationality, religion and personal or political beliefs, and is committed to guaranteeing equal opportunities in work and professional advancement. Therefore, its policies concerning recruitment, training, remuneration, promotion, transfers and termination are designed to exclude any discrimination-based reasons.

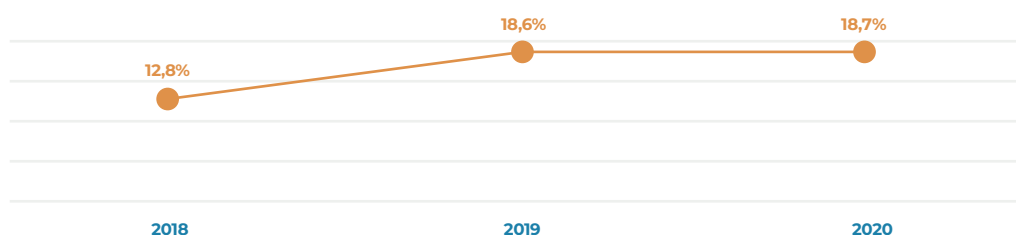
In 2020, the presence of women in the Group remained almost unaltered at 18.7%, compared to 18.6% in 2019. For details of the female presence by Group company, please refer to the table in the Appendix.

The table in the appendix provides further details regarding the number of female employees by Group company.

EMPLOYEES, BY GENDER AND PROFESSIONAL CATEGORY - 2020



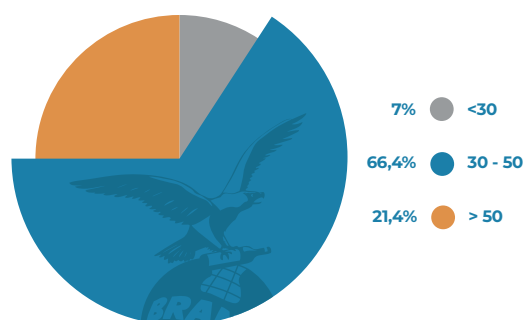
PERCENTAGE TREND OF FEMALE EMPLOYEES



EMPLEADOS DEL GRUPO POR FRANJAS ETARIAS – 2020

17 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).

As regards the age of employees, the Group's largest age range¹⁷ in 2020 is between 30 and 50 (229 people, representing 66.4% of the total workforce). The percentages of employees under 30 and over 50 are 7% and 21.4% respectively.



NUMBER OF EMPLOYEES BROKEN DOWN BY GENDER, PROFESSIONAL GROUP AND AGE GROUP AT 31/12/2020

	< 30			30 - 50			> 50			TOTAL GROUP 2020
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
SENIOR MANAGERS	0	0	0	8	3	11	15	0	15	26
MIDDLE MANAGERS	0	0	0	24	15	39	14	3	17	56
WHITE-COLLAR	11	7	18	76	23	99	16	6	22	139
BLUE COLLAR	6	0	6	78	2	80	18	2	20	106
TOTAL	17	7	24	186	43	229	63	1113	74	327

On the subject of diversity, in 2020 Fratelli Branca Destilerías collaborated with four non-governmental organisations dedicated to improving the quality of life of families in vulnerable circumstances. The Argentine branch has also worked with foundations whose mission is to promote equal educational opportunities through programmes that further inclusion at school and improve the quality of education for children and young people from families with limited financial resources.

Overall, all Group companies, apply the same Code of Ethics, which sets out challenging values and principles on inclusion, human rights, equal opportunities and non-violence.

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 2020 all the employees of Fratelli Branca Distillerie, Branca International and Centro Studi Fratelli Branca were hired under the relevant national collective labour agreement (CCNL). With regard to Fratelli Branca Destilerías, it should be noted that around 47% of employees are protected by trade union agreements¹⁸.

¹⁸ The marker is not applicable for the US branch.

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE LABOUR AGREEMENTS

	2018	2019	2020
<i>F.LLI BRANCA DISTILLERIE</i>	100%	100%	100%
<i>F.LLI BRANCA DESTILERÍAS</i>	46,3%	45,4%	47,2%
<i>BRANCA INTERNATIONAL</i>	100%	100%	100%
<i>CENTRO STUDI FRATELLI BRANCA</i>	100%	100%	100%

REMUNERATION

The Group adopts a remuneration policy aimed at motivating and retaining in the company people who are deemed to possess the necessary professional qualities required.

Detailed data on the gender pay gap, i.e. the gender parity in the ratio of the average value of basic salary and total remuneration between female and male employees, are provided in the appendix. With reference to Fratelli Branca Distillerie, Fratelli Branca Destilerías and Branca USA, the ratio¹⁹ between the basic salary received on average by female workers and the remuneration of men with the same job is always higher than 88% for the categories of managers, clerks and

workers. With reference to total remuneration, on the other hand, again for the categories indicated above, the ratio is also higher than 88% in 2020. These values are also higher than in 2019.

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

childcare contributions.

At the end of 2018, with the support of specialised consulting companies, a mapping of positions and roles was launched at Group level with the aim of comparing remuneration with the market. This benchmarking analysis is carried out periodically in both Italy and Argentina and is conducted with reference to the general market for certain roles and to companies in the sector for more specific roles.

¹⁹ Details of the total number of hours provided and the number of employees involved in training are available in the appendix. The limited number of training hours provided to employees of Branca International and Centro Studi Fratelli Branca is a consequence of the limited number of employees and the fact that health and safety training can be cyclical and not repeated every year for the same employees. In 2020, for some training activities delivered online due to the pandemic, the exact figure of the hours delivered is not available.

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.

The Group promotes the skills development of its employees through management skills assessment, individual coaching and skill coaching programmes, and individual development plans aimed at assigning roles of greater responsibility to management and market-based merit policies.

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. The table below, in fact, shows how the number of training hours for the employees of the Group companies have progressively increased over the 2017-2019 period, and only saw a decrease in 2020 due to the impacts of the pandemic on the organisation of training activities as well. Since 2019, Fratelli Branca Distillerie has introduced skill coaching as an individual training methodology, aimed at enhancing the skills that require improvements, as part of its talent development paths. As far as Fratelli Branca Destilerías is concerned, a training plan was launched in 2018 that includes induction courses for new recruits, training courses on

health and safety at work, and technical-specialist courses. The Argentine company is also working on a project to digitise and systematise most of the training and monitoring activities through a web platform, so also during 2020 the Italian company has worked on digitalisation also following the strong acceleration linked to the reorganisation of activities in response to COVID-19.

Branca USA also provided training activities to all its employees in 2020.

At Group level, the total hours of training provided during 2020 were 2,762, down from 2019 both in absolute terms and as an average number of hours per employee due to the consequences of the COVID-19 pandemic and the necessary reorganisation of in-person and remote training activities²⁰.

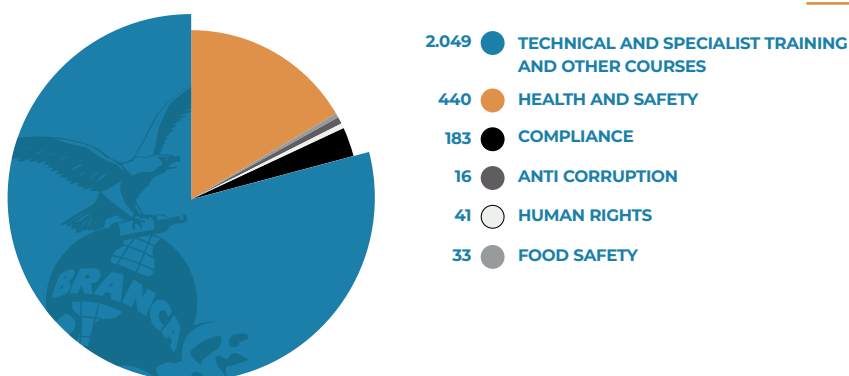
²⁰ Details of the total number of hours provided and the number of employees involved in training are available in the appendix. The limited number of training hours provided to employees of Branca International and Centro Studi Fratelli Branca is a consequence of the limited number of employees and the fact that health and safety training can be cyclical and not repeated every year for the same employees. In 2020, for some training activities delivered online due to the pandemic, the exact figure of the hours delivered is not available.

**AVERAGE
HOURS OF TRAINING PER
EMPLOYEE BY GENDER
AND GROUP COMPANY**

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
F.LLI BRANCA DISTILLERIE	2,8	3,5	3,0	6,1	4,4	5,6	2,7	2,1	2,5
F.LLI BRANCA DESTILERÍAS	27,0	12,9	26,5	30,2	8,5	28,9	12,0	10,7	12,0
BRANCA USA	-	-	-	-	-	-	5,2	4,7	4,9
BRANCA INTERNATIONAL	0,0	0,0	0,0	0,0	0,0	0,0	2,0	0,0	1,0
CENTRO STUDI FRATELLI BRANCA	0,0	1,3	0,7	8,0	0,0	4,0	6,0	1,0	3,5
TOTAL	21,2	5,0	19,1	22,5	3,8	19,0	9,4	4,2	8,4

During the three-year period 2018-2020, at Group level, Branca focused primarily on the following strategic training areas:

- **technical and specialist programmes;**
- **occupational health and safety;**
- **compliance;**
- **food safety;**



Specifically, in 2020, the training provided concerned technical and specialist training, Health and Safety, Compliance and, to a lesser extent, Food Safety. It should be noted that, due to the epidemiological emergency, the yoga course envisaged for the employees of Fratelli Branca Distillerie was not held in person, but was reorganised and held online and, for this reason, the precise figure of hours provided is not available, but only an estimate. As far as Fratelli Branca Destilerías is concerned, it can be added that, during 2020, particular attention was paid to training employees in occupational health and safety and in the technical-specialist field. Below are all the courses that the company held for its employees during the year:

- **SSMA training (Salud, Seguridad y Medio Ambiente);**
- **correct use of personal protective equipment;**
- **emergency evacuation plan;**
- **fire hazard and the correct use of fire**

extinguishers;

- **electrical hazards;**
- **correct use of forklifts;**
- **manual lifting of loads;**
- **explosive atmospheres;**
- **LOTO standard;**
- **work permits;**
- **GHS (Globally Harmonized System of Classification and Labelling of Chemicals);**
- **HIV/AIDS and other sexually transmitted diseases;**
- **drug abuse;**
- **healthy living;**
- **first aid and cardiopulmonary resuscitation;**
- **cardiovascular prevention;**
- **effects of tobacco on health;**
- **Covid 19 prevention.**

PERIODICAL PERFORMANCE ASSESSMENT

In 2019, Fratelli Branca Distillerie started a performance evaluation process for the first time, involving all executives and managers in 2020, amounting to 17 and 20 people respectively. This assessment also involves the managers hired by the Holding Branca International. In the same year, the performance assessment process of Fratelli Branca Destilerías, which until 2018, as

in Italy, only involved the categories of middle managers and executives, instead involved, for the second time, 100% of employees. Branca USA also maintained the periodic performance evaluation process, which was launched in 2019 and is aimed at all employees.

Occupational health & safety

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 fundamental principle for the Branca International Group²¹. Health and safety at work, in fact, is among the most complex issues for the sustainability of a company and although the results can be quickly summarised on the basis of simple indicators, there are many underlying factors, which require the integrated and coordinated management of an array of different aspects, such as work organization, risk management, plant status, production process management, people training, prevention policies and the company culture itself.

²¹ Also in the companies Branca International and Centro Studi Fratelli Branca, which are not included in the following detailed views, no accidents occurred in the reporting period.

FRATELLI BRANCA DISTILLERIE

Being aware that performance in terms of health and safety protection is one of the indicators of good company management as a whole, since 2010 Fratelli Branca Distillerie has adopted and implemented an occupational health and safety management system certified according to OHSAS 18001, as recognised by Legislative Decree 81/08.

In June 2019, the company, classified as a Significant Accident Risk Company under Legislative Decree 105/15 (Seveso Directive), migrated its Occupational Health and Safety Management System to the workplace environment, obtaining the Certification of conformity according to the ISO 45001 standard.

Therefore the system is extended and applies to all Fratelli Branca Distillerie's processes and activities, such as marketing, sales, logistics, human resources, maintenance, purchasing, system processes, as well as laboratory insourcing, research and development, cleaning and sanitising, and the outsourced repacking-copacking process. Fratelli Branca Distillerie has re-iterated its commitment - undertaken in accordance with the current legislation and regulations - and its sensitivity towards the issues of environmental protection and

safety, prevention, control and reduction of major accidents in the workplace, defining specific activity plans aimed at achieving continuous improvement through the definition, control and review of its objectives.

The company also has also put into place an Integrated Environment - Safety and Health Management System. The company is therefore committed to ensuring the participation and involvement of workers in all the phases of the integrated management system, always making the relevant information available for consultation. In this regard, an Environmental Policy, Occupational Health and Safety Policy and Significant Accident Prevention Policy have been prepared and displayed at several points at the Italian plant, setting out the company's goals in the various areas.

With a view to ensuring the updating and adequacy of the emergency management procedures, as well as pursuing continuous improvement in the performance of the Safety Management System, the company provides for annual inspections by the certification body, as well as a constant review of its procedures, operating instructions, check lists and the periodic monitoring of the health and

safety at work and Risk Assessment Documents. Moreover, at least once a year, a strategic meeting is held with the participation of all members of the SPP (Prevention and Protection Service).

For all aspects relating to health and safety at work, the management holds a consultation meeting with the Chief Medical Officer and ensures, throughout the year, a constant supply of personal protective equipment (PPE) to the relevant employees.

With regard to training, in accordance with the applicable regulations, Branca provides for a training programme at hiring followed by periodic refresher courses. The Training Plan is drawn up and approved annually, focusing on the environment and health and safety issues.

Training is strongly tied to raising staff awareness about the above mentioned issues, in order to increase their consciousness and the importance of all roles within the organisation.

The various commitments undertaken in this area have made it possible to report excellent results in terms of health and safety at work. In fact, as shown in the table below, in the three-year period under review, Fratelli Branca Distillerie recorded just one accidents in the

workplace in 2019. Also during 2020, as in 2018, non accidents were recorded.

ACCIDENT RATES AT WORK (FRATELLI BRANCA DISTILLERIE)

	2018	2019	2020
NUMBER OF ACCIDENTS ²²	0	1	0
ACCIDENT FREQUENCY RATE ²³	0,00	5,98	0

²² Please note that the accident indices for Italy have been calculated excluding commuting accidents. There were 3 in transit accidents in 2017 and 0 in the other years.

On the subject of employee health and safety, the company constantly monitors the risks arising from the tasks performed and undertakes to implement all the necessary activities that can protect staff health and safety, including an annual update of the assessment of work-related stress, including an analysis of objective data (so-called "sentinel events").

Fratelli Branca Distillerie identifies and regularly updates its objectives in terms of health and safety in the workplace, consistently with the management policy that provides for continuous improvement in the monitoring of these issues and the definition of a series of commitments. Including:

- guaranteeing the continuous updating of the Safety Management System, which defines the roles, tasks, responsibilities and tools for risk prevention across the organisation, applying a Risk Based Thinking method;
- ensuring that the necessary resources are available to establish, implement, maintain and improve the integrated management system;
- preventing occupational accidents and illnesses through activity and process-specific risk assessment;
- keeping the internal emergency plan updated and promoting its dissemination among the workers and other stakeholders;
- identifying the necessary tools for the effective management, performance control and review of the Safety System;
- promoting information, training and education on the risks and hazards associated with the company operations and promoting employee awareness, at all levels, with regard to the protection of occupational health and safety, and the proper application of the procedures for the prevention of major accident;
- disseminating the objectives of the health and safety system and its implementation programmes through staff involvement and consultation with the Health & Safety Representative (HSR);
- monitoring operational control activities regarding the plant, equipment and maintenance procedures, in order to prevent health and safety and accidents;
- planning actions and the management of plant and equipment, in relation to any changes capable of affecting safety and risk prevention;
- developing and promoting a culture, within the organisation, that ensures the effectiveness and efficiency of the system.

²³ (Number of accidents involving more than three days work-related accident leave / number of hours worked) x 1,000,000.

BRANCA'S RESPONSE TO THE COVID-19 EMERGENCY

MANCA TESTO

FRATELLI BRANCA DESTILERÍAS

In 2020, as shown in the table below, Fratelli Branca Destilerías recorded only one accident, a stable number compared to the previous year. There was also a slight increase in the index (from 2.17 to 2.34 between 2019 and 2020), mainly due to a lower number of total hours worked compared to the previous year.

ACCIDENT RATES AT WORK (FRATELLI BRANCA DESTILERÍAS)	2018	2019	2020
NUMBER OF ACCIDENTS ²⁴	2	1	1
ACCIDENT FREQUENCY RATE ²⁵	4,73	2,17	2,34

²⁴ The accident figures relating to Argentina do not take commuting accidents into account.

²⁵ (Number of accidents involving more than three days work-related accident leave / number of hours worked) x 1,000,000.

Consistently with the Branca Group's management of health and safety issues, the health and safety management system of Fratelli Branca Destilerías also conforms with the guidelines of the OHSAS 18001 standard and complies with current local regulations. In fact, during 2019, the annual survey of risk agents was completed to ensure the safety and well-being of people, considered a top priority for the company and the Group.

During 2021, the company will be migrating its Occupational Health and Safety Management System, obtaining the ISO 45001 Compliance Certification.

Following the same approach adopted by Branca for some time now, over the past year the Argentine company has worked at defining a standard based on the international criteria used to identify, classify hazards and risks and investigate accidents through an ad hoc risk matrix for assessing the level of risk involved. In particular, a precise assessment of the risks associated with explosive atmospheres and the safety of machinery in production cycles has been carried out with the support of a medical department and based on an analysis of the root causes.

In this regard, the company has established a team of professionals tasked with performing health and safety services and is supported by an expert in occupational hazards and their prevention. A dedicated committee assesses events with a significant impact and adopts timely corrective and mitigation actions. The most relevant actions identified include the redesigning of lorry traffic at the plant, the improvement of machine safety protections (carried out by updating the safety maps of all the machines), the implementation of a LOTO ("Lock Out, Tag Out") standard and a behavioural safety programme, as well as the identification of physical barriers of at least three metres between pedestrians and industrial vehicles, to reduce the risk of accidents at work.

The company has also planned the following initiatives to promote the health and safety of its employees:

- outsourced medical service (for a total of 12 hours per week), provided by an occupational physician directly at the company; the service exceeds the requirements of current local regulations and is supervised by SSMA and HR.
- medical cover for all employees, together with life insurance and a free flu vaccination campaign for all families;
- healthy meals at the company canteen;
- a company nutritional expert engaged to assist employees to follow healthy eating patterns that best suit their needs;
- promotion of employee participation in health and safety issues through specific training programmes and communication methods involving multiple tools (physical posters, electronic posters, emails, company intranet);
- a joint health and safety committee, in compliance with the current regulations, with the participation of the workers' representatives (trade unions); the committee meets on a monthly basis and records all meetings in special minutes;
- organisation of six-monthly meetings relating to the health and safety management system together with all company operating areas.

BRANCA'S RESPONSE TO THE COVID-19 EMERGENCY

Fratelli Branca Destilerías, following the COVID-19 pandemic, since March 2020, has implemented an occupational health and safety protocol focused on prevention, complying with all regulations implemented in the context of the emergency situation and adding additional innovative and constantly updated measures at company level, with a focus on best practices. The main actions taken are outlined below:

- Measures have been implemented to ensure social distancing. The capacity in the canteen and changing rooms was reduced, acrylic barriers were installed on the dining tables, and it was decided to implement a shift system in the changing rooms and to change the working hours between shifts to avoid crossing staff from different shifts. In addition, closed smoking areas and self-service mode in the canteens were eliminated, break areas were relocated for better control and the mode of food delivery inside the dining room was changed.
- Public transport or transport with more people present was eliminated. At the same time, a daily expense reimbursement system was implemented to encourage the use of employee-owned transport. In addition, an individual taxi transfer service was provided.
- Shoe disinfection equipment and 70% alcohol dispensers were installed at key points and in each office. Adequate room ventilation was ensured and disinfection of workstations, surfaces and toilets with chlorinated water was intensified.
- Temperature detection has been made compulsory to on-site entrance, using a special camera installed at the entrance of the plant, and smell tests. PCR, serological and antibody tests for COVID-19 detection were carried out on suspected cases, both on employees and their family group. Any positive cases were monitored and assisted.
- Face-to-face meetings were cancelled, while remote work arrangements were implemented for administrative staff.
- The mandatory use of protective face masks, provided directly by Fratelli Branca Destilerías, was established, as well as the provision of disinfection kits to all staff.
- In addition, a staff training course on the importance of hand hygiene was shared and psychological support interviews were provided, in collaboration with the INECO Foundation, for staff who worked from home.
- It was also decided to suspend travel and all visits from abroad, and to reduce outsourcing activities within the plant.
- It was decided to provide work licence for staff in risk groups (comorbidities).
- With regard to corporate management, a joint committee was set up with the participation of workers, who have the opportunity to intervene and propose initiatives. Continuous benchmarking and research activities on prevention best practices have been established. In addition, support has been provided to managers and their teams.

BRANCA USA

Branca USA in 2020, as in 2019, did not record any injuries. The Company is committed to providing a workplace free of risk of physical injury, which, given the nature of the business and compliance with the provisions of the Occupational Safety and Health Act of 1970 (OSH Act), is in any event relatively low.

BRANCA'S RESPONSE TO THE COVID-19 EMERGENCY

Branca USA, faced with the evolving COVID-19 pandemic, immediately implemented all the necessary measures to ensure safety among the workplace. In fact, Branca USA's headquarters in New York worked remotely until 2021, when it was possible to travel safely without the use of public transport. Air travel was also suspended until 2021, except for urgent business activities, which were, however, minimal. In addition, the headquarters office placed social distance markers and dividers between employees in the open area and distributed thermometers and hand sanitisers throughout the office. In addition, all employees were and still are provided with PPE (masks, disinfectants, etc.) paid for by the company on an ongoing basis.

With regard to corporate welfare, mental health was as much a priority as physical health. Ad hoc information was sent out on the health coverage available with the existing insurance for employees. Branca USA also worked during the pandemic to keep the team engaged and motivated by introducing meditation practices, daily check-ups, virtual happy hours and through the creation of a virtual cooking and baking club.

In terms of development activities, Branca USA, thanks to the measures implemented, was able to take advantage of remote working as part of the measures taken to combat COVID-19, reaching more states with its current workforce.

In general, none of the Branca Group companies recorded fatal accidents or cases of occupational disease during the three-year period.

Employee well-being

Branca strongly believes in the well-being of its resources and the balance between work and private life. Among the main welfare initiatives implemented by Fratelli Branca Distillerie are the following benefits and bonuses:

FRATELLI BRANCA DISTILLERIE

CORPORATE ZBENEFITS

- Corporate credit card
- Corporate mobile phones
- Corporate vehicle fleet
- Corporate recreational club

FAMILY SUPPORT ALLOWANCES

- Reimbursement of summer holiday camp costs for employees' children
- Reimbursement of middle school textbook expenses to support education
- Education bonus for employees' children admitted to secondary school
- Education bonus for employees' children graduating from secondary school
- University scholarships for employees' children
- Bonuses for employees' children passing their university exams in the year and for final graduation

HEALTH BENEFITS

- Supplementary health insurance
- Professional and non-professional accident liability insurance for certain groups of employees
- Insurance for all employees of the group with a supplementary policy in case of Coronavirus

OTHER BONUSES

- Seniority allowances
- Seniority medal
- Gift packages at Christmas and Easter
- Paid leave for various reasons

As already mentioned in the paragraph on training, the importance of yoga courses, reserved to all employees, is also emphasised among the well-being initiatives for Branca employees. Besides being an area of training not usually offered by companies, they also represent an encouragement and an opportunity to pursue physical and mental well-being at work as well, which has always been one of the founding elements of Branca's cultural heritage and values, being consistent with the idea that the company is a living body where everyone can make the best use of their abilities and contribute to the achievement of a common goal. Moreover, in 2020, the yoga course, provided in virtual mode, was a valuable and important support in dealing with the emergency situation experienced by people. 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 are committed to implementing the values and principles set out in the Code of Conduct throughout their supply chain, based on the following values: continuous improvement, collaboration and empowerment, and to ensuring compliance with the following principles: freedom of association and 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 adopt the Code of Ethics must abide by its principles and fulfil their responsibility to respect human rights within their sphere of influence. The Code is based on a number of international conventions, such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, the Guiding Principles on Business and Human Rights, the OECD Guidelines, as well as the United Nations Global Compact and the conventions and recommendations of the ILO (International Labour Organization), which are fundamental for the improvement of working conditions in the supply chain.

In 2018, Fratelli Branca Destilerías defined the three pillars on which also in 2020 it bases its entire business strategy: employee welfare, environmental protection and social development in the geographical areas and communities in which it operates. Here are some figures of the initiatives carried out in 2020.

FRATELLI BRANCA DESTILERÍAS

FAMILY SUPPORT ALLOWANCES

- Children's Day, a day dedicated to employees' children up to the age of 12, when a little gift is donated (200 gifts donated in 2020)
- School supplies - free backpacks for employees' children (more than 175 backpacks provided to more than 90 families in 2020)

HEALTH BENEFITS

- Nutrition: assistance from a nutritionist for questions from employees who want and/or need support. Presence in the company canteen of food selected for a healthy diet
- Annual medical check-up: health checks for employees through the company doctor
- Extension of the flu vaccination campaign: in line with the official public health calendar, the vaccination programme for staff and their families is being developed (more than 280 doses administered in 2020).
- Psychological support for employees

BRANCA USA

With regard to Branca USA, the company in 2020 continued to partner with an organisation (Professional Employment Organization) with the goal of offering its staff comprehensive health coverage, keeping the costs paid by employees and their families below the national average. Branca USA is committed to offering the best health care policy within its financial capabilities, at a minimum no less than the national average of employer-paid coverage. The effort to keep employee costs stable between 2019 and 2020 was all the more important in a year marked by the global pandemic. Employees were offered several medical plans with various cost options to fit their specific individual and/or family needs. Below are some of the initiatives implemented in 2020.

FAMILY SUPPORT

- Paid family leave
- Maternity and paternity leave

HEALTH SUPPORT

- Integrated healthcare
- Occupational and non-occupational accident insurance for selected categories of employees

OTHER INITIATIVES

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



The environment

*SUSTAINABLE BUSINESS
AND IMPACT MITIGATION*

Responsible use of resources

Branca believes that a business should strive to protect the environment in general, as well as being respectful of the applicable regulations in force at any given time. Environmental protection and the sustainable use of natural resources are in fact key priorities of the Group as a whole.

Branca has adopted a Code of Ethics that affirms the principles of fairness, loyalty and professional reliability that underpin all the activities and conduct of its people. These principles also form the basis of the Environmental Policy adopted by Fratelli Branca Distillerie and Fratelli Branca Destilerías since 2019, aimed at defining the companies' commitment to the responsible management of all environmentally relevant activities.

These issues are pursued through the definition of appropriate action plans that provide for the implementation of specific activities. The definition of precise and measurable objectives, the monitoring and control of the progress achieved, as well as the periodic updating of these targets are all part of a continuous improvement process defined for the optimisation of its operations, on top of compliance with the relevant regulations.

For Branca, commitment to the environment is of particular importance and goes beyond the simple management of the organisation's direct impact on the ecosystem: the concrete and 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.

Both companies, Fratelli Branca Distillerie S.p.A. and Fratelli Branca Destilerías SA, have adopted an environmental management system in accordance with ISO 14001 to allow the consistent and comprehensive management of all environmental aspects. This system, revised and updated over the years, has the purpose of controlling, coordinating and improving all the environmental aspects associated with industrial activities - including the management of energy consumption, atmospheric 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 comply with EC Regulation no. 1221/2009 EMAS, which provides for a

Europe-wide certification system that recognizes the achievement of best results in environmental improvement. 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 the optimal management of resources and the continuous 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 investigating the most relevant aspects relating to the two production sites in Italy and Argentina, to which almost all environmental data (energy consumption, emissions, waste) are associated. In the case of Branca USA, which has a more limited environmental impact, not being a production site, in-depth analyses are reported only where relevant.



Energy consumption²⁶

²⁶ Consumption data converting into GJ is based on the factors provided by the UK Department for Business, Energy & Industrial Strategy (UK Government GHG Conversion Factors for Company Reporting), Conversions and Fuel properties sheets.

Branca is committed to managing its activities responsibly, in order to reduce the environmental impact of its operations and products throughout their life cycle. Although the Group is not an energy-intensive company, it has always been committed to protecting natural resources, aiming to progressively downsize energy consumption, in particular electricity and natural gas, which account for almost all consumption and are the most widely used energy sources at the production sites in Italy and Argentina.

ENERGY CONSUMPTION CONSOLIDATED	2018	2019	2020
<i>Natural gas (GJ)</i>	14.457	10.987	11.182
<i>Electricity (GJ)</i>	16.286	14.657	14.620
<i>Petrol (GJ)</i>	3.167	4.741	3.102
<i>Diesel (GJ)</i>	541	616	224
<i>Total (GJ)</i>	34.450	31.001	29.128
<i>Total annual output (t)</i> ²⁷	59.214	54.789	54.819
<i>Energy intensity (GJ/output in tonnes)</i>	0,58	0,57	0,53

²⁷ Output is measured in tonnes of bottled product.

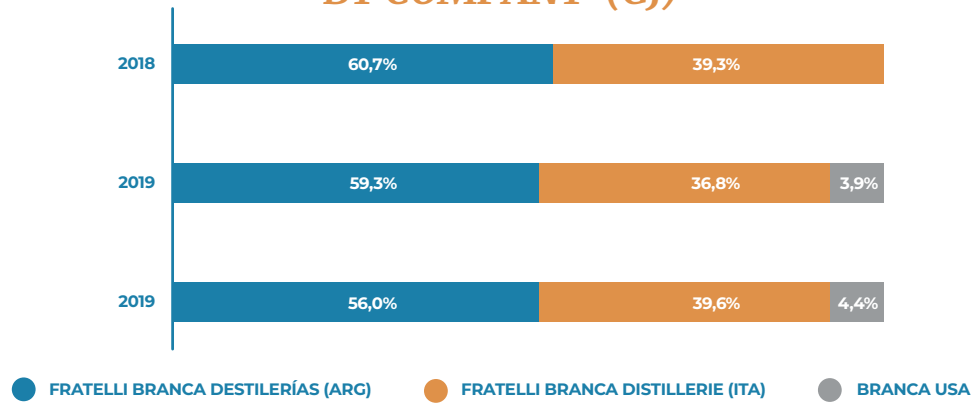
Overall, energy consumption in 2020 decreased by about 6% compared to the previous year: while consumption of natural gas and electricity was stable, consumption for transport²⁸ dropped significantly due to the travel restrictions linked to the COVID-19 pandemic. The stability of methane gas and electricity consumption, on the other hand, is linked to the presence of fixed consumption needed to maintain plant operations, even in cases where production is lower (as in the case of Fratelli Branca Distillerie, an aspect discussed in greater detail below).

The energy intensity index also shows a positive performance between 2019 and 2020, with a 7% decrease due to the fact that, despite the limitations and the health emergency, the total annual production of bottled product remained almost constant (with different trends between Italy and Argentina, as highlighted in the following paragraphs), against an overall decrease in energy consumption.

The graph below shows the contribution of each company to Branca's overall consumption. Also in light of the higher production volumes, the largest contribution comes from Fratelli Branca Destilerías, while, as anticipated above, Branca USA's consumption is residual (and only present from 2019).

²⁸ Starting from 2020, it was possible to collect data on the consumption of motor fuels also for F.lli Branca Destilerías. In order to ensure comparability of the trends, these data have been reconstructed and summed for 2018 and 2019 as well, thus recalculating the totals and indices (whose trends do not change). These data are not available for F.lli Branca Distillerie.

BREAKDOWN OF ENERGY CONSUMPTION BY COMPANY (GJ)



Following is an in-depth analysis of energy consumption by each company.

FRATELLI BRANCA DISTILLERIE

With a view to continuously improving its environmental performance, Fratelli Branca Distillerie has implemented the following energy efficiency actions:

- replacement and installation of heating systems for the production of domestic hot water, steam and heating;
- replacement of the diesel steam generator with new-generation lower-capacity equipment;
- installation of a new heat generator for the production of hot water and for heating;
- installation of solar panels for the production of hot water;
- installation of a new refrigeration system and a new air treatment unit;
- In 2020, the programme to gradually replace traditional lighting installations with LED technology lamps also continued.

Furthermore, there is a photovoltaic panel system at Fratelli Branca Distillerie's headquarters, to serve the chimney lighting system, functioning with LEDs, with a storage system aimed at making the system entirely autonomous and powered by renewable energy. To date, however, the latter has had a limited contribution, which is why it is not monitored in the Environmental Declaration.

As can be seen in the following table, total energy consumption remained stable overall in 2020 compared to the previous year, increasing slightly despite lower production volumes. While electricity used decreased compared to 2019, there was in fact an increase in the quantities of natural gas consumed.

This trend is closely linked to the COVID-19 pandemic and the measures put in place to reduce infections, in particular the reorganisation of production on two shifts (6-14 and 14-22) with fewer production lines operating

on each shift, starting at the end of September, which was necessary to reduce the number of people present at the same time in the department. This reorganisation, particularly in the winter months, required a greater number of hours of operation of the heating systems, and therefore of natural gas consumption, than in previous years (for canteen, showers and production), without an increase in production volumes which instead, due to negative market conditions, fell from 2019.

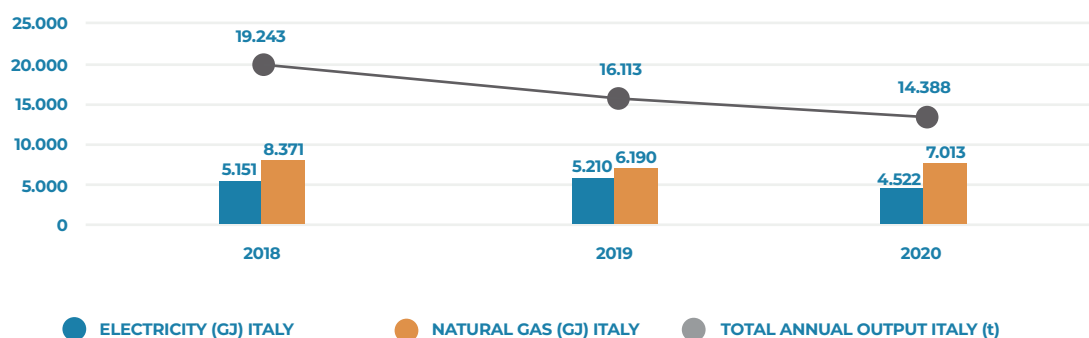
Although not enough to compensate for the increase in gas consumption, electricity consumption has decreased substantially, thanks to the efficiency measures taken in previous years and due to less use of spaces not used for production and therefore not lit (e.g. Museum and its offices).

This also explains the trend of the energy intensity index, which worsens in 2020, with consumption increasing slightly and production decreasing.

ENERGY CONSUMPTION FRATELLI BRANCA DISTILLERIE

	2018	2019	2020
Natural gas (GJ)	8.371	6.190	7.013
Electricity (GJ)	5.151	5.210	4.522
Total (GJ)	13.522	11.399	11.535
Total annual output (t)	19.243	16.113	14.388
Energy intensity (GJ/output in tonnes)	0,70	0,71	0,80

ENERGY CONSUMPTION (GJ) AND TOTAL ANNUAL OUTPUT (T)



FRATELLI BRANCA DESTILERÍAS

During 2020, Fratelli Branca Destilerías continued to operate in accordance with its environmental policy, complying with regulations, striving for continuous improvement and preventing pollution, reducing emissions, reducing water consumption and reducing waste production.

After carrying out a mapping of the main sources of consumption, Fratelli Branca Destilerías has pursued several initiatives related to energy efficiency, which started in 2017 and also continued in 2020. These include the following:

- automation of water pumping wells, which, besides improving water use efficiency has also optimised electricity consumption;
- construction of a new production facility with a

transparent sheet metal cladding, which saves 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 internal traffic routes;
- reduction of the boiler operating time, with consequent reduction of the natural gas used, following an analysis of the steam demand required for production during the day and the achievement of daily requirements even with limited boiler operation;
- placement of auxiliary services (steam production, compressed air) in locations close to where they are required, in order to achieve greater efficiency in the energy consumption associated with each piece of equipment;

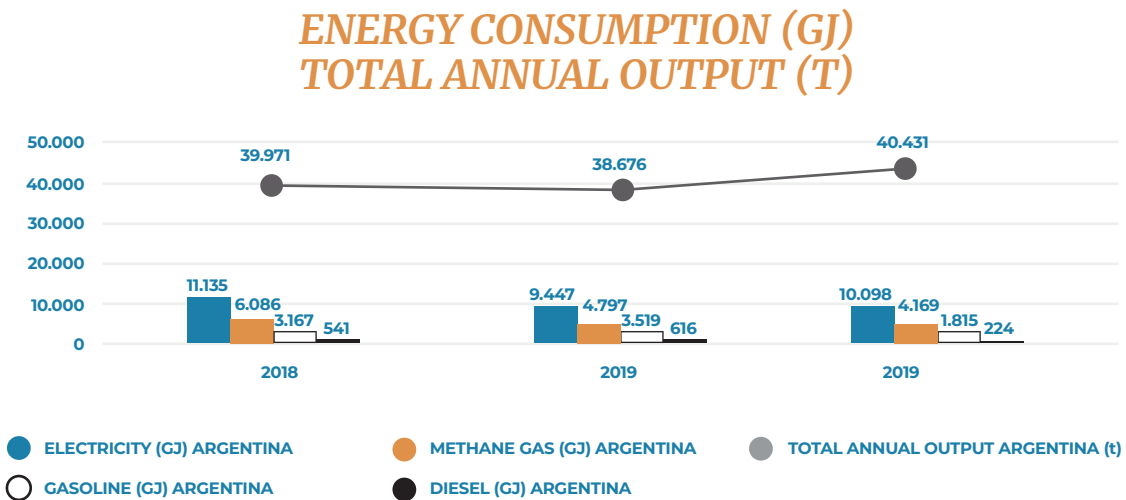
- training of staff on energy-saving issues.

In 2020, these initiatives contributed, as shown in the following table, to reducing the consumption of natural gas and, consequently, total energy consumption compared to the previous two years, which also fell as a result of the reduction in consumption for motor vehicles (both gasoline and diesel).

The energy intensity index, relating to consumption per tonne of product, also continued to fall in 2020 compared to the previous two years due to the combined effect of the reduction in energy consumption and the increase in the number of tonnes of bottled product.

Starting from 2020, it was possible to collect data on the consumption of automotive fuels also for F.lli Branca Destilerias. In order to ensure comparability of the trends, these data have been reconstructed and summed for 2018 and 2019 as well, thus recalculating the totals and indices. However, the trend analyses are unchanged.

ENERGY CONSUMPTION FRATELLI BRANCA DESTILERIAS	2018	2019	2020
Methane gas (GJ)	6.086	4.797	4.169
Electricity (GJ)	11.136	9.447	10.098
Gasoline (GJ)	3.167	3.519	1.815
Diesel (GJ)	541	616	224
Total (GJ)	20.928	18.379	16.306
Total annual output (t)	39.971	38.676	40.431
Energy intensity (GJ/output in tonnes)	0,52	0,48	0,40



The company's monitoring of energy consumption through ICE (Energy Consumption Index) calculations showed that performance in 2020 is in line with, and even better than, the target value set for the year.

Air emissions

At Branca, the emissions into the atmosphere mainly come from energy consumption and refrigerant gas refills for the HVAC systems.

Specifically, the Group has chosen to report greenhouse gas emissions on the basis of the "Scope" distinction provided for in the GHG Protocol:

- **Scope 1 - Direct emissions from the combustion of fossil fuels - i.e. methane gas consumed in Fratelli Branca Distillerie and Fratelli Branca Destilerías plants in Italy and 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 the light of the fact that, to date, Branca does

not adopt specific policies for the purchase of certified electricity from renewable sources, the Scope 2 emissions have been calculated according to the location based criterion (with consequent appropriate emission factors), which takes into account the national energy mix of the country in which the site/plant is located.

In 2020, direct emissions (Scope 1) amounted to 1,215 tCO₂ eq, a slight increase compared to 2019. In the same period, indirect emissions from the use of purchased electricity (Scope 2), amounted to 1,516 tCO₂ eq, a decrease of 6% compared to 2019.

³⁰ The direct emissions of CO₂ (Scope 1) have been measured based on the overall refrigerant gas refills and natural gas consumption. 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). Starting from 2020, it has been possible to collect data on the consumption of motor fuels and consequent emissions also for F.lli Branca Destilerías. In order to ensure comparability of the trends, these data have been reconstructed and summed for 2018 and 2019 as well, thus recalculating the totals and indices. However, the trend analyses are unchanged.

³¹ The indirect emissions of CO₂ from electricity consumption (Scope 2) at the Italian plant have been measured based on the calculation parameters indicated by the Italian Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA). The Scope 2 emissions at the plant in Argentina, instead, have been measured based on the emission factors provided by the Secretariat for Electric Energy of the Argentine Ministry of Energy.

³² Output is measured in tonnes of bottled product.

EMISSIONS AND EMISSION INTENSITY CONSOLIDATED

	2018	2019	2020
Scope 1 emissions (tCO ₂ eq.) ³⁰	1.388	1.125	1.215
Scope 2 emissions (tCO ₂ eq.) ³¹	1.866	1.613	1.516
Totali emissions (Scope 1 and Scope 2) (tCO₂ eq.)	3.254	2.738	2.730
Total annual output (t)	59.214	54.789	54.819
Total emissions / output ratio (tCO₂ eq.)³²	0,055	0,050	0,050

Although there was an increase in production of 30 tonnes, a reduction in total emissions (Scope 1 and Scope 2) of 8t CO₂eq was achieved.

With reference to refrigerant gases only, the main source of emissions derives from the quantity of R22 recharged in 2020 at the Argentine plant and R427 gas recharged at the Italian plant.

EMISSIONS FROM REFRIGERANT GASES CONSOLIDATED

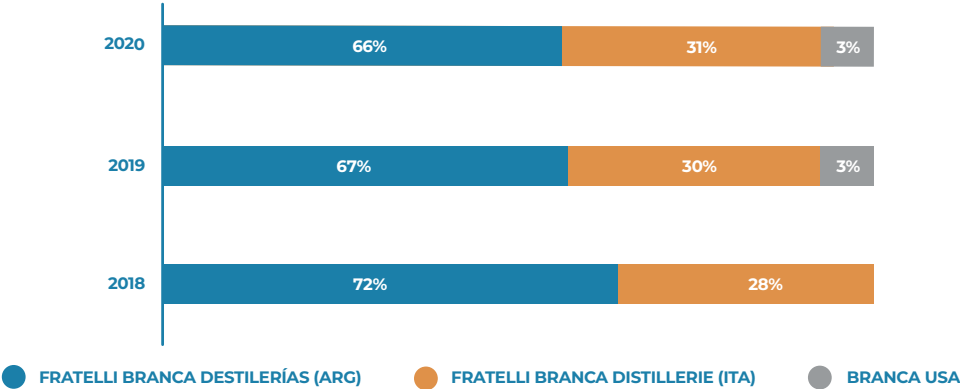
	2018	2019	2020
Direct emissions from refrigerant gases (tCO ₂ eq) ³³	320	141	360

³³To calculate the emissions from R427A refrigerant gas fillers the emission factor 2.138 indicated in the technical data sheet of the gas manufactured by Linde Group has been used. (https://www.linde-gas.com/en/images/Refrigerant-s%20environmental%20GWPs_tcm17-111483.pdf)

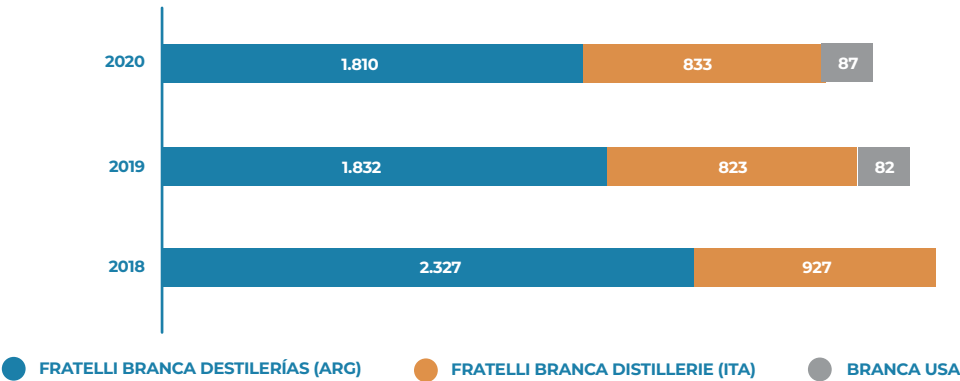
It should be noted that refrigerant recharges do not have a linear trend, but it is possible to detect years in which the values are higher, while in others they are close to zero, depending on the maintenance and replacements carried out on the plants.

The following charts show the contribution of each company to Branca's overall emissions and the breakdown of 2020 emissions by source. In the following paragraphs, some details about the atmospheric emissions of the companies composing the Group are presented, in particular Fratelli Branca Distillerie and Fratelli Branca Destilerías and their respective production sites.

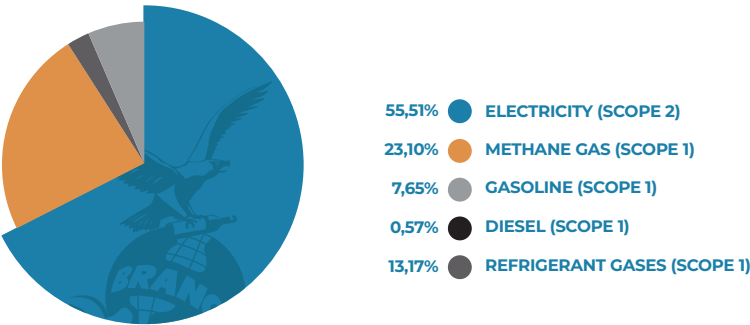
BREAKDOWN OF EMISSIONS (SCOPE 1 + SCOPE 2) BY COMPANY



BREAKDOWN OF EMISSIONS (SCOPE 1 + SCOPE 2) BY COMPANY



EMISSIONS COMPOSITION BY SOURCE (TCO₂E, SCOPE 1 + SCOPE 2) – 2020



As far as other types of emissions into the atmosphere are concerned, the report does not provide detailed information as SO₂ and NO_x emissions are insignificant.

FRATELLI BRANCA DISTILLERIE

With reference to Fratelli Branca Distillerie, it should be noted that in 2020 Scope 1 and Scope 2 emissions amounted to 833 tCO₂ eq. The trend in total emissions is stable overall, while the ratio of emissions to bottled product shows a slight increase between 2019 and 2020. This variation, as explained in the section dedicated to energy consumption, depends both on the increase in methane gas consumption linked to the reorganisation of production, and on a decreasing annual production figure due to the consequences on the market of the health emergency and the consequent limitations.

34 Since 2020, it has been possible to collect data on the consumption of motor fuels and consequent emissions also for F.lli Branca Destilerías. In order to ensure comparability of the trends, these data have been reconstructed and summed for 2018 and 2019 as well, thus recalculating the totals and indexes. However, the trend analyses are unchanged.

EMISSIONS AND EMISSION INTENSITY FRATELLI BRANCA DISTILLERIE	2018	2019	2020
Scope 1 emissions (tCO ₂ eq.)	473	393	460
Scope 2 emissions (tCO ₂ eq.)	454	430	374
Total emissions (Scope 1 e Scope 2) (tCO ₂ eq.)	927	823	833
Annual total output (t)	19.243	16.113	14.388
Total emissions/output ratio (tCO ₂ e/t output)	0,048	0,051	0,058

FRATELLI BRANCA DESTILERÍAS

As far as Fratelli Branca Destilerías is concerned, instead, in 2020, Scope 1 and Scope 2 emissions amounted to 668 tCO₂ and 1,142 tCO₂ respectively, substantially stable compared to 2019 and overall slightly decreasing despite the increase in bottled product, also thanks to the energy efficiency initiatives undertaken in recent years, which allowed a reduction in natural gas and electricity consumption, as visible in the comparison with 2018 data. Consequently, the trend of emissions per tonne of bottled product is also decreasing in 2020.

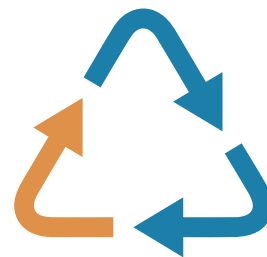
EMISSIONS AND EMISSION INTENSITY FRATELLI BRANCA DESTILERÍAS	2018	2019	2020
Scope 1 emissions (tCO ₂ eq.) ³⁴	915	649	668
Scope 2 emissions (tCO ₂ eq.)	1.412	1.183	1.142
Total emissions (Scope 1 e Scope 2) (tCO ₂ eq.)	2.327	1.832	1.810
Annual total output (t)	39.971	38.676	40.431
Total emissions/output ratio (tCO ₂ e/t output)	0,058	0,047	0,045

Among the environmental initiatives of Fratelli Branca Destilerías is the collaboration with an NGO for the planting of 200 trees in Patagonia, symbolically one per employee, as a demonstration of the company's commitment to the environment and climate change.

BRANCA USA

The only emissions from Branca USA's activities in 2020 are 87 tCO₂ eq related to cars' gasoline consumption.

Circular economy and recycling



Waste minimisation and correct waste management play a central role in the Group's environmental policy, which has always been based on the three pillars of waste reduction, recovery and recycling. Branca uses only natural products in its production cycles. There is no waste from processing/sub-products as any non-compliant products undergo rework processes. The use of hazardous substances such as detergents, sanitizers and lubricating oils (for which safety data sheets are kept up to date, on the basis of regulatory requirements) is limited to the cleaning and maintenance of the premises and systems.

The table below shows the total amount of waste produced in the last three years by the Branca Group (Italy, Argentina and, to a lesser extent, the USA).

The trend shows a reduction in the total amount of waste in 2020 compared to the previous year (-8%), although production volumes slightly increasing. Consequently, the index of the quantity of waste in relation to production (tonnes of bottled product) also shows an improvement between 2019 and 2020, with a decreasing value.

WASTE PRODUCTION INTENSITY CONSOLIDATED	2018	2019	2020
<i>Total hazardous waste (t)</i>	0,95	4,53	4,12
<i>Total non-hazardous waste (t)</i>	3.745,10	3.527,85	3.259,93
<i>Total waste (t)</i>	3.746,05	3.532,38	3.264,05
<i>Total annual output (t)</i>	59.214	54.789	54.819
<i>Total waste/total output</i>	0,063	0,064	0,060

Below is an in-depth investigation concerning the various Group companies.

It should be noted that the data and indicators relating to the quantity and intensity of waste production at the Argentine and Italian plants are not comparable due to the different waste classification systems in the various countries.

In 2020, the total waste production for Fratelli Branca Distillerie amounted to 2,113.63 tonnes with a decrease of approximately -12% compared to 2019.

More specifically, the decreasing trend in the quantities of waste relating to the three-year period 2018/2020 follows the production trend, with values decreasing substantially in proportion with the decrease in the volumes of bottled product.

The increase in the quantity of hazardous waste recorded in 2020 is, on the other hand, linked in particular to the health emergency and the intensification of sanitisation of common areas (canteen, handrails, etc.) carried out frequently to prevent contagions. Hazardous waste includes both the containers of alcohol used for sanitising and the rags and other materials used for the operations.

WASTE BY TYPE AND DISPOSAL METHOD (T) FRATELLI BRANCA DISTILLERIE	2018		2019		2020	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Total waste production	0,29	2.583,26	1,58	2.402,90	3,06	2.113,63
Disposed	0,25	2.499,32	1,30	2.321,04	2,52	2.050,04
Disposed	0,04	83,94	0,28	81,86	0,54	63,59

As shown above, most of the waste falls into the classification of 'non-hazardous', while the share of hazardous waste is negligible, accounting for only 0.14% of the total in 2020. In its Environmental Statement, Fratelli Branca Distillerie monitors waste on the basis of three detailed indicators³⁵, as follows:

- indicator relating to non-hazardous waste including wet waste, filtration aids, effluents. This indicator refers to the manufacturing process (processing waste, filtration wastewater and aids);
- indicator relating to non-hazardous waste including paper/cardboard, plastic, iron, electrical equipment. This indicator refers to the bottling process (packaging materials, etc.);
- indicator relating to the hazardous waste produced in connection with the bottling process.

As regards the type of disposal, part of the waste produced (wood, glass, unsorted or mixed waste) is disposed of through the municipal waste disposal service AMSA (Azienda Municipale Servizi Ambientali), which disposes of the collected waste materials at its disposal facilities. The other types of waste are disposed of through special licensed companies. The company also engages authorised companies for transporting waste materials, in compliance with applicable regulations.

For a more in-depth analysis of the data, the following table provides a comprehensive picture of waste disposal activities, also featuring the ratio of waste to total annual output³⁶ for the 2018-2020 period.

The table and graph below show that the trend in the ratio of total waste to annual production (bottled) shows minimal variations between 2019 and 2020, consistent with the trend in production, while it varies more over time when considering the three-year period. These variations, in addition to what is described in the previous paragraphs, also depend on the fact that in a given year quantities of waste accumulated in previous periods may be disposed of (e.g. packaging disposed of to a greater extent in 2019 and less in previous years), with consequent variations in the indicator.

³⁵ For simplification purposes, and to ensure consistency with the data presented for Argentina, this document does not show the three indicators separately but provides only a comprehensive indicator (total waste/total bottled product).

³⁶ Bottled product in tonnes.

**WASTE PRODUCTION INTENSITY
FRATELLI BRANCA DISTILLERIE**

	2018	2019	2020
<i>Total hazardous waste (t)</i>	0,29	1,58	3,06
<i>Total non-hazardous waste (t)</i>	2.583,26	2.402,90	2.113,63
<i>Total waste (t)</i>	2.583,55	2.404,48	2.116,69
<i>Total annual output (t)</i>	19.243	16.113	14.388
<i>Total waste/total output</i>	0,134	0,149	0,147

Consistently with the company's commitment to a responsible waste management policy, precise areas of action have been identified for specific activities aimed at the continuous improvement of environmental performance. In the specific case of waste they consist of:

- **staff involvement and awareness raising with regard to correct waste sorting methods, through training programmes and checks by area managers and through dedicated waste reduction initiatives, such as banning the use of plastic bottles and cups in offices;**
- **the centralised issuing of specific operating instructions to all staff members regarding the environmental aspects related to company processes;**
- **recovery and reuse of packaging and packaging materials, with 100% recovery of packaging and separate collection of urban waste such as plastic, paper and**

cardboard.

During the second half of 2020, research activities were undertaken to verify the possible reuse of raw material residues from production processes. The research yielded good results with regard to both the reuse of coffee grounds and the recovery of spent raw materials. Studies and technical investigations were carried out, which proved the feasibility of the project. In the first half of 2021, the project continued and its progress and results will be detailed in the next document "Sustainability and Awareness Report 2021".

Further actions in this area were postponed due to the pandemic and the consequent impossibility to operate freely in the plant and will be planned again once the health emergency is over.

FRATELLI BRANCA DESTILERÍAS

Fratelli Branca Destilerías during 2020 maintained its environmental policy defined in 2019, which redesigns the overall management of waste within the company, with the aim of reducing its production.

During 2020, the status of ZWTL ("Zero waste to Landfill") was maintained, which is monitored through the IRT (Total Waste Index) measured in kg of total waste/m³ of finished product. With respect to this index, the target was reached and exceeded in 2020.

In order to reach these targets, all the activities already started to reduce the amount of waste produced to be sent to external disposal centres continued and were increased during 2020.

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

- **industrial waste of an organic nature (spent grasses) for which a pressing process is planned in order to reuse the same as organic fertiliser and raw material for the production of "compost";**

- **biological sludge, generated by the wastewater treatment plant, the quantity of which is significantly reduced through the use of a special decanting 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 separation on site of the recyclable/reusable elements of the waste produced.

Below is an indication of the destination of the waste between disposal and recovery.

WASTE BY TYPE AND DISPOSAL METHOD (T) FRATELLI BRANCA DESTILERÍAS	2018		2019		2020	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
<i>Total waste production</i>	0,66	1.161,84	2,95	1.124,95	1,06	1.146,05
<i>Disposed</i>	0,66	98,5	0,85	25,53	0,65	0
<i>Recovered</i>	0	1.063,34	2,1	1.099,22	0,41	1.146,05

In 2020, Fratelli Branca Destilerías recorded substantially stable values for total waste production compared to the 2019 financial year, which stood at 1,146.1 tonnes, in line with the slightly increasing production trend. It is worth noting that also in 2020, almost all waste was sent for recycling or reuse (including energy recovery) and since September 2019, no waste has been sent for disposal in landfills.

Also for the Argentine company, hazardous waste is a marginal quantity of the total.

The table below shows the trend in the ratio of total waste (hazardous and non-hazardous) to annual production.

WASTE PRODUCTION INTENSITY FRATELLI BRANCA DESTILERÍAS	2018	2019	2020
<i>Total hazardous waste (t)</i>	0,66	2,95	1,06
<i>Total non-hazardous waste (t)</i>	1.161,84	1.124,95	1.146,05
<i>Total waste (t)</i>	1.162,50	1.127,90	1.147,11
<i>Total annual output (t)</i>	39.971	38.676	40.431
<i>Total waste/total output</i>	0,029	0,029	0,028

The trend appears to be constant over the three-year period, without any significant variations, with a positive decrease in 2020. The quantity of waste, in particular non-hazardous waste, which accounts for almost all the waste, follows the trend in annual output.

In order to comply with the commitments undertaken, consistently with the Group's long-term waste management goals, the company has planned and introduced the following initiatives in the last year of reporting:

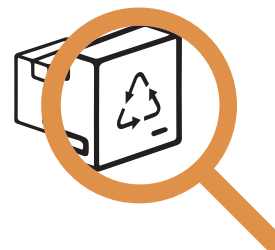
- **redesigning the waste sorting methods and staff training on correct waste disposal: to improve the plant's performance in terms of recycling, in fact, the separation process has been broadened and new containers introduced for each type of waste;**
- **valorising recyclable waste: each separate waste fraction is assessed in terms of the relevant disposal methods, treatment and disposal/sale price. After the assessment, the treatment of certain fractions is optimized thus increasing the sale prices;**
- **significantly reducing the amount of non-recyclable waste through ad hoc recyclers, for landfill disposable waste;**

- **disposing spent herbs according to a circular approach, by deciding to use this raw material as animal feed;**

It is important to mention that, as in Italy, waste generated by COVID-19 prevention actions is separated and treated as hazardous waste. The treatment applied is incineration.

FOCUS

SUSTAINABLE PACKAGING AND RECYCLING



For Branca, product packaging, besides being very important for brand recognition purposes, is also functional to guaranteeing the high quality of our products and to protect them during transportation. The care with which Branca selects and procures all its packaging materials is an integral part of its commitment to minimizing the environmental impact.

The packaging used by the Group for its products can be classified in the following three categories:

- primary packaging: consists of the container that directly contains the product, i.e. the bottle, the cap and the label;
- secondary packaging: is the exterior packaging of the primary packaging used to group together a number of bottles and designed both to facilitate shelf replenishment at the point of sale and as sales packaging for the final consumer. This category of packaging includes cardboard packaging, pallets or displays;
- co-packing or special packaging: consists of outsourcing non-standard types of packaging, such as gifts on pack.

Over the years Branca has built up strong ties and long-lasting

relationships with its suppliers, in order to guarantee quality and minimize 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 of this material is a comprehensively ecological process, because it reduces the amount of waste to be treated or disposed of at landfills, thus minimizing environmental damage. Furthermore, the recycling of waste bottles also reduces the amount of raw materials needed for bottle production purposes, especially silica sand and calcium carbonate, thus further reducing the impact on the environment resulting from extraction activities, to the benefit of local areas and communities. Scrap glass also reduces energy consumption: each tonne of this scrap, in fact, saves 1.2 tonnes of raw materials and about 100 kg of fuel. The use of scrap glass in the glass-making mixture also

lowers the temperature required for melting and consequently less fuel is required.

Fratelli Branca Distillerie has completed the process of overhauling the secondary packaging specifications, which has led to lighter specifications, less impacting 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 a tonne of cellulose material can save 3 trees 20 metres tall).

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 plastic materials currently used with recyclable (e.g. paper-based) materials or permanent resources (e.g. steel).



FOCUS SUSTAINABLE USE OF WATER

Water is at the heart of Branca's production process and is one of the main resources we use. Water consumption is related to total output and to the plant sanitization requirements.

The Group is sensitive to water stress issues that have a direct impact on the local areas and is, therefore, consistently committed to the responsible use of water resources, ensuring an efficient and rational use of water in the production processes.

Below are details of the policies implemented at the two main production sites in Italy and Argentina.

FRATELLI BRANCA DISTILLERIE

The water management system adopted at Fratelli Branca Distillerie is structured in such a way as to identify the areas on which to concentrate any major efforts to optimise water consumption and avoid unnecessary waste.

The company's water consumption is tied to product output and to the sanitization of the production plants. Water effluents are divided into three main flows: process water, rinsing water and wastewater. The wastewater management process requires that the process water from the various departments is channelled through a special network into two water tanks and is then disposed of by specialised companies. The cleaner rinsing water, produced by the last rinsing of the plants, is discharged directly into the sewers, because it contains no detergents or pollutants. Finally, the wastewater, consisting of industrial effluents, is periodically checked to ensure quality before being discharged.

The most relevant areas for improvement, identified with respect to water resource management, are closely related to production processes and almost always concern technical interventions on the production plants. Among the various activities carried out by Fratelli Branca Distillerie to contain water consumption are:

- maintenance and monitoring activities on the plants, by the managers and operators of the various departments;
- investments in consumption optimisation projects;
- staff awareness, through information and training activities, to ensure correct behaviour for safeguarding the water resources.

FRATELLI BRANCA DESTILERÍAS

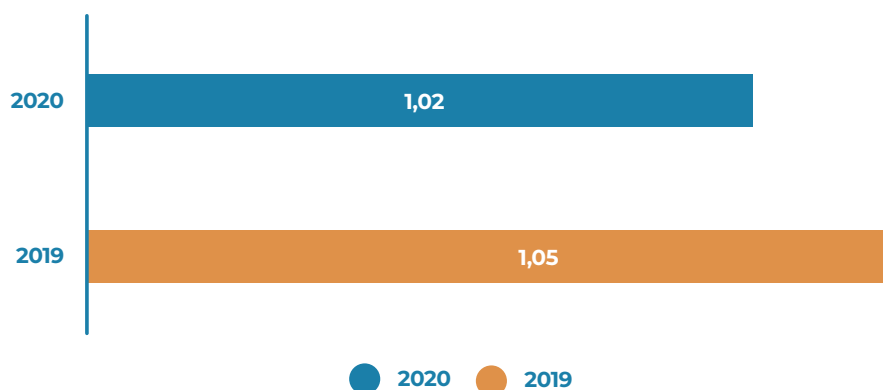
Fratelli Branca Destilerías also focuses on containing and optimising water consumption. The company, which sources its water exclusively from underground aquifers, also aims to protect them from over-exploitation, which would damage the very quality of the water resource it removes.

All the water used at the plant is pumped from three underground wells, stored in an elevated tank with a capacity of 120 cubic metres and then distributed for production processes, service areas and personal hygiene.

Water consumption is monitored on the basis of the water consumption index (WCI), calculated in cubic metres of consumed water, in relation to the output volume.

As can be seen in the graph, in 2020 there is a decrease of about 3% in this index compared to 2019, with a saving of about 1.15 million litres of water.

WATER CONSUMPTION INDEX (WCI)



The reuse system of the effluent treatment plant and the rainwater collection system were maintained in 2020. An awareness campaign on responsible water consumption was carried out.

The initiatives put into place to achieve the above goals include:

- analysing business processes, in order to understand the most impacting activities and evaluate possible programmes for reducing these impacts (also related to water consumption);
- optimising the water recirculation system for reusing the water consumed, resulting in daily savings of about 10m³;
- automating the water pumping systems in each of

the wells, to avoid over-exploitation and preserve water quality;

- implementing recirculation systems by means of a hydraulic pump, to minimise the consumption of groundwater that is not directly incorporated in the product (e.g. cleaning and equipment washing operations);
- training internal and external operating personnel, as part of the ISO 14001 environmental management system implemented at the plant since 2015;
- incorporating the treated effluent recirculation system at the treatment plant for re-utilization in the equipment cleaning process.



Branca, culture and local communities

Since the beginning, the Branca family has always shown a great attention to its culture and social context, as well as to its transformations and needs. An excellent example of this are the posters and advertisements published since February 1865, produced by the best advertising agencies of the time, as well as the company's participation in the great exhibitions of the twentieth century and the promotion of various cultural initiatives for the local communities.

It is precisely in the light of this historical link between the Group and culture, in all its different forms, that Branca today continues to sponsor and support cultural activities, either directly or in partnership with local, national or international organizations, aimed at involving local communities and sharing its history and values.

Over the years, the Branca family has sponsored many cultural initiatives and projects aimed at enhancing the company's business culture and identity and enhancing the Group's ties with the communities in which it operates or with which it is historically linked. These

include the restoration of the Sempione Park Tower in Milan, now called the Torre Branca (Branca Tower), setting up of the Branca Museum inside the production facility at Via Resegone, transforming the Saint-Louis (France) plant into a permanent exhibition space for modern art, establishing the Carpano Museum in Turin, restyling of chimney of the Branca plant, in connection with the celebrations for the 170th anniversary of Fratelli Branca Distillerie, sponsoring the "Arte Unico" competition in Argentina, and much more besides: timeless events and symbols of a company approach that looks to the future without losing sight of the past, which must always be valorised and preserved.

The following paragraphs describe the main activities carried out by the Group in this area over the years, mainly in Italy and Europe.

Please note that, due to the COVID-19 pandemic and the resulting health emergency, the Collezione Branca, Accademia and Torre Branca spaces had to be closed to the public during some months of 2020.

Key cultural initiatives

Branca Museum

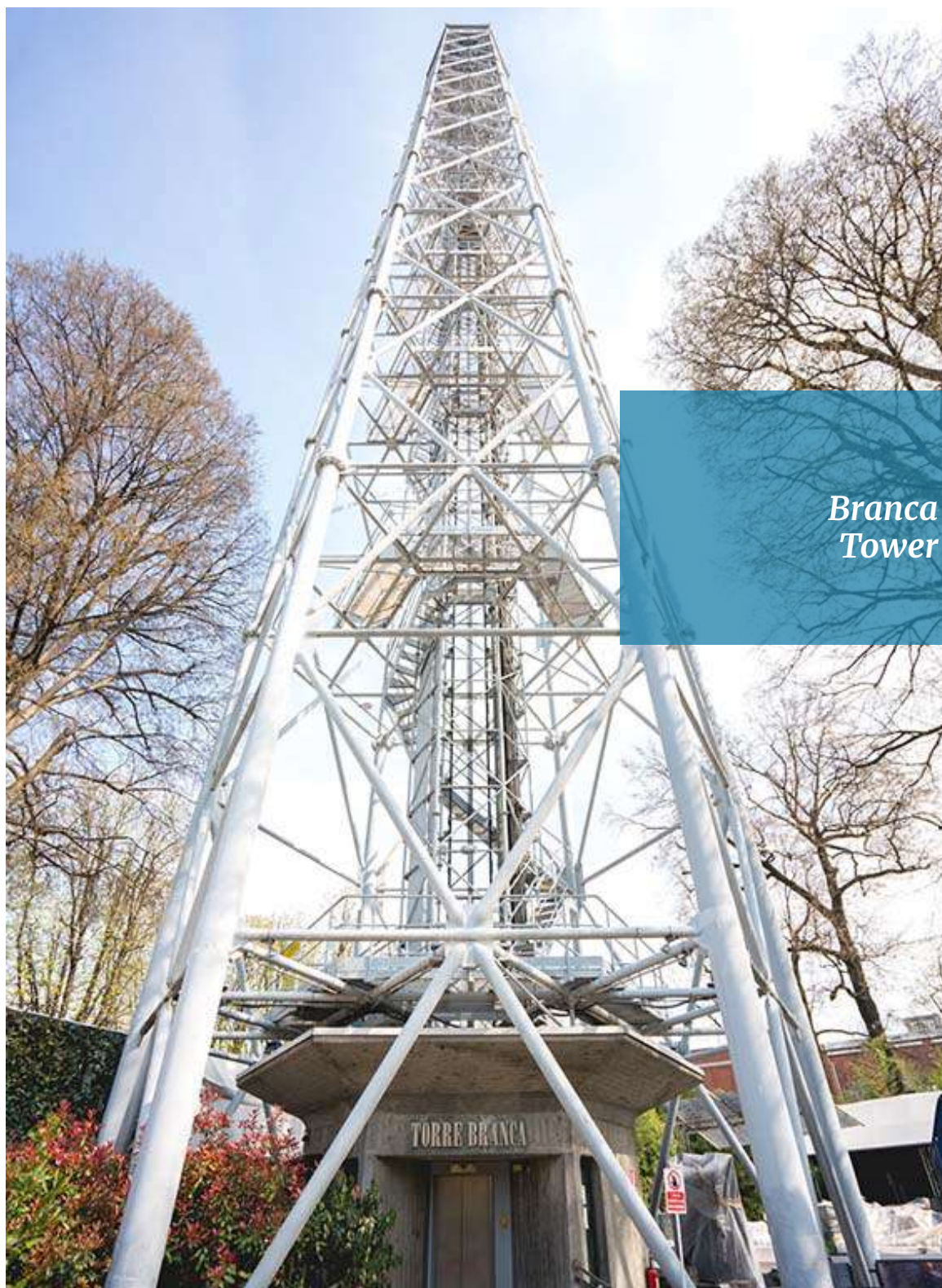
*History, tradition
and innovation*

The "Branca Collection" Museum, inaugurated in 2009, is a company museum created by the Branca family with the aim of spreading knowledge about the history, tradition and culture of Branca and the company's evolution from its origins to the present day. Visitors are greeted by the unmistakable aroma of Fernet-Branca, which pervades the rooms of the museum and accompanies them on a journey through which they can relive the history of the company, breathe in the aroma of the Branca brand products, take a close up view of the tools of the craft and the dawn of its history and then follow the evolution of technique and innovation. An itinerary that winds its way in over 1,000 square metres and features paintings, sculptures, raw materials and work tools that recount the story of a brand built on quality and passion. The "Branca Collection" is the

result of ten plus years of research, selection and restoration work and also comprises a rich collection of advertising posters and campaigns and calendars, highlighting the attention to communication that distinguished Branca already in the mid-nineteenth century, with the use of state-of-the-art techniques. The museum also showcases various objects that have been donated to the "Branca Collection" by enthusiasts. The Collection, therefore, is not only a company museum focusing on the history of the Branca brand, but also a space in which the displayed items take on a twofold meaning of historical documents of a production system and conceptual communication and organisational tools. The museum also plays an educational role, through its "open doors" policy for organizations and schools in Milan and its surroundings, with

free access to the sections of the museum dedicated to the history of the company, as well as the offering curricular training internships and/or apprenticeships for young secondary school/university graduates.

In recent years, the museum has experienced a large flow of visitors (around 4,500 in 2019) who have confirmed their satisfaction also through positive feedback on the Tripadvisor platform. When possible, extraordinary openings are planned during weekends and the "culture week" period as well as evening openings, in response to the great interest from the community.



Branca Tower

Designed by Giò Ponti and erected in a record time of only two and a half months, in 1933, for the 5th Triennale Exhibition, the "Branca Tower" is a major landmark in Milan and is considered a true work of art. With its exciting panoramic viewing platform and its height of 108.60 metres, made of special flanged and bolted Dalmine steel tubes, it ranks tenth tallest accessible building in Milan. In 1972 it was closed down because in a bad state of repair, but it was subsequently refurbished by the Branca family and reopened as a tribute to the city of Milan in 2002 and has been known since then as the "Branca Tower". It welcomes

thousands of visitors a year and continues to serve the city by offering tourists, but above all locals, a different perspective on the beauty of Milan.

Consistently with Branca's social commitment to the local community, a new transparent glass structure has been erected at the base of the Tower, serving as a bar and restaurant but which does not block the view of the tower, while at the same time providing a creative venue where people can meet up, symbolising this creative link between Milan's past and future, by also hosting shows and cultural events.



Fernet-Branca Foundation, Saint Louis

Part of Fratelli Branca's history has taken place in France. In 1909, in fact, the Milan-based company opened a distillery in St. Louis, in the Alsace region. The building, 50 metres long, is surmounted by a copper eagle, the emblem of Fratelli Branca Distillerie, designed to dominate the company's pavilion at the 1906 International Trade Fair in Milan.

Today, the distillery is no longer in operation and the building, registered as a "monument historique" since 4 July 1996, has been converted into the seat of the Fondation Fernet-Branca.

The idea of transforming the old Fernet-Branca distillery into a museum of contemporary art came in 2003, based on a joint project by the local authorities

and the Branca family, always sensitive towards social and cultural issues and interested in finding a new use for the building, which for many years had been a dynamic hub of the town and district of Saint-Louis. In 2003, Count Niccolò Branca signed an agreement with the municipality of Saint-Louis under which he made the property available for the construction of the museum for 23 years. The project is part of the cross-border cultural context with the nearby Swiss city of Basel, which hosts the Fondation Beyeler, the Tinguely Museum, the Schaulager, and the annual "Art'Basel" show, and with Weil am Rhein, in Germany, where the "Vitra Design Museum" is located.

The factory has since been redeveloped to a design by the architect Jean-Michel Wilmotte, featuring two phases: an initial phase involving the refurbishment of the exhibition spaces and the visitor services and facilities, followed by a second phase for covering the courtyard with a glass ceiling and creating an underground restaurant in the former cellars where the original barrels are still located. The museum was inaugurated on 15th June 2004 by the President of the French Republic.

Branca, in partnership with Eataly and the Museum network of Turin, has also dedicated a museum to the history of the Carpano brand.

The Carpano Museum is located on the first floor of the former factory, which is currently occupied by the Turin branch of the Eataly restaurant and food retail chain, and highlights the key events in the history and production process of Carpano vermouth.

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

Carpano Museum





Branca Chimney

This street art project dedicated to the restyling of the Branca factory flue gas stack in via Resegone came from a joint idea by Orticanoodles and Fratelli Branca Distillerie in 2015, in connection with the company's 170th Anniversary, and symbolises the union between enterprise and contemporary art, with the aim of enhancing the chimney as a common urban element in industrial architecture, which, before the mural was painted, went largely unnoticed, despite its height, but which has since been transformed into a landmark that can no longer be ignored from far or near.

The restyling project of the chimney, which was built in the early 20th century, is faithful to the company's motto "Innovation through Tradition" and therefore features the key elements of the Branca brand communication and bright colours, preserving its original shape and connection with the local community.

For the artists Orticanoodles the mural, one of the tallest in Europe, represents the laborious and skilful production process of the famous Fernet-Branca brand: a colourful tangle of herbs that intertwines and climbs up towards the sky of Milan, in the midst of bottles and historical icons of the company, such as the globe surmounted by an eagle and the irreverent crocodile of the 1920s. The herbs depicted here create playful shapes and colours that can be clearly seen in full only at a distance of hundreds of metres. For the project, which required a total of about 10 days to be completed, the Orticanoodles used the so-called "spolvero" technique, the same used by Michelangelo in the 1500s.

The project continues inside the factory where the Branca employees and their family members were asked to collectively contribute to this work of art by signing their names in the roots at the base of the chimney, symbolising the roots of the

company and its history. The company's choice of a street art project is undoubtedly linked to the aspiration to reach as many people as possible through a work capable of recounting the history of Branca in images, by dialoguing with the community. This art project has changed the Milan skyline, thanks to an innovative work with an original and colourful charm both in the day and at night. In fact, thanks to a partnership with Futuro Luce the chimney shines brightly at night too, lit up by a led system in which 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 country. More information on the 2020 edition and how it was carried out in the context of the Covid-19 pandemic is presented in the next paragraph.

Recent events

There follows an overview of several more recent activities carried out in Italy and Argentina, while the activities of Branca USA are clearly still limited, since the company has been operational only since 2019, but which, however, consistently with the Group's corporate culture, believes that commitment to the benefit of the local communities is not only a means of spreading knowledge of corporate brands, but also a way of crafting a true corporate citizenship.

FRATELLI BRANCA DISTILLERIE

In spite of the emergency situation experienced in 2020, Fratelli Branca Distillerie participated and actively cooperated in many social initiatives to meet the different cultural realities of the territory, creating moments of sharing and dialogue with its stakeholders, developing and strengthening its network of collaborations with citizens also in the context of the pandemic. Among the main initiatives in 2020, it is possible to highlight the following in the Branca Collection Museum (which, in line with restrictions, hosted approximately 500 people in the first part of the year)

- **the involvement in the MuseoCity project with the Municipality of Milan, with the realisation, also with the support of the media, of a video of a virtual visit of the Branca Collection for the YouTube channel;**
- **the making of a video of a virtual visit to the Branca Collection Museum also for the Culture Week promoted by Musei d'Impresa, published on the YouTube channel and made available with links from the Museimpresa association;**
- **the increased use of social media with the dissemination of images, videos and interactions with the public on the Facebook**

and Instagram channels and the creation of live virtual visits with tourism guides;

- **the development of virtual meetings with some groups of tourism associations in Milan and virtual educational meetings with high schools and universities (Bocconi), to tell the story of the company and the reasons behind the creation of a company museum, the story of the company's communication;**
- **virtual attendance at the annual seminar organised by the Museimpresa association to define new projects among the curators of the 105 member museums.**

There were also live connections from the Torre Branca with tourism guides, as well as several videos posted on social channels, Facebook and Instagram. Due to COVID-19 restrictions, Torre Branca only welcomed visitors for the climb up to the viewing room between January and February (about 2,200 people) and from June to November (about 3,300 people).

Initiatives in previous years, on the other hand, include, during 2018, participation in the Philatelic Exhibition of the Post Office in Milan, the "Triennale Design Museum" exhibition in which the model of the Branca Tower was displayed, and the "999" exhibition, also held at the

Triennale.

In 2019, on the other hand, the company, with the "Collezione Branca" Museum, took part in the annual Open House Milano event, in the "Fuoricinema" exhibition and in the "Milano Arch week", a week of events dedicated to architecture promoted by Triennale Milano together with Politecnico di Milano and the Municipality of Milan, during which Torre Branca remained open for free.

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

With reference to the initiatives developed on products, over the years Branca has participated in numerous activities with important Made in Italy companies that, like Branca, are spokesmen for a culture of quality "know-how".

BRANCA'S RESPONSE TO THE COVID-19 EMERGENCY

Fratelli Branca Distillerie has committed to supporting local communities and the territory by working with local institutions to tackle the COVID-19 emergency. Below are some of the initiatives undertaken:

- 34,000 one-litre bottles of detergent suitable for hand disinfection, as well as surface disinfection, obtained by processing the high-quality raw material used by the company for the production of alcoholic beverages, were donated to the Municipality of Milan, Civil Protection and the Lombardy Region;
- FFP2 masks were donated for workers employed in the construction of the new hospital at Fiera Milano;
- An order was placed for 15,000 COVID-19 test kits to be donated to the Lombardy Region (value €150,000);
- Donation of 150,000 Euros for the Mutual Aid Fund of the City of Milan.

FRATELLI BRANCA DESTILERÍAS

During 2020, Fratelli Branca Destilerías continued to develop its artistic and cultural platform, through the Arte Único Poster Contest, maintaining its rich and extensive tradition and allowing young and new Argentine artists to capture their art and make it known.

The Covid-19 pandemic has forced us to adapt and transform the Arte Único contest into an entirely virtual event, an innovative and technological experience. In this sense, the call for entries, as well as the launch and award events were held via streaming, adapting to the new reality and allowing artists to participate from their homes. 2020 was a record year for Arte Único, with more than 3,000 artists from different parts of the country to present works in two categories, Traditional Poster and Motion Poster, a category introduced in 2019 to adapt to new trends and innovate, aligning with the motto that has characterised the Company since its foundation: "Novare Servando".

Fratelli Branca Destilerías considers caring for and supporting local communities an integral part of its business, which involves creating sustainable value over time. The only way to strengthen the ties between Fratelli Branca and local communities is to get involved and be closer to the people who need it most. Teaming up with the most vulnerable sectors to change their environment. Strategy: several foundations and institutions are supported by Fratelli Branca Destilerías S.A. to assist children,

families, education, decent work and employment. The company supports the institutions with various activities and fundraising events. With allied foundations, they work together on various projects in favour of inclusion.

Child and family care:

- Caritas San Miguel;
- Fundacion Padres;
- Garrahan Children's Hospital Foundation;
- Fundacion SI;
- Maria Cecilia Cancer Foundation;
- Ricardo Gutierrez Children's Hospital.

Education:

- Cimientos Foundation;
- Caritas;
- Fundacion SI;
- Fundacion Padres.

Employment and occupation support:

- Caritas;
- Fundación Proactiva

Fratelli Branca Destilerías also collaborates with Fundación Par. Fundación Añil, Fundación Conin-Leche, Hospital de Niño Ricardo Gutiérrez, Fundación María Cecilia de ayuda al Niño Oncológico, Colegio María Guadalupe Barrio Las Tunas, ALCEM Asociación (combating multiple sclerosis), Del Chaco School, Scuola Técnica Secundaria y Primaria Fonavi, Municipality of Malvinas.

Among the social initiatives promoted and organised by Fratelli Branca Destilerías, we can still mention "#MenoresNiUnaGota



cimientos
construimos desde la educación

Campaign", in collaboration with FADA (Federación Argentina de Destilados y Aperitivos), the responsible consumption campaign that aims to raise awareness to prevent, stop and refuse alcohol consumption in minors (under 18 years old), from a preventive and educational perspective.

During 2020, it is also worth mentioning the maintenance of the digital, social media and PR campaign to create awareness of this problem, especially among parents of teenagers, reaching more than 3,000,000 people. In addition, through this platform it was possible to promote workshops in schools with teachers, students and their parents providing a space for dialogue and reflection, reaching more than 2,500 people. In addition, the collaboration with FADA also led to the communication of 'Responsible Alcohol Consumption Day', which aims to educate adults on better drinking habits.

This campaign took place through digital media, newspapers and social media with a message emphasising how to consume alcohol responsibly at home.

It is also possible to mention the Familia Branca initiative, created in 2019 and complemented by the best and recognised bartenders. In 2020 a new section was launched within Branca Family, the community of bartenders "Branca Team" born as a consequence of the emergency situation that bartenders, bars and the gastronomic industry in general were facing due to the pandemic, and whose spirit was to show that in difficult times Branca Family can give support, help and accompaniment.

BRANCA'S RESPONSE TO THE COVID-19 EMERGENCY

Fratelli Branca Destilerías gave support to the territories and the community by undertaking initiatives to mitigate the impact of the COVID-19 health emergency. In fact, more than ten thousand litres of 70% sanitizing alcohol were provided to various foundations and institutions in the province and city of Buenos Aires (hospitals, fire brigades, community centres, research and education

institutions) to combat the virus. In particular, 15 institutions received more than fifteen thousand bottles of sanitising alcohol, prepared in the Branca factory in Tortugitas. In addition, thanks to the collaboration of our suppliers, we donated supplies such as cups, bottles and labels to several beneficiaries. Finally, the community of bartenders "Branca Team"

contributed throughout 2020 to collaborate with the bartenders by giving them support in exchange for audiovisual content to be spread on social media channels, related to the Branca brands and to the Drink Strategy of each of them. More than 170 Branca Family bartenders participated in the 3 Teams that were created during the year.

BRANCA USA

According to Branca USA, engagement with local communities is a way 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 awareness.

In 2020, although the health emergency forced Branca USA to cancel many planned local activities and initiatives, the focus was on supporting three major charities: Women of the Vine & Spirits, the United States

Bartending Guild (USBG) and the Restaurant Workers Community Foundation.

In January 2020, Branca USA became an official corporate sponsor of Women of the Vine & Spirits, supporting their mission to "empower and advance women in the alcoholic beverage industry and push the alcoholic beverage industry toward a more diverse and inclusive era that enables everyone to succeed."



BRANCA'S RESPONSE TO THE COVID-19 EMERGENCY

Branca USA made a commitment during 2020 to support local communities in dealing with the health emergency. In fact, the Company partnered with the Restaurant Workers' Community Foundation (RWCF) to provide more than \$20,000, specifically for assistance with the COVID-19 emergency. The Restaurant Workers' Community Foundation is a non-profit representative association created by and for restaurant

workers. RWCF was founded in 2018 to support - and raise funds for - other nonprofits working for gender equity, racial justice, fair wages and healthy work environments in the restaurant industry. As part of the pandemic, RWCF focused on supporting workers in crisis and small business owners with the Restaurant Workers COVID19 Crisis Relief Fund.

In addition, Branca USA also donated more than \$20,000 to

the United States Bartending Guild during the COVID-19 emergency. The mission of the United States Bartending Guild is to unite the hospitality community to advance professional bartending.

Appendix

³⁷ The figure relating to the hours of training also by professional category is not available.

³⁸ The figure relating to participants in training programmes also by professional category is not available.

³⁹ The number of participants in anti-corruption training programmes for Fratelli Branca Destilerías is not available, nor are the figures for 2017.

The following tables provide an in-depth and detailed insight into the Group's human resources, in accordance with the adopted GRI Standard for reporting.

FEMALE EMPLOYEES BY GROUP COMPANY	2017				2018				2019			
	MEN	WOMEN	TOTAL	% WOMEN	MEN	WOMEN	TOTAL	% WOMEN	MEN	WOMEN	TOTAL	% WOMEN
F.LLI BRANCA DISTILLERIE	48	22	70	31,4%	58	27	85	31,8%	69	32	101	31,7%
F.LLI BRANCA DESTILERÍAS	183	8	191	4,2%	196	7	203	3,4%	195	12	207	5,8%
BRANCA USA	-	-	-	-	-	-	-	-	14	17	31	54,8%
BRANCA INTERNATIONAL	2	3	5	60,0%	1	1	2	50,0%	1	1	2	50,0%
CENTRO STUDI FRATELLI BRANCA	4	6	10	60,0%	3	3	6	50,0%	2	2	4	50,0%
TOTAL	237	39	276	14,1%	258	38	296	12,8%	281	64	345	18,6%

HOURS OF EMPLOYEE TRAINING BY GENDER AND GROUP COMPANY ³⁷	2017			2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE	276	164	440	162	95	257	423	141	564
F.LLI BRANCA DESTILERÍAS	N.D.	N.D.	N.D.	5.297	90	5.387	5.881	102	5.983
BRANCA INTERNATIONAL	4	12	16	0	0	0	0	0	0
CENTRO STUDI FRATELLI BRANCA	8	4	12	0	4	4	16	0	16
TOTAL	288	180	468	5.459	189	5.648	6.320	243	6.563

NUMBER OF EMPLOYEES TRAINED BY GENDER AND GROUP COMPANY ³⁸	2017			2018			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
F.LLI BRANCA DISTILLERIE	68	39	107	86	44	130	82	36	118
F.LLI BRANCA DESTILERÍAS³⁹	N.D.	N.D.	N.D.	850	0	850	1.286	6	1.292
BRANCA INTERNATIONAL	1	3	4	0	0	0	0	0	0
CENTRO STUDI FRATELLI BRANCA	2	1	3	0	1	1	3	0	3
TOTAL	71	43	114	936	45	981	1.371	42	1.413

RATIO OF THE BASIC SALARY OF WOMEN TO MEN IN % - 2019	SENIOR MANAGERS	MIDDLE MANAGERS	WHITE- COLLAR	BLUE- COLLAR
<i>FRATELLI BRANCA DISTILLERIE</i>	N.D.	81%	87%	95%
<i>FRATELLI BRANCA DESTILERÍAS</i>	N.D.	N.D.	92%	N.D.
<i>BRANCA USA</i>	66%	92%	104%	N.D.

40 For confidentiality reasons, the relations of Branca International and Centro Studi Fratelli Branca are not shown.

RATIO OF TOTAL REMUNERATION OF WOMEN TO MEN IN % - 2019	SENIOR MANAGERS	MIDDLE MANAGERS	WHITE- COLLAR	BLUE- COLLAR
<i>FRATELLI BRANCA DISTILLERIE</i>	N.D.	86%	86%	95%
<i>FRATELLI BRANCA DESTILERÍAS</i>	N.D.	N.D.	92%	N.D.
<i>BRANCA USA</i>	54%	91%	105%	N.D.

GRI Content Index

2018 GRI STANDARD

GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
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GRI 102 General disclosures

Organizational profile

102-1	Name of the organization	About us: our identity and history > Group profile (p.9)	
102-2	Activities, brands, products and services	About us: our identity and history > Our brands (p. 17-21)	
102-3	Location of headquarters	About us: our identity and history > Group profile (p.9)	
102-4	Location of operations	About us: our identity and history > Group profile (p.9-10)	
102-5	Ownership and legal form	About us: our identity and history > Group profile (p.9)	
102-6	Markets served	About us: our identity and history > Group profile (p.9-10)	
102-7	Scale of the organization	Key results: an overall vision (p.7)	
102-8	Information on employees and other workers	Our people: employee profile, well-being, health & safety > Employee profile (p. 63-65)	
102-9	Supply chain	Branca brand excellence > Responsible management of the supply chain (p. 46-52)	
102-10	Significant changes to the organization and its supply chain	About us: our identity and history > Group profile (p.9) Branca brand excellence > Responsible management of the supply chain (p. 46-52)	
102-11	Precautionary Principle or approach	The environment: sustainable business and impact mitigation > Responsible use of resources (p. 79)	
102-12	External initiatives	Local communities, art and culture (p. 94-100)	
102-13	Membership of associations	Local communities, art and culture (p. 94-100)	

Strategy

102-14	Statement from senior decision-maker	Letter by the Chairman (p. 3-4)	
102-15	Key impacts, risks, and opportunities	Creation and distribution of economic value (p. 38-43) Our people: employee profile, well-being, health & safety (p. 62-77) The environment: sustainable business and impact mitigation (p. 78-93)	No detailed mapping is available to date.

GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
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GRI 102 General disclosures

Ethics and integrity

102-16	Values, principles, standards and norms of behavior	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	
102-17	Mechanisms for advice and concerns about ethics	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	

Governance

102-18	Governance structure	About us: our identity and history > Governance (p. 23-26)	
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Stakeholder engagement

102-40	List of stakeholder groups	Awareness-based business management > Our Stakeholders (p. 30-31)	
102-41	Collective bargaining agreements	Our people: employee profile, well-being, health & safety > Industrial relations (p. 70)	
102-42	Identifying and selecting stakeholders	Awareness-based business management > Our Stakeholders (p. 30-31)	
102-43	Approach to stakeholder engagement	Awareness-based business management > Our Stakeholders (p. 30-31)	
102-44	Key topics and concerns raised	Awareness-based business management > Our Stakeholders (p. 30-31)	

Reporting practice

102-45	Entities included in the consolidated financial statements	Methodological note (p.5-6)	
102-46	Defining report content and topic boundaries	Methodological note (p.5-6)	
102-47	List of material topics	Awareness-based business management > Sustainability topics and materiality analysis (p. 32-34)	
102-48	Restatements of information		There are no information reviews compared to the previous published edition.
102-49	Changes in reporting	Methodological note (p.5-6)	
102-50	Reporting period	Methodological note (p.5-6)	
102-51	Date of most recent report		The latested document was published in 2016.
102-52	Reporting cycle	Methodological note (p.5-6)	
102-53	Contact point for questions regarding the report	Methodological note (p.5-6)	For information requests the dedicated channels on the websites of the single Group companies can be used.

GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
GRI 102 General disclosures			
102-54	Claims of reporting in accordance with the GRI Standards	Methodological note (p.5-6)	
102-55	GRI Content Index	Table of correspondence with GRI standards (p. 103-108)	
102-56	External assurance		This document has not been audited by an external company.

TOPIC-SPECIFIC DISCLOSURE

GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
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Economic and governance topics

Lawfulness. transparency. ethics and integrity of business

103-1, 103-2 103-3	Management approach	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	
205-3	Confirmed incidents of corruption and actions taken	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	
307-1	Non-compliance with environmental laws and regulations	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	
419-1	Non-compliance with laws and regulations in the social and economic area	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	

Sustainability in corporate strategy

103-1, 103-2 103-3	Management approach	Creation and distribution of economic value (p. 27-29)	
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Creation and distribution of economic value

103-1, 103-2 103-3	Management approach	Creation and distribution of economic value (p. 38-43)	
202-1	Economic value directly generated and distributed	Creation and distribution of economic value > Economic value directly generated and distributed (p. 42-43)	

Environmental topics

Energy efficiency and climate change

103-1, 103-2 103-3	Management approach	The environment: sustainable business and impact mitigation > Responsible use of resources (p. 79) The environment: sustainable business and impact mitigation > Energy consumption (p. 80-83)	
302-1	Energy consumption within the organization	The environment: sustainable business and impact mitigation > Energy consumption (p. 83-83)	
302-3	Energy intensity	The environment: sustainable business and impact mitigation > Energy consumption (p. 83-83)	

GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
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Environmental topics

305-1	Direct (Scope 1) GHG emissions	The environment: sustainable business and impact mitigation > Atmospheric emissions (p. 84-86)	
305-2	Energy indirect (Scope 2) GHG emissions	The environment: sustainable business and impact mitigation > Atmospheric emissions (p. 84-86)	
305-4	GHG emissions intensity	The environment: sustainable business and impact mitigation > Atmospheric emissions (p. 84-86)	

Circular economy and recycling

103-1, 103-2 103-3	Management approach	The environment: sustainable business and impact mitigation > Responsible use of resources (p. 53-55)	
306-2	Waste by type and disposal method	The environment: sustainable business and impact mitigation > Circular economy and recycling (p. 87-93)	

Social topics

Quality and safety of raw materials and products

103-1, 103-2 103-3	Management approach	Branca brand excellence > Quality and safety of raw materials and products (p. 53-55)	
417-1	Requirements for product and service information and labeling	Branca brand excellence > Quality and safety of raw materials and products (p. 54)	
417-2	Incidents of non-compliance concerning product and service information and labeling	Branca brand excellence > Quality and safety of raw materials and products (p. 54)	

Customer relationship & satisfaction

103-1, 103-2 103-3	Management approach	Branca brand excellence > Customer Relations & Satisfaction (p. 58-61)	
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Responsible marketing, communication and consumption

103-1, 103-2 103-3	Management approach	Branca brand excellence > Consumer protection and promoting responsible consumption (p. 56-57)	
417-3	Incidents of non-compliance concerning marketing communications	About us: our identity and history > Lawfulness, transparency, ethics and integrity (p. 26)	

Corporate welfare and well-being

103-1, 103-2 103-3	Management approach	Our people: employee profile, well-being, health & safety > Employee well-being (p. 76-77)	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people: employee profile, well-being, health & safety > Employee well-being (p. 76-77)	

Development, training the human capital and collaborative meritocracy

103-1, 103-2 103-3	Management approach	Our people: employee profile, well-being, health & safety > Development of human capital and training (p. 71-72) About us: our identity and history > The principle of Collaborative Meritocracy and HR management (p. 26)	
205-2	Communication and training about anti-corruption policies and procedures	Our people: employee profile, well-being, health & safety > Development of human capital and training (p. 71-72)	

GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
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Social topics

401-1	New employee hires and employee turnover	Our people: employee profile, well-being, health & safety > employee profile > incoming & outgoing employees (p. 66-67)	It was not possible to calculate the turnover rate by age group due to the unavailability of figures for 2017.
404-1	Average hours of training per year per employee	Our people: employee profile, well-being, health & safety > Development of human capital and training (p. 71-72)	
404-3	Percentage of employees receiving regular performance and career development reviews	Our people: employee profile, well-being, health & safety > Development of human capital and training > Periodical performance assessment (p. 72)	Qualitative information.
412-2	Employee training on human rights policies or procedures	Our people: employee profile, well-being, health & safety > Development of human capital and training (p. 71-72)	

Occupational health & safety

103-1, 103-2 103-3	Management approach	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	
403-1	Occupational health and safety management system	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	Qualitative information.
403-2	Hazard identification, risk assessment and incident investigation	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	Qualitative information.
403-3	Occupational health services	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	Qualitative information.
403-4	Worker participation, consultation and communication on occupational health and safety	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	Qualitative information.
403-5	Worker training on occupational health and safety	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75) Our people: employee profile, well-being, health & safety > Development of human capital and training (p. 71-72)	
403-6	Promotion of worker health	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	Qualitative information.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	Qualitative information.
403-9	Work-related injuries	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	
403-10	Work-related ill health	Our people: employee profile, well-being, health & safety > Occupational health & safety (p. 73-75)	

Diversity, inclusion and human rights

103-1, 103-2 103-3	Management approach	Our people: employee profile, well-being, health & safety > Diversity and inclusion in the work environment (p. 68-69)	
405-1	Diversity of governance bodies and employees	Our people: employee profile, well-being, health & safety > Diversity and inclusion in the work environment (p. 68-69)	Employees by age group are presented for 2019 only because the breakdown for 2017 was not available, for Italy.
405-2	Ratio of basic salary and remuneration of women to men	Our people: employee profile, well-being, health & safety > Remuneration (p. 70)	No data are published for certain companies, as indicated in the paragraph, for confidentiality reasons.
406-1	Incidents of discrimination and corrective actions taken	Our people: employee profile, well-being, health & safety > Diversity and inclusion in the work environment (p. 68-69)	No episodes of discrimination have been found in the reporting period.

Development of projects for and involvement of the local communities

103-1, 103-2 103-3	Management approach	Local communities, art and culture (p. 94-100)	
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GRI DISCLOSURE	DESCRIPTION	REFERENCES	OMISSIONS/NOTES
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Cross-sector topics

Responsible management of the supply chain

103-1, 103-2 103-3	Management approach	Branca brand excellence > Responsible management of the supply chain (p. 46-52)	
204-1	Proportion of spending on local suppliers	Branca brand excellence > Responsible management of the supply chain (p. 46-52)	
308-1	New suppliers that were screened using environmental criteria	Branca brand excellence > Responsible management of the supply chain (p. 46-52)	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Branca brand excellence > Responsible management of the supply chain (p. 46-52)	
414-1	New suppliers that were screened using social criteria	Branca brand excellence > Responsible management of the supply chain (p. 46-52)	



Branca International S.p.A.

**Sustainability
and Awareness
Report**

2020