

Integrated  
Management  
Report  
2023

**Newlat**  
FOOD SpA  
A MULTIBRAND COMPANY

20  
23

Our People,  
Our Products.



# Newlat Food Group



A MULTIBRAND COMPANY



## Our Brands



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## About this report

Welcome to the First Edition of our Integrated Management Report.

This document offers a detailed and integral analysis of our commitment, providing a comprehensive view of our mission, governance principles, achievements, and the opportunities and challenges we faced in 2023.

Through this Report, we want to provide all our stakeholders with a clear, transparent and accessible summary of the Company's key milestones and performance, considering both economic and ESG aspects.

LEARN MORE

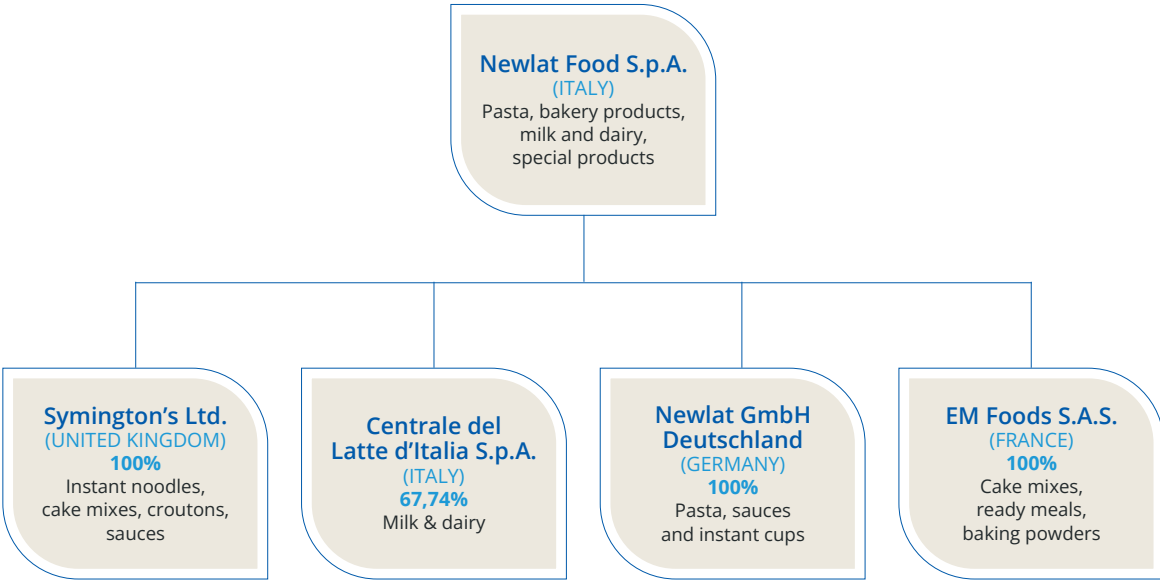
To learn more about our Group and view all relevant documentation, including our Annual Financial Report, our Non-Financial Statement, our Policies, as well as our Code of Ethics and Conduct, please visit [corporate.newlat.it](https://corporate.newlat.it).



# Overview

The Newlat Food Group is a major multinational, multi-brand and multi-channel player in the Italian and international food industry. The Group is active in the pasta, dairy, instant noodles, bakery and dessert mixes markets, as well as special products, including high protein, gluten free and baby food. The Group's products are marketed through numerous proprietary brands, many of which

are known nationally and internationally. Newlat Food holds a prominent position in the domestic market and also has a strong presence in foreign markets, particularly in the UK, Germany and France, partly through its subsidiaries Symington's Ltd., Newlat Deutschland GmbH and EM Foods S.A.S. In 2019, the Company was listed on the STAR segment of the Italian Stock Exchange.



## Highlights

**€ 793.3 million**  
TURNOVER  
2023

**> 85% branded**  
BRANDED/PRIVATE LABEL SPLIT

**> 2000**  
SUPPLIERS

**> 2000**  
EMPLOYEES

**+ 63%**  
INVESTMENTS  
VS. 2022

**- 19%**  
CARBON INTENSITY  
(CO EMISSIONS<sub>2</sub> /TURNOVER)

**- 16%**  
WATER INTENSITY  
(WATER WITHDRAWN/TURNOVER)

**~ 20,000**  
customers  
INCLUDING MAJOR  
INTERNATIONAL RETAILERS

**> 25 main**  
brands

**+ 19.7%**  
MARKETING SPEND  
VS. 2022

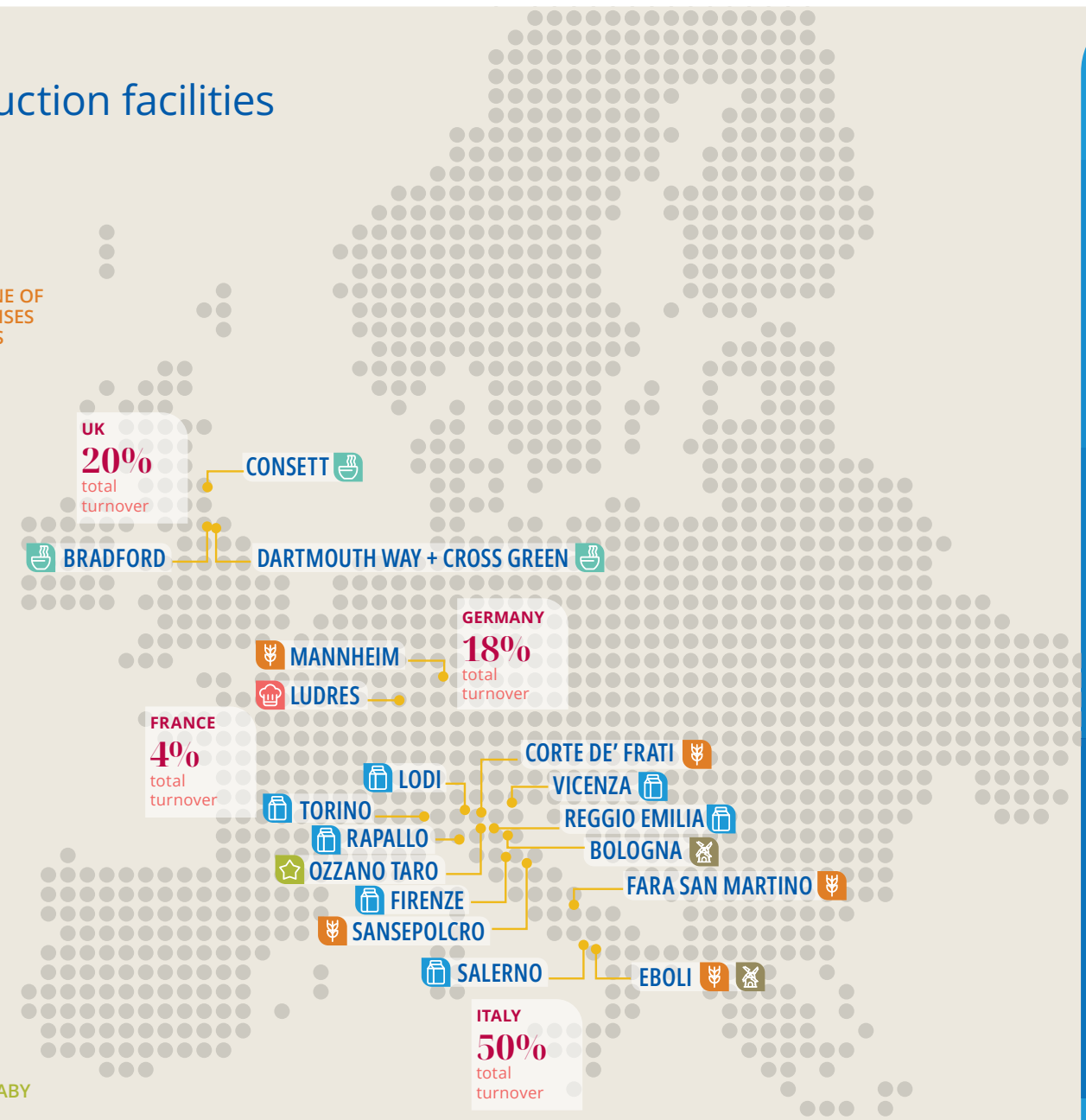
**IN THE THREE-YEAR PERIOD 2021-2023:**

**~ 2000 tCO<sub>2</sub>**  
SAVED BY RAIL TRANSPORT

**+ 27%**  
RECRUITMENT OF PERSONNEL  
UNDER 30

## 19 production facilities in Europe

- 5** PASTA FACTORIES, ONE OF WHICH ALSO SPECIALISES IN BAKERY PRODUCTS
- 7** MILK PROCESSING PLANTS
- 3** INSTANT FOOD PLANTS
- 2** MILLS
- 1** HOME BAKING PLANT
- 1** SPECIAL PRODUCTS PLANT, INCLUDING BABY FOOD, GLUTEN-FREE, LOW PROTEIN AND HIGH-PROTEIN



## Top market shares

- Pasta market in Germany<sup>1</sup>**  
#2 in the total pasta market (5 times the volume of the third player)  
#1 in the German pasta market
- Reference markets in Italy<sup>2</sup>**  
#2 in the bread substitute market  
#3 in the rusk market  
#3 operator in the dairy sector
- UK instant food and ready meals markets<sup>3</sup>**  
#1 in the categories 'mug snacks', 'flavoured cous cous' and 'traditional cooking sauces'  
#2 in the branded category of instant noodles inspired by Asian cuisine  
#3 in the 'pot snacks' category

<sup>1</sup> Source: Circana, YTD data - September 2023 by volume market share / progressive data - September 2023 by volume  
<sup>2</sup> Source: IRI, LTM data - October 2023 by volume  
<sup>3</sup> Source: Nielsen data until 4 Nov 2023



# Letter to Stakeholders

Dear Stakeholders,

In a very volatile market environment and characterised by intense promotional activity in the last quarter of the year, Newlat ended 2023 with significant revenue growth and a strong improvement in margins, above the industry average.

*Thanks to our high financial flexibility and excellent cash generation, we initiated a series of investments totalling EUR 25.2 million in Q4 2023. These include a new oven line and new packaging machines for children's products - these initiatives will not only greatly strengthen the offer of both speciality and traditional products, expanding the range significantly, but will also enable our industrial structure to face new business development challenges with even greater efficiency. In addition, the purchase of a new area adjacent to our factory in Mannheim, Germany, which is already equipped with a warehouse and offices, is planned. The introduction of this new logistics hub will not only result in annual savings of more than EUR 2 million, but will also optimise storage and distribution processes on a Group-wide basis, thanks to its central and strategic location, further strengthening our ability to dynamically adapt to market requirements.*

In 2023, we continued our commitment to promote responsible business focused on continuous improvement. In line with recent international developments, we are evolving our approach in assessing positive and negative impacts, while aiming to translate our Group's progress into tangible benefits for all our stakeholders.

Recognition of our commitment by strategic partners is only a starting point, destined to guide the future growth of our organisation. Optimal resource management has always been one of the principles underlying our way of doing business, both when it comes to limited resources, such as natural ones, and when it comes to human resources. This is demonstrated by the trend of continuous generational turnover, which testifies to our commitment to invest in young talent to successfully cope with change while stimulating constant innovation, thus ensuring sustainable growth over time.

In our strategy, the quality and safety of the products we offer remain at the heart of our development, a commitment that is reflected in our continuous investment in the most recognised voluntary certifications. This not only supports continuous advancement along every link in our value chain, but also guarantees the continuity of production and quality excellence that sets us apart.

As in the past, our focus this year extended beyond our domestic borders, turning towards M&A, which has always been one of the pillars of our long-term growth strategy. The prudence and rigour we apply in risk management, evidenced by the approach taken in our latest acquisition attempt, demonstrate our ability to operate wisely and cautiously, two qualities that make us optimistic and ready to take advantage of the opportunities in a constantly evolving market.

In 2024, we are committed to continuing our growth trajectory, further consolidating our presence in the industry.

Therefore, growth by external lines will continue to be a key strategic element. Thanks to the availability of cash and the financial support of a group of major international banks, the Group will be able to operate in the M&A market with great financial flexibility. We are currently working on four important dossiers, all of which are strategically relevant for our group and of which we hope to be able to share details soon.

Angelo Mastrolia,  
Executive Chairman  
of Newlat Food

# Our Purpose and Goals

**OUR PURPOSE:**

*'Let's celebrate our roots, embrace growth and nurture the future'*

**OUR VISION:**

*To become the point of reference for those seeking high quality products, promoting ties, conviviality and closeness and bringing together people from all corners of the world.*

**OUR MISSION:**

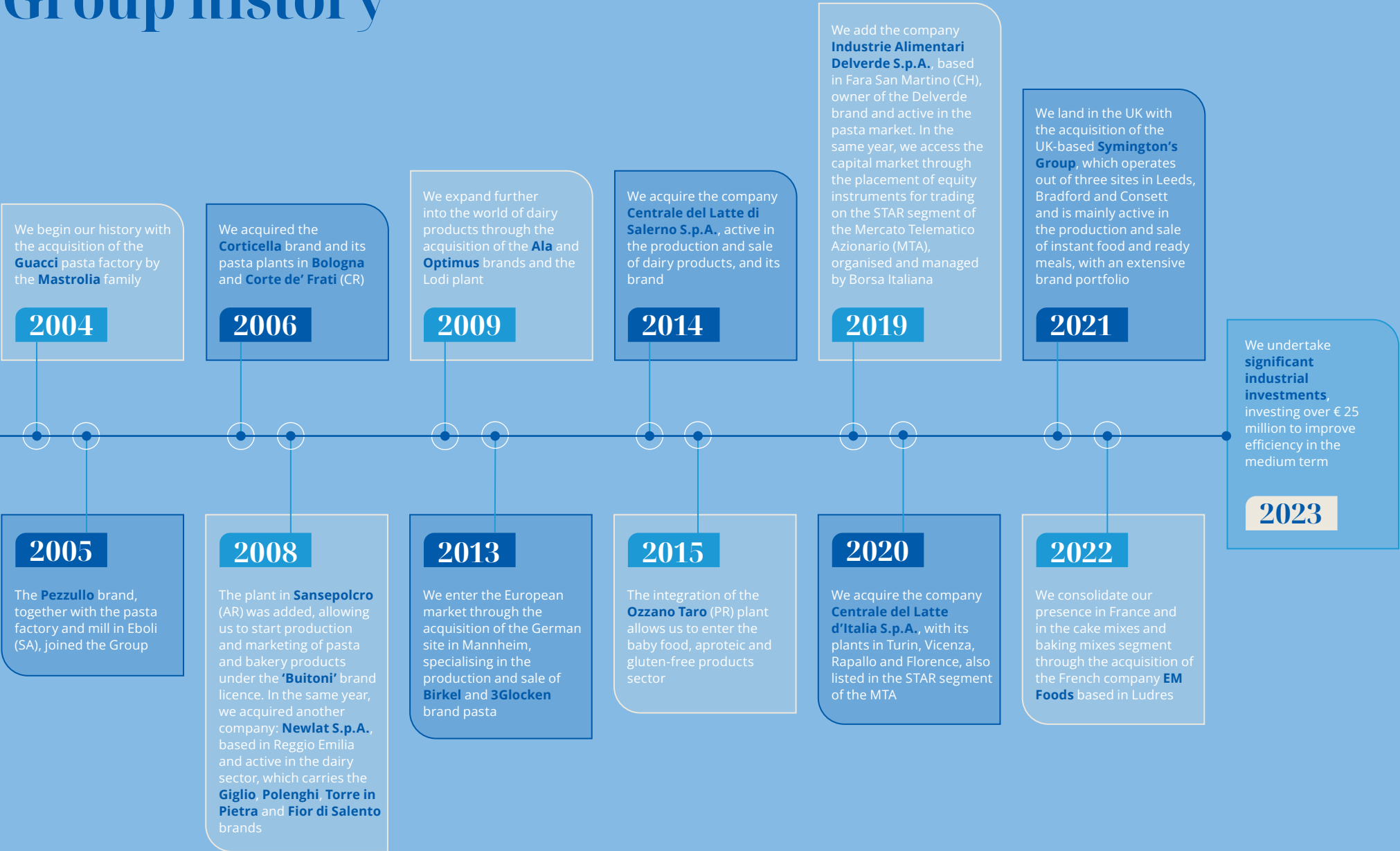
*Constantly developing new products through innovation, preserving the authenticity of the Italian and other culinary traditions and accompanying consumers all over the world in every moment and phase of life to offer moments of joy, conviviality and closeness.*

| THE KEY TO OUR SUCCESS  |   |  |   |  |  |  |
|---|---|--|---|--|--|--|
| A broad and structured product portfolio with high growth potential, organised in 7 main Business Units |   |  |   |  |  |  |
| <b>Pasta</b><br>In numerous formats, organic, whole-wheat, premium, legume, gluten-free, high-protein   | <b>Milk Products</b><br>Including fresh milk, UHT, functional milks, yoghurt, cream, butter   | <b>Dairy Products</b><br>Like mascarpone, ricotta and fresh cheese             | <b>Bakery Products</b><br>Including croutons, rusks and other baked goods     | <b>Special products</b><br>Like gluten-free, high-protein and baby food products   | <b>Instant noodles &amp; Bakery Mixes</b><br>Including soups, various ready meals and dessert preparations | <b>Other products</b><br>Such as sauces, as well as salads and cured meats |
| Our winning ingredients   |   |  |   |  |  |  |
| We pursue international standards for quality and food safety by striving for excellence                | We carefully select our suppliers and the raw materials we use  | We continuously invest in research and development                             | We promote consumer welfare, meeting new market demands and the latest trends | We are equipped with industrial assets with advanced technology and ample production capacity to meet the requirements of the most demanding customers | We constantly dialogue with our stakeholders   |  |
| Consolidation and growth in strategic markets   |   |  |   |  |  |  |
| Growth in strategic markets such as continental Europe, the MENA region, North America and West Asia    |   | Consolidated presence in the countries already covered (Italy, UK and Germany) |   |  | Export to over 80 countries  |  |
| The promotion of brands and products  |   |  |   |  |  |  |
| Online and offline communication and promotion campaigns to support brands                              | Participation in international trade fairs, collaboration with major retailers and sponsorship of relevant events on a national scale |  |   | Community-level events and activities  | Development of online sales channels   |  |

| OUR BUSINESS STRATEGY FOR CONTINUED GROWTH   |   |  |   |   |  |
|--|---|--|---|---|--|
| M&A  | Synergies between different Group entities  | International growth   | Focus on special products and innovation  | Development of proprietary brands   | Responsible development  |
| We aim to be a consolidating platform in the food & beverage sector by acquiring companies present in sectors complementary to those already covered, thanks to the investment strategy aimed at diversification by external lines | We aim to improve our operational, financial and commercial efficiency through opportunities for collaboration and integration between the Group's different entities | We strive to strengthen our European market presence and develop our competitive position in foreign markets | We increase our offering in the baby food and health and wellness segment thanks to a dedicated research and development centre | We increase brand awareness and penetration in our target markets through a series of sales and marketing initiatives | We pursue sustainable success through an integrated strategy covering ESG aspects, assessing significant risks in the context of medium and long-term sustainability |



# Group history



# Our Stakeholders

**Members and shareholders:** we are listed on the Star segment of the Italian Stock Exchange and we want to communicate with them in a transparent, truthful and timely manner.

**Employees:** they are our most valuable resource and we invest in them to ensure health, safety, professional development and involvement.

**Suppliers:** we work with them to obtain safe and quality raw materials, optimising costs and maintaining a competitive advantage.

**Customers:** we reach out to our customers, especially the large-scale retail trade, through a commercial network of trusted agents and promotion and marketing activities. Our priority is to offer quality products and guarantee food safety.

**Local community:** we want to be present and active in the area where we operate, supporting and raising awareness in local communities and contributing to socio-economic development.

**Certifying bodies:** in order to ensure full compliance with current regulations, as well as the adoption of best practices, we have invested in some of the most important certifications related to our sector, focusing on high quality products and standards applied in manufacturing processes.

**Consumers:** their satisfaction is our primary goal. We constantly innovate our processes and products to meet their expectations in terms of both quality and taste, offering a range of products for consumer groups with specific nutritional needs.

**Trade unions:** they are our interlocutors for the application of contracts, the management of regulations and the definition of projects and initiatives concerning our staff.

**Investors:** they are the basis of our work and we want to establish a long-term relationship with them, based on transparency and oriented towards responsible development.

**Credit institutions:** they are our partners for the enhancement of our financial resources and capabilities. We prove ourselves reliable and transparent, guaranteeing stability and credibility.

**Farmers and supply chains:** they are our suppliers of raw materials and we maintain relations with them to ensure business continuity, quality and product safety. We encourage farming practices that are attentive to social and environmental impacts, supporting farmers' development.

**Lenders:** they contribute to the development of our Group by lending capital. We ensure transparency of reported information by choosing solid, transparent and experienced lenders.

**Universities and research institutes:** we collaborate with them to undertake projects of innovation, research and development of processes and products. We also carry out training activities related to the promotion of a correct food culture.





## Our drivers

*Our operational and strategic approach is guided by the following key principles that foster responsible decisions and ethical actions, orienting us towards long-term sustainable growth.*

Product quality,  
safety and traceability

Sustainable farming  
practices, animal  
welfare and attention  
to raw materials

Legality, ethics and  
anti-corruption

Protecting the health  
and safety of workers

Process environmental  
impact

Promoting the regions  
and communities the  
Group operates in

Protecting human  
rights, reducing  
inequalities, respecting  
diversity and inclusion

Transparent  
governance and  
corporate identity

Employment protection

Consumer listening  
and protection

Sustainable packaging

Responsible  
development and  
growth

Education, training and  
people development





# Strategic Activities and Business Initiatives 2023-2024

## NEW LAUNCHES

**Mukki Bimbo:** 100% organic Tuscan infant milk (Ozzano Taro plant).

Entry into the ready-to-eat dessert market with the **Centrale del Latte d'Italia Expert - Minuto** line (Panna Cotta and Crème Brûlée) (2024).

**Optimus:** relaunch activities, restyling of the logo and product range, off-line and on-line communication initiatives, increased distribution and commercial presence in large-scale retail chains (2023/24).

**Delverde:** entry into the gluten-free market with the launch of the Delverde Gluten Free range and the Delverde 100% Legumes range, and into the high-protein market with the launch of the new Delverde High Protein reference. (2023).

**Crostino Dorato:** range extension with the launch of 1 new Crostino Dorato Snack line, consisting of a new Crostino Dorato Snack (Classic) reference (2023).

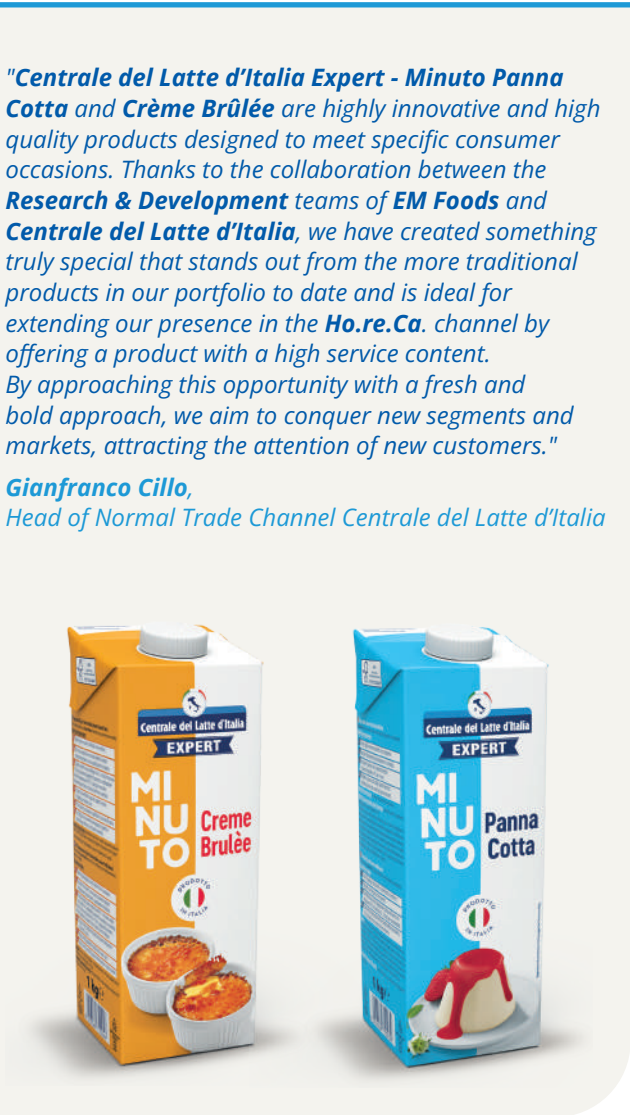
**Naked Ultimate** launch (2023).

Launch of the new **Naked e-commerce** (January 2024).

Entering the drinkable **Kefir** market with 3 references (2023).

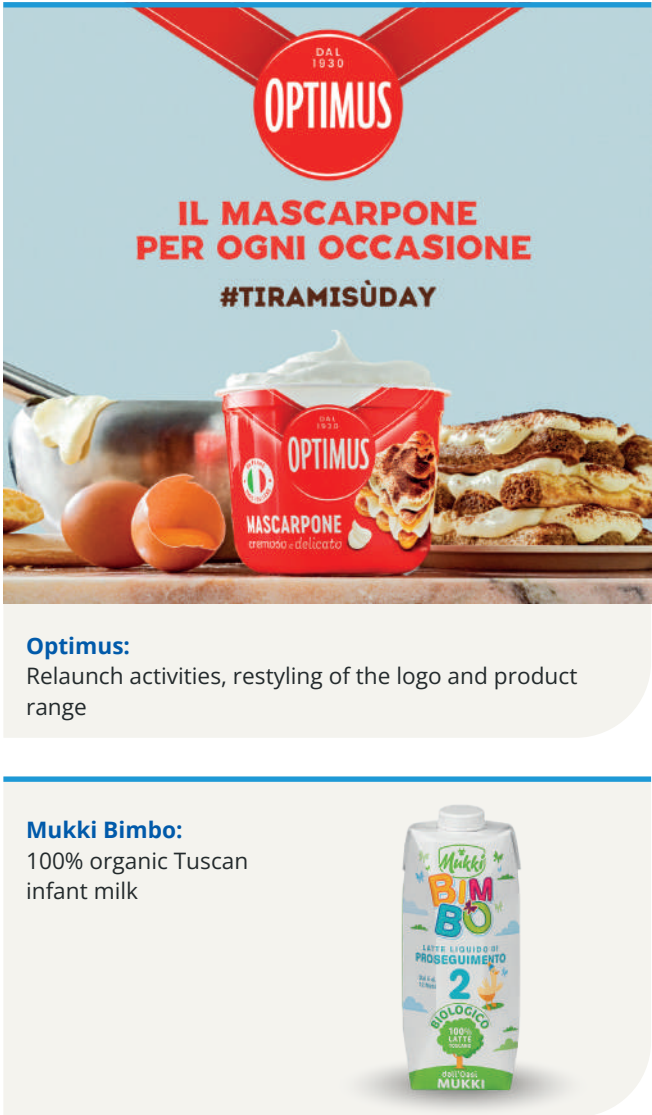
**Mukki:** relaunch of the functional product line within the High Digestibility segment with new graphics, recipes and communication campaign (2023/24).

**Mukki:** Mukki Latte A2, Mukki Merenda (2023).



*"Centrale del Latte d'Italia Expert - Minuto Panna Cotta and Crème Brûlée are highly innovative and high quality products designed to meet specific consumer occasions. Thanks to the collaboration between the Research & Development teams of EM Foods and Centrale del Latte d'Italia, we have created something truly special that stands out from the more traditional products in our portfolio to date and is ideal for extending our presence in the Ho.re.Ca. channel by offering a product with a high service content. By approaching this opportunity with a fresh and bold approach, we aim to conquer new segments and markets, attracting the attention of new customers."*

**Gianfranco Cillo,**  
Head of Normal Trade Channel Centrale del Latte d'Italia



**Optimus:**  
Relaunch activities, restyling of the logo and product range



**Mukki Bimbo:**  
100% organic Tuscan infant milk

## UNITED KINGDOM

**Naked Best Ever:** launch of new range to replace the previous classic Naked line - 'Sorry, Not Sorry' campaign to support the launch (October 2023).

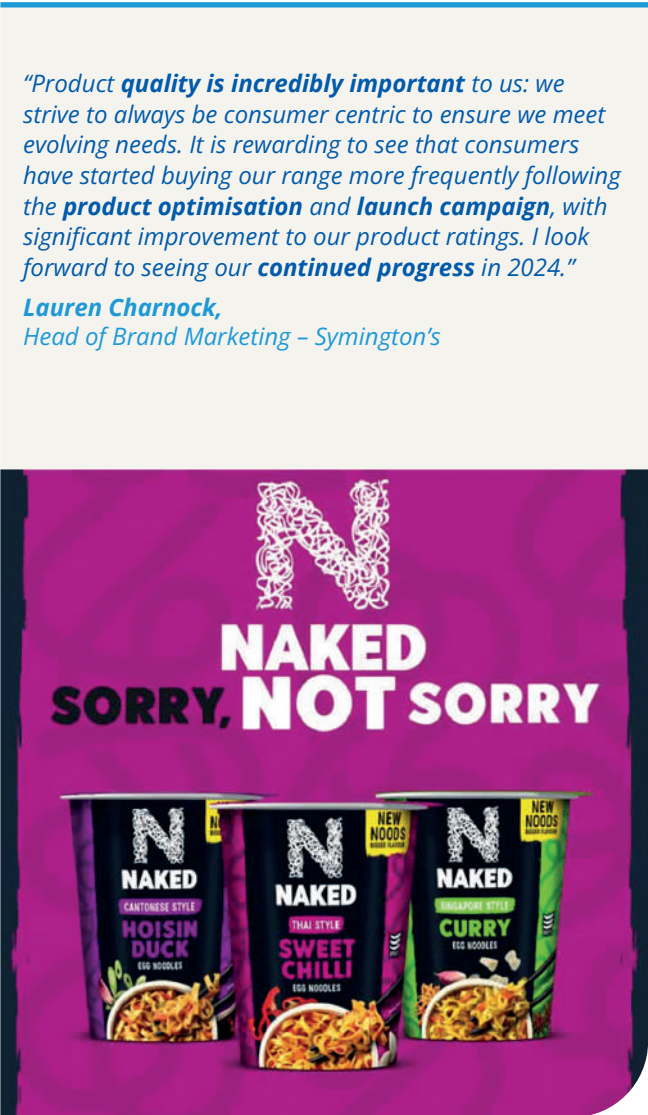
**Naked Best Ever:** launching spicy flavours (gochujang e sriracha).

**Mugshot:** limited edition Carbonara (November 23); Pigs in a Blanket (Christmas edition). Social and on-site campaign in support.

## GERMANY

**Birkel:** launch long pasta (Spaghetti) and half rigatoni ('Birkel Mezzi'); oat-based pasta ('Birkel Hafer'); Birkel Minuto kit pasta (Bolognese ragout and classic tomato sauce).

**Minuto:** full product range launch - shakers, sachets, desserts.



*"Product **quality is incredibly important** to us: we strive to always be consumer centric to ensure we meet evolving needs. It is rewarding to see that consumers have started buying our range more frequently following the **product optimisation** and **launch campaign**, with significant improvement to our product ratings. I look forward to seeing our **continued progress** in 2024."*

**Lauren Charnock,**  
Head of Brand Marketing – Symington's



*"The 'Minuto' brand has always been associated with quick, easy and practical preparations: its extension to the new line of ready-to-eat desserts could only prove to be a **winning idea**. What's more, the strong international relevance of the Italian word 'minuto' gives the brand considerable potential for **global recognition**, extending well beyond the instant noodle sector."*

**Michael Gepperth,**  
Marketing Director Newlat GmbH



# Minuto: when synergy between two countries becomes a success story

In 2023, the integration of the French company EM Foods into our Group triggered the launch of the new Minuto branded ready-to-eat dessert line, opening the Group's doors to a new and promising market segment. What made it possible to realise such an ambitious project was the joint effort between our Research and Development (R&D) departments: on the one hand, the French team, with many years' experience in the development of dessert preparations, and on the other hand, the team at Newlat GmbH in Germany, where the Minuto brand, associated with the Birkel mother brand, already enjoyed a solid reputation in the instant noodle sector.

The project was born with the aim of positioning ourselves as the second most important player in the German market, a very ambitious target given that in Germany the market segment for baking mixes is strongly dominated by established competitors. The watchwords for achieving this goal could only be 'excellent taste at competitive prices'.

The whole process was characterised by a strong synergy of resources from Germany and France, which, with different but complementary skills, managed to work together effectively to conclude this ambitious project in less than a year.



*“Two moments particularly excited me during the project. First, the first weeks of **product development**, characterised by challenging deadlines and the need to familiarise myself with German colleagues. Then, the meeting with the marketing and sales teams, which was the conclusion of a long year of work. It was really rewarding to see their enthusiasm for the new product line.”*

**Jean-Marie Vuillaume,**  
R&D EM Foods

To begin with, the German marketing team carried out an in-depth market research to fully understand the target segment and product characteristics. Subsequently, the products on the market were thoroughly analysed and, following close collaboration with leading German retailers, the proposal of our ready-made dessert range was designed. On the basis of this input, and thanks to the valuable contribution of the French R&D team, work began tirelessly on product development, producing numerous samples and searching for the best solutions, both in terms of taste and price competitiveness. In parallel, the design of packaging and displays was studied, exploring different promotional strategies. The process ended in autumn 2023 with the final legal checks on the packaging, ensuring full compliance with national and European guidelines and regulations.

Our teams worked intensively to complete the development of a whopping 22 SKUs in just one year.

Given the inexperience in this field, of course, the path was not without obstacles and the challenges were numerous. For the German team, one of the most challenging tasks was to develop a completely new product range. Given the specifications of these new products, the team had to quickly learn to understand sensory characteristics,



*“Throughout the development of this project, nothing has excited me as much as the moment when we presented the **new products** to our colleagues in sales and marketing. Their reaction was simply extraordinary, a **wave of enthusiasm** that confirmed the value of our work.”*

*“Of all the new products developed in cooperation with **EM Foods**, **Panna Cotta** is simply irresistible to me. Its taste is exceptional, but it is above all its consistency that makes it unique: it melts in the mouth. This sets it far above any other product on the market.”*

**Steffi Buddruss-Haupt,**  
R&D Newlat GmbH

preparation processes, legal requirements and gain a deep understanding of consumer expectations.

While for the French team, the biggest challenge was to complete the project in a relatively short period of time. The goal was to conclude the activities as soon as possible, by the end of 2023, which implied total involvement to gain in-depth knowledge of the ingredients and recipes.

The secret to meeting the challenges with optimism was the strong relationship of collaboration and trust established between the two teams. Weekly video calls and document sharing on online platforms played a key role in reducing physical distances. In addition, face-to-face meetings were invaluable in finalising and

tasting products several times, adapting them according to market needs.

Continuous exchanges between the French and German teams were crucial, considering the cultural differences, culinary preferences and consumer expectations in the respective countries. It was essential to align product creation in France with the demands of the German market.

The key to the success of this project, however, was the desire not to limit ourselves to reproducing products that already existed on the market, but to develop completely new flavours, such as Cup Pudding or Chai Latte. In addition, there were some pleasant and unexpected surprises that allowed us to find two alternative uses for the same product,

such as mousses that, quite by chance, turned out to be suitable for the preparation of a delicious milkshake: this idea was very popular with retailers and consumers alike.

The enthusiasm generated by this synergy has catalysed our vision for the future, leading us to plan a further 13 projects for 2024. These include innovations such as porridge in a cup in various flavours and a line of premium cakes and desserts to elevate our current offering. Looking further ahead, we already have a number of new launches in the pipeline for 2025, testifying to our proactive approach and unwavering commitment to anticipating and meeting evolving consumer tastes and preferences.



# Our growth around the world

## PARTICIPATION IN TRADE SHOWS AND INDUSTRY EVENTS IN 2023

**Gulfood** (Dubai), **Cibus Connect** (Parma), **TuttoFood** (Milan), **Linkontro** (Cagliari), **PLMA** (Amsterdam), **Anuga** (Cologne);

In 2023, we intensified our participation in international trades shows. In particular, we participated for the first time as exhibitors to the Gulfood trade show in Dubai and as per usual we participated in PLMA in Amsterdam and Anuga in Cologne, three of the most significant events in the global food & beverage scene. Our strategy of participating in leading events has enabled us to further strengthen pre-existing partnerships and establish new business collaborations, contributing to a positive impact on our foreign markets, as evidenced by solid sales increases worldwide in 2023. For 2024, we plan to participate in several international trade fairs, such as Sial Paris and Seoul Food & Hotel.

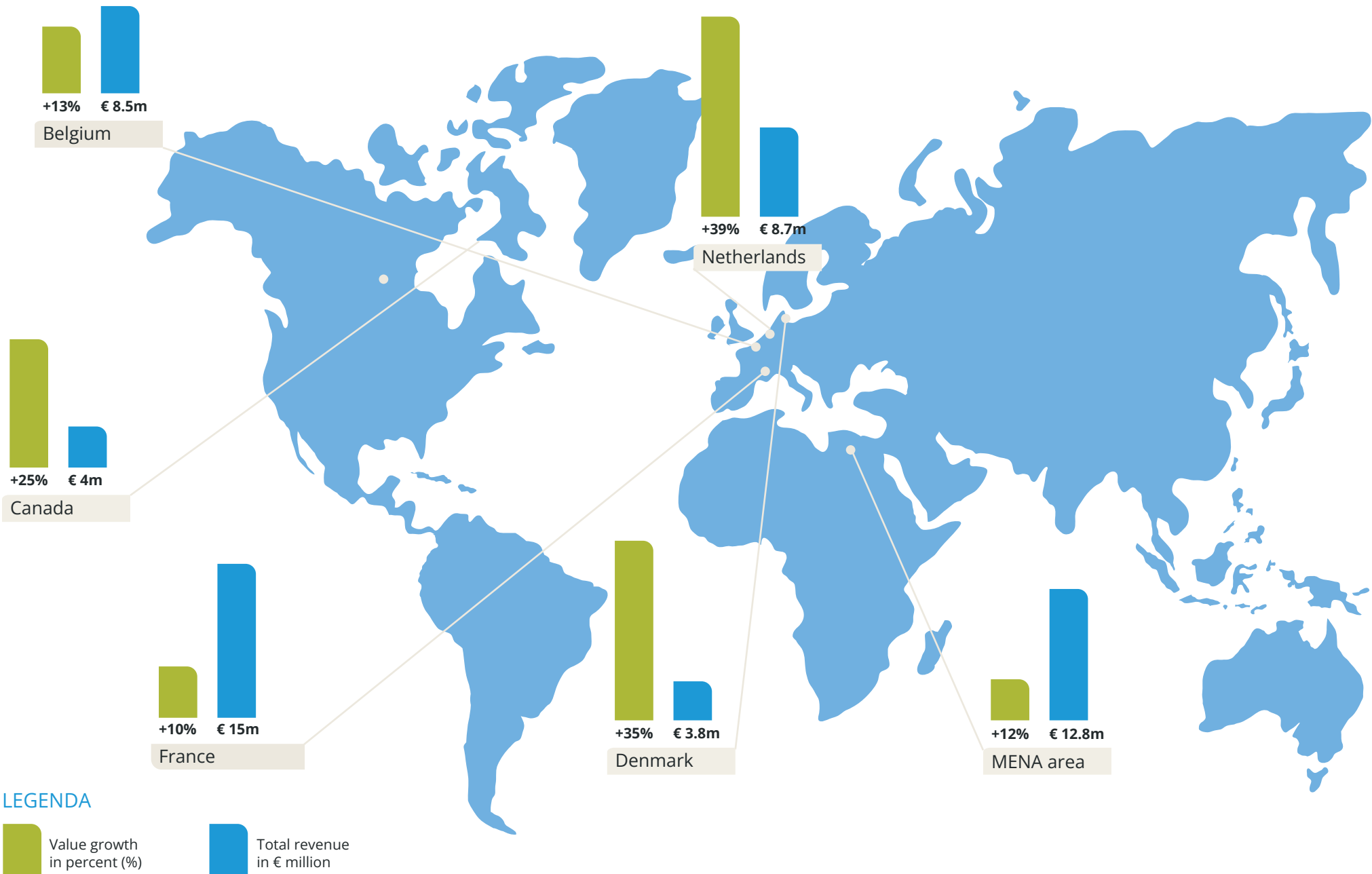


*“We are proud of **Newlat Food’s** steady progress in consolidating and expanding its presence in foreign markets. Our commitment to increasing exports is clearly evidenced by the success we have had in 2023 with the establishment of strategic partnerships with retailers such as **Superunie**, **Costco Canada** and **Salling Group** - these tangible results reflect the strong international demand for our quality products.*

*The importance of international expansion is further underlined by our active participation in the most important national and international trade shows. Events such as **Gulfood** in Dubai and **Anuga** in Cologne are key platforms for presenting our entire product portfolio and for forging lasting business relationships. 2024 will initiate further international collaborations, such as the **Amazon brand pasta** that will be produced entirely by us, as well as other significant activities with leading retailers. The introduction of our made-in-Italy and international products in foreign markets is not just a business strategy, but a mission to bring Italian tradition and innovation to dining tables all over the world.*

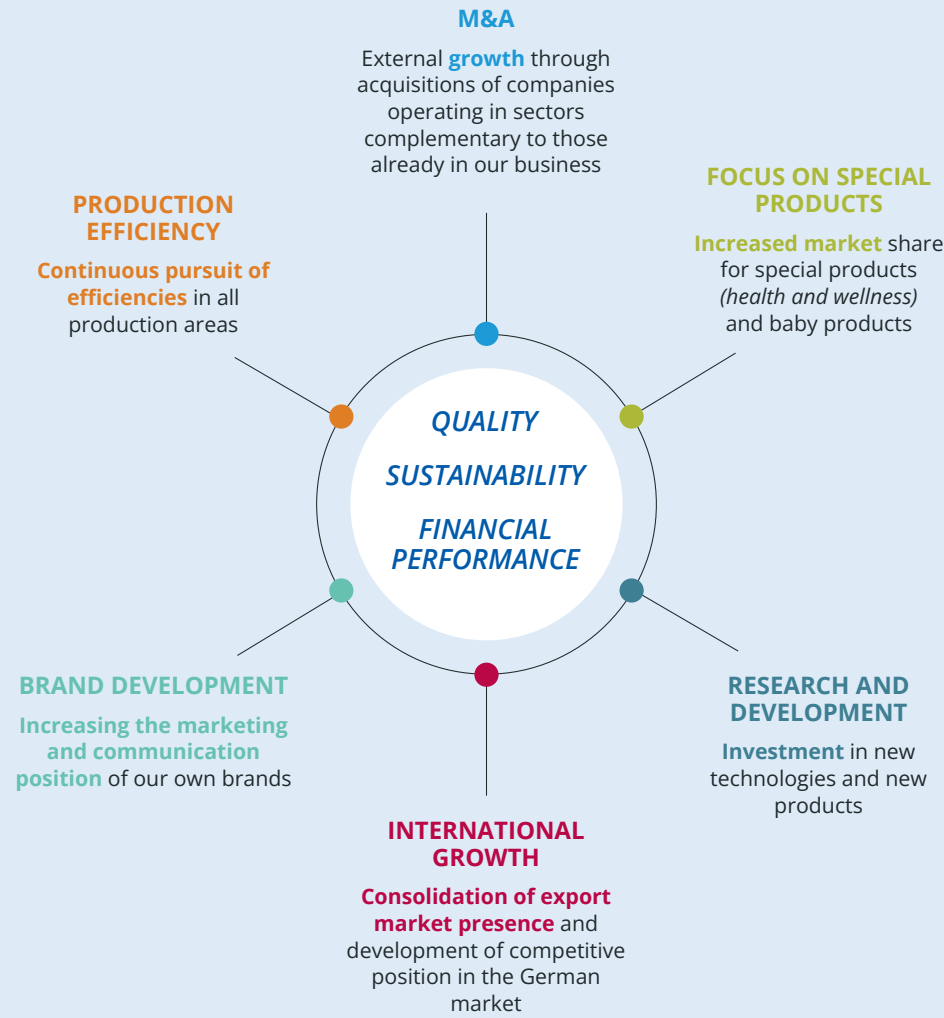
***Newlat Food** aspires to become a symbol of quality and global excellence, a goal we are committed to pursuing with dedication and passion.”*

**Giuseppe Mastrolia,**  
*Managing Director and Chief Commercial Officer*

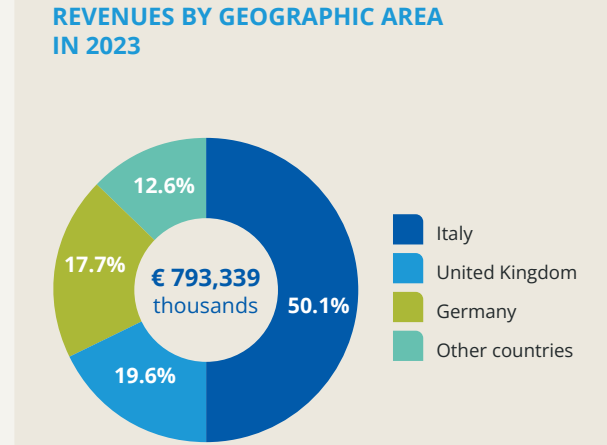
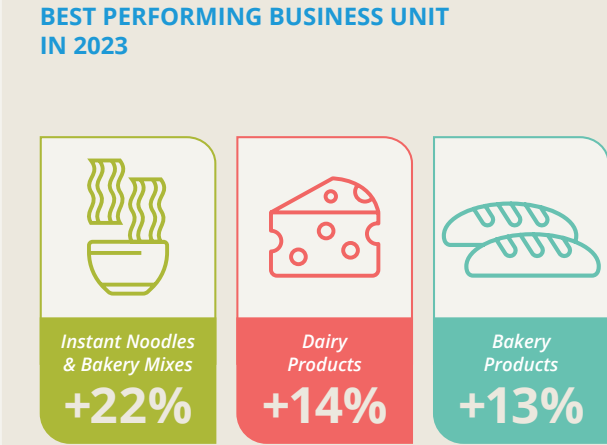
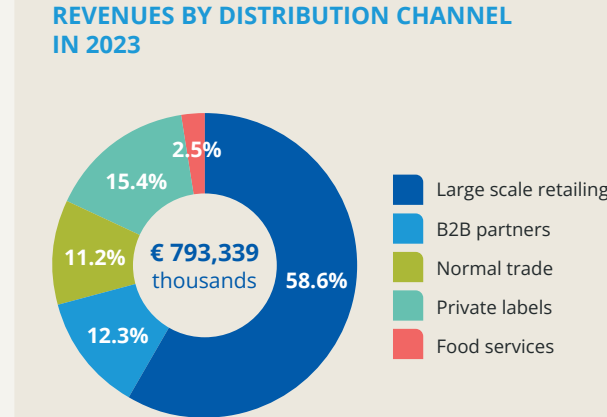
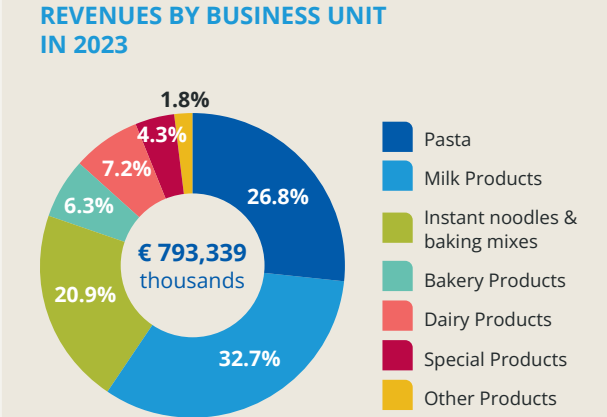
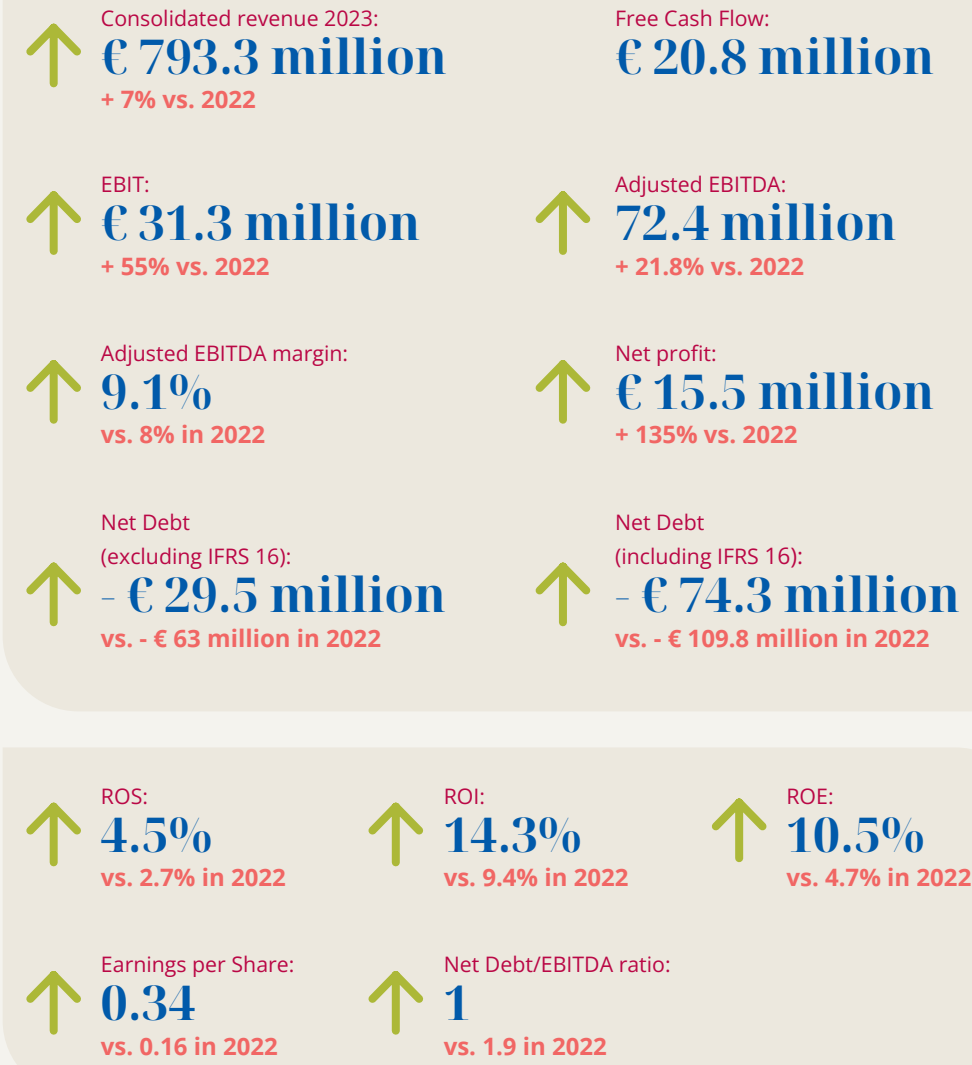




# Business Performance



## Our financial performance



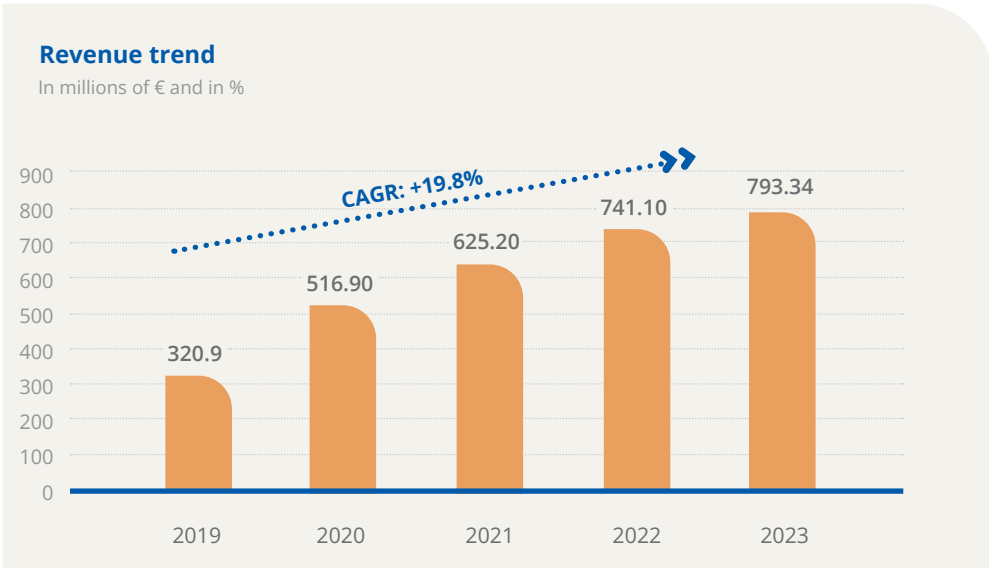


# Operational Efficiency Analysis

## Revenue trend

From 2019, the year of our IPO, to 2023, we have seen exceptional growth: our turnover has increased by more than 147%, reaching a compound annual growth rate (CAGR) of around 20%. This remarkable success stems from a combination of organic growth, which has maintained an annual average of around 5%, and an active M&A activity, which has led us, between 2020 and 2022, to complete three significant acquisitions that have enriched our product portfolio and expanded our presence in the domestic and international markets.

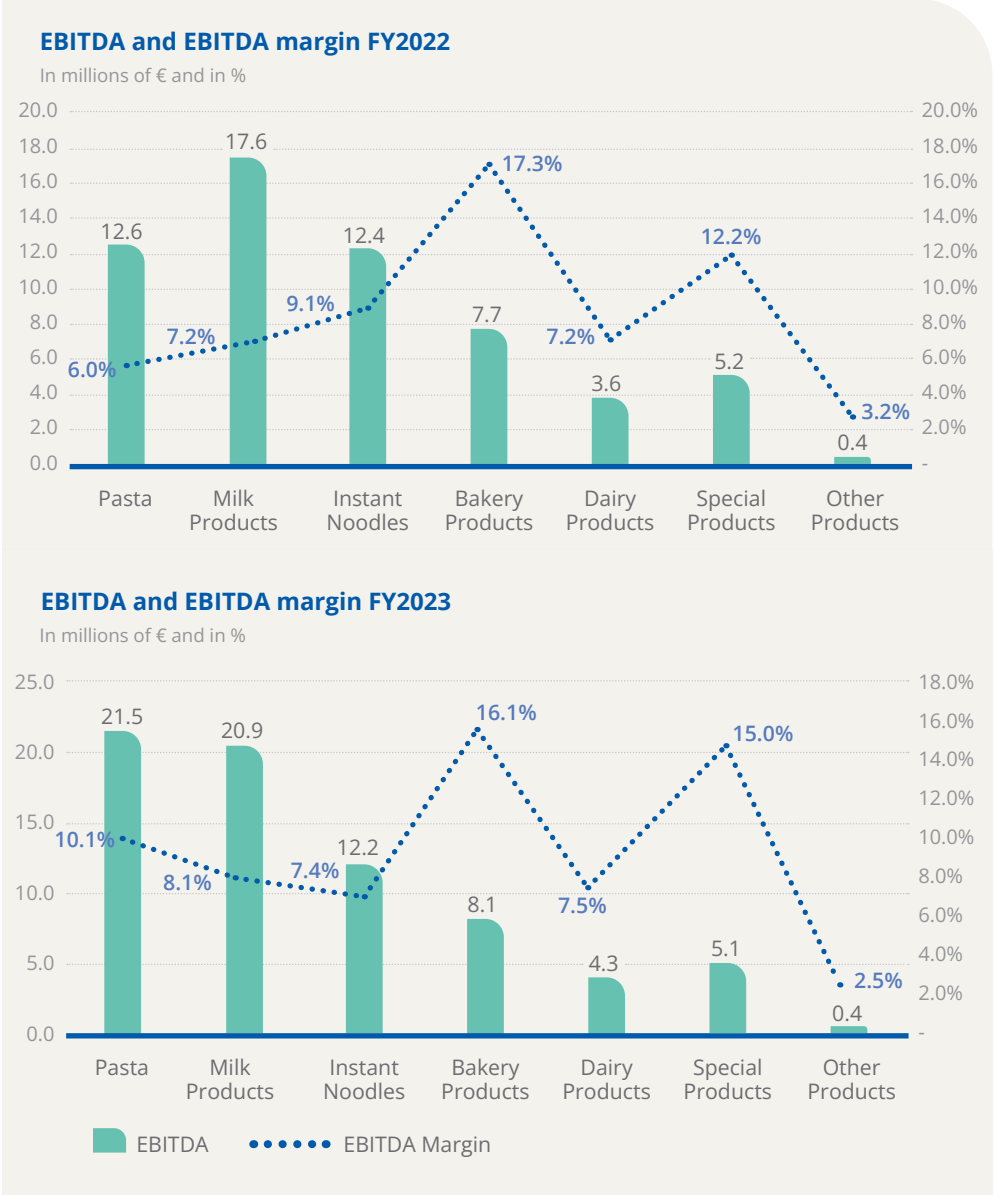
These increases reflect the diligent work, constant innovation and collective commitment of our entire team, which, thanks to both a solid expansion of our existing business and the synergies created by recent acquisitions, have enabled us to strengthen our position in our core markets and abroad, taking us from a consolidated revenue of € 320.9 million in 2019 to € 793.3 million in 2023.



## Analysis of EBITDA and normalised EBITDA margin

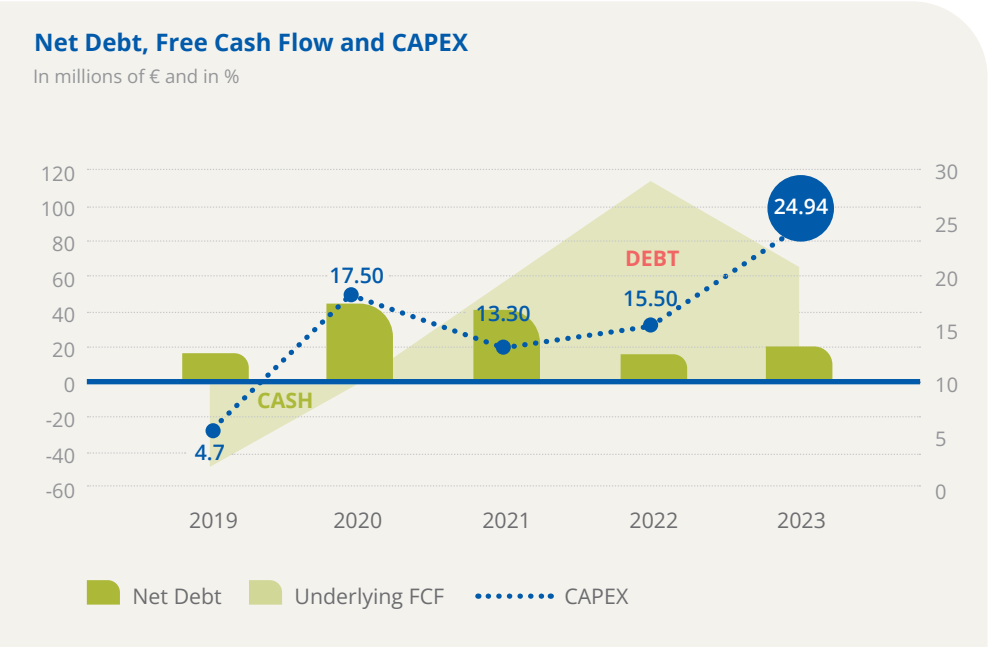
During 2023, we achieved significant results, reflecting a solid financial performance. Our adjusted EBITDA reached €72.4 million, marking a significant improvement from €59.5 million in 2022. This translated into an increase in our adjusted EBITDA margin from 8% to 9.1%. Most of our business units recorded an increase or stability in margins. In particular, the Pasta business showed a significant increase in EBITDA (+70.2%) and an increase in EBITDA margin, which rose by more than 400 bps from 6% to 10.1%, due to a more favourable product mix and new contracts. The Bakery segment maintained a solid above-average EBITDA margin (16.1%), while special products recorded an increase in margin from 12.2% to 15%, benefiting from better business conditions, in particular due to some partnerships in the baby food category in the B2B channel. These figures point to a recovery of our margins to 2021 levels, supported by effective commercial activities in late 2022 and early 2023.

| EBITDA BY BUSINESS UNIT  |                         |       |        |       |              |         |
|--|-------------------------|-------|--------|-------|--------------|---------|
| (In thousands of euros and as a percentage of revenue from contracts with customers) | Proforma at 31 December |       |        |       | Changes      |         |
|  | 2023                    | %     | 2022   | %     | 2023 vs 2022 | %       |
| Pasta  | 21,451                  | 10.1% | 12,604 | 6.0%  | 8,847        | 70.2%   |
| Milk Products  | 20,927                  | 8.1%  | 17,564 | 7.2%  | 3,363        | 19.1%   |
| Bakery Products  | 8,090                   | 16.1% | 7,714  | 17.3% | 376          | 4.9%    |
| Dairy Products   | 4,298                   | 7.5%  | 3,599  | 7.2%  | 699          | 19.4%   |
| Special Products   | 5,101                   | 15.0% | 5,165  | 12.2% | (64)         | (1.2%)  |
| Instant noodles & baking mixes   | 12,183                  | 7.4%  | 12,375 | 9.1%  | (192)        | (1.6%)  |
| Other Activities   | 356                     | 2.5%  | 443    | 3.2%  | (87)         | (19.6%) |
| Standardised EBITDA  | 72,406                  | 9.1%  | 59,465 | 8.0%  | 12,941       | 21.8%   |



## Net Debt, Free Cash Flow and CAPEX

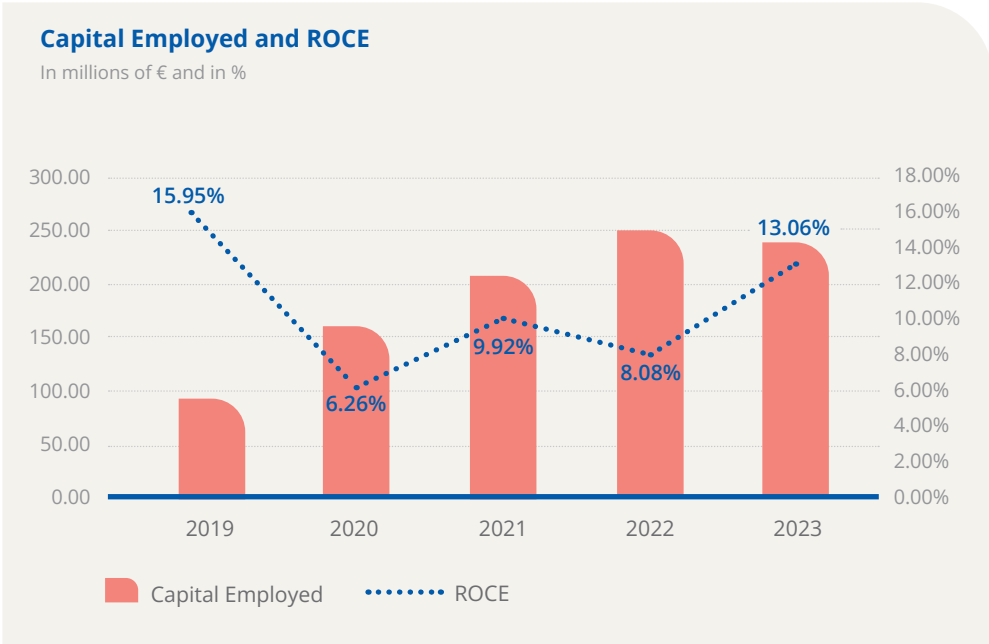
During 2023, we made total investments of €24.9 million, an increase of about €10 million compared to the previous year. Despite this considerable increase, we managed to generate more cash (Underlying Free Cash Flow) than in 2022, from €16 million to around €20 million in 2023. We also emphasise the improvement in our Net Debt, which went from €109.8 million in 2022 to €74.3 million in 2023.





Capital Employed and ROCE

In recent years, we have experienced steady growth in our ROCE (Return On Capital Employed), with a notable increase in 2023 to 13%, up from 8% the previous year and the average of the last three years. This qualitative leap in the ROCE ratio testifies to the soundness and effectiveness of our business strategy, emphasising high profitability and efficiency in the use of resources. The dynamism in our operations therefore contributed significantly to the excellent operating result achieved.



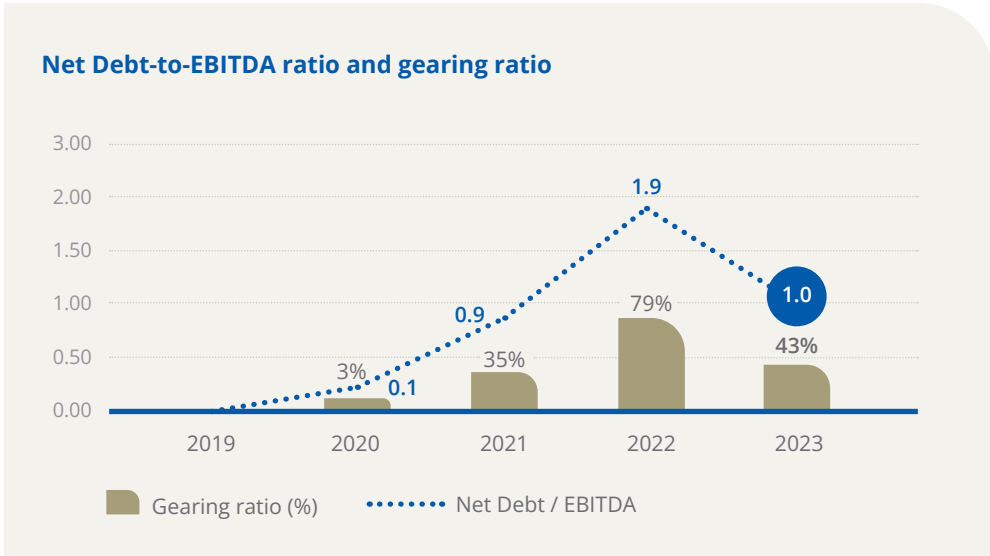
Leverage Ratios

In 2023, we recorded a significant improvement in key financial leverage ratios, in particular the Net Debt-to-EBITDA ratio and gearing ratio (%).

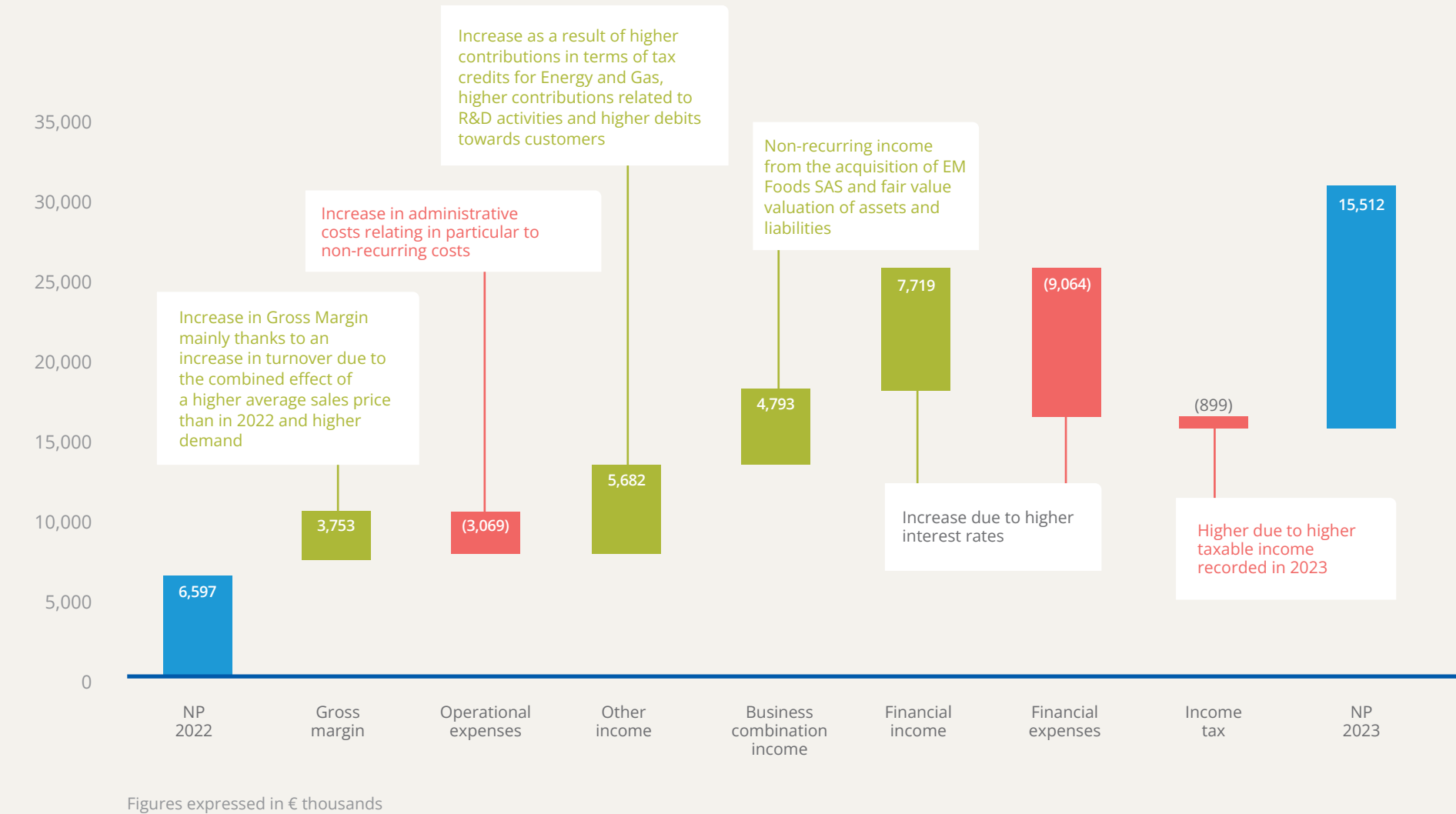
Thanks to careful cost management and a number of strategic initiatives, we were able to reduce our consolidated net debt from €109.8m in 2022 to €74.3m at the end of 2023. This result, together with the considerable increase in EBITDA, allowed us to record a ND/EBITDA ratio of 1 compared to the previous 1.9 ratio recorded in 2022, reflecting the improvement in the consolidated financial position and more efficient cash flow generation.

At the same time, the gearing ratio fell below the 50% threshold to 43% from 79% in 2022, thanks to the reduction in net debt and the increase in equity, partly due to an increase in our net income.

These results not only confirm the soundness of the financial strategy adopted by Newlat Food, but are also particularly significant when compared to the industry average.



Net Profit Analysis





# Consolidated income statement

| <i>(In thousands of Euros)</i>                | As at 31 December 2023 | As at 31 December 2022 |
|---|------------------------|------------------------|
| Revenues from contracts with customers        | 793,339                | 741,094                |
| Cost of goods sold                            | (656,185)              | (607,693)              |
| <i>of which to related parties</i>            | (3,043)                | (2,235)                |
| Gross operating profit                        | 137,154                | 133,400                |
| Selling and distribution costs                | (89,912)               | (89,509)               |
| Administrative Expenses                       | (23,801)               | (21,746)               |
| <i>of which to related parties</i>            | (168)                  | (215)                  |
| Net write-downs of financial assets           | (1,378)                | (1,247)                |
| Other revenues and income                     | 10,920                 | 5,238                  |
| Income from <i>business combinations</i>      | 4,793                  | -                      |
| Other operating costs                         | (6,496)                | (6,015)                |
| Operating Profit                              | 31,280                 | 20,121                 |
| Financial income                              | 9,777                  | 2,058                  |
| <i>of which to related parties</i>            | 1,811                  | 595                    |
| Financial charges                             | (21,341)               | (12,278)               |
| <i>of which to related parties</i>            | (647)                  | (796)                  |
| Profit before tax                             | 19,715                 | 9,901                  |
| Income Taxes                                  | (4,203)                | (3,304)                |
| Net result                                    | 15,513                 | 6,597                  |
| Net profit attributable to minority interests | 1,188                  | 374                    |
| Group net profit                              | 14,325                 | 6,223                  |
| Net earnings per basic share                  | 0.34                   | 0.16                   |
| Diluted earnings per share                    | 0.34                   | 0.16                   |



# Investments

## RESEARCH, QUALITY AND NUTRITION: NEW INVESTMENTS IN OZZANO TARO TO ENSURE CONTINUED GROWTH

Our Ozzano Taro site has always been synonymous with quality and special nutrition, being a unique plant of its kind in Italy. Indeed, at this plant we are able to produce a variety of specialised nutrition products, including baby food - in particular powder baby formula, of which we are the only producer in Italy -, high and low protein products and gluten-free options. In 2023, we made significant investments at this site, aimed at expanding our production capacity in the areas of bread substitutes and milk products, further consolidating our commitment to the production of increasingly specialised foods.

In particular, in the Bakery area, we have recently installed a new oven and packaging line dedicated to the production of biscuits and bread substitutes. This is a highly flexible line, capable of producing special dietary products such as gluten-free and low-protein products. In the same plant, we can make baby products with technologies that reduce the formation of harmful substances during baking, such as acrylamide. We are also developing products with a high protein content and based on alternative legumes and cereals, with a view to promoting healthy diets.

The packaging process was designed and implemented for single-portion packaging, even under modified atmosphere, while maintaining the organoleptic characteristics and safety of the product with special attention to the sustainability of the materials used for the primary and secondary packaging.

In the Milk and Beverage area, on the other hand, we are investing in new technologies for the preparation, heat treatment and aseptic packaging of new products.

We are developing beverages and formulations with high nutritional and functional content for adults and children over one year of age, which can be consumed in various contexts, as meal replacements, in the case of specific diets or protein diets, or as isotonic drinks, enhanced waters, energy drinks and sports drinks.

In the initial phase, we are focusing mainly on functional products enriched with post-biotics, aimed at promoting digestive, immune and metabolic health.

These products will be packaged in practical re-sealable, ready-to-use single portions and can be stored at room temperature so that freshness is always guaranteed.





*'We are making major investments in new plants and new resources to develop the our special products offering, with high nutritional value products aimed at consumers with specific dietary needs.*

*By entering into new partnerships with university departments and strategic suppliers, and strengthening existing ones, we are committed to ensuring excellence and promoting innovation."*

**Davide Spinazzi,**  
Operations Director Ozzano Taro & Reggio Emilia



TEAM WORK MAKES DREAMS WORK: THE SUCCESS OF OUR PASTA IN GERMANY

In order to meet the growing demand for our products in Germany and to ensure greater efficiency in stock management, we expanded our operational capacity in 2023 by acquiring an area of more than 20,000 square metres, including a warehouse and office building, adjacent to the plant of our German company Newlat Deutschland GmbH, in Mannheim. We have planned a series of investments to fully automate the warehouse, enabling us to better respond to the growing market demands and guarantee excellent service to our customers.

This strategic development, which will see us move from the use of external warehouses to one fully owned by us, is expected to generate considerable annual savings of around € 2 million, with an estimated payback period of around 4.5 years.

Increasingly improving the operational efficiency of our German site is one of the primary objectives we have set ourselves in order to further enhance our presence in a market where we have been operating for 10 years now. In fact, in 2013, the acquisition from Ebro Foods of the Mannheim site – specialising in the production of typical German pasta under the Birkel and 3Glocken brands – was one of the milestones in our growth and expansion in the European market. This development has been particularly significant since 2016, when we started selling our Italian pasta also in Germany, then under the Buitoni brand licensed to us by Nestlé. Since then, we have seen a gradual increase in volume revenues of our pasta produced at our factory in Sansepolcro (AR), the sales of which were entirely managed by the sales team of Newlat Deutschland.

From 2016 to 2023, we in fact recorded a 57% increase in Italian pasta sales, with an average annual growth of 5.8%. In recent years, the share of Italian pasta sales in the total revenue of our German subsidiary has increased from 44% to 57%. In 2023, we sold over 44,722 tonnes of Italian pasta in Germany. This growth reflects our commitment to innovation and our deep understanding of the German market, which has shown a growing interest in traditional Italian culinary products, with pasta being a standout favorite.

The transition from the Buitoni brand to our own Delverde brand in 2021 further strengthened our identity. This decision allowed us to reaffirm our commitment to the excellence and quality that Delverde embodies, a strategy that aimed to enhance a proprietary brand, as well as allowing us to shape every strategic aspect of the product in line with our high standards and consumer expectations.

Making Delverde a brand that is appreciated by both retailers and customers has been one

of our greatest successes: we have faced various challenges, such as increasing prices and dealing with unexpected market demands during critical global moments in recent years. Even in these periods of economic instability, we have managed to grow from 31,620 tonnes in 2016 to 44,722 tonnes sold in 2023, even surpassing the sales records set in 2020 and 2022. Our market data speak for themselves: in 2023, we have confirmed our position as the second largest player in the German pasta market and as the producer - among the top players in the market – who contributed the most to the total pasta market value increase in 2023 (+8% sell-out value)<sup>1</sup> and we positioned ourself as the leading pasta supplier for EDEKA<sup>2</sup>, Germany's largest retailer. Delverde has become an essential pillar for Newlat in Germany, making our products irreplaceable.

Our growth strategy is based on three main pillars: increasing our presence with existing customers and consolidating new partnerships with new customers; increasing our product rotation, increasing the frequency and intensity of our customers' purchases with the support of targeted promotions; and adjusting prices when necessary. These steps were taken with sustained growth in mind and to maintain our leading role in a competitive market.

1 Source: Circana, Unify+, Total German Trade, Sellout Value in €, period: Full Year 2023.  
2 Source: Circana, Unify+, Edeka Group. Sellout Value in €, period: Full Year 2023



*"In 2023 we took DELVERDE to a new all-time high. I am proud to lead a passionate and success-oriented sales team. Together, we are working hard to take NEWLAT to the next level."*

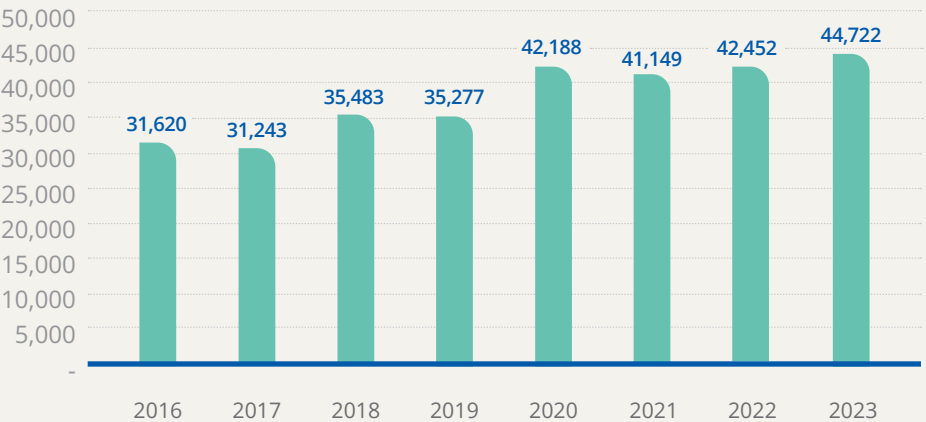
*NEWLAT creates three winners: consumers, who enjoy high-quality products at fair prices; German retailers, who benefit from the support of our dedicated sales team; and NEWLAT, which continues to grow and achieve success."*

**Marc Bürkle,**  
Sales Director Newlat GmbH

The combination of our brands has created a strong partnership with German retailers. Indeed, what has benefited our group in expanding the market is our product variety and the combination of our local Birkel and 3Glocken brands with the historic Italian brand Delverde, making us a key partner in the German retail channel market.

We are extremely proud of the trust shown by German consumers, who bought 159.9 million packages of our pasta in 2023 alone. As we look to the future, we will continue to focus on expanding with existing customers, developing new partnerships and innovating our products. This commitment includes targeted investments with the aim of meeting growing consumer needs.

Italian pasta sold in Germany (tons)



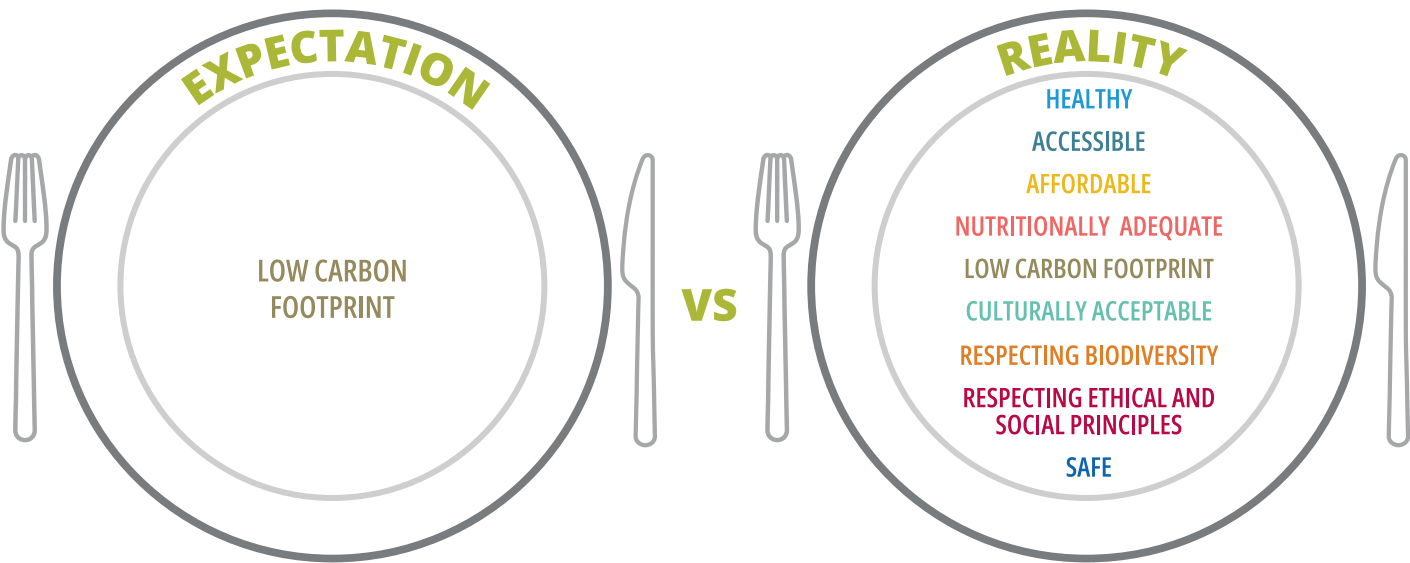


# Non financial performance

The following pages explore our way of doing business and our choices, providing an insight into our commitments to the issues that are most important to us. An overview of our strategy for responsible development, which goes beyond simply offering products with a

reduced environmental impact. In our R&D activities, we carefully consider the impact of our products on human health, consumer safety and accessibility for all, while also respecting different eating habits.

## How to eat sustainably?



## OUR SUSTAINABILITY PLAN

| MATERIAL TOPIC   | GOAL                                  | TARGET  | DEADLINE                          | SDGs |
|--|---------------------------------------|---|-----------------------------------|------|
| Sustainable farming practices, animal welfare and attention to raw materials | Sustainable supply chain              | Extending the programme of collaboration with the supply chain in order to manage and reduce the environmental and human rights impacts it may entail<br>SMETA Social Compliance Audit on EM Foods  | 2025                              |      |
| Process environmental impact   | Reducing environmental impacts        | Increase the recyclability rate of waste compared to the previous year<br>Calculation of Scope 3 emissions on at least one Group pilot site<br>Implementation of ISO 14001-certified EMS on all Centrale del Latte d'Italia plants<br>Start of Scope 3 emissions calculation for the entire Group | 2024<br>2025 <sup>1</sup><br>2026 |      |
| Protection of workers' health and safety                                     | Ensuring a safe and healthy workplace | Maintaining the third-party asseveration of the occupational health and safety management system for Italian plants   | 2024                              |      |
| Legality, ethics and anti-corruption   | Integrity and Transparency            | Formalisation of an Anti-Money Laundering and Anti-Terrorism Policy   | 2024                              |      |
| Transparent governance and corporate identity                                | Secure data and access management     | Raising staff awareness of cybersecurity issues   | 2024                              |      |
| Transparent governance and corporate identity                                | Stakeholder Engagement                | Ensuring direct involvement and listening to all identified stakeholder categories  | 2024                              |      |

<sup>1</sup> The target was set for 2024, however the work plan was revised and the last sites involved, which have a lower environmental impact, will finish adopting an environmental management system in line with the standard's requirements in 2025.

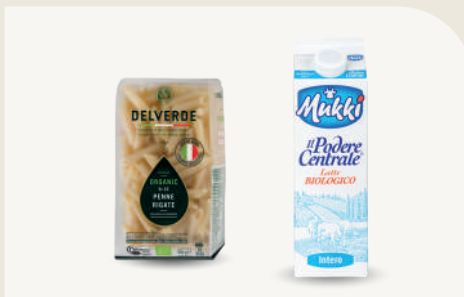


# COMMITMENT TO OUR CONSUMERS

Today's consumers are increasingly aware and careful about their choices when it comes to food.

There are a number of directions emerging in an ever-changing landscape: on the one hand, there is a growing interest in food choices that promote health and well-being, including organic, whole-food and 'free-from' foods formulated for people with certain dietary restrictions, as well as superfoods and nutrient-rich functional foods and those produced in certain environmentally friendly and animal welfare-friendly ways (organic).

The growing attention of consumers to ethical and environmental aspects linked to the production chain and the interest in experimenting and testing new products, even where this does not result in clear-cut choices such as the adoption of a vegetarian or vegan diet, generates evolving consumer phenomena such as the so-called 'flexitarians' or consumers who are attentive to the combination of nutritional aspects of their diet and seek high-protein foods. To meet these growing attentions, we offer numerous products.



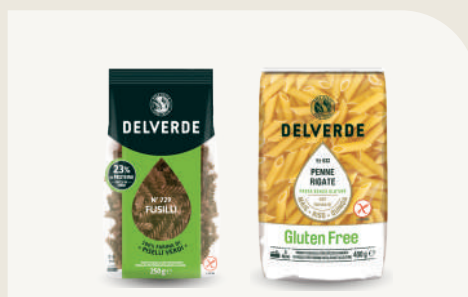
## Organic:

- » **Delverde Wholewheat Organic**
- » **Il Podere Centrale Bio** milk line



## Functional, nutrient-rich products:

- » **The Mukki brand line of functional milks**, containing specific substances such as vitamins and minerals and specially designed for women's nutritional needs or for the well-being of the heart, bones and body
- » **Drinking kefir**, lactose-free and containing 10 billion live milk enzymes, as well as being a natural source of calcium and protein



## Free-from / Gluten-free:

- » **Delverde Gluten Free** with corn, rice and quinoa flour
- » **Delverde 100% pulses** with 100% red lentil or pea flour



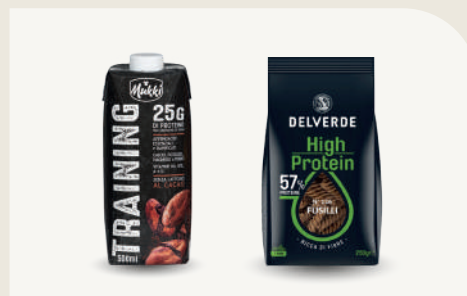
## Free-from / Lactose-free, high digestibility:

- » **Mukki line High digestibility**: milk, cream, butter, lactose-free mascarpone
- » **LAATTE Tigullio and Tapporosso** brand milk only with beta-casein A2 protein to increase its natural digestibility



## Vegan:

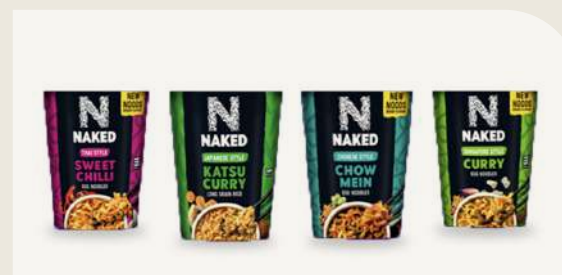
- » **Vegetable drinks and yoghurts** for those who prefer an alternative to animal products



## High protein content:

- » **Mukki training** with 25g protein per 500 ml packet
- » **Delverde High Protein** (see more on pages 32 and 33)

Consumers are also looking for more food solutions that offer convenience without compromising their enjoyment of their meal by limiting the time they have to spend preparing dishes. To these consumers we offer:



## Instant food e ready meals:

a wide range of easy-to-prepare instant foods, as well as Naked brand noodles, featuring a variety of delicious and wholesome recipes, sauces, soups, some of them even vegan



## Baking mixes and cake mixes:

all made with top-quality ingredients, including the new Panna Cotta and Crème Brûlée line under the brand name Centrale del Latte d'Italia Expert - Minuto (see more on pages 32 and 33)

Attention to origin and tradition are other aspects that are becoming increasingly important. In addition to looking for regional or typical products, preferring 'km0', consumers prefer food with '100% Italian' origin.

» **Local supply chain:** thanks to its close collaboration with local farms, the Mukki brand offers various lines, including 100% Toscana, Selezione Mugello and Selezione Maremma, which include numerous references whose raw materials come exclusively from Tuscan territories. In addition to these, the Tapporosso brand boasts a 100% Piedmontese milk supply chain, while the Centrale del Latte di Salerno brand offers Latte del Parco, obtained exclusively from raw materials from farms located in the Cilento, Vallo di Diano and Alburni National Park.

» **Italian supply chain:** the Delverde brand offers the Integrale Bio range, made with wheat from a certified 100% Italian supply chain.

Last but not least, there is the growing attention to environmental issues that results in the search not only for packaging with a limited environmental impact, but also for products made through more responsible production processes and sourcing that respects environmental and other issues, one of which is animal welfare. The commitment to meet these specific requirements is described in more detail in the sections 'Our Planet' and 'How we procure'.

Alongside our existing lines, we continue to engage in research and development of new products to meet growing market needs and anticipate consumer trends. As shown in the research and development projects detailed on the following pages, this ongoing commitment reflects our desire to continuously innovate.







## Keeping up with the times: some of the innovations of the Ozzano Taro and Florence R&D centres

In 2023, the Research and Development teams in Florence and Ozzano Taro (PR) worked on two significant projects that reflect our commitment to innovation and adaptation to consumer needs: the range expansion of our protein products and the launch of ready-to-use UHT desserts. These projects not only reflect our ability to innovate our product portfolio in response to market trends, but also emphasise our desire to offer consumers products in line with their expectations of functionality, convenience and user-friendliness.

### Training line

In 2023, we expanded our presence in the high protein market with the introduction of an advanced range of high protein products. In the area of milk-based products, we launched new protein-enriched and sports-specific drinks: our focus remained on practical solutions that meet the growing demand for functional and nutritious foods. The upgrading of the ultrafiltration plant in the Florence plant has enabled a more effective concentration of milk proteins, improving both the nutritional value and the organoleptic qualities of the products without the addition of external proteins.

At the same time, the Delverde brand high protein pasta, developed and produced at our Ozzano Taro plant,

represents another pinnacle of innovation in the high protein sector, making us the first to introduce to the traditional market a pasta with 57% protein, on a par with pastas that to date can only be found in specialised shops: it is in fact a composition based exclusively on vegetable proteins with a careful formulation to meet the needs of a high protein diet. However, the development of this high-protein product was particularly challenging for the research and development team in Ozzano Taro, as the plant has always specialised in the production of aproteic products for people with kidney problems. Therefore, the transition to products requiring a high protein content, especially for the world of sportsmen and women, required significant adaptation and innovation in the production processes and skills of the team, which nevertheless managed to develop the product within a month.

### Minuto Expert Line of UHT Desserts: an innovative, ready-to-use product

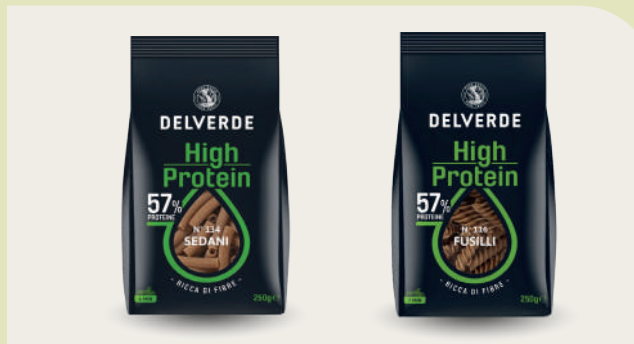
In 2023, we also launched 'Minuto Expert', a new line of ready-to-use UHT desserts, produced at our factory in Florence. This innovative project is the result of synergetic collaboration between our R&D laboratories in Ludres, France and Florence. EM Foods colleagues worked closely with the R&D department in Florence, providing the essential semi-finished products and technical support during the industrial development of the desserts. However, the process was not always straightforward: it was necessary to implement the adaptation of the existing facilities to innovative processes compared to the standard procedures of the site, as well as the effective integration of the semi-finished products in the development of ready-to-use confectionery products. These desserts, which are subjected to high-temperature heat treatment during production, are designed to guarantee a long shelf life at room temperature, thus meeting the requirements of convenience and quality.

Thus, the first two SKUs in the line were developed: Panna Cotta and Crème Brûlée, offering consumers high-quality ready-to-serve dessert options that can be consumed without further preparation. These products, which do not require refrigeration and are ready-to-serve, represent an important milestone as they allow us not only to satisfy the consumer's strong need for convenience, but also to enter the Ho.Re.Ca. channel with an innovative product of excellent quality, on a par with other specialised food service producers. For this reason, we have already completed three products: chocolate pudding, vanilla pudding and crema catalana. At the same time, we are developing custard, chocolate mousse, tiramisu and a base for parfait desserts.

### Growing and anticipating trends through innovation

These projects represent two pillars of our growth and innovation strategy, which focuses on developing products that not only meet, but even anticipate the needs of the modern consumer, who seeks food solutions that fit a dynamic lifestyle, favouring products that are both nutritionally complete and easy to prepare.

With these launches, we have responded effectively to these expectations, strengthening our position in the various market segments in which we operate and demonstrating our ongoing commitment to innovation. Looking ahead, we will continue to explore new possibilities and expand our offering to keep up with emerging trends and the needs of our consumers. This approach allows us not only to grow as a company, but also to contribute positively to the nutritional needs of our customers.



*"Thanks to the fruitful cooperation with our colleagues at EM Foods, we will be introducing new SKUs to the ready-to-use UHT dessert line Centrale del Latte Expert - Minuto as early as 2024, accompanied by all the necessary plant upgrades. This project testifies to our ongoing commitment to offer innovative and high-quality products, responding effectively to the changing needs of the market."*

**Gianfranco Betti,**  
Quality and R&D Director Newlat Food S.p.A.  
and Centrale del Latte d'Italia S.p.A.



# FOOD SAFETY AND QUALITY

Our commitment to our consumers is also reflected in guaranteeing them the quality and safety of the products we offer, a priority objective for us. To manage these aspects, we oversee all stages of the supply chain with preventive actions and control of possible risks, both known and emerging. To achieve this, we have a Quality Policy, supported by a management system as well as specific internal functions in charge of overseeing the issue, also adopting effective control systems and protocols, including the HACCP methodology.



## Quality assurance and food safety

- 1 Selection of suppliers:** we define certain sourcing requirements with respect to the quality and food safety of raw materials, verifying them through continuous and effective checks.
- 2 Raw material analyses:** when the raw material arrives at our plants, we carry out analyses to ensure that the required parameters are met.
- 3 Internal audits:** we carry out regular internal audits of production processes to ensure proper hygiene conditions.
- 4 Finished product evaluations:** we organise daily quality and safety evaluations of finished products to verify that the production process has met the set criteria.

Obtaining certifications is a further tangible demonstration of our ongoing commitment to achieving high levels of food quality and safety, and to meeting various consumer demands regarding social and environmental issues.

Currently, we hold 152 certifications, with an average of 8.4 certifications per plant.

Our main certifications include standards on management systems, food safety, and ethical and religious requirements. This is complemented by the SMETA social-ethical audit and animal welfare certifications.

*"Obtaining certification requires a lot of effort, but it is first and foremost an opportunity to grow and improve, which must be approached with a constructive and positive approach."*

*Certifications are not just documents, but the result of a constant, daily commitment that testifies to the authenticity of the company and its focus on consumers."*

**Chiara D'Agostino,**  
Quality Assurance Coordinator Newlat Food S.p.A.  
and Centrale del Latte d'Italia S.p.A.





# THE PLANET

For a continuous and efficient service to the customer and consumer, one of the priorities is certainly the continuity of production processes, closely linked to the resources available to feed our lines. We are aware that the production and consumption of what we make can have an impact on the territory and, with this in mind, we aim to constantly improve the efficiency of our processes through the pursuit of challenging objectives. We take several measures that go in the direction of reducing environmental impacts, such as choosing more efficient machinery, raising awareness among people to reduce consumption, and continuously searching for packaging materials that have less impact on the environment. We carefully monitor our consumption, with the primary goal of eliminating waste, emissions, water use and waste production, to accurately assess the results of our actions and choices.



*“Pursuing environmental sustainability while working with respect for the Planet that hosts us is one of our main goals. As an integral part of our strategy, we have established a multidisciplinary committee consisting of the main corporate functions involved in the development of policies and practices of the business. We are actively committed to reducing CO<sub>2</sub> emissions and managing water resources responsibly. We adopt materials with a low environmental impact, promoting the use of recyclable materials. We do this by involving our main suppliers to spread and extend the benefits of our expertise in the industry.”*

**Fabrizio Carrara,**  
Group Head of Sustainability

## ENERGY AND EMISSIONS

Among the indicators we monitor are energy intensity and carbon intensity indices, which have been steadily decreasing over the last three years, demonstrating our commitment in this direction.

### ENERGY INTENSITY 2021-2023

**- 8%**  
energy consumed/product made

**- 18%**  
energy consumed/turnover

### CARBON INTENSITY 2021-2023

**- 10%**  
emissions tCO<sub>2</sub>e/  
product made

**- 19%**  
emissions tCO<sub>2</sub>e/  
turnover

**- 840 tonnes**  
of CO<sub>2</sub>e

In addition, thanks to rail transport with our established partners, we have saved more than 840 tonnes of CO<sub>2</sub> over the course of 2023.

Also considering more efficient solutions for the handling of goods:

**- 2022 tonnes**  
of CO<sub>2</sub>e

**- 170 tonnes**  
of waste

**+ 1300 m<sup>3</sup>**  
of wood saved,  
equivalent to **1274 trees**

## Water

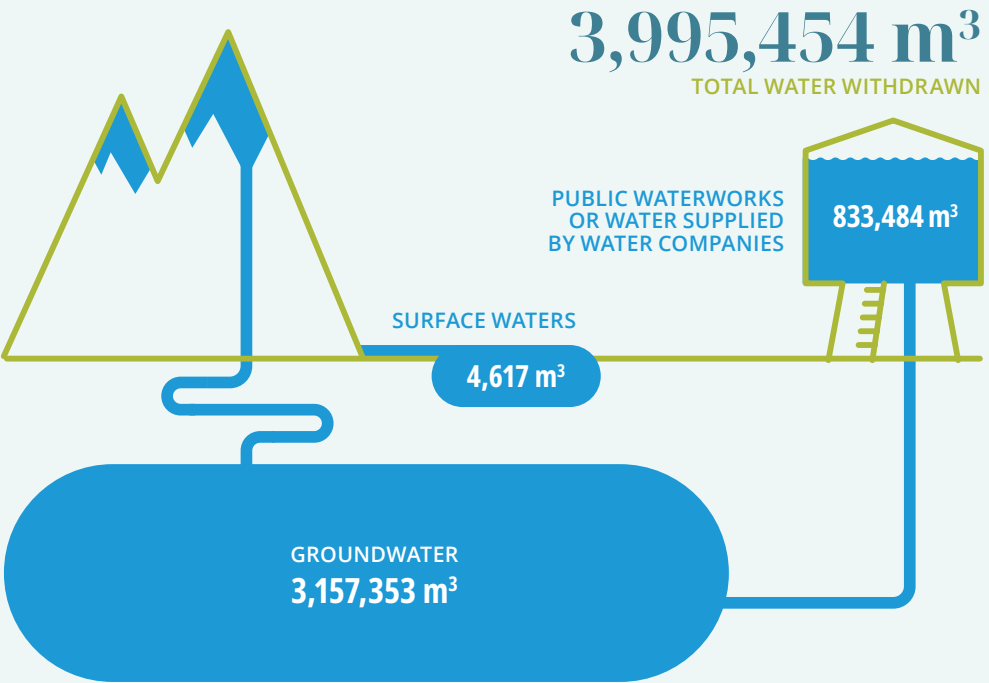
Water is essential for our production processes: we use it as a fundamental part of production, for the operation of our plants and to maintain high hygiene standards. Here again, reducing waste and efficient use is the priority. In the last three years we have seen a marked improvement in our water intensity index, down 16%.

| WATER SOURCES 2023   |             |
|--|-------------|
| m <sup>3</sup>   | < 1000 mg/L |
| Surface waters   | 4.617       |
| Groundwater  | 3,157.353   |
| Public aqueduct or water supplied by water utility companies | 833,484     |
| Total water withdrawn  | 3,995.454   |



WATER INTENSITY  
over the past three years:  
**- 16%**  
calculated as the ratio of  
water withdrawn to turnover

## WATER WITHDRAWAL IN 2023



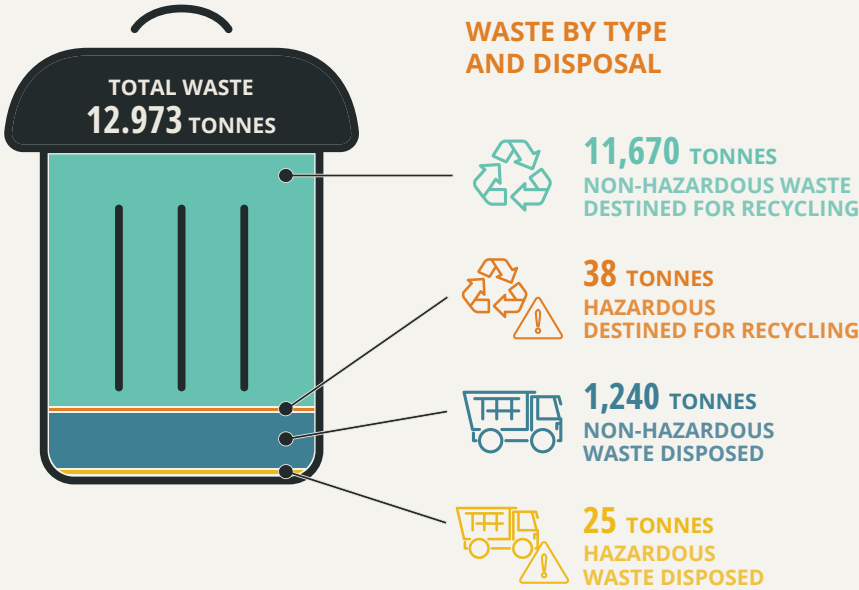


Waste

To reduce the environmental impact of the waste generated by our activities and maximise the recovery of waste and surplus, we continue to seek effective and efficient solutions. In addition to optimising industrial processes, which are constantly monitored, we promote circular economy initiatives and implement careful waste sorting to promote recycling.

90%  
of waste produced  
is recycled  
or recovered

| WASTE 2023 |           |               |        |
|------------|-----------|---------------|--------|
| Tonnes     | Hazardous | Non-hazardous | Total  |
| Disposal   | 25        | 1,240         | 1,265  |
| Recycling  | 38        | 11,670        | 11,708 |
| Total      | 63        | 12,910        | 12,973 |



Almost all animal and vegetable waste and surplus has been reused in animal husbandry to support the sector's circular economy practices by preventing it from becoming waste.

We are also committed to giving value to products close to expiry by donating them to those who may need them. As these foods are still perfectly edible, they are distributed free of charge through charities such as the Banco Alimentare and Caritas, thus helping to support our community.



Packaging

The role of packaging is primarily to ensure the integrity, fragrance and wholesomeness of the contents. Our packaging must therefore be safe, strong and durable in order to promote the proper preservation of our products. To achieve this goal, we always take into consideration the impacts that the materials used may have on the environment:

- 1 We use recycled, recyclable and renewable materials wherever possible, limiting the use of virgin materials;
- 2 We study how to reduce the amount of packaging material in absolute terms;
- 3 We select materials responsibly, also taking into account the environmental impact of suppliers;
- 4 We reduce the types of material used.



**Tapporosso, Latte Tigullio and Centrale del Latte Salerno brands:** introduction of brown, chemically unbleached, lighter and totally recyclable paper packaging on the LAATTE and Latte del Parco lines.



**Mukki brand:** use for the 1-litre fresh and ESL references of plant-based Tetra Rex packaging, which is entirely renewable because it consists of cardboard and plastic made from sugar paper and is certified carbon neutral.



**Tapporosso and Latte Tigullio brands:** use of rPET bottles, containing 50% recycled plastic, which in turn is recyclable, for all fresh milk and ESL references.



**Brands Mukki, Tapporosso, Latte Tigullio and Centrale del Latte Vicenza:** replacement of pots for the 100% natural plastic yoghurt line with fully recyclable paper pots.



- Various projects under study and testing, including:
- » the transition from plastic materials to paper for wrapping rusks;
  - » new packaging for the Crostino dorato crostini line that goes in the direction of increasing the recyclability of the materials used;
  - » solutions to make the packaging of different pasta formats more easily recyclable, increasing the paper content to at least 95 per cent and reducing the presence of other materials that would make the recycling process more complex.



# HOW WE SOURCE

We pay attention to sustainable agricultural practices, respect for animal welfare and the selection of raw materials. These aspects are closely linked: responsible agricultural practices allow a more prudent use of potentially harmful substances such as pesticides and antibiotics. This translates into higher quality and safer products for end consumers.

To promote responsible practices and ensure the quality of our raw material, we activate effective partnerships with our supply chains.

With regard to the semolina raw material, we have initiated a supply chain project to guarantee the sourcing of 100% Italian wheat. This wheat comes from suppliers certified according to ISO 22005, who provide us with organic and wholemeal organic raw materials for the production of our Delverde brand pasta.

While, for the raw material milk, we have entered into long-term collaborations with farms and breeders aimed at enhancing Italian milk production and guaranteeing high standards of safety and quality. We actively manage 11 supply chains, including:

100% Tuscan Milk Chain, in which 37 cowsheds participate, all certified for animal welfare and mainly family-run with an average of about 73 head and, in some cases, just 7 or 8 cows

Filiera del Latte Selezione Mugello, which has about 16 farms in the Tuscan Apennines that are also certified for animal welfare

Maremma Selection Milk Chain, in which 13 farms with animal welfare certification participate, all located in the province of Grosseto

Latte Infanzia 100% Italian and Latte Infanzia Biologico 100% Italian supply chains, all of which are short family-run, animal welfare certified and from which the raw milk, collected within 24 hours of the first milking, comes that meets specific requirements regulated by the Sistema Rintracciabilità Infanzia (SRI) specification

100% Piedmontese Milk Chain, from which raw material is obtained from 39 farms in Piedmont with animal welfare certification. Four of these farms breed cows with the original genetic heritage, selected to produce milk with the protein Beta-Casein A2, which gives the milk a high nutritional value

Filiera del Latte del Parco, obtained exclusively from raw material coming from farms located in the Cilento Vallo di Diano e Alburni Park area and operating with respect for animal welfare

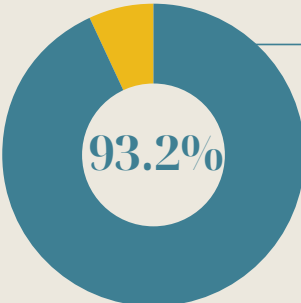
11 managed supply chains



The integrated supply chain project (PIF) entitled 'Enhancement of Tuscan Cow's Milk', which we carried out with the Mukki brand together with the Tuscan farms supplying the raw material, was recently concluded. This project aimed to create an eco-sustainable Tuscan milk supply chain, while improving animal welfare and product quality. Within the PIF, a new Tuscan Milk Production Regulation was drafted that defined rules and best practices for the supplying farms. We also conducted a Life Cycle Assessment (LCA), obtaining the Environmental Product Declaration (EPD) for some of our milk lines. In 2023, we obtained certification for 5 references of the Latte 100% Toscano line, meeting the standards set by UNI EN ISO 22005. Furthermore, within the PIF, we are working together with farms to assess animal welfare using the Classyfarm method.

- » Currently, 93.2% of High Quality milk from local suppliers comes from supply chains with animal welfare certification. In the factories of Turin, Rapallo, Vicenza and Florence, this quota even reaches 100%.
- » As much as 90.1% of value purchases come from local suppliers.

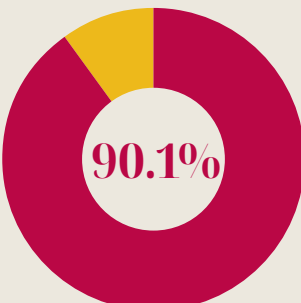
## HOW WE SOURCE



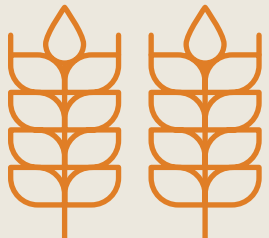
% HIGH QUALITY MILK FROM LOCAL SUPPLIERS WITH ANIMAL WELFARE CERTIFICATION  
NEWLAT FOOD GROUP



% HIGH QUALITY MILK FROM LOCAL SUPPLIERS WITH ANIMAL WELFARE CERTIFICATION  
IN TURIN, RAPALLO, VICENZA AND FLORENCE



% VALUE SPENT COMES FROM SUPPLIERS CONSIDERED TO BE LOCAL  
Suppliers are considered to be local if they have their registered office in the same country







## Selection of Suppliers

The selection of our suppliers is a fundamental pillar of responsible sourcing. In fact, in addition to taking into account certain key elements, such as the professionalism and experience of suppliers or a quality-price ratio that also fully satisfies the end consumer, we have implemented a structured evaluation and selection process that ensures both high standards in terms of quality and security of supply and the consideration of environmental, ethical and social criteria.

To properly manage these requirements and promote continuous improvement, we apply an Integrated Quality Management System Procedure that covers the procurement process, supplier qualification, and audits, thus enabling us to accredit suppliers and monitor their performance over time. In addition to this, we have defined a Supplier Code of Conduct aimed at sharing with our suppliers the expected ethical and behavioural standards, as well as our principles and values, thus contributing to the promotion of a supply chain that is attentive and respectful of the laws in force.

## Supplier qualification and monitoring process:

- 1 Verification of compliance with national and EU regulations by requesting documentation.
- 2 Acquisition and evaluation of supplier data sheets and possible definition of specifications.
- 3 Request for advance samples of raw materials or materials to verify compliance with requirements, where necessary.
- 4 Assessment of compliance with environmental, ethical and social criteria.
- 5 Assignment of a risk level.
- 6 If the supplier is eligible: Monitoring of performance through audits at a set frequency based on the risk attributed to each supplier.

## OUR PEOPLE

The beating heart of our company is the Human Capital, formed by all our employees and collaborators. It is they who make it possible to create value, ensuring the company's competitiveness and constant, sustainable development over time. As a Group, we are committed to generating job opportunities in the territories in which we operate, favouring the inclusion and development of local talent. We attach great importance to the selection and training of our personnel, always trying to find the right match between the skills required and the candidates' profile. We want to create a stimulating working environment, where our employees can grow professionally and personally, through a corporate culture that puts the value of each member at the centre. In addition to this, the health and safety of our resources are top priorities. We take great care and attention to ensure a safe and secure working environment. We strictly follow the relevant regulations and adopt state-of-the-art health and safety management systems.

During our global expansion process, our team has seen not only an increase in numbers, but also a diversification in terms of location of origin, culture and skills. This diversity has enhanced our Group, creating important international synergies and bringing with it new perspectives and a wealth of experience and background.

Over the past three years, in addition to the internationalisation of our resources, we have seen a significant increase in younger people. The co-existence of different generations brings with it a wealth of perspectives, experience and skills that allows us to face challenges and adapt to changes with greater flexibility.

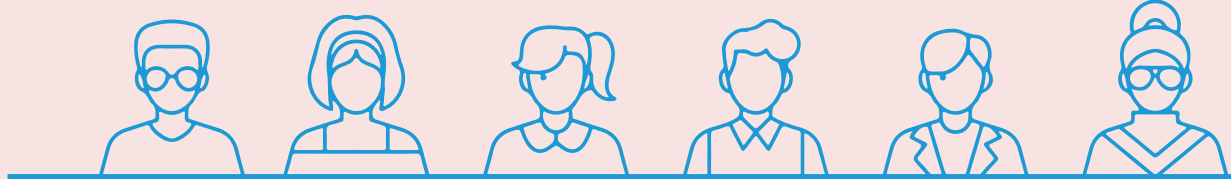
**2,303**  
EMPLOYEES

**> 90%**  
OF PERMANENT EMPLOYEES

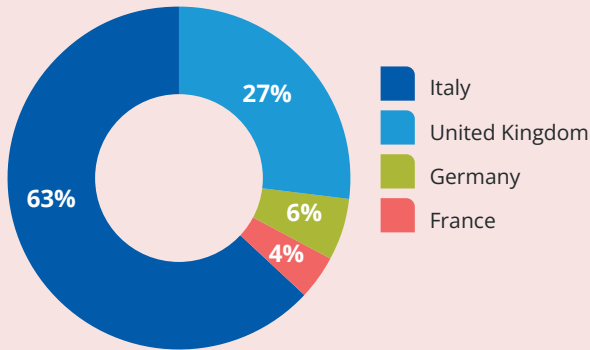
**402**  
NEW HIRES

**44,950**  
TRAINING HOURS PROVIDED,  
AVERAGE PER CAPITA: 20 HOURS

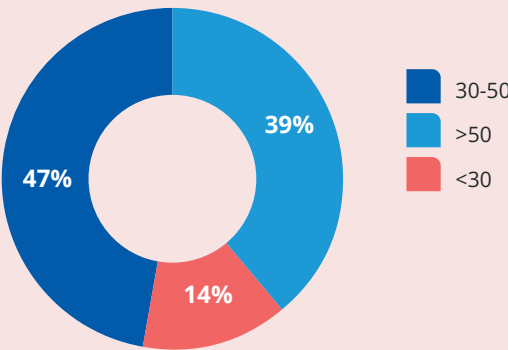
**+ 27%**  
SHARE OF UNDER-30S  
IN THE LAST THREE YEARS



EMPLOYEES  
BY GEOGRAPHIC AREA



EMPLOYEES  
BY AGE





## OUR COMMUNITY

*We have always been committed to promoting initiatives aimed at enhancing and developing the communities where we are present, and our work is closely linked to their development. Such actions not only strengthen our ties with the territory, but also renew consumer confidence in our brands and products. From financing social projects to organising cultural and recreational events, we constantly look for ways to contribute to the well-being and growth of people and the surrounding area.*



### SUPPORTING THE MEYER CHILDREN'S HOSPITAL FOUNDATION

Among the social initiatives promoted by the Mukki brand, the partnership consolidated for 25 years with the Meyer Foundation stands out. This is a non-profit organisation that exclusively supports the Florentine paediatric hospital, today a Scientific Hospitalization and Treatment Institute and a national reference centre for highly complex paediatrics. Started in 1999, this collaboration is based on a shared principle: always being at the side of children, an ideal that reflects Mukki's mission.

On the occasion of its 70th anniversary, Mukki announced a donation of one hundred thousand euros to support the health activities of the Meyer Foundation for the purchase of two lung ventilators essential for the Neonatal Intensive Care Unit. This donation represents a tangible commitment by Mukki to support the youngest in critical moments, confirming its constant commitment to building a better future for future generations, drop by drop.

*"To mark Mukki's 70th anniversary, we wanted to go beyond our long-standing partnership: we chose to support Meyer by contributing to the purchase of lung ventilators because we deeply believe that every child deserves the best possible care. It is an honor for us to be part of this mission, standing as allies in the care and support of young patients."*

**Giuseppe Mastrolia,**  
Managing Director and Chief Commercial Officer

*"We share a special relationship with Mukki, which has supported us since 1999 when the new Meyer Hospital project began. This long-standing partnership bridges a profit and a non-profit organization. I would like to thank Mukki - Centrale del Latte d'Italia for reaffirming its support to the Meyer Foundation in 2024, on the occasion of its 70th anniversary, with a generous donation to the Meyer Children's Hospital."*

**Alessandro Benedetti,**  
Secretary General Meyer Foundation



### MUKKI DAY

Every year, the Mukki Day organised at the Florence headquarters brings joy and knowledge to the families and children of our community. This multi-year event offers a unique opportunity to explore the fascinating world of milk production.

Workshops dedicated to raising children's awareness offer a wide range of activities, from preparing tasty recipes to exploring the characteristics of milk, as well as moments of fun with colouring drawings and engaging stories. In addition, participants have the opportunity to discover how the factory works and the processes of milk processing and how the quality and safety of the products are guaranteed, as well as to visit the Milk Museum, a place that tells the story of the Mukki brand through representative objects from after World War II to the present day.





## SEMINARS

We are actively engaged in informing consumers and schools on prevention and nutrition education issues also through annual seminars, organised together with the Ministry of University and Research (MIUR) and dedicated to teachers, class representatives, educational coordinators and canteen committees. In 2023, the annual seminar, now in its nineteenth edition, focused on the in-depth study of the nutritional characteristics of fresh milk, with the aim of providing consumers with the necessary knowledge to distinguish between correct information and fake news. We believe, in fact, that information and knowledge are fundamental to guide informed lifestyle choices and promote healthy and correct lifestyles.



## VIRTUAL TOURS...

An engaging virtual experience that allows children of all ages to discover and learn about the milk cycle, from the farm to the bottle, exploring the details of the transformation process and the rigorous quality controls that guarantee a safe and

healthy product on everyone's table. A complete educational experience that not only entertains, but also helps develop a greater awareness of food culture and the importance of environmental sustainability.



## ...BUT NOT ONLY

At several of our milk and dairy production locations, we also offer the opportunity to participate in guided tours in which primary and secondary school students have the opportunity to explore the secrets behind every drop of milk through an educational and fun experience.

The main objective is to provide children with a comprehensive overview of the various stages of the milk production process, from the cowshed to packaging, with a focus on the concepts of nutrition and environmental education, thus contributing to the promotion of a healthy lifestyle and, at the same time, offering the opportunity to come into direct contact with the tradition of our production.



## OFF-SITE

Our initiatives are not only limited to the spaces of the plant, but also extend to the open air, thus contributing to the enhancement of the territory and to the awareness of the community on the respect and importance of the social dimension.

During the 41st edition of the Valserviera, the Ecological March promoted by the CAI and the Municipality of Fara San Martino, participants had the opportunity to explore the wonderful landscapes of the Majella through a guided hike among woods and springs. This event not only promoted the beauty of this area, but also offered participants a unique experience: a Pasta Party sponsored by the Delverde brand. This convivial moment represented an opportunity to share and appreciate the efforts made during the ecological marathon. The initiative was particularly significant as it allowed participants to pass through the heartland of the local

community to reach the source of the Fiume Verde, where the pure water that gives Delverde pasta its special character flows.

For years, the Centrale Latte Salerno brand has also been committed to Legambiente by supporting campaigns to monitor and clean up waste on beaches, in parks and urban areas. Once again in 2023, as part of the 'Clean Up The World' initiative, fresh milk and yoghurt refreshed volunteers ready to collect abandoned waste. Thanks to the brand's support, participants were able to enjoy a healthy and tasty break during their activities, contributing not only to a cleaner environment, but above all to the creation of greater awareness and sensitisation towards environmental protection in the surrounding areas.



## GROCERY AID

Our UK-based subsidiary Symington's is a strong ally of Grocery Aid, an organisation that provides emotional and financial support to food workers. Its recent Gold Award for the third year running highlights Symington's significant commitment to supporting this cause. With this recognition, the company reaffirms its ongoing commitment to promoting the welfare of local communities and providing practical help to workers in times of need.



## PARTNERSHIP WITH CARREFOUR ITALY

Centrale del Latte d'Italia is one of 16 companies to have joined the Food Transition Pact together with Carrefour Italia, pledging to promote the transition to a more sustainable food system. This agreement is based on four essential pillars: promoting a healthy and balanced diet, preserving biodiversity, combating climate change and reducing the use of packaging. Our participation culminated in the Salone Carrefour event, where our CEO, Giuseppe Mastrolia, signed the commitment to promote healthier eating habits, responsible agricultural practices and the reduction of impacts on the environment, thus encouraging the protection of territories and present and future generations.



# OUR GOVERNANCE

Transparency and integrity guide our corporate governance, creating a working environment of honesty and responsibility. Complying with laws and regulations is not just an obligation, but an ongoing commitment that allows us to grow responsibly over time. In fact, our Governance is not just a set of rules but represents our commitment to develop strong and trusting relationships with our stakeholders. Communicating openly is crucial for us, because we believe that trust stems from transparency.

To ensure a high degree of transparency in our governance, we have adhered to the Italian Stock Exchange’s Corporate Governance Code for Listed Companies, and through a Code of Ethics and Conduct, we share with our employees, first and foremost, and with all other stakeholders the values that guide us and the principles that guide our business choices, both internally and externally, in all the countries where we operate.

We are committed to lasting success by adopting an integrated strategy that takes into account environmental, social and governance aspects: top management objectives include not only economic and financial targets, but also cross-cutting elements relating to business impacts.

We assess the nature and level of risk compatible with the Company’s strategic objectives, taking into account cross-cutting risk and opportunity elements, covering all potential impacts on our stakeholders. To do this, we promote dialogue with shareholders and key stakeholders through dedicated workshops and meetings. These meetings enable us to understand the needs of others and evaluate the observations offered by our stakeholders, thus contributing to long-term value creation.

This is our commitment to sound and responsible governance that allows us to create value over time in a sustainable and responsible manner, preserving the trust of our partners and our reputation.

## The Board of Directors of Newlat Food S.p.A. consists of:

7 members

3 OF WHOM ARE INDEPENDENT

1 Lead Independent Director

AVERAGE AGE OF DIRECTORS

48 years

FEMALE PRESENCE

43%

AVERAGE LENGTH OF SERVICE OF INDEPENDENT MEMBERS SINCE IPO:

3.7 years

In our Board of Directors, the diversity of competences and the professional sharing of these is a key strength. We ensure a heterogeneous composition that embraces a wide range of experiences, backgrounds and skills, recognising the importance of an inclusive perspective to successfully tackle complex challenges.

“Continuous sharing of professional skills and values is essential and must involve all employees at every level. It is crucial to foster an environment conducive to collaboration and open dialogue, enabling everyone to feel connected to the Group’s common project.”

**Stefano Cometto,**  
CEO Newlat Food SpA and Centrale del Latte d'Italia SpA

### OUR COMMITTEES

The Board of Directors set up three internal board committees with investigative, proposing and advisory functions:

- the Control, Risk and Sustainability Committee (CRSC)
- the Remuneration and Appointments Committee (RAC)
- the Related Party Transactions Committee (RPTC)

### FEMALE PRESENCE

66%

### INDEPENDENT MEMBERS

100%



**Angelo Mastrolia**  
*Executive Chairman of the Board of Directors*



**Giuseppe Mastrolia**  
*Managing Director*



**Stefano Cometto**  
*Managing Director*



**Benedetta Mastrolia**  
*Director*



**Maria Cristina Zoppo**  
*Independent Director*

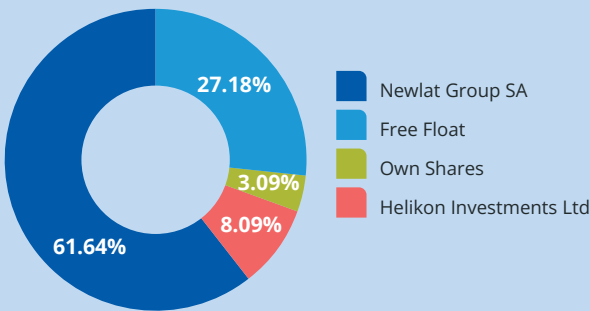
RPTC Chair  
CRSC member  
RAC member



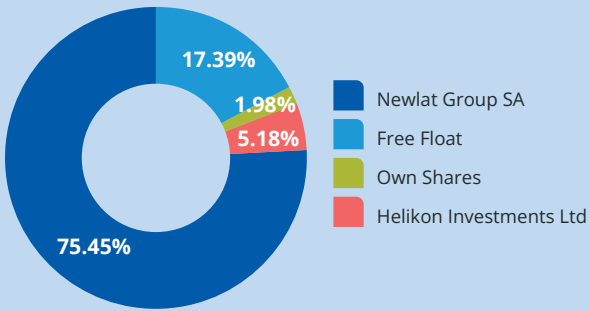
**Valentina Montanari**  
*Independent Director*

CRSC Chair  
RAC member  
RPTC member

### SHAREHOLDER BASE as at 31 December 2023



### VOTING RIGHTS as at 31 December 2023



**Eric Sandrin**  
*Independent Director*

RAC Chair  
CRSC member  
RPTC member

Newlat Group SA  
Free Float  
Own Shares  
Helikon Investments Ltd

Newlat Group SA  
Free Float  
Own Shares  
Helikon Investments Ltd







## **Newlat Food S.p.A.**

Tax code and VAT no. 00183410653

REA of RE n°277595

Chamber of Commerce Register Office

Industria Artigianato e Agricoltura of Reggio Emilia

Share Capital € 43,935,050.00 fully paid-up