

2021 SUSTAINABILITY REPORT

RECREATING *the Future*



DE NIGRIS

1889



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DE NIGRIS, 1889

MASTER VINEGAR MAKERS SINCE 1889

M. De Nigris

OPEN LETTER

from the De Nigris brothers



In recent years, the company has been forced to deal with the consequences of exponential phenomena, which were hitherto considered unthinkable.

However, the consequences of said phenomena have led to pervasive changes in the company itself and accelerated processes already in place to respond to future challenges, including a profound awareness of the need to evolve as individuals and as organisations in order to avoid feeling so vulnerable and powerless again.

To think that the evolution of a recipe, the De Nigris Recipe, which from the filing of Patent 76604 in 1889 by our grandfather Armando De Nigris, today has allowed us to conceive and bring our products into the homes of people all over the world, we understand that our concept of evolution is based on respect for the heritage of the past rethought in a projection towards the future.

From this renewed awareness of the urgency of change in a regenerative direction came the need to take the sustainable development of the De Nigris Group to a deeper and more evolved level.

We asked ourselves: how can we help pass on to future generations the legacy left to us by the past, without compromising their needs and ensuring them a future of shared prosperity?

The first step was to start a path of evolution by adopting international frameworks for measuring our impacts, also in relation to our contribution to the UN Sustainable Development Goals (SDGs). We conducted a materiality analysis in order to thoroughly understand and manage together with our stakeholders the issues on which our ability to generate social, environmental and economic value over time depends, and, finally, we converged all these elements into a Sustainable Development Plan.

This first Sustainability Report in our history is a sign of our commitment and the result of a journey that surely was not effortless on our side. Hence, taking steps towards sustainable innovation required a radical rethinking of business decisions and the consideration of environmental and social, as well as economic, impacts in all our operational and strategic decisions.

Our vision of a regenerative future includes a continuous dialogue along our entire value chain, in consideration of all stakeholders who are impacted by our activities. From the seed to the plate, from the bunch to the bottle, from the producer to the consumer, we want to create an ethical alignment that respects people and the environment in the combination of tradition and innovation, which is only possible through sustainability.

For us, this is the way to look to the future with our feet firmly planted in the land that generates the raw material for our products.



CHAPTER 1

THE DE NIGRIS UNIVERSE

- 1.1** OUR HISTORY
- 1.2** OUR VALUES: QUALITY, CRAFTSMANSHIP AND INNOVATION
- 1.3** PRODUCTION SITES
- 1.4** THE BEGINNING OF OUR SUSTAINABILITY JOURNEY
- 1.5** MATERIALITY ANALYSIS, STAKEHOLDER MAP AND OUR SUSTAINABLE DEVELOPMENT PRINCIPLES
- 1.6** THE DE NIGRIS GROUP'S CONTRIBUTION TO THE 2030 AGENDA (SDGS)



NATIONAL HISTORICAL BRAND



De Nigris, a company that has been producing vinegar since 1889, becomes a historical brand of national interest.

This was conferred by the Ministry of Economic Development by awarding the



RAND

FUTURE



group the recognition as “Historic Brand of National Interest” crowning a 130-year-long journey that has led De Nigris to represent a symbol of Made in Italy both inside and outside Italy.

De Nigris was founded in 1889 when founder **Armando de Nigris** inherited a small artisan business in the province of Naples.

Building on the strength of centuries-old recipes, he started a production of wine vinegars of excellent quality. The baton was then passed on to his son Marcello who, with his motto, “**borders do not exist**”, helped vinegar become an Italian condiment recognised throughout the world.



Today, the company led by the founder's grandchildren - Armando, Raffaele and Luca de Nigris - constitutes the most important industrial reality in its category: **85 million turnover** in 2020 with a steady growth trend. Products under the De Nigris Eagle brand account for **27%** of all exports and **24%** of Italian production of Balsamic Vinegar of Modena IGP.

An estimated production of more than 100 million litres of vinegar and must is spread over three sites. The main one is the ultra-modern site in Caivano near Naples and home to the De Nigris Academy, a centre of excellence for research and development of new products. In the north we find the plants in San Donnino, in the province of Reggio Emilia, and in Carpi, in the province of Modena, where Acetifici Italiani Modena has been located since 1997.

EMPLOYEES IN ITALY

180

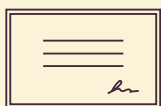
US BUSINESS UNIT EMPLOYEES

12

COUNTRIES WHERE DE NIGRIS IS PRESENT

80

CRIBIS PRIME COMPANY CERTIFICATE



**Highest level of reliability as a counterparty
in a B2B business transaction**

PRODUCT CERTIFICATIONS



- AIB
- BRC
- CSQA
- IGP

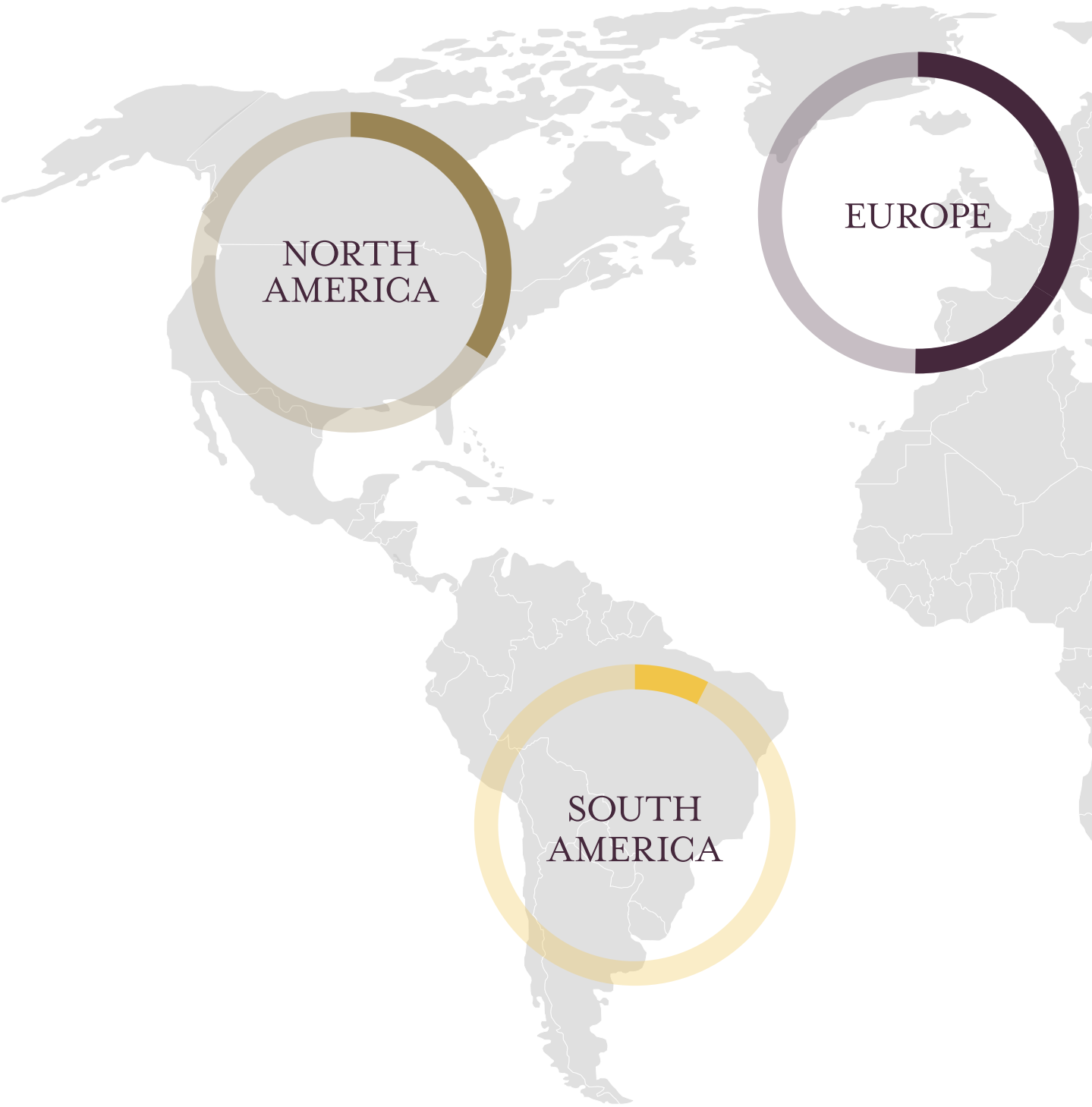
- HALAL
- IBD
- IFS
- NOP

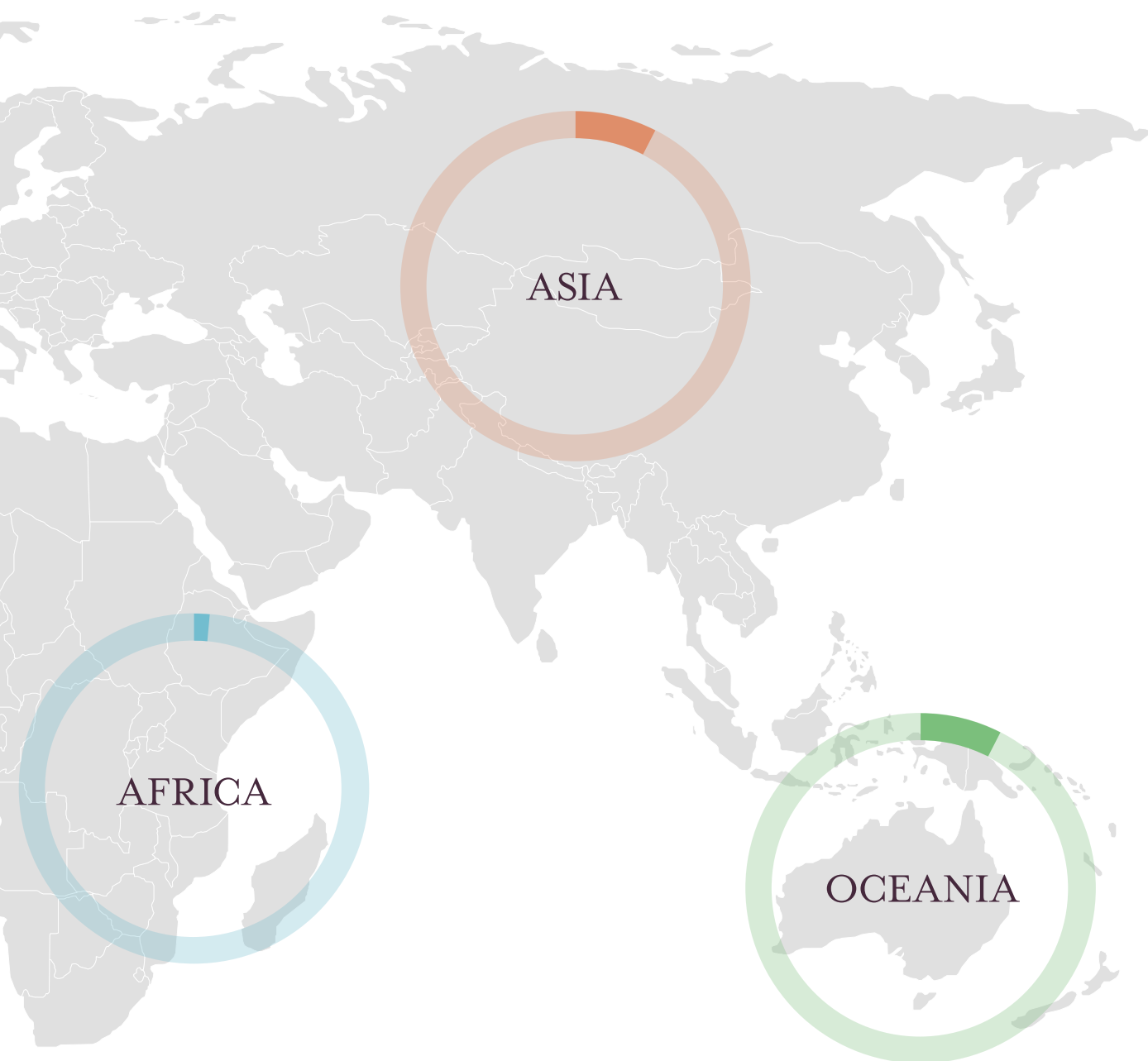
- WITHOUT OMG
- ECOGRUPPO BIO
- ISO 9001

4 production sites



Distribution of turnover for each area





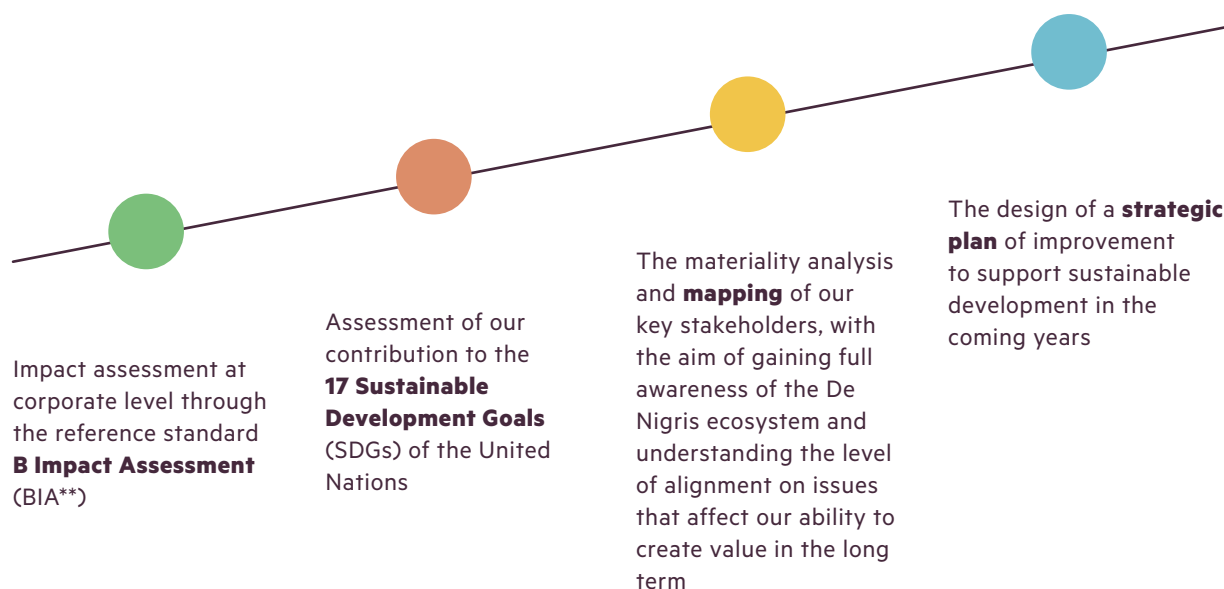
THE BEGINNING OF OUR SUSTAINABILITY JOURNEY

Our story is that of a family that for three generations has dedicated itself with **passion and wisdom** to the production of vinegar, in a continuous search for the best possible product. In order to continue to do so with future generations, we are aware of the imperative of a **change of current business models** and consider our social and environmental impacts in addition to the economic ones. In order to contribute to a regenerative future, the need has emerged more and more urgently to **quantify our impacts and set improvement targets** increasingly challenging for the future.

This document recounts **the beginning of a path of sustainable evolution** and constitutes the first **Sustainability Report** of our more than 100-year history: it represents a turning point for us and a commitment to report on our impacts and future commitments in an increasingly transparent way.

As a partner in this journey, we have chosen **Nativa*, Regenerative Design Company**, and adopted a sustainability strategy based on solid tools and models to calculate and measure our impacts and then develop specific evolutionary pathways.

The main evolution activities developed over the past year were:



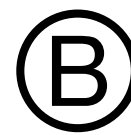
The starting point was the identification of the members of a working team, the **De Nigris B Team**, which would represent the main areas of the company so that we could have the right levers to move each of the company's focal areas and our main stakeholders towards a sustainable path of evolution.

*Nativa is a Regenerative Design & Sustainability Innovation Company that, through its research, innovation and strategic consulting activities, accelerates the evolution of companies towards a sustainable and regenerative economic paradigm. It designs models and solutions to embed sustainability in the DNA of organisations to improve their business results and create lasting, shared prosperity for the planet, people and society.
<https://nativallab.com>

**The BIA is among the most robust, comprehensive and widely used impact measurement standards in the world, developed by B Lab (a non-profit organisation that originated the Benefit movement - B Corp certification and legal status as a Benefit Corporation) and adopted by over 150,000 companies worldwide. The BIA provides useful insights into a company's economic, social and environmental performance by considering, in addition to the business model, five macro areas: governance, people, community, environment and customers. The measure of impact is represented by a total index on a scale of 0 to 200 points. This tool allows to benchmark your situation against companies that have already used it and to have a comprehensive guide on possible areas of improvement and what actions to take.
<https://app.bimpactassessment.net/get-started/bcorporation>

NATIVA

Certificazione



Corporation

Thanks to the work of the De Nigris B Team and the supervision and involvement of our ownership, the measurement of our environmental and social impact performance through the international B Impact Assessment (BIA) standard was completed.

The BIA is modelled on the peculiarities of the company and the sector it belongs to, so as to make our reality comparable with realities different from ours in terms of turnover, geographical area and sector according to a single score from 0 to 200 points: a space for sustainability best practices to be shared and learnt from in all sectors around the world.

BIA MEASURES THE SOCIAL AND ENVIRONMENTAL PERFORMANCE OF ORGANISATIONS ON THE BASIS OF FIVE AREAS:



GOVERNANCE

It assesses the company's overall mission, ethics, accountability and transparency, on issues such as the integration of social and environmental objectives for employee performance assessment, impact reporting, stakeholder engagement and generally how governance practices and policies are conducted.



EMPLOYEES

It assesses the company's contribution to employee well-being through questions related to contracts, benefits, training, professional development, health, safety and job flexibility.



COMMUNITY

It assesses the company's commitment to generate impact on the community. The topics are related to diversity and inclusion, employment creation, charity and volunteering practices and involvement in the local community through CSR initiatives. The broader impact of the company through the supply chain is also assessed.



ENVIRONMENT

It assesses a company's overall environmental management practices, including its facilities, resource use, emissions, logistics and (when relevant) its distribution channels and supply chain. This section also includes options for companies whose product or service is designed to solve a specific environmental problem, e.g. by rethinking traditional manufacturing practices or making products that generate renewable energy, reduce consumption or waste, conserve land and wildlife, or educate on environmental issues.

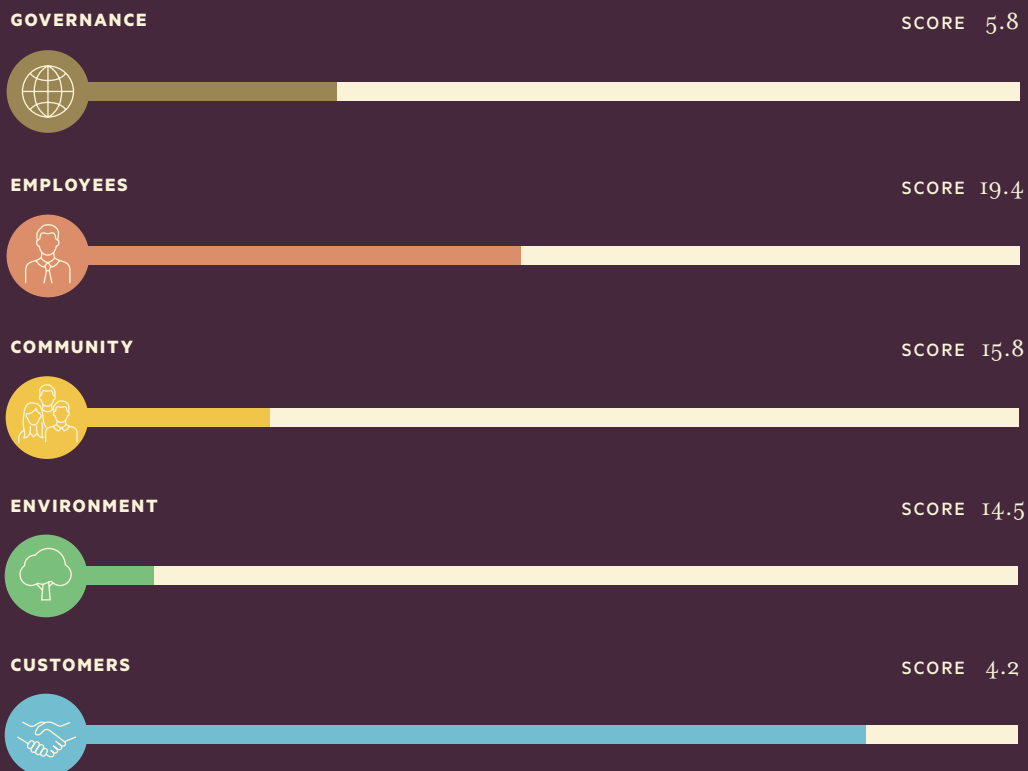
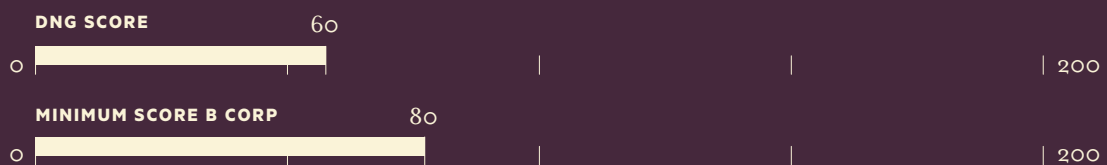


CUSTOMERS

It evaluates companies whose products or services are designed to address a particular social or environmental problem. The section focuses on the impact of the product or service and the extent to which it creates benefit for the user or category.

De Nigris BIA Score not verified by B Lab

Year of measurement:
2020



The score resulting from our first measurement is higher than the international average of companies using the B Impact Assessment of 51 points.

Thanks to our analysis, we now know the areas where we already **create value**, as well as those where our contribution still has room for growth and towards which we are committed, in black and white, to take the decisive steps, **with sustainability as a driver of long-term success**.

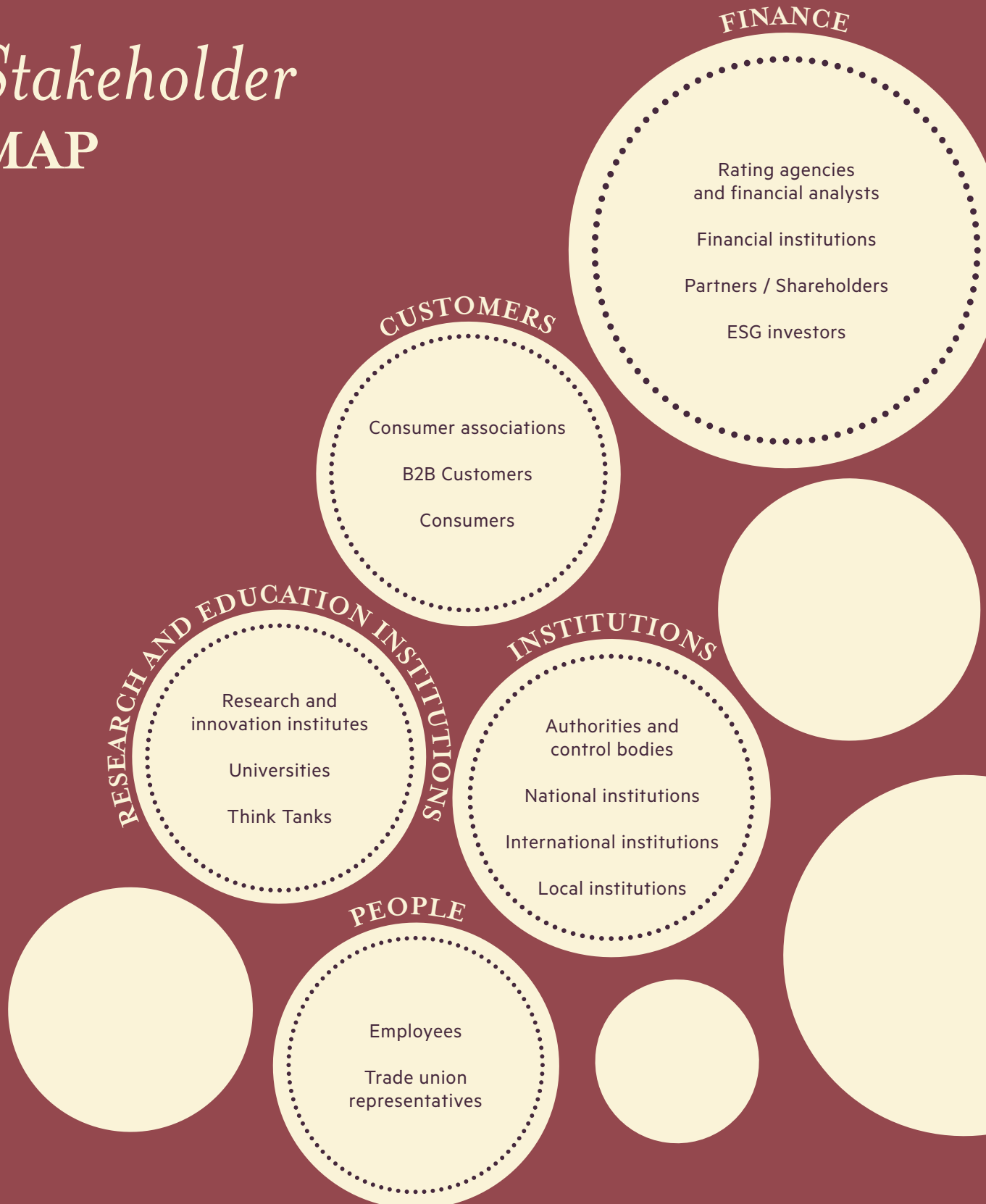
Our sustainability performance measurement activities were complemented by further important work areas concerning our contribution to the 17 Sustainable Development Goals (SDGs) and materiality analysis, which will be recounted in the following chapters. At the same time, based on the results of the analysis carried out, **a Sustainability Plan** is being structured. This plan will see our people engaged in more than 100 actions planned in the short, medium and long term to honour our commitment toward **path that will lead us to maximise our positive impacts**.

MATERIALITY ANALYSIS AND *our sustainable development principles*

A key design principle of a **future-proof business** is the consideration not uniquely of shareholders - or beneficiaries of the organisation's economic results, but of all stakeholders in the definition and implementation of its **strategy**. This is the main reason why, over the past year, we have undertaken a **materiality analysis** that has made us open our doors and minds to the opinions, perceptions and

needs of our stakeholders in identifying and sharing the **material issues** able to influence our ability to generate **economic, social and environmental value** over time. The analysis proved to be an effective tool: it allowed us to verify the level of **alignment** between the vision inside and outside the company and to identify the **Pillars of sustainability** of our evolution strategy, within the **materiality matrix**.

Stakeholder MAP



INTEREST GROUPS

Opinion leaders

Media with local impact
in the areas of interest

Media with national impact

Trade Associations

NGOs and interest groups

Trade Unions

COMMUNITIES

Foundations and
voluntary associations

Disadvantaged categories

New Generations / Schools

Social media

Citizens

SUPPLIERS

Potential suppliers
and contractors

Suppliers of goods and services

Strategic suppliers

BUSINESS COMMUNITY

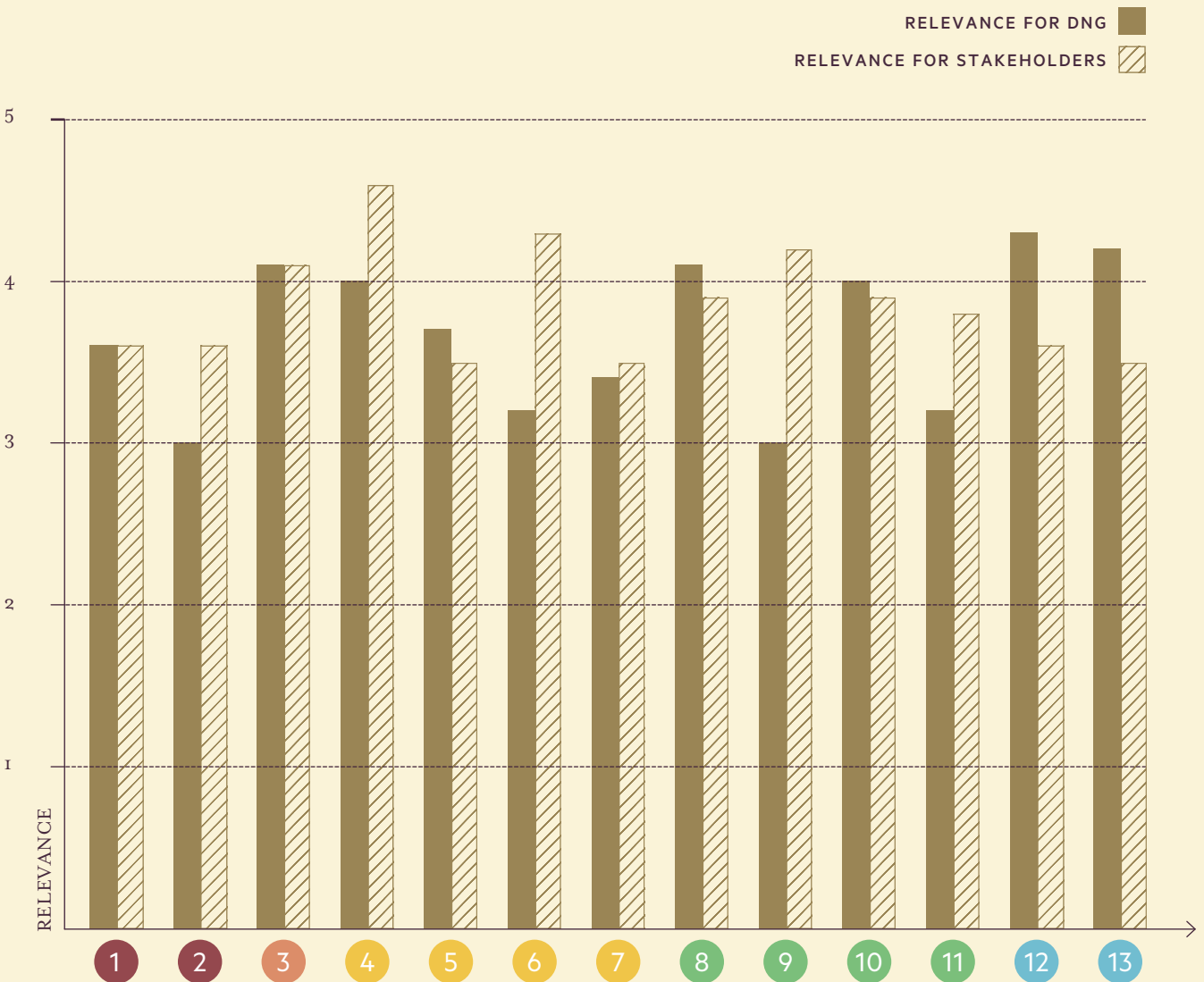
Local Partners

National Partners

International Partners

Competitors

THE RELEVANCE OF MATERIAL ISSUES *for stakeholders in relation to the De Nigris Group*





GOVERNANCE ISSUES

1. Business ethics and integrity
2. Advanced governance tools



EMPLOYEE ISSUES

3. Well-being and empowerment of people



COMMUNITY ISSUES

4. Quality and traceability of raw materials
5. Partnerships and collaborations with local associations
6. Protection of agricultural producers and local supply chain
7. Inclusion and equal opportunities



ENVIRONMENTAL ISSUES

8. Emissions reduction and reforestation
9. Respect of biodiversity
10. Sustainable product innovation
11. Circularity of resources



CUSTOMER ISSUES

12. Promotion of healthy and sustainable lifestyles
13. Consumer health and well-being

We initially selected a wide range of issues by analysing the most scientifically and financially relevant sources for our industry and, through **a frequency analysis** on how often a particular issue was present, we selected **the issues of high relevance**.

In accordance with the 2019 Non-Financial Reporting Guidelines* of the European Community and the new proposed Corporate Sustainability Reporting Directive** of EFRAG (European Financial Reporting Advisory Group), we adopted a **dual perspective**, drawing on the one hand the **financial relevance**, in terms of the impact of climate and social change on our company, and on the other the **environmental social relevance**, in terms of the company's impact on the biosphere, the community and all stakeholders.

*[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017XC0705\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017XC0705(01)&from=EN)

**https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FSiteAssets%2FEFRAG%2520PTF-NFRS_MAIN_REPORT.pdf&AspxAutoDetectCookieSupport=1

THE ISSUES THAT EMERGED AS MOST RELEVANT

from this initial analysis were:



GOVERNANCE

ETHICS AND INTEGRITY OF THE BUSINESS MODEL

Carrying out activities with transparency, loyalty and fairness and spreading a corporate culture based on ethics and integrity within the organisation.

ADVANCED GOVERNANCE

Conduct economic activity, in addition to the aim of generating profit, to generate common benefit and to operate in a responsible, sustainable and transparent way towards stakeholders.



COMMUNITY

INCLUSION AND EQUAL OPPORTUNITIES

Operate according to principles of fairness in order to guarantee equal opportunities to the Group's people and to external people with whom we come into contact.

PARTNERSHIPS WITH LOCAL ASSOCIATIONS

Initiate collaborations with local bodies and associations through active citizenship actions.

QUALITY AND TRACEABILITY OF RAW MATERIALS

Operate according to principles of transparency and collaborate with suppliers to maximise the quality and traceability of raw materials.

PROTECTION OF AGRICULTURAL PRODUCERS

Protect and favour small agricultural producers within the supply chain also through fair trade and favourable contract conditions.

LOCAL SUPPLY CHAIN

Generate positive impacts on the territories in which we operate by fostering the local agricultural fabric and a sustainable supply chain.



EMPLOYEES

PEOPLE

Promoting a motivating working environment that fosters the well-being of the Group's people and work-life balance.

EXPLOITATION OF POTENTIAL

Encourage professional development and growth paths through the recognition and enhancement of each person's distinctive skills, ad hoc training courses for skills development.





ENVIRONMENT

EMISSIONS REDUCTION (AND REFORESTATION)

Evolving our business model towards a climate-neutral economy.

SUSTAINABLE PRODUCT INNOVATION

Integrating sustainability into product design by introducing radical innovations in the entire value chain.

RESPECT OF BIODIVERSITY

Respecting the balance of the ecosystem by reducing the use of toxic substances and pesticides and respecting all forms of life.

CIRCULARITY OF RESOURCES

Operating in a production perspective that is no longer linear, but circular, so that waste and scrap can become inputs for other production stages.

REDUCTION OF TOXINS

Promoting organic and biodynamic farming techniques and providing biodegradable product alternatives to chemical products.



CUSTOMERS

CONSUMER HEALTH AND WELL-BEING

Offer consumers products that contribute to their health by rebalancing the microbiota, and provide a nutritious alternative to salt.

PROMOTION OF HEALTHY AND SUSTAINABLE LIFESTYLES

Promoting healthy and sustainable lifestyles through a balanced diet, according to the principles of the Mediterranean diet.



Following the mapping of issues, we proceeded to identify our most relevant stakeholders in terms of economic, social and environmental impact and established specific engagement methods for each one of them, such as interviews, focus groups or surveys.



Among our relevant stakeholders, we have included **future generations** represented by students of the Liceo Scientifico Statale Augusto Righi Rome. We asked them to comment on the material issues of the De Nigris Group, convinced that their contribution is necessary to develop a “future-proof” **sustainability strategy** that respects the needs of the present generations without compromising those of **future generations**.

The vote of 79 relevant stakeholders on materiality issues led to the definition of the Y-axis of the Materiality Matrix and was cross-referenced with the judgement expressed by our people and validated by management, plotted in a matrix in the X-axis. The resulting Materiality Matrix is made up of six quadrants, where the top right quadrant contains the five topics that are priorities for both the company and its stakeholders and that play and will increasingly play the **leading role in our path of sustainable evolution in the future**.

To each of these five issues,
an entire chapter of this first
De Nigris Group Impact Report
has been dedicated, in which
we recount the actions, the projects,
but above all the related **“Impact Stories”**
that came to life in the year 2021
and the first part of 2022 and
our commitments to face the
challenges of the future.

THE CONTRIBUTION OF THE DE NIGRIS GROUP *to sustainable development objectives (SDGs)*

Over the past 150 years, the dominant capitalist economic system has enabled the achievement of unimaginable living conditions and an increase in average well-being for humanity by responding to a simple equation, doing business equals making profits.

The imperative for entrepreneurs and managers is therefore to focus exclusively on a single variable: the increasing creation of shareholder value.

However, this imperative unwittingly violates the laws of physics: nothing can grow indefinitely **in a system as closed for matter and open for energy as planet earth is.**

This extractive logic has led as a fundamental consequence to a consumption of environmental resources in excess of their regenerative capacity with irreversible alterations to the climate. To understand the speed and scale of this phenomenon, one only has to consider that at the date of the founding of the De Nigris Group - the year 1889 - the world's population numbered less than two billions, while today's population numbers just under eight billions*.

From the recognition of a fundamental need for change comes the conception of an agenda of goals, of epochal challenges, to be realised for a future of shared prosperity for humanity and the ecosystem that hosts it.

*<https://population.un.org/wpp/>

In September 2015, at the 70th General Assembly of the United Nations, World Leaders adopted a new global framework for sustainable development centred on 17 goals (Sustainable Development Goals - SDGs) to represent the vision of society and planet that we as humanity want to achieve by 2030.

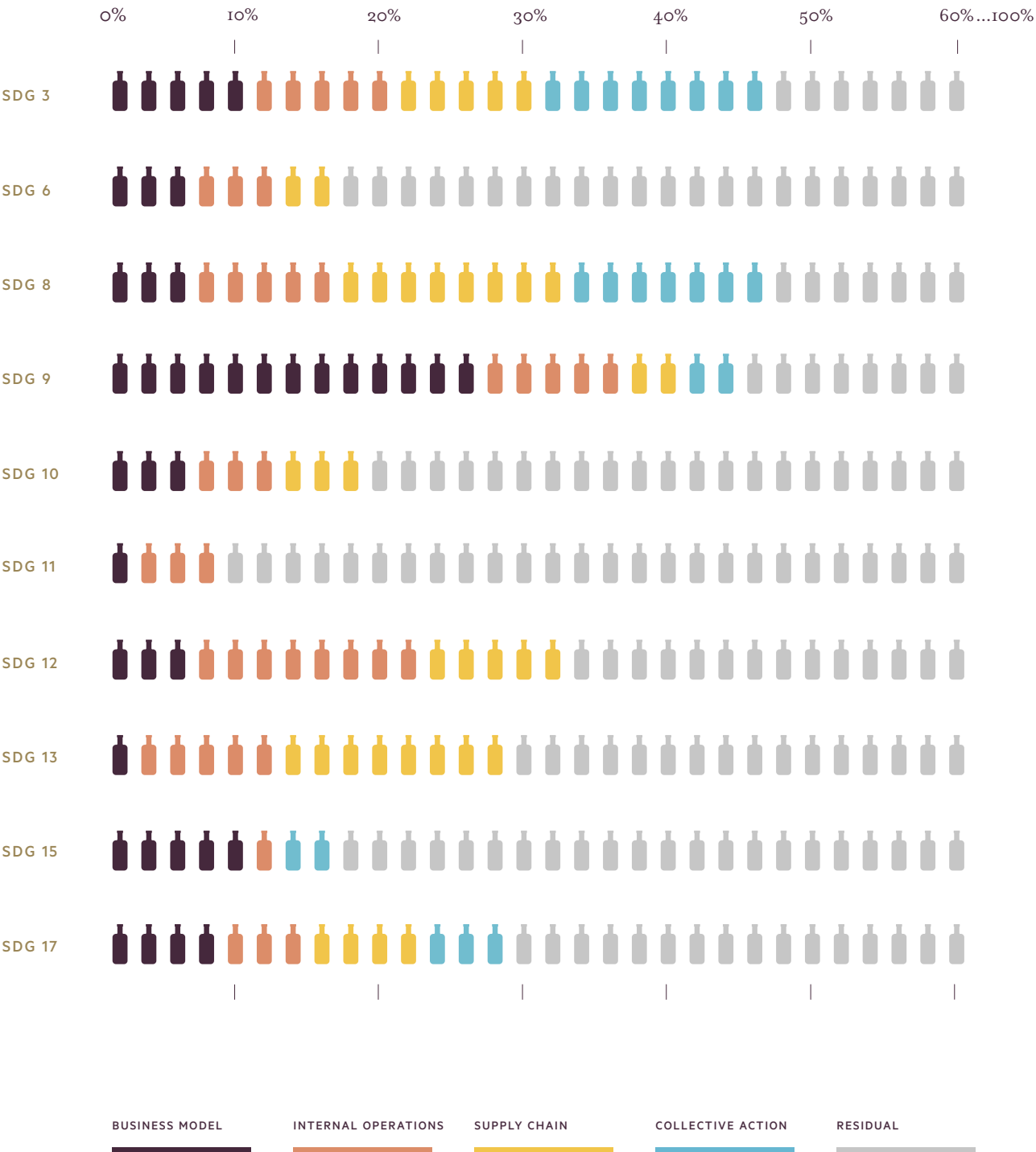
These objectives do not only refer to institutions and governments but also to a variety of players including companies and are based on principles of integration, universality and participation.

Aware that these principles accompany the history of Acetificio De Nigris long before they are formalised, given also the peculiarity of our business in the relationship with the territory, the community and the supply chain, a fundamental step in our path of sustainable evolution is the contribution to the 17 goals of the 2030 Agenda launched in 2021.

To do this, we adopted the SDG Action Manager, a strategic and operational tool designed to support all types of businesses in measuring and developing the impact of their sustainability performance and thus accelerate their organisational journey towards the SDGs, created in 2020 from the partnership between the UN Global Compact and the non-profit B Lab.



De Nigris Group's Level of Contribution to the SDGs



Thanks to the measurement through the SDG Action Manager, we were able to quantitatively detect the SDGs to which Acetificio de Nigris can strategically make a greater contribution.

The De Nigris Group's contribution performance to the achievement of the individual SDGs is measured following four categories:

- Business Model
- Internal Operations
- Supply Chain
- Collective Action

The maximum total contribution for each area is 25. Consequently, the maximum score obtainable against each SDG is 100. The score obtained by the company is then converted into a percentage of the maximum score obtainable. This percentage represents the company's overall current contribution compared to its maximum potential towards achieving the individual SDG.

In accordance with the guide for business action on the SDGs* developed by the UN Global Compact for the selection of priority SDGs for the De Nigris Group

We conducted an analysis of our value chain identifying hotspots with the highest level of contribution to the achievement of the SDGs and hotspots with the highest potential to slow down the achievement of the SDGs.

*https://sdgcompass.org/wp-content/uploads/2015/12/019104_SDG_Compass_Guide_2015.pdf

THE SUSTAINABLE DEVELOPMENT GOALS

that emerged as most relevant for the De Nigris Group were:

3. GOOD HEALTH AND WELL-BEING

8. DECENT WORK AND ECONOMIC GROWTH

9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

11. RESPONSIBLE CONSUMPTION AND PRODUCTION

13. COMBATING CLIMATE CHANGE

The table displayed on the following page identifies the 5 Sustainable Development Goals (SDGs) on which the De Nigris Group exercises concrete and tangible actions, intercepting the percentage of the level of contribution, the material issues on which the company's efforts are most focused and the sensitivity of its stakeholders.

We have decided to strategically focus on these objectives in our future plans, identifying KPIs and Targets to increase over time the level of contribution on the SDGs on which the De Nigris Group positively contributes and mitigate the risks of negative contribution to the achievement of the other relevant SDGs.

3.

**GOOD
HEALTH AND
WELL-BEING**

45%

- Promoting sustainable lifestyles for consumers
- Sustainable product innovation

CHAPTER 1/2

8.

**DECENT WORK
AND ECONOMIC
GROWTH**

54,4%

- Well-being and empowerment of people
- Quality and traceability of raw materials

CHAPTER 3/4

9.

**INDUSTRY
INNOVATION AND
INFRASTRUCTURE**

43,3%

- Sustainable product innovation

CHAPTER 3

11.

**RESPONSIBLE
CONSUMPTION
AND PRODUCTION**

32,1%

- Quality and traceability of raw materials
- Sustainable product innovation

CHAPTER 4/3

13.

CLIMATE ACTION

26,2%

- Emissions reduction and reforestation

CHAPTER 5

RELEVANT KPI FOR THE DE NIGRIS GROUP

Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and dry lands, in line with obligations under international agreements.

- Take urgent and significant measures to reduce the degradation of natural habitats, halt the loss of

biodiversity and protect and prevent the extinction of threatened species

- Mobilise and significantly increase financial resources from all sources to conserve and sustainably utilise biodiversity and ecosystems

- 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

- 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

- By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

- Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

- Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

- By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

- Integrate climate change measures into national policies, strategies and planning

CHAPTER 2

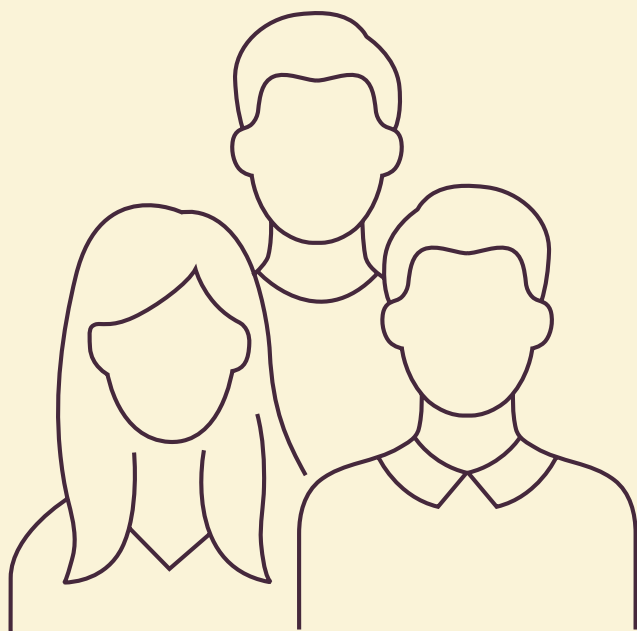
WELL-BEING AND EMPOWERMENT OF PEOPLE

- 2.1 DE NIGRIS PEOPLE
- 2.2 TRAINING AND DEVELOPMENT: UNLOCK THE FUTURE
- 2.3 DE NIGRIS ACADEMY



Our company is a family story,
a family that has grown from year
to year and, from generation
to generation, has passed on
its values and principles.

To date, the De Nigris family includes **more than 500 people** who work side by side every day to pass on the legacy of the past to the generations that will come, **guided by respect for tradition and the desire to innovate the future**. De Nigris therefore feels a responsibility and a desire to contribute to the **development of its people**, by designing specific paths of professional and personal growth, both external and internal.



DE NIGRIS PEOPLE
IN 2021

180

DE NIGRIS PEOPLE
UNDER 30 YEARS OF AGE

25%

WORKING DAYS
ALLOCATED TO TRAINING*

+10

* for each De Nigris person during 2021

CONTEXT



From an artisan passion to an international entity, our company has always cultivated the family motto with foresight: “**Borders do not exist**”. This concept resonates most with those young people today who struggle to see work as something that is produced through creativity, in the craft sense and that creating with the hands helps to give shape to a unique and original thought that starts in one’s brain.

Over the years, in our locations in Emilia-Romagna and Campania, we have cultivated young leaders capable of enhancing **the legacy of Italian vinegar excellence** and bring it into modernity.

UNLOCK *the future*

In order to future-proof the legacy of our past, in 2021 we created a training campaign for the **development of our people**.

“Unlock the future” is a **platform for new skills**, an investment in our people and our growth. It is the path that aims to consolidate and enrich the **training activity** dedicated to De Nigris managers and people.

FONDIRIGENTI



32

hours



5

participants

NEW SKILLS FUND



250

hours



119

participants*

* between specialised and white-collar workers.

In the 21st century, as technology develops at an exponential rate, the human factor makes the difference and must be trained vertically on **technical skills** and horizontally on all **leadership and managerial skills**, oriented towards the people to be led.

The “Unlock the future” course touched on several topics and was divided into two parallel paths.

The first, keeping the lens on the profound changes in the way of living and working in post-pandemic times, was reserved for our **managers** who were able to receive training on:



The entire course was conducted through an **experiential and interactive methodology** through the presentation of applied cases, facilitation, dialogue, group work, role playing and the application and monitoring of objectives.

The second course, intended for our **specialised operators** and our **employees** saw a broad participation and focused on the development of **vertical skills** for the development of their profession and the use of machineries.

DE NIGRIS ACADEMY

The De Nigris Academy is our hub of ideas, where we channel the **creative magma** of students with degrees in the exact sciences (chemistry, physics, engineering, economics and business), who enter as interns and then consolidate and put down roots in the company.

Love for **tradition** and passion for **innovation** have led us to set up a «mixed» model of a Company University, with the aim of sharing the company's history, knowledge and experience in order to promote the spread of the culture of Italian vinegars and condiments **throughout the world.**



A facility that, in addition to training and dissemination activities, offers a **meeting point** where entrepreneurs, hospitality professionals and agribusiness enthusiasts can dialogue and stimulate each other in the search for new ideas. Suffice it to say that it was Academy researchers who “invented” the first apple vinegar that can be drunk diluted in water, MelaMadre.

The main function of the De Nigris Academy is the **codification of distinctive individual and organisational competencies, known as “Core Competences”**, which are indispensable for the existence and development of the De Nigris Group.

There are four pillars of the Academy, each with specific training courses:



The Pillar dedicated to our people **HR & Development Center** is divided into four further core topics:

- Centrality of the individual;
- Valuing and developing the talent of employees;
- Sharing the values that characterise the De Nigris community
- Development of a stimulating and safe working environment

The Academy provides a customised training model for each individual, in order to create a pathway that meets their training needs, through three types of models:

LEARNING BY ABSORBING

Learning in the classroom
or with teaching materials

LEARNING BY DOING

Learning on site

**LEARNING BY INTERACTING
WITH OTHERS**

Learning through socialisation

At the heart of the Academy is the Scientific Committee, whose purpose is to evaluate and propose new projects and ideas, steer the Academy's activities and check the consistency of the content delivered against the ex-post strategy.

In the course of 2021, 25 people took part in training courses at the De Nigris Academy, with the aim of increasing training offerings and participation over time.

COMMITMENTS

for the future

To give our sustainable innovation path a new and important push we plan to include **social and environmental objectives** in the job descriptions of all our managers.

Launch of the **De Nigris welfare** programme for our people including specific initiatives to improve their well-being and develop their **full potential**.

Increase training courses and their participation, involving at least **49%** of our people in **transversal training courses**.



CHAPTER 3

EMISSIONS REDUCTION AND REFORESTATION

- 3.1 SUSTAINABLE PROCESSES
- 3.2 CO2ALITION ITALY
- 3.3 ENVIRONMENTAL REGENERATION



Ours is a reality that has been bringing **the excellence of Made in Italy vinegar** in the world for more than 130 years; during this period of time the Earth's temperature has grown at an exponential rate. Scientific consensus identifies human activities as the main cause of this phenomenon.

At the same time, the word sustainability is often abused in public debates and in operational attempts to apply it to business: in being abused, it is trivialised. This is probably due to the fact that it is a broad term, looking at a multitude of factors related to governance, social and environmental aspects of how people develop their activities. Luckily, in the environmental field, science, regulations and the development of environmental standards, mark the way, and it is with these tools that we support all our business decisions. In a perspective of **collaborative action**, we develop partnerships with entities like ours, which share the same values, in order to **multiply our efforts and impacts for a future of prosperity**.

We deeply believe in the positive role of business and that doing business responsibly can help bring solutions to humanity's grand challenges, including achieving the climate neutrality goals that the European Union has set for 2050.

CONTEXT



In bringing a vinegar of excellence to the tables of thousands of families, we have indirect and direct environmental impacts: the former mainly related to the generation of the raw materials we use, the latter mainly related to the production of our vinegars within our 4 production facilities and to the transport to and from our sites.

These impacts contribute to the generation of CO₂, whose concentration levels in the atmosphere in recent years have been the highest in the last 2 million years, and of the other main greenhouse gases (methane and nitrogen dioxide) present in the biosphere in the highest concentration in the last 800,000 years.

As people, managers and heads of European companies, we know how fundamental our role is to limit global warming to 1.5°C and contribute to the achievement of climate neutrality goals that the European Union has set for 2050. With the full conviction that everything that is measured gets attention, during 2021, we have equipped ourselves with robust tools for measuring key environmental metrics, initiated reforestation projects and developed partnerships that we will present later in the chapter in order to preserve the health of the Planet.

CO₂ALITION ITALY

Convinced that decarbonisation is generating the greatest wave of transformation ever experienced, in early 2022, we decided to act in coordination with 60 other Italian companies from different business sectors to limit global warming to 1.5°C and contribute to the achievement of the EU 2050 climate neutrality targets.

CO2alition Italy was created with the idea that an enabling condition for the decarbonisation of companies is the permanent integration within their founding document, the articles of association, of a climate neutrality goal in line with European targets

Our membership of CO2alition Italy represents much more than just a project that we have enthusiastically supported since its inception, but an orientation, a direction that, like a North Star, will guide all our business decisions in the future.

We have therefore officially committed to incorporate into our bylaw the following purpose:

*The company
is committed to
implementing a gradual
evolution of its
business and operating
model toward a
climate-neutral
economy, in line with
European climate
neutrality goals
and national green
transition goals.*



CO2alition Italy is a movement of Italian companies that have chosen to **elevate the commitment to climate neutrality** to a corporate purpose, on a par with profit generation, by formalising it within the company articles of association with the aim of creating the necessary conditions to tackle the climate crisis and help achieve European targets. The three main **objectives** of the movement consist of:



Accelerating the gradual evolution of business and operating models towards a zero net greenhouse gas emission economy, in line with European and national ecological transition targets



Inspiring all Italian, European and global **companies** to follow



Making Italy emerge as the first “disruptive element” for the propagation of the greatest **wave of transformation** ever experienced

<https://co2alizione.eco/it/inizio/>

In analogy with the annual reporting mechanism on the common benefit purpose of Benefit Companies, introduced in Italy by law no. 208 of 28 December 2015, this change in the articles of association will be followed by our continued commitment to reporting on our actions related to decarbonisation to ensure **maximum transparency towards our stakeholders.**

With this commitment of ours, we wish to show a possible way for a **positive change** to other leading companies, demonstrating how business should and can be a positive force. Never before have we been called upon to undertake changes that lead to a **progressive evolution** of our business model in a regenerative key, and it is precisely with this model that we want to set an example and become **promoters in Italy, Europe and the world.**

Environmental REGENERATION

The desire to bring the traditional relationship between wellness and vinegar into modernity, and to do so with the utmost attention to the environmental and social impacts of the areas in which we directly and indirectly operate, are the principles that, at the end of 2020, led us to present a **proposal for the redevelopment of 44,600 abandoned square metres of the former livestock breeding centre Le Valli di Migliarina to the Municipality of Carpi.**

In December 2021, the Carpi City Council approved our proposal to redevelop the area, allowing the use of **7,333 square metres of surface area of the demolished buildings** of the centre to enhance the Balsamico Village, the first theme park in Europe dedicated to the Italian food excellence of Balsamic Vinegar of Modena IGP..

Thanks to this intervention, it will be possible to recover the pipes of the old building and reuse the reclaimed plot through **regeneration and reforestation of the land** and realise the largest intervention of **desealing** of land, i.e. transformed from impermeable to permeable, ever implemented in Carpi.



DE NIGRIS, 1889

SQUARE METRES UPGRADED

44.600

HECTARES OF LAND RETURNED
TO AGRICULTURE

4

NUMBER OF TREES PLANTED

10.000

This is a result we particularly value because it goes against the growing sealing of Italian soil, which is advancing at a rate of 2 square metres per second and which in recent decades has “consumed” about 8% of our land*, with the result of fostering phenomena of natural degradation, habitat fragmentation and related social and economic damage.

The impact of the intervention will return more than four hectares of land to agriculture, enrich the Balsamic Village in terms of tourist attractiveness, add production potential to the industrial plant, and create more than twenty jobs.

The remaining 6,000 square metres of the area transferred from Migliarina will be used to expand the AIMO industrial plant in Via Fornace, as well as to adopt industrial automation systems and improve the working conditions of our people.

*Land consumption, spatial dynamics and ecosystem services. National System for Environmental Protection, 2020.

COMMITMENTS *for the future*

450 kWp of photovoltaics
will cover the 2500 m²
of our new warehouse
in Caivano during 2022

Start monitoring of key environmental
metrics (energy, water and waste) through
an Environmental Management System
(EMS) to set increasingly challenging
targets for reducing the impacts of our
business processes

Life Cycle Assessment (LCA)
on a first product range (Balsamic range)
to take our product impact reduction
measures to a deeper level

We will report annually on the
main actions implemented to
reduce environmental impacts
on our website (in line with our
membership of CO2alition Italy)

CHAPTER 4

QUALITY AND TRACEABILITY OF RAW MATERIALS

- 4.1 THE RELATIONSHIP WITH SUPPLIERS
- 4.2 PRODUCTS WITH A STORY TO TELL
- 4.3 AN ETHICAL AND RESPONSIBLE SUPPLY CHAIN



Our supply chain concept is based on the principles of reciprocity and collaboration. Through these two elements, we promote **Made in Italy** and honour our commitment to bring the **tradition of italian vinegar into modernity**.

Over the years, we have developed a relationship of **interdependence** with our suppliers, rewarding **lasting relationships** and raising the bar to enhance the distinctiveness of our products, to contribute to the improvement of the agri-food system, the working conditions of producers and innovation within our value chain.

BUILDING THE LOYALTY OF DE NIGRIS' MAIN CUSTOMERS IN ITALY

ITALY	2021	2022*	YEARS OF LOYALTY OF THE 10 BEST CUSTOMERS	NUMBER OF CUSTOMERS
Percentage of turnover related to our top 10 customers	64%	62%	From 0 to 6 years	1
			For at least 7 years	3
			For at least 10 years	6

BUILDING THE LOYALTY OF DE NIGRIS' MAIN CUSTOMERS ABROAD

ABROAD	2021	2022*	YEARS OF LOYALTY OF THE 10 BEST CUSTOMERS	NUMBER OF CUSTOMERS
Percentage of turnover developed by top 10 customers	47%	48%	From 0 to 6 years	1
			For at least 7 years	0
			For at least 10 years	9

*ytd 09/09



RECIPROCITY



COLLABORATION

CONTEXT



Agrifood, the sector in which we have been operating for more than 130 years, is undergoing **profound transformations**, with a new awareness on the part of consumers, the spread of new digital technologies and the paradigms of agriculture and Industry 4.0 requiring us to **rethink how we operate and collaborate** within the supply chain. Adding to the changes already underway was the Covid-19 emergency, which is proving to be an important driver of acceleration.

The transition to a **circular economy** is a key development, growth and competitiveness factor for the De Nigris Group and is one of the priorities for economic recovery outlined in the Next Generation EU* strategic plan.

Acetificio De Nigris joins this awareness, which is why over the past year, we have consolidated our commitment to **creating wealth in our value chain**, convinced that if there is a low cost for products, it means that these costs are being paid by others in the form of underpricing for farmers, unfair competition and business cannibalism.

*Recovery Plan for Europe



PRODUCTS

with a story to tell

From the grape in the grower's soil, to the bottle on the consumer's table, each processing step adds **value and uniqueness** to our product for us. In the spirit of collaboration with the supply chain, we believe that every product we bring to the table should have a story to tell. This goes through **listening, engagement and cocreation** with our entire supply chain so that everyone can add a piece of their own story to that of our product..

In the course of 2021, we identified the material issues guiding our sustainability strategy and initiated **active engagement with our suppliers** culminating in the introduction of an initial model for measuring their sustainability performance..

This allows us not only to put sustainability parameters at the same level as business ones, but to open dialogues aimed at **improving impact performance with our entire supply chain.**



Furthermore, in order to maximise the impact on the territories where we operate and reduce emissions related to logistics, we have defined an additional parameter in the selection of suppliers, classifying them into:





Starting with an increased awareness of the sustainability performance of our supply chain and the measurement of the impacts of our products throughout their entire life cycle; in the future we plan to collaborate and co-design innovative solutions with our suppliers to improve the impacts of each stage of the value chain of our products.

An ethical and responsible **UNA FILIERA**

In order to give a new impetus to our sector, during 2021, we have consolidated a path of development of an **ethical and responsible supply chain** that started in the second half of 2019 with the introduction of **Aceto dal Campo (Vinegar from the Field)**. Every element contained in Aceto dal Campo, from the grapes to the soil that ripens them, from the work in the vineyard to the transport of raw materials, from processing to bottling and distribution is **perfectly traceable and certified**.

This was also possible thanks to the collaboration with **Coldiretti**, which was created with the vocation of promoting Italian agricultural and food excellence through a “Pact” between farmers and the processing industry. **Filiera Italia** is the initiative realised by Coldiretti, which aims to promote Italian agri-food excellence and which today counts more than 50 associated Italian agri-food brands. At the De Nigris Group, we joined the initiative, immediately recognising its value and our alignment with the principles that inspired it.

The project involves the supply chain from the producers and the territory, further enhancing the distinctiveness and primates of our territories and the “Know-how” of those who live and work there, to the consumers, giving them an additional incentive to choose a certified and controlled product of Italian origin. Aceto dal Campo is in fact perfectly recognisable by the label “**Made by Italian farmers**”. In fact, in the CSQA-certified project, in 2021, the grapes came exclusively from Coldiretti growers, of which 45 were from Apulia.

In the future, we plan to involve growers from other Italian regions.

This product is actually dedicated to all agricultural producers in the Italian supply chain.

It is a celebration of Italianness and locality.

The positive impact of this product develops is twofold: on the one hand, there is a **strong vocation for social impact**, rewarding small producers and establishing together with them a fair price for the fruits of their labour and the duration of the contractual terms; on the other hand, this makes it possible to eliminate logistical steps in the value chain and to **reduce emissions** thanks to the direct relationship with the farmer. In addition, the packaging is in glass bottles in support of the **#plasticfree** project.



COMMITMENTS

for the future

Involving an increasing number
of farmers and producers within
the ethical supply chain

In 2022, we will define and share
with 100% of our suppliers a
Code of Conduct to stimulate value
alignment within our value chain

From 2022, we will share a questionnaire
with 100% of our suppliers to
map their performance of sustainability
and that of the raw material
we acquire through them



CHAPTER 5

SUSTAINABLE PRODUCT INNOVATION

- 5.1** IMPACT STORIES: ORGANIC PRODUCTS FOR THE HEALTH
OF PEOPLE, ANIMALS AND THE PLANET
- 5.2** FROM BOTTLES TO PRE-FORMS
- 5.3** SELECTION OF RAW MATERIALS
- 5.4** PACKAGING AND DISTRIBUTION



Can you be innovative with a product as old as mankind like vinegar? Yes, if you are not afraid to invest your heritage in developing new products and finding new markets.

Innovating our product to make it better and more sustainable while remaining true to tradition is the primary principle that guides us and has allowed us to consolidate our heritage for over 130 years.



DE NIGRIS BRAND TURNOVER
GENERATED BY PRODUCTS LAUNCHED
IN THE LAST TWO YEARS



NEW PRODUCTS LAUNCHED
IN THE LAST TWO YEARS



HERITAGE



For more than three generations, our family has dedicated itself with passion and wisdom to the production of vinegar, constantly searching for the best possible product. **A story that began more than 130 years ago**, when Armando De Nigris opened the first vinegar factory, immediately gaining important recognition from his customers. This success was consolidated in the following years, when De Nigris products were brought to the international market and production was expanded to include the prized Balsamico.

An innovative spirit that still guides us today, with the contribution of the third generation of Master Vinegar Makers, and allows us to offer our customers products of excellence, appreciated worldwide for their quality and creativity.

Our innovation path involves raw materials and age-old processes according to **a viewpoint necessarily projected towards sustainability**, so as to be able to make them last over time.

CONTEXT



Our products are composed of two fundamental dimensions: **the raw material and the casing** that contains and preserves it.

Over the years, our focus has been on the phase of the life cycle with the highest impact: **the cultivation of the raw material**. Thanks to the study of innovative and sustainable solutions and the selection of producers with a controlled supply chain and high sustainability performance, who use farming techniques such as organic farming that respect the soil and natural habitat.

With regard to the packaging of our products, the focus has been on the **selection and reduction** at the source of the materials used, as well as on the **quantification of emissions** caused by the transport of packaging.

IMPACT STORIES

Organic products for the health of people, animals and the planet

Developing more than century-old knowledge of age-old processes for the creation of products in tune with the One Health concept, that the basis of the innovation efforts of our master vinegar makers.

One of the ways in which we strive for this concept, defined by the One Health Initiative Task Force (OHITF) as an approach that requires “the collaborative efforts of multiple disciplines working together locally, nationally and globally to achieve optimal health for people, animals and the planet”*, is through the **production of organic products**.

The production of organic food and beverages, compared to conventional alternatives, limits the use of toxic substances contained in certain types of synthetic pesticides and herbicides, which has a positive impact on **preserving the ecosystem, human health and animal and plant biodiversity**.

This awareness has led us to push design as far as possible and make more organically grown vinegars available to consumers.

In 2021, 19.8% of the De Nigris Group's 2021 turnover was generated with organic products compared to 18.3 in 2020. For us, this result is the fruit of an **ethical choice** and represents the **start of a path** that we are committed to pursuing over the years, planning to increase this percentage even further.

*https://www.avma.org/sites/default/files/resources/onehealth_final.pdf

**Composition of the ORGANIC
product portfolio**

TURNOVER OF ORGANIC
PRODUCTS OUT OF TOTAL

15,5%

ORGANIC PRODUCT
PORTFOLIO OUT OF TOTAL

19,8%



FROM BOTTLE TO PRE-FORM

Towards environmentally friendly packaging

The second key variable to consider in the sustainability equation for our products is **packaging**. Our product is organic by nature and the packaging serves to preserve its properties and essence.

The challenge we have embraced is to develop packaging that not only meets stringent audits and quality checks, but also **minimise environmental impacts throughout its life cycle**.

With this in mind, during 2021, we analysed the stages of the packaging value chain in terms of impact “hotspots”. Among the packaging improvement opportunities with the greatest impact, we identified the selection of **raw materials**, the **transport of packaging and its volume** and on these issues we have initiated actions.



SELECTION *of raw materials*

During 2021, our actions were mainly focused on plastic packaging, due to the higher environmental impacts. We engaged with the two ends of the value chain that have the most leverage in designing and using more sustainable packaging: **our suppliers and customers**.

With our suppliers, we have worked to develop packaging that best preserves our products, meets durability requirements and **reduce environmental impacts** by initiating the transition from the use of High and Low Density Polyethylene - HDPE and LDPE - to PET for the production of plastic bottles. At the end of the transition - to be completed by July 2022 - PET will make up **98%** of our packaging made of plastic and processed on 3 dedicated lines compared to the remaining 5 dedicated to glass packaging. In 2021, 2.5% of PET used for plastic bottles was made up of **Recycled PET** (R-PET) with 50% regenerated component.

With the aim of increasing deployment and actively offering customers solutions with a remanufactured component of 70-100%.

98%

Of plastic bottles switched from High and Low Density Polyethylene to PET (2.5% of PET is recycled PET, R-PET)

136.000

Tons of plastic avoided thanks to packaging redesigns

+1.7mln

Grams of CO2 avoided by working on packaging material and transport

+16mln

Grams of CO2 avoided expected from total production of 2022

THE R-PET LIFE CYCLE



The **polyethylene terephthalate (PET)** is a plastic material widely used to produce bottles and containers, thermoformed packaging, strapping and can also be spun for textile applications.

PET is also used as a raw material for the production of containers and bottles for the packaging of a wide range of food and other consumer goods. Examples include carbonated soft drinks, alcoholic beverages, detergents, cosmetics, pharmaceuticals and edible oils.

PET is one of the most widely used consumer plastics and has the advantage of being **easily recyclable**.

Empty PET packaging is discarded by the consumer and after use **does not become waste** but is referred to as “post-consumer PET or R-PET” once the recycling process has begun.

TRANSPORT *of bottles*

We asked ourselves what we could do to significantly reduce environmental impacts in the transport phase of the packaging. The answer to this question was as simple as it was transformative of our processes:

blowing PET and recycled PET on site. The PET preform is produced by a moulding process: molten PET injected into a mould gives rise to the preform, which after a further processing step, blow moulding, takes the shape of our final bottles.

This process, which we have researched and implemented in-house in the course of 2021, avoids having to transport the entire bottle to our production sites: fewer kilometres travelled and consequently **fewer emissions**.

This switch will make it possible to arrive at a hybrid phase, moving away from the pure logic of the buy, in terms of buying bottles, and arrive at the phase of the making, or blowing bottles on site.



DE NIGRIS, 1889

PRE-FORMS PURCHASED

+ 1 mln

BOTTLES PRODUCED IN ONE HOUR

8000

REDUCTION AT THE SOURCE
OF RAW MATERIAL

- 8 tons

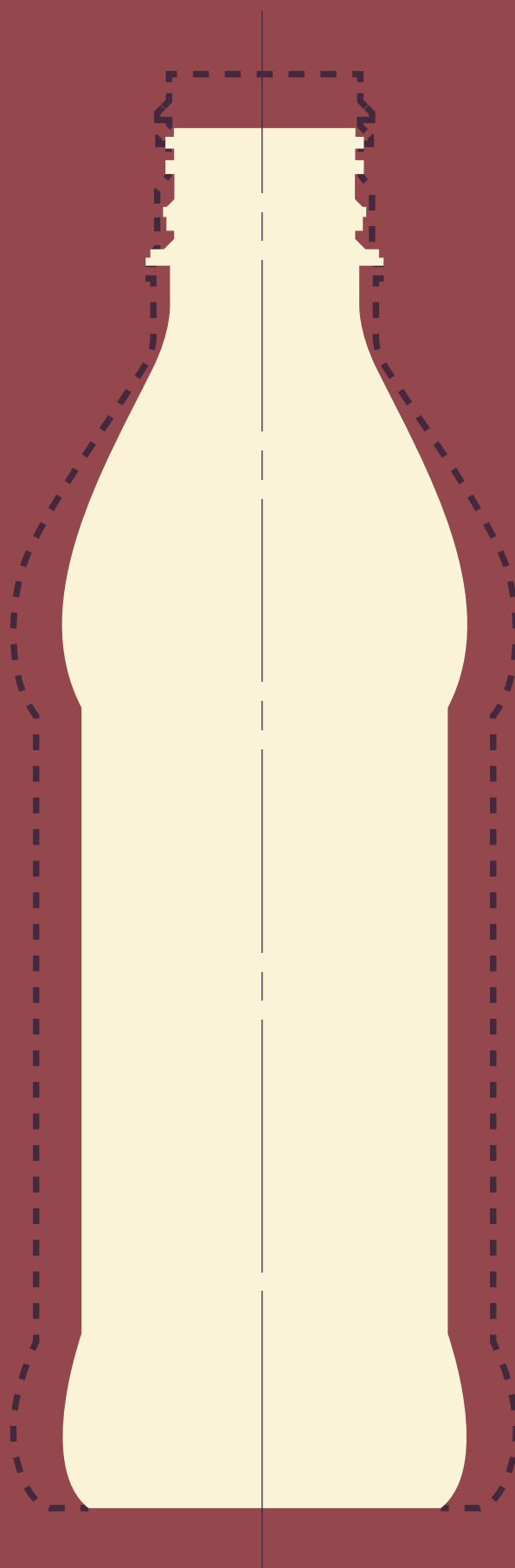
REDUCTION

at the source

inally, important innovations during 2021 concerned the **design of solutions to reduce the plastic material** used to contain and preserve our products. On the one hand, in cooperation with our suppliers, we have developed a solution for plastic bottles that makes it possible to eliminate the presence of a protective capsule as a security seal by introducing a cap that incorporates the function of a tamper proof seal. This made it possible to reduce the raw material - PET and aluminium disc - used in the production of each bottle by about 1g.

On the other hand, we have completely rethought the **packaging design**, reducing the weight and impact of our bottles with the same quantity of product in them.

OLD
PACKAGING





COMMITMENTS *for the future*

Packaging with less impact

Eliminate protective caps as a security seal in favour of a cap that incorporates the tamper proof seal function on the **50%** of OGIVA production, thus acting on 50% of more than **6.000.000** bottles

Sustainable products for humans, animals and the earth

We are committed to conducting a life cycle assessment (LCA) of a range of products, to measure all the impacts of our value chain and make increasingly conscious choices in the design of our products

Start the production and marketing of plastic bottles with **70-100% recycled plastic (R-PET)**

Develop at least **15%** of plastic bottles with **50% recycled plastic (R-PET)**

CHAPTER 6

PROMOTIONS OF HEALTHY AND SUSTAINABLE LIFESTYLES

- 6.1 THE DE NIGRIS RECIPE
- 6.2 WELLNESS VINEGAR AND HEALTH FACTORY
- 6.3 THE BALSAMIC EXPERIENCE AND THE BALSAMICO VILLAGE



/in·ter·de· pen·den·ce/

noun

Relationship of mutual dependence.

Ours is an holistic approach to sustainability: we recognise that the intimate interconnection between different social and environmental players and phenomena - interdependence - must be considered before making any business choice.

This is why, in order to make a positive contribution to the environment and to the health of our customers, who have been appreciating our vinegars for more than 130 years, the involvement and activation of our stakeholders throughout the lifecycle of our products, as well as the promotion of a very old product with beneficial properties such as vinegar, has been crucial.



"WELLNESS VINEGAR" PRODUCTS



M2 ON WHICH THE BALSAMICO VILLAGE*
IS DEVELOPED



VISITORS DURING 2021

*The first theme park in Europe dedicated to the Italian food excellence of Balsamic Vinegar of Modena IGP.

HERITAGE



Vinegar is a product with ancient origins that has always been valued for its beneficial properties. The relationship between vinegar and well-being was already established in Ancient Rome where it was used not only as a thirst-quenching drink, but also by early doctors to treat patients and disinfect tools, as well as to reduce the likelihood of contracting infectious diseases such as plague and cholera. The Italian tradition of vinegar was consolidated over time and became famous throughout Europe during the 19th century: these were the years when **our family started producing vinegar, contributing to make vinegar an Italian condiment recognised all over the world from a marginal product.**

Respecting the traditional relationship between wellness and vinegar, our master vinegar makers have evolved our range of Wellness Vinegars and new vinegar variants have been created, e.g. extracted from apple, pomegranate, coconut and rice, but also compounded with the addition of ingredients that contribute to personal well-being such as honey, turmeric, ginger and raspberry.

Our offer was then expanded in an innovative way through the **Aceto da Bere** (Vinegars for drinking) product line that offers a practical way to supplement nutrients, antioxidants and benefits for the gut microbiota at any time

CONTEXT



The gut flora is a complex ecological system consisting of billions of micro-organisms living in the gut in an interdependent relationship to perform a large number of important functions. However, certain factors can damage and upset this balance, leading to the appearance of certain annoying disorders. In general, the eating pattern of the Mediterranean diet favours the natural growth of the gut microbiota. The introduction of vinegar in the diet, according to some scientific studies*, is able to **reduce calorie intake**.

Vinegar is generally low in calories, rich in interesting properties (improves digestive functions, among others), prolongs the sense of satiety and is an excellent flavour enhancer, therefore, using it for seasoning makes it easier to consume less salt.

During 2021, particular attention was paid to the evolution of the “de Nigris Recipe” under the banner of sustainability and to the **development of consumer information and education activities on the health, wellness and sustainability of the Mediterranean diet**.

*<https://www.hsph.harvard.edu/nutritionsource/food-features/vinegar/>

THE *De Nigris* RECIPE

Since 1889, our recipe has co-evolved with us according to the principles of **quality, traceability and the combined health of people and the planet.**

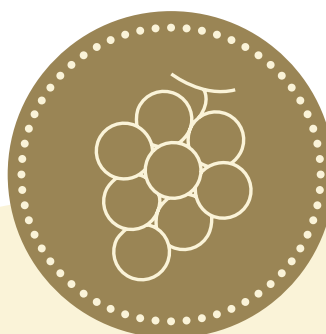
The result is a recipe that is the outcome of a continuous improvement process that our master vinegar nurtured during 2021 by working on **four main components**:

SUPPLY CHAIN



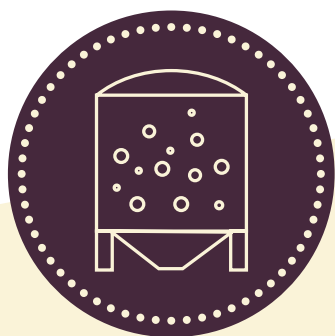
Choosing only Italian raw materials and wine vinegar from an ethical and sustainable Coldiretti supply chain. **Ethics** because it tracks and protects the conditions of workers along the supply chain and offers them payment of an adequate wage. **Sustainable** because it is local, traceable and of high quality. In this way, we support the values of Filiera Agricola Italiana in order to protect together the real Made in Italy agri-food products, to restore pride and benefits to the community.

RAW MATERIALS



Through the selection of high quality musts, of which each variety is crushed within **48 hours after harvest**. The seven varieties used in the production of Balsamic Vinegar of Modena IGP are: Lambrusco, Sangiovese, Trebbiano, Albana, Ancellotta, Fortana and Montuni.

PROCESSING



After a careful series of analyses and controls according to the De Nigris quality system, each selected batch of must is transformed into vinegar inside steel fermenters. Processing takes place in a **100% natural** way from crushing to cooking, in short times and controlled temperatures of 14-15° throughout the process, which allows the fresh must to be processed without the addition of sulphur dioxide (sulphites) to stop uncontrolled fermentation, achieving the correct density and optimum colour in a natural way without the addition of caramel.

FINAL PRODUCT



Exclusive blend and refinement from the De Nigris vinegar production facilities. We blend the musts from 7 grape varieties in our fine wooden barrels to obtain and guarantee over time the organoleptically most suitable blend for the various types of balsamic vinegar in its various densities and types of use.

WELLNESS

VINEGAR

and Health

Factory

A few years ago, our master vinegar makers decided to shake up the domestic market by enhancing the traditional relationship between wellness and vinegar with the introduction of the “**Vinegars for drinking**” category.

MelaMadre is the vinegar for drinking: produced exclusively from the juice of 5 organic apples and without the use of concentrates, it is used in low-calorie diets to reduce hunger pangs and can be consumed by athletes because it helps reduce muscle fatigue. As its name suggests, it **combines the virtues of mother vinegar with those of pure**, unfiltered, unpasteurised and gluten-free **Italian apple juice from organic cultivation**.

The MelaMadre experience gave rise to other variants, extracted for example from pomegranate, coconut and rice, all ingredients known for their benefits to the body. In addition, extracts of **health-promoting** ingredients such as honey, turmeric, ginger and raspberry have been added to the MelaMadre variant.

To make this age-old foodstuff accessible to everyone, we have also created the **100% natural Glaze**, a product with no added sugar, no colouring agents and no thickeners, born from the union between the must of the best Emilian grapes and the Balsamic Vinegar of Modena IGP aged for a long time in oak barrels. De Nigris has always positioned itself in the market as a **company attentive to healthy eating**, seven more so today by deciding to transform itself into a “Health Factory”, promoting healthy, tasty and nutritious Italian products.





THE *balsamic* EXPERIENCE

To honour our vocation and maximise the positive impact of our vinegar initiatives, we decided to go further and design a physical place that could welcome and educate people by developing a true **balsamic experience**.

From this idea, created in 2016 was the Balsamico Village, which went down in history as **the first theme park in Europe** dedicated to the Italian food excellence of Balsamic Vinegar of Modena IGP.



BALSAMICO VILLAGE

The physical space is reminiscent of a citadel and covers an area of **700,000 square metres** around a single theme: that of the history of the balsamic vinegar recipe, telling the world about the **tradition and quality of the territory** through the valorisation of the mother earth that gives rise to the product. The setting is immersed in an agricultural area cultivated with vineyards, typical farmsteads and ageing sites **for over 40 thousand square metres**. The intervention was carried out with respect for the landscape and without impacting the “peasant” ecosystem.

The education and awareness trail is designed to engage visitors in **a real journey** that starts with the tradition of vinegar, retracing the historical process of development and moving through the vineyards and smells of the nights where Balsamic Vinegar of Modena IGP is aged.

COMMITMENTS *for the future*

Reach at least
+5.000 visitors
within the Balsamico
Village during 2022.

Our aim in the long run is to convey a **positive impact through our products**, not only through our recipe based on sustainability principles, but also through a part of **education on our labels**.

A unique idea on the market that stems from the desire to involve and inform our customers, making them part of a positive change. Today, our labels indicate how our product is made and how it should be used, in the future, we want to add **more and more information for the customer** also about the positive impacts of the product.

Monitor our customers' **satisfaction** and develop **engagement actions** with them on our material topics.





CONCLUSIONS

For us, this first sustainability report represents the distillation of years of history and tradition, left to age and ferment so that it can be delivered to our consumers; it represents our highest form of commitment to improvement and transparency towards our stakeholders, who contribute a piece to our story every day.

In an honest and transparent manner, we have accounted for the impacts of our practices and elements of our way of doing business over the past year, the areas of evolution we have been working on recently in reaction to the exponential changes in the biosphere and society, and, finally, those in which we want to engage more and more in the future, for ourselves and for all generations to follow.

We thank every single person within our value chain who supports us in bringing positive change to the agribusiness sector and to the tables of our consumers.

We would like to thank those who, before us, marked everything we do with the spasmodic pursuit of quality with respect for the raw materials and the people who handed down these principles to us day after day.

This first report is also just the first exercise of reporting on our impacts. We are committed to increase the transparency in reporting our practices and to narrate our path of sustainable evolution that continues to push us towards a regenerative business paradigm for society and the biosphere.

Analysis, content and
communication design

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Creative concept and design

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RICREATING the FUTURE



