Branca International S.p.A.

BRANCA GROUP PRESENTS ITS 2025 SUSTAINABILITY REPORT: THE VALUE OF A BUSINESS THAT CONTINUES TO EVOLVE

From building on its industrial heritage and managing resources to focusing on people and responsibilities across the value chain, the Report outlines the Group's decisions and activities in Italy, Argentina and the United States. Key developments include the first calculation of Scope 3 indirect greenhouse gas emissions and new results from material recovery projects.

Branca Group presents its 2025 Sustainability Report, outlining the year's results and activities and illustrating how a family-owned business, whose products are available in more than 160 countries, continues to develop its industrial model through its commitment to quality, innovation in production processes, the value it places on skills and expertise, and the careful management of resources.

The year 2025 marked the 180th anniversary of Fratelli Branca Distillerie. Throughout its history, the company's ability to navigate economic, industrial and social change has been closely connected to the preservation of its accumulated knowledge and expertise, alongside the evolution of its production methods and ways of operating in different markets. This is the meaning of *Novare Serbando*, a principle that has been part of the Group's entrepreneurial culture for generations and continues to find expression in the decisions documented in the latest Report.

The Report provides an overview of the activities undertaken by the Group's companies in Italy, Argentina and the United States, recognising the distinct operating environments of each business and the shared responsibilities that underpin production, distribution and stakeholder relationships.

Industrial Development and Resource Valorisation

Knowledge of raw materials, the quality of production processes and the ability to modernise production equipment are central to Branca's industrial identity.

In 2025, the Group continued work on its production facilities. In Italy, a new water demineralisation system was installed, while work began on the installation of a new steam generator. In Argentina, the introduction of on-site water treatment using reverse osmosis changed the facility's water supply arrangements.

The Sustainability Report examines these developments alongside the Group's environmental performance indicators. During the year, the Group's energy consumption increased by 11% and water withdrawals rose by 16%, with both increases significantly linked to changes in production processes at the Argentine facility. The Report provides an analysis of the operational factors behind these figures, placing the results within the context of the Group's industrial activities.

A tangible example of resource recovery is the project to repurpose ageing casks that are no longer used in production. Launched in 2024, the initiative involved approximately 30 casks, representing 30 tonnes of wood, which were destined for conversion into parquet flooring. The first phase of processing was completed in 2025, producing approximately 2,500–3,000 square metres of flooring.

The initiative illustrates how materials can retain their value beyond their original use, bringing together industrial heritage, knowledge of resources and new applications.

Greater Insight into the Value Chain

One of the principal developments highlighted in the 2025 Sustainability Report is the first calculation of Scope 3 indirect greenhouse gas emissions by Fratelli Branca Distillerie S.p.A., covering activities within its value chain.

The measurement, amounting to approximately 12,589 tonnes of CO_2 equivalent and covering the Italian company, encompasses a range of indirect activities, including purchased goods and services, raw materials, packaging materials and logistics.

The expansion of emissions reporting enables a deeper understanding of the environmental impacts associated with activities both upstream and downstream of production, providing further information to support future assessments.

This is also reflected in the sustainability reporting procedure adopted in 2025, which defines responsibilities and processes for data collection, validation and consolidation, strengthening coordination across business functions and improving the traceability of reported information.

People, Quality and Community Relations

The long-term continuity of a business depends on the expertise of its people, their ability to pass on knowledge and their capacity to develop new skills.

The Report outlines the Group's initiatives in professional development, employee wellbeing and occupational health and safety. As at 31 December 2025, Branca Group employed 357 people, 97% of whom held permanent contracts. No workplace injuries were recorded within the reporting scope during the year.

The Group maintains a consistent focus on product quality and safety through supplier selection, raw material controls, traceability and management systems implemented across its production facilities. These activities are accompanied by a commitment to providing accurate information to consumers and promoting responsible consumption.

The Group's sense of responsibility is also reflected in its relationships with the communities in which it operates. In Milan, Museo Collezione Branca preserves the company's historical, industrial and cultural heritage and makes it accessible to the public. In Argentina, Accademia Branca, developed in partnership with UADE, promotes training for hospitality professionals alongside educational and social initiatives. In the United States, Branca USA supports projects

focused on training, inclusion and environmental protection, including corporate volunteering initiatives.

Financial Strength and Responsibility for Decisions

The Report also presents the economic dimension of sustainability, understood as the ability to generate and distribute value and ensure the continuity of business operations.

In 2025, Branca Group generated €441.8 million in economic value, compared with €465.9 million in the previous year, against an economic backdrop influenced in part by the depreciation of the Argentine peso. Economic value distributed to suppliers, employees, public authorities and providers of capital amounted to €318.9 million.

These results form part of a broader context encompassing environmental and social responsibilities, governance systems, the analysis of material topics and dialogue with the Group's various stakeholders.

As Niccolò Branca, Chairman and Chief Executive Officer of Branca International, emphasises in his introductory letter to the Report, the conditions in which the business will continue to operate depend on the decisions taken today.

The 2025 Sustainability Report thus reflects the meaning of entrepreneurial responsibility built over time: the ability to preserve an industrial identity through product quality, the development of skills and an increasingly thorough understanding of business processes and their consequences.

The full 2025 Sustainability Report, prepared with reference to the GRI Standards 2021, is available on the Branca International website.