



LAND

COMMITMENT

PASSION

Consolidated Non-Financial Disclosure 2019

Prepared pursuant to Legislative Decree no. 254/2016

Sustainability Report

La Doria Group

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Letter to the stakeholders



Antonio Ferraioli
Chairman



Andrea Ferraioli
Chief Executive Officer

Dear reader,

The ambitious revenue goals we have achieved over the last few years are a source of great pride. They are also, however, a reminder both of the responsibilities we owe to the people and community around us, and of our obligation to ensure that our growth delivers shared value for every one of our stakeholders.

The publication of our first Sustainability Report three years ago represented our response to the challenge laid down by Decree 254, and of our commitment to sustainability in our day-to-day activities and throughout our value chain. So began a policy of non-financial reporting and transparent, accurate communication. From the outset our reporting has gone beyond that required by law, reflecting our belief that sustainability reporting is an opportunity, rather than a mere compliance obligation. It was in this spirit that in early 2019 the Board of Directors assigned Sustainability duties to the Control and Risks Committee. This, our fourth edition, is a moment to take stock: circumstances outside the company, both nationally and internationally, have prompted the gradual shifting of our business model towards an integrated management-based approach

The economic, social and environmental changes we are currently witnessing mean that we cannot simply confine ourselves to limiting the negative effects of our business and to communicating our non-financial performance.

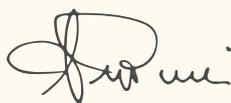
This year, as requested by the Chairman of the Corporate Governance Committee of *Borsa Italiana S.p.A.*, we have undertaken initiatives designed to integrate sustainability into strategy and into all of our operational processes. We have therefore developed a three-year Sustainability Plan 2020-2022 with objectives in line with those set out in the Industrial Plan and the United Nations 2030 Agenda, and which is organised into operational objectives and specific targets.

The strategic objectives which will be the main focus of our efforts in this three-year period are: the integration of sustainability into business strategies; the development of Human Capital and expertise; optimised resource use and reduced emissions; responsible procurement and supplier partnerships; the socio-economic development of the community and the local area, and the strengthening of our corporate image and customer loyalty. As such we are working in partnership with suppliers and customers to guide the Private Label sector towards a sustainable vision of national development and consumption. Together we are creating high-quality products at competitive prices, developing long-term relationships with both customers and suppliers and promoting initiatives designed to ensure that conditions remain stable over time, thus encouraging sustainable investments and developing a responsible supply chain.

Our ethos is one of collaboration and shared objectives, each contributing according to their ability to offer traditional products with the same passion as ever, using the best raw materials, meeting the expectations of today's customer while simultaneously staying true to the founding principles of our company, guiding the business and its supply chains towards development that respects both people and the planet. In this spirit come initiatives to reduce the plastic content of our packaging, to increase the use of recyclable rather than virgin materials, to promote the development of sustainable agriculture by encouraging our suppliers to adopt socio-ethical-environmental standards, and finally the award of the new "Friend of the Earth" certificate which promotes production methods that are sustainable both for the environment and the individual

There is still work to do on aligning our vision with the vision of our suppliers and customers. This is why in 2019 we created opportunities for dialogue and the exchange of ideas on common topics with both. To promote both this integrated vision and proactive risk management, 2019 also saw the creation of the Enterprise Risk Management Project, which allowed us to perfect a methodology for identifying and evaluating risk. This system considers the most significant sustainability issues and, in particular, those most relevant to La Doria and the other stakeholders involved. Finally, the end of the year saw the adoption and distribution of a new Ethics Code. The main objective of the new Code is to enable all La Doria employees to develop and share behaviour that encourages sustainable growth by promoting respect for diversity and developing a true culture of integrity.

Much has been achieved, and much is yet to be done. Tackling challenges, however, is in the DNA of the people who work with us every day. We would like to thank these people for the commitment they have shown during these years of necessary change in our business model, and for ensuring that it will be more competitive and resilient than ever.



The fruits of our labour

717.6 mln €

million Revenues
(95.7% from the private labels market)

0.59

Debt/Equity
ratio

2.65

Debt/EBITDA
ratio

7.8%

EBITDA
Margin

The Land

The land is our most important resource, the root and origin of our products. The land is our most important resource, the root and origin of our products and it is our duty to protect it and the quality and safety of its fruits and to avoid waste along the entire production chain.



100%

of products are of guaranteed quality according to international food safety standards

Commitment

We do not just take from the land, we commit on a daily basis to developing its fruits. We do not just take from the land, we commit on a daily basis to developing its fruits, with coherence, responsibility, safe working conditions, impact mitigation and the generation of shared value over the long term.



46

ethical audits carried out in the fields over two years

Passion

All our products reflect the passion that each of us brings to our work. All our products reflect the passion that each of us brings to our work in our desire to see the best of Italian traditions appreciated and stand out in terms of quality and excellence.



100%

fresh Italian tomatoes



81.8%

of revenues
from overseas

6

Production
facilities

846

Personnel

595 mln kg

production



100%

traceability of our
products



99.5%

of waste recycled



914,363 €

value of products donated



97.6%

of metal can requirements
satisfied internally



15 km

average distance from
most-used outsourced
warehouses



95.5%

economic value generated
distributed to our
stakeholders



100%

products made at our plant
in Italy



41%

energy needs satisfied internally



17

top Italian and overseas
clients with us for at least
10 years

The sector challenges

All agro-food sector operators are facing a wide spectrum of challenges with significant environmental, social and economic impacts.

The global population is expected to grow to 9.7 billion by 2050, which will require the current global food production to almost double. Approximately 50% of the production required to satisfy the increased demand in 2050 must come from land which is currently already cultivated¹. This is essential in order to ensure that the growing global population has access to adequate nutrition and is safeguarded from the impacts that climate change may have on agricultural production.

Against this backdrop, changing consumer habits, with an increasing focus on healthy eating choices and product quality and safety, in addition to increasing awareness that their decisions may impact the planet's sustainability, pose a number of questions which sector operators simply cannot ignore.

Actively dealing with these challenges is decisive for the achievement of the United Nations Sustainable Development Goals (SDG's)². The SDGs are the result of a wide-ranging consultation process conducted through surveys, presenta-

 <h3>QUALITY AND SAFETY</h3> <p>These are at the heart of the sustainability challenges for the sector, with clients and consumers placing particular attention on this issue (in some cases prepared to pay more for products which they perceive as safer or of higher quality). Over recent years, a number of standards have been achieved with regards these issues (e.g. IFS, BRC).</p>	 <h3>FOOD LOSS AND WASTE</h3> <p>There is a growing focus on this issue, as it is estimated that approx. 1/3 of all global food production is wasted. In a number of countries, the first rules to reduce waste throughout the supply chain have been introduced. In any other industrial sector, similar inefficiencies would be considered unacceptable.</p>	 <h3>HEALTHY FOOD CHOICES</h3> <p>Proper nutrition plays a key role in the prevention of a large number of diseases, such as the so-called "wellness illnesses". There is a significant focus on the processing of foods and the reduction of salt, sugars and fats, in addition to newly-emerging demands (bio, gluten free, etc.). Particular attention should be placed on correct labelling and consumer education.</p>	 <h3>ETHICS THROUGHOUT THE CHAIN</h3> <p>The tomato chain in particular, and fruits in general, over recent years in Italy have been the subject of significant pressure related to field worker conditions (undeclared labour, illegal recruitment, migrant workers, safety). Businesses are called on to commit themselves to eradicating these practices throughout their chains. Regulations have also been updated to provide greater protections.</p>
 <h3>TRACEABILITY</h3> <p>This issue in certain ways is related to other challenges (safety, waste, ethics throughout the chain). Clearly knowing the origin of a product (or of its ingredients) is becoming a decisive factor in consumer choices, as considered a product transparency and reliability commitment.</p>	 <h3>SMART FARMING</h3> <p>Technological development and digitalisation may permit a more effective approach in tackling certain crucial agriculture sector challenges. Digital monitoring systems and precision farming provide new tools to tackle, for example, water waste, the overuse of soil, the use of chemical agents and the repercussions on ecosystems.</p>	 <h3>EFFICIENT USE OF RESOURCES</h3> <p>The efficient use of resources often permits the combination of cost reduction with environmental benefits. A number of resources have been under the microscope for some time: the soil, water and energy; others are assuming increasing importance, such as for example the reduction of packaging and their recyclability.</p>	 <h3>DEVELOPMENT AND LOCAL GROWTH</h3> <p>The sector supply chain can both positively and negatively impact the local communities in which products are grown and in which processing plant are located. In both cases, the link with the locality is particularly important and businesses can make a difference in terms of employment and local growth.</p>

¹ Source: "Strategic work of FAO for Sustainable Food and Agriculture", FAO. 2017

² For further details, see <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

tions, working groups and meetings with companies. They establish objectives on a number of global issues requiring urgent action. The 17 SDGs were approved in 2015, and consist of 169 targets. They aim to mobilise every group involved, including institutions and organisations, but also companies and civil society, to achieve three common goals by 2030: end extreme poverty; combat inequality and injustice; solve climate change.

La Doria incorporates the Ten Principles of the United Nations Global Compact³ into its strategies, policies and procedures. By doing so it lays the foundations for a culture of integrity and long-term success. As such it supports and respects internationally proclaimed human rights (principle 1), ensuring that it is not even indirectly complicit in violations of said rights (principle 2); on labour, it upholds workers' rights to freedom of association and collective bargaining (principle 3) and rejects all forms of forced and compulsory labour (principle 4), child labour (principle 5), and any kind of employment and occupation discrimination (principle 6). On the environment, La Doria maintains a precautionary approach to environmental challenges (principle 7), and simultaneously undertakes initiatives to promote greater environmental responsibility (principle 8), encouraging the research, development and diffusion of new technologies (principle 9). Finally, it is committed to working against corruption in all its forms, including extortion and bribery (principle 10).

The 17 United Nations objectives form a concrete framework for companies to integrate sustainability practices into their medium- and long-term strategies, thereby helping to achieve said objectives.

There are strong links between the SDGs and the three key elements of food production systems - the economic, social and environmental aspects - set out in the Food Sustainability Index (FSI) model⁴. The FSI model measures the sustainability of global food systems in these three dimensions, taking into account three main pillars: food loss and waste, sustainable agriculture and nutritional challenges.

La Doria contributes to achieving 11 Sustainable Development Goals (SDGs). This commitment is formalised in the Sustainability Plan 2020-2022 which was approved by the Board of Directors on January 28, 2020⁵. The Sustainability Plan represents La Doria's three-year strategic vision of sustainability and sets out strategic, operational and target objectives by linking them to SDGs and material topics.



³ Source: www.unglobalcompact.org/what-is-gc/mission/principles

⁴ Source: "Fixed food 2018", The Economist Intelligence Unit.

⁵ It should be noted that within the areas of commitment for 2017-2019 detailed in the 2018 report, the actions described in the following paragraphs were carried out.

Sustainability plan



Consistent with the strategic guidelines set out in the Industrial Plan, the Sustainability Plan outlines strategic objectives linked to six main pillars:

- Governance and Sustainability culture;
- Human capital and Corporate Expertise;
- Environmental protection and climate change;
- Responsible procurement;
- The Community and the local area;
- Product and customer centrality.

Pillar Framework	GOVERNANCE AND SUSTAINABILITY CULTURE	
Strategic objective	Integration of sustainability into business strategies	






Operating objectives	Targets
Introduce sustainability objectives into performance management systems	Include sustainability objectives for 100% of Directors
Organise training courses to raise employee awareness of sustainability issues	At least 1 annual training course on sustainability issues
Extend stakeholder engagement to clients of the subsidiary LDH and revise Stakeholder Engagement for employees	At least 1 Stakeholder Engagement activity for employee
Create the skills required in the ongoing digitalisation of business processes	Provide training courses on digital transformation by Area
Organise Induction on business-related sustainability issues for Board members	At least 1 induction activity per year
Raise employee awareness of the environmental impact of everyday actions	At least 1 awareness-raising activity per year on environmental protection issues for all employees
Maintain the Technical Sustainability Committee	At least 3 Committee meetings per year to monitor the progress on the commitments made in the Plan

Pillar Framework	HUMAN CAPITAL AND CORPORATE EXPERTISE	Material issues
Strategic objective	Enhancement of human capital and expertise	<ul style="list-style-type: none"> Quality of corporate organisation





Operating objectives	Targets
Promote a culture of safety	Increase the number of safety training/awareness-raising hours per capita
Protect worker health and safety	Transition from the OHSAS 18001 management system to that set out in the UNI ISO 45001 standard Reduce weighted accident frequency and severity
Reinforce the sense of belonging	Organise annual sports/recreational activities for employees
Improve staff evaluation system	Performance evaluation Pilot Project based on the competency model for 100% of Department Heads.
Value diversity and promote inclusion	Formalise a three-year action plan on diversity and inclusion
Develop talent retention tools	Career path Development Project for 100% of new engineering graduate hires
Provide equal opportunities	Manage early vacancies using a job posting system

Pillar Framework	ENVIRONMENTAL PROTECTION AND CLIMATE CHANGE	Material issues <ul style="list-style-type: none"> • Environmental impacts of production • Food loss and waste • Human rights and responsibility throughout the supplychain • Packaging sustainability • Logistics optimisation and efficiency
Strategic objective	Optimised resource use and reduced emissions	



Operating objectives	Targets
Increase energy efficiency and reduce CO ₂ emissions	Implement the KM GREEN CO ₂ offsetting project; 1% reduction in CO2
Reduce the environmental impact of logistics processes	Use suppliers with more environmentally-friendly vehicles.
Continue to support the development of sustainable agriculture	Extend the “Bluleaf App” pilot project aimed at digitalising agriculture +2% increase in farms using the Bluleaf App
Implement sustainability considerations into procurement procedures	+10% increase purchase recycled plastic on total
Consolidate customer and supplier relationships so as to develop increasingly sustainable packaging	Crystal Project (reduce packaging surface area and increase the percentage of material from renewable sources for the 200ml juice line Tetra packaging): -14% CO₂ and -13% plastic ; UK Customer Project to eliminate secondary plastic packaging.

Pillar Framework	RESPONSIBLE SUPPLY CHAIN AND SUPPLIER PARTNERSHIPS	Material issues <ul style="list-style-type: none"> • Human rights and responsibility throughout the supply chain
Strategic objective	Responsible procurement and supplier partnerships	



Operating objectives	Targets
Continue to support the development of sustainable agriculture	Retain Friend of the Earth certification (Friend of the Earth promotes a model of agricultural production based on integrating innovations that reduce the environmental impact of crop cultivation, as well as respect for workers at every stage of the production chain); 100% of tomato PO's (Production Organisations) certified GLOBAL G.A.P. GRASP
Define and disseminate socio-ethical-environmental standards for suppliers and promote sustainable best practice within suppliers.	audit +5% of high-risk suppliers Annual training/awareness-raising courses on socio-environmental issues
Assessment of supply chain risk	Maintain ISO 26000 (Guide to Social Responsibility); Maintain ISO 22005 (Traceability in food supply chains)
Provide financial support to help strategic suppliers create projects for national growth, internationalisation, and/or to upgrade production facilities.	Implement the Intesa San Paolo supply chain programme

Pillar Framework	COMMUNITY AND THE LOCAL AREA	Material issues <ul style="list-style-type: none"> • Economic Sustainability • Italian identity • Food loss and waste
Strategic objective	Socio-economic development of the community and the local area	



Operating objectives	Targets
Undertake projects to benefit the local area	Gain membership of FAI (Italian Environmental Fund)
Promote the social and economic development of local communities	Award of a maximum of 12 annual scholarships of €1500 for the most outstanding secondary school students, in line with the company's recruitment needs; Support local sporting organisations
Support the <i>Banco Alimentare</i> (Food Bank) and other charities	Distribute 100% of unsold products suitable for human consumption

Pillar Framework	PRODUCT AND CUSTOMER CENTRALITY	Material issues <ul style="list-style-type: none"> • Product quality and safety • Traceability • Innovation • Quality of the corporate organization
Strategic objective	Strengthening of corporate image and customer loyalty	



Operating objectives	Targets
Increase communication with and involvement of customers on Sustainability issues.	Extend the Stakeholder Engagement on Sustainability to 100% of the customers of the subsidiary LDH
Offer customers innovative recipes that satisfy consumer tastes (organic and vegan products with reduced salt and sugar content)	20 new finished product codes based on innovative recipes
Reduce complaint indicators	reduce critical (food safety) complaints by 1.5%
Retain existing certifications	Retain existing facility and product certifications
Collaborate with NGOs (Non-Governmental Organizations)	Maintain and develop partnerships with non-profit organizations (ETI, IEH and Oxfam)

The La Doria Group: an alternative to the brands

Our History

La Doria's history is one of family, a journey commencing way back in 1954 in the Nocerino-Sarnese producing region, when Diodato and Anna Ferraioli had the foresight to imagine the

future, in a land which - over time - became the Italian hub for the tomato processing industry. A journey which begins in Angri and returns there after travelling through the US, the United

Kingdom, Japan, Australia and across Europe.

Compliance, ethics, transparency and respect for workers' rights and the environment and regional development are the key and inalienable values behind the business in these initial sixty years of operations. This is our history and we hope also a reflection of our future.



FOUNDATION

The company was founded in 1954 and the La Doria brand registered in 1957.

DIVERSIFICATION

Production diversification: together with tomatoes, seasoned sauces, vegetables, pulses, fruits and fruit syrups are produced and the internal production of metal cans developed. Exports to the United Kingdom are launched, the production range restructured and, at the same time, more innovative products reflective of the times included, such as chopped and pureed tomatoes.

EXPANSION

In 1973, the sole proprietorship Fabbrica Conserve Alimentari Diodato Ferraioli becomes La Doria S.n.c. di Diodato Ferraioli & Co. Expansion continues with entry into overseas markets: France, Germany, the Middle East and Australia. Towards the end of the 1970's, the company converts into a joint-stock company.





“ We are producers of private label packaged foods. Our mission is to supply our clients with top quality products at highly competitive prices - an alternative to the brands. ”

'80



'90



'00

GENERATIONAL CHANGE

These were difficult years - not only because of the sector crisis - but also due to the damage from the earthquake which brought the company to its knees, forcing it into administration. This period also saw a generational change, with the brothers Antonio and Andrea Ferraioli taking the reins of the company following the passing of their father. The company focuses strategically on the production of private labels.

THE LISTING

These years featured the Stock Market listing undertaken to further the company's growth. In 1996, La Doria acquires a minority holding in Delfino S.p.A. and control of Pomagro S.r.l. In 1997, it sets up a joint venture with Gerber Foods for the marketing of La Doria products in the United Kingdom, and in the following year acquires control of Gerber La Doria Ltd, becoming the preferred supplier for many leading supermarket chains in the United Kingdom. In 1999, the production site of Star is acquired and the new Sarno production facilities established.



LEADERSHIP

An investment plan for over 70 billion Lira is adopted in order to expand volumes, improve efficiencies and reduce production costs. With the 80% acquisition of Sanafrutta S.p.A. in 2004, La Doria becomes the second largest Italian fruit juice producer. Indirect control of Eugea Mediterranea allows La Doria to increase its tomato-based product production capacity by 30%. M&A's are also executed with Pomagro S.r.l. and Sanafrutta S.p.A./Confruit G. In 2012, the Tradizione Italiana consortium is created to promote the best of Made in Italy food on new markets. The full acquisition of Pa.Fi.AL. S.r.l Group in 2014 enables La Doria to become a leading Italian producer of private label ready-made sauces.

Production at our core

[GRI 102-2; 102-4; GRI 102-6]

Our products

The La Doria Group produces at 6 facilities in Italy and distributes its products across the globe.



TOMATO-BASED PRODUCTS

The La Doria Group is the leading European producer of peeled and chopped tomatoes in the retail sector. The line includes peeled, chopped and pureed (including enriched) tomatoes and cherry tomatoes.



PULSES, VEGETABLES AND PASTA

La Doria is the leading European producer of canned pulses in the retail sector. The line includes cooked pulses, baked beans, red kidney beans, ready-made soups, minestrone and canned pastas in tomato sauce.



FRUIT JUICES

La Doria is among the main Italian producers of juices and fruit drinks. The line includes nectars, 100% juices and beverages.



READY-MADE SAUCES

La Doria is the leading Italian producer of private-label ready-made sauces. Ready-made sauces with tomato, meat, pesto, fish, and salsas and white sauces.



OTHER PRODUCTS

Products sold on the British market by the subsidiary LDH: dry pasta, canned tuna and salmon, corn, among others.

In 2019, Group revenues reached Euro 717.6 million. 95.7% of consolidated revenues are generated from private label products, while 3.3% relate to products sold under the company brand⁶.

REVENUES BY PRODUCT LINE IN 2019

Product line	Revenue %
Tomato-based products	20.9%
Pulses vegetables	29%
Fruit products	9.7%
Ready-made sauces	12.8%
Other products (LDH)	27.6%

⁶ The remainder (1%) concerns the sale of industrial brand products.

La Doria brands



La Doria is the master brand under which the Group markets tomatoes, pulses and fruit juices, principally in Italy.



La Romanella is the brand dedicated to the sale of pulses, fruit juices and tomato-based products on the discount channel



Vivi G is a well-established Italian market fruit juice brand



The Cook Italia brand was created for the British market and is associated with the premium quality and excellence of Made in Italy products in the United Kingdom (tomatoes, pasta, grated cheese, pizza kits)



Althea and Bella Parma are brands marketing ready-made sauces principally on the Italian market

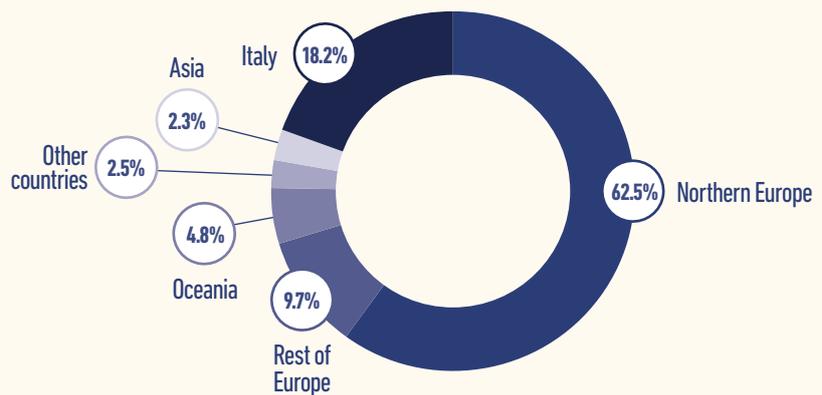
The markets

La Doria's international focus and its consolidated presence on overseas markets - garnering credibility and marking the unique Italian identity of its products on a number of specific markets - sets it apart from the competition.

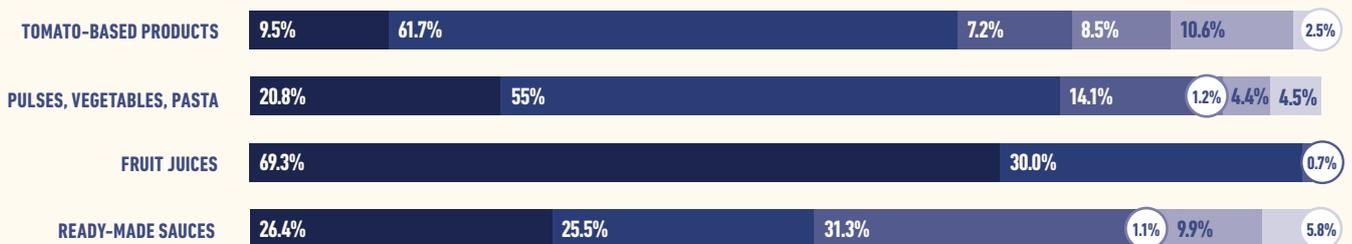
The main market for La Doria's products is Northern Europe and in particular the United Kingdom, thanks mainly to the subsidiary LDH (La Doria) LTD. The company has also gained strong positioning on the German, Scandinavian, Eastern, Australian and Japanese markets. La Doria is the leading exporter of distributor tomato-based products and baked beans in the United Kingdom; the Group is also the leading exporter of tomato-based products to Australia and Japan.

Despite its international focus, Italy remains a key market where La Doria leads the private labels, pulses, fruit juices and ready-made sauce markets.

REVENUE BREAKDOWN BY REGION



BREAKDOWN OF REVENUES BY PRODUCT LINE AND REGION



● Italy ● Northern Europe ● Rest of Europe ● Asia ● Oceania ● Other countries



The production facilities

[GRI 102-10; GRI 102-48; GRI 303-1; GRI 305-1; GRI 305-2; GRI 305-4⁷]

Angri



AREA

101,000 sq. mtrs.

HOURS WORKED 2019

481,576

PRODUCTION

Canned tomatoes, canned pasta, canned pulses, juices, nectars and fruit drinks, metal cans and lids.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, BRC, IFS, KOSHER, ORGANIC, ISO 22005 and FDA FOOD SAFETY

FULL-TIME EMPLOYEES

210

PART-TIME EMPLOYEES

10

SEASONAL EMPLOYEES

224

QUANTITIES PRODUCED 2019 (NET KG)

	2019
TOMATO-BASED PRODUCTS	48,672,465
PULSES AND VEGETABLES	117,019,779
FRUIT JUICES	62,123,980
TOTAL	227,816,223

WATER SOURCED

	2019	2018
GROUNDWATER IN M ³	1,024,856	984,062

GHG EMISSIONS

	2019	2018
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	20,917	18,540
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES – LOCATION BASED	1,266	1,513
GHG INTENSITY (TON CO ₂ /TON OF PRODUCT) – LOCATION BASED	0.07	0.09

⁷ The GHG Intensity index (tCO₂/tonnes of product) is calculated considering total Scope 1 and Scope 2 emissions.



Sarno



AREA

179,000 sq. mtrs.

HOURS WORKED 2019

349,996

PRODUCTION

Canned tomatoes, canned pulses, soups, juices, nectars and fruit drinks, and metal cans and lids.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, BRC, IFS, ORGANIC, KOSHER, HALAL, ISO 22005 and FDA FOOD SAFETY

FULL-TIME EMPLOYEES

155

PART-TIME EMPLOYEES

16

SEASONAL EMPLOYEES

120

QUANTITIES PRODUCED 2019 (NET KG)

	2019
TOMATO-BASED PRODUCTS	39,047,234
PULSES AND VEGETABLES	135,691,639
FRUIT JUICES	10,221,234
TOTAL	184,960,107

WATER SOURCED

	2019	2018
GROUNDWATER IN M ³	746,630	734,143

EMISSIONI GHG

	2019	2018
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	12,264	11,835
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES – LOCATION BASED	5,567	5,253
GHG INTENSITY (TON CO ₂ /TON OF PRODUCT) – LOCATION BASED	0.04	0.09



Fisciano



AREA

112,000 sq. mtrs.

HOURS WORKED 2019

180,374

PRODUCTION

Canned tomatoes and pulses, ready-made sauces.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, BRC, IFS, ORGANIC, KOSHER, ISO 22005

FULL-TIME EMPLOYEES

43

PART-TIME EMPLOYEES

1

SEASONAL EMPLOYEES

261

QUANTITIES PRODUCED 2019 (NET KG)

	2019
TOMATO-BASED PRODUCTS	55,844,345
PULSES AND VEGETABLES	11,654,184
FRUIT JUICES	464,616
TOTAL	67,963,145

WATER SOURCED

	2019	2018
GROUNDWATER IN M ³	200,891	201,142
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	472	232

GHG EMISSIONS

	2019	2018
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	6,222	6,294
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES – LOCATION BASED	2,086	1,890
GHG INTENSITY (TON CO ₂ /TON OF PRODUCT) – LOCATION BASED	0.12	0.12



Lavello



AREA

266,000 sq. mtrs.

HOURS WORKED 2019

142,501

PRODUCTION

Canned tomatoes and fruit puree

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001,
BRC, IFS, ORGANIC, ISO 22005

FULL-TIME EMPLOYEES

17

PART-TIME EMPLOYEES

2

SEASONAL EMPLOYEES

289

QUANTITIES PRODUCED 2019 (NET KG)

	2019
TOMATO-BASED PRODUCTS	41,069,447
FRUIT PUREE	5,540,600
TOTAL	46,610,047

WATER SOURCED

	2019	2018
GROUNDWATER IN M ³	-	0
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	4,378	5,218
CO-OPERATIVE WATERI	332,200	278,900

GHG EMISSIONS

	2019	2018
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	4,223	3,160
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES – LOCATION BASED	1,184	1,014
GHG INTENSITY (TON CO ₂ /TON OF PRODUCT) – LOCATION BASED	0.12	0.11



Faenza



AREA

24,000 sq. mtrs.

HOURS WORKED 2019

21,880

PRODUCTION

Fruit puree.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, ORGANIC, ISO 22005

FULL-TIME EMPLOYEES

7

SEASONAL EMPLOYEES

58

QUANTITIES PRODUCED 2019 (NET KG)

	2019
FRUIT PUREE	11,260,400
TOTAL	11,260,400

WATER SOURCED

	2019	2018
GROUNDWATER IN M ³	77,203	68,018
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	3,107	2,010

GHG EMISSIONS

	2019	2018
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	764	604
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES – LOCATION BASED	344	309
GHG INTENSITY (TON CO ₂ /TON OF PRODUCT) – LOCATION BASED	0.10	0.08



Parma



AREA

110,000⁸ sq. mtrs.

HOURS WORKED 2019

286,399

PRODUCTION

Ready-made sauces & pestos.

CERTIFICATIONS

ISO 9001, OHSAS 18001, ISO 14001, BRC, IFS, ORGANIC, KOSHER, FDA FOOD SAFETY and ISO 22005

FULL-TIME EMPLOYEES

144

PART-TIME EMPLOYEES

16

QUANTITIES PRODUCED 2019 (NET KG)

	2019
READY-MADE SAUCES	56,251,279
TOTAL	56,251,279

WATER SOURCED

	2019	2018
GROUNDWATER IN M ³	457,395	295,258
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	652	673

GHG EMISSIONS

	2019	2018
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	7,802	5,487
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES – LOCATION BASED	1,291	888
GHG INTENSITY (TON CO ₂ /TON OF PRODUCT) – LOCATION BASED	0.16	0.17

⁸ The difference in square metreage of the Parma facility compared to 2018 is due to precise measurements resulting in updates to the figures reported in the previous plans.

The product journey

[GRI 102-9]



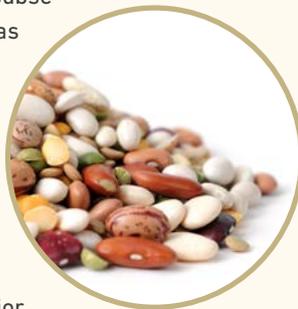
The two main La Doria Group procurement categories are the raw materials which the company processes and the materials used for the canning and packaging of finished products.

The processed raw materials are undoubtedly the most sensitive purchases and the Group value chain management strategy seeks to develop long-term trust-based relationships and long-term collaboration with the suppliers of these raw materials, through direct contact in the country in which the materials are grown, in order both to oversee compliance with the ethical rules and to educate and train suppliers on aspects which may influence product quality and safety. This approach has ensured highly consolidated procurement and the maintenance of strong relationships over time.

For the tomatoes - 100% cultivated in Italy - the producers in Puglia, Basilicata, Campania and Lazio are monitored every year on the basis of specific **ethical concerns**: health and safety, freedom of association, salaries and working hours. Supplier production operations should comply with the Group's Ethics Code in terms of human rights, workplace practices and the environment. Indeed, the collaborative relationships and ongoing contact with tomato suppliers has enabled the Group to guarantee continuous product quality improvements and the minimisation of waste. Collaboration with the businesses growing the tomatoes begins, in fact, from the supply of the seeds; subsequently, collaboration is undertaken with the farmers on aspects such as the plant protection treatments to be used and the technologies to be introduced for these treatments and the efficient use of resources, such as for example irrigation water.



Pulses are however acquired principally in North and South America - as Italian production capacity is not sufficient to cover domestic needs. Despite this, La Doria has launched a project for the procurement of chickpeas from Italy and from Argentina. The company deals with major producers to procure pulses on the American market, while on the Asian market deals with raw material collectors for a number of local growers. Again in this case, extensive collaboration is undertaken to guarantee high product quality and safety standards.



The fresh fruit used in juice production comes from Italy (apricots, pears, peaches and apples) since it is available in appropriate quantities and sourced close to production facilities.

Finally, for the production of sauces and pestos, in addition to tomato suppliers, the suppliers of all ingredients used in the recipes also need to be taken into consideration. The company generally relies on local suppliers based close to the producing facilities for products such as basil, parmesan cheese and oils.



The product journey

Strategic procurement is also employed in terms of the materials utilised to package products, with La Doria deciding some time ago to invest in ensuring that most materials are produced at the main facilities, covering in-house the majority of metal can requirements. Meanwhile, for other materials such as the combi packs, glass bottles and product labelling paper, the Group relies on third party suppliers.



Once the products have been processed and prepared for sale according to the terms agreed with clients, they are stored principally at the production plant warehouses, while any additional space needed is sourced from third party warehouses relatively close to the plant.

Three means are used to ship products to clients: by ship, road and rail. As outlined in greater detail in the section on logistics efficiency, La Doria seeks as far as possible to leverage the proximity of its facilities to the ports of Naples and Salerno, optimising distribution to Europe, while trucks will continue to be favoured for Italian distribution. The transport companies with which La Doria works will be encouraged to use more environmentally-friendly vehicles. The products, finally, are sold to consumers under the brands of the various retail chain clients of La Doria.



The La Doria Group

[GRI 102-1; GRI 102-5; GRI 102-10]

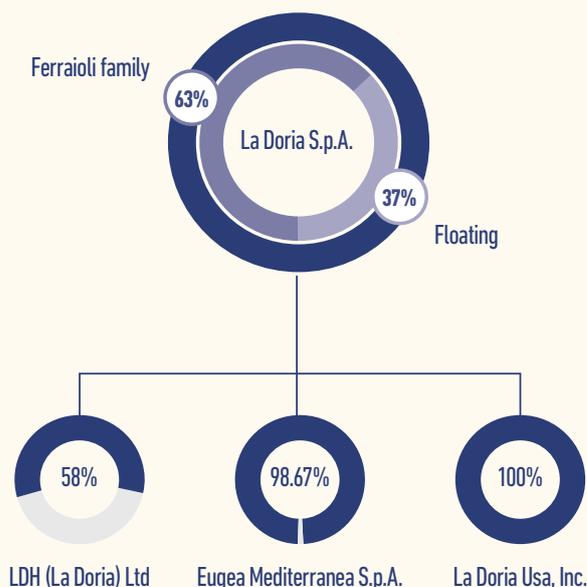
The La Doria Group (hereafter also the "Company" or "La Doria") is a leading producer of tomato-based products, fruit juices and beverages, canned pulses and ready-made sauces, principally for the private labels. Company products to a significantly lesser extent are also sold under its own brands and for major Italian and overseas brands. La Doria, together with its subsidiaries, has become the leading European producer of canned pulses, peeled and chopped tomatoes and private label ready-made sauces, and is among the largest Italian producers of juices and fruit drinks.

The company was listed on the Italian Stock Exchange in 1995 and is currently in the STAR segment, having established key market positioning, particularly abroad, with a consolidated presence in Northern Europe, Germany, Japan and Australia.

The Group subsidiaries are:

- **LDH (La Doria) Ltd** (direct holding 58%). This is a trading company which sells Group products on the British market. It also sells other products, such as canned tuna and salmon, dry pasta etc. LDH (La Doria) Ltd now leads the British market for private label tomato-based products, pulses and dry pasta.
- **Eugea Mediterranea S.p.A.** (direct control of 98.67%). This company produces tomato-based products and fruit purees.
- **La Doria Usa, Inc.**, wholly-owned, incorporated in 2016 with a strategic objective for medium-term commercial expansion into the US market which offers considerable development prospects, in particular for the ready-made sauces range.

GROUP STRUCTURE



Integrity and transparency

GRI 102-11; GRI 102-12; GRI 102-16; GRI 102-18; GRI 102-48; GRI 205-1; GRI 205-2; GRI 405-1; GRI 412-2]

Group Governance

The La Doria S.p.A. Corporate Governance system⁹ is based on a set of regulations, conduct and processes formulated to guarantee efficient and transparent corporate governance and effective functioning of the corporate boards and control systems. The company complies with the principles and applicable criteria of the Self-Governance Code for listed companies, drawn up by the Corporate Governance Committee and issued by Borsa Italiana. The Governance adopted by La Doria ensures correct and transparent management of information and the protection of all shareholders, in line with best national and international practice. This system was put in place by the company through preparing and adopting policies, principles, rules and procedures which govern the operations of all company organisational and operative structures.

The Shareholders' Meeting is a collective body expressing the shareholders' wishes. Particularly, the Ordinary Shareholders' Meeting approves the financial statements and appoints the Board of Directors and the Board of Statutory Auditors. In extraordinary session, the Shareholders' Meeting considers By-Law amendments and corporate operations.

The Board of Directors has a central role, tasked with strategic management, coordination and verification of the controls necessary to monitor the company's performance. In addition, the Board has the widest powers of ordinary administration and in particular may carry out any and all acts it deems appropriate in furtherance of the corporate scope, with the sole exclusion of those attributed exclusively to the Shareholders' Meeting. The Board's duties include defining the nature and level of risk that is compatible with the Company's strategic objectives, including in their assessments all risks considered significant with regard to sustainability in the issuer's medium/long-term operations, thereby setting out the guidelines for the Internal Control and Risk Management System; adoption of Organisation, Management and Control Models as per Legislative Decree 231/01; approval of the Sustainability Plan and Policies. The Board comprises 9 members, of which 3 are Independent Directors. The presence of three female Directors ensures gender balance. Within the Board, the Remuneration and Appointments Committee and the Control, Risks and Sustainability Committee with consultative and proposal functions have been set up. The Board of Directors on January 23, 2019 in fact assigned to the CRC duties regarding sustainability i.e. the processes, initiatives and activities required to deliver the company's commitment to sustainable development throughout the supply chain. The Committee's duties include, among others: promoting the integration of sustainability into business strategy and culture; overseeing sustainability issues related to operating activities and interaction with stakeholders; examination of the Sustainability Plan and monitoring of its implementation; monitoring the adequacy of the Ethics Code and its effective implementation. The Board of Statutory Auditors oversees compliance with Law and the By-Laws, the provisions of Legislative Decree 254 of 2016, with the principles of correct administration, the adequacy of the structure in terms of the aspects within its scope, of the internal control system and of the administrative-accounting system, in addition to the reliability of this latter to reflect the operating events; it furthermore ensures the concrete implementation of the corporate governance rules under the Self-Governance Code adopted by the company and the adequacy of the directions provided by the company to the subsidiaries. The Board obtains information on and supervises operating activities to the extent of its scope.

⁹ The Annual Corporate Governance Report and the Remuneration Report are available on the company website www.gruppoloria.it, respectively in the Corporate Governance and Investor Relations sections.

THE COMPOSITION OF THE BOARD OF DIRECTORS AT 31/12/2019

Composition of the Board	2019	2018
Total members	9	9
- men	6	6
- women	3	3
< 30 years	0	0
30-50 years	3	3
> 50 years	6	6

Sustainability Governance

The issue of sustainability, as stated above, is within the scope of the Control, Risks and Sustainability Committee, which undertakes proposal and consultative functions for the Board of Directors with regards to the drafting of objectives, actions and guidelines to promote a strategy which integrates sustainability into business processes, so as to create value over time for the shareholders and for all other stakeholders. A three-year Sustainability Plan 2020-2022 was therefore approved in early 2020. Its objectives are in line with those set out in the Industrial Plan and the United Nations 2030 Agenda, and it is organised into operational objectives and specific targets. The Sustainability Policy was also updated. During 2019 the Diversity and Inclusion Policy was formalised to describe the Company's principles and commitments to diversity, recognising this as a fundamental aspect of sustainability in the medium and long term. The Committee has the duty of implementing and monitoring the Policy, as amended at the beginning of 2020, so that a culture of sustainability and dialogue with the stakeholders is promoted at all levels - two crucial commitments in pursuing the objective of integrating sustainability into company strategies. In 2019, work in this area concentrated on the one hand on raising internal awareness of sustainability issues through training courses on Sustainability (Human Rights, Whistleblowing, Model 231 and the Ethics Code) for all employees, and on the other by extending the Stakeholder Engagement process to customers and suppliers.

The importance of this issue was demonstrated in 2018 by the setting up of a "Sustainability Reporting" Function, with the duty of co-ordinating and aggregating data, information and projects regarding Social and Environmental Responsibility, which reports directly to the Chairperson of the Board of Directors. This Function reports to the Control, Risks and Sustainability Committee on activities undertaken regarding non-financial reporting: the Plan, the policies, the objectives, the initiatives, the materiality analysis and Stakeholder Engagement. La Doria has drawn up and formalised an operating procedure (PG.E3.4 "NFR Preparation") for the process to prepare the Non-Financial Report.

Communication to shareholders and Investor Relations

Investor Relations refers to all communication and financial disclosure between the company and the community of investors which plays a key role in the construction of a trusting relationship with the financial market.

In line with best practice and the recommendations of the Self-Governance Code for listed companies, the Investor Relations department promotes ongoing dialogue with institutional and individual investors and with the financial analysts, ensuring equality of information and transparent, timely and accurate communication, in order to support the correct understanding of the La Doria Group's value. Investor Relations activities focus on increasing the interest and awareness of business activities, strategies and the company's outlook and allow the market to correctly interpret its true value and the attractiveness of investing in the business.

For this purpose, a number of communication tools and channels are utilised:

- institutional documentation (Financial statements, interim reports, corporate presentations);
- press releases;
- meetings with analysts and investors (roadshows, investor days, one to one meetings, group meetings, conference calls).
- website.



The company website is updated in a consistent and timely manner with all information concerning the La Doria Group and the main corporate documentation.

In particular, the Corporate Governance and Investor Relations sections make available the information and documentation of importance to the financial community and for shareholders to assist them to knowledgeably exercise their rights.

Institutional investors are placing ever greater importance on sustainability and governance issues. Socially responsible investment is increasingly practiced and funds investing in listed companies utilising governance, social and environmental best practices are growing in number. The issue of sustainability is becoming increasingly more central in investment decisions.

Organisation and operating model as per Legislative Decree 231/2001 and the Ethics Code

In order to ensure that the conduct of all those operating on behalf of or in the interest of the company is consistently in line with the principles of legality, correctness and transparency in conducting business and company activities, the Group in 2008 adopted an Operating and Internal Control Organisational Model in accordance with Legislative Decree No. 231/2001¹⁰, which makes reference both to the indications contained in the Confindustria Guidelines and best practices applied in Italy. The La Doria Model comprises a General Section and a Special Section, broken down into seven sub-sections dedicated to specific categories of offenses. Specifically, section I is dedicated to "Offenses against Public Sector", section II to "Corporate offenses",

¹⁰The General Part of the Model and the Ethics Code are available on the company website www.gruppolaoria.it in the Corporate Governance section.

section III to “Market abuses”, section IV to “Workplace Health and Safety Offenses”, section V to “Offenses against Industry and Commerce”, section VI to “Environmental Offenses” and section VII to “Offenses concerning the employment of illegal aliens”. For the various types of offence set out in Legislative Decree 231/01, the areas at direct crime risk and those supporting them were identified, as were the relative methods of commission and the controls aimed at reducing the crime risk.

The Special Sections of the Model were introduced and/or updated following the extension of the body of offenses over the years and take account of organisational changes. The Model has been updated on an annual basis since 2011. An update to section III of the Special Section of the Organisational Model, “Market abuses”, is planned for 2020 in order to recognise the new control methods and the updates to the existing ones. These aim to reduce the risk of “Abuse of Confidential Information” and “Market Manipulation”. This update will be brought to the Board of Directors for approval in the first half of 2020.

Simultaneous to the adoption of the 231 Model, the relative Supervisory Board was established, with the duty to oversee its effective application and adequacy.

In order to ensure correct and effective oversight of the Model, the Supervisory Board (O.d.V.) comprises three members, of which one non-executive independent Director, a non-executive and non-independent Director and the Internal Audit Manager, ensuring the presence of all technical expertise and experience necessary to carry out this task. The two directors on the Supervisory Board are also members of the Control and Risks Committee, allowing improved control synergies.

In order to verify implementation of the Organisation, Management and Control Model, the Supervisory Board approved a Supervisory Plan, on the basis of which operational audits were carried out according to the plan, with the support of the Internal Audit Department, in relation to the areas considered in the Special Sections of the Organisational Model.

The Ethics Code is an integral part of the Model and combined they represent an additional protection and sense of responsibility in terms of internal and external relations, offering at the same time shareholders appropriate efficient and correct management guarantees. In November 2019 the third edition of the Ethics Code was approved by the Board. The new Ethics Code is fully revised, and reflects requests from stakeholders, the experience that has been gained, and the changes that have occurred in the intervening years. Organisational change, changes in the socio-economic environment in which the company operates, increased focus on sustainability issues, and growing dialogue with stakeholders have created the need for a revised document which is less regulatory, and whose present function is more to support the development of Corporate Social Responsibility. The main objective of the Ethics Code is to instil in all La Doria employees the ability to share and develop conduct that encourages sustainable growth by promoting respect for diversity and developing a real culture of integrity. La Doria encourages all stakeholders to report possible violations of the Ethics Code, ensuring them attentive and effective management of such communications. In 2019, the Supervisory Board (SB) received two reports concerning the alleged violation of the Ethics Code and/or the Model adopted.

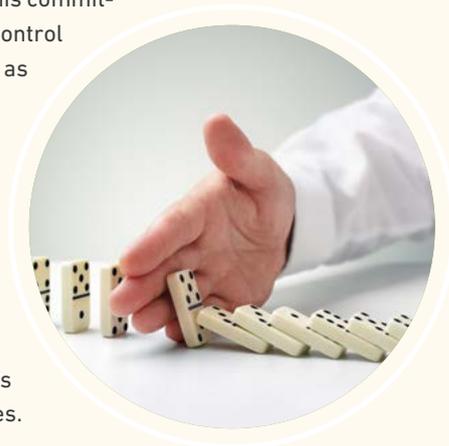
Of these, one was found to be baseless and therefore dismissed, while the other was upheld and resolved. In 2019, activities were carried out to raise awareness of the Ethics Code among the company's main suppliers. The company has adopted the "Reporting to the Supervisory Board" policy to correctly manage the direct communication channels for the timely reporting of any violations or irregularities concerning the Organisation, Management and Control Model, the Ethics Code and in general the company internal control system. La Doria permits anyone becoming aware of violations and irregularities to report such utilising the dedicated e-mail address organismodivigilanza@gruppoladoria.it or anonymously through ordinary mail addressed for the attention of the Supervisory Board, Via Nazionale 320, Angri, SA. To raise awareness of the above-mentioned communication channel and how to use it, La Doria provided training courses on its e-learning platform. In 2019, around 31% and 23% of employees completed the Whistleblowing and Human Rights courses, respectively.

All new hires were provided with training on the Ethics Code.

The fight against corruption

The company, aware of its impact on the country's social-economic growth, has been committed for a number of years to the fight against corruption. This commitment is reflected in the tools utilised to identify, prevent and control corruption risk: the 231 Organisational Model and the Ethics Code, as an integral part thereof.

La Doria has identified in the Organisational Model the corruption offense risk areas and the relative controls. Specifically, it has prepared and communicated to employees the "Gift Management" and "Relations with the Public Sector" procedures to prevent both active and passive corruption. The prohibition on offering or accepting "any offer which may solicit a favour, even if only to speed up a due request" is expressly set out in the company's Ethics Code, which is communicated and a part of training activities.



The controls implemented resulted in the allocation of a maximum legality rating for the parent company by the Communications Authority (AGCM). The rating assigned in 2017 was renewed in June 2019.

The overseas subsidiary adopted an anti-bribery policy.

With regards to training on Legislative Decree 231/01, reference should be made also to the offenses covered, including Public Sector corruption, Corruption among private parties and Incitement to corruption.

The internal control and risk management system

The Internal Control and Risk Management System, the pillar on which Corporate Governance is based, is a central element for the parties and departments, each within their own remit, contributing to the running of the enterprise in a sound and correct manner and in line with the risk management objectives. The coordination between the various parties involved in the internal control and risk management system is achieved through the sharing among the parties of all significant information concerning the system. This takes place in an institutional manner through the participation of the principal actors in the internal control and risk management system at the meetings of the Control and Risks Committee. In particular, the Internal Audit Manager, the Chairman of the Committee, the Vice Chairman of the Board of Directors and at least one of the members of the Board of Statutory Auditors, in addition, for the meetings relating to issues of a financial nature and compliance with Law 262, the Executive Officer, participate at the Committee. The Director in charge of the Internal Control and Risk Management System meets on a weekly basis with the Internal Audit Manager, discussing any significant issues in relation to the carrying out of the audit plan.

At the end of 2019, an ERM (Enterprise Risk Management) project was finalised. The project aims to perfect the methodology used to identify, assess, and subsequently prioritise risk. The corporate risk management system provides a preventive approach to risks which, through identification, assessment, management and monitoring of principal risks, helps to support informed decision-making processes and, where possible, to translate these risks into opportunities and competitive advantage.

The methodology adopted for the assessment of business risks is that of self-assessment. This consists of an auto-diagnostic process carried out by managers in individual areas of operation, and seeks to provide an estimate of the probability and impact of potential damaging events. This estimate is based on the perceived risk that the Managers of the Departments/Functions associate with the processes under their control.

La Doria's Risk Management System is structured to identify, assess and manage all risks impacting its business. In terms of non-financial risks, La Doria also considers: risks related to climate change, with regards to major weather phenomena which may potentially threaten the Group's operating continuity (physical risks); risks related to the agricultural supply chain that provides the raw materials used in our facilities; risks related to the growing community and customer interest in environmentally-friendly industrial processes; compliance risks (quality, environment and safety); and risks associated with social responsibility, such as the implementation of the correct working conditions which La Doria demands of all its suppliers.

Climate change affects many sectors, and agriculture is one of the most vulnerable. Agriculture and climate change are linked by a cause-effect relationship. The agricultural sector, in fact, creates climate risks and subsequently suffers the impacts of climate change. Temperature increases and greater concentrations of greenhouse gases in the atmosphere are believed to reduce the yields and quality of

many crops. Climate change will also affect the availability of water resources and the proliferation of plant pests, thus affecting agricultural production. La Doria's business is vulnerable to these risks, and as such it has already implemented corrective actions within its remit to ensure sustainable management of resources and the local area, using an approach based on mitigation and adjustment. Action has been taken to promote the transfer of knowledge and skills to our suppliers/ farmers regarding good sustainability practices and reduction in waste, both of natural resources and products, using biodiversity as a tool to counteract the effects on crops, and in particular on tomatoes. With regard to pulses, both the transfer of good sustainable agriculture practices and the diversification of supply countries reduce the financial impact of these risks on our business.

Similarly to all industries, La Doria produces, by its very nature, an environmental impact in terms of energy consumption, the use of water and the production of waste material. Therefore, investments were made to reduce consumption and waste, by monitoring the performances of the production facilities.

In terms of reputational risks, the company is exposed to risks concerning the monitoring of compliance with the ethics principles by the procurement chain. In order to mitigate this risk, La Doria in 2014 began to monitor the tomato supply chain in line with the ISO 26000 Social Responsibility Guide. In 2019, this monitoring was extended also to the pulses supply chain. In 2019 it also obtained "Friend of the Earth" certification, promotes a model of agricultural production based on integrating innovations that reduce the environmental impact of crop cultivation, as well as respect for workers at every stage of the production chain.

The risks related to compliance regarding food safety, workplace and environmental health and safety, the production activity of the Group companies and the introduction of increasingly stringent regulations has made it necessary to closely monitor these issues, implementing all necessary actions to mitigate such risks. La Doria has in place certified operating systems to continuously monitor compliance with food safety and environmental regulations and those for the protection of workers. Since January 2020, the domestic and international environment has been dominated by the spread of the coronavirus, and the restrictive containment measures consequently implemented by the Governments of the countries affected. The Group has introduced specific measures to reduce the contagion risk for its employees, and simultaneously to ensure that company operations can continue, including through the use of remote working. Similar measures have also been taken for the subsidiary LDH (La Doria) Ltd. Furthermore, all of the Group production Facilities - four of which are located in areas at low epidemiological risk - have implemented a series of measures to contain the spread of the virus: prohibition of facility visits, limited travel, the installation of hand disinfection devices and the circulation of conduct guidelines to its employees in line with the information issued by the Ministry for Health. All La Doria Facilities are OHSAS 9001, OHSAS 18001 and ISO 14001 certified. Compliance risks include also those concerning the Administrative Responsibility of Entities, as per Legislative Decree 231/01), which La Doria offsets through adopting an Organisation, Management and Control Model which reduces the risk of committal of the offenses contained therein, in addition to its Ethics Code.

For details on material topic risk management, reference should be made to the relative paragraphs.

Specifically, all the "critical" risks to which La Doria S.p.A. is exposed are outlined in detail in the "Risks and uncertainties" paragraph of the Directors' Report.

Dialogue with the stakeholders

[GRI 102-13; GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-44]

La Doria in 2019 continued the process to improve relations with its stakeholders, with the goal of involving them more in the decision-making process. An effective stakeholder engagement process in fact allows companies to improve its decision-making process and make it more “sustainable”, while driving social, environmental and financial performances.

The involvement of the stakeholders and the frequency of dialogue with each varies according to the matters considered and the opportunities available to come together. 2019 saw the extension of a consultation project involving facility workers conducted using a questionnaire to gather opinions, ideas and suggestions to improve the Sustainability Report. Stakeholder engagement was also extended to a sample of customers and suppliers.

We summarise below the main communication means and matters of interest.

INVOLVEMENT OF STAKEHOLDERS AND MATTERS CONSIDERED

Involvement of stakeholders and matters considered

Stakeholder	Subgroups	Involvement and communication	Matters of interest
SHAREHOLDERS	Majority shareholders Minority shareholders	<ul style="list-style-type: none"> Shareholders' Meeting Interim financial reports Annual Non-Financial Disclosure Corporate Governance Report 	<ul style="list-style-type: none"> Economic sustainability Quality of the organisation
CUSTOMERS	Italian customers Overseas customers	<ul style="list-style-type: none"> Dedicated meetings Collaboration in the development of products and improvement of services Production facility visits Questionnaires 	<ul style="list-style-type: none"> Product quality and safety Food loss and waste Quality of the organisation Economic sustainability Human rights and responsibility throughout the supply chain Traceability Environmental impacts of Production Packaging sustainability Logistics optimisation and efficiency Innovation Italian identity
PERSONNEL	Management boards Headquarters personnel Facility personnel Trade Unions	<ul style="list-style-type: none"> Circulation of the Ethics Code Specific meetings and training Company intranet Company review (Elledi) Questionnaires 	<ul style="list-style-type: none"> Quality of the organisation Economic sustainability
TRADE UNIONS		<ul style="list-style-type: none"> Periodic meetings 	<ul style="list-style-type: none"> Quality of the organisation Workplace health and safety Economic sustainability
FINANCIAL COMMUNITY	Institutional investors Banks	<ul style="list-style-type: none"> Institutional website Press releases Interim financial reports Annual Non-Financial Disclosure Corporate Governance Report Roadshows and dedicated meetings 	<ul style="list-style-type: none"> Economic sustainability Quality of the organisation Environmental impacts of production

Involvement of stakeholders and matters considered

Stakeholder	Subgroups	Involvement and communication	Matters of interest
SUPPLIERS	Suppliers of raw materials Suppliers of goods Suppliers of services Consulting companies	<ul style="list-style-type: none"> • Dedicated meetings • Training courses on specific issues • Site visits • Institutional website • Contracts • Questionnaires 	<ul style="list-style-type: none"> • Traceability • Food loss and waste • Human rights and responsibility throughout the supply chain • Logistics optimisation and efficiency • Economic sustainability
PUBLIC SECTOR AND LOCAL AUTHORITIES	Government institutions Regulatory authorities Control bodies Local public bodies	<ul style="list-style-type: none"> • Dedicated meetings • Conventions • Institutional communications 	<ul style="list-style-type: none"> • Quality of the organisation • Economic sustainability • Product quality and safety • Environmental impacts of Production
INDUSTRY ASSOCIATIONS AND OTHER ORGANISATIONS	Confindustria Anicav Federalimentare Industrial Food Union (UIF)	<ul style="list-style-type: none"> • Membership of Confindustria both on a regional (Confindustria Salerno and Ravenna) and an industrial (ANICAV and UIF) basis and involvement in activities • Industrial Union of Parma • Organisation of events and conventions on specific issues 	<ul style="list-style-type: none"> • Product quality and safety • Human rights and responsibility throughout the supply chain • Italian identity • Food loss and waste • Traceability
LOCAL COMMUNITIES	Schools Universities Association dues	<ul style="list-style-type: none"> • Partnership • Involvement of Schools and Universities • Disbursement of Scholarships 	<ul style="list-style-type: none"> • Quality of the organisation • Economic sustainability • Environmental impacts of Production • Loss and waste

The image features two young green seedlings with cotyledons and emerging leaves, growing out of a mound of dark brown, textured soil. The background is a soft, out-of-focus green gradient with a bright light source in the upper right corner, creating a lens flare effect. The word 'LAND' is overlaid in large, white, bold, sans-serif capital letters on the left side of the image, partially overlapping the seedlings.

LAND

Product quality and safety
Traceability
Food loss and waste



Product quality and safety

Traceability
Food loss and waste



Product quality and safety

[GRI 416-1; GRI 417-2; G4-FP5]



The utmost quality and safety of our products is imperative for us, and for this reason we are constantly raising our standards.

In addition to complying with all applicable regulations, all our facilities have ISO 9001 certified quality management systems; in addition, the facilities that produce for the Retailers are certified to the main food safety standards (IFS, BRC).

Such certifications and the constant monitoring of our products ensure the very highest levels of quality and safety.




FACILITIES CERTIFICATIONS

Certifications at our facilities
ISO 9001, BRC, IFS

THE 3 STEPS TO OUR QUALITY:

1. Carefully select
2. Support our agricultural suppliers
3. Constantly invest



FOOD SAFETY

All our production facilities are certified according to the food safety standards

Quality in 3 steps

We carefully select locations across the globe for the production of the very best raw materials. The areas of origin of the ingredients used by the company are selected according to certain criteria that significantly affect the quality of our products. These criteria include climatic and meteorological conditions, territorial morphology, specific soil characteristics and, naturally, the production capacity of the land. To guarantee the right conditions, our quality team regularly visits suppliers to verify that they are able to meet the criteria required by La Doria.

We support our agricultural suppliers in purchasing the very best materials and tools needed for cultivation. We also monitor the entire supply chain to guarantee the full traceability of products, from the field to the shelf. In order to ensure the highest quality of products, and especially the flagship tomato products, La Doria takes it upon itself to provide farmers with the actual seeds to be planted. This decision derives from thorough studies of the characteristics that the raw materials must have in order to express all the qualities required in the production of the final products, but also to ensure adequate crop resistance during cultivation, thus minimizing the need for crop protection measures. La Doria monitors the growth of crops and provides agronomic consulting services and targeted training for suppliers on issues such as the responsible and strictly limited use of agrochemicals, and educates on the care to be taken to ensure maximum yield and product safety. At the end of each production cycle, all our suppliers are assessed on the quantity and quality of the raw material conferred, as well as on the number of non-conformities and client complaints.

Naturally, for all our main ingredients (tomatoes, pulses and fruits), we carry out a series of exacting quality controls in collaboration with our suppliers. Regarding pulses for example, La Doria partners with major suppliers committed to ensuring the very highest standards and rigorous quality and safety controls, which La Doria double-checks on receipt of the raw ingredients destined for production.

We constantly invest in the most advanced production and control systems for quality monitoring at every single stage of processing. The investments of the Group aimed at automating controls and introducing advanced production systems are an important contribution to guarantee product quality and safety. A series of automations have been successfully introduced in the collection, sorting and control of raw materials, with the aim of minimizing manual labour errors. These systems have not only been introduced in La Doria's own facilities, but also in those of raw material suppliers. The company's investment in this area focuses also on human resources and the organisation. In 2019, we continued an initiative to refresh skills in the Quality Assurance area through the organisation of a series of specialist courses in collaboration with an external company on topics regarding overseas legislation, HACCP, MOCA sector, Food Fraud, Food Safety internal audits and Ethical Audits.

These three steps are accompanied by assessments throughout the lifecycle of our products to verify and ensure their quality and safety. We check for the presence of heavy metals (lead and cadmium) and pesticides, which may derive from agricultural treatments or soil quality. In the production stage, we monitor the weight, where requested, of the pH and Brix levels, the latter an important measure of the quantity of sugars in fruit and vegetables, in addition to other soluble and naturally present substances such as salts and acids. Finally, we assess all the organoleptic, chemical and physical properties of the finished products.

In 2019 La Doria created a product traceability system for tomatoes, basil and fruit. In 2020 it will obtain ISO 22005:2008 certification.

Complaints

During 2019, under the company's quality management system, 2342 complaints were registered, of which 1680 pertaining to LDH customers. This number includes all types of quality complaints that La Doria receives, including those received directly from consumers, which are managed by the subsidiary and by clients directly. La Doria is constantly committed to taking full charge of complaints and providing an effective response, as well as putting in place the most adequate measures to prevent such issues from re-emerging.

The table below indicates the number of complaints in terms of millions of items sold. In 2019, the sauces and pestos lines reported a reduced number of complaints on 2018. This improvement is due to better technology at our facilities.

Several types of complaints are not directly related to the production process itself, such as product "packaging", "service, loading and transport" and "handling". Complaints relating to "packaging" are attributable to supplies of paper products, lids, cans and tin plates not directly produced by the product processing facilities themselves.

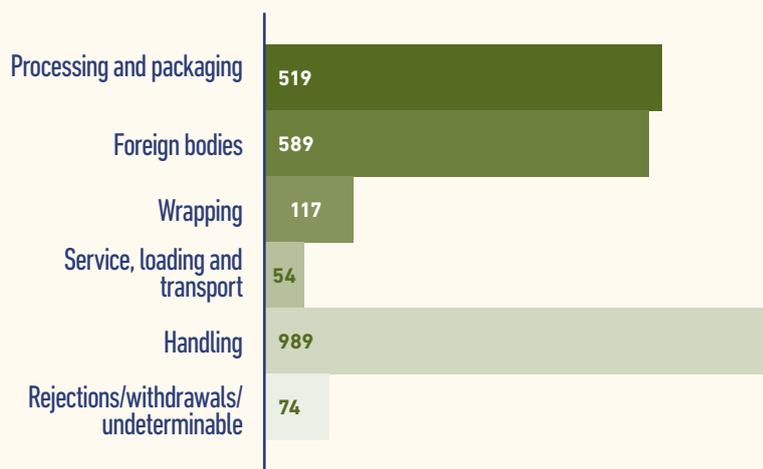
QUALITY COMPLAINTS BY PRODUCT LINE PER MILLION ITEMS SOLD (IN PPM) EXCLUDING LOADING, SERVICE AND TRANSPORT

Complaints regarding the quality of products	2019	2018
Sauces and Pestos	1.77	2.11
Tomatoes	2.53	1.71
Pulses	1.46	1.34
Fruit	0.14	0.12

TOTAL NUMBER OF COMPLAINTS RECEIVED AND PERCENTAGE OF THOSE SETTLED

Complaints regarding the quality of products	2019	2018
Number of complaints received	2,342	1,982
Number of complaints settled during the year	100%	100%

2019 COMPLAINTS BY TYPE



Complaints relating to “service, loading and transport” include those attributable to handling companies whose activities are outsourced by La Doria. In such cases, La Doria works in close partnership with its suppliers to constantly improve supplies and performance, with the aim of minimizing the number of complaints. Complaints for “handling”, on the other hand, are filed registered and managed by La Doria and come from final consumers of the supermarket chains, predominantly in the UK. The complaints relate to the primary packaging of products presumably damaged during the multiple handling phases downstream of the supply chain. This category includes all those complaints that cannot be attributed unequivocally to product processing and/or packaging processes, regarding which the company has sought to identify causes and, in partnership with clients, to improve the indirectly controlled logistics processes.

However, certain complaints are directly attributable to the production processes at La Doria facilities. These are complaints related to manufacturing activity, the presence of foreign bodies and packaging processes. The product lines most affected by such complaints regard tomato derivatives and canned pulses.

To address issues with product processing, tools have been introduced to production lines to check the integrity of packs used and to ensure that the product is properly canned and sealed.

Regarding foreign bodies within products, which, in particular, pose a risk to food safety, the Group has worked extremely hard in recent years both within its own factories and in collaboration with suppliers of raw materials. It is of fundamental importance to ensure utmost attention to this issue, particularly in the collection and sorting of crops directly in the field of cultivation. La Doria is conducting major

campaigns to raise awareness among agricultural suppliers, the most significant of which is the “Clean Countryside” project, which was conceived to promote better field management. Additionally, the company promotes the use of automatic sorting machines to assist manual work relating to certain types of raw materials, such as pulses. Agricultural workers are also required to use exclusively black-coloured irrigation accessories, so that the picking machines harvesting tomato produce can effectively identify and expel any collected rubber fragments. Technological advancements have also been introduced within processing plants to minimize the risk of foreign bodies in products, including automatic input selection, improved X-ray equipment and broken glass controls.





Traceability

[GRI 301-1]

The supply chains form an intricate, complex system. Accordingly, they require adequate control and management safeguards to mitigate risks to the product throughout its journey to the final consumer.

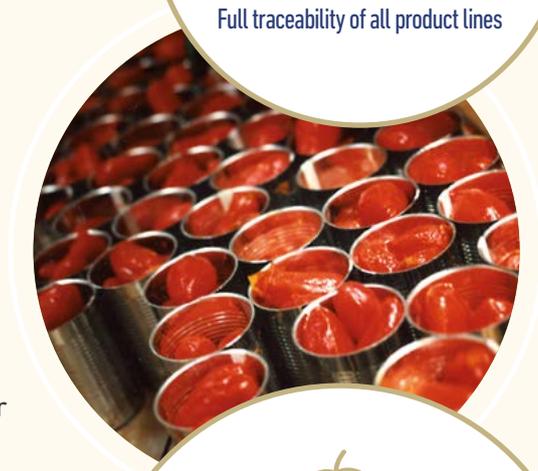
Traceability facilitates the identification of origins of risk factors and the implementation of appropriate measures in the suspected chain to prevent the reoccurrences of any issues.

The traceability of a product consists of the collection of a series of data along the supply chain, with the collaboration of the various actors involved. This is an essential tool for responding to growing consumer demands and for the accountability of the various actors in the supply chain.

This is what traceability means to us, and, with the technologies we have implemented, we remain committed to guaranteeing the quality and safety of each batch of product that is processed within our facilities.

TRACEABILITY

Full traceability of all product lines



TOMATOES

The traceability of tomato products right down to its cultivation lot

From the land to the shelf

All product lines processed by La Doria are fully traceable from the land of origin to retailers' shelves, despite the great variety of raw ingredients used and their different origins.

Throughout the whole chain, whether long or short, key data is collected with the use of IT systems that, at any given time, associate a product being processed or already prepared for sale with its origin and lot. In this way, it is possible to trace the product's entire journey and identify all those who have had anything to do with the product along the supply chain. This data ensures that correct and reliable information about the characteristics of the raw materials are consultable at any time. The system enables La Doria to ensure the highest safety standards and to track down all product lots to wherever they have been distributed to clients in case any withdrawals or post-marketing controls are required.

GEOGRAPHICAL ORIGIN OF PRODUCTS (PERCENTAGE BREAKDOWN)

	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	EUROPE OTHER	ISRAEL
FRESH TOMATOES 199,086,106 KG	-	-	-	100%	-	-
PULSES 59,120,508 KG	55%	14%	11%	8%	12%	-
FRESH FRUIT ¹¹ 13,824,235 KG	-	-	-	100%	-	-
FROZEN ¹² 4,244.291 KG	-	15.7%	16.4%	7.4%	54.2%	6.3%

To ensure that the system is effective, audits are carried out both internally and externally by ISO 9001, BRC and IFS Quality Management Systems' certification bodies, as well as by the subsidiary LDH in relation to its suppliers, other than La Doria, in order to verify full compliance with product traceability procedures. In 2019 LDH was awarded BRC Agents and Broker Standard certification (version 2) Additionally, the Group's major clients also carry out periodic product traceability controls.

La Doria's commitment to this concern is ever greater, since the company considers traceability an indispensable element to operating responsibly on the market. For this reason, the implemented traceability system is constantly evolving, with a progressive drive to adopt new technologies to improve its reliability. As evidence of this evolution, in 2019 La Doria obtained ISO 22005:2008 certification for tomatoes, fruit and basil. The standard is intended to support companies in documenting product history by allowing them to determine product location and origin at all times.

In 2019, 45% of products were labelled with specific information on their origin. All products, as per legal requirements, are labelled with detailed information on their contents (i.e. ingredients) and on how to use and store them.

¹¹ Peaches, apricots, pears and apples processed in facilities to transform the fruit into puree for fruit juice production.

¹² Semi-processed fruit that is frozen and shipped to La Doria facilities to be transformed into juices and fruit-based beverages.

The journey of a tomato

Regarding tomatoes, which are the traditional produce of the Group and entirely cultivated in Italy, La Doria deals directly with local associations of agricultural producers, not with other companies that produce for themselves or collect raw materials from local suppliers, as for other products. This characteristic of the tomato supply chain also allows for the identification of the Agricultural Production Unit (UPA), namely the exact field of cultivation. Indeed, each and every tomato field is geo-tagged through a GPS system. And the close collaboration with agricultural suppliers does not end here; a data set is also collected during the actual cultivation of the plants and fruit, providing detailed information on each lot arriving at the processing facilities. All tomatoes used by the company are subject to this traceability system. Once the tomatoes arrive at a plant, each lot is linked to a Transport Document containing all the information gathered up to that point. Using the associated code, every movement within the facility can be mapped, ensuring the maximum traceability of every tomato and its characteristics.

Traceability at LDH

The approach taken by the subsidiary to this issue has a different connotation in view of its trading activity, while still pursuing the same aim of ensuring the traceability of the finished product. LDH seeks to ensure that traceability drills involving its suppliers' finished products are concluded within a maximum of four hours. All traceability audits conducted in 2019 were successfully completed.

LDH was certified compliant with version 2 of the BRC Agents and Brokers standard in 2019. The audit reviews the protocols and procedures associated with product traceability and also examines controls in place regarding any indications of origin on packaging. All the technical audits conducted by LDH – or directly by its clients at its production facilities – include traceability assessments.

LDH has adopted a supply-chain mapping model for information and visibility regarding products and suppliers. The model applies to both seafood products and agricultural products and provides detailed information regarding environmental and labour impacts for each product/supplier. In 2019 the model was shared with the suppliers involved. LDH's goal for 2020 is to complete the map of the supply-chain for all suppliers deemed high-risk.



Food loss and waste



The issue of food loss and waste is increasingly a focus of the international community in its concern over the quantity of healthy products fit for consumption that are left uneaten.

Well-aware of the sensitivity of this issue, we are constantly striving to minimize and prevent losses throughout the entire value chain. For example, during the cultivation phase, we help farmers optimize their use of resources by introducing new technologies, and, during product processing, by increasing the use of processes, machines and equipment that reduce product waste and by recycling certain by-products.

Additionally, we strive to maintain strong partnerships with non-profit associations to which we can donate some of the products that are fit for consumption but cannot be sold to customers.



Reducing waste in our facilities

Food product loss and waste is a priority issue for La Doria, also because reducing waste helps to reduce costs. This is why the company is constantly committed to ensuring that its facilities adopt all necessary measures to minimize waste. Such measures are varied and applied at different stages of product processing, from the selection of raw materials to the handling of finished products that do not conform to required standards.

In the raw material selection phase, automatic tomato and legume selection tools have been introduced to assist manual work, to ensure greater precision in the initial sorting of the material entering the facilities, to ensure better quality control and to verify the absence of any foreign bodies. This significantly reduces the risk that products are later considered non-conforming and therefore to be discarded.

In the product processing phase, each facility undertakes to constantly monitor raw material and packaging consumption by using several applications that check for deviations in the bill of materials and trigger activities of readjustment and improvement that are evaluated by relevant departments.



Less waste and a second life for processing by-products

The reduction of production waste can also be achieved through specific projects aimed at re-using some production by-products in other product markets or production processes. A case in point the re-use of tomato skins in animal feed. Tomato skins, as well as seeds, are also re-purposed as soil improvers. On the other hand, the stones of fruit made into puree in our facilities are used in the processing of dried fruits. These are just a few examples of how by-products are reused and not wasted.

QUANTITY OF RE-PURPOSED BY-PRODUCTS

	2019	2018
Peach stones (Kg)	475,720	359,520
Apricot stones (Kg)	226,680	169,810
Tomato skins (Kg)	5,853,600	5,320,859
Fruit skins (Kg)	1,429,520	1,135,840

Donate – don't waste

Another important activity carried out by the Group is the donation of some products to charitable organizations. This happens with all those products considered not suitable for sale to customers but still fit for human consumption under food safety requirements. The reasons behind the non-conformities of such products vary, from secondary packaging defects to product characteristics not perfectly compliant with agreed specifications, but posing no risk to the goodness or healthiness of the products.

In 2019, La Doria donated 3,543,567 products to charity, worth around Euro 914,363. In 2019, 72% of unsold products were donated to the *Banco Alimentare* (Food Bank).

PRODUCT DONATIONS BY LA DORIA



At the source

La Doria is not only engaged in the reduction of waste generated by raw material processing, over which it has direct control, but also constantly collaborates with suppliers to put in place measures to mitigate product loss in the agricultural production stage.

Such collaboration takes different forms depending on the needs of suppliers, the organization of their agricultural activities and the type of relationship with the company.

With agricultural producers with whom there is a more consolidated and direct relationship, La Doria provides the tomato seeds and seedlings to be planted in order to minimize the risk that crops may be wasted or damaged during cultivation. This decision is intended to ensure that the product is fully compliant with processing needs and client requirements and that plantations have inherent resilience to parasites and other pathogens.

Again, in view of reducing waste during cultivation, several projects have been implemented to raise awareness and train agricultural suppliers on the use of innovative crop solutions. One example is the use of pheromone traps that, by monitoring the number of certain insects, allow plant protection measures to be applied only when strictly necessary. The introduction of technological and digital solutions (use of "Bluleaf" app) also helps to reduce waste by facilitating the monitoring of field conditions, for example, with sensors able to measure soil moisture, allowing for irrigation adjustments and reductions in wasted water.





COMMITMENT

Environmental impacts of production
Human rights and Responsibility throughout the supply chain
Packaging sustainability
Logistics optimisation and efficiency
Economic sustainability



Environmental impacts of production

- Human rights and Responsibility throughout the supply chain
- Packaging sustainability
- Logistics optimisation and efficiency
- Economic sustainability



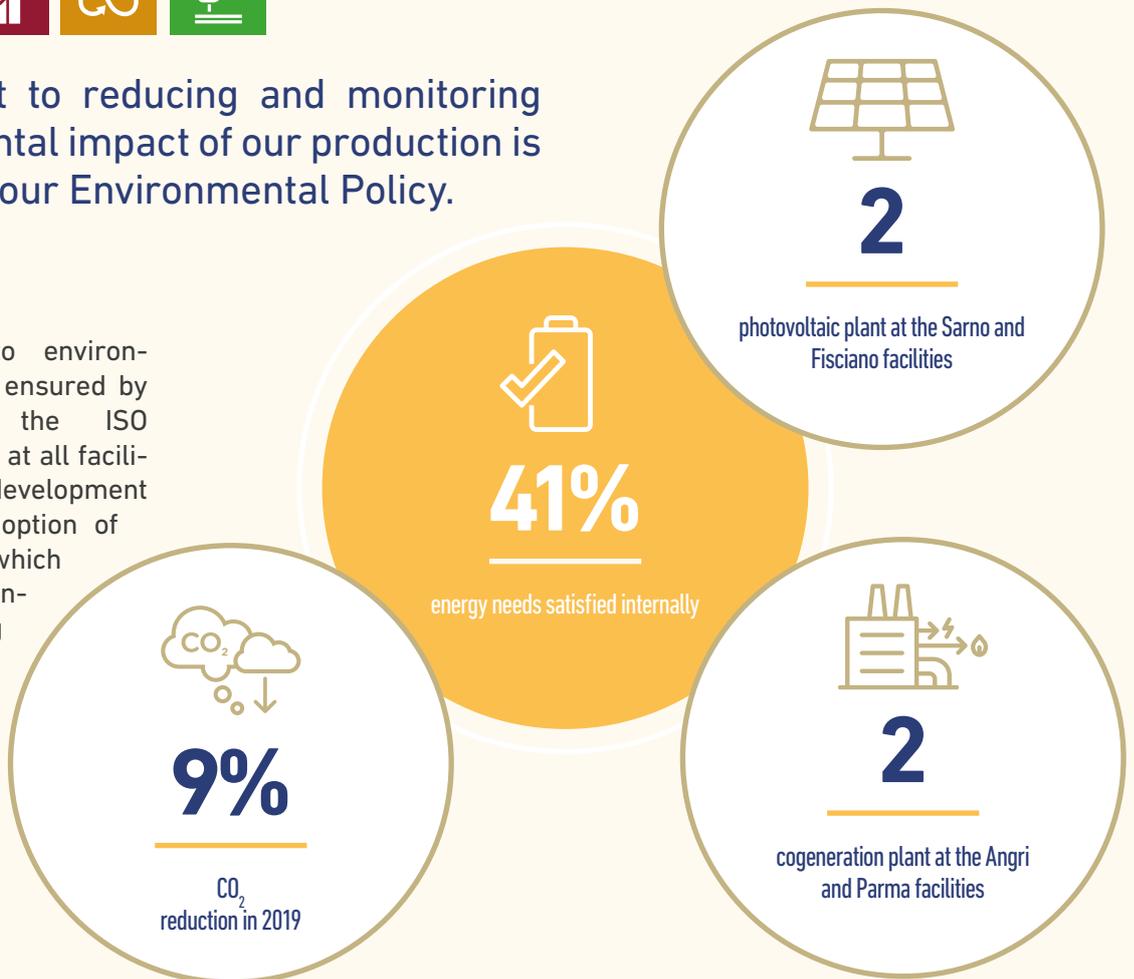
Environmental impacts of production

[GRI 102-48; GRI 302-1; GRI 302-3; GRI 302-4; GRI 303-1; GRI 306-1; GRI 306-2]



A commitment to reducing and monitoring the environmental impact of our production is at the heart of our Environmental Policy.

Our commitment to environmental protection is ensured by compliance with the ISO 14001:2004 Standard at all facilities, through development projects and the adoption of technologies which protect the environment by reducing inefficiencies and waste.



The regulation requires the maintenance of an Environmental Management System which complies with the benchmark standard, guaranteeing satisfaction of the environmental rules in terms of its processes, products and services, the prevention of pollution, the planning of environmental actions and projects to ensure ongoing improvement in terms of environmental impacts, the monitoring energy and natural resource consumption so as to ensure the reduction of waste and inefficiencies and the creation of awareness and assigning of responsibility among employees through education and training activities, also involving third party companies and transport firms.

Power supply at our facilities

The energy needs of production facilities are a significant cost item for the company. In the interest of reducing these costs, and of mitigating associated energy consumption impacts, La Doria has, over the years, made considerable investments in the innovation of facilities, allowing them to reorganize their power supply. Indeed, innovations have been introduced that have markedly reduced power consumption from the electrical grid in favour of energy produced by the company itself.

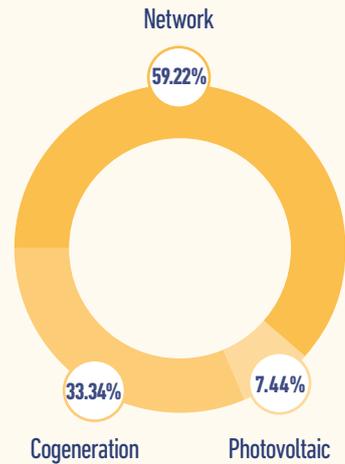
Photovoltaic panels have been introduced at the Sarno and Fisciano facilities, with energy production capacities of 3.7 MW and 1 MW respectively, in line with the relative annual consumption and distribution demands. Alternatively, the Angri and Parma facilities have installed cogeneration plant with production capacities of 2,700 kW and 601 kW respectively, covering a considerable portion of energy needs.

These photovoltaic and cogeneration plants are a key resource for the company, as they are able to supply approx. 41% of production electricity needs, while the remaining share is taken from the grid, as shown in the table.

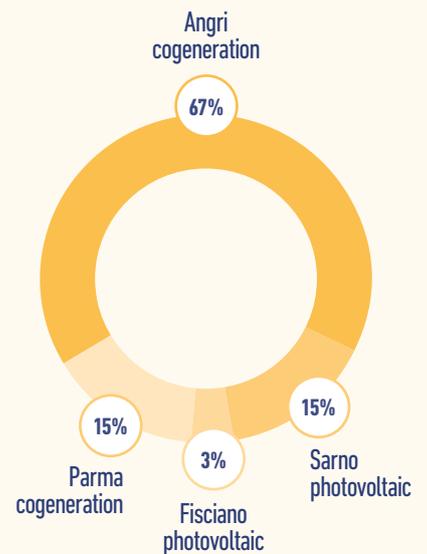
If we analyse in detail the percentage of electricity produced at the facilities themselves, we see that the cogeneration plant at the Angri facility, in particular, is able to cover a great share of demand, accounting for 67% of the total.

The introduction of the cogeneration plant has led to an increase in the demand for natural gas at the Angri and Parma facilities. To offset this increased demand, La Doria has implemented several heat recovery innovations that reduce gas consumption. At Angri, heat recovery plant, for example for the re-use of the cooling water to heat the pulses processing water or recovered heat from overspray. This recovery has supported the gaining for five years of white certificates (energy efficiency securities). La Doria's cogeneration plant have received "High Yield of Cogeneration" (CAR)¹³ recognition: this operating recognition is issued to facilities that are able to guarantee a high ratio of energy produced to energy consumed.

ELECTRICAL CONSUMPTION BY SOURCE - 2019



SHARE OF ENERGY PRODUCED ON-SITE BY SOURCE

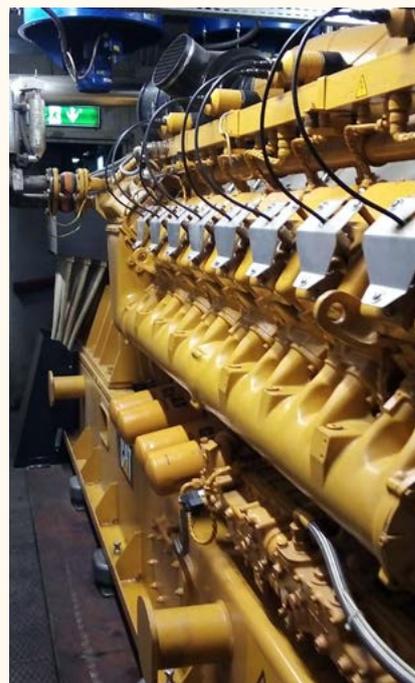


¹³ For certification criteria, refer to those established by the Ministerial Decree of August 4, 2011 (Annex III), valid from January 1, 2011 and completing the transposition of Directive 2004/8/EC initiated by Legislative Decree No. 20 of 2007.

In recent years, the Angri cogeneration plant was remodelled, replacing two of the main components i.e. the motor and the alternator.

The two new groups installed, of the same power, are better performing and more reliable than the previous. The construction features indicate high efficiency and optimal environmental performance. The two Groups, in fact, already present reduced polluting emissions ($\text{CO}_2 < 90 \text{ mg/Nm}^3$, and $\text{NOX} < 250 \text{ mg/Nm}^3$).

In terms of energy consumption, at Sarno over recent years initiatives included the following: the revamping or modernisation of the refrigeration cells, the introduction of a glycol¹⁴ plant, allowing the removal of the previous one, and the addition of inverters in well pumps. These and other similar interventions have reduced the facility's energy requirements over the last three years by approximately 1,374,933 kWh. In addition, in 2019 heat and energy recovery reduced consumption by 5,236 tCO₂. In 2019, in addition, at the Angri, Sarno and Fisciano plants, the existing lighting was replaced on some production lines with LED-based systems. In 2020, the project will be extended to other production units. The table below shows the aggregate data of all energy savings reductions achieved at the various facilities compared to the previous year. Natural gas reduction in 2019 reached 8% of the annual requirements of the Group's facilities.



ENERGY SAVINGS BY SOURCE¹⁵

Source	2019		2018	
Electricity	318,384 kWh	1,146 (GJ)	511,964 kWh	1,843 (GJ)
Natural gas	1,967,691 m ³ (GJ)	77,527 (GJ)	1,912,366 m ³	75,347

The tables below detail the energy needs of all facilities over the last two years. The data on the company's own energy production takes into account all the electricity produced.

ENERGY CONSUMED WITHIN THE ORGANISATION¹⁶

Energy consumed	2019		2018	
	(kWh)	(GJ)	(kWh)	(GJ)
Electricity ¹⁷	55,557,271	200,006	52,723,380	189,804
- from renewable sources ¹⁸	4,131,783	14,874	3,859,976	13,896
Natural gas	25,720,917	1,013,404	23,840,572 (m ³) ¹⁹	939,319
Total consumed		1,213,410		1,129,123

Energy self-produced	2019		2018	
	(kWh)	(GJ)	(kWh)	(GJ)
Electricity produced	19,528,810	70,304	17,561,410	63,221
Electricity self-consumed ²⁰	18,523,779	66,686	16,429,613	59,147

Energy intensity index ²¹	2019		2018	
	(MWh/ton)	(GJ/ton)	(MWh/ton)	(GJ/ton)
	0.07	1.7	0.07	1.7

¹⁴ Glycol is an antifreeze fluid.

¹⁵ The data does not include the subsidiary LDH as reporting insignificant energy consumption (trading company and therefore not undertaking production).

¹⁶ The energy consumption detailed here refers to the Group's production facilities including the Acerra facility. Despite the closure of this site in September 30, 2018, safety measures were subsequently required. For the first year, the indicator has been integrated with the information regarding the Pagani Warehouse.

¹⁷ The data refers to the consumption of energy from the grid and from own production.

¹⁸ The renewable energy indicated here is that produced by photovoltaic plants on the roofs of the Sarno and Fisciano facilities.

¹⁹ Following a collation and calculation process, the figures for 2018 were restated on those published in the 2018 Sustainability Report.

²⁰ This self-consumed electricity represents the energy produced by the cogeneration plants that is consumed in the facilities themselves.

²¹ The energy intensity index was calculated on the basis of the energy, gas and electricity vectors, entering the facilities.

Less Waste and less wastefulness

Depending on specific production processes, various systems have either already been introduced or will be introduced in the coming years to provide solutions for minimizing waste or recovering production materials. At the Sarno facility, a unit for the treatment of production waste (i.e. tins of tomato products and pulses) has successfully been introduced that compacts the waste, re-purposes its contents as a nutrient for the bacteria of biological activated sludge treatment plants and sends other materials for recovery. This system has resulted in a reduction of around 20% per year in the treatment of production waste at authorised centres.

To further reduce waste volume and weight, in December 2019 a plant was installed in the Parma facility to dehydrate the mud extracted from the purification cycle's flotation system.

Given the differing types of products processed at La Doria facilities, waste generation is particularly conditioned by the intrinsic characteristics of the raw materials and the range of products.

To minimise water consumption, another closed circuit cooling circuit with evaporation towers will be constructed at the Parma facility in 2020. These processes comprise two circuits: a primary circuit in which the cooling water exchanges heat with the product and a secondary circuit in which the tower water exchanges heat with the cooling water. The water tower transfers heat to the external environment to "cool down" and in turn cools the primary circuit water and then warms up again. The project evaporation towers have an evaporation loss of 3%, therefore this quantity should be reintegrated.

WASTE PRODUCED BY GROUP PRODUCTION FACILITIES

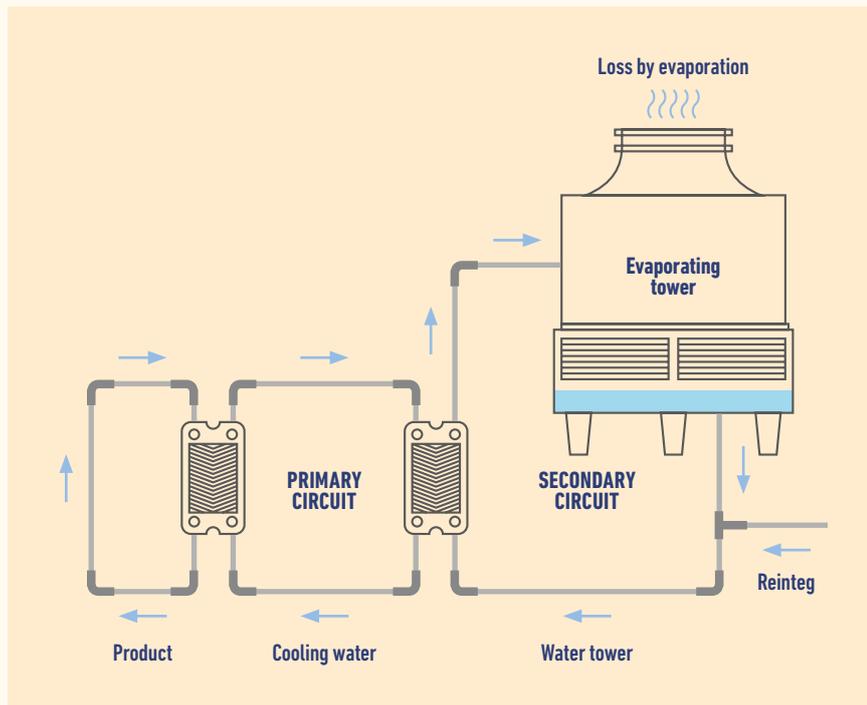
Hazardous waste	2019	2018
Total weight (tons)	107.66	100.5
- destined for re-use or recycling	0	0
- destined for recovery	95.19	77.3
- destined for incineration	0	0
- destined for landfill	0	0
- other disposal	12.47	23.2
Non-hazardous waste		
	2019	2018
Total weight (tons)	43,034	34,360
- destined for re-use or recycling	0	0
- destined for recovery	42,827	34,173
- destined for incineration	0	0
- destined for landfill	0	0
- other disposal	207.47	186.6
Total waste (hazardous and non-hazardous)	43,142.08	34,460.5
Production volumes (tons)	594,861.2	564,280.9
Ratio of generated waste to production volumes	0.07	0.06

Water consumption

La Doria monitors water consumption at its facilities, reducing the use of natural resources and climate change impacts. The planning, execution and periodic controls, and more generally the correct management of water resources, optimises water consumption.

Over the years, various water reuse actions have been taken, e.g. the reuse of the cooling water for finished product tomato line boxes at facilities. The water at 30°C, coming from the box cooling phase, is reutilised in the various tomato washing phases, immediately before peeling.

SIMPLIFIED GRAPH OF A CLOSED CYCLE CIRCUIT WITH EVAPORATION TOWER



Consumption and water waste is broken down respectively below by source and destination.

Water consumption	2019	2018
Groundwater in m ³	2,506,975	2,397,133
Aqueduct or other municipal source in m ³	8,609 ²²	21,946
Co-operative Water	332,200	278,900
Total procurement	2,847,784	2,697,979
Water sourced/ton produced	4.8	4.8

Water discharge	2019	2018
Sewerage in m ³	1,409,598	1,287,173
Ground water in m ³	1,115,319	1,068,876
Soil or subsoil in m ³	-	
Total	2,524,916	2,356,049
Total water discharge/ton produced	4.2	4.2

²² This difference is a result of the closure of the Acerra facility in September 2018.

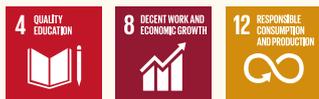


Environmental impacts of production
Human rights and Responsibility throughout the supply chain
 Packaging sustainability
 Logistics optimisation and efficiency
 Economic sustainability



Human rights and responsibility throughout the supply chain

[GRI 102-12; GRI 406-1; GRI 412-1; GRI 412-2; GRI 414-1; GRI 414-2]



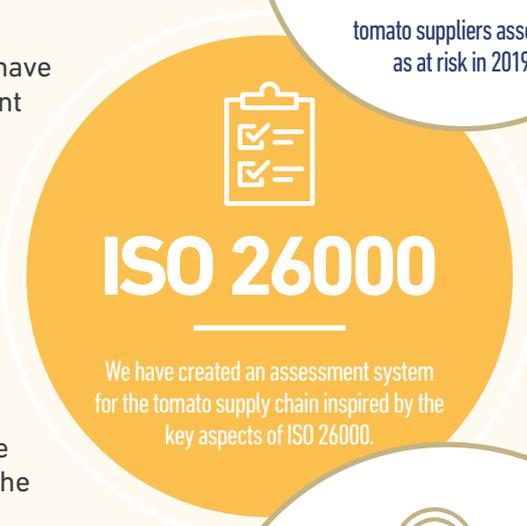
Our commitment is evident in terms of three sustainability aspects: Economic, Environmental, Social.

Respect for individuals, moral integrity and mutual trust are integral parts of La Doria's business culture.

The company strives to promote respect for human rights and the elimination of all forms of human rights violations within its organization and by its suppliers.

Over the last few years, in the tomato supply chain serious criticisms have been raised in relation to illegal hiring practices adopted in some regions, the extensive use of undeclared labour, the exploitation of migrant workers and inhumane working conditions.

In this context, we have made an important commitment regarding the tomato supply chain, because we want to be sure of not contributing indirectly to the violation of people's rights and as we want to play an active part in eliminating the problem.



Respect for Human Rights

Within its sphere of influence, La Doria is committed to supporting the protection of the human rights enshrined in the United Nations Universal Declaration of the Rights of Man and the treaties inspired by it, such as the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO).

This commitment is reflected in the Human Rights Policy adopted by La Doria in 2018. The Group has also formalized a “Modern day slavery statement” document²³, setting out the commitment to avoid any kind of involvement or show any kind of tolerance to slavery and human trafficking connected with the company’s products or commercial activities. In 2019, the La Doria SpA Ethics Code was updated to increase the ability to share and develop conduct that encourages sustainable growth by promoting respect for diversity and developing a real culture of integrity. Education in human rights and an understanding of the fundamental rights of human-kind were the subject of a training course provided in 2019 through the use of the e-learning platform.

Responsible supply chain management

Our commitment throughout the supply chain is evident in terms of three sustainability aspects:

- **Economic**
- **Environmental**
- **Social**

In terms of economic sustainability, we undertake a number of initiatives to develop the community and ensure business continuity to our strategic suppliers.

In terms of environmental sustainability, we work to reduce negative impacts on the environment (waste, water wastage, insecticide use, etc.). In terms of social sustainability, we commit to improving working conditions for those involved in agriculture.

In the wider context of increased focus on climate change, we have implemented programmes to convey good soil management practices to farmers, meaning increased water retention and carbon build-up in the soil to protect against floods and drought. The activities carried out in the last few years have also preserved biodiversity, which helps adaptation to climate change, and combats the build-up of greenhouse gases in the atmosphere. Respect for just working conditions and workers’ rights is a requirement that the La Doria Group demands of all of its suppliers and is verified right from the supplier selection stage.

Our focus on the tomato and pulses supply chain in recent years, however, has revealed the need for specific measures to verify and ensure effective compliance with ethical principles.

Qualification of suppliers

A specific procedure guides the process of approving and validating all suppliers. In the case of agricultural raw materials (e.g. tomatoes, pulses, fruits), prior to the signing of contracts with suppliers, La Doria inspectors make visits to their fields to verify in person several aspects, including those related to social sustainability. On selection, all suppliers are required to adhere to the company’s Ethics Code and to commit to its upholding.



Mechanical harvesting, a way to limit field work

All the tomatoes that La Doria receives are entirely harvested mechanically. This choice is not only motivated by guaranteed rapid and accurate harvesting, but also by avoiding the exposure of workers to the hazardous working conditions of manual harvesting. Indeed, this policy dramatically limits the possibility that a large number of people have to work in the fields for many hours during the summer and under conditions unsuitable in terms of safety and fair employment.

²³ The Ethics Code is available on the website of the La Doria Group: <http://www.gruppodoria.it/EN/corporate-governance/code-of-ethics.xhtml>

The Risk Assessment Procedure in the tomato supply chain

In 2014, La Doria, with the support of SGS²⁴, introduced a system of ethical risk monitoring in the tomato supply chain, which, on an annual basis, allows it to check for the emergence of specific risks. Every year, SGS assesses La Doria's management of the tomato supply chain and its effectiveness and issues a certification letter.

This system, based on indications provided by ISO 26000 "Guidance on Social Responsibility", has over recent years identified suppliers at risk of improper working conditions. The analysis takes into account four factors:

1. Geographical location of the supplier
2. Type of supplier (single producer or cooperative of producers)
3. Type of harvest
4. Quantity of produce supplied.

The risk monitoring activities use a specific checklist to collect information and check critical aspects during audits at supplier sites. Over recent years, La Doria has carried out an ever-greater number of specific audits, initially focusing on the suppliers deemed most at risk and then expanding the number involved. In 2019, audits were conducted involving tomato suppliers in the regions of Puglia, Basilicata, Campania and Lazio. The audits are aimed at checking:

- The working conditions of suppliers in order to ensure compliance with health and safety standards;
- Employment contracts and salary payments in order to ensure the absence of undeclared work and illegal hiring practices;
- The absence of any form of child labour, discrimination, abuse or forced labour.

In the event of any emergence of risk, La Doria is committed to immediately seeking agreement with the supplier on necessary measures to restore proper working conditions. The efficacy of the collaboration was verified by the risk assessment, which did not indicate any at risk situations in the 2018-2019 period.

ETHICAL AUDITS CONDUCTED BY LA DORIA

20

2019

18

2018

POTENTIAL NEGATIVE IMPACTS CONCERNING LABOUR PRACTICES AND THE PROTECTION OF HUMAN RIGHTS IN THE TOMATO SUPPLY CHAIN

	2019	2018
Percentage of suppliers audited	100%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	0	0
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such impacts	-	-
Percentages of suppliers with possible negative impacts with which the company has decided to terminate work relations based on the results of the conducted analyses	-	-

Checks and audits conducted by clients and third parties

VISITS TO FIELDS BY CLIENTS AND SGS AUDITS

5

2019

3

2018

In the two-year period 2018-2019, no issues emerged from customers' field visits.

COMPLAINTS RECEIVED CONCERNING WORKING CONDITIONS

	2019	2018
Number of complaints received	0	0
Number of complaints received and resolved	0	0

²⁴ SGS is an inspection, verification, analysis and certification services company.

Collaboration with suppliers, clients and organizations

To tackle this issue effectively, collaboration between the different stakeholders in the supply chain and third-party organizations is crucial.

La Doria supports farmers both in the adoption of sustainable agricultural practices and in the development of specific training and awareness-raising campaigns, in order to promote a culture of sustainability throughout the supply chain. For such purposes, an imaginary character named "Happy Tomato" was created to lead the campaign demonstrating what La Doria means by a sustainable supply chain: product quality and safety, attention to the environment and waste, ethical and economic responsibilities. In light of the success of the campaign, La Doria has decided to extend the project to other supply chains involving Group activities. In 2019 La Doria promoted Italian language courses for farm workers.

For us, responsibility within the supply chain also means collaborating with suppliers to carry out projects focusing on environmental sustainability - reducing the consumption of water for irrigation and agro-pharmaceutical uses, and optimising water from phyto-sanitary treatments (mix residues in tanks and equipment cleaning water), and promoting biodiversity within systems supporting pollination. We understand that these habitats are the biological foundation for the natural and semi-natural landscapes, and that by supporting numerous plant and animal species they play important roles in the ecosystem, including soil protection, carbon absorption, and global warming temperature mitigation.

Over recent years, close collaboration has been built up with two Northern European non-profit organisations, the IEH (Ethical Trading Initiative Norway) and ETI (Ethical Trading Initiative), which lead a network of non-profits, businesses and trade unions engaged in the promotion of workers' rights across the world. Collaboration with these organisations has led to education and discussion upon the issue and the identification of improvement opportunities for responsible chain management.

Pulses supply chain

Pulses are purchased all over the world to support both economic and geographical sustainability in the constant quest for higher quality. The company has, for example, launched a specific project to source chickpeas from Italy and Argentina.

The organization deals with major producers to procure pulses on the American market, while on the Asian market deals with raw material collectors for a number of local growers.

With the aim of mapping criticalities within the pulses supply chain, in 2019 La Doria launched an audit campaign covering the geographical areas from which pulses are purchased. The audit activities carried out cover approximately 50% of current contracts. The audits included suppliers in Argentina.

In addition, awareness-raising initiatives were conducted on sustainability issues, with a focus on working conditions in certain geographical areas deemed at greatest risk (Poland and Ukraine).

In 2019 La Doria also monitored the supply chain of pulses according to the Social Responsibility Guide UNI ISO 26000:2010.

POTENTIAL NEGATIVE IMPACTS CONCERNING LABOUR PRACTICES AND THE PROTECTION OF HUMAN RIGHTS IN THE PULSES SUPPLY CHAIN

	2019	2018
Percentage of suppliers audited	100%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	0	0
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such impacts	-	-
Percentages of suppliers with possible negative impacts with which the company has decided to terminate work relations based on the results of the conducted analyses	-	-

Actions implemented in 2019

1. The approach taken to tomatoes was also extended to other supply chains (pulses);
2. Specific social responsibility training was provided to agricultural companies in collaboration with an external consultancy company;
3. The number of suppliers registered with SEDEX increased;
4. Awareness was raised amongst tomato producer organizations (POs) regarding the obtainment of GLOBALG.A.P. GRASP certification for the implementation of agricultural and social best practices.
5. KRAV certification was retained for organic pulses;
6. Training was provided on the use of e-mail addresses to report situations at risk anonymously;
7. Tomato and pulse suppliers were provided gadgets in support of sustainable farming.
8. "Friend of the Earth" certification was obtained for tomatoes and chickpeas (Italy). The initiative promotes a model of agricultural production based on integrating innovations that reduce the environmental impact of agriculture, as well as respect for workers at every stage of the production chain.

Further control schemes and awareness-raising activities will be progressively introduced also in other supply chains through collaborations with local raw material suppliers.

All our facilities are registered with the SEDEX platform and were subject to a SMETA audit in 2019, in addition to three ethics audits conducted directly by our clients.

LDH – The Human Rights Commitment

All of LDH's suppliers are required to become members of the Supplier Ethical Data Exchange (SEDEX), a non-profit organization committed to the promotion of ethical principles in global supply chains. The organisation is the broadest platform in Europe collating and processing data on the ethical conduct of supply chains.

The **SEDEX Members Ethical Trade Audit (SMETA)** methodology, implemented by SEDEX, gathers together best practices in ethical and social audit practices. LDH accompanies the use of this methodology with a series of audits conducted directly by the company's own technicians. In fact, in 2019 LDH began to develop a full-fledged Responsible Sourcing Program based on the Sourcing Assessment Framework, the purpose of which is to understand and improve social and environmental impacts throughout the supply chain. This program translated into a series of social audits of suppliers at medium and high risk according to the Ethical Trade Initiative Base Code (SMETA method). The suppliers found to be at high risk are the first to be subject to an improvement plan. According to the framework used by LDH, all suppliers are reassessed annually or as soon as new information becomes available. In addition, the Supplier Sedex Compliance Tracker keeps track of all cases of non-conformity resulting from ethics audits, the corrective actions taken and the reports on the audits conducted.

LDH uses three methods to monitor working practices and conditions:

1. The LDH Social Audit Tracker, which records first-level suppliers' performances in SMETA audits and highlights audits that have identified the most significant cases of non-conformity. This tool helps identify negative current and potential working processes and keep up a dialogue with suppliers to support them in improving;
2. The Responsible Sourcing Assessment, which aids in understanding indicators of potential negative working practices within the supply chain. A supplier assigned a "high risk" assessment requires more attention to workers' wellbeing;
3. Consultation of daily and weekly news stories regarding supply chain issues.

A corrective measure is associated with each of the three methods:

1. Where a SMETA audit indicates a case of critical non-conformity or the auditor reports negative behaviour towards a worker, LDH immediately contacts the supplier to understand the root cause and take corrective action;
2. Where a direct supplier is deemed to be at high risk, LDH subjects it to an ethics audit within three months and helps it hone the skills and abilities needed to take responsibility for improving working conditions. When a high risk is recorded within the supply chain, LDH draws up a complete map of the risk with its direct supplier and works with it to develop an improvement plan;
3. If a problem for a product, the company or the supply chain is identified from a news story, LDH and its suppliers investigate whether there is an association (connection). If such an association or connection is found to exist, LDH works with its supply chain to understand which changes can be made and how.

In 2019 potentially at-risk situations were identified from the SMETA audits but the appropriate corrective actions were taken to remedy them.

POTENTIAL NEGATIVE IMPACTS IDENTIFIED BY THE LDH MONITORING SYSTEM

	2019	2018
Percentage of high-risk suppliers (SMETA Audit) evaluated	100%	100%
Percentage of high-risk suppliers (SMETA Audit) of total number of suppliers	13%	85%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	24	27
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such impacts	38%	10%
Percentages of suppliers with possible negative impacts with which the company has decided to terminate work relations based on the results of the conducted analyses	0%	0%

LDH – THE HUMAN RIGHTS COMMITMENT – GRI 412-2

Date	2019	2018
Number of training hours on human rights policies and procedures	5	12
Percentage of white collars involved in training activities	1%	25%

In 2019 Quality Management participated in the training course on Modern Slavery interview techniques. This aimed to develop the necessary skills to obtain detailed and accurate information by planning and conducting investigative interviews.

GRI 414-1 (2016)		Percentage of new suppliers assessed according to human rights criteria	
Date	2019	2018	Comments
% of new suppliers assessed	100	100	All new suppliers were assessed according to the Responsible Sourcing Assessment Framework

LDH has also joined the Food Network for Ethical Trade (FNET), along with major British retailers and many food sector companies. The goal of this organization is to respond to ethical issues in the sector through the collaboration of all of its members.

G4-FP2		Percentage of purchase volumes verified according to internationally recognized responsible, credible production standards, broken down by standard	
Date	2019	2018	Comments
Name of standard 1	RSPO (Roundtable on Sustainable Palm Oil)		
Name of standard 2	MSC (Marine Stewardship Council)		
Name of standard 3	Rainforest Alliance		
Percentage of product purchased per standard	2019	2018	Comments
Percentage for standard 1	100	100	All palm oil used is RSPO certified
Percentage for standard 2	32	40	All seafood products, except for tuna fish and sardines, are MSC certified
Percentage for standard 3	82	90	A new product containing cocoa introduced in 2018 does not include RFA-certified cocoa

Environmental impacts of production
Human rights and Responsibility throughout the supply chain

Packaging sustainability

Logistics optimisation and efficiency
Economic sustainability



Packaging sustainability

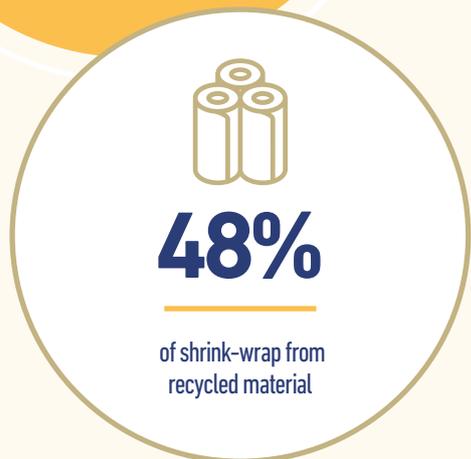
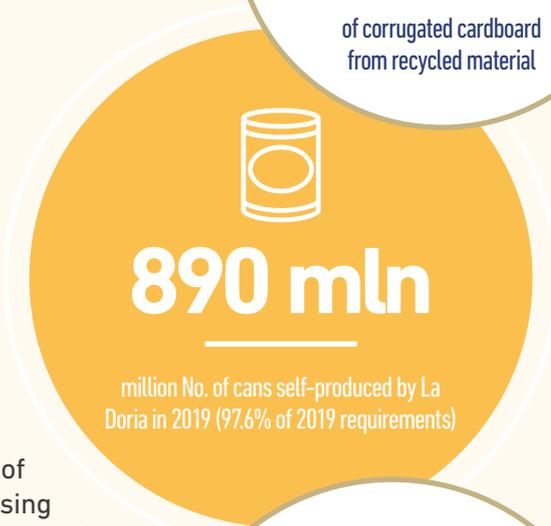
[GRI 301-1; GRI 301-2]



Product packaging plays an important role in our industry as it protects food and safely preserves it during transport and storage.

Today, however, consumers are very sensitive to packaging sustainability, which is increasingly regarded as a key purchasing factor. The demand for sustainable packaging and for a reduction in unnecessary packaging is constantly growing. Cognisant of the need to take actions which integrate sustainability into the company decision-making process, we follow sustainable packaging guidelines. For us, packaging sustainability means:

- self-producing a significant quantity of packaging, reducing costs and transport related impacts;
- increasing the use of packaging made using renewable sources and recycled materials;
- reducing packaging volumes and unnecessary packaging.



The main categories of product packaging that the Group uses are cans, glass containers, cartons (Tetra Pak) and composite cartons (both of which are polycoated).

La Doria has committed itself over the coming years to contribute to developing the circular economy through the procurement of packaging from renewable sources, from reused and recycled, recyclable or biodegradable materials, in turn based on a circular production chain for the manufacturing and consumption aspects. This model reduces market demand for non-renewable and sometimes scarce resources, in addition to reducing the quantity of waste and removing system inefficiencies.

La Doria over the coming years expects to increase the use of recycled materials by about 10%, in order to reduce local environmental and food chain impacts to benefit the entire community. From 2020, La Doria will collaborate with one of its main suppliers to use packaging made from renewable and plant-based raw materials, and also reduce the surface area of this packaging. This is a plant-based plastic derived from sugar cane. This project will reduce CO₂ by 14% and the use of plastics by 13%. We will increasingly focus on reducing the use of fossil-based plastic and move towards plant-based materials, without compromising food safety requirements.

In-house production of the most used packaging

La Doria's main commitment to the sustainability of its packaging lies in its own production of a large proportion of cans - by far its most used packaging. In 2019, the Sarno and Angri facilities produced approximately 97.6% of all company requirements for this type of packaging. These two facilities are also the main users of this type of packaging, since the bulk of the production of tomato-based products and canned pulses is concentrated there, although a portion of the cans is also sent to other nearby facilities. This investment, starting 50 years ago, allows the company to simultaneously limit outsourced costs for packaging and transporting products and contributes significantly to sustainability.

100% of the cans are entirely recyclable and the steel with which they are made maintains its properties over time despite repeated recycling, which does not require the use of additives or other primary materials. The properties of this material are therefore unchanged through recycling, allowing it to be recycled several times without progressive degradation.

In recent years, in agreement with several major clients, La Doria has reduced the thickness of its cans, a further step in making the packaging of its most sold products more sustainable.

From 2019, the "easy open" lids are fully produced in-house and will not be purchased.

Focus on other materials

48% of demand for heat-shrink products comes from recycled sources, and we are committed to increasing their use over the coming years. La Doria's glass principally comes from Europe. The weight of glass bottles and jars has also reduced over recent years.

Cartons and composite cartons, used mainly for the packaging of fruit juices, beverages and some tomato sauces, are both recyclable materials. The standard cartons used by La Doria come predominantly from Italy, while the composite cartons are of European origin. Both are FSC 100% certified.

For paper and cardboard, La Doria has committed to procuring FSC-certified packaging.

Various packaging sustainability improvement projects are planned for 2020:

- elimination of secondary plastic packaging for a UK customer in the 4-box format;
- replacement of the clusters for SKUs packaged in (unrecycled) TRB of four to six boxes with FSC-certified cardboard;

PACKAGING QUANTITIES AND ORIGINS (2019)

Material	Unit	Quantity	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	REST OF EUROPE	TURKEY
CANS	KG	35,899,884	-	-	12%	69%	19%	-
GLASS CONTAINERS	KG	40,040,452	-	-	-	29%	32%	39%
CARTONS	KG	2,430,855	-	-	-	100%	-	-
COMPOSITE CARTONS	KG	1,742,763	-	-	-	-	100%	-

Packing for transport

Our commitment to packaging sustainability also encompasses the materials used for the packing of raw materials received and for the finished products sent to clients.

Pulses are transported in large sacks that are often thrown away after use. La Doria and its sack supplier have agreed on the manufacturing of sacks that can be reused approximately 20 times before being discarded. When La Doria receives pulses at its facilities, it sends the sacks back to the sack supplier to be cleaned and repaired of any tears caused by transport before sending them on to bean suppliers, who use them again for the collection of the raw material.

A similar project has been introduced in relation to the boxes used for the transport of tomatoes from the field to facilities. In this case, they are plastic containers that are used a number of times until they break. Once they can no longer be used, they are sent to a specialized company that breaks them into pieces and reuses the plastic to create new ones. The boxes used in 2019 were 100% sourced from recycled material. In detail, we "reused" 5,000 plastic bins through the regeneration of broken bins delivered to the supplier, which used them as inputs in its production process. This project demonstrates our commitment to the circular economy.

Other initiatives have been introduced in the packaging and transport of products in order to reduce the quantity of materials used or to select more sustainable materials that derive from recycling. 48% of the TRB polyethylene which we purchase, i.e. the shrink-wrap plastic film for packing trays, is made from recycled material; the cardboard interlayers that are inserted between stacks of products on transport pallets are used more than 7 times, resulting in an annual saving of more than 1,000 tons of cardboard. The width of the extendable film covering the finished and semi-finished product pallets will be reduced in 2020. In addition, for the transport of finished products, La Doria has proposed to an increased number of customers the use of CHEP pallets, reducing the use of the exchange.



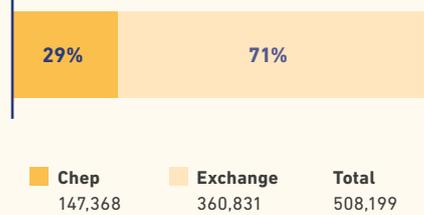
The CHEP pooling solution, based on a circular economy concept, allows for the reutilisation of a greater number of pallets compared to exchange, in order to minimise the use of the resource, waste, CO₂ emissions and consequently environmental impact.

Specifically, the system has saved La Doria 126m³ of wood - or 122 trees - and 184,000km of travel, reducing CO₂ by 201,981kg and waste by 12,069kg.

The reduced environmental impact is due to a combination of factors, such as the extensive presence of the company CHEP across the country, reducing therefore transport costs to recover pallets, continued maintenance and repair, extending the life cycle of the pooled pallets, and the exclusive use of wood from sustainable forests.

The environmental benefits have been quantified through the certified LCA "Life Cycle Assessment" calculator.

DELIVERY QUANTITIES 2019



LCA ASSESSMENT RESULTS

IMPACT	Unit	CHEP - 2019	2019 EXCHANGE SIMULATION	2019 Savings	Savings %
Potential Global Warming (CO ₂)	kg CO ₂ eq.	153,807	355,788	201,981	57%
Wood consumption	m ³	52	178	126	71%
Waste destined for landfill	kg	3,732	15,801	12,069	76%

The type of transport can also affect packaging sustainability, as some transport means reduce the number of pallets and packaging volumes required, such as in the case of shipping.

The increasing focus of the Group's clients on this issue, not only for ethical reasons, but also due to the high costs of waste disposal, has led to constant demands to use less packaging material for transport, for example, by reducing storage tray sizes, by optimizing cardboard use, by reducing plastic wrapping weight and by using trays that do not require shrink-wrapping.

Environmental impacts of production
 Human rights and Responsibility throughout the supply chain
 Packaging sustainability

Logistics optimisation and efficiency
 Economic sustainability



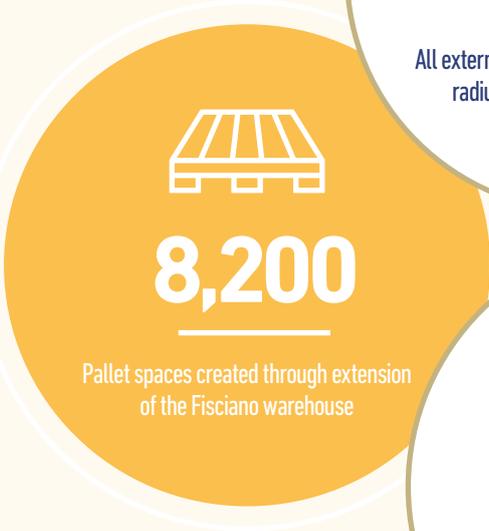
Logistics optimisation and efficiency



Logistics is increasingly a key element in ensuring reliability and the reduction of costs and environmental impacts associated with the transport of raw materials, semi-finished products and finished products.

Accordingly, we are constantly committed to making all of our transportation needs more sustainable, by favouring the shipment of products directly from the final production facilities, by reducing the movement of materials and semi-finished products between facilities and by limiting the use of external warehouses.

The proximity of the La Doria facilities to the ports of Naples and Salerno is also a strategic advantage that the Group has decided to exploit in order to increase intermodal transport and progressively reduce road transport.



Optimisation begins at our facilities

There are three main approaches to logistics optimization through which the company can gain more control: by increasing storage capacity at final production sites, by minimizing the movement of materials and semi-finished products between Group facilities, in order to maximize shipment to our clients directly from final production sites, and by the Group’s in-house production of a considerable portion of its packaging, which reduces the transport of such materials from third-party facilities to those of La Doria.

Significant investments have been made in recent years in the development of the Group’s warehouses, with the aim of expanding storage capacity within production facilities and reducing the use of external warehouses. In 2019 the covered area at the Fisciano facility was increased by 4,680m³, for the storage of around 8,200 pallets of finished product.

Despite the company’s commitment to leveraging as far as possible its own warehouses, at several peak times of the year it is necessary to make use of external warehouses for temporary product storage. In such cases, in order to minimize movements between internal and external warehouses, the latter are located within a certain cut-off radius from the production facility. Facilities requiring the use of external warehouses in peak production periods are predominantly the facility of Sarno, and to a lesser extent, Angri, and for the remainder, the Parma facility. In the case of the Sarno facility, external warehouses are within a radius of approximately 15 km. The external warehouse used by the Angri facility is approximately 4 km away. The closure of the Acerra facility led to around 700 fewer journeys between facilities.

Development of intermodal logistics

The proximity of the La Doria facilities to the ports of Naples and Salerno is also a strategic advantage that the Group has decided to leverage upon in order to increase intermodal transport and progressively reduce road transport. Additionally, the company is committed to developing intermodal logistics, favouring not only maritime transport but also rail transport as a substitute for road transport, where possible, in order to reduce the negative impacts of this form of transport on the environment.

In 2019 we remained committed to shipping to international markets using forms of intermodal transport. Road transport use remained largely stable against an overall reduction in the total proportion of CIF transport.



4 Km

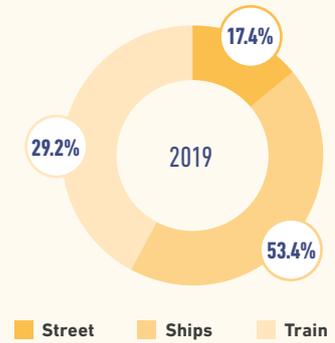
Distance of external warehouses from Angri facility

15 Km

Distance of external warehouses from Sarno facility

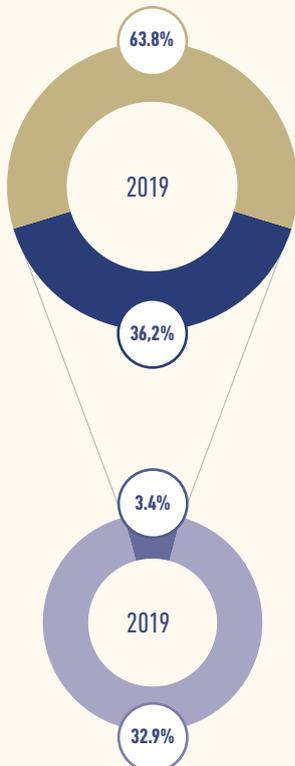
COSTS INCURRED BY SUPPLIER OVERSEAS SHIPMENTS (BASED ON 2019 VOLUMES)²⁵

Transport means	2019		2018	
	Kg	%	Kg	%
Street	4,310,935	17.4	4,454,071	14
Ships	13,249,135	53.4	13,846,023	44
Train	7,251,964	29.2	13,494,249 ²⁶	42
	24,812,035		31,794,342	



COSTS INCURRED BY SUPPLIER & CLIENT SHIPMENTS

	2019
Costs incurred by client	63.8%
Costs incurred by supplier	36.2%



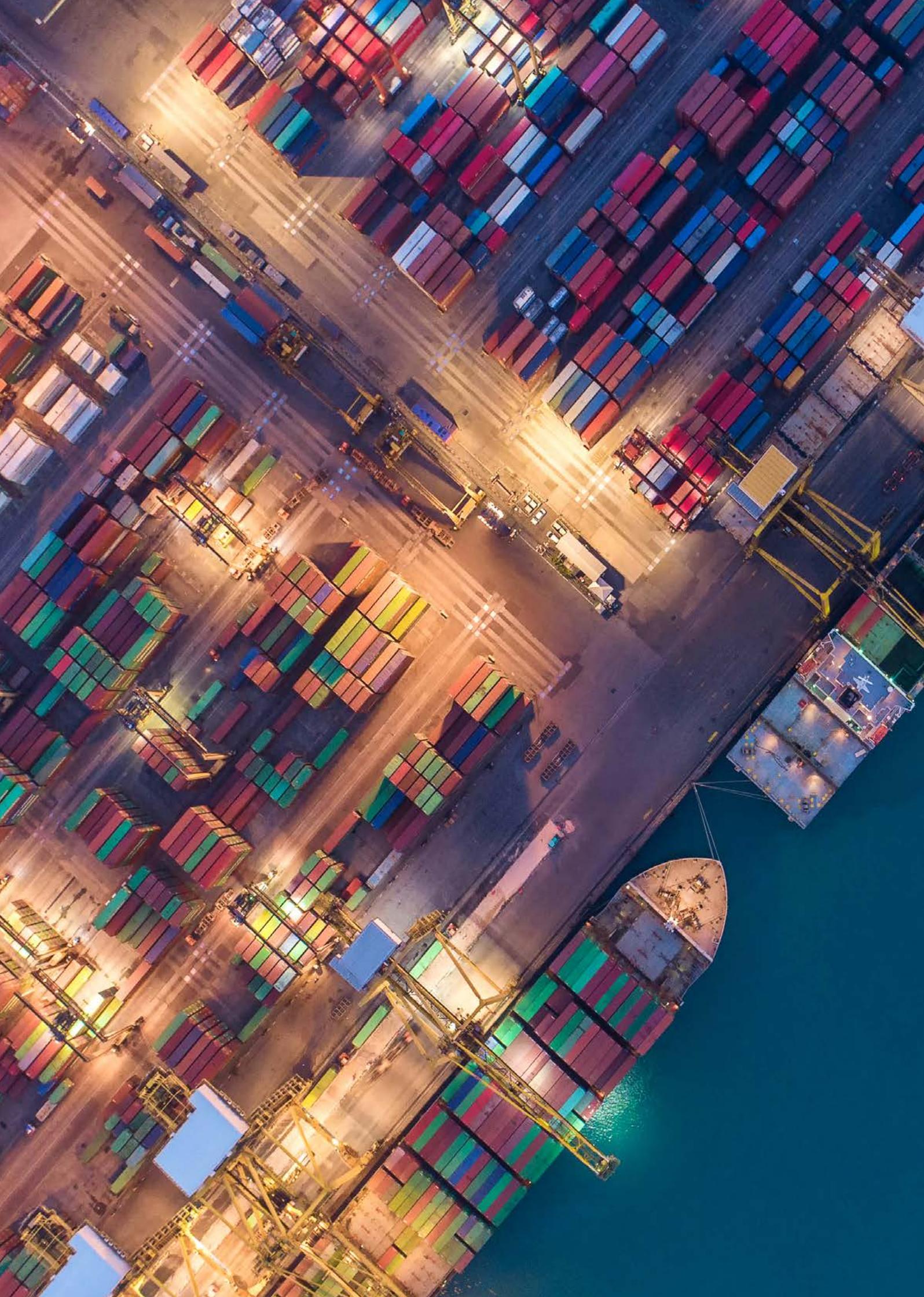
COSTS INCURRED BY SUPPLIER SHIPMENTS: ITALY-OVERSEAS

	2019
Costs incurred by supplier Overseas	3.4%
Costs incurred by supplier Italy	32.9%



²⁵Data on the transport of tomato-based product, pulse and ready-made sauces line

²⁶Following a collation and calculation process, the figures for 2018 were restated on those published in the 2018 Sustainability Report.



Environmental impacts of production
 Human rights and Responsibility throughout the supply chain
 Packaging sustainability
 Logistics optimisation and efficiency
Economic sustainability



Economic sustainability

[GRI 201-1; GRI 204-1]



Economic sustainability for us means acting responsibly to ensure the long-term stability of the business.

Economic sustainability for us means acting responsibly to ensure the long-term stability of the business.

With this in mind, we commit to generating value over time through a high quality and competitive product range, alongside high standard services within a continually evolving market.

Economic stability also means for the company supporting local growth and all parties involved in the company's value chain. The value generated by La Doria is indeed distributed throughout the regions in which it operates, principally Southern Italy, through the creation of employ-

ment and the engagement of a high percentage of local suppliers - in this sense going against the grain and actively supporting employment and investment growth.



Financial highlights

The La Doria Group in 2019 operated in a highly competitive marketplace, as exponentially has been the case over recent years with the growing negotiating power of the major Supermarkets. The proliferation and growth of Discount stores globally - with particularly aggressive sales price policies - the continued merging of the distribution giants and the sharpening of trade tensions and protectionist measures have ramped up the pressure on suppliers and heightened competition, particularly in the private labels segment. In this environment, we have managed to improve market share and turnover thanks to a considerable boost in volumes sold, and to improve gross operating margin, despite the increased cost of acquiring some raw materials and the poor tomato processing season of 2018.

La Doria Group consolidated revenues in 2019 totaled Euro 717.6 million, increasing 4.3% on Euro 687.9 million in 2018. This was achieved as a result of increased volumes in the "Ready-made Sauces" and "Pulses" lines, while the "Tomato-based" line remained steady. The "Other lines", i.e. products purchased from third parties and sold by the subsidiary LDH (La Doria) Ltd, however reported buoyant revenue growth. Revenue growth overall in 2019 was achieved on the international markets, where sales increased by more than 6%. The domestic market, however, shrunk around 3%, due to reduced consumption of fruit juice and tomato-based products, as well as fierce price competition.

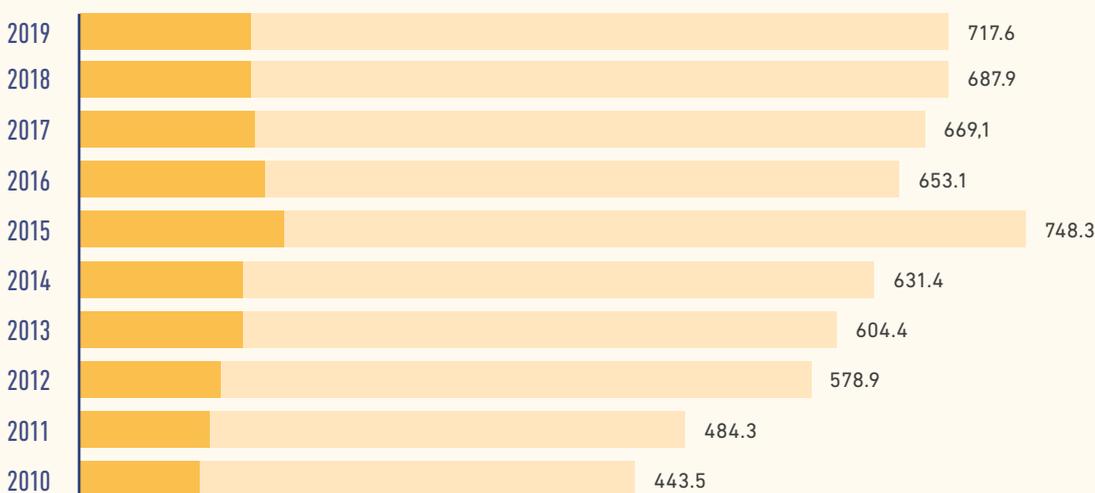
In 2019 the company continued to work on large volume increases, supported by the execution of the four-year investment plan approved in 2018, which will employ overall resources of around Euro 138 million.

The Plan centres on growing the higher added value products with stronger growth rates and better margins, while at the same time making the La Doria Group more cost-competitive through optimising the industrial structure, leveraging economies of scale and industrial and logistical streamlining - thus safeguarding over the long-term the sustainability of the business in a particularly challenging marketplace as that outlined for the current year and for those ahead of us.

ANNUAL REVENUE

Data in euro millions

■ Italy ■ Overseas



Economic value directly generated and distributed

A sustainable business is capable not only of creating value but also of redistributing part of the wealth produced to the regions in which it operates and to its stakeholders - whether they be employees, suppliers, the public sector or the entire community. The following table presents, for the 2018-2019 two-year period, the economic value generated, distributed and summarised through a reclassification of the Group consolidated income statement accounts.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

	2019		2018	
Economic value generated	743,029	100%	696,555	100%
Economic value distributed	709,406	95.5%	658,681	94.6%
Reclassified operating costs	624,287	84.0%	582,885	83.7%
Value distributed to employees	57,781	7.8%	53,704	7.7%
Value distributed to providers of capital	8,445	1.1%	2,525	0.4%
Value distributed to Public Sector	10,113	1.4%	11,331	1.6%
Value distributed to shareholders	7,571	1.0%	7,577	1.1%
Value distributed to the community	1,226	0.2%	659	0.1%
Economic value	33,606	4.5%	37,874	5.4%

As the figures indicate, over the last two years the breakdown of distributed economic value has remained largely stable. The percentage breakdown of this value shows an increase in the value distributed to capital providers and the community.

The majority of the economic value generated concerns the purchase of raw materials and services, which in the specific case of La Doria has a significant impact on the company's regions, considering the close connection with the suppliers of the raw materials produced in Italy and the local service providers. This is a distinctive feature of La Doria, which is committed to investing in Italy, particularly in Southern Italy (the "Mezzogiorno"), in spite of the market tendency to look overseas.

This local investment model rooted in the region in which the company was founded and has grown contributes to the distribution of value to local communities which otherwise would exist in challenging economic-social conditions.

Analysing specifically the location of raw material and services providers, principally with regards to logistics and plant maintenance, the company's contribution to the local, national and regional (Campania, Emilia Romagna, Basilicata) economic fabric is evident. This is a major commitment by the Group which is afforded ongoing focus. This commitment is highlighted by the following percentages, which present an increase of over 6% in purchases of raw materials and services from regional suppliers.

La Doria became part of the *Fondazione Filiera Italia*, an association which brings together the main players in the agricultural sector, private companies and cooperatives, and leaders in Italian production and large-scale distribution. This new organisation unites the best of national agricultural production, represented by Coldiretti, the food industry, with over 60 national players, and distribution, which has now been extended to include the country's main distributors.

The *Fondazione Filiera Italia* aims to be the spokesperson for a new model, whose mission is:

- to promote awareness of healthy eating;
- to promote and spread the distinctiveness of food production and processing;
- to encourage agricultural and processing companies to adopt environmentally sustainable practices;
- to protect made in Italy products;
- to ensure equal distribution of the economic value created by the members of the supply chain, challenging unfair and questionable commercial practices.

PROPORTION OF SPEND TO LOCAL SUPPLIERS

	Cost	% of economic value generated	Suppliers	2019		2018	
					Of which regional		Of which regional
% of raw material procurement spend	525,067	71%	Local	50.63%	34.14%	50.41%	32.28%
			Non-local	49.37%		49.59%	
% of services spend (maintenance, logistics, etc.)	85,662	12%	Local	68.73%	49.97%	70.73%	42.19%
			Non-local	31.27%		29.27%	

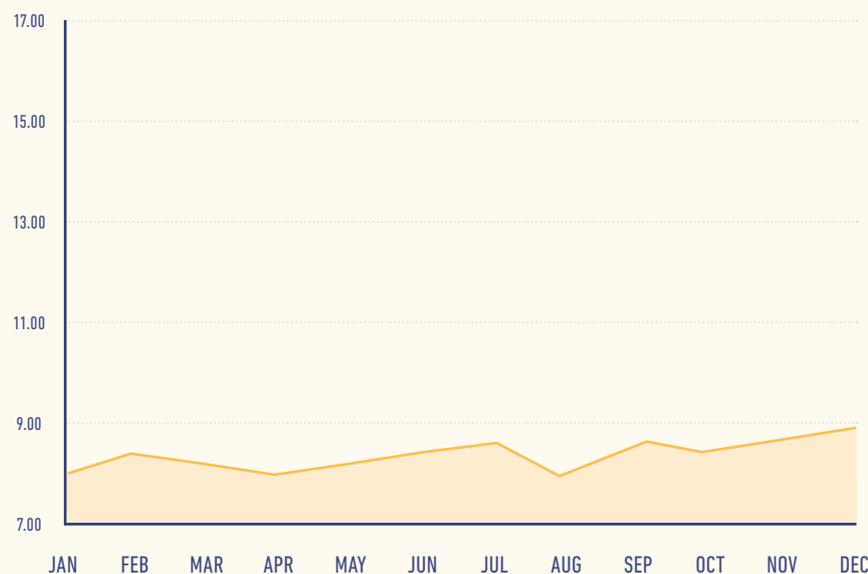
Share performance

The annual average daily share price in 2019 was Euro 8.50, down on 2018 (annual average price of 11.53). The lowest price was on May 13, 2019 at Euro 7.41, while the highest price was on September 16, 2019, at Euro 9.59. The average daily volume traded in 2019 was 38,411 (58,424 average daily volume traded in 2018).



MONTHLY SHARE PERFORMANCE - 2019

Data in Euro





PASSION

Innovation
Quality of the organisation
Italian identity



Innovation

Quality of the organisation
Italian identity



Innovation



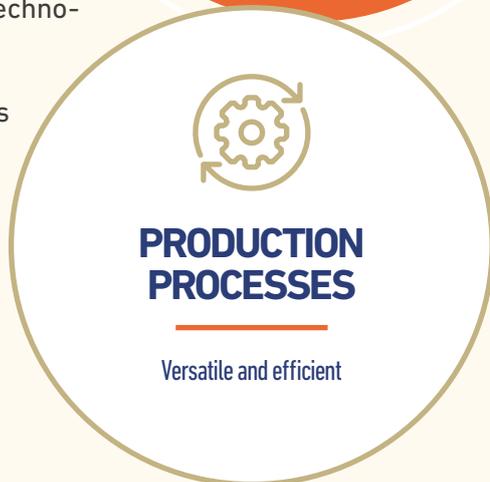
Innovation has two main pillars for us: the creation of new product lines and adapting existing lines to new market trends; and recipes and plant streamlining through production process innovation.

We are producers of private labels, so for us product innovation necessitates close collaboration with our clients. Nonetheless, we make it a priority to identify market trends and consumers' expectations and propose new products and processes to our clients and commercial partners.

In product innovation, we have focused in particular on packaging, with the aim of meeting the growing demand on the market for sustainable products with a

reduced energy/environmental impact by exploring new materials and new application technologies.

For production process innovation, we focus on production optimization and the mitigation of production environmental impacts.



Recipes for all needs

Product development is entrusted to a specialized team that analyses client needs and proposes the best possible recipes to meet those needs. Innovative product design is entrusted to a dedicated team tasked with identifying new consumer trends and needs and improving and differentiating the range of products to be offered to clients.

Over the last few years, La Doria has seen an increase in demand for healthy organic products, ranging from low-salt and low-sugar items to nutraceutical offerings that satisfy consumers' interest in wellness and wellbeing.

In 2019, 126 innovation projects were launched, involving all product lines.

The work carried out over the last few years has resulted in the introduction of several new La Doria products, including white sauces for the UK market, pestos for the US market, ready-made sauces in combibloc packaging, soups and minestrone in combisafe packaging, various low-sugar products, and vegan sauces. In 2019 we used innovative new ingredients to design new product lines, including alternatives to classic basil-based pestos and lines based around vegetable juice beverages. We offered our clients recipes typical of ethnic and Balkan cuisine on the basis of an analysis of shifting consumer tastes.

In 2019, most new product development projects involved modifying and improving the quality of the recipes already in production and pitching existing recipes to new clients (the latter referred to as "association" in the table), while a residual share was devoted to product innovation, defined as the use of innovative new ingredients and packaging.

Versatile and efficient

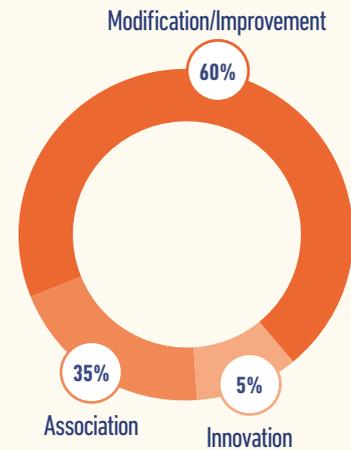
In the field of innovation, a very important role is also played by the organization of production processes and facilities in order to guarantee more production flexibility, cost reduction and the mitigation of environmental impacts.

Flexibility in format changes

At La Doria facilities, production processes are characterized by a high degree of versatility. Indeed, each production line must be able to vary its operations according to the different product formats required by clients.

Due to the importance of this aspect, in 2019 all of the Group's facilities continued to be involved in a Kaizen improvement project dedicated to optimizing format changes, with the additional goal of simplifying the product range. Kaizen is a Japanese management strategy meaning "change for better", or "gradual and continuous improvement", which encourages many little day-to-day improvements. To implement the project, a special team was formed, composed of staff from all the facilities, who, on the one hand, analysed the relevant data in detail, including the mapping of all format changes and theoretical switching times, and, on the other hand, made direct observations on the lines, analysing the actual switching times and interviewing line operators. The project allowed the company to draw up procedures to improve processes and to make the approach homogeneous across the different facilities.

NEW PRODUCT DEVELOPMENT PROJECTS





Quality of the organisation

[GRI 102-8; GRI 102-48; GRI 401-1; GRI 403-1 a GRI 403-9; GRI 404-1; GRI 405-1; GRI 405-2; GRI 412-2]

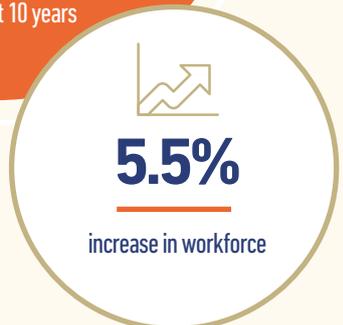


The quality of the corporate organization is what appeals to clients and provides an ecosystem for the growth and consolidation of corporate know-how.

Over time, we have been able to build a solid relationship with our clients, gradually gaining their trust by constantly listening to them and responding to their needs quickly and efficiently through the delivery of quality products and services.

To do this, in an extremely competitive market, the daily contribution of everyone is required in order to be responsive enough to face challenges positively, aware that tomorrow further new competences will be needed. This is inseparable from the attention that the company needs to dedicate to its people, their safety and their well-being.

In 2017, the know-how of our “company system” was awarded protection through the granting of the patent box tax break by the Ministry for Economic Development. This award provided a tax benefit for 2015 recognised in financial year 2017. In 2019 the Tax Agency continued the approval procedure to extend the “company system” to include the ready-made sauces business.



Loyalty of our clients

The quality of our corporate organisation is what clients first notice about La Doria, in terms of product quality, know-how, capability, reliability and integrity and the transparency of our corporate governance.

Working in the private labels market with a large client portfolio spread throughout the world is an ambitious challenge. Varying consumer preferences demand constant collaboration with clients and great production flexibility in terms of recipe and format changes, all without compromising the very highest standards of quality and safety. However, these qualities alone cannot guarantee success and must be paired with efficient and effective services giving clients the fullest confidence that, year after year, requested product volumes can be realized and delivered within agreed timeframes.

The commitment and dedication with which the Group faces these challenges is reflected in the market leads achieved in Italy and abroad and in the confirmed loyalty of our main clients.

Of La Doria's top 10 Italian clients, accounting for over 70% of turnover in the past two years, 8 have been our clients for at least ten years.

LOYALTY OF MAIN LA DORIA CLIENTS IN ITALY

ITALY	2019	2018
Percentage of turnover from top 10 clients	74%	72%
Years of loyalty of the 10 top clients	Number of clients	
Between 0 and 6 years	1	
For at least 7 years	1	
At least 10 years	8	

LOYALTY OF MAIN LA DORIA OVERSEAS CLIENTS

OVERSEAS_EXCLUDING LDH	2019	2018
Percentage of turnover from top 10 clients	62%	58%
Years of loyalty of the 10 top clients	Number of clients	
Between 0 and 6 years	0	
For at least 7 years	1	
At least 10 years	9	

LOYALTY OF TOP LDH CLIENTS (LA DORIA PRODUCTS)

OVERSEAS TURNOVER FROM LDH	2019	2018
Percentage of turnover from LDH's	38.75%	35.4%
Percentage of overseas turnover of La Doria from LDH	89.80%	90.3%

Years of loyalty of the top 5 clients	Number of clients
Loyal for at least 10 years	5

Regarding overseas markets, and excluding the subsidiary LDH, which alone accounts for more than 38.75% of La Doria's foreign turnover, the top 10 clients account for another 62% sales abroad. Of these, 8 clients have been loyal to La Doria for at least 10 years.

The top five clients of the subsidiary LDH accounted for almost 90% of the overseas sales of La Doria in the last two years. All 5 clients have been loyal to LDH for at least 10 years.

To maintain these levels of competitiveness, La Doria has to be ready, every day, to respond to changing client needs for new product lines, such as premium and organics lines, for packaging optimization, for quality controls along the whole supply chain and for the simplification of product distribution.



Our people

The quality of the corporate organization is bound to the work that, every day, our people with well-being and competence commit to the Group.

The Group has **765** employees in Italy and **81** in the United Kingdom, of which **794** are contracted employees. These people are the solid base on which the company is founded²⁷. The peculiarities of production cycles, however, demand the use of seasonal workers during peak production periods, mainly during the tomato season (from July through to September). Over the last year, the company has hired **953** seasonal workers²⁸ on temporary contracts. Such workers enjoy the same protection as others on our production lines and receive all necessary training to carry out their work in a safe way to the highest quality standards of the company. As a confirmation of the attention that La Doria reserves for these workers, a high percentage work with us on an annually repeating basis, during peak production periods, or are offered longer-term contracts.

The type of work at our facilities, where most staff are employed, dictates a predominance of males and a gender imbalance. Women, indeed, account for approx. 21% of the total workforce. The net imbalance is only partially offset in professional categories other than manual workers.

La Doria is committed to ensuring a workplace environment free of discrimination, as per statutory law upon equal opportunities in the workplace. In the coming years, La Doria is committed to formalising a three-year action plan on diversity and inclusion. La Doria therefore complies with statutorily-established salary levels and those under national collective bargaining. In addition, supplementary company agreements providing more favourable company benefits, in addition to bonuses on the basis of objectives achieved, have been established.

The ratio between average female/male salaries at La Doria is reported below, indicating for executives a disparity of 33%, for managers of 10%, for white-collar workers of 10% and for blue-collar workers of 2%, due only in part to a greater number of men with more years of seniority and consequently higher average salary levels.

GROUP PERSONNEL BY ROLE, GENDER AND AGE BRACKET AT 31/12/2019

	Total	Men		Women	
Executives	26	24	92%	2	8%
< 30	0	0	0%	0	0%
30-50	7	6	86%	1	14%
> 50	19	18	95%	1	5%
Managers	37	29	78%	8	22%
< 30	0	0	0%	0	0%
30-50	23	18	78%	5	22%
> 50	14	11	79%	3	21%
White-collar	272	155	57%	117	43%
< 30	30	14	47%	16	53%
30-50	181	100	55%	81	45%
> 50	61	41	67%	20	33%
Blue-collar	511	464	91%	47	9%
< 30	97	92	95%	5	5%
30-50	302	272	90%	30	10%
> 50	112	100	89%	12	11%
TOTAL	846	672	79%	174	21%

²⁷ The GRI Content Index gives more detailed information on average training hours (indicator GRI 102-8).

²⁸ The number of seasonal workers refers to the total number of seasonal workers engaged over the course of the year.

AVERAGE FEMALE/MALE SALARY RATIO LA DORIA

	2019	2018
Executives	67%	82%
Managers	90%	90%
White-collar	90%	91%
Blue-collar	98%	96%

AVERAGE FEMALE/MALE SALARY RATIO LDH

	2019	2018
Executives	64%	64%
White-collar	80 %	76%

Importance of the local community and opportunities for young people

Another element of the quality of La Doria's corporate organization is its commitment to contributing to local growth and the community. Indeed, most of the company's staff come from the facilities' neighbouring communities. In recent years, this commitment has most of all focused on creating job opportunities for young people through the "Rosso d'Estate" initiative.

DATA ON TURNOVER OF PERMANENT PERSONNEL IN ITALY

	Annual hires			2019			2018			Annual departures			2019			2018		
	Total	Men	Female	Total	Men	Female	Total	Men	Female	Total	Men	Female	Total	Men	Female			
Total new hires	72	61	11	30	29	1	Total departures	54	47	7	27	22	5					
< 30anni	37	32	5	16	15	1	<30 years old	12	11	1	2	1	1					
30-50 years	29	23	6	13	13	0	30-50 years	13	12	1	16	12	4					
>50 years old	6	6	0	1	1	0	>50 years old	29	24	5	9	9	0					
New hire rate (%)	10.0%	10.3%	8.7%	4.4%	5.2%	0.8%	Departures rate (%)	7.5%	8.0%	5.5%	4%	4%	4,1 %					

DATA ON TURNOVER OF PERMANENT AND FIXED-TERM PERSONNEL IN ITALY

	Annual hires			2019			Annual departures			2019		
	Total	Men	Female	Total	Men	Female	Total	Men	Female			
Total new hires	202	173	29	Total departures	164	139	25					
< 30anni	109	94	15	<30 years old	80	70	10					
30-50 years	82	68	14	30-50 years	50	40	10					
>50 years old	11	11	0	>50 years old	34	29	5					
New hire rate (%)	26.4%	27.3%	22.0%	Departures rate (%)	21.4%	22.0%	18.9%					

DATA ON TURNOVER OF PERMANENT AND FIXED-TERM PERSONNEL IN UNITED KINGDOM

	Annual hires			2019			2018			Annual departures			2019			2018		
	Total	Men	Female	Total	Men	Female	Total	Men	Female	Total	Men	Female	Total	Men	Female			
Total new hires	14	7	7	16	4	12	Total departures	11	3	8	11	6	5					
< 30 years	6	4	2	6	1	5	<30 years old	4	2	2	4	3	1					
30-50 years	7	3	4	5	1	4	30-50 years	3	0	3	3	2	1					
>50 years old	1	0	1	5	2	3	>50 years old	4	1	3	4	1	3					
New hire rate (%)	17.3%	17.9%	16.7%	21%	12%	27%	Departures rate (%)	13.6%	7.7%	19.0%	14%	18%	11%					

The project was born from the company's ongoing and long-term corporate strategy of investment in human capital. It is a privileged channel for selecting, training and developing key human resources for the Group's production sites, involving the best final-year students from technical and professional institutes in the Nocerino-Sarnese area. Participants are engaged in a training course that enables them to acquire basic skills for the world of work and company operations, with valuable work experience during the summer tomato season.

At the end of this experience on the production lines, participants are assessed on their work and achievements during training so that the company can invest in the best resources, offering an important opportunity to young people in the area. The programme involves:

- Presentation of the project at selected institutes;
- Registration of interest;
- Selection of students;
- Professional training course;
- Participation in the tomato campaign;
- Final evaluation;
- Apprenticeship contract for standout participants.

2019 saw a partial review of the project and the creation of 3 separate classes for each of the 3 facilities in Campania.

This achieved the objective of maximising the working performance of each individual participant, allowing them to develop a better understanding not only of their "bosses", but also of the environment, the machinery and the working "habits" of the site where they were based. In early 2019 a work-study placement was created in partnership with a local scientific secondary school. This aimed to introduce students to the food and agriculture industry, including in-depth looks at issues relating to quality, research and development, planning, marketing, company organization and workplace safety. The courses, held by La Doria staff, involved around 45 students, divided into groups of 15 for each lesson. La Doria contributed to the creation of a multimedia classroom within the school involved in the project. The classroom is dedicated to the memory of Diodato and Anna Ferraioli.

2019 also saw the beginning of a collaboration with the Department of Economics, Management and Institutions at the University Federico II of Naples, where the company contributed to the organisation of the Master's in Marketing and Service Management.

Another major investment by La Doria supporting the right to study, now in its fifth edition, is our "Anna and Diodato Ferraioli" scholarships reserved to children of employees starting their university careers and in 2018 also to top students graduating from local secondary schools during the year and enrolling in university programs consistent with the skillsets required by the company.

The company, with this competition, has awarded 12 deserving students, 6 of whom are children of La Doria employees, with a contribution for the year 2019 of a total of approx. Euro 18,000. Though this intervention is not directly related to the training and development of people inside the company, it is still a worthy commitment to supporting people who are part of the La Doria family, encouraging university education for deserving students from lower income families and people from the entire local community.

Training and development

The ability of the company to be competitive on the market and to maintain growth necessarily relies on the development of its people. Product diversification and the speed technological development would have a limited impact if it were not for a strong investment in professional growth. Corporate know-how is consolidated through a set of coordinated actions including training programs, individual and group coaching and career path development. In 2019 the Company spent around 130.000€ on training activities. The main training topics focus on the development of new products and food safety, production skills, line maintenance, workplace safety, linguistic abilities, and updating administrative-accounting skills. 2019 also saw the use of an e-learning platform for employee training on various topics of interest to the company (the Legislative Decree 231 Organizational Model, Whistleblowing, Sustainability, Human Rights and Privacy Regulations). 16% of employees completed the Human Rights course in 2019.

ANNUAL HOURS OF TRAINING

HOURS OF TRAINING	2019	2018
Total	13,191	15,036
of which temporary:	731	656

This type of learning proved beneficial and consistent with the need for flexibility expressed by employees, who had the opportunity to learn without conflicting with their work commitments, to consult online materials as needed and to monitor their learning. The use of these technologies also made it easy for the company to share its content and update it promptly.

In 2019 the Job Evaluation project for Management and Senior Managers concluded with the presentation to the Remuneration and Appointments Committee of the remuneration benchmarking carried out with other companies in the Food and Beverage industrial sector.

Also in 2019, the company's distinctive competences were identified through a project involving top management and a consulting firm. This project led to the creation of two competence models, one for managers and one for professionals. These will be the basis for all selection and evaluation processes for internal and incoming staff. Career tracking and development paths are highly focused on the most competent and professional resources. Executive and non-executive managers are evaluated on the basis of set goals achieved and linked to bonus remuneration.

In 2020, in addition to consolidation of the programmes and projects already underway, the following developments are expected:

1. Launch of the pilot programme Competences Management, based on the competence models adopted;
2. Implementation of an HR analytics tool that will provide metrics, information and insights to allow more efficient management of many personnel-related issues at both a strategic and tactical level;
3. Collaborate with the Italian Association of Personnel Management (AIDP) and HR Community to increase company awareness of Diversity and Inclusion issues.

Safety

With regard to the health and safety of workers, La Doria has made a significant commitment in recent years through initiatives focusing on greater worker involvement. La Doria is increasingly focused on supporting and establishing an effective safety culture at its facilities.

To formalise its commitment to this issue, La Doria has obtained OHSAS 18001:2007 Certification for all its facilities and adopted a Management System. An integral part of the System is the Policy, which is available to all workers and stakeholders. The documentation supporting the Safety Management System includes:

- a)** the Manual of Occupational Health and Safety, which describes and illustrates the Occupational Health and Safety Management System and the characteristics and strategic and market aspects of the company;
- b)** the Occupational Health and Safety Procedures, which cover all the points of the OHSAS 18001 Standard and ensure that it is correctly applied to guarantee full compliance.

In order to ensure the correct implementation of this System, further audits were planned and conducted in all facilities by the Integrated Prevention and Protection Service in order to raise awareness around worker conduct, involving also senior executives and work supervisors.

Specific occupational health and safety objectives allow company performance to be continuously improved and, once approved by the Management, are communicated to everybody directly involved in applying them.

In line with the commitments undertaken, La Doria involves employees in Safety management, through the Facility Committees, at which Worker Safety Representatives take part, and through specialised training.

In accordance with law, La Doria has a Prevention and Protection Service with Managers and Focal Points appointed at each facility, supporting the relative assigned roles. HSPPO's (Health and Safety Prevention and Protection Officers) are formally assigned to provide operational support for all facilities. The Prevention and Protection service produces the Risk Assessment Document (RAD), identifies Prevention and Protection measures and training and education needs, prepares an annual Programme to coordinate prevention activities, organises and implements periodic workplace visits and meetings, and liaises with the Appointed Doctor.

The documentation created for the implementation, management and checking of Occupational Health and Safety Prevention and Protection (P&P) activities comes from the Risk Assessment, and is collected in a designated list attached to the Risk Assessment Document (RAD).

Those workers who are exposed to specific occupational environmental risk factors in the course of their duties are subject to periodic health checks, carried out by specialised doctors, in order that their health is constantly monitored.

Any event that may cause injury or damage to property, equipment, or the surrounding environment is governed by a specific procedure (Accident and injury investigations and corrective and preventive measures). This procedure calls for an accident/injury report and a systematic analysis of the causes of the event. The fundamental aim of this investigation is to identify and evaluate possible:

1. critical conditions and related responsibilities;
2. non-Compliance with or deviation from regulatory and legal standards;
3. undocumented hazardous conditions and need for risk assessment;
4. disciplinary action;
5. obligation to report to the authorities;
6. formal drafting of a Corrective, Preventive and Improvement Action Plan.

Workers may report any hazardous conditions to their health and safety representative, or do so anonymously using any of the designated boxes in each facility.

Worker involvement has contributed to the development of an active attitude in terms of reporting hazardous conduct ("near miss"), consistently monitored by the integrated Prevention and Protection Service in order to improve the prevention of accidents. The near misses are appropriately analysed and, where required, corrective actions are taken in order to avoid repetition.

ACCIDENT RATE BY GENDER ²⁹

Accident rate ³⁰	2019	2018
Total	20.32	14.26 ³¹
-men	22.88	13.73
-women	10.89	16.14

Constant attention is paid to training and awareness raising among both permanently contracted employees and seasonal workers employed during peak production periods. A training, information and education programme is therefore provided and periodically updated.

Accordingly, corporate procedures require that all seasonal workers receive training on basic health and safety and company management procedures prior to starting work on the production lines. The transition from the OHSAS 18001 occupational health and safety management system to the new ISO 45001 certification is planned for 2020.

²⁹ The number of accidents increased even considering prognoses of less than 30 days.

³⁰ The accident rate is calculated as follows: (accidents/hours worked)*1,000,000.

³¹ The accident rate for 2018 has been recalculated following application of the updated GRI.



Italian identity

The agri-food sector is the undisputed linchpin of “Made in Italy”, ensuring Italian success internationally and playing its part in presenting to the world the eminent quality produced by our country.

All of our raw materials are processed at the Italian facilities, ensuring our “Made in Italy” guarantee.

For the Tomato Line products, Italian raw materials are used.

For the Pear Nectar, Peach Nectar, Apricot Nectar and Juice Line products, only Italian fruit is used.

Where the raw materials for other products are not available in the quantity required or due to climatic conditions, they are sourced from overseas but with processing in Italy.

We are committed to exporting the values and typical flavours of Italy - in particular Southern Italy - to a broad base of consumers across the world.



100%

The fresh tomatoes are 100% Italian



Made in Italy

100% of products are produced at our Italian plant



100%

The pears, apples and peaches in our fruit juices are sourced 100% from Italy

The strength of Made of Italy

Italy has a gastronomic heritage which few can match, largely featuring products and styles which are based on the Mediterranean diet, as a healthy and balanced dietary model which is increasingly recognised and appreciated also overseas. The food sector over recent years has become a pivotal aspect of Made in Italy, as associated with high quality and authentic products, while also guaranteeing the important competitive levers of safety, healthiness and origin.

Tomatoes, a core vegetable of the Mediterranean diet (and in general the entire packaged tomato segment), represent an area of major excellence for the Italian food industry. They play a driving role in the domestic economy and particularly in Southern Italy, where the majority of cultivators are based. The climatic and territorial characteristics of certain regions - in particular Campania, Puglia, Basilicata and Molise - in fact are unique, with this reflected also in the organoleptic and nutritional characteristics of the tomatoes.

The same focus on origin is placed also on other agricultural products, in particular on certain fruit varieties utilised for the production of juices. The fruit purees used for the "nectars" are made with fruit entirely sourced from Italy: the pears and the apples are from Northern Italy, while the peaches and apricots are sourced from Southern Italy.

For all those raw materials which may not be sourced from Italy in the quantities necessary for industrial processing, as is the case of pulses, the Made in Italy guarantee is based on industrial production carried out entirely in Italy according to high quality and safety standards.

The La Doria Group feels a sense of responsibility to its native land and its tradition to reflect in its products that which makes Italy truly unique. The business model is therefore based on the quality of the product and on a constant commitment to improving environmental sustainability. La Doria every day therefore proudly contributes to developing the Italian and Campanian agro-food sector.

Italian excellence across the world

For true Italian flavour when you Cook Italian Cook Italia!

With a goal of exporting not only products, but Italian values and flavours, the "Cook Italia"³² brand was launched on the British market almost a decade ago, distributed by the British subsidiary LDH. The company was therefore able to not only promote the taste and tradition of the Italian agro-food sector, but also extend its range to

British supermarkets.

www.cookitalia.co.uk



Encompassing the best tradition of the Italian food industry

"Tradizione Italiana – Italian food tradition" is a consortium, with La Doria as one of the main founders, representing

Italian culinary excellence and promoting the quality of Italy's agro-food sector. In addition to strengthening Italy's presence on the international markets, the consortium provides an opportunity to develop synergies among members both at production and commercial and distribution levels.

The Consortium is composed of 16 leading companies in the Italian food industry, and has aggregate revenues of Euro 3 billion, with an export market of 40%.

The product portfolio is extremely broad, covering a range of food categories, including pasta, tomato-based products, olive oil, mozzarella, dried fruit, coffee, wine and other traditional products. A vast range of Italian tradition specialised products are offered, exporting the taste and flavours of the Mediterranean. www.italianfoodtradition.com



³²The brand markets a series of Italian products on the British market, not only those produced by La Doria, but also by other Italian companies.





Origins of this report

Methodological note

[GRI 102-3; GRI 102-10; GRI 102-45; GRI 102-50; GRI 102-51; GRI 102-52; GRI 102-53; GRI 102-54]

This document comprises the Consolidated non-financial report (hereafter also the “**Sustainability Report**”), prepared in accordance with Legislative Decree 254/16 and, as stated in Article 5 of the same Decree, is separate from the Directors’ Report.

It reports upon the **material topics established by Articles 3 and 4 of Legislative Decree 254/16 with regards to financial year 2019** (from January 1 to December 31), to the extent necessary to ensure understanding of the company’s activities, its performance, its results and the related social and environmental impacts. In particular, the definition of the material topics for the La Doria Group (hereafter also the “Group”) and for the stakeholders, is undertaken on the basis of a materiality analysis, as described in the “Definition of material topics” paragraph of this document.

The Sustainability Report’s reporting scope is the same as the La Doria Group’s Consolidated Financial Statements³³ as at December 31, 2019. LDH (La Doria) Ltd. has been excluded for information and environmental data since it is a company with no production activities and whose environmental aspects were not considered relevant to ensure the understanding of the Group’s business activities and the impact produced by it. For further information on the corporate structure, please refer to the Group’s annual documents: the Financial Report and the Corporate Governance Report, both available on the company’s website.

The 2018 figures are reported for comparative purposes, in order to support an assessment of the performance. The restatement of the comparative data previously published is clearly indicated as such. Furthermore, the use of estimates has been limited as much as possible to give a correct representation of performance and to ensure data reliability. Where use has been made of estimates these are based on the best available methodologies and are reported appropriately. In 2019, no further significant changes in relation to the size, consolidation scope, organisational structure, ownership structure and supply chain of the Group took place.

The 2019 Sustainability Report was prepared in compliance with the “GRI Sustainability Reporting Standards”, published in 2016 by Global Reporting Initiatives (GRI) according to the “in accordance - Core” option. The “Food processing sector Disclosures” published by the GRI in 2014 were also taken into consideration. The presence of content responding to the guidelines is indicated in the text by means of identifica-

tion codes shown at the beginning of the relevant paragraphs.

La Doria has applied the updates to Standard 403 (Occupational Health and Safety), published in 2018, earlier than the 2021 deadline required.

In order to integrate sustainability into strategy and all of our operational processes, La Doria has developed a Sustainability Plan 2020-2022. Its objectives are in line with those set out in the Industrial Plan and the United Nations 2030 Agenda, and it is organised into operational objectives and specific targets. The Sustainability Plan was approved by the Board of Directors on January 28, 2020.

Fight against bribery and corruption

This matter is overseen by the Parent Company and its Italian subsidiaries within the framework of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, and by LDH through the adoption of an anti-bribery policy. Finally, the legality rating assigned to the Parent Company by the Antitrust Authority should be noted. With regards to training on Legislative Decree 231/01, reference should be made also to the offenses covered, including Public Sector corruption, Corruption among private parties and Incitement to corruption. All new hires are trained upon the Ethics Code.

³³ The list of Group companies consolidated line-by-line may be viewed in the section “Content of the Consolidated Financial Statements” in the Explanatory Notes to the Consolidated Financial Statements of La Doria S.p.A. at December 31, 2019.

Social aspects, personnel and respect for human rights

The Group operates in a sector, the tomato and fruit and vegetable chain in general, which over recent years has been the subject of significant pressure related to field worker conditions (undeclared labour, illegal recruitment, migrant workers, safety). In this regard, a "Human rights policy" was formalised and officialised which, together with the existing "Modern day slavery policy", defines the commitment and rules which the Group has adopted to manage these aspects.

With regards to product quality and safety, critical aspects to operate successfully in the food sector, an initiative to refresh skills on the Quality Assurance and Control Area continued, through the organisation of a series of specialist courses in collaboration with an external company.

In addition, a "Sustainability Policy", updated in January 2020, and a "Diversity Policy", approved in January 2019, were issued, involving education and action initiatives.

Environment

Aware of the environmental impact of its production processes, the Group has adopted policies and practices aimed at the correct management of its aspects and associated environmental impacts by adhering to the UNI EN ISO 14001 standard on Environmental Management Systems for all production facilities. It also has an energy management system at production sites which enables the effective management of energy aspects and supports investment with respect to efficiency.

In 2019, the **reporting policy** for the Consolidated non-financial report was finalised and adopted by the parent company and the subsidiaries. The La Doria Group remains committed to ongoing improvements on all sustainability aspects in order to increasingly comply with best sector practices and to support dialogue with its stakeholders.

This Sustainability Report is prepared annually and was submitted to the Control, Risks and Sustainability Committee and was subsequently approved by the Board of Directors of Doria S.p.A. on March 13, 2020.

The Report is also subject to limited examination ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A. which, at the end of the work performed, issues a specific report on

the compliance of information provided in the non-financial consolidated statement drawn up by La Doria S.p.A. pursuant to Legislative Decree No. 254/16.

For any clarification or further information on the contents of this Sustainability Report, please contact:

La Doria S.p.A.
via Nazionale, 320
Angri (SA) Italia

sustainability@gruppoladoria.it

Definition of the material issues

[GRI 102-46; GRI 102-47; GRI 102-49; GRI 103-1; GRI 103-2; GRI 103-3]

The 2019 Sustainability Report has been structured in accordance with the material issues identified by La Doria, as reported in the matrix presented in this section of the document. The issues represent the most significant aspects for La Doria and its stakeholders.

To reach the definition of the material issues, La Doria adopted a process envisaging:

1. Identification of the relevant issues, or all those issues that might potentially be significant for the company;
2. Assessment of issues with most significant impacts;
3. Validation of the materiality matrix.

In order to identify relevant issues, an analysis was made of several sector-specific reference documents, of

industry research, of material issues for the sector identified by the Sustainability Accounting Standards Board (SASB)³⁴, of the expectations of La Doria's main clients³⁵, both national and international, and of benchmarking conducted on sustainability communications by a panel of national and international players.

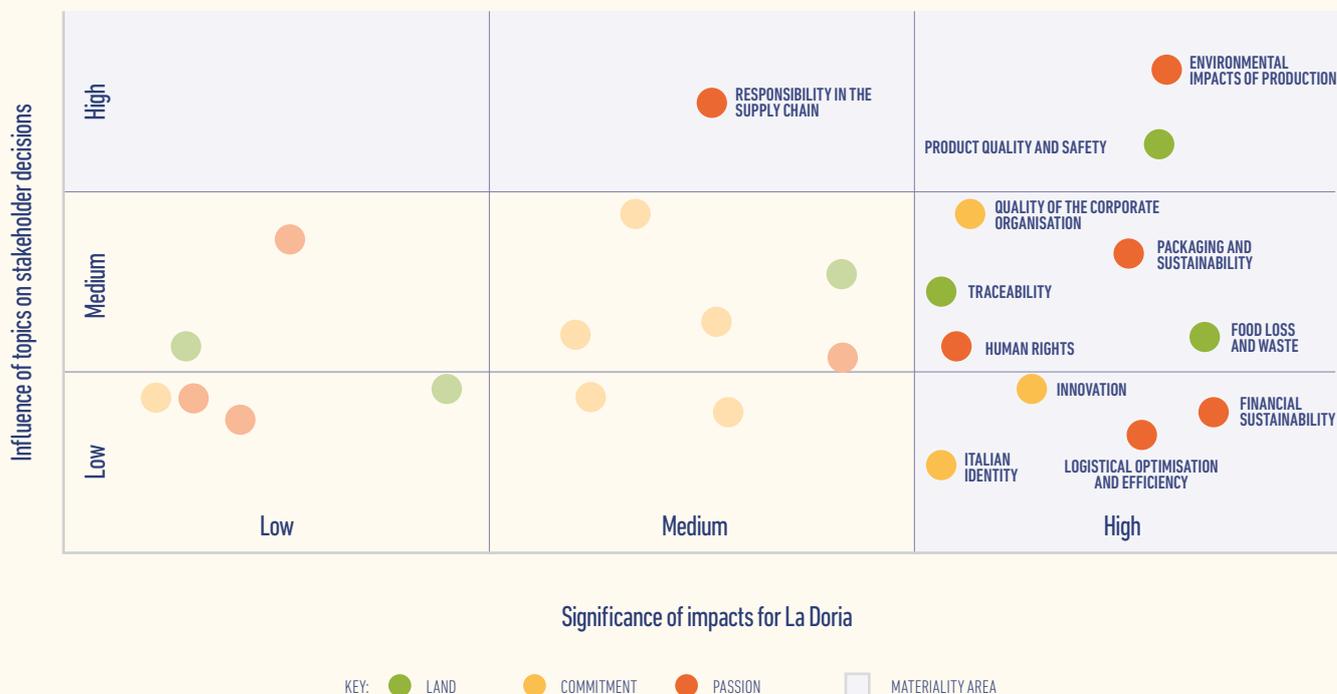
Once the relevant issues had been identified, a workshop with corporate management defined the matrix positioning of the themes in view of the impacts they might have on La Doria, of the company's ability to govern such impacts and of the influence on Group stakeholder decisions.

Shareholder involvement was important in creating the materiality matrix. A

survey was conducted on certain categories of stakeholders (employees, customers and suppliers) who may affect the Company's ability to achieve its objectives. Recent years have seen a gradual maturation in the process for involving stakeholders in sustainability issues: from a first phase focussed solely on listening, to a second stage based on consultation conducted through questionnaires.

This iteration was submitted for examination by the Control, Risks and Sustainability Committee, the Chairman and the Chief Executive Officer and approved by the Board of Directors on November 14, 2019. The material themes validated for this reporting cycle are those presented in the matrix shown below.

THE MATERIALITY MATRIX 2019



³⁴ Matrices for the following segments were considered: "Agricultural Products"; "Processed Foods"; "Non-Alcoholic Beverages"; "Food Retailers and Distributors".

³⁵ By analysing specific requests received or analysing their sustainability documents.

A brief description of each topic and its significance throughout the entire *value chain* follows.

Relevant topics for La Doria		The value chain					
							
Product quality and safety	Guaranteeing high product quality and safety, also in consideration of certifications and reference standards (e.g. IFS, BRC, organic)	●	●	●		●	●
Traceability	Guaranteeing the maximum traceability of products, from agricultural origin to the shelf, also in consideration of internationally recognized certification standards	●	●	●	●	●	●
Food loss and waste	Contributing directly to the reduction of food losses during production and to raising awareness among both suppliers and downstream stakeholders in the value chain, also helping to reduce consumer-related waste, and correctly minimizing and managing impacts associated with facility production processes.	●		●		●	●
Environmental impact on production	Minimise and correctly manage the impacts of the production processes: energy consumption, water consumption, emissions, waste.			●	●	●	●
Human rights and Responsibility in the supply chain	Commitment to promoting and ensuring responsible conduct along the supply chain, with particular reference to the protection of human rights, to working conditions, to raw material supplier health and safety, to raw material prices and other aspects related to ethical conduct and relations with producers and suppliers	●	●	●	●	●	
Packaging sustainability	Paying attention to the environmental footprint of packaging used in terms of the efficiency of materials used (packaging reduction), the origin and sustainability of the materials and consumer packaging recyclability.		●	●	●	●	●
Logistics optimisation and efficiency	Guaranteeing logistics efficiency and consequent reduction of environmental impacts deriving from product distribution activities		●	●	●	●	
Economic sustainability	Economic results of the company and distribution of generated value to stakeholders.			●		●	
Innovation	Product innovation: working constantly on the search for new products and on responding to the constant evolution in consumer food habits and client needs, including some areas of particular interest such as premium, organic, gluten-free and halal products, and so. Process innovation: replacement of machinery and renewal/innovation in production facilities with the aim of streamlining processes and reducing/minimizing the negative impacts of facilities.	●		●		●	●
Quality of the corporate organization	Corporate know-how, efficiency and responsiveness in meeting client needs, consolidation of client relations and perceived quality of products and services			●		●	
Italian identity	The importance of the origin of our products such as our 100% Italian tomatoes, Italian chickpeas, Italian fruit pulp (apricot, peach, pear and apple), and, for all products made with raw materials of non-Italian origin, the importance of their processing in Italy.	●		●		●	

CORRELATION BETWEEN THE MATERIAL ASPECTS AND GRI ASPECTS

Material topic	GRI 308 Aspect	Scope of impact	Type of impact
Product quality and safety	Consumer health and safety Procurement practices	<ul style="list-style-type: none"> • Group • Suppliers • Customers 	<ul style="list-style-type: none"> • Caused by the Group • Caused by Group and directly connected through a business relationship • To which the Group contributes
Innovation	-	<ul style="list-style-type: none"> • Group 	<ul style="list-style-type: none"> • Caused by the Group
Traceability	-	<ul style="list-style-type: none"> • Group • Suppliers 	<ul style="list-style-type: none"> • Caused by the Group • Caused by Group and directly connected through a business relationship
Environmental impacts of production	Materials Energy Water Emissions ³⁶ Effluents and waste Transport	<ul style="list-style-type: none"> • Group company with production activities 	<ul style="list-style-type: none"> • Caused by the Group
Human rights and Responsibility throughout the supply chain	Supplier assessment for labor practices Labor practices grievance mechanisms Supplier Human Rights assessment Human rights grievance mechanisms	<ul style="list-style-type: none"> • Group • Suppliers 	<ul style="list-style-type: none"> • Caused by the Group • Caused by Group and directly connected through a business relationship
Food loss and waste	-	<ul style="list-style-type: none"> • Group 	<ul style="list-style-type: none"> • Caused by the Group
Packaging sustainability	Property, plant and equipment	<ul style="list-style-type: none"> • Group • Suppliers • Customers 	<ul style="list-style-type: none"> • Caused by the Group • Caused by Group and directly connected through a business relationship • To which the Group contributes
Logistics optimisation and efficiency	-	<ul style="list-style-type: none"> • Group 	<ul style="list-style-type: none"> • Caused by the Group
Economic sustainability	Economic performance Procurement practices	<ul style="list-style-type: none"> • Group 	<ul style="list-style-type: none"> • Caused by the Group
Quality of the corporate organization	Employment Health & Safety ³⁷ Training and education Diversity and equal opportunities	<ul style="list-style-type: none"> • Group 	<ul style="list-style-type: none"> • Caused by the Group
Italian identity	-	<ul style="list-style-type: none"> • Group • Suppliers 	<ul style="list-style-type: none"> • Caused by the Group • Caused by Group and directly connected through a business relationship

³⁶ The emissions aspect, considered as part of the environmental impacts of production, was only relevant in terms of CO₂ emissions. However, with regards to other emissions, the Parma, Angri, Sarno, Fisciano and Lavello facilities have Integrated Environmental Authorisation. The Authorisation allows for the monitoring of NO_x, CO_v, NH₃ and CO₂ atmospheric emissions and their annual communication to the Competent Authorities. In the period no limit excesses were reported.

³⁷ With regards to the monitoring of non-employee worker accidents, the company shall assess the possibility of undertaking analysis on the number of other non-employee workers, in order to assess the need to collate data at the employer of outside collaborators and suppliers operating at the Group sites and/or under the control of the Group, assessing the quality and accuracy of this data over which direct control is not exercised.

GRI Content Index

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclosure	Description	Number of page (or link)																																																																																																																					
ORGANISATIONAL PROFILE																																																																																																																								
GRI 102 General information 2016	102-1	Name of the organisation	p. 26																																																																																																																					
	102-2	Activities, brands, products, and services	p. 16-17																																																																																																																					
	102-3	Location of the organisation's headquarters	p. 92																																																																																																																					
	102-4	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics	p. 17																																																																																																																					
	102-5	Nature of ownership and legal form	p. 26-27 For further details, reference should be made to the Corporate Governance Report available on the Group website: www.gruppoladoria.it																																																																																																																					
	102-6	Markets served	p. 17																																																																																																																					
	102-7	Scale of the organisation	p. 6-7 For further details, reference should be made to the Corporate Governance Report available on the Group website: www.gruppopoladoria.it																																																																																																																					
	102-8	Total number of employees by employment contract, work typology, location and gender	In addition to the information reported at page 82 the table with the other data required by the indicator follows <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Workforce at 31-12</th> <th colspan="2">Facilities in Italy</th> <th colspan="2">LDH</th> </tr> <tr> <th colspan="2">(by type of contract)</th> <th>2019</th> <th>2018</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Full-time employees</td> <td></td> <td></td> <td>717</td> <td>679</td> <td>77</td> <td>72</td> </tr> <tr> <td>- men</td> <td></td> <td></td> <td>590</td> <td>556</td> <td>38</td> <td>32</td> </tr> <tr> <td>- women</td> <td></td> <td></td> <td>127</td> <td>123</td> <td>39</td> <td>40</td> </tr> <tr> <td>Temporary employees</td> <td></td> <td></td> <td>48</td> <td>45</td> <td>4</td> <td>6</td> </tr> <tr> <td>- men</td> <td></td> <td></td> <td>43</td> <td>40</td> <td>1</td> <td>2</td> </tr> <tr> <td>- women</td> <td></td> <td></td> <td>5</td> <td>5</td> <td>3</td> <td>4</td> </tr> <tr> <td>Full-time contract</td> <td></td> <td></td> <td>683</td> <td>634</td> <td>77</td> <td>69</td> </tr> <tr> <td>- men</td> <td></td> <td></td> <td>570</td> <td>525</td> <td>39</td> <td>34</td> </tr> <tr> <td>- women</td> <td></td> <td></td> <td>113</td> <td>109</td> <td>38</td> <td>35</td> </tr> <tr> <td>Part-time contract</td> <td></td> <td></td> <td>82</td> <td>90</td> <td>4</td> <td>9</td> </tr> <tr> <td>- men</td> <td></td> <td></td> <td>63</td> <td>71</td> <td>0</td> <td>0</td> </tr> <tr> <td>- women</td> <td></td> <td></td> <td>19</td> <td>19</td> <td>4</td> <td>9</td> </tr> <tr> <td>Total employees</td> <td></td> <td></td> <td>765</td> <td>724</td> <td>81</td> <td>78</td> </tr> <tr> <td>Total men</td> <td></td> <td></td> <td>633</td> <td>596</td> <td>39</td> <td>34</td> </tr> <tr> <td>Total women</td> <td></td> <td></td> <td>132</td> <td>128</td> <td>42</td> <td>44</td> </tr> </tbody> </table>		Workforce at 31-12		Facilities in Italy		LDH		(by type of contract)		2019	2018	2019	2018	Full-time employees			717	679	77	72	- men			590	556	38	32	- women			127	123	39	40	Temporary employees			48	45	4	6	- men			43	40	1	2	- women			5	5	3	4	Full-time contract			683	634	77	69	- men			570	525	39	34	- women			113	109	38	35	Part-time contract			82	90	4	9	- men			63	71	0	0	- women			19	19	4	9	Total employees			765	724	81	78	Total men			633	596	39	34	Total women			132	128	42
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GRI 102 General information 2016	102-8	Total number of employees by employment contract, work typology, location and gender	The table below indicates the total percentage of new hires on seasonal contract <table border="1"> <thead> <tr> <th>Seasonal contracts</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Number of seasonal workers hired in the year</td> <td>953</td> </tr> <tr> <td>- Men</td> <td>441</td> </tr> <tr> <td>- Women</td> <td>512</td> </tr> </tbody> </table> <p>The number of personnel hired at the facility (p. 18-23) are period-end figures.</p>	Seasonal contracts	2019	Number of seasonal workers hired in the year	953	- Men	441	- Women	512
	Seasonal contracts	2019									
	Number of seasonal workers hired in the year	953									
	- Men	441									
	- Women	512									
	102-9	Description of the organisation's supply chain	p. 24-25								
102-10	Any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	p. 92									
102-11	Whether and how the precautionary approach or principle is addressed by the organisation	p. 32									
102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	p. 30-32; 58-62									
102-13	Involvement in national and/or international sector associations	p. 35									
STRATEGY AND ANALYSIS											
GRI 102 General information 2016	102-14	Statement from the most senior decision-maker upon the importance of sustainability for the organisation and its sustainability strategy	p. 4-5								
ETHICS AND INTEGRITY											
GRI 102 General information 2016	102-16	Values, principles, standards and conduct norms, such as conduct codes or ethics codes	p. 27-33								
GOVERNANCE											
GRI 102 General information 2016	102-18	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	p. 27								
STAKEHOLDER ENGAGEMENT											
GRI 102 General information 2016	102-40	List of stakeholders involved	p. 34-35								
	102-41	Percentage of total employees covered by collective bargaining agreements	100% of workers are hired under collective contracts								
	102-42	Process for identification of stakeholders	p. 34								
	102-43	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p.34-35								
	102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded	p. 34-35								

GRI Standard	Disclosure	Description	Number of page (or link)
REPORTING PRACTICE			
GRI 102 General information 2016	102-45	Entities included in the Consolidated Financial Statements and those not included in the sustainability report	p. 92
	102-46	Process for defining the report content and the Aspect Boundaries.	p. 94-96
	102-47	List all the material aspects identified in the process for defining report content	p. 94-95
	102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	p. 54,70,92
	102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	p. 96
	102-50	Reporting period	p. 92
	102-51	Date of most recent previous sustainability report	March 14, 2019
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions regarding the sustainability report or its contents	p. 93
	102-54	Reporting Statement in accordance with GRI Standards	p. 92
	102-55	GRI Contents	p. 97-106
	102-56	External declaration of report	p. 107-109

SPECIFIC STANDARD DISCLOSURES

DMA & Indicators	Disclosure	Description	Page number or specification	Omissions
CATEGORY: ECONOMIC				
RELEVANT ASPECT: ECONOMIC PERFORMANCE				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 72-75	-
GRI 201 Economic Performance 2016	201-1	Economic value directly generated and distributed	p. 74	-
RELEVANT ASPECT: PROCUREMENT PRACTICES				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 58-63, 72, 75 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers at significant locations of operation	p. 75	-
RELEVANT ASPECT: CORRUPTION				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 92-96 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 205 Anti-corruption 2016	205-1	Transactions assessed for risks related to corruption	p. 30-31 La Doria identified five areas to be assessed for risks related to corruption. The risks associated with corruption were analysed in the development of Model 231	-
	205-2	Communication and training on anti-corruption policies and procedures	p. 31	-
CATEGORY: ENVIRONMENT				
RELEVANT ASPECT: MATERIALS				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 43, 46-48, 64-67 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 301 Materials 2016	301-1	Materials used by weight or volume	p. 43 e 66	-
	301-2	Percentage of materials used that are recycled input materials	p. 64-65	-
RELEVANT ASPECT: ENERGY				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 52-56 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-

DMA & Indicators	Disclosure	Description	Page number or specification	Omissions
GRI 302 Energy	302-1	Energy consumption within the organisation	p. 54	-
	302-3	Energy intensity	p. 54	-
	302-4	Reduction of energy consumption	p. 53-54	-
RELEVANT ASPECT: WATER				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 52, 55-56	-
	103-2		http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	
	103-3			
GRI 303 Water 2016	303-1	Total water by source	p. 56	-
RELEVANT ASPECT: EMISSIONS				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 52-54, 101	-
	103-2		http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	
	103-3			
GRI 305 Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Direct Group emissions (Scope 1): tCO ₂ eq 52,827. The emissions are calculated on the basis of the conversion factors supplied by Defra 2019.	-
	305-2	Indirect greenhouse gas (GHG) emissions (Scope 2) – Location Based	Indirect Group emissions (Scope 2): tCO ₂ 11,485 The emissions are calculated on the basis of the conversion factors outlined in the document: TERNA "International Comparisons" 2018.	-
		Indirect greenhouse gas (GHG) emissions (Scope 2) – Market Based	Indirect Group emissions (Scope 2): tCO ₂ 16,023 The emissions are calculated on the basis of the conversion factors outlined in the document: AIB "Residual Mix 2019 factor".	-
	305-4	Greenhouse gas (GHG) emissions intensity	Group GHG intensity (Scope 1 and 2) (tCO ₂ /t product): 0.06 Market-Based Group GHG intensity (Scope 1 and 2) (tCO ₂ /t product): 0.07	-
RELEVANT ASPECT: EFFLUENTS AND WASTE				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 55	-
	103-2		http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	
	103-3			
GRI 306 Effluents and Waste 2016	306-1	Total water discharge by quality and destination	p. 56	-
	306-2	Total weight of waste by type and disposal method	p. 55	-
RELEVANT ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96;101	-
	103-2		http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	
	103-3			
GRI 308 Supplier environmental assessment 2016	308-1	New suppliers assessed according to environmental criteria	All our key suppliers of raw materials are assessed on environmental factors	-

CATEGORY: SOCIAL

SUB-CATEGORY: LABOUR PRACTICES

RELEVANT ASPECT: EMPLOYMENT

GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 80, 82-87, 102 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-																																																																																			
GRI 401 Employment 2016	401-1	New suppliers assessed according to environmental criteria	<p>p. 83</p> <p>GROUP TURNOVER (LA DORIA AND LDH, EMPLOYEES ON FULL-TIME AND PART-TIME CONTRACTS).</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">2019</th> <th colspan="3">2018</th> </tr> <tr> <th>Total</th> <th>Men</th> <th>Female</th> <th>Total</th> <th>Men</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Total new hires</td> <td>216</td> <td>180</td> <td>36</td> <td>275</td> <td>239</td> <td>36</td> </tr> <tr> <td><30</td> <td>115</td> <td>98</td> <td>17</td> <td>160</td> <td>141</td> <td>19</td> </tr> <tr> <td>30-50</td> <td>89</td> <td>71</td> <td>18</td> <td>92</td> <td>79</td> <td>13</td> </tr> <tr> <td>>50</td> <td>12</td> <td>11</td> <td>1</td> <td>23</td> <td>19</td> <td>4</td> </tr> <tr> <td>New hires rate</td> <td>25.5%</td> <td>26.8%</td> <td>20.7%</td> <td>34%</td> <td>38%</td> <td>21%</td> </tr> <tr> <td>Total departures</td> <td>175</td> <td>142</td> <td>33</td> <td>237</td> <td>205</td> <td>32</td> </tr> <tr> <td><30</td> <td>84</td> <td>72</td> <td>12</td> <td>114</td> <td>101</td> <td>13</td> </tr> <tr> <td>30-50</td> <td>53</td> <td>40</td> <td>13</td> <td>94</td> <td>79</td> <td>15</td> </tr> <tr> <td>>50</td> <td>38</td> <td>30</td> <td>8</td> <td>29</td> <td>25</td> <td>4</td> </tr> <tr> <td>Departures rate</td> <td>20.7%</td> <td>21.1%</td> <td>19.0%</td> <td>30%</td> <td>33%</td> <td>19%</td> </tr> </tbody> </table>		2019			2018			Total	Men	Female	Total	Men	Female	Total new hires	216	180	36	275	239	36	<30	115	98	17	160	141	19	30-50	89	71	18	92	79	13	>50	12	11	1	23	19	4	New hires rate	25.5%	26.8%	20.7%	34%	38%	21%	Total departures	175	142	33	237	205	32	<30	84	72	12	114	101	13	30-50	53	40	13	94	79	15	>50	38	30	8	29	25	4	Departures rate	20.7%	21.1%	19.0%	30%	33%	19%	-
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GRI 401 Employment 2016	401-2	Employee benefits by type of contract	<p>All Executives and some Group Managers and Employees are provided with a company car.</p> <p>The daycare/pre-school contribution is provided only to permanent employees at the Parma facility as based on the level II agreements in place before the acquisition.</p> <p>Meal vouchers are issued to all full-time employees, to part-time employees at the Parma facility and to part-time employees at all other facilities, working for at least 230 days per year.</p>	-																																																																																			
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GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 86-87, 103 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-																																																																																			
GRI 403 Occupational Health and Safety Management Approach 2018	403-1	Occupational health and safety management system	p. 86-87	-																																																																																			
	403-2	Hazard identification, risk assessment and accident investigation	p. 86-87	-																																																																																			

DMA & Indicators	Disclosure	Description	Page number or specification	Omissions																																								
GRI 403 Occupational Health and Safety Management Approach 2018	403-3	Occupational medicine services	p. 86-87	-																																								
	403-4	Worker participation and consultation, and communication on occupational health and safety	p. 86-87	-																																								
	403-5	Worker training on occupational health and safety	p. 85-87	-																																								
	403-6	Promotion of worker health	p. 86-87	-																																								
	403-8	Workers covered by occupational health and safety management system	p. 86-87 100% of employees at Italian facilities.	-																																								
	403-9	Injuries at work	In addition to the information reported at page 87 we present the following summary <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Group</th> </tr> <tr> <th style="text-align: center;">2019</th> <th style="text-align: center;">2018³⁸</th> </tr> </thead> <tbody> <tr> <td>Number of recordable injuries³⁹</td> <td style="text-align: center;">35</td> <td style="text-align: center;">24</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">31</td> <td style="text-align: center;">18</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">4</td> <td style="text-align: center;">6</td> </tr> <tr> <td>of which temporary</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Rate of recordable workplace injury</td> <td style="text-align: center;">20,32</td> <td style="text-align: center;">14,26</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">22,88</td> <td style="text-align: center;">13,73</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">10,89</td> <td style="text-align: center;">16,14</td> </tr> <tr> <td>Rate of lost work days</td> <td style="text-align: center;">497,08</td> <td style="text-align: center;">470,73</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">510,82</td> <td style="text-align: center;">542,41</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">446,4</td> <td style="text-align: center;">217,94</td> </tr> </tbody> </table> <p>In 2019, there were no deaths or workplace accidents with serious consequences (as defined in this GRI). The main types of injuries that occurred were collisions and falls. In 2019, 9 accidents during commute occurred (not considered in the summary table). In 2019⁴⁰, three accidents involving outside company employees took place. In 2019, 3 accidents occurred within LDH.</p>		Group		2019	2018 ³⁸	Number of recordable injuries³⁹	35	24	- men	31	18	- women	4	6	of which temporary	-	-	- men	-	-	- women	-	-	Rate of recordable workplace injury	20,32	14,26	- men	22,88	13,73	- women	10,89	16,14	Rate of lost work days	497,08	470,73	- men	510,82	542,41	- women	446,4	217,94
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403-10	Occupational illnesses	In 2019 an employee occupational illness was recognised ⁴¹ . <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">2019</th> <th colspan="2" style="text-align: center;">2018</th> </tr> <tr> <th colspan="2" style="text-align: center;">1</th> <th colspan="2" style="text-align: center;">2</th> </tr> <tr> <th style="text-align: center;">Men</th> <th style="text-align: center;">Woman</th> <th style="text-align: center;">Men</th> <th style="text-align: center;">Woman</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	2019		2018		1		2		Men	Woman	Men	Woman	-	1	1	1	-																									
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³⁸ For the reporting of 2018 accident data the new GRI Standard 403, published by the Global Reporting Initiative (GRI) in 2018, replaced the 2016 version used in the 2018 Sustainability Report.

³⁹ Calculated excluding accidents during commute

⁴⁰ The data monitoring and collation systems at the company do not permit for the calculation of third party company accident ratios.

⁴¹ The data monitoring and collation systems at the company do not allow the calculation of employee occupational illness rates at other companies.

RELEVANT ASPECT: TRAINING AND EDUCATION

GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 85, 104 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-																															
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee by gender, and by employee category	In addition to the information reported at page 85 below the tables Average training hours ⁴² <table border="1"> <thead> <tr> <th colspan="2">2019</th> <th colspan="2">2018</th> </tr> </thead> <tbody> <tr> <td colspan="2">12.8⁴³</td> <td colspan="2">15.1</td> </tr> <tr> <th>Men</th> <th>Women</th> <th>Men</th> <th>Women</th> </tr> <tr> <td>11.6</td> <td>16.1</td> <td>14.5</td> <td>17.2</td> </tr> </tbody> </table> Average hours of training by role <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Executives</td> <td>14.6</td> <td>13.7</td> </tr> <tr> <td>Managers</td> <td>12.9</td> <td>16.1</td> </tr> <tr> <td>White-collar</td> <td>14.3</td> <td>9.7</td> </tr> <tr> <td>Blue-collar</td> <td>12.4</td> <td>16.6</td> </tr> </tbody> </table> This data exclusively concerns Group personnel working in Italy. The data is not available for the subsidiary LDH	2019		2018		12.8 ⁴³		15.1		Men	Women	Men	Women	11.6	16.1	14.5	17.2		2019	2018	Executives	14.6	13.7	Managers	12.9	16.1	White-collar	14.3	9.7	Blue-collar	12.4	16.6	-
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RELEVANT ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES

GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 11, 82-83, 93 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 405 Diversity and equal opportunities 2016	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	p. 28, 82-83	-
	405-2	Remuneration ratio total women to men in same category	p. 83	-

RELEVANT ASPECT: LABOUR PRACTICES AND GRIEVANCE MECHANISMS

GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 58,94-96 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 406 Non-discrimination 2016	406-1	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	p. 60, 61, 87	-

⁴² The average training hours were calculated on the basis of the average workforce.

⁴³ The figure includes training hours provided to temporary staff: men 14.5 average hours; women 16 average hours.

DMA & Indicators	Disclosure	Description	Page number or specification	Omissions
SUB-CATEGORY: HUMAN RIGHTS				
RELEVANT ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
GRI 103 Management Approach	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 58-63;94-96,105 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 103 Human Rights Assessment 2016	412-1	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	p. 60	-
	412-2	Employee training on policies or procedures on human rights	The training course was uploaded to the e-learning platform which is available to all employees. 23% of employees completed the course in 2019. Around 82 hours were devoted to human rights training.	
RELEVANT ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 58-63;94-96,105 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 414 Supplier Social Assessment 2016	414-1	Percentage of new suppliers that were screened using labor practices criteria	The percentage of new raw material suppliers subject to control for working conditions is 100%.	
	414-2	Significant actual and potential negative human rights impacts in the supply chain and actions taken	p. 59-63	-
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
RELEVANT ASPECT: CUSTOMER HEALTH AND SAFETY				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96,105 http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml	-
GRI 416 Customer Health and Safety 2016	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	p. 38-40 100% of products	-
	416-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle	No incidents of this type are reported in the period	-
GRI 417 Marketing and Labelling 2016	417-2	Incidents of non-compliance with regard to information and labelling of products and services	No cases of non-compliance with regulations and/or self-regulatory codes on information and labelling of products and services were recorded in 2019	-

RELEVANT ASPECT: TRANSPORT				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 68, 94 http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml	-
RELEVANT ASPECT: INNOVATION				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 78,94	-
RELEVANT ASPECT: ITALIAN IDENTITY				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 88,94	-

G4 SECTOR DISCLOSURES

GRI Standard	Disclosure	Description	Number of page (or link)	Omissions
G4-FP1		Percentage of purchased volume from suppliers compliant with company's sourcing policy	100% of purchases are from suppliers complying with company policies	-
G4-FP5		Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	p.38 100% of production volumes	-



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**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
La Doria S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter also "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of La Doria Group (the "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 13, 2020 (the "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative (hereinafter also "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by Law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care,

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.329.220,00 i.v.
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confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter also "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. Comparison between the economic and financial data and information included in the NFS and the data and information included in the consolidated financial statements of La Doria Group;
4. Understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report.

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.



3

In particular, we carried out interviews and discussions with the management of La Doria S.p.A. and LDH Ltd and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the Angri production site and the trading company LDH Ltd of the parent company La Doria S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of La Doria Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Mariano Bruno
Partner

Naples, Italy
March 27, 2020

This report has been translated into the English language solely for the convenience of international readers.



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Angri (SA) Italia

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