LAND COMMITMENT PASSION

Sustainability Report 2016
La Doria Group

Contents

Antonio Ferraioli
Chairman
Chief Executive Officer

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Chief Executive Officer
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Dear Reader,
We hereby proudly present the La Doria Group's first Sustainability Report. We consider it an important tool to illustrate the consistent commitment to sustainability which drives our daily operations.

Although this is our first reporting initiative, the company's pursuit of sustainability on a number of levels has solidly supported our progress over the past sixty years, delivering us to the strong position we now hold, allowing us to win over difficult times while combining both innovation and tradition.

We have met the challenges along the way with a sense of responsibility to the regions and communities in which we operate and from which we source the raw materials necessary for production. Over the years, we have committed to invest in the company's local communities, even against challenging will established market practises.

Our clients choose La Doria for its quality, reliability and capacity to be in step with changing consumer demands, while maintaining highly competitive prices. Over time, we have consolidated our business relations with clients and today hold leadership positions in Italy and overseas markets in all our product lines.

We have consistently diversified our business, acquiring new expertise, to ensure that our value is not bound by dynamics we cannot directly control and in order to explore new markets. In doing so, we have always promoted our uniquely Italian identity as a matter of pride that translates into quality, safety and tradition.

We believe that three words succinctly express the sustainability of our business and its most important aspects: land, commitment and passion.

Land is the bond we have with our geographical areas of supply, which provide us with the key resources we need to make our products. Accordingly, we take all necessary measures to ensure that the raw materials used in our production processes, comply to the highest standards for quality, safety and traceability and produce minimum waste along the entire production chain: Land deserves long-term investment, not unconditional exploitation.

Commitment is the daily pursuit of all La Doria staff to achieving our key objectives. Our company has always demonstrated a core commitment to improvement and reliability, not only within the company, but also in relations with our main partners in the production chain, from suppliers to clients. Commitment ensures safe and responsible working conditions, the mitigation of impacts and long-term sustainability.

Passion is the desire to continue to succeed, the drive not to let up after achieving an objective. The engagement and collaboration of all La Doria staff and our shared vision allows us to keep that passion alive, with absolutely everyone playing a key role in effecting change and contributing to the quality of our organisation.

We operate in a complex marketplace in which, every day, we need to maintain the highest standards and react ever quicker to market demands. With this in mind, we must meet the major challenges demanding that everyone displays a culture of sustainability, as the only way in which we can combine responsibility with the development and integrity of our business. We thus commit every day to better shaping the future through the leveraging of our rich heritage and achievements.

We hope you enjoy this report.

The fruits of our labour

653.1 mln €
Revenues
(95.2% from the private labels market)

0.50
Debt/Equity
ratio

1.86
Debt/EBITDA
ratio

8.6 %
EBITDA
Margin

Land

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%
Products certified 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, with coherence, responsibility, safe working conditions, impact mitigation and the generation of shared value over the long term.

72
Ethical audits carried out in the fields of our suppliers over three years

Passion

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%
Italian tomatoes

77.4%
of revenues from overseas

7
Production facilities

741
Employees

662 mln kg
production totalling

100%
Traceability of our products

98%
Waste recycled

594,871 €
Value of products donated

94%
Metal can requirements satisfied internally

15 km
Average distance from most-used outsourced warehouses

93%
Economic value generated distributed to our stakeholders

100%
Products made at our plant in Italy

43.3%
Energy needs satisfied internally

60
Persons under-35 hired over last three years

23
Top Italian and overseas clients with us for at least 8 years

Sector challenges

All agri-food sector operators are facing a wide spectrum of challenges with significant latent environmental, social and economic impacts.
The global population is expected to grow to 9.7 billion by 2050, which will require the current global production of 8.4 billion tons to almost double to 13.5 billion tons. Approximately 50% of the production required to satisfy the increased demand in 2050 must come from land which is currently already cultivated[1]. 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.

QUALITY AND SAFETY

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. FSSC 22000, IFS, BRC).

FOOD LOSS AND WASTE

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.

HEALTHY FOOD CHOICES

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.

ETHICS THROUGHOUT THE CHAIN

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.

TRACEABILITY

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.

SMART FARMING

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.

EFFICIENT USE OF RESOURCES

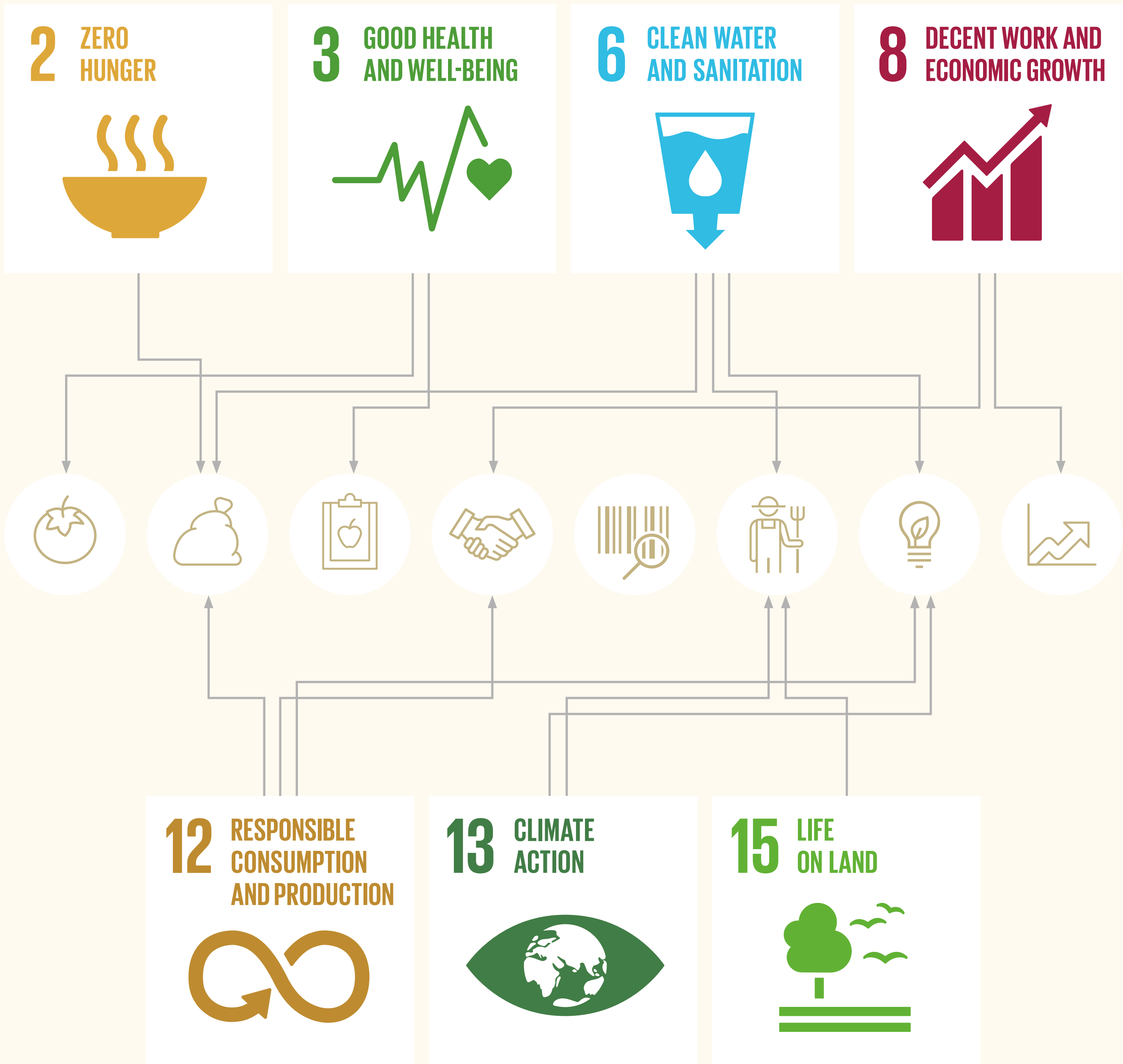
The efficient use of resources often permits the combination of cost reduction with environmental benefits. A number of resources have been under the microscope for some time: the soil, water and energy; others are assuming increasing importance, such as for example the reduction of packaging and their recyclability.

DEVELOPMENT AND LOCAL GROWTH

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.

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

Actively dealing with these challenges is decisive for the achievement of the United Nations Sustainable Development Goals - (SDG's[2]). Approved in 2015, the 17 objectives are broken down into 169 achievements to be reached by 2030. Pursuit of the Global Agenda for sustainable development no longer exclusively concerns national governments, but requires the direct involvement of a wide network of actors, including institutions and organisations, but also businesses and civil society. These objectives are increasingly key reference points for businesses as they draw up medium to long-term sustainability strategies. In particular, the food sector sustainability challenges include a number of the specific SDG's.



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

La Doria Group:
an alternative to 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 began in Angri and returned there after making its way across the US, the United Kingdom, Japan, Australia and Europe.

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

1954

FOUNDATION

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

60's

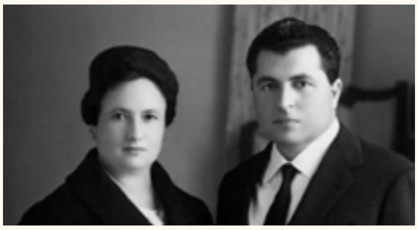
PRODUCTION DIVERSIFICATION

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 added to reflect the times, such as chopped and pureed tomatoes.

70's

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's

GENERATIONAL CHANGE

These are difficult years - not only because of the sector crisis - but also due to an earthquake that brings the company to its knees, forcing it into administration. This period also sees a generational change, with brothers Antonio and Andrea Ferraioli taking the reins of the company, following the passing of their father. The brothers eventually overcome these difficult times and the company focuses strategically on the production of private labels.

90's

LISTING

These years are marked by 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.

00's

LEADERSHIP

An investment plan of over 70 billion Lira is adopted in order to expand volumes capacity, improve efficiencies and reduce production costs. With the acquisition of 80% of Sanafrutta 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 also come to fruition 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' in new food sector 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

[G4-4; G4-8]

Our products

La Doria Group produces at 7 facilities in Italy and distributes its products across the globe.

TOMATO-BASED PRODUCTS

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

PULSES, VEGETABLES & PASTA

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

FRUIT JUICES

La Doria is the second leading producer of fruit juices in Italy, and the leader of the private labels segment. The line includes nectars, 100% juices and beverages.

READY-MADE SAUCES

La Doria is the leading Italian producer of private label ready-made sauces and is among the leaders in Europe. Ready-made sauces with tomato, meat, pesto, white, fish and cream bases and condiments (dressing sauces).

OTHER PRODUCTS

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

Product line	Revenue %
Tomato-based products	22.00%
Pulses vegetables	26.80%
Fruit juices	12.20%
Ready-made sauces	12.60%
Other products (LDH)	26.40%

Revenues by product line in 2016

In 2016, Group revenues reached Euro 653.1 million. Over 95% of consolidated revenues are generated from Private Label products, while slightly under 4% relate to products sold under the Company's brands[3].

The 2016 red line performance featured a significant decrease in prices and a drop in volumes, mainly concerning the domestic market (Italy) following the loss of some contracts due to particularly intense competition on the discount channel.

The sauces line however on the one hand saw increased volumes, while on the other dropped prices in order to

[3] The remainder (approx. 0.5%) 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

maintain or increase market share.
The fruit line featured stable prices and a reduction in volumes relating to fruit juices produced and sold on the Italian market, which has been hit by a significant drop in consumption due to a dietary shift towards the reduced consumption of sugars.
With regards to the pulses, vegetables and canned pasta line, prices significantly dropped following the reduction in raw material costs in 2015, while sales volumes increased, also thanks to new products such as enriched baked beans and ready-made soups/minestrones.

Finally, the other lines, referring principally to products sold by the subsidiary LDH on the British market, reported a small decrease in sales volumes and a significant drop in prices - particularly for dry pasta, tuna and canned sweetcorn.

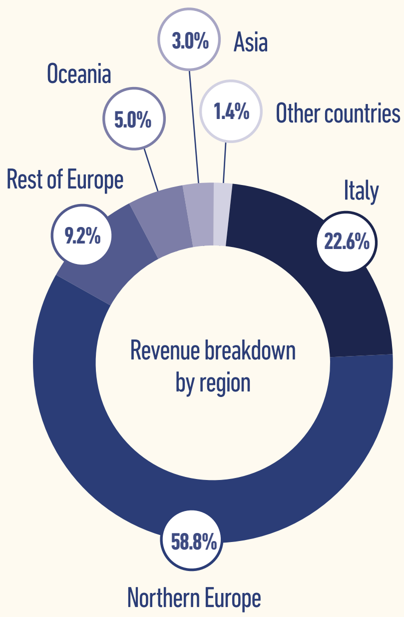
The markets

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.

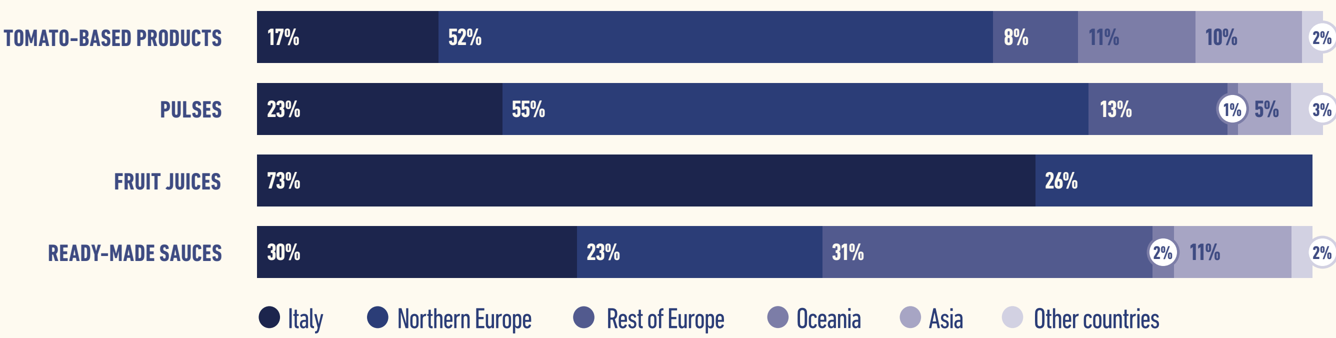
The principal market for La Doria products is Northern Europe and in particular Great Britain, thanks mainly to the subsidiary LDH (La Doria) LTD.

The company has also gained a strong positioning on the German, Scandinavian, Australian and Japanese markets. La Doria is the leading exporter of private label tomato-based products and baked beans in Great Britain; 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.



Revenues by product line and region are broken down below.



The production facilities

[G4-EN8; G4-EN15[5]; G4-EN16[4]; G4-EN18]

Angri

AREA

102,000 sq. mtrs.

FACILITY HOURS WORKED 2016

384,863

PRODUCTION

Facility produces tomatoes, fruit juices and beverages, pulses, vegetables and pasta, metal cans and lids.

CERTIFICATIONS

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

PERMANENT EMPLOYEES	180
TEMPORARY EMPLOYEES (AVERAGE MONTHLY NON-SEASON PERIOD)	36
SEASONAL EMPLOYEES (PROCESSING SEASON PERIOD AVERAGE: JUL-SEP)	225

QUANTITIES PRODUCED (GROSS KG)	2016
TOMATO-BASED PRODUCTS	53,692,251.7
PULSES AND VEGETABLES	114,396,392.4
FRUIT JUICES	85,947,856.7
TOTAL	**254,036,500.9**

WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	984,362	1,061,252	870,152
WATER SOURCED/KG PRODUCED	0.004	0.004	0.003

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	17,799	18,659	21,384
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	895.68	1,344.50	836.4
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.08	0.08	0.08

[4] "Scope II" emissions are all indirect emissions from network supplied electricity consumption.

[5] The GHG Intensity index (tCo_2/tonnes of product) is calculated exclusively on the basis of direct emissions, i.e. those concerning natural gas (methane) consumption for the production of energy.

Sarno

AREA

195,000 sq. mtrs.

FACILITY HOURS WORKED 2016

255,061

PRODUCTION

Facility produces tomatoes, fruit juices and beverages, pulses, canned vegetables and pasta, metal cans.

CERTIFICATIONS

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

PERMANENT EMPLOYEES	125
TEMPORARY EMPLOYEES (AVERAGE MONTHLY NON-SEASON PERIOD)	20
SEASONAL EMPLOYEES (PROCESSING SEASON PERIOD AVERAGE: JUL-SEP)	108

QUANTITIES PRODUCED (GROSS KG)	2016
TOMATO-BASED PRODUCTS	58,450,463.4
PULSES AND VEGETABLES	128,770,007.5
FRUIT JUICES	7,713,532.8
READY-MADE SAUCES	8,306.1
TOTAL	**194,942,309.8**

WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	656,029	636,784	514,872
WATER SOURCED/KG PRODUCED	0.003	0.002	0.003

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	10,751	10,839	9,065
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	3,308.12	3,087.71	2,214.46
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.06	0.06	0.07

Fisciano

AREA

112,000 sq. mtrs.

FACILITY HOURS WORKED 2016

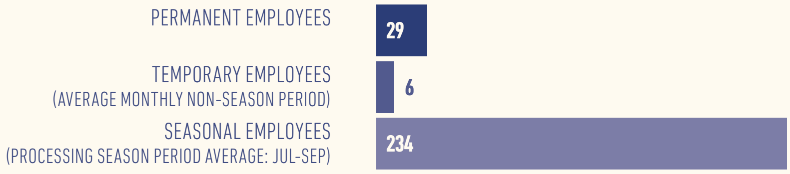
153,874

PRODUCTION

Facility produces tomatoes, pulses, vegetables and pasta.

CERTIFICATIONS

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



QUANTITIES PRODUCED (GROSS KG)	2016
TOMATO-BASED PRODUCTS	54,215,110.4
PULSES AND VEGETABLES	17,480,240.0
TOTAL	**71,695,350.4**

WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	199,047	199,521	197,146
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M^3	3,073	3,156	7,056
WATER SOURCED/KG PRODUCED	0.003	0.003	0.003

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	5,831	6,641	5,857
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	1,174.96	966.56	771.2
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.09	0.10	0.09

Lavello

AREA

270,000 sq. mtrs.

FACILITY HOURS WORKED 2016

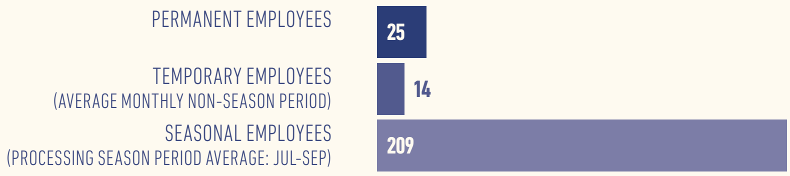
131,170

PRODUCTION

Facility produces tomato and fruit

CERTIFICATIONS

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



QUANTITIES PRODUCED (GROSS KG)	2016
TOMATO-BASED PRODUCTS	46,368,317.4
FRUIT PUREE	4,906,000.0
TOTAL	**51,274,317.4**

WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	328,300	366,000	417,400
WATER SOURCED/KG PRODUCED	0.006	0.005	0.006

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	3,307	4,741	4,116
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	779.15	799.41	666.3
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.08	0.09	0.08

Faenza

AREA

24,000 sq. mtrs.

FACILITY HOURS WORKED 2016

24,404

PRODUCTION

Facility produces fruit purees

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, ORGANIC

PERMANENT EMPLOYEES	8
TEMPORARY EMPLOYEES (AVERAGE MONTHLY NON-SEASON PERIOD)	7
SEASONAL EMPLOYEES (PROCESSING SEASON PERIOD AVERAGE: JUL-SEP)	12

QUANTITIES PRODUCED (GROSS KG)	2016
FRUIT PUREE	14,136,700.0
TOTAL	**14,136,700.0**

WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	87,333	97,795	90,606
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M^3	3,199	3,325	2,674
WATER SOURCED/KG PRODUCED	0.006	0.007	0.006

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	801	812	943
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	270.47	241.61	211.2
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.06	0.05	0.06

Acerra[6]

AREA

24,000 sq. mtrs.

FACILITY HOURS WORKED 2016

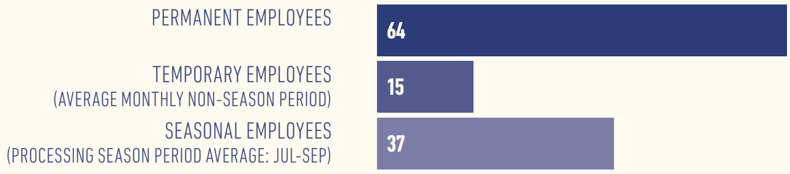
106,287

PRODUCTION

Facility produces tomato-based products and ready-made sauces.

CERTIFICATIONS

ISO 9001, OHSAS 18001, BRC, IFS and ORGANIC



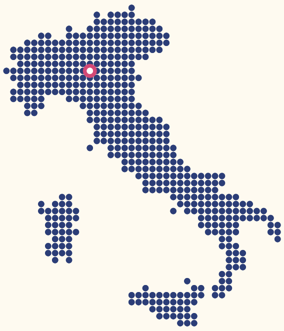
QUANTITIES PRODUCED (GROSS KG)	2016
TOMATO-BASED PRODUCTS	3,315,861.1
READY-MADE SAUCES	28,241,219.0
TOTAL	**31,557,080.1**

WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	353,370	-	-
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M^3	25,390		
WATER SOURCED/KG PRODUCED	0.012	-	-

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	2,319	-	-
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	862.18	-	-
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.1	-	-

[6] For the Acerra and Parma facilities, the environmental data is available from 2016, as they were acquired in 2014 and merged by incorporation from January 1, 2016

Parma[6]



AREA

84,000 sq. mtrs.

FACILITY HOURS WORKED 2016

149,585

PRODUCTION

Facility produces ready-made sauces.

CERTIFICATIONS

ISO 9001, OHSAS 18001, BRC, IFS, ORGANIC and KOSHER

PERMANENT EMPLOYEES	109
TEMPORARY EMPLOYEES (AVERAGE MONTHLY)	5

QUANTITIES PRODUCED (GROSS KG)	2016
READY-MADE SAUCES	44,791,294.3
TOTAL	**44,791,294.3**

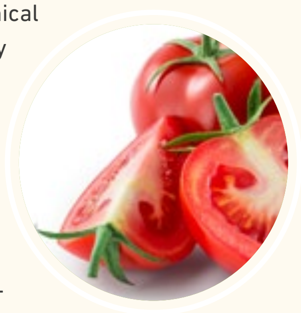
WATER SOURCED	2016	2015	2014
GROUNDWATER IN M^3	238,185	-	-
WATER SOURCED/KG PRODUCED	0.005	-	-

GHG EMISSIONS	2016	2015	2014
DIRECT EMISSIONS (SCOPE 1) IN CO_2 EQUIVALENT TONNES	4,729	-	-
INDIRECT EMISSIONS (SCOPE 2) IN CO_2 EQUIVALENT TONNES	267.24	-	-
GHG INTENSITY (TONNES CO_2/TONNES OF PRODUCT)	0.17	-	-

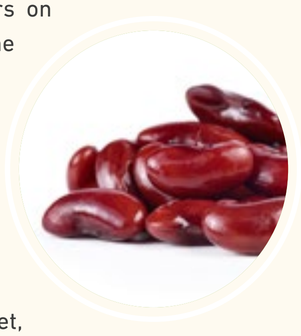
The product journey
[G4-12]

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.

Raw materials are undoubtedly the most sensitive purchases and the Group value chain management strategy seeks to develop long-term relationships and collaboration with its suppliers, through direct contact in the countries in which the materials are grown, in order both to oversee compliance with 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 sourced principally in North and South America and in Asia - 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. The company deals with major producers to procure pulses on the American market, while on the Asian market deals with raw material sourcers working with a number of local growers. Again in this case, extensive collaboration is undertaken to guarantee high product quality and safety standards.

The fruit used for the production of juices partly comes from Italy (apricots, pears, peaches and apples) - as available in appropriate quantities and close to production facilities, and partly from overseas - for fruits not available locally (or not in the quantities required for production).

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.

Strategic procurement is also employed in terms of the materials used to package products, with La Doria deciding some time ago to invest in ensuring that most materials are produced at the main facilities, accounting for the majority of metal can requirements in-house. Meanwhile, for other materials such as the combi packs, glass bottles and product labeling paper, the Group sources from 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 sea, road and rail.
As outlined in greater detail in the logistics efficiency section, La Doria seeks as best as possible to leverage the proximity of plant to the ports of Naples and Salerno, supporting distribution to Europe, while trucks will continue to be favoured for Italian distribution. The products, finally, are sold to consumers under the brands of the various retail chain clients of La Doria.

La Doria Group

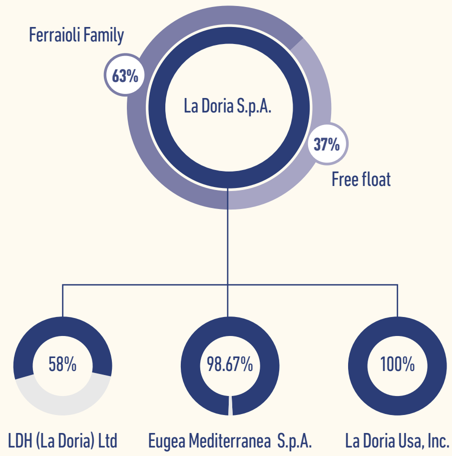
[G4-3; G4-6; G4-7; G4-13]

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 Italian producer of private labels packaged pulses, peeled and chopped tomatoes and ready-made sauces and is the second largest producer of fruit juices and beverages (leader in the private labels segment).

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 and pet food 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.



Expansion through diversification

2016 was an important year for La Doria as, with the merger by incorporation on January 1, 2016 of the company Pa.fi.al. S.r.l (and of its subsidiaries, Delfino S.p.A. and Althea S.p.A.), a three-year consolidation plan was concluded. The acquisition of the Pa.fi.al. Group in 2014 in fact expanded the business and diversified the product range, with a new line of products and ready-made sauces at higher and more stable margins. In 2015 the integration process was successfully concluded, simplifying the group structure and inter-company processes, with benefits in terms of greater efficiency and governance and control efficacy, in addition to profitability benefits. The acquisition also boosted its share of a market which it already leads and has laid the foundations for easier access to new markets. In addition, it has increased the number of production facilities, with the addition of the Parma and Acerra plant, raising revenues and with a greater share for the ready-made sauces line which is not subject to the "tomato line" price fluctuations.

Integrity and transparency

[G4-15; G4-34; G4-56; G4-LA12]

Group Governance

The La Doria S.p.A. Corporate Governance[7] system 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, 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 implemented through policies, principles, rules and procedures to govern the operations of all company organisational and operative structures.

The Board of Directors has a central role in La Doria's Corporate Governance System, 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 may carry out all actions it deems appropriate in furtherance of the corporate objectives, with the sole exclusion of those attributed exclusively to the Shareholders' Meeting. The Board comprises 8 members, of which 3 are Independent Directors.

The presence of two female Directors ensures gender balance. Within the Board, a Remuneration and Appointments Committee and an Internal Control and Risks Committee have been established with consultative powers. The Board of Statutory Auditors oversees compliance with legislation and by-laws, with the principles of proper administration, structural adequacy in matters within its scope, internal control and administrative-accounting in order to properly reflect operations. It furthermore ensures the concrete implementation of corporate governance under the Self-Governance Code adopted by the company and the adequacy of the instructions to subsidiaries.The Board obtains information on and supervises operating activities to the full extent of its scope.

Composition of the Board	2016	2015	2014
Total members	8	8	8
- men	6	6	6
- women	2	2	2
< 35 years	0	1	1
35-54 years	1	1	1
> 54 years	7	6	6

Composition of the Board of Directors

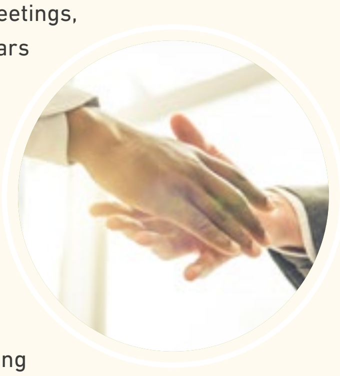
Communication to shareholders and Investor Relations

Investor Relations refers to all communications and financial disclosure between the company and the community of investors, a key element in the construction of fruitful, long-term relations with the financial market. 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 allows favour a fair assessment of the Group's

[7] The Annual Corporate Governance Report and the Remuneration Report are available on the company website www.gruppoladoria.it, respectively in the Corporate Governance and Investor Relations sections.

market value. This aims to give the market a a full understanding of the Group's activities, strategies, future prospects and allows investors to assess the Group's fair value and the attractiveness of such investment.
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, one-to-one meetings, group meetings, conference calls, presentations at events, seminars on specific sector issues etc.).



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

The La Doria Group adopted in 2008 an Operating and Internal Control Organisational Model in accordance with Legislative Decree No. 231/2001[8] which makes reference both to the indications contained in the Confindustria Guidelines (National organisation representing Italian manufacturing and services companies) and best practice employed in Italy. In light of the additional offenses, the Special Part of the Model was subsequently updated in 2012, in 2013, in 2014, in 2015 and in 2016 following the introduction of offenses against industry and commerce, Environmental Offenses, "Undue influence or accessory offenses", "Corruption between private parties" and offenses concerning "the employment of illegal aliens" and the amendment of the "false corporate communications offense". 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 the effective implementation of the Organisational, Management and Control Model, the Supervisory Board approved the Supervisory Plan. 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

[8] The General Part of the Model and the Ethics Code are available on the company website www.gruppoladoria.it in the Corporate Governance section. The Italian subsidiary Eugea Mediterranea has also adopted an Organisational Model.

management guarantees. La Doria encourages all stakeholders to report possible violations of the Ethics Code, ensuring them attentive and effective management of such communications. In the 2014-2017 three-year period, the Supervisory Board (O.d.V.) received three reports from employees, of which only two concerned alleged violations of the Ethics Code, both of which were verified and resolved.

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 internal control and risk management system

The Internal Control and Risk Management System is the pillar on which Corporate Governance is based. It is a central element for employees 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 Chairman of the Board of Directors, the Chief Executive Officer as appointed to the internal control system, and on the invitation of the Chairman of the Committee, the Board of Statutory Auditors, in addition to, for the meetings concerning issues of a financial and compliance with Law 262/05 nature, the Executive Responsible, 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. Also to coordinate on issues of common interest, the Board of Statutory Auditors and the Independent Audit Firm organised and held during the year various joint meetings, in addition to those annually required by the applicable regulation.

Dialogue with the stakeholders

[G4-16; G4-24; G4-25; G4-26; G4-27]

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

Stakeholders map

Stakeholder	Involvement and communication	Matters of interest
Shareholders	• Shareholders' AGM • Interim financial reports • Corporate Governance Report	• Economic sustainability • Quality of the organisation
Clients	• Dedicated meetings • Collaboration in the development of products and improvement of services • Production facility visits	• Product quality and safety • Food loss and waste • Quality of the organisation • Economic sustainability • Responsibility throughout the supply chain • Traceability • Packaging sustainability • Logistics optimisation and efficiency • Innovation • Italian identity
Personnel	• Circulation of the Ethics Code • Specific meetings and training • Company intranet • Company magazine (Elledì)	• Quality of the organisation • Economic sustainability
Trade Unions	• Periodic meetings	• Quality of the organisation • Workplace health and safety
Financial community	• Institutional website • Press releases • Interim financial reports • Corporate Governance Report • Roadshows and dedicated meetings	• Economic sustainability • Quality of the organisation
Suppliers	• Dedicated meetings • Training courses on specific issues • Site visits • Institutional website	• Traceability • Food loss and waste • Responsibility throughout the supply chain • Logistics optimisation and efficiency
Public sector and Local Authorities	• Dedicated meetings • Conventions • Institutional communications	• Quality of the organisation • Economic sustainability • Product quality and safety • Environmental responsibility
Industry associations and other organisations	• Membership of Confindustria both on a regional (Confindustria Salerno and Ravenna) and an industrial (ANICAV and AIIPA) basis and involvement in activities • Organisation of events and conventions on specific issues	• Product quality and safety • Responsibility throughout the supply chain • Italian identity • Food loss and waste • Traceability
Local communities	• Partnership • Involvement of schools	• Quality of the organisation • Economic sustainability • Environmental responsibility

Involvement of stakeholders and matters considered

LAND

Product quality and safety
Traceability
Food loss and waste

Product quality and safety

[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 and are certified to at least one of 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.

CERTIFIED FACILITIES

Our facilities are certified ISO 9001, BRC and IFS

THE 3 STEPS TO OUR QUALITY:

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

SAFETY STANDARDS

All our products are certified to at least one of 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 criterias 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, and we monitor the entire supply chain to guarantee the full traceability of products, from field to shelf. In order to ensure the highest quality of our 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 tomato suppliers are assessed on the quantity and quality of the tomatoes supplied, as well as on the number of non-conformities and client complaints. La Doria then awards prizes for the top ten suppliers with the best performances.
Naturally, also for our other main ingredients, pulses and fruits, we carry out a series of exacting quality controls in collaboration with our suppliers. This collaboration takes different forms from our tomato supply chain due to the different ways in which we source the products. Particularly regarding pulses, 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 labor errors. These systems have not only been introduced in La Doria's own facilities, but also in those of raw material suppliers.

These three steps are accompanied by assessments throughout the lifecycle of our products to verify and ensure their quality and safety. For example, we check for the presence of heavy metals (lead and cadmium) and pesticides in raw materials, which may derive from agricultural treatments or soil quality. In the production stage, we monitor weight, 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.

Complaints

During 2016, under the company's quality management system, 3,625 complaints were registered, slightly up on the previous year[9].

This number includes all types of 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.

Complaints regarding the quality of products	2016	2015	2014
Number of complaints received	3,625	3,500	5,000
Number of complaints settled during the year	100%	100%	100%

Total number of complaints received and percentage of those settled

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. 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

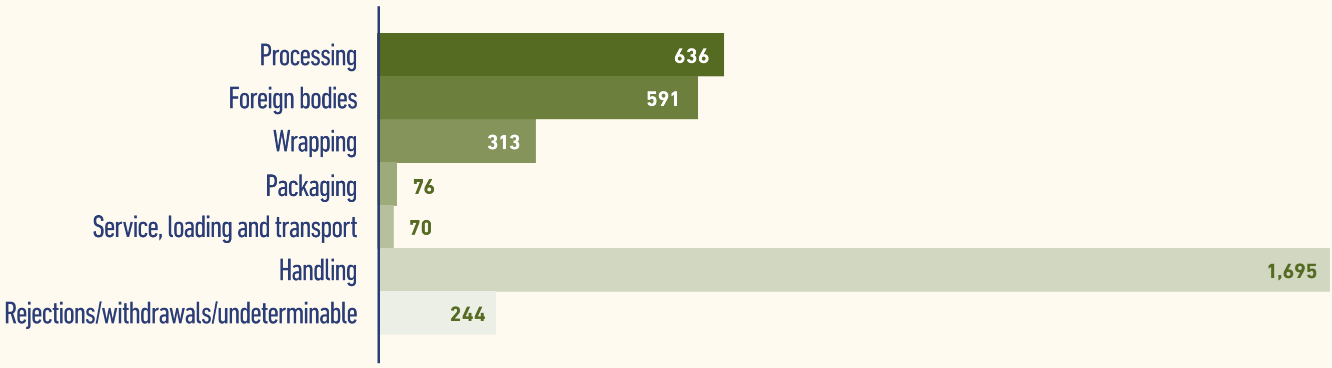
[9] The increase in the number of complaints is partially attributable to the inclusion of complaints from the Parma and Acerra facilities from January 1, 2016, following the merger by incorporation of the Group Pa.fi.al.

filed 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-based products and canned legumes.

To address the criticalities in product processing, tools have been introduced to production lines to verify the integrity of packs used and to ensure that the product is properly canned and sealed. This firm commitment has resulted in a reduction in the number of complaints concerning both canned tomato products and pulses compared to 2015.

COMPLAINTS IN 2016 BY TYPE



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 leading 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-colored 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. In this regard, the firm commitment of recent years has led to a notable reduction in complaints.

Traceability

[G4-EN1]

Supply chains form an articulated and complex system, which 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 land to 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.

Along the whole value 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.

	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	EUROPE OTHER	ISRAEL
TOMATO 240,817,267 KG	-	-	-	100%	-	-
PULSES 46,450,214 KG	52%	12%	25%	6%	5%	-
FRUIT[10] 23,965,643 KG	-	-	-	100%	-	-
FROZEN[11] 4,130,437 KG	-	16%	25%	9%	43%	7%

Geographical origin of products (percentage breakdown)

To ensure that the system is effective, audits are carried out both internally and externally by ISO 9001 Quality Management System 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. Additionally, the Group's major clients also carry out periodic product traceability controls.

Information provided on the finished product	2016	2015	2014
Origin	60%	50%	50%
Contents	100%	100%	100%
Use and preservation	100%	100%	100%

Information on product labels

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.
In 2016, 60% of products were labeled with specific information on their origin, an increase on the previous two years. All products, as per legal requirements, are labeled with detailed information on their contents (i.e. ingredients) and on how to use and store them.

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 are subjected to this traceability system, and, 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.

[10] Peaches, apricots, pears and apples processed in facilities to transform the fruit into puree for fruit juice production.
[11] Semi-processed fruit that is frozen and shipped to La Doria facilities to be transformed into juices and fruit-based beverages.

Food loss and waste

[G4-EN23]

The issue of food loss and waste is increasingly a focus of the international community to avoid that safe, fit-for-consumption products are wasted.

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 to 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.

98%

Waste allocated for recovery

5,654,120 Kg

Skins (tomato and fruit) reused in 2016

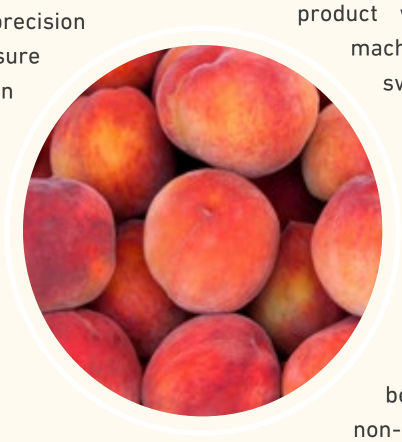
719,480 Kg

Fruit stones (peaches and apricots) reused in 2016

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 SAP 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.

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 legumes not fit for market or human consumption) 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. In the three-year period from 2014 to 2016, this system lead to a reduction in the treatment of waste at external authorized centers amounting to 1,000 tons.

Another major project will involve the Acerra and Parma facilities in the coming years with the aim of reorganizing production to significantly reduce product waste when washing machinery for product line switches (a particular issue for pesto and white sauces that are particularly dense).

In the last three years, thanks to the contribution of these projects, there has also been a clear reduction in non-hazardous waste destined for landfill and in favor of recovery. However, due to the production particularities of La Doria's various facilities, waste generation is affected by the specific mix of product lines at each facility, with annual variations notably influenced by an increase in the processing of some product lines at the expense of others.

	2016	2015	2014
Peach stones (Kg)	487,280	508,460	518,030
Apricot stones (Kg)	232,200	247,140	235,200
Tomato skins (Kg)	3,984,400[12]	9,053,144	7,083,000
Fruit skins (Kg)	1,669,720	1,773,360	1,669,720

Quantity of re-purposed by-products

[12] The reduction in the data from 2015 to 2016 is accounted for partly by a reduction in raw material input (17%) and partly by investments made at the facilities of Angri, Sarno and Fisciano aimed at improving the collection and recovery of waste from tomato product processing,

Waste produced by Group production facilities

Hazardous waste	2016	2015	2014
Total weight (tons)	97.5	103.2	103.1
- destined for re-use or recycling	0	0	0
- destined for recovery	57.5	60.9	59.1
- destined for incineration	0	0	0
- destined for landfill	40,0	42.3	44.0
Non-hazardous waste	2016	2015	2014
Total weight (tons)	31,218.4	28,080.4	32,178.9
- destined for re-use or recycling	0	0	0
- destined for recovery	30,779.3	20,299.9	22,314.5
- destined for incineration	0	0	0
- destined for landfill	439.1[13]	7,780.5	9,864.4
Total waste (hazardous and non-hazardous)	31,315.9	28,183.6	32,282.0
Production volumes (tons)	662,434	718,884	606,900
Ratio of generated waste to production volumes	0.05	0.04	0.05

Waste produced by Group facilities

Donate – don't waste

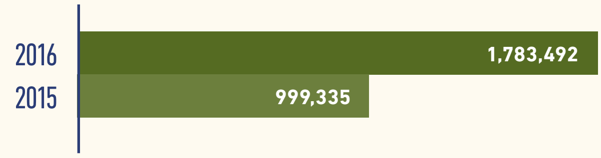
Another important activity carried out by the Group is the donation of some products to charitable organizations. This happens with all those products considered not suitable for sale to customers but still fit for human consumption under food safety requirements. The reasons behind the non-conformities 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 2016 alone, La Doria donated 1,783,492 products to charity, worth around Euro 553,959, a significant increase compared to 2015.

At the source

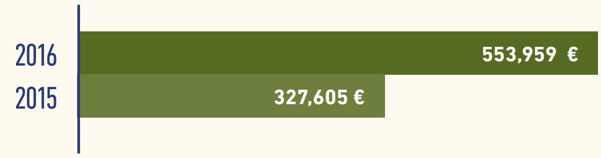
La Doria is not only engaged in the reduction of waste generated by raw material processing, over which it has direct control, but also constantly colla-

PRODUCT DONATIONS BY LA DORIA

Number of products donated to charity

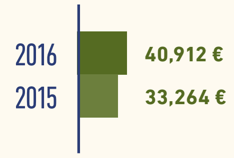


Economic value of the donated products



PRODUCT DONATIONS BY LDH

Economic value of the donated products



borates 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, with the aim 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 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

Responsibility in the supply chain
Packaging sustainability
Logistics optimisation and efficiency
Economic sustainability

Responsibility in the supply chain

[G4-LA14; G4-LA15; G4-LA16; G4-HR11; G4-HR12]

Working conditions in fruit and vegetable harvesting are a sensitive issue.

Over the last few years, even 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, as we want to ensure that no worker is exploited, playing an active role in solving this issue.

0

Tomato suppliers assessed as at risk in 2016.

ISO 26000

We have created an assessment system for the tomato supply chain according to ISO 26000 criteria

72

Field checks and audits have been conducted in the last 3 years by La Doria, its clients and third parties

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 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[13] and to commit to its upholding.

The Risk Assessment Procedure in the tomato supply chain

In 2014, La Doria, with the support of SGS[14], 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 the past three 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 the past three 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 2016,

ETHICAL AUDITS CONDUCTED BY LA DORIA

2016	2015	2014
15	12	10

audits were conducted involving 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.

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.

[13] The Ethics Code is available on the website of the La Doria Group: http://www.gruppoladoria.it/IT/corporate-governance/codice-etico.xhtml
[14] SGS is an inspection, verification, analysis and certification services company.

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 Risk Assessment Procedure in 2014 and 2015 identified some situations of risk but, through collaboration with suppliers, resolved them through specific remedial actions. The cooperation of these suppliers in identifying remedial measures allowed us to continue our relations with them and the effectiveness of the measures was confirmed by the absence of any emergence of situations of risk in 2016.

Potential negative impacts concerning labour practices and the protection of human rights in the supply chain	2016	2015	2014
Number of suppliers audited[15]	100%	100%	100%
Number of suppliers that have negative, potential or existing impacts concerning labour practices	0	2	5
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such	-	100%	100%
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%

Potential negative impacts identified in the supply chain

[15] The data refers exclusively to tomato suppliers.

Checks and audits conducted by clients and third parties

The number of field visits by clients has fallen since 2014, when working conditions

VISITS TO FIELDS BY CLIENTS AND SGS AUDITS

9	10	16
2016	2015	2014

in the Italian tomato supply chain attracted significant media attention abroad. The growing focus of the Group on the issue and the effectiveness of the implemented system have reassured our main clients of our responsible management of the supply chain, thus reducing the number of visits. Clients who conducted field visits reported some criticalities that were also recorded under the La Doria Quality Management System and which were resolved, with the exception of several that were recorded at the end of 2016 and will be resolved in 2017.

Complaints received concerning working conditions	2016	2015	2014
Number of complaints received	6	4	3
Number of complaints received and resolved	3	4	3

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 has developed specific training and awareness-raising campaigns for agricultural suppliers, with the aim of encouraging a culture of sustainability within the industry. 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.

Over the last few years, a close collaboration has been established with two non-profit organizations based in northern Europe, IEH (Ethical Trading Initiative Norway) and ETI (Ethical Trading Initiative), which lead a network of NGOs, companies and trade unions committed to the promotion of workers' rights around the world. The collaboration with these organizations translates into a variety of information sharing and discussion events and the identification of opportunities for improvement in responsible supply chain management.

With the same philosophy of collaboration in order to achieve the best possible results, the National Association for Industrial Conserved Vegetable Foods (ANICAV) - an association of which La Doria is a member and whose chairman is currently Antonio Ferraioli – signed, in 2014, a Memorandum of Understanding with several major trade unions[16] on the promotion of social responsibility in the tomato-based supply chain of

[16] Flai-Cgil, Fai-Cisl, Uila-Uil

industrial food processing companies[17]. The agreement, in particular, seeks to promote the correct application of National Collective Labour Contracts and to combat illegal hiring practices.

Actions implemented in 2017

1. Creation of a handbook containing guidelines on social responsibility shared with farmers and associations active in the industry.
2. Setting up of an e-mail address to which situations of risk may be anonymously reported. The creation of this "whistle-blowing" system is accompanied by an awareness-raising kit to combat illegal hiring practices.
3. Creation of the imaginary character "Happy Bean" in order to raise awareness among pulse suppliers in Asia and North and South America.

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

LDH and the use of the SEDEX portal

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 organization is the largest platform in Europe that collects and processes data on ethical conduct in 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.

The SMETA audits indicated a number of potentially risky situations which were resolved by identifying specific corrective measures in collaboration with suppliers.

	2016	2015	2014
Number of suppliers audited (SMETA audit)	100%	100%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	2	8	0
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such	100%	100%	-
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%	0%

Potential negative impacts identified by the LDH monitoring system

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. During 2017, the work of the organization will focus on two main themes: collaboration between suppliers and retailers to respond jointly to common risks identified in supply chains, and how to effectively involve agricultural workers, farmers, fishermen, employment agencies and all other stakeholders in the supply chain.

[17] For further information, refer to the website of ANICAV: http://www.anicav.it/news/2014/7/24/366

Packaging sustainability

[G4-EN1; G4-EN2]

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.
For us, packaging sustainability means:

- Producing a significant amount of our own packaging in order to reduce costs and negative impacts related to its transport.
- Increasing the use of packaging made using renewable sources and recycled materials.
- Reducing packaging volumes and unnecessary packaging.

33%

Corrugated cardboard from recycled material

634 mln

Cans produced by La Doria itself in 2016 (94% of requirements)

11%

Shrink-wrap from recycled material

The main categories of packaging that the Group uses are cans, glass bottles, cartons (Tetra Pak and Combi[18]) both of which are polycoated.

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 2016, the Sarno and Angri facilities produced approximately 94% of all company requirements for this type of packaging and approximately 60% of the lids used. 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, made 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.

Focus on other materials

Although the percentage of demand for recycled heat-shrink products (approximately 11%) is still small, the use of this product has increased by 89% compared to 2014. The glass that La Doria uses comes predominantly from Europe and the weight of glass bottles and jars has also been reduced in recent years.

Cartons (Tetra Pak and Combi), used mainly for the packaging of fruit juices, beverages and some tomato sauces, are both recyclable materials. Tetra Pak carton packaging used by La Doria comes predominantly from Italy, while the Combi cartons are of European origin.

Material	Unit	Quantity	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	EUROPE OTHER	TURKEY
TINPLATE	KG	31,083,903	-	62%	29%	9%	-	-
GLASS CONTAINERS	pieces	201,660,910	-	-	-	60%	32%	8%
TETRA PAK CARTONS	pieces	257,971,410	-	-	-	80%	20%	-
COMBI CARTONS	pieces	102,033,160	-	-	-	-	100%	-

Packaging quantities and origins (2016)

[18] The carton packaging (Tetra Pak and Combi) is made of 75% wood product, a renewable resource. The paper used by La Doria's supplier is 100% FSC certified

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 usually 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.

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. TRB polyethylene, the shrink-wrap plastic film for packing trays of juice and beverage packs, is made from 100% recycled material, the paper used for the packaging of juices and beverages is produced from wood from responsibly managed forests and cardboard interlayers that are inserted between stacks of products on transport pallets are used up to 7 times, resulting in an annual saving of approximately 950 tons of cardboard. 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.

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.

We are constantly committed to make 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 leverage upon in order to increase intermodal transport and progressively reduce road transport.

15 km

Most external warehouses used are within a radius of approximately 15 km of production facilities

-10%
of journeys

- 302,800 km
by road

These are the numbers relating to the shift of freight from road to rail for deliveries in Germany (2016 vs 2015)

42%

Deliveries direct to our clients are made by ship

Optimization 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 2013, the warehouse of the Fisciano facility was expanded and, in 2017, La Doria put together an investment plan for the extension of the warehouse at the Sarno facility.

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 those of Angri and Parma. 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, while the external

15 Km
Distance of external warehouses from Sarno facility

4 Km
Distance of external warehouse from Angri facility

50 Km
Distance of external warehouse from Parma facility

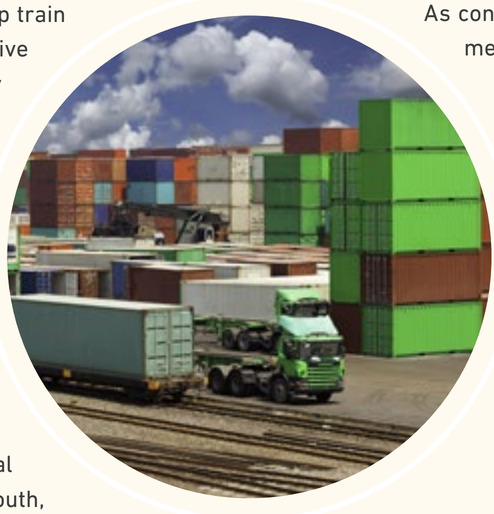
warehouse used by the Parma facility is the furthest, at approximately 50 km away.

In line with the aim of minimizing movement between facilities, therefore delivering finished products directly to client shipping facilities, an important project has been implemented involving the ready-made sauces line. At the time of acquisition of the Pa.fi.al. Group, the Acerra facility was dedicated to production destined for the Italian market but distributed by the Parma facility. This required the transfer of finished products from the Campania region facility in central Italy to that of the Emilia region in the north. In 2015, the Company decided to re-dedicate the Acerra facility to production destined for North European and other countries so that products could be shipped by maritime carriers, in order to exploit the strategic proximity of the ports of Naples and Salerno. This project significantly reduced finished product movements between the two facilities and, at the same time, allow shipping to be concentrated through much closer ports than that of La Spezia, which was previously used when foreign distribution was predominately through Parma. Thus, in 2016, movements between the two facilities were down by approximately 315 trips compared to 2014. The general reorganization of the sauces production allowed for a significant reduction in movement in 2016, of approximately 50,000 km less by road and approximately 189,000 km less by train, compared to 2014.

Development of intermodal logistics

The proximity of the ports of Naples and Salerno to production facilities is a strategic advantage that has made it easier over time for the Group to reach certain foreign markets and to take advantage of intermodal routes that include the use of maritime 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.

This is why, in 2016, a project was launched to develop train transport from Southern Italy to Germany. This initiative allowed the total number of trips to be reduced by approximately 10%, also due to an increase in the maximum load from 24 to 28 tons per journey. Furthermore, over an average distance of approximately 1,560 km, those by road were reduced to 320 km, resulting in as much as 80% of the route by rail. In 2016 alone, the project saved more than 25 journeys totalling 302,800 km less in terms of road transport.

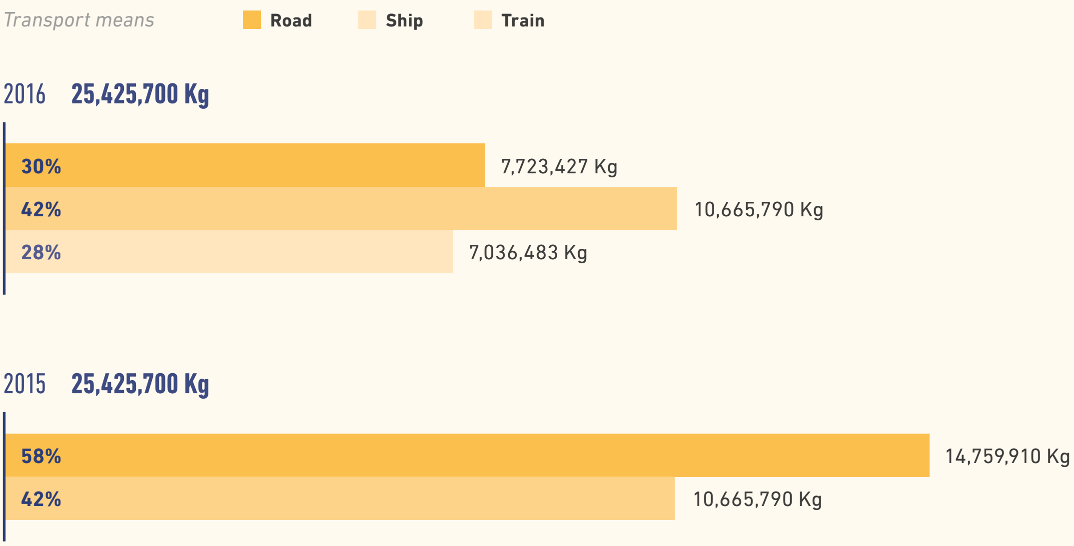


In the wake of the success of this project, one of the goals set for 2017 is the increased use of intermodal transport for shipping also to France, by sea to the south, with the use of containers that accommodate larger pallets (40' wide), and by train to the north. A preliminary forecast based on 2016 production volumes predicts that this new project will achieve a reduction of approximately 20 trips annually (from 238 today down to 218), thus reducing road transport today by about 280,000 km.

These are just a few projects that express the Group's commitment to developing intermodal logistics for product transport.

As confirmation of this commitment, it can be seen that in 2015, for tomato-based and pulse products, transport was exclusively by road and ship, but, in 2016, the percentage of volumes shipped by road was reduced significantly in favour of rail transport.

FOREIGN SHIPMENTS (BASED ON 2016 VOLUMES)[19]



[19] Data on the transport of tomato-based products and legumes. Sauce line products are excluded.

Economic sustainability

[G4-EC1, G4-EC9]

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

54%

of raw material spend goes to local suppliers

93%

of the economic value generated is distributed to the various stakeholders

75%

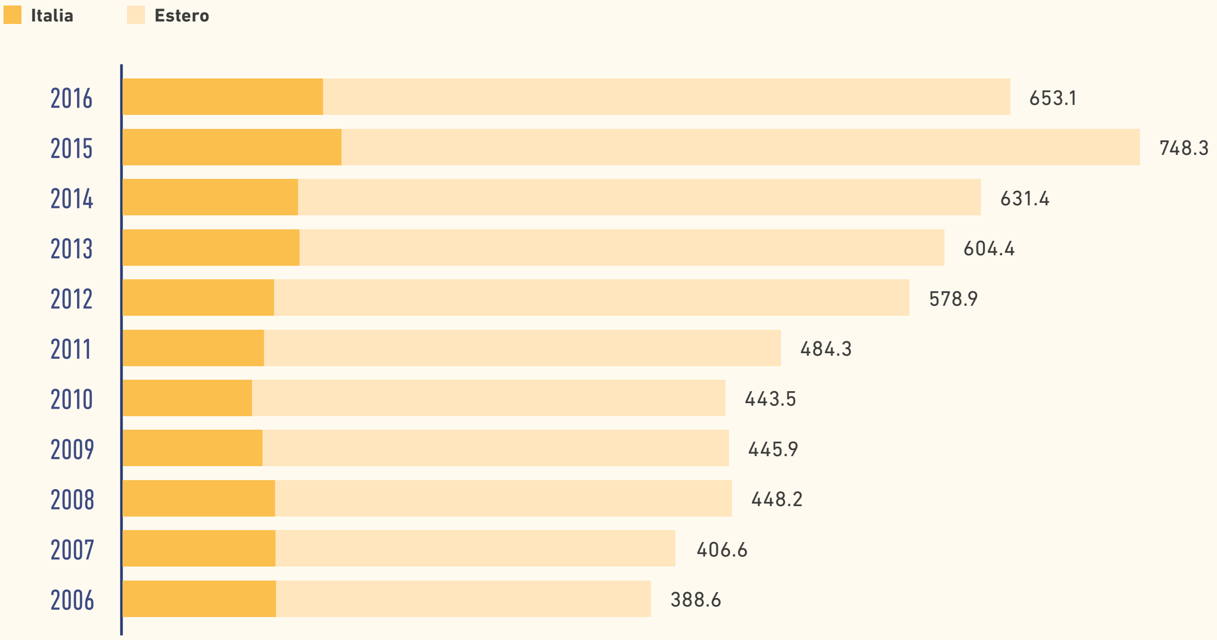
of services spend goes to local suppliers

Financial highlights

In 2016, the La Doria Group encountered a more complex and less favourable operating environment, caused, on the one hand, by significant deflation hitting a number of Group product categories and markets and, on the other, by heightened competition and pressure from supermarkets. A reasonable performance and profitability was however delivered by the company thanks to its defense of sales volumes and its streamlining and cost control activities. Notwithstanding, results fell short of those of 2015, in which exceptional outcomes were achieved due to a particularly favourable tomato and pulses market, whereby a decrease in raw material costs was accompanied by a slight increase in sales prices on contracts signed before the production campaign.

REVENUES SINCE 2006

in Euro millions



Following years of continuous revenue growth, a contraction was reported (-12.7%) in 2016, with sales at Euro 653.1 million. Specifically, sales reported a significant decline in prices (-5.7%) across almost all product categories, while overall volumes were quite stable (-1.2%). Currency movements had an additional 5.8% impact on revenues.

During this past year, the Group has made a number of major investments to a value of Euro 13.1 million (up on 2015), including the restructuring of the industrial buildings in Angri and Sarno, in addition to improvements on the Sarno facility labelling line.

The near future will be challenging, as the economic and political uncertainty of the final months of 2016 continues amid a more difficult market environment, featuring, on the one hand, ongoing sales price deflation and, on the other, raw material cost inflation.

Following 10 years of significant expansion for our Group and particularly strong growth in the 2014-2015 two-year period, we are currently experiencing a slowdown due to the poor general climate, in particular, concerning the tomato-based product market and the effects of Brexit. In light of such reflections, the Group continues to work on implementing its growth strategy through the strengthening its positions in historic markets, further geographic diversification, a shift in the product mix towards premium and organic products, in line with current consumer trends, and continuous production streamlining and cost containment.

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 2014-2016 three-year period, an overview of the economic value generated, distributed and retained through a reclassification of the Group consolidated income statement accounts.

As the figures indicate, over the last three years the breakdown of distributed value has remained substantially stable, despite the movement in the economic value generated as outlined previously. The only changes, in percentage terms, regard the decrease in operating costs and the increase in value distributed to employees.

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.

	2016		2015		2014	
Economic value generated	668,874	100.00%	744,524	100.00%	642,819	100.00%
Economic value distributed	623,153	93.20%	695,361	93.40%	609,851	94.90%
Operating costs	546,738	81.70%	605,955	81.40%	535,279	83.30%
- Raw material costs	*461,627*	*69.00%*	*516,972*	*69.40%*	*457,613*	*71.20%*
- Service costs	*74,152*	*11.10%*	*80,833*	*10.90%*	*68,419*	*10.60%*
Value distributed to employees	51,727	7.70%	53,991	7.30%	44,063	6.90%
Value distributed to providers of capital	3,098	0.50%	4,015	0.50%	4,622	0.70%
Value distributed to Public Sector	13,073	2.00%	19,341	2.60%	16,087	2.50%
Value distributed to shareholders	7,704	1.20%	11,474	1.50%	9,264	1.40%
Value distributed to the community	813	0.10%	585	0.10%	536	0.10%
Economic value retained	45,721	6.80%	49,163	6.60%	32,968	5.10%

Economic value directly generated and distributed

This is a distinctive feature of La Doria, which is committed to investing in Italy - particularly in Southern Italy (the "Mezzogiorno") – and goes against the market tendency to look overseas. This local investment model, rooted in the company's region and growth, contributes to the distribution of value to local communities which otherwise would face 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 major contribution to the local, national and regional (Campania, Emilia Romagna, Basilicata) economic fabric is evident. This represents a key commitment for the Group, which is continuously monitored.

	Cost	% of economic value generated	Suppliers	2016	Of which regional	2015	Of which regional	2014	Of which regional
% of raw material procurement spend	461,627	69%	Local	54.20%	39.00%	51.60%	32.90%	46.70%	30.40%
			Non local	45.80%		48.40%		53.30%	
% of services spend (maintenance. logistics. etc,)	74,152	11%	Local	75.60%	37.10%	78.40%	42.40%	78.20%	39.50%
			Non local	24.40%		21.60%		21.80%	

Proportion of spend to local suppliers

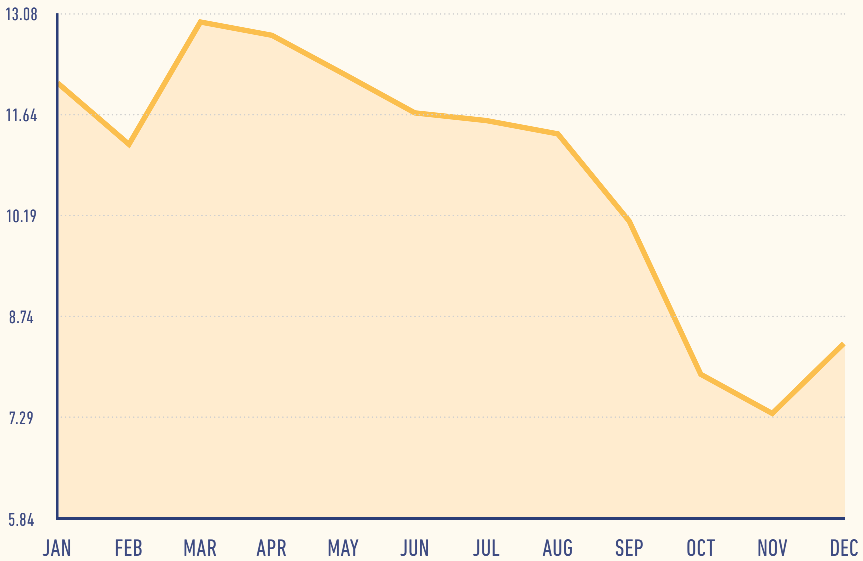
Share performance

The annual average daily share price in 2016 was Euro 10.78, slightly lower than in 2015 (annual average price of 12.41). The lowest price was on November 16 at Euro 7.05, while the highest price was on March 16, 2016 at Euro 13.27. The average daily volume traded in 2016 was 61,038 (161,413 average daily volume traded in 2015).

From February 18, 2016, the La Doria share, although remaining in the STAR segment which hosts companies meeting high liquidity, transparency and corporate governance requirements, transferred from the FTSE Italia Small Cap index to the FTSE Italia Mid Cap, having met the float and liquidity requirements.

STOCK MARKET PERFORMANCE (2016)

in Euro



PASSION

Innovation
Quality of the organization
Italian identity

Innovation

[G4-EN3; G4-EN5; G4-EN6]

Innovation has two main pillars for us: the creation of new product lines 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.

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

2
Photovoltaic system at the Sarno and Fisciano facilities

179
Product innovation projects launched in 2016

43.3%
Energy requirements met by photovoltaic and cogeneration plant

2
Cogeneration plants at the Angri and Parma facilities

Recipes for all needs

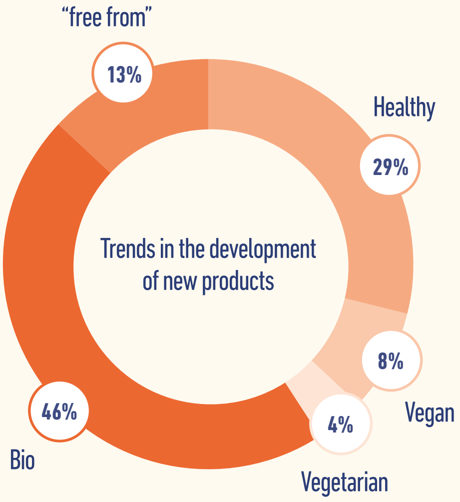
Product innovation is entrusted to a specialized team that analyses client needs and proposes the best possible recipes to meet those needs.
Over the last few years, La Doria has seen a growth in demand for organic and healthy products, including low-salt and low-sugar recipes.

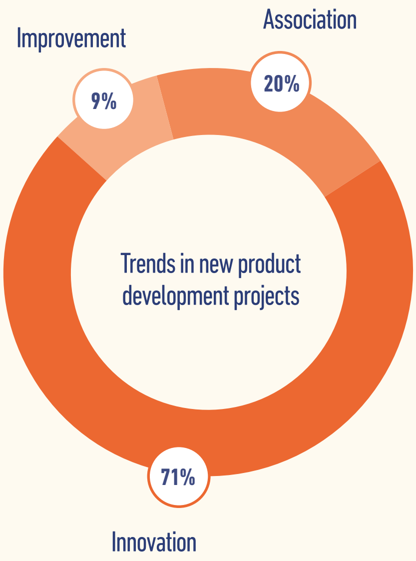
In 2016 alone, 179 innovation projects were launched, involving all product lines. More than one third concluded successfully, while just under a half are still undergoing development or are temporarily suspended.
An important contribution to the innovation projects has come from the introduction of specific IT systems that have enabled La Doria to supervise the whole process more effectively, to monitor the progress of projects more frequently and to share updates with all involved.

The work over recent years has allowed several new La Doria products to be launched on the market, particularly in Great Britain. Among these products are baked beans with sausages, our first canned soups and green and red pesto sauces.

Future Group product development trends strongly indicate a focus on the organic and healthy categories, with a minority of projects devoted to the development of so-called "free from" products, which are free of ingredients not tolerated by some consumers (e.g. gluten). Finally, another smaller share is reserved for vegan and vegetarian lines. In order to respond to such emerging trends, all of the La Doria facilities are accredited for the production of certified organic products. Additionally, several specific projects have been launched to reduce the amount of salt in certain categories of products (pulses and sauces) and to create new pesto recipes with innovative production technologies.

The first data from 2017 shows that most new product development projects are devoted entirely to innovation, with a minority devoted to improving the quality of the recipes already in production and to the pitching of existing recipes to new clients (the latter referred to as "association" in the table).





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.

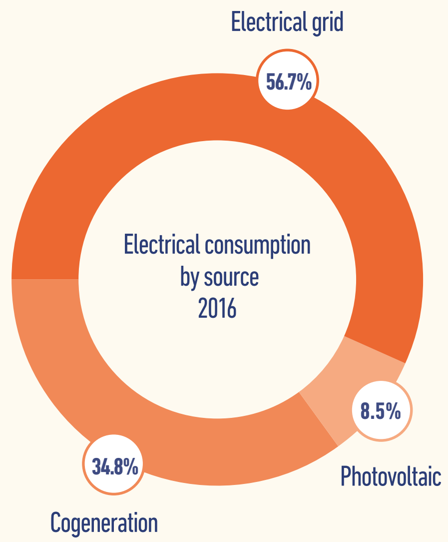
Due to the importance of this aspect, in 2017, all of the Group's facilities will be involved in a Kaizen improvement project dedicated to optimizing format changes. Kaizen is a Japanese management strategy meaning "change for better", or "gradual and continuous improvement", which encourages many little day-to-day improvements.
To implement the project, a special team will be formed, composed of staff from all the facilities, who will, on the one hand, analyse the relevant data in detail, including the mapping of all format changes and theoretical switching times, and, on the other hand, make direct observations on the lines, analysing the actual switching times

and interviewing line operators. The project will allow the company to draw up procedures to improve processes and to make the approach homogeneous across the different facilities.

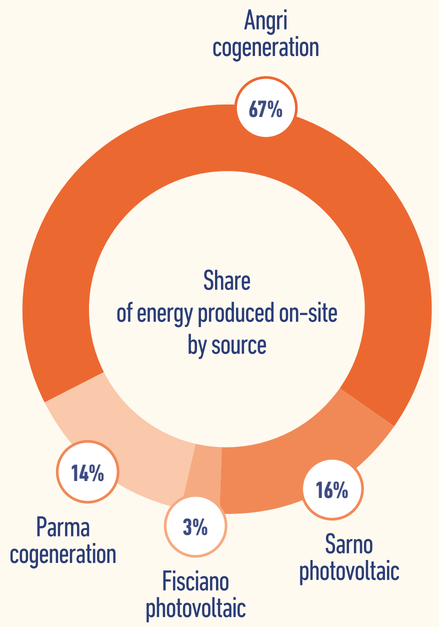
Power supply at our facilities

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, according to relative annual consumption and distribution demands. Alternatively, the Angri and Parma facilities have installed cogeneration plant with production capacities of 2,700 kW and 675 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. 43% 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 system 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, cooling water recovery plant have been introduced to some pulses lines. Thanks also to the contribution of these innovations, the Angri facility has received "High-Efficiency Cogeneration" (CAR)[20] certification for the past three years, which is awarded to facilities that are able to guarantee a high ratio of energy produced to energy consumed. In 2016, the Parma facility also received this certification. Angri, in addition, over the past three years has reduced methane consumption by 5,627,197 m^3, corresponding to approximately 28% of demand over the last three years.

Although there is no cogeneration system at the Sarno facility, several interventions have been carried out over the last two years, such as the revamping of refrigeration cells, the introduction of a glycol[21] system, 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 two years by approximately 723,289 kWh. Furthermore, the introduction of thermal recovery units in pulse line sterilization cycles has saved more than 50,000 m^3 of natural gas over the last two years. Finally, an innovative high-efficiency steam generator was installed in 2016, improving the overall thermal performance of the facility.

The table below shows the aggregate data of all energy savings reductions achieved at the various facilities compared to the previous year. In particular, natural gas recovery in 2016 reached 10% of the annual requirements of the Group's facilities.

[20] 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.
[21] Glycol is an antifreeze fluid.

Source	Units	2016	2015	2014
Electrical energy	kWh	511,438	211,851	-
Natural gas	m^3	2,228,886.10	1,995,180.70	2,130,553.90

Energy savings by source

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

Facility energy data

Energy consumed	2016	2015	2014
Electricity (kWh)[22]	50,401,828	45,801,792	43,701,953
- from renewable sources[23]	4,329,873	4,263,043	4,115,390
Natural gas (m^3)	23,287,289	21,323,612	21,145,653

Energy self-produced[24]	2016	2015	2014
Electricity produced (kWh)	18,368,050	13,822,190	16,311,170
Electricity self-consumed (kWh)[25]	17,560,209	13,295,690	16,047,898

Energy intensity index[26]	2016	2015	2014
MWh/ton	0.05	0.05	0.05

Data on energy consumption and production in Group facilities

[22] The data refers to the consumption of energy from the grid and from own production

[23] The renewable energy indicated here is that produced by photovoltaic plants on the roofs of the Sarno and Fisciano facilities,

[24] This is the energy produced by the Group's facilities,

[25] This self-consumed electricity represents the energy produced by the cogeneration plants that is consumed in the facilities themselves,

[26] The energy intensity index was calculated on the basis of gas and electricity inputs to the facilities, The generation of electricity forms part of the natural gas consumption and is therefore already accounted for.

Quality of the organization

[G4-10; G4-LA1; G4-LA6]

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 dedicates to its people, their safety and their well-being

8 years

9 of our top 10 overseas clients have been loyal to us for at least 8 years

60

Young people under 35 have been hired in Italy in the last three years

10 years

8 of our top 10 Italian clients have been loyal to us for at least 10 years

Loyalty of our clients

Through our product quality, know-how, capability and reliability, the quality of our corporate organization is what clients first notice about La Doria. 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 three years, 8 have been our clients for at least ten years.

ITALY	2016	2015	2014
Percentage of turnover from top 10 clients	73%	73%	70%

Years of loyalty of the 10 top clients	Number of clients
0 to 5 years	1
At least 8 years	1
At least 10 years	8

Loyalty of main La Doria's clients in Italy

Regarding overseas markets, and excluding the subsidiary LDH, which alone accounts for around 36% of La Doria's foreign turnover, the top 10 clients account for another 37% sales abroad. 9 of these have been clients of La Doria for at least 8 years, while a new client was gained from the acquisition of Pa.Fi.al..

OVERSEAS TURNOVER EXCLUDING LDH	2016	2015	2014
Percentage of turnover from top 10 clients	37%	28%	26%

Years of loyalty of the top 10 clients	Number of clients
0 to 5 years	1
At least 8 years	5
At least 10 years	4

Loyalty of main La Doria's foreign clients

The top 5 clients of the subsidiary LDH accounted for over 85% of the overseas sales of La Doria in the last three 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, packaging optimization, quality controls along the whole supply chain and for the simplification of product distribution.

OVERSEAS TURNOVER FROM LDH	2016	2015	2014
Percentage of overseas turnover of La Doria from LDH	36%	44%	45%
Percentage of turnover from LDH's top 5 clients (La Doria's products)	87%	87%	85%

Years of loyalty of the top 5 clients	Number of clients
At least 10 years	5

Loyalty of top LDH clients

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 **671** permanent employees in Italy and **71** in Great Britain. These people are the core on which the company is founded[27]. 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 **311** seasonal workers (average numbers)[28] 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 testament to La Doria's attentions toward all workers, a high share of these employees has been working in many seasons, 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 general gender imbalance. Women, indeed, account for only 27% of the total workforce. The net imbalance is only partially offset in professional

	Total	Men		Women	
Senior managers	**25**	**22**	**88%**	**3**	**12%**
< 35	1	0	0%	1	100%
35-54	13	12	92%	1	8%
> 54	11	10	91%	1	9%
Middle managers	**37**	**29**	**78%**	**8**	**22%**
< 35	0	0	-	0	-
35-54	30	22	73%	8	27%
> 54	7	7	100%	0	0%
Clerical staff	**245**	**145**	**59%**	**100**	**41%**
< 35	70	42	60%	28	40%
35-54	148	86	58%	62	42%
> 54	27	17	63%	10	37%
Manual workers	**435**	**387**	**89%**	**48**	**11%**
< 35	100	88	88%	12	12%
35-54	265	237	89%	28	11%
> 54	70	62	89%	8	11%

Group personnel by role and gender

[27] The GRI Content Index gives more detailed information on personnel composition (indicator G4-10).
[28] In 2015, the number of seasonal workers employed was 332, while in 2014 it was 272 (both expressed as annual averages).

categories other than manual workers[29].

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. Over the last three years, there has been a substantial recruitment of under-35s, with older staff leaving - either for retirement or by resignation. The particularly high number of recruitments in 2014 and 2015 is substantially due to the incorporation of some shorter-term contract staff after the introduction of the Italian "Jobs Act".

An important contribution came from the "Red Summer" initiative. Established in 2009, the project is a privileged channel for selecting, training and developing key human resources for the Group's production sites, involving the best students graduating from technical and professional institutes in the local "Nocerino-Sarnese"

Staff turnover in Italy

Annual hires	2016	2015	2014	Annual departures	2016	2015	2014
Total new hires	**16**	**40**	**68**	**Total departures**	**31**	**37**	**25**
< 35 years	14	21	25	< 35 years	7	2	7
35-54 years	2	19	40	35-54 years	13	13	5
> 54 years	0	0	3	> 54 years	11	22	13

Staff turnover data in Italy

Staff turnover in Great Britain

Annual hires	2016	2015	2014	Annual departures	2016	2015	2014
Total new hires	**7**	**12**	**12**	**Total departures**	**6**	**9**	**9**
< 35 years	4	8	10	< 35 years	4	5	4
35-54 years	2	4	2	35-54 years	2	3	4
> 54 years	1	0	0	> 54 years	0	1	1

Staff turnover data in Great Britain

area in the activities of our facilities during the peak tomato season. 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 through the offering of apprenticeship contracts, an important opportunity for young people in the area.

Another major investment of La Doria in the last three years has been our "Anna and Diodato Ferraioli" scholarships for children of employees starting their university careers. The contribution made available by the company has amounted to a total of approximately Euro 150,000. Though this intervention is not directly related to the

[29] The GRI Content Index gives more detailed information on personnel composition (indicator G4-10).

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.

Staff training and development

The ability of the company to remain competitive and to continue growing necessarily relies on the development of its people. Product diversification and the speed at which technological development happen 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.

Every year, the company puts aside a budget of approximately Euro 150,000 for training activities, which is then supplemented by additional contributions raised through the involvement of Fondimpresa and participation in funding calls[30]. The main training topics are focused on the development of new products and food safety, on production line skills and maintenance and on workplace safety.

In 2016, an important Job Evaluation project was also launched to define a skill and remuneration system consistent with roles and to check the effectiveness of performance recognition tools and systems in supporting business goals. Today, 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.

YEAR	TOTAL HOURS OF TRAINING
2016	12,363
2015	16,562
2014	17,111

Annual hours of training

Safety

With regard to the health and safety of workers, La Doria has made a significant commitment in recent years, which has led to a reduction in workplace accidents.

All facilities are OHSAS 18001 certified, and constant attention is paid to training and awareness raising among both permanently contracted employees and seasonal workers employed during peak production periods. 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.

Unfortunately, in 2016, an accident led to the death of a worker at the Fisciano facility. The company performed all necessary investigations to identify the causes and conduct that may have contributed to the event, with the aim of taking additional

[30] The GRI Content Index gives more detailed information on average training hours (indicator G4-9).

Accident frequency[31]	2016	2015	2014
Total	2.78	3.59	4.71
- men	2.97	4.32	5.21
- women	2.13	1.40	3.32

Accident frequency by gender in Italy

[31] The data refers exclusively to employees in Italy

action to further mitigate the risk that unpredictable conduct might lead to a similar incident.

In 2016, the “Ten-minute meeting” was established at the Angri facility, involving the regular stoppage of the entire production line in order to make workers aware of the importance of safety and to listen to their needs and ideas for making work activities safer. Additionally, 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.

Italian identity

The agri-food sector is the undisputed keystone 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 tomatoes are 100% Italian

Made in Italy

100% of products are produced at our Italian plant

100%

Pears, apricots, apples and peaches in our fruit juices are sourced 100% from Italy

The strength of Made in Italy

Italy has a gastronomic heritage which few countries can match, largely featuring products and styles which are based on the Mediterranean diet, as a healthy and balanced model which is increasingly recognised and appreciated worldwide. 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 a product 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: pears and apples from the North, while peaches and apricots from the South.
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 highest quality and safety standards.

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 promote the Italian and Campanian agri-food sector.

Italian excellence across the world

COOK ITALIA
PRODOTTO ITALIANO

For true Italian flavour when you Cook Italian .... Cook Italia!

With a goal of exporting not only products, but Italian values and flavours, in 2011 the "Cook Italia"[32] brand was launched on the British market, distributed by the British subsidiary LDH. The company was therefore able to not only promote the taste and tradition of the Italian agri-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 agri-food sector. In addition to strengthening Italy's presence worldwide, the consortium provides an opportunity to develop synergies among members at production, commercial and distribution levels.

The Consortium has aggregate revenues of Euro 1.2 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.

TRADIZIONE ITALIANA
Italian Food Tradition

www.italianfoodtradition.com

[32] The 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

[G4-5; G4-13; G4-17; G4-22; G4-23; G4-28; G4-29; G4-30; G4-31]

This document is the first Sustainability Report of La Doria S.p.A., referring to the fiscal year 2016 (January 1, 2016 - December 31, 2016).
The reporting scope of the economic, social and environmental data is the same as the Consolidated Financial Statements 2016 (of La Doria S.p.A. and its subsidiaries), with any limitations clearly indicated within the document. For all environmental data, the subsidiary LDH (La Doria) Ltd has been excluded as a fully reliable data collection system could not be implemented for this first reporting cycle. Some performance data for the Acerra and Parma facilities refer exclusively to 2016, since they derive from the merger by incorporation of Pa.fi.al. S.r.l (and its subsidiaries, Delfino S.p.A. and Althea S.p.A.), followed by the alignment of the operating systems of the facilities with those of the Group as a whole.

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 Sustainability Report of the La Doria Group has been prepared in accordance with the "Sustainability Reporting Guidelines" of the Global Reporting Initiative (GRI), Version G4, according to the "in accordance – core" reporting option. Several "G4 Sector Disclosure - Food processing" indicators have also been taken into account. The presence of content responding to the guidelines is indicated in the text by means of identification codes beginning with "G4" shown in square brackets at the beginning of the relevant paragraphs. The document has been prepared taking into account the principles of stakeholder inclusiveness, materiality, completeness and analysis of the sustainability context as required by the GRI Sustainability Reporting Guidelines. A table correlating the identified issues to aspects of the Sustainability Reporting Guidelines is included in the section dedicated to the materiality process used to identify the issues dealt with in the document.

The contents of this document have been collated with the collaboration of all company personnel, who have provided comprehensive information and data regarding their activities in a timely manner.

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

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Definition of material issues

[G4-18; G4-19; G4-20; G4-21]

The 2016 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.

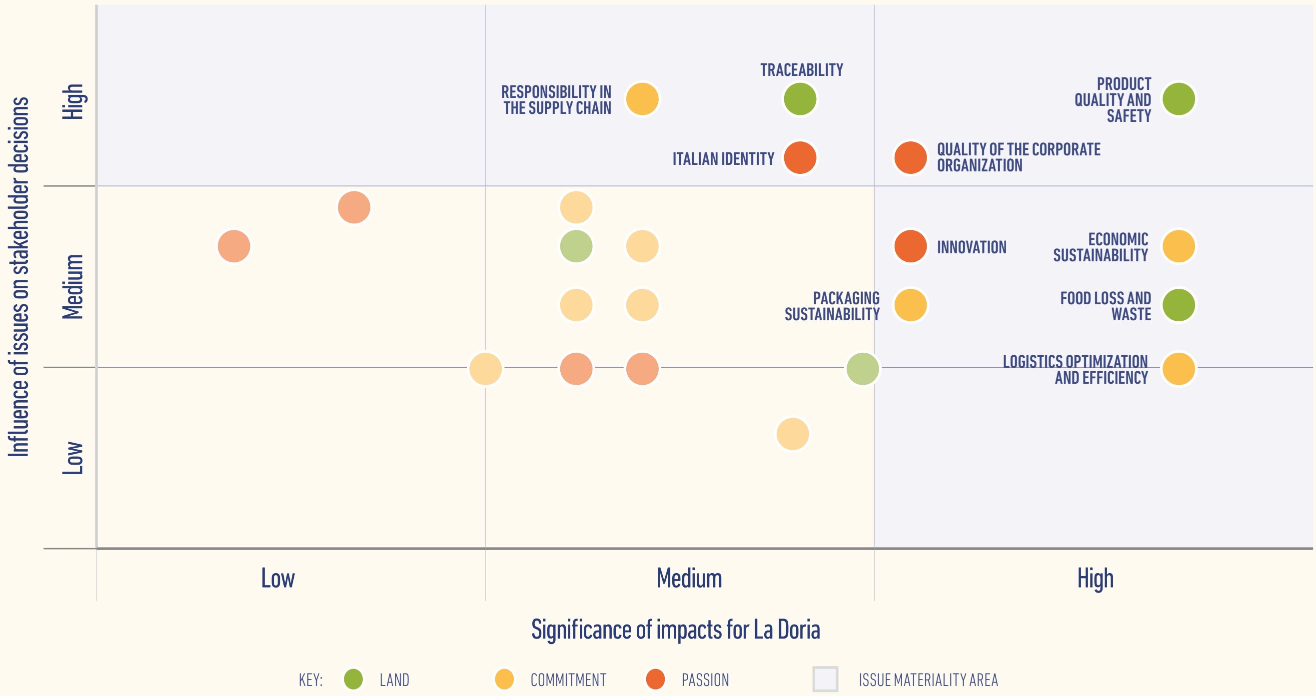
To reach the definition of the material issues, La Doria adopted a process envisaging:

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)[33], of the expectations of La Doria's main clients[34], 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.

This matrix representation has been validated by the Chief Executive Officer and the General Manager. The material themes validated for this reporting cycle are those presented in the matrix shown below.



[33] Matrices for the following segments were considered: "Agricultural Products", "Processed Foods", "Non-Alcoholic Beverages", "Food Retailers & Distributors".
[34] By analysis of specific requests received or of their sustainability documents.

A brief description of each issue and its significance throughout the entire value chain follows:

Relevant issues 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	●		●		●	●
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 optimization 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 with raw materials of non-Italian origin, the importance of their processing in Italy.	●		●		●	

Material theme	GRI Aspects
Product quality and safety	Customer Health & Safety; Procurement Practices
Innovation	Energy
Traceability	-
Responsibility in the supply chain	Supplier Assessment for Labor Practices; Labor Practices Grievance Mechanisms; Supplier Human Rights Assessment; Human Rights Grievance Mechanisms
Food loss and waste	Effluents and Waste; Water
Packaging sustainability	Materials
Logistics optimization and efficiency	-
Economic sustainability	Economic Performance; Procurement Practices
Quality of the corporate organization	Employment; Occupational Health and Safety; Training and Education
Italian identity	-

Correlation between the material issues and GRI aspects

GRI Content Index

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Description	Page Number (or Link)
STRATEGY AND ANALYSIS		
G4-1	Provide a statement from the most senior decision-maker of the organization	p. 4-5
ORGANIZATIONAL PROFILE		
G4-3	Report the name of the organization	p. 23
G4-4	Report the primary brands, products, and services	p. 12-13
G4-5	Report the location of the organization's headquarters	p. 70
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	p. 13
G4-7	Report the nature of ownership and legal form	p. 23-24 For further details, reference should be made to the Corporate Governance Report available on the Group website: www.gruppoladoria.it
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	p. 13
G4-9	Report the scale of the organization	p. 6-7 For further details, reference should be made to the Corporate Governance Report available on the Group website: www.gruppoladoria.it
G4-10	Report the total number of employees by employment contract, work typology, location and gender	In addition to the information reported at page 63 the table with the other data required by the indicator follows

Workforce at 31-12 (by type of contract)	Facilities in Italy			LDH		
	2016	**2015**	**2014**	**2016**	**2015**	**2014**
Long-term contract	671	685	682	70	71	71
- men	548	555	546	35	36	33
- women	123	130	136	35	35	38
Temporary contract*	-	-	-	1	1	0
- men	-	-	-	0	0	0
- women	-	-	-	1	1	0
Full-time contract	579	595	640	66	67	69
- men	474	482	516	35	36	33
- women	105	113	124	31	31	36
Part-time contract	92	90	42	5	5	0
- men	74	73	30	0	0	0
- women	18	17	12	5	5	0
Total employees	671	685	682	71	72	69
Total men	548	555	546	35	36	33
Total women	123	130	136	36	36	36

General Standard Disclosures	Description	Page Number (or Link)
G4-10		Temporary contracts for La Doria and Eugea Mediterranea are presented according to the average monthly (as in the table below)

Average monthly of personnel on temporary contracts (in Italy)	2016	2015	2014
Not in season period	134	114	147
In season period (July – September)	841	892	882

General Standard Disclosures	Description	Page Number (or Link)
G4-11	Report the percentage of total employees covered by collective bargaining agreements	100% of workers are hired under collective contracts
G4-12	Describe the organization's supply chain	p. 21-22
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	p. 23 For further details, reference should be made to the Corporate Governance Report and the Annual Financial Report, both available on the Group website: www.gruppoladoria.it
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	p. 70
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	p. 25-26
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, views membership as strategic	p. 27
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	p. 70
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content	p. 71-72
G4-19	List all the material Aspects identified in the process for defining report content	p. 71
G4-20	For each material Aspect, report the Aspect Boundary within the organization	p. 71-72
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	p. 71-72
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	p. 70
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	p. 70

General Standard Disclosures	Description	Page Number (or Link)
STAKEHOLDER ENGAGEMENT		
G4-24	Provide a list of stakeholder groups engaged by the organization	p. 27
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	p. 27
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	p. 27
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	p. 27
REPORT PROFILE		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	p. 70
G4-29	Date of most recent previous report (if any)	p. 70
G4-30	Reporting cycle (such as annual, biennial)	Annual
G4-31	Provide the contact point for questions regarding the report or its contents	p. 70
G4-32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured	p. 74
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	This report was not subject to any type of outside assurance activity
GOVERNANCE		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	p. 24
ETHICS AND INTEGRITY		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	p. 24-26

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Description	Page Number or specifications	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
CATEGORY: ECONOMIC						
MATERIAL ASPECT: ECONOMIC PERFORMANCE						
G4-DMA		p. 51 and 72	-	-	-	-
G4-EC1	Direct economic value generated and distributed	p. 53	-	-	-	-
MATERIAL ASPECT: PROCUREMENT PRACTICES						
G4-DMA		p. 40 and 51 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	p. 54	-	-	-	-
G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	100% of purchases are from suppliers complying with company policies	-	-	-	-
CATEGORY: ENVIRONMENTAL						
MATERIAL ASPECT: MATERIALS						
G4-DMA		p. 35, 44 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-EN1	Materials used by weight or volume	p. 36 and 45	-	-	-	-
G4-EN2	Percentage of materials used that are recycled input materials	p. 44	-	-	-	-
MATERIAL ASPECT: ENERGY						
G4-DMA		p. 57 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-EN3	Energy consumption within the organization	p. 59-60	-	-	-	-
G4-EN5	Energy intensity	p. 59-60	-	-	-	-
G4-EN6	Reduction of energy consumption	p. 59-60	-	-	-	-

DMA and Indicators	Description	Page Number or specifications	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
		MATERIAL ASPECT: WATER				
G4-DMA		p. 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-EN8	Total water withdrawal by source	p. 14-20	-	-	-	-
		MATERIAL ASPECT: EMISSIONS				
G4-DMA		p. 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	p. 14-20 The emissions were calculated on the basis of conversion factors provided by the Ministry for the Environment and the Protection of the Regions and the Marine "National standards parameter table. Co-efficient used for the inventory of CO2 emissions in the National UNFCCC inventory", for each of the years considered.	-	-	-	-
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	p. 14-20 The emissions were calculated on the basis of the ISPRA conversion factors drawn up on TERNA data "Emission factors for the production and consumption of electricity in Italy (update at 2015 and preliminary estimates for 2016)"	-	-	-	-
G4-EN18	Greenhouse gas (GHG) emissions intensity	p. 14-20 The indicator was calculated exclusively on the basis of direct emissions (Scope 1)	-	-	-	-
		MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA		p. 35 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-EN23	Total weight of waste by type and disposal method	p. 37	-	-	-	-
		CATEGORY: SOCIAL				
		SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
		MATERIAL ASPECT: EMPLOYMENT				
G4-DMA		p. 61 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	p. 64	-	-	-	-

<table>
<tr><th>DMA and Indicators</th><th>Description</th><th>Page Number or specifications</th><th>Identified Omission(s)</th><th>Reason(s) for Omission(s)</th><th>Explanation for Omission(s)</th><th>External Assurance</th></tr>
<tr><td colspan="7">MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</td></tr>
<tr><td>G4-DMA</td><td></td><td>p. 61 and 72
http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>G4-LA5</td><td>Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs</td><td>100% of workers are represented within the committees.
The committees operate on two levels:
• central for all of La Doria S.p.A., the Integrated Prevention and Protection Service (including the Employer, the Employer delegates, the Competent Coordination Doctor, the RSPP's, the Legal Affairs Manager, the Environmental Manager);
• of the facility, including the Facility Manager (Employer delegate, the Competent Doctor, the RSPP's, Executives and the Worker's safety representatives).</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>G4-LA6</td><td>Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender</td><td>In addition to the information reported at page 66 we present the following summary
<table>
<tr><th></th><th colspan="3">In Italy</th></tr>
<tr><th></th><th>2016</th><th>2015</th><th>2014</th></tr>
<tr><td>Number of accidents</td><td>23</td><td>31</td><td>37</td></tr>
<tr><td>- men</td><td>19</td><td>28</td><td>30</td></tr>
<tr><td>- women</td><td>4</td><td>3</td><td>7</td></tr>
<tr><td>Accident rate</td><td>2.78</td><td>3.59</td><td>4.71</td></tr>
<tr><td>- men</td><td>2.97</td><td>4.32</td><td>5.21</td></tr>
<tr><td>- women</td><td>2.13</td><td>1.4</td><td>3.32</td></tr>
<tr><td>Workplace illness rate</td><td>0.12</td><td>0.12</td><td>-</td></tr>
<tr><td>- men</td><td>-</td><td>0.15</td><td>-</td></tr>
<tr><td>- women</td><td>0.53</td><td>-</td><td>-</td></tr>
<tr><td>Rate of work days lost</td><td>1,012</td><td>137</td><td>131</td></tr>
<tr><td>- men</td><td>1,228</td><td>163</td><td>170</td></tr>
<tr><td>- women</td><td>274</td><td>57</td><td>26</td></tr>
</table>
In 2016, the rate of days lost was particularly high due to the accident resulting in the death of a worker. For such events, generally 7,500 lost work days are calculated.

The data refers exclusively to Group personnel working in Italy.

Over the last three years, LDH has not reported any workplace accidents.</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

<table>
<tr><th>DMA and Indicators</th><th>Description</th><th>Page Number or specifications</th><th>Identified Omission(s)</th><th>Reason(s) for Omission(s)</th><th>Explanation for Omission(s)</th><th>External Assurance</th></tr>
<tr><td>G4-LA7</td><td>Workers with high incidence or high risk of diseases related to their occupation</td><td>No workers are exposed to these risks</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td colspan="7">MATERIAL ASPECT: TRAINING AND EDUCATION</td></tr>
<tr><td>G4-DMA</td><td></td><td>p. 61 and 72
http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>G4-LA9</td><td>Average hours of training per year per employee by gender, and by employee category</td><td>Average hours of training by gender
<table><tr><th colspan="2">2016</th><th colspan="2">2015</th><th colspan="2">2014</th></tr><tr><th>Men</th><th>Women</th><th>Men</th><th>Women</th><th>Men</th><th>Women</th></tr><tr><td>9.4</td><td>5</td><td>12.9</td><td>7.7</td><td>14.9</td><td>7</td></tr></table>
Average hours of training by role
<table><tr><th></th><th>2016</th><th>2015</th><th>2014</th></tr><tr><td>Executives</td><td>4.2</td><td>5.4</td><td>13.1</td></tr><tr><td>Senior Manages</td><td>4.5</td><td>29.1</td><td>31.4</td></tr><tr><td>White-collar</td><td>6.3</td><td>21.7</td><td>21.6</td></tr><tr><td>Blue-collar</td><td>8</td><td>8.6</td><td>9.5</td></tr></table>
The average hours of training for men are higher as more men are employed at the production facilities, where a large part of the training relates to mandatory health and safety training as per Legislative Decree 81/08.
These figures refer exclusively to Group personnel working in Italy.</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td colspan="7">MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</td></tr>
<tr><td>G4-DMA</td><td></td><td>p. 61 and 72
http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>G4-LA12</td><td>Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</td><td>p. 24 and 63</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

DMA and Indicators	Description	Page Number or specifications	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
		MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	The percentage of new suppliers subject to control for working conditions is 100%	-	-	-	-
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	p. 41-43	-	-	-	-
		MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS				
G4-DMA		p. 40 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	p. 26 and 42	-	-	-	-
		SUB-CATEGORY: HUMAN RIGHTS				
		MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA		p. 40 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	p. 41-43	-	-	-	-
		MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	p. 41-43	-	-	-	-

DMA and Indicators	Description	Page Number or specifications	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
SUB-CATEGORY: PRODUCT RESPONSIBILITY						
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY						
G4-DMA		p. 29 and 72 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-	-	-	-
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100% of products	-	-	-	-
G4-PR2	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, by type of outcomes	No incidence of this type are reported	-	-	-	-
G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	100%	-	-	-	-

CREATIVE DESIGN
Bluedog

2016

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