



LAND

COMMITMENT

PASSION

Consolidated Non-Financial Disclosure 2020

Prepared pursuant to Legislative Decree no. 254/2016

Sustainability Report

La Doria Group

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Letter to the Stakeholders



Antonio Ferraioli
Chairman



Andrea Ferraioli
Chief Executive Officer

Dear reader,

the year just ended was characterised by a global pandemic that swept across the entire planet, dragging it into an unprecedented health, social and economic crisis, with permanent consequences. Within this dramatic scenario, we rolled up our sleeves to ensure that the social and economic fabric within our sphere of action remains intact. Our revenue and margin performance during this peculiar year is the product of considerable investments in production in recent years, which allowed us to satisfy the sudden increase in demand for domestic food consumption by families as a result of reduced movement and the shutdown of the hotel and restaurant sector. These results are a source of great pride. They are also, however, more than ever, a reminder both of the responsibilities we owe to the people and community around us, and of our obligation to ensure that our growth delivers shared value for every one of our stakeholders.

The pandemic has stressed the importance of a robust, resilient food system that functions in all circumstances and is capable of ensuring that citizens have a sufficient supply of affordable food. Within this scenario, we worked tirelessly, prioritizing the health and safety of our workers, who showed a strong sense of responsibility and adaptability in supporting us and without whom it would not have been possible to meet the growing demand for our products in Italy and worldwide and to achieve the extraordinary results delivered in 2020. This also made us more aware than ever before

of the how our health, ecosystems, supply chains, consumption patterns and the planet's limits are interconnected. Clearly, we can - indeed we must - do much more. The pandemic and climate change are two sides of the same coin, reminding us that our food system is under threat and needs to become more sustainable and better able to adapt quickly to changes of various kinds.

People are paying increasing attention to environmental, social and ethical issues and are looking for value in their food more than ever before. In view of this, we are working in partnership with suppliers and customers to guide the Private Label sector towards a sustainable vision of national development and consumption. During the year, we took important steps to integrate sustainability into our strategy and operational objectives by setting KPIs to be considered when determining the variable compensation of Directors and Senior Executives starting in 2021 and by tasking a newly formed Technical Committee with monitoring Sustainability Plan goals.

We are committed to growing alongside the communities where we operate and we feel a responsibility to take action in cases of need, as we did during the pandemic, which also struck our community, where we offered assistance to the municipalities bordering our production facilities by donating products and funds in support of health facilities.

Nevertheless, we believe that increasing energy will need to be devoted to pursuing each of the challenging goals set by the United Nations and to contributing tangibly to achieving them. One important goal we pursued this year was optimizing resource use and reducing emissions. In this spirit come technological investments to monitor and increase the efficiency of energy consumption, reduce waste and projects to reduce the plastic content of our packaging, to increase the use of recyclable rather than virgin materials, to promote the development of sustainable agriculture by encouraging our suppliers to adopt socio-ethical-environmental standards.

We acknowledge that our company's existence and resilience in the medium to long term depends on our ability to anticipate and respond to a complex web of interconnected risks, including risks arising from ESG factors related to environmental, social and governance issues that threaten our strategies and the achievement of our objectives. Creating *sustainable success* requires a major cultural effort that must spring above all from the company's risk management process. In recent years, we have striven to improve this process and create the culture of risk management needed to integrate ESG issues and risks into strategic decision-making and objective-setting; this is the only way forwards to evolve towards a truly sustainable economic, social, environmental and political system.



The fruits of our labour

848.1 mln €

Revenues
(97.1% from the *private labels* market)

0.48

Debt/Equity
ratio

1.69

Debt/EBITDA
ratio

9.8%

EBITDA
Margin

The Land

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



100%

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

Commitment

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



47

Ethical audits carried out in the fields over two years

Passion

All our products reflect the passion that each of us brings to our work. We wish to see our Italian tradition appreciated and remain a standout factor in terms of quality and excellence.



100%

Fresh Italian tomatoes



83.3%

Of revenues from overseas

6

Production facilities

863

Personnel

629 mln kg

Production



100%

Traceability of our products



98.9%

Of waste recycled



494,497 €

Value of products donated



99.1%

Of metal can requirements satisfied internally



15 km

Average distance from most-used outsourced warehouses



93.3%

Economic value generated distributed to our stakeholders



100%

Products made at our plant in Italy



43%

Energy needs satisfied internally



17

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

The sector challenges

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







The most recent 2019 estimates indicate that, prior to the pandemic, nearly 690 million people, or 8.9% of the world's population, went hungry, increasing by 10 million in one year and nearly 60 million in five years. At the global level, moderate-to-severe food insecurity rose from 2015 to 2019 and now affects around 25.9% of the world's population, or around two billion individuals¹.

Global food safety is also jeopardized by water scarcity caused by strong demand and climate change over the last twenty years².

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. Producing more and producing better using fewer resources, while reducing waste and promoting fairer distribution: this is the great challenge that food systems increasingly face, underscoring the importance of sustainability. In 2015 the European Commission launched the initiative "FOOD2030: Research and Innovation for Tomorrow's Nutrition and Food Systems", setting priorities in food research and innovation: nutrition for healthy, sustainable diets; environmental and climate friendliness; resource efficiency and circularity; and innovation and community engagement. This fleshed out the concept of the supply chain, leading to the idea of integrated sustainability through the "From Farm to Fork"³ strategy of the current European Green New Deal. The "Producer to Consumer" strategy central to the Green Deal represents a comprehensively response to the challenges of achieving sustainable food systems by acknowledging the inseparable ties between healthy people, healthy societies and a healthy planet.

-  Make sure Europeans have access to healthy, affordable and sustainable food
-  Tackle climate change
-  Protect the environment and preserve biodiversity
-  Ensure a fair economic return in the supply chain
-  Increase organic farming

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.

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

¹ Source: <http://www.fao.org/sdg-progress-report/en/>

² Source: "The State of Food and Agriculture 2020. Overcoming water challenges in agriculture" (SOFA).

³ For further details, see https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/farm-fork_it

Actively addressing these challenges is decisive for the pursuit of the United Nations Sustainable Development Goals (SDGs⁴), the achievement of which has been made even more challenging by the pandemic health crisis. The SDGs are the result of a wide-ranging consultation process conducted through surveys, presentations, working groups and meetings with companies. They establish objectives on a number of global issues requiring urgent action. The 17 SDGs were approved in 2015, and consist of 169 targets. They aim to mobilise every group involved, including institutions and organisations, but also companies and civil society, to achieve three common goals by 2030: end extreme poverty; combat inequality and injustice; solve climate change. The principles that underlie the SDGs are the key to getting off to the best possible new beginning after the Covid-19 emergency.

La Doria incorporates the Ten Principles of the United Nations Global Compact⁵ into its strategies, policies and procedures. By doing so it lays the foundations for a culture of integrity and long-term success. As such it supports and respects internationally proclaimed human rights (principle 1), ensuring that it is not even indirectly complicit in violations of said rights (principle 2); on labour, it upholds workers' rights to freedom of association and collective bargaining (principle 3) and rejects all forms of forced and compulsory labour (principle 4), child labour (principle 5), and any kind of employment and occupation discrimination (principle 6). On the environment, La Doria maintains a precautionary approach to environmental challenges (principle 7), and simultaneously undertakes initiatives to promote greater environmental responsibility (principle 8), encouraging the research, development and diffusion of new technologies (principle 9). Finally, it is committed to working against corruption in all its forms, including extortion and bribery (principle 10).

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

There are strong links between the SDGs and their three key elements: economic, social and environmental.

La Doria contributes to achieving 15 Sustainable Development Goals (SDGs). This commitment is formalised in the Sustainability Plan 2020-2022 which was approved by the Board of Directors on January 28, 2020 and updated in March 2021 with new goals and the results achieved in 2020⁶. The Sustainability Plan represents La Doria's three-year strategic vision of sustainability and sets out strategic, operational and target objectives by linking them to SDGs and material topics.



⁴ For further details, see <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

⁵ Source: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁶ It should be noted that the update of the plan was approved during the session of the BoD of March 15, 2021.

Sustainability Plan



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

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

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



Operating objectives	Targets	Actions/Results 2020
Introduce sustainability objectives into performance management systems	Include sustainability objectives for 100% of Directors involved in implementing the Plan	This objective was discussed within the Remuneration and Appointments Committee. The MBO formula for 2021 will include a composite sustainability index created by weighting four environmental and social KPIs
Organise training courses to raise employee awareness of sustainability issues	At least one annual training course on sustainability issues	Training courses on both the Ethics Code and environmental issues were provided via the e-learning platform
Extend stakeholder engagement to clients of the subsidiary LDH and revise Stakeholder Engagement for employees	At least one Stakeholder Engagement activity for employees	Questionnaires were prepared for customers of the subsidiary LDH and uploaded to the platform for sharing
Create the skills required in the ongoing digitalisation of business processes	Provide training courses on digital transformation by Area	The digitalisation process was launched through the approval of the LD2 project. During implementation, skills are acquired via a learning-by-development system. Following the digital transformation, specific in-depth training in how to best use the new tools will be designed
Organise Induction on business-related sustainability issues for Board members	At least one induction activity per year	The course on ESG issues for members of the Board of Directors was uploaded to the e-learning platform at the beginning of the year
Raise employee awareness of the environmental impact of everyday actions	At least one awareness-raising activity per year on environmental protection issues for all employees	A training course to raise awareness among employees of the need to adopt correct behaviours to minimize environmental impacts and to learn about the company's Environmental Policy was provided on the e-learning platform
Maintain the Technical Sustainability Committee	At least three Committee meetings per year to monitor the progress on the commitments made in the Plan	The Technical Sustainability Committee was formed. The Committee met once informally and twice informally

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



Operating objectives	Targets	Actions/Results 2020
Promote a culture of safety	Increase the number of safety training/awareness-raising hours per capita	The sharp reduction in safety training hours was due to the Covid-19 pandemic event. Meetings with the executives responsible and the workers' safety representatives of all facilities resumed in December
Protect worker health and safety	Transition from the OHSAS 18001 management system to that set out in the UNI ISO 45001 standard -0.5% Reduce weighted frequency index (FI) (target to 2021) -3% Reduce weighted severity index (SI) (target to 2021)	The transition to the new UNI ISO 45001 standard was made in November In 2020 the frequency index fell by 7.01% on 2019; The severity index fell by 40%
Reinforce the sense of belonging	Organise annual sports/recreational activities for employees	The company soccer tournament was organized at the beginning of the year. The health emergency prevented further initiatives from being organized
Improve staff evaluation system	Performance evaluation Pilot Project based on the competency model for 100% of Department Heads	During the year another project was carried out to assess the potential of young managers in order to design the individual skill development process needed to fill roles of greater responsibility
Value diversity and promote inclusion	Formalise a three-year action plan on diversity and inclusion	The plan of activities currently being finalized, to be implemented over the next three years, includes the set-up of an interdepartmental committee on diversity and inclusion, awareness-raising campaigns through training courses and the creation of a dedicated section of the company newsletter, participation in events and conferences on the subject and the supply of diagnostic tests for women
Develop talent retention tools	Career path Development Project for 100% of new engineering graduate hires	The project was completed. A career path was developed for all new engineering graduate hires
Provide equal opportunities	Manage early vacancies using a job posting system	The Company first makes job postings for open positions. The positions of Export Area Manager, Buyer and Plant Logistics Manager, among others, were filled through an internal selection process in 2020

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



Operating objectives	Targets	Actions/Results 2020
Increase in energy efficiency and reduce CO ₂ emissions	Implement the KM GREEN CO ₂ offsetting project -1% reduction in CO ₂ -0.5% Reduce weighted energy intensity index (target to 2021);	The project was completed The target of 1% reduction in CO ₂ emissions has been achieved.
Reduce the environmental impact of logistics processes	Use suppliers with more environmentally-friendly vehicles.	Carrier fleets active in 2019 were mapped by emissions class The two carriers added in 2020 are being analysed The supplier improvement plan will become a discriminating factor in selection
Reduce waste	-5% Reduction in the value of food destruction on the value of production.	
Continue to support the development of sustainable agriculture	Extension of the "App. Blueleaf" pilot project aimed at digitalising agriculture; +2% farms using the App Blueleaf	The target of a 2% increase has already been reached
Implement sustainability considerations into procurement procedures	+10% increase purchase recycled plastic on total;	The company decided to purchase recycled thermoplastic to be able to meet the goal
Consolidate customer and supplier relationships so as to develop increasingly sustainable packaging	Crystal Project (reduce packaging surface area and increase the percentage of material from renewable sources for the 200ml juice line Tetra packaging): -14% CO ₂ e and -13% plastic UK Customer Project to eliminate secondary plastic packaging	The first Crystal line is being installed and by week 34 we will be operational with the new packaging according to the goals set. In October we will begin installation of the second Crystal Line, making all our 200 ml packs Crystal by year-end; The project to eliminate secondary plastic packaging was completed for LDH's UK customers

Strategic Pillar	RESPONSIBLE PROCUREMENT	Material Issues <ul style="list-style-type: none"> • Human rights and responsibility throughout the supply chain
Strategic Objective	Responsible procurement and supplier partnerships	



Operating objectives	Targets	Actions/Results 2020
Continue to support the development of sustainable agriculture	Retain Friend of the Earth certification (Friend of the Earth promotes a model of agricultural production based on integrating innovations that reduce the environmental impact of crop cultivation, as well as respect for workers at every stage of the production chain)	The certification was maintained
Define and disseminate socio-ethical-environmental standards for suppliers and promote sustainable best practice within suppliers	+5% of high-risk suppliers audited Annual training/awareness-raising courses on socio-environmental issues	The audits were performed as planned. The 5% target was reached Online training was successfully completed
Assessment of supply chain risk	Maintain ISO 26000 (Guide to Social Responsibility) Maintain ISO 22500 (Traceability in food supply chains)	The maintenance of the certifications was confirmed
Provide financial support to help strategic suppliers create projects for national growth, internationalisation, and/or to upgrade production facilities	Implement the Intesa San Paolo supply chain programme	The programme was implemented

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



Operating objectives	Targets	Actions/Results 2020
Undertake projects to benefit the local area	Gain membership of FAI (Italian Environmental Fund)	FAI was joined. La Doria is currently a Golden Donor
Promote the social and economic development of local communities	Award of a maximum of 12 annual scholarships of € 1500 for the most outstanding secondary school students, in line with the company's recruitment needs Support local sporting organisations	The scholarships were paid in the first few weeks of 2021 Associations dedicated to diversity and inclusion were supported in 2020
Support the Banco Alimentare (Food Bank) and other charities	Distribute 100% of unsold products suitable for human consumption	We continued to support charities as much as possible even during the lockdown period, donating to municipalities and Italy's Civil Defence. We supported healthcare facilities in the pandemic emergency

Strategic Pillar	PRODUCT AND CUSTOMER CENTRALITY	Material Issues <ul style="list-style-type: none"> Product quality and safety Traceability Innovation Quality of corporate organisation
Strategic Objective	Strengthening of corporate image and customer loyalty	



Operating objectives	Targets	Actions/Results 2020
Increase communication with and involvement of customers on Sustainability issues	Extend the Stakeholder Engagement on Sustainability to 100% of the customers of the subsidiary LDH	This activity has been initiated and is in progress
Offer customers innovative recipes that satisfy consumer tastes (organic and vegan products with reduced salt and sugar content)	20 new finished product codes based on innovative recipes	Twice as many new finished product codes based on innovative recipes were created
Reduce complaint indicators	Reduce critical (food safety) complaints by 1.5%	-1% reduction in critical complaints
Retain existing certifications	Retain existing facility and product certifications	All existing certifications were maintained in 2020
Collaborate with NGOs (Non-Governmental Organizations)	Maintain and develop partnerships with non-profit organizations (ETI)	Several meetings were held with ETI aimed at identifying opportunities for improvement in the responsible management of the supply chain

The La Doria Group: an alternative to the brands

Our History

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

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

Kingdom, Japan, Australia and across Europe.

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



FOUNDATION

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

DIVERSIFICATION

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

EXPANSION

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





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

'80



'90



'00

GENERATIONAL CHANGE

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

THE LISTING

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



LEADERSHIP

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

Production at our core

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

Our products

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



TOMATO-BASED PRODUCTS

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



PULSES, VEGETABLES AND PASTA

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



FRUIT JUICES

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



READY-MADE SAUCES

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



OTHER PRODUCTS

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

In 2020, Group revenues reached Euro 848.1 million. 97.1% of consolidated revenues are generated from private label products, while 2.3% relate to products sold under the company brand⁷.

REVENUES BY PRODUCT LINE IN 2020

Product line	Ripartizione percentuale del fatturato
Tomato-based products	21.2%
Pulses vegetables	27.1%
Fruit products	8.5%
Ready-made sauces	13.4%
Other products (LDH)	29.8%

⁷ The remainder (0.6%) concerns the sale of industrial brand products.

La Doria brands



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



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



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



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



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

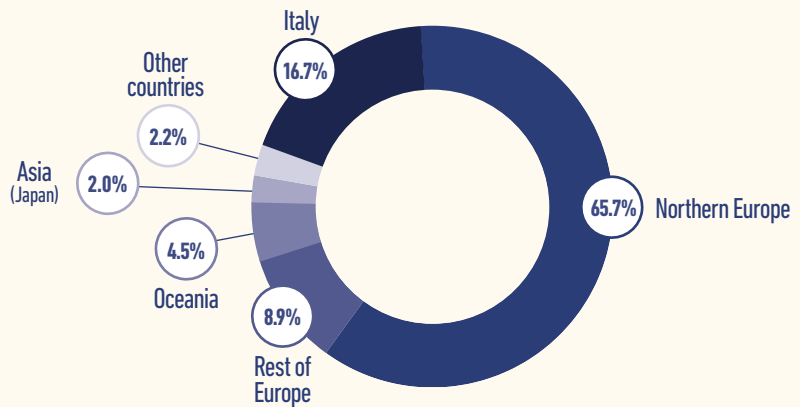
The Reference markets

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

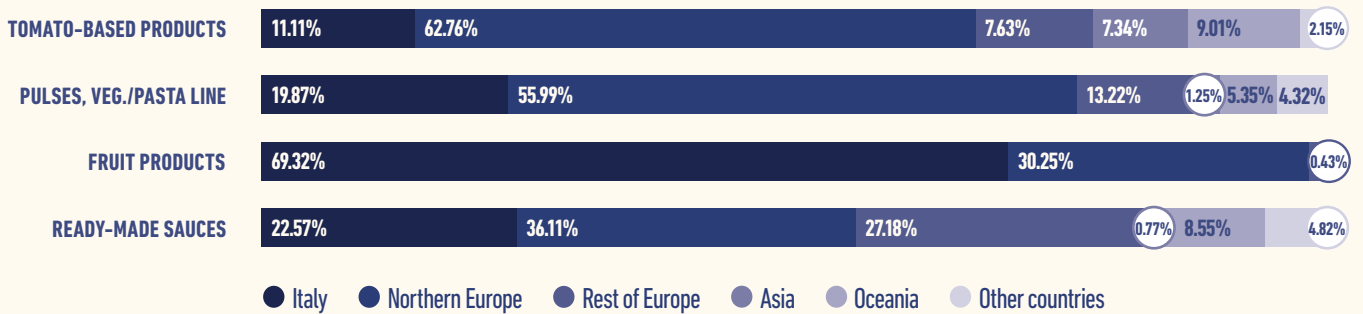
The main market for La Doria's products is Northern Europe and in particular the United Kingdom, thanks mainly to the subsidiary LDH (La Doria) LTD. The company has also gained strong positioning on the German, Scandinavian, Eastern, Australian and Japanese markets. La Doria is the leading exporter of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

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

REVENUE BREAKDOWN BY REGION



BREAKDOWN OF REVENUES BY PRODUCT LINE AND REGION

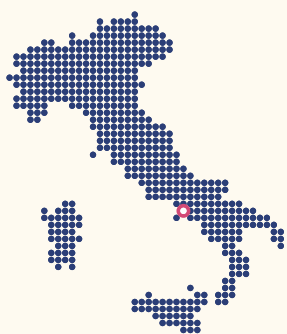




The production facilities

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

Angri



AREA

101,000 mq

HOURS WORKED 2020

519,049

PRODUCTION

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

CERTIFICATIONS

ISO 9001, ISO 14001, ISO 45001, BRC, IFS, KOSHER, ORGANIC, ISO 22005 and FDA FOOD SAFETY.

FULL-TIME EMPLOYEES

223

PART-TIME EMPLOYEES

15

SEASONAL EMPLOYEES

195

QUANTITIES PRODUCED 2020 (NET KG)

	2020
TOMATO-BASED PRODUCTS	47,487,328
PULSES AND VEGETABLES	130,732,763
FRUIT JUICES	63,864,675
TOTAL	242,084,766

WATER SOURCED

	2019	2020
GROUNDWATER IN ML	1,024	1,011

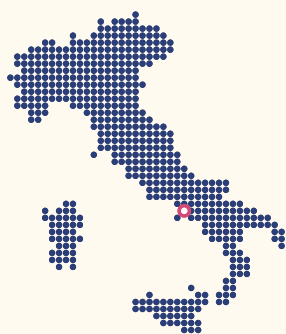
GHG EMISSIONS

	2019	2020
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	20,917	21,985
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES - LOCATION BASED	1,266	962
GHG INTENSITY - LOCATION BASED	0.10	0.09

⁸ The GHG Intensity index (tCO₂/tonnes of net production) is calculated considering total Scope 1 and Scope 2 emissions. Due to the refinement of the figure, the 2019 GHG intensity indicator values were restated for all facilities.



Sarno



AREA

179,000 mq

HOURS WORKED 2020

365,583.5

PRODUCTION

Canned tomatoes, canned pulses, soups, juices, nectars and fruit drinks, ready-made sauces and metal cans and lids.

CERTIFICATIONS

ISO 9001, ISO 14001, ISO 45001, BRC, IFS, ORGANIC, KOSHER, HALAL, ISO 22005 and FDA FOOD SAFETY.

FULL-TIME EMPLOYEES

160

PART-TIME EMPLOYEES

9

SEASONAL EMPLOYEES

104

QUANTITIES PRODUCED 2020 (NET KG)

	2020
TOMATO-BASED PRODUCTS	38,480,212
PULSES AND VEGETABLES	142,906,529
FRUIT JUICES	8,449,471
READY-MADE SAUCES	9,041,334
TOTAL	198,877,545

WATER SOURCED

	2019	2020
GROUNDWATER IN ML	747	881

GHG EMISSIONS

	2019	2020
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	12,264	13,012
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES - LOCATION BASED	5,567	4,139
GHG INTENSITY - LOCATION BASED	0.10	0.09



Fisciano



AREA

112,000 mq

HOURS WORKED 2020

161,613.5

PRODUCTION

Canned tomatoes and pulses, ready-made sauces.

CERTIFICATIONS

ISO 9001, ISO 14001, ISO 45001, BRC, IFS, ORGANIC, KOSHER, ISO 22005 and FDA FOOD SAFETY.

FULL-TIME EMPLOYEES

45

PART-TIME EMPLOYEES

0

SEASONAL EMPLOYEES

241

QUANTITIES PRODUCED 2020 (NET KG)

	2020
TOMATO-BASED PRODUCTS	50,082,474
PULSES AND VEGETABLES	14,949,393
READY-MADE SAUCES	239,668
TOTAL	65,271,535

WATER SOURCED

	2019	2020
GROUNDWATER IN ML	201	154
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN ML	0.472	0.723

GHG EMISSIONS

	2019	2020
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	6,222	5,518
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES - LOCATION BASED	2,086	1,380
GHG INTENSITY - LOCATION BASED	0.12	0,11



Lavello



AREA

266,000 mq

HOURS WORKED 2020

138,646

PRODUCTION

Canned tomatoes and fruit puree.

CERTIFICATIONS

ISO 9001, ISO 14001, ISO 45001, BRC, IFS, KOSHER, ORGANIC, ISO 22005.

FULL-TIME EMPLOYEES

19

PART-TIME EMPLOYEES

2

SEASONAL EMPLOYEES

278

QUANTITIES PRODUCED 2020 (NET KG)

	2020
TOMATO-BASED PRODUCTS	42,351,676
FRUIT PUREE	3,517,202
TOTAL	45,868,878

WATER SOURCED

	2019	2020
GROUNDWATER IN ML	0	0
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN ML	4,378	5,421
CO-OPERATIVE WATER ⁹	332	241

GHG EMISSIONS

	2019	2020
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	4,223	4,182
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES - LOCATION BASED	1,184	913
GHG INTENSITY - LOCATION BASED	0.12	0,11

⁹ The industrial water used for processing at the Lavello Facility is provided by the Basilicata reclamation co-operative set up with Regional Law No. 1 of 2017, while the potable water is provided by the local aqueduct.



Faenza



AREA

24,000 mq

HOURS WORKED 2020

21,487

PRODUCTION

Fruit puree.

CERTIFICATIONS

ISO 9001, ISO 14001, ISO 45001, ORGANIC, ISO 22005.

FULL-TIME EMPLOYEES

9

PART-TIME EMPLOYEES

0

SEASONAL EMPLOYEES

59

QUANTITIES PRODUCED 2020 (NET KG)

	2020
FRUIT PUREE	11,078,350
TOTAL	11,078,350

WATER SOURCED

	2019	2020
GROUNDWATER IN ML	77,2	64,68
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN ML	3,107	2,137

GHG EMISSIONS

	2019	2020
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	764	598
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES - LOCATION BASED	344	213
GHG INTENSITY - LOCATION BASED	0.10	0,07



Parma



AREA

110,000 mq

HOURS WORKED 2020

262,622.5

PRODUCTION

Ready-made sauces & pestos.

CERTIFICATIONS

ISO 9001, ISO 45001, ISO 14001, BRC, IFS, ORGANIC, KOSHER, FDA FOOD SAFETY and ISO 22005.

FULL-TIME EMPLOYEES

139

PART-TIME EMPLOYEES

7

SEASONAL EMPLOYEES

0

QUANTITIES PRODUCED 2020 (NET KG)

	2020
READY-MADE SAUCES	66,027,597
TOTAL	66,027,597

WATER SOURCED

	2019	2020
GROUNDWATER IN ML	457,4	491,6
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN ML	0.652	0.383

GHG EMISSIONS

	2019	2020
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	7,802	7,663
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES - LOCATION BASED	1,291	804
GHG INTENSITY - LOCATION BASED	0.16	0.13

The product journey

[GRI 102-9]



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

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



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



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

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



The product journey

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



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

Three means are used to ship products to clients: by ship, road and rail.

La Doria organizes its logistics to exploit the proximity of its facilities to the ports of Naples and Salerno, optimising distribution to Europe, while trucks will continue to be favoured for Italian distribution. The transport companies with which La Doria works will be encouraged to use more environmentally-friendly vehicles. The products, finally, are sold to consumers under the brands of the various retail chain clients of La Doria.

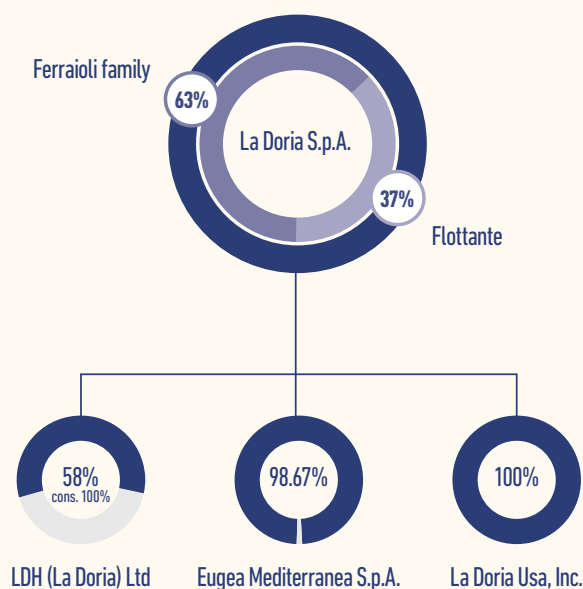


The La Doria Group

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

The La Doria Group (hereafter also the “Company” or “La Doria”) is a leading producer of tomato-based products, fruit juices and beverages, canned pulses and ready-made sauces, principally for the private labels. Company products to a significantly lesser extent are also sold under its own brands and for major Italian and overseas brands. La Doria, together with its subsidiaries, has become the leading European producer of canned pulses, peeled and chopped tomatoes and private label ready-made sauces, and is among the largest Italian producers of juices and fruit drinks. The company was listed on the Italian Stock Exchange in 1995 and is currently on the STAR segment, having established key market positioning, particularly abroad, with a consolidated presence in Northern Europe, Germany, Japan and Australia.

GROUP STRUCTURE



The Group subsidiaries are:

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

Integrity and transparency

[GRI 102-11; GRI 102-12; GRI 102-16; GRI 102-18; GRI 102-48; GRI 205-1; GRI 205-2; GRI 207-1; GRI 405-1; GRI 412-2]

Group Governance

The La Doria S.p.A. Corporate Governance system¹⁰ is based on a set of regulations, conduct and processes formulated to guarantee efficient and transparent corporate governance and effective functioning of the corporate boards and control systems. The company complies with the principles and applicable criteria of the Self-Governance Code for listed companies, drawn up by the Corporate Governance Committee and issued by Borsa Italiana. The Governance adopted by La Doria ensures correct and transparent management of information and the protection of all shareholders, in line with best national and international practice. This system was put in place by the company through preparing and adopting policies, principles, rules and procedures which govern the operations of all company organisational and operative structures.

The corporate governance structure of La Doria is based on a traditional Organisational Model and therefore comprises the following bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

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

The Board of Directors has a central role, tasked with strategic management, coordination and verification of the controls necessary to monitor the company's performance. In addition, the Board has the widest powers of ordinary administration and in particular may carry out any and all acts it deems appropriate in furtherance of the corporate scope, with the sole exclusion of those attributed exclusively to the Shareholders' Meeting. The Board's duties include defining the nature and level of risk that is compatible with the Company's strategic objectives, including in their assessments all risks considered significant with regard to sustainability in the Issuer's medium/long-term operations. To this end, the Company set the guidelines for its Internal Control and Risk Management System, updated and approved by the Board of Directors in the new version at its meeting on May 13, 2020; it adopted the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01; and it approved the Sustainability Plan and Policies.

The Board comprises 9 members, of whom 4 are Independent Directors. The presence of four female Directors ensures gender balance. Within the Board, the Remuneration and Appointments Committee and the Control, Risks and Sustainability Committee with consultative and proposal functions have been set up. The Board of Directors on January 23, 2019 in fact assigned to the CRC duties regarding sustainability i.e. the processes, initiatives and activities required to deliver the company's commitment to sustainable development throughout the supply chain. The Committee's tasks include: promoting the integration of sustainability into the company's strategy and culture; supervising sustainability issues related to the conduct of business activities and stakeholders interaction dynamics; reviewing the Sustainability Plan and monitoring its implementation; and monitoring the adequacy and effective implementation of the Ethics Code. The Board of Statutory Auditors oversees compliance with Law and the By-Laws, the provisions of Legislative

¹⁰The Annual Corporate Governance Report and the Remuneration Report are available on the company website www.gruppoloria.it respectively in the Corporate Governance and Investor Relations sections.

Decree 254 of 2016, with the principles of correct administration, the adequacy of the structure in terms of the aspects within its scope, of the internal control system and of the administrative-accounting system, in addition to the reliability of this latter to reflect the operating events; it furthermore ensures the concrete implementation of the corporate governance rules under the Self-Governance Code adopted by the company and the adequacy of the directions provided by the company to the subsidiaries. The Board obtains information on and supervises operating activities to the extent of its scope.

THE COMPOSITION OF THE BOARD OF DIRECTORS 31/12/2020

Composition of the Board	2019	2020
Total members	9	9
- men	6	5
- women	3	4
< 30 years	0	0
30-50 years	3	3
> 50 years	6	6

Sustainability Governance

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

The importance of this issue was demonstrated in 2018 by the setting up of a "Sustainability Reporting" Function, with the duty of co-ordinating and aggregating data, information and projects regarding Social and Environmental Responsibility, which reports directly to the Chairperson of the Board of Directors. This Function reports to the Control, Risks and Sustainability Committee on activities undertaken regar-

ding non-financial reporting: the Plan, the policies, the objectives, the initiatives, the materiality analysis and Stakeholder Engagement. La Doria has drawn up and formalised an operating procedure (PG. E3.4 “NFD Preparation”) for the process to prepare the Consolidated Non-Financial Declaration. The Sustainability Technical Committee, formed of Directors involved in the reporting process and of the Sustainability Reporting Function, was set up in 2020 with the main aim of:

- contributing to the process of identifying material topics;
- agreeing on ESG proposals and projects;
- monitoring the achievement of the objectives of the Sustainability Plan;
- spreading a culture of sustainability at all levels.

Communication to shareholders and Investor Relations

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

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



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

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

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

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

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

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

In order to ensure that the conduct of all those operating on behalf of or in the interest of the company is consistently in line with the principles of legality, correctness and transparency in conducting business and company activities, the Group in 2008 adopted an Operating and Internal Control Organisational Model in accordance with Legislative Decree No. 231/2001¹¹, which makes reference both to the indications contained in the Confindustria Guidelines and best practices applied in Italy. The La Doria Model comprises a General Section and a Special Section, broken down into eight sub-sections dedicated to specific categories of offenses. Specifically, section I is dedicated to "Offenses against Public Sector", section II to "Corporate offenses", section III to "Market abuses", section IV to "Workplace Health and Safety Offenses", section V to "Offenses against Industry and Commerce", section VI to "Environmental Offenses", section VII to "Offenses concerning the employment of illegal aliens" and the new section VIII to "Tax offenses". For the various types of offence set out in Legislative Decree 231/01, the areas at direct crime risk and those supporting them were identified, as were the relative methods of commission and the controls aimed at reducing the crime risk.

The Special Sections of the Model were introduced and/or updated following the extension of the body of offenses over the years and take account of organisational changes. The Model has been updated on an annual basis since 2011. Section III of the Special Section of the Organisational Model, "Market abuses", was updated in 2020 in order to recognise the new control methods and the updates to the existing ones. These aim to reduce the risk of "Abuse of Confidential Information" and "Market Manipulation". This update was brought to the Board of Directors for approval on May 13, 2020. The "Tax Offenses" project began in the fourth quarter of 2020 to bring the Model into line with the new offenses introduced by Law No. 157/2019. The new section of the Special Part (Section VIII) was submitted for the approval of the Board of Directors during the session of March 15, 2021.

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

In order to ensure correct and effective oversight of the Model, the Supervisory Board (SB) comprises three members, of which one Non-Executive Independent Director, the Honorary Chairman and the Internal Audit Manager, ensuring the presence of all technical expertise and experience necessary to carry out this task. One of the two Directors on the Supervisory Board is also a member of the Control, Risks and Sustainability Committee and this allows improved control synergies.

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

The Ethics Code is an integral part of the Model and combined they represent an additional protection and sense of responsibility in terms of internal and external relations, offering at the same time shareholders appropriate efficient and correct management guarantees. In November 2019 the third edition of the Ethics Code was approved by the Board. The new Ethics Code is fully revised, and reflects requests

¹¹ 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.

from stakeholders, the experience that has been gained, and the changes that have occurred in the intervening years. Organisational change, changes in the socio-economic environment in which the company operates, increased focus on sustainability issues, and growing dialogue with stakeholders have created the need for a revised document which is less regulatory, and whose present function is more to support the development of Corporate Social Responsibility. The main objective of the Ethics Code is to instill in all La Doria employees the ability to share and develop conduct that encourages sustainable growth by promoting respect for diversity and developing a real culture of integrity. La Doria encourages all stakeholders to report possible violations of the Ethics Code, ensuring them attentive and effective management of such communications. In 2020, the Supervisory Board (SB) received one report concerning the alleged violation of the Ethics Code; it was found to be baseless and therefore dismissed. The Company has adopted the "Reporting to the Supervisory Board" policy to correctly manage the direct communication channels for the timely reporting of any violations or irregularities concerning the Organisation, Management and Control Model, the Ethics Code and in general the company internal control system. La Doria permits anyone becoming aware of violations and irregularities to report such utilising the dedicated e-mail address organismodivigilanza@gruppoladoria.it or anonymously through ordinary mail addressed for the attention of the Supervisory Board, Via Nazionale 320, Angri, SA. To raise awareness of the above-mentioned communication channel and how to use it, La Doria provided training courses on its e-learning platform. Around 28% of employees completed the course on the Ethics Code in 2020.



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

The fight against corruption

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

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

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

The overseas subsidiary adopted an anti-bribery policy.

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

private parties and Incitement to corruption. Around 15% of employees completed the course on the Special Part of the Legislative Decree 231/01 Organisational Model dedicated to Public Administration offences in 2020.

The internal control and risk management system

The Internal Control and Risk Management System, the pillar on which Corporate Governance is based, is a central element for the parties and departments, each within their own remit, contributing to the running of the enterprise in a sound and correct manner and in line with the risk management objectives. The coordination between the various parties involved in the internal control and risk management system is achieved through the sharing among the parties of all significant information concerning the system. This takes place in an institutional manner through the participation of the principal actors in the internal control and risk management system at the meetings of the Control and Risks Committee. In particular, in addition to the three members, also independent directors, the Internal Audit Manager, the Legal Affairs Manager, as secretary, and all members of the Board of Statutory Auditors, in addition to, for the meetings relating to issues of a financial nature and compliance with Law 262, the Executive responsible for the preparation of the corporate accounting documents, 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.

The corporate risk management system - the ERM (Enterprise Risk Management) system - provides a preventive approach to risks which, through identification, assessment, management and monitoring of principal risks, helps to support informed decision-making processes and, where possible, to translate these risks into opportunities and competitive advantage.

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

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

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

Climate change will also affect the availability of water resources and the proliferation of plant pests, thus affecting agricultural production. La Doria's business is vulnerable to these risks, and as such it has already implemented corrective actions within its remit to ensure sustainable management of resources and the local area, using an approach based on mitigation and adjustment. Action has been taken to promote the transfer of knowledge and skills to our suppliers/farmers regarding good sustainability practices and reduction in waste, both of natural resources and products, using biodiversity as a tool to counteract the effects on crops, and in particular on tomatoes. With regard to pulses, both the transfer of good sustainable agriculture practices and the diversification of supply countries reduce the financial impact of these risks on our business. In addition, the company's adaptation to climate change towards a more sustainable model may lead to transition risk in the medium to long term. These risks can be divided into compliance risks (legal, reputational and relating to policies and regulations), market risks and technology risks. National governments and supranational institutions are increasingly active in designing and implementing policies to reduce the impact of economic activities on the climate. This means companies must comply with rules that require, for example, maximum levels of energy efficiency and/or minimum greenhouse gas emissions. Climate change risk may also be linked to market risk driven by changing consumer preferences, increasingly oriented towards products with a low environmental impact. In order to mitigate this risk,

along with technological risk, which requires that advanced technologies be adopted to contain emissions, La Doria invests in improving its production lines, reducing its energy consumption and cooperating with its suppliers to reduce packaging surfaces and/or to use renewable, plant-based raw materials to minimize the impact on the environment.

The global spread of the pandemic has inevitably impacted businesses as well as individuals. The general slowdown in business throughout Italy brought operations to a halt and forced companies to reorganize their processes in order to comply with the measures taken by specific health and safety protocols at their facilities. In addition, as a result of the use of more flexible forms of organization (remote working), companies were also more exposed to cyber-security risks. To mitigate these risks, La Doria immediately reinforced its Health and Safety safeguards and implemented specific anti-contagion safety protocols, in strict compliance with the guidelines of the "Shared protocol governing measures to combat and contain the spread of the Covid-19 virus in the workplace". In pursuit of broad, effective engagement of management and all personnel involved in the issues related to containing the spread of Covid-19 in the workplace, La Doria immediately set up a Central Crisis Committee, tasked with coordinating the activities of the individual Facility Committees, laying down uniform actions and decisions to be implemented and monitoring the status of implementation of operational instructions.

Employees were also protected by implementing a remote working plan. This was done to reduce the risk of infection while also reconciling the contingent problems related to working from home and ensuring that business continued as usual. Over 50% of individual department personnel participated in remote working.

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

In terms of reputational risks, the company is exposed to risks concerning the monitoring of compliance with the ethics principles by the procurement chain. In order to mitigate this risk, La Doria in 2014 began to monitor the tomato supply chain in line with the ISO 26000 Social Responsibility Guide. In 2019, this monitoring was extended also to the pulses supply chain. In 2019 it also obtained "Friend of the Earth" certification, which promotes a model of agricultural production based on integrating innovations that reduce the environmental impact of crop cultivation, as well as respect for workers at every stage of the production chain. In pursuit of this goal, La Doria began to collaborate with the Ethical Trading Initiative (ETI), an association of businesses, trade unions and volunteer organizations that have a shared commitment to improving working conditions throughout the supply chain.

The risks related to compliance regarding taxation, food safety, workplace and environmental health and safety, the production activity of the Group companies and the introduction of increasingly stringent regulations has made it necessary to closely monitor these issues, implementing all necessary actions to mitigate such risks. La Doria has in place certified operating systems to continuously monitor compliance with food safety and environmental regulations and those for the protection of workers. All La Doria Facilities are ISO 9001, ISO 45001 and ISO 14001 certified. Compliance risks include also those concerning the Administrative Responsibility of Entities, as per Legislative Decree 231/01), which La Doria offsets through adopting an Organisation, Management and Control Model which reduces the risk of committal

of the offenses contained therein, in addition to its Ethics Code.

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

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

Dialogue with the stakeholders

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

La Doria in 2020 continued the process to improve relations with its stakeholders, with the goal of involving them more in the decision-making process. An effective stakeholder engagement process in fact allows companies to improve its decision-making process and make it more “sustainable”, while driving social, environmental and financial performances.

The involvement of the stakeholders and the frequency of dialogue with each varies according to the matters considered and the opportunities available to come together. 2020 saw the extension of a consultation project to the customers of the subsidiary LDH (La Doria) Ltd conducted using a questionnaire to gather opinions, ideas and suggestions to improve the Sustainability Report.

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

INVOLVEMENT OF STAKEHOLDERS AND MATTERS CONSIDERED

Involvement of stakeholders and matters considered

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

Involvement of stakeholders and matters considered

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

The image features two bean sprouts growing out of a mound of dark brown soil. The sprout on the right is taller and has a single green leaf with visible veins. The sprout on the left is shorter and has a yellowish seed. The background is a soft, out-of-focus green gradient. The word 'LAND' is written in large, white, bold, sans-serif capital letters across the middle of the image, partially overlapping the sprouts.

LAND

Product quality and safety
Traceability
Food loss and waste



Product quality and safety

Traceability
Food loss and waste



Product quality and safety

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



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

In addition to complying with all applicable regulations, all our facilities have ISO 9001 and ISO 22005 certified quality management systems; in addition, the facilities that produce for the Retailers are certified to the main food safety standards (IFS, BRC).

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



FACILITIES CERTIFICATIONS

Certifications at our facilities
ISO 9001, BRC, IFS, ISO 22005

THE 3 STEPS TO OUR QUALITY:

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

FOOD SAFETY

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

Quality in 3 steps

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

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

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

We constantly invest in the most advanced production and control systems for quality monitoring at every single stage of processing. The investments of the Group aimed at automating controls and introducing advanced production systems are an important contribution to guarantee product quality and safety. A series of automations have been successfully introduced in the collection, sorting and control of raw materials, with the aim of minimizing manual labour errors. These systems have not only been introduced in La Doria's own facilities, but also in those of raw material suppliers. The company's investment in this area focuses also on human resources and the organisation. In 2020, we continued an initiative to refresh skills in the Quality Assurance area through the organisation of a series of specialist courses in collaboration with an external company on topics regarding overseas legislation, HACCP, MOCA sector, Food Fraud, Food Safety internal audits and Ethical Audits.

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

In 2019 La Doria created a product traceability system for tomatoes, basil and fruit. In 2020 it obtained ISO 22005:2008 certification, and in 2021 it will obtain BRC box manufacturing certification.

Complaints

During 2020, under the company's quality management system, 2,017 complaints were registered, of which 1,361 pertaining to LDH customers. This number includes all types of quality complaints that La Doria receives, including those received directly from consumers, which are managed by the subsidiary and by clients directly. La Doria is constantly committed to taking full charge of complaints and providing an effective response, as well as putting in place the most adequate measures to prevent such issues from re-emerging.

The table below indicates the number of complaints in terms of millions of items sold. In 2020, the sauces and pestos lines reported a further reduction in the number of complaints on 2019. This improvement is due to better technology at our facilities.

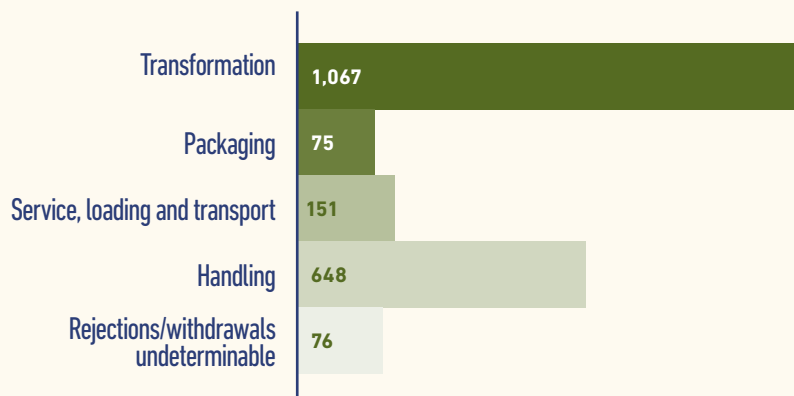
QUALITY COMPLAINTS BY PRODUCT LINE PER MILLION ITEMS SOLD (IN PPM) EXCLUDING LOADING, SERVICE AND TRANSPORT

Complaints regarding the quality of products	2019	2020
Sauces and Pestos	1.77	1.70
Tomatoes	2.53	1.53
Pulses	1.46	1.02
Fruit	0.14	0.16

TOTAL NUMBER OF COMPLAINTS RECEIVED AND PERCENTAGE OF THOSE SETTLED

Complaints regarding the quality of products	2019	2020
Number of complaints received	2,342	2,017
Number of complaints settled during the year	100%	100%

BREAKDOWN OF 2020 COMPLAINTS BY TYPE¹²



Several types of complaints are not directly related to the production process itself, such as “*service, loading and transport*” and “*handling*”. Complaints relating to “*service, loading and transport*” include those attributable to handling companies whose activities are outsourced by La Doria.

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

However, certain complaints are directly attributable to the production processes at La Doria facilities. These are complaints related to manufacturing activity and packaging processes. The product lines most affected by such complaints regard tomato derivatives, ready-made sauces and pestos.

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. Despite the company's constant focus on this aspect, a batch of Carrefour blueberry nectar was recalled in 2020 due to the presence of glass.

Regarding foreign bodies within products, which, in particular, pose a risk to food safety, the Group has worked extremely hard in recent years both within its own factories and in collaboration with suppliers of raw materials. It is of fundamental

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

¹² It should be noted that in 2020, the way that complaints are gathered was changed, separating packaging complaints from processing complaints.





Traceability

[GRI 301-1; GRI 417-1]



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

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

The traceability of a product consists of the collection of a series of data along the supply chain, with the collaboration of the various actors involved.

This is an essential tool for responding to growing consumer demands and for the accountabi-

lity of the various actors in the supply chain.

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

TRACEABILITY

Full traceability of all product lines



TOMATOES

The traceability of tomato products right down to its cultivation lot

From the land to the shelf

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

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

GEOGRAPHICAL ORIGIN OF PRODUCTS (PERCENTAGE BREAKDOWN)

	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	EUROPE OTHER	EGYPT
FRESH TOMATOES 186,183,878 KG	-	-	-	100%	-	-
VEGETABLES 63,424,437 KG	50.68%	13.57%	3.82%	17.04%	14.73%	0.16%
FRESH FRUIT¹³ 12,360,159 KG	-	-	-	100%	-	-
FROZEN¹⁴ 4,532,038 KG	-	11.34%	19.54%	9.78%	59.34%	-

To ensure that the system is effective, audits are carried out both internally and externally by ISO 9001, ISO 22005, BRC and IFS Quality Management Systems' certification bodies, as well as by the subsidiary LDH in relation to its suppliers, other than La Doria, in order to verify full compliance with product traceability procedures. In 2019 LDH was awarded BRC Agents and Broker Standard certification (version 2) Additionally, the Group's major clients also carry out periodic product traceability controls.

La Doria's commitment to this concern is ever greater, since the company considers traceability an indispensable element to operating responsibly on the market. For this reason, the implemented traceability system is constantly evolving, with a progressive drive to adopt new technologies to improve its reliability. As evidence of this evolution, in 2020 La Doria obtained ISO 22005:2008 certification for tomatoes, fruit and basil. The standard is intended to support companies in documenting product history by allowing them to determine product location and origin at all times.

All products, as per legal requirements, are labelled with detailed information on their contents (i.e. ingredients) and on how to use and store them.

¹³ Peaches, apricots, pears and apples processed in facilities to transform the fruit into puree for fruit juice production.

¹⁴ Semi-processed fruit that is frozen and shipped to La Doria facilities to be transformed into juices and fruit-based beverages.

The journey of a tomato

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

Traceability at LDH

The approach taken by the subsidiary to this issue has a different connotation in view of its trading activity, while still pursuing the same aim of ensuring the traceability of the finished product. LDH seeks to ensure that traceability drills involving its suppliers' finished products are concluded within a maximum of four hours. All traceability audits conducted in 2020 were successfully completed.

LDH was certified compliant with version 2 of the BRC Agents and Brokers standard in 2020. The audit reviews the protocols and procedures associated with product traceability and also examines controls in place regarding any indications of origin on packaging. All the technical audits conducted by LDH – or directly by its clients at its production facilities – include traceability assessments.

LDH has adopted a supply-chain mapping model for information and visibility regarding products and suppliers. Initially, the same model was adapted for seafood and agricultural suppliers, but the differences between the two supply chains necessitated the development of an additional version of the framework. The two new versions facilitate source mapping with a greater level of detail and more complete information on environmental and labour impacts. In 2020 all affected suppliers were sent the new model in order to gather the necessary information. The goal for 2021 is to assess supply chain risk for all seafood, fruit, and vegetable products.



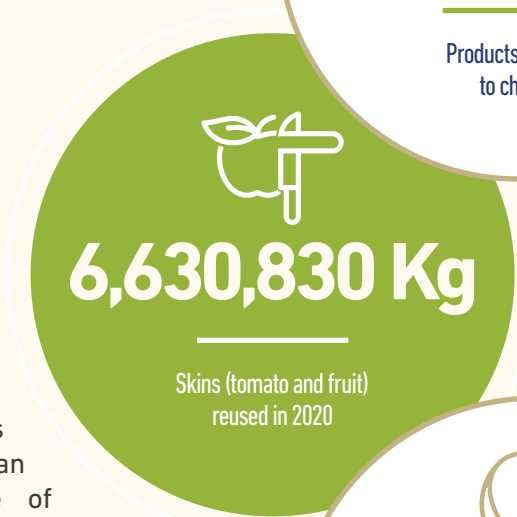
Food loss and waste



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

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

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



Reducing waste in our facilities

Food product loss and waste is a priority issue for La Doria, also because reducing waste helps to reduce costs. This is why the Company is constantly committed to ensuring that its facilities adopt all necessary measures to minimise 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. La Doria also supervises this aspect by monitoring the index representing the reduction in the value of food destruction compared to the value of production.

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

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



Less waste and a second life for processing by-products

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

QUANTITY OF RE-PURPOSED BY-PRODUCTS

	2019	2020
Peach stones (kg)	475,720	403,100
Apricot stones (kg)	226,680	166,944
Tomato skins (kg)	5,853,600	5,502,990
Fruit skins (kg)	1,429,520	1,127,840

Donate - don't waste

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

In 2020, La Doria donated 1,677,467 products to charity, worth around Euro 494,497. In 2020, 78% of unsold products were donated to the Banco Alimentare (Food Bank).

PRODUCT DONATIONS BY LA DORIA



At the source

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

Such collaboration takes different forms depending on the needs of suppliers, the organisation 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 minimise the risk that crops may be wasted or damaged. This decision is intended to ensure that the product is fully compliant with processing needs and client requirements and that plantations have inherent resilience to parasites and other pathogens.

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





COMMITMENT

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



Environmental impacts of production

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



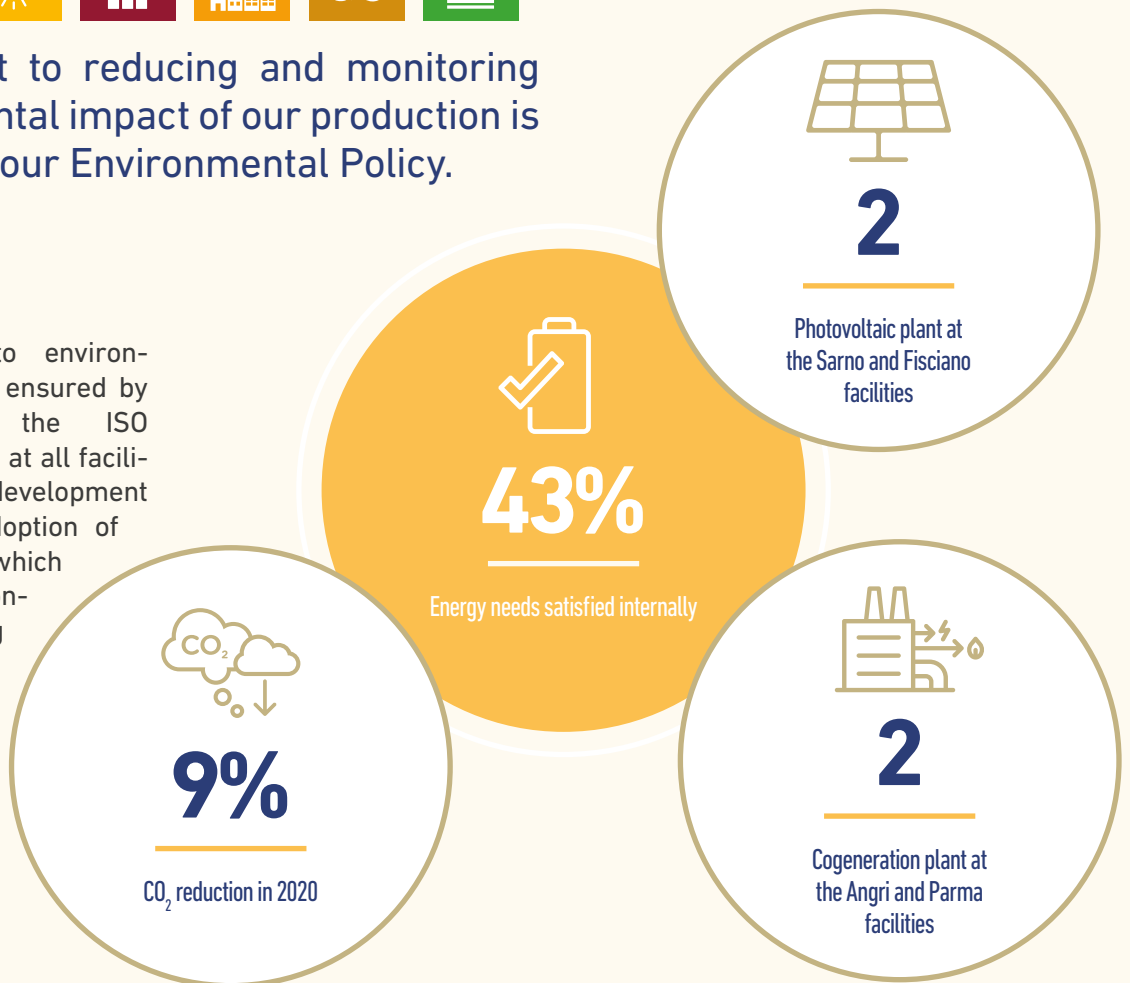
Environmental impacts of production

[GRI 102-48; GRI 302-1; GRI 302-3; GRI 302-4; GRI 303-1- GRI 303-5; GRI 306-1; GRI 306-2]



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

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



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

Power supply at our facilities

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

Photovoltaic panels have been introduced at the Sarno and Fisciano facilities, with energy production capacities of 3.7 MW and 1 MW respectively, in line with the relative annual consumption and distribution demands. Alternatively, the Angri and Parma facilities have installed cogeneration plant with production capacities of 2,700 kW and 601 kW respectively, covering a considerable portion of energy needs. These photovoltaic and cogeneration plants are a key resource for the company, as they are able to supply more than 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 68% of the total.

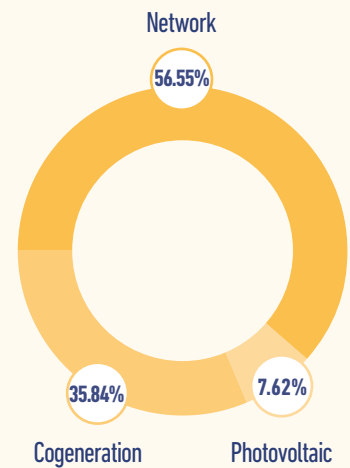
Cogeneration is a system that enables the combined production of electricity and heat from a single energy source.

Cogeneration minimizes the energy losses that would occur if the two energy vectors were obtained separately.

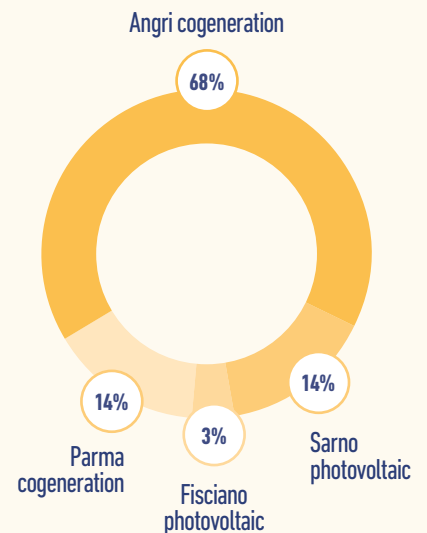
In addition, in 2020, recovery of heat from engine exhaust fumes and engine and intercooler cooling of 17,348,210 kWh yielded a reduction in emissions of 3,512 tonCO₂.

La Doria's cogeneration plant have received "High Yield of Cogeneration" (CAR)¹⁵ recognition: this operating recognition is issued to facilities that are able to guarantee a high ratio of energy produced to energy consumed.

ELECTRICAL CONSUMPTION BY SOURCE 2020



SHARE OF ENERGY PRODUCED ON-SITE BY SOURCE



¹⁵ For certification criteria, refer to those established by the Ministerial Decree of August 4, 2011 (Annex III), valid from January 1, 2011 and completing the transposition of Directive 2004/8/EC initiated by Legislative Decree No. 20 of 2007.

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

The two new groups installed, of the same power, are better performing and more reliable than the previous.

The construction features indicate high efficiency and optimal environmental performance.

The two Groups, in fact, already present reduced polluting emissions (CO₂ < 90 mg/Nm³, and NO_X < 250 mg/Nm³).

In addition to cogeneration, La Doria has implemented several other heat recovery innovations that gas consumption and thus CO₂ emissions. At Angri, heat recovery plant, for example for the re-use of the cooling water to heat the pulses processing water or recovered heat from overspray. This recovery has supported the gaining for five years of white certificates (energy efficiency securities).

At the Sarno facility, heat is recovered from the condensation formed in the sterilization phase of the FMC canned legumes production line (the recovered heat is used to heat the water fed into the legume cooker) and from the condensation of the Odenberg legume production line (the heat recovered preheats the liquid used in the can pasteurization system).

Finally, at the Fisciano facility, heat is recovered from the boiling water drains of the boilers. This heat is then used to preheat the boiler intake water.

In terms of energy consumption, at Sarno over recent years initiatives included the following: the revamping or modernisation of the refrigeration cells, the introduction of a glycol¹⁶ plant, allowing the removal of the previous one, and the addition of inverters in well pumps. In 2020 energy-efficient lighting projects were carried out in all facilities and meters were installed in order to improve the collection and distribution of consumption data through the Wonderware platform, designed to integrate operating and IT systems in order to implement an energy vector monitoring system. In summary, in 2020 heat and energy recovery reduced consumption by 5,635 tCO₂.



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

ENERGY SAVINGS BY SOURCE¹⁷

Source	2019		2020	
Electricity	318,384 kWh	1,146 (GJ)	122,177 kWh	440 (GJ)
Natural gas	1,967,691 m ³	77,527 (GJ)	2,146,291 m ³	84,564 (GJ)

ENERGY CONSUMPTION WITHIN THE ORGANISATION¹⁸

Energy consumed	2019		2020	
	(kWh)	(GJ)	(kWh)	(GJ)
Electricity¹⁹	55,557,271	200,006	56,796,769	204,468
- from renewable sources ²⁰	4,131,783	14,874	4,326,963	15,577
Natural gas	25,720,917 (m ³)	1,013,404	26,693,459 (m ³)	1,051,722
Total consumables		1,213,410		1,271,767
Energy self-produced ²¹	2019		2020	
	(kWh)	(GJ)	(kWh)	(GJ)
Electricity produced	19,528,810	70,304	20,892,660	75,214
Electricity self-consumed²²	18,523,779	66,686	20,353,605	73,273
Energy intensity index ²³	2019		2020	
	(MWh/ton)	(GJ/ton)	(MWh/ton)	(GJ/ton)
	0.07	1.75	0.06	1.71

¹⁶ Glycol is an antifreeze fluid.

¹⁷ The data does not include the subsidiary LDH as reporting insignificant energy consumption (trading company and therefore not undertaking production). The only significant consumption is related to the warehouses, although the data is not available as included under the warehouse leasing charges.

¹⁸ The energy consumption reported below refers to the Group's production facilities.

¹⁹ The data refers to the consumption of energy from the grid and from own production.

²⁰ The renewable energy indicated here is that produced by photovoltaic plants on the roofs of the Sarno and Fisciano facilities.

²¹ This is the energy produced by the Group's facilities.

²² This self-consumed electricity represents the energy produced by the cogeneration plants that is consumed in the facilities themselves.

²³ The energy intensity index was calculated on the basis of the energy, gas and electricity vectors, entering the facilities. The generation of electricity is included within natural gas consumption and has already therefore been considered. The specific parameter used to calculate energy intensity is net production. Data shown were calculated based on ISPRA 2021 - National UNFCCC Inventory conversion factors (average of values for the years 2017-2019).

Less waste and less wastefulness

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

To further reduce waste volume and weight, a plant was installed in the Parma facility to dehydrate the mud extracted from the purification cycle's flotation system. Given the differing types of products processed at La Doria facilities, waste generation is particularly conditioned by the intrinsic characteristics of the raw materials and the range of products.

WASTE PRODUCED BY GROUP PRODUCTION FACILITIES

Hazardous waste	2019	2020
Total weight (tons)	107.66	126.87
- destined for re-use or recycling	-	-
- destined for recovery	95.19	108.92
- destined for incineration	-	-
- destined for landfill	-	-
- other disposal	12.47	17.95
Non-hazardous waste		
Total weight (tons)	43,034	33,032
- destined for re-use or recycling	-	-
- destined for recovery	42,827	32,686
- destined for incineration	-	-
- destined for landfill	-	-
- other disposal	207.47	346.06
Total waste (hazardous and non-hazardous)	43,142.08	33,159.08
Production volumes (tons)	594,861.2	629,208.7
Ratio of generated waste to production volumes	0.07	0.05

Water consumption

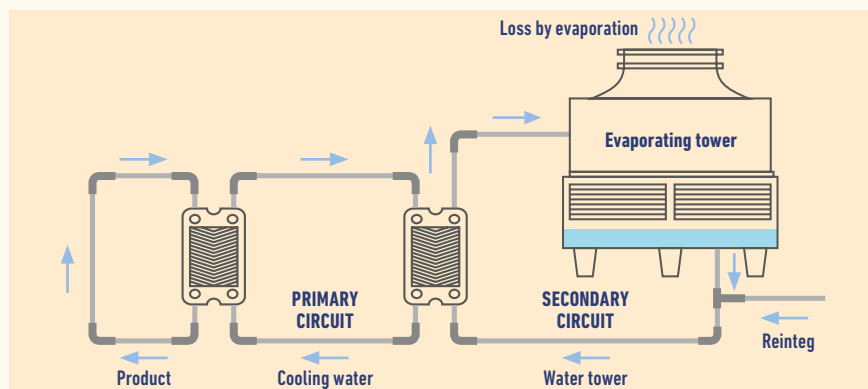
Since La Doria is an industrial company that requires a significant amount of water, it is essential that it commit to rational water use, in terms of both progressively reducing its water use and minimizing the risk of possible pollutants that could prevent water from being returned to the environment. Over the years La Doria has thus developed a strategy that allows water consumption to be optimized and maintains the original quality characteristics of its water sources. Specifically, the strategy is implemented in the Environmental Management System: the Company carries out a risk and opportunity assessment for each process and production phase that

has an impact on water in order to minimize any impacts related to water management and continuously improve environmental performance. The Environmental Management System is thus characterized by the development and implementation of environmental policy and the achievement of the objectives set out in it. La Doria monitors water consumption at its facilities, reducing the use of natural resources and climate change impacts. The planning, execution and periodic controls, and more generally the correct management of water resources, optimises water consumption.

Over the years, various water reuse actions have been taken, e.g. the recovery of the cooling water for finished product tomato line boxes at facilities and/or the addition of condensers. The water at 30°C, coming from the box cooling phase, is reutilised in the various tomato washing phases, immediately before peeling. Other water recovery projects include the addition of evaporative towers.

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

SIMPLIFIED GRAPH OF A CLOSED CYCLE CIRCUIT WITH EVAPORATION TOWER



To minimise water consumption, A closed circuit cooling circuit with evaporation towers was constructed at the Parma facility in 2020. The latter makes it possible to avoid using “running” water during the cooling phase of one of the ready-made sauces production lines.

In terms of its water performance, in 2020 La Doria’s production facilities withdrew a total of over 2 million cubic meters of water. Most water used is groundwater and/or aqueduct water. A water flow meter is installed in each well, enabling constant monitoring of water consumption. Monthly and annual use of the water drawn is reported with the frequency set by the competent authorities and/or the managers of the integrated water service.

Finally, wastewater is discharged, depending on the facility, either directly into a surface water body and/or into the public sewer system. Water quality is constantly monitored using chemical/ physical analysis.

All quantities withdrawn are measured and checked monthly. Meters placed on the outflow of the well suction pumps are used as the measuring instruments. Water resource management is based on facility and customer needs. The management process is sufficiently flexible that it can be adapted and tailored to individual facility needs and customer requirements. Any significant impacts are managed through potential optimizations of the facilities concerned. Minimum quality standards are set by the authority that issues the discharge authorization and pollutants are monitored to ensure compliance with the authorized limits.

Withdrawal and discharge are shown below.

Water withdrawal by source	2019	2020
Groundwater in ML	2,506	2,602
Aqueduct or other municipal source in ML	8,609	8,664
Co-operative Water in ML	332	241
Total procurement	2,848	2,852
Total water sourced m ³ /ton produced	4.8	4.5

Water discharge by destination	2019	2020
Sewerage in ML	1,409	1,264
Ground water in ML	1,115	1,222
Soil or subsoil in ML	-	-
Total	2,524	2,486
Total water discharge m ³ /ton produced	4.2	3.95

WATER STRESS DISTRIBUTION ACCORDING TO THE WEBSITE Aqueduct Water Risk Atlas²⁴

Water discharge	Unit	Angri		Sarno		Fisciano		Lavello		Faenza		Parma		TOTAL			
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		
Low	< 10%											443	427	443	427		
Medium-low	10% - 20%													-	-		
Medium-high	20% - 40%													-	-		
High	40% - 80%													-	-		
Very high	> 80%			822	810	672	796	198	151	306	241	83	62			2,082	2,060

Water withdrawal	Unit	Angri		Sarno		Fisciano		Lavello		Faenza		Parma		TOTAL			
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		
Low	< 10%											458	492	458	492		
Medium-low	10% - 20%													-	-		
Medium-high	20% - 40%													-	-		
High	40% - 80%													-	-		
Very high	> 80%			1,025	1,011	747	881	201	154	337	246	80	67			2,390	2,360

²⁴ Water stress areas were identified according to the World Resources Institute criteria, through the use of the Aqueduct Water Risk Atlas tool, as suggested by the GRI 303 reference document. This classification system considers only the quantity and not the quality or accessibility of water resources under the inclusive approach.



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



Human rights and responsibility throughout the supply chain

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



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

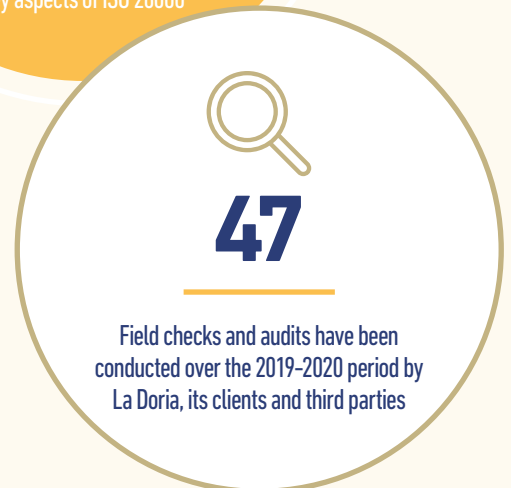
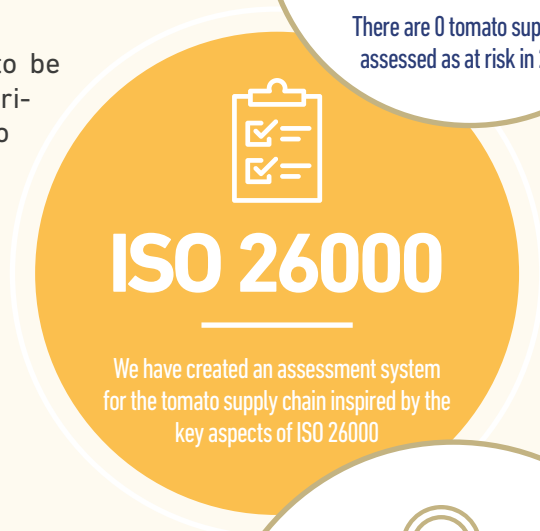
Respect for individuals, moral integrity and mutual trust are integral parts of La Doria's business culture.

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

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

In this context, we have made an important commitment regarding the tomato supply chain,

because we want to be sure of not also contributing indirectly to the violation of people's rights and as we want to play an active part in eliminating the problem.



Respect for Human Rights

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

This commitment is reflected in the Human Rights Policy adopted by La Doria in 2018. The Group has also formalized a “Modern day slavery statement”²⁵ document, setting out the commitment to avoid any kind of involvement or show any kind of tolerance to slavery and human trafficking connected with the company’s products or commercial activities. In 2019, the La Doria S.p.A. Ethics Code was updated to increase the ability to share and develop conduct that encourages sustainable growth by promoting respect for diversity and developing a real culture of integrity. Education in human rights and an understanding of the fundamental rights of humankind were the subject of a training course provided in 2020 through the use of the e-learning platform.

Responsible supply chain management

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

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

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

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

In the wider context of increased focus on climate change, we have implemented programmes to convey good soil management practices to farmers, meaning increased water retention and carbon build-up in the soil to protect against floods and drought.

The activities carried out in the last few years have also preserved biodiversity, which helps adaptation to climate change, and combats the build-up of greenhouse gases in the atmosphere.

Respect for just working conditions and workers' rights is a requirement that the La Doria Group demands of all of its suppliers and is verified right from the supplier selection stage.

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

Qualification of suppliers

A specific procedure guides the process of approving and validating all suppliers. In the case of agricultural raw materials (e.g. tomatoes, pulses, fruits), prior to the signing of contracts with suppliers, La Doria inspectors make visits to their fields to verify in person several aspects, including those related to social sustainability.

On selection, all suppliers are required to adhere to the company’s Ethics Code²⁵ and to commit to its upholding.



Mechanical harvesting, a way to limit field work

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

²⁵ The Ethics Code is available on the website of the La Doria Group, <http://www.gruppoladoria.it/IT/corporate-governance/codice-etico.xhtml>

The Risk Assessment Procedure in the tomato supply chain

In 2014, La Doria, with the support of SGS²⁶ introduced a system of ethical risk monitoring in the tomato supply chain, which, on an annual basis, allows it to check for the emergence of specific risks. Every year, SGS assesses La Doria's management of the tomato supply chain and its effectiveness and issues a certification letter.

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

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

The risk monitoring activities use a specific *checklist* to collect information and check critical aspects during audits at supplier sites. Over recent years, La Doria has carried out an ever-greater number of specific audits, initially focusing on the suppliers deemed most at risk and then expanding the number involved. In 2020, audits were conducted involving tomato suppliers in the regions of Puglia, Basilicata, Campania and Lazio.

ETHICAL AUDITS CONDUCTED BY LA DORIA

20

2019

22

2020

The audits are aimed at checking:

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

In the event of any emergence of risk, La Doria is committed to immediately seeking agreement with the supplier on necessary measures to restore proper working conditions. The efficacy of the collaboration was verified by the risk assessment, which did not indicate any at risk situations in the 2019-2020 period.

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

	2019	2020
Percentage of suppliers audited	100%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	0	0
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such impacts	-	-
Percentages of suppliers with possible negative impacts with which the company has decided to terminate work relations based on the results of the conducted analyses	-	-

Checks and audits conducted by clients and third parties

VISITS TO FIELDS BY CLIENTS AND SGS AUDITS

5

2019

3

2020

In the two-year period 2019-2020, no issues emerged from customers' field visits.

COMPLAINTS RECEIVED CONCERNING WORKING CONDITIONS

	2019	2020
Number of complaints received	0	0
Number of complaints received and resolved	0	0

²⁶ SGS is an inspection, verification, analysis and certification services company.

Collaboration with suppliers, clients and organizations

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

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

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

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

Pulses supply chain

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

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

With the aim of mapping criticalities within the pulses supply chain, in 2019 La Doria launched an audit campaign covering the geographical areas from which pulses are purchased.

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

In 2020, the limitations on movement imposed by the Covid-19 emergency measures to protect the health of workers did not allow these activities to continue.

In 2020 La Doria also monitored the supply chain of pulses according to the Social Responsibility Guide UNI ISO 26000:2010.

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

	2019	2020
Percentage of suppliers audited	100%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	0	0
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such impacts	-	-
Percentages of suppliers with possible negative impacts with which the company has decided to terminate work relations based on the results of the conducted analyses	-	-

Actions implemented in 2020

1. Awareness was raised amongst tomato producer organizations (POs) regarding the obtainment of GLOBALG.A.P. GRASP certification for the implementation of agricultural and social best practices.
2. KRAV certification was retained for organic pulses.
3. Training was provided on the use of e-mail addresses to report situations at risk anonymously.
4. Tomato and pulse suppliers were provided gadgets in support of sustainable farming.
5. "Friend of the Earth" certification was maintained for tomatoes and chickpeas (Italy). The initiative promotes a model of agricultural production based on integrating innovations that reduce the environmental impact of agriculture, as well as respect for workers at every stage of the production chain.

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

All our facilities are registered with the SEDEX platform and were subject to a SMETA audit in 2020.

LDH – The Human Rights Commitment

LDH has adopted policies and procedures to develop and support the management of responsible behaviour within supply chains. LDH's responsible sourcing strategy continues to be refined each year. LDH adopts a framework that also considers the human rights aspect when evaluating supplier performance. Risk assessments are conducted annually to identify the highest-risk suppliers and the areas they need to focus on to improve their performances. LDH creates action plans on the basis of the findings of its risk assessments. Constant dialogue and performance monitoring are designed to reduce the risk class of suppliers to at least a medium or low level.

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

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

LDH uses two methods to monitor working practices and conditions:

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

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

1. Where a SMETA audit indicates a case of critical non-conformity or the auditor reports negative behaviour towards a worker, LDH immediately contacts the supplier to understand the root cause and take corrective action;
2. Where a direct supplier is deemed to be at high risk, LDH helps it develop and implement an action plan.

In 2020 potentially at-risk situations were identified from the SMETA audits but the appropriate corrective actions were taken to remedy them.

POTENTIAL NEGATIVE IMPACTS IDENTIFIED BY THE LDH MONITORING SYSTEM

	2019	2020 ²⁷
Percentage of high-risk suppliers (SMETA Audit) evaluated	100%	100%
Percentage of high risk suppliers (SMETA Audit) of total number of suppliers	13%	37%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	24	4
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such impacts	38%	6%
Percentages of suppliers with possible negative impacts with which the company has decided to terminate work relations based on the results of the conducted analyses	0%	0%

LDH – HUMAN RIGHTS TRAINING - GRI 412-2

Date	2019	2020
Number of training hours on human rights policies and procedures	5	0
Percentage of white collars involved in training activities	1%	0%

In 2020 training hours on human rights policies and procedures were suspended due to the Covid-19 emergency.

GRI 414-1 (2016)		Percentage of new suppliers assessed according to human rights criteria	
Date	2019	2020	Comments
% of new suppliers assessed	100	100	All new suppliers were assessed according to their working practices

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 organisation is to respond to ethical issues in the sector through the collaboration of all of its members.

G4-FP2		Percentage of purchase volumes verified according to internationally recognized responsible, credible production standards, broken down by standard	
Date			
Name of standard 1	RSPO (Roundtable on Sustainable Palm Oil)		
Name of standard 2	MSC (Marine Stewardship Council)		
Name of standard 3	Rainforest Alliance		
Percentage of product purchased per standard	2019	2020	Comments
Percentage for standard 1	100	100	All palm oil used is RSPO certified
Percentage for standard 2	32	29	Tuna fish and sardines are MSC certified
Percentage for standard 3	82	100	All products containing cocoa are RFA certified

²⁷ The significant percentage change between 2020 and 2019 is due to a change in methodology. The data for 2019 and 2020 are therefore not comparable.

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

Packaging sustainability

Logistics optimisation and efficiency
Economic sustainability



Packaging sustainability

[GRI 301-1; GRI 301-2]



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

Today, however, consumers are very sensitive to packaging sustainability, which is increasingly regarded as a key purchasing factor. The demand for sustainable packaging and for a reduction in unnecessary packaging is constantly growing.

Cognisant of the need to take actions which integrate sustainability into the company decision-making process, we follow sustainable packaging guidelines.

For us, packaging sustainability

means:

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



91%

Of corrugated cardboard from recycled material



959 mln

No. of cans self-produced by La Doria in 2020 (99.1% of 2020 requirements)



86%

Of shrink-wrap from recycled material

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

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

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

In-house production of the most used packaging

La Doria's main commitment to the sustainability of its packaging lies in its own production of a large proportion of cans - by far its most used packaging. In 2020, the Sarno and Angri facilities produced approximately 99.1% of all company requirements for this type of packaging. These two facilities are also the main users of this type of packaging, since the bulk of the production of tomato-based products and canned pulses is concentrated there, although a portion of the cans is also sent to other nearby facilities. This investment, starting 50 years ago, allows the company to simultaneously limit outsourced costs for packaging and transporting products and contributes significantly to sustainability. The production of "easy open" can lids has also been insourced.

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

86% of demand for heat-shrink products comes from recycled sources, and we are committed to increasing their use over the coming years. La Doria's glass principally comes from Europe. The weight of glass bottles and jars has also reduced over recent years.

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

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

Various packaging sustainability improvement projects were completed in 2020 through:

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

Starting in 2021, plastic clusters will no longer be used in packaging. In the coming years, the Company's attention will be focused on making increasing use of packaging with a percentage of recycled materials.

PACKAGING QUANTITIES AND ORIGINS (2020)

Material	Unit	Quantity	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	REST OF EUROPE	TURKEY
CANS	KG	47,954,001	-	-	4%	85%	11%	-
GLASS CONTAINERS	KG	52,794,177	-	-	-	39%	26%	34%
CARTONS	KG	2,572,443	-	-	-	100%	-	-
COMPOSITE CARTONS	KG	2,014,812	-	-	-	-	100%	-

Packing for transport

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

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

A similar project has been introduced in relation to the boxes used for the transport of tomatoes from the field to facilities. In this case, they are plastic containers that are used a number of times until they break. Once they can no longer be used, they are sent to a specialized company that breaks them into pieces and reuses the plastic.

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. 86% of the TRB polyethylene which we purchase, i.e. the shrink-wrap plastic film for packing trays, is made from recycled material; the cardboard interlayers that are inserted between stacks of products on transport pallets are used more than 6 times, resulting in an annual saving of more than 1,000 tons of cardboard. The width of the extendable film covering the finished and semi-fi-



nished product pallets will be reduced in 2021 and for the coming years a different form of palletizing is under study, also involving the use of hot-melt adhesives, to increasingly limit the use of extendable film. In addition, for the transport of finished products, La Doria has proposed to an increased number of customers the use of CHEP pallets, reducing the use of the exchange.

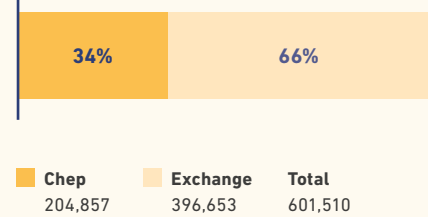
The CHEP pooling solution, based on a circular economy concept, allows for the reutilisation of a greater number of pallets compared to exchange, in order to minimise the use of the resource, waste, CO₂ emissions and consequently environmental impact.

Specifically, the system has saved La Doria 189m³ of wood - or 183 trees - and 211,056 km of travel, reducing CO₂ by 231ton and daily waste by nearly 14 people.

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

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

DELIVERY QUANTITIES 2020



LCA ASSESSMENT RESULTS

IMPACT	Unit	CHEP - 2020	2020 EXCHANGE SIMULATION	2020 Savings	Savings %
Potential Global Warming (CO ₂)	ton CO ₂ eq.	189	420	231	55%
Wood consumption	m ³	80	269	189	70%
Waste destined for landfill	ton	5	23	18	78%

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

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

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

Logistics optimisation and efficiency
 Economic sustainability



Logistics optimisation and efficiency



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

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

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



Pallet spaces created through the Sproughton warehouse (LDH-La Doria Ltd)



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

Optimisation begins at our facilities

There are three main approaches to logistics optimisation through which the company can gain more control: by increasing storage capacity at final production sites, by minimising the movement of materials and semi-finished products between Group facilities, in order to maximise 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. Around 8,000 semi-automated pallet spaces (drive-in with the use of satellites) were installed in the Sarno warehouse to rationalise the spaces for storing glass, resulting in an increase of around 1,500 pallet spaces using the same surface area. In 2021 work will focus on optimizing the storage of raw materials and packaging by improving the use of existing space and storage quality.

Continuing its strategy of constant optimization and greater efficiency of logistics services, the subsidiary LDH (La Doria) has undertaken a major investment plan to create a new logistics platform, specifically designed to meet the needs of the British supply chain. With a total capacity of over 42,000 pallet spaces, the new facility revolves around fully automated, high bay racking (42 metres). This design layout allowed the building (27,000 sq. m.) to be built on a smaller area than traditional sites with equivalent capacity. Automation of pallet handling in the warehouse also allows a reduction in the number of forklifts used on site and the resulting energy savings. Launched in the fourth quarter of 2020, the new platform allows for more efficient inbound and outbound goods handling thanks to its 30 unloading slots and 11 dedicated loading bays. Its location, 17 miles/27km from the port of Felixstowe (one of the UK's main container ports) and in proximity to major roadways, allows LDH to maintain a high degree of efficiency in inbound and outbound road transport of imported and distributed goods.

In addition to the logistics efficiency aspect, in the design of LDH's warehouse there was also a focus on reducing energy consumption and environmental impacts.



LDH Sproughton Warehouse, an automated warehouse in Ipswich, UK.

4 Km

Distance of external warehouses from Angri facility

15 Km

Distance of external warehouses from Sarno facility

An automatic lighting management system has thus been installed, responding to sunlight and the actual presence of personnel; low energy consumption electrical systems have also been installed for the stacker cranes, along with photovoltaic solar panels.

In addition, to encourage the use of alternative and more ecological or environmentally friendly means of reaching the workplace, charging points for electric cars and bicycle racks have been set up.

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 minimise movements between internal and external warehouses, the latter are located within a certain cut-off radius from the production facility. The facility that requires the use of external warehouses in peak production periods is predominantly Sarno, as well as, to a lesser extent, Angri, and, to a residual extent, 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.

Commitment to reducing the environmental impacts of transport

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



In 2020 we remained committed to shipping to international markets using forms of intermodal transport. Road transport is the most commonly used mode of transport in Italy. The commitment is to begin in 2021 to raise awareness among hauliers using road vehicles of the search for technological and organisational solutions to prevent environmental damage, including maintaining an efficient, up-to-date vehicle fleet. We thus requested mapping of the fleets of our authorised suppliers by emission classes to set their sustainability targets for future years.



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



Economic sustainability

[GRI 201-1; GRI 204-1; GRI 207-1; GRI 207-2; GRI 207-3]



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

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

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



Financial highlights

In 2020, the domestic and international picture was profoundly affected by the effects of the Covid-19 health crisis and the stringent restrictions consequently introduced by public authorities across the world, particularly during the acute phase of the pandemic.

In these extraordinary circumstances, in which restrictions revolutionised consumption methods and favoured large-scale distributors, the Group recorded a peak in demand from both Italian and international customers that resulted in financial results that far exceeded expectations.

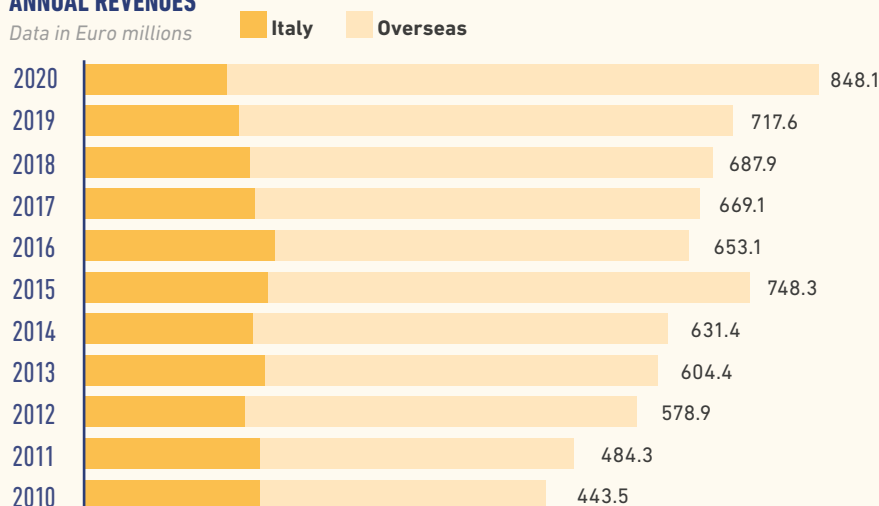
Sales were up 18.2% to Euro 848.1 million, while EBITDA grew 48.4% to Euro 83.1 million.

2020 results were largely shaped by the impacts of the pandemic, which positively affected the sector. These results were also achieved, however, through the signing of significant new contracts, which came as a consequence of the Group's competitive strength and were also influenced by the major investment plan launched in 2018.

The significant increase in consolidated revenues in 2020 was driven by strong sales volume growth, while improved margins stemmed from increased industrial efficiency resulting from greater production volumes, optimisation of production factors, and the positive effects of the progressive roll-out of the investment plan.

ANNUAL REVENUES

Data in Euro millions



Direct economic value 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 2019-2020 two-year period, the economic value generated, distributed and summarised through a reclassification of the Group consolidated income statement accounts.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

	2019		2020	
	Value	%	Value	%
Economic value generated	743,029	100.0%	900,314	100.0%
Economic value distributed	709,406	95.5%	840,039	93.3%
Reclassified operating costs	624,287	84.0%	748,105	83.1%
Value distributed to employees	57,781	7.8%	58,571	6.5%
Value distributed to providers of capital	8,445	1.1%	3,108	0.3%
Value distributed to Public Sector	10,113	1.4%	13,113	1.5%
Value distributed to shareholders	7,571	1.0%	16,039	1.8%
Value distributed to the community	1,226	0.2%	1,112	0.1%
Economic value	33,606	4.5%	60,266	6.7%

The sauces line reported the best sales performance, increasing 23.8%, while the other categories reported growth of between 4.3% and 19.8%. The "Other lines", i.e. products purchased from third parties and sold by the subsidiary LDH (La Doria) Ltd (hereafter also "LDH"), also performed very strongly, with sales up 27.4%. Revenue growth overall in 2020 was achieved on the international markets, where sales increased by more than 20%. Domestic sales were up 8%.

2020 saw the completion of the aforementioned investment plan, which involved a total investment of approx. Euro 138 million.

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

As the figures indicate, over the last two years the breakdown of distributed economic value has remained largely stable. The percentage breakdown of this value shows a decrease in the value distributed to capital providers and an increase in economic value retained, which will form a solid base on which to develop future growth strategies.

Value distributed to the community includes product donations to non-profit organisations, Civil Protection and local authorities for the Coronavirus emergency, donations to support the regional governments of Campania and Emilia Romagna in purchasing medical equipment and medical supplies, in addition to the amount donated directly to the Cotugno Hospital in Naples, which is on the front line in the fight against Covid.

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

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

Analysing specifically the location of raw material and services providers, principally with regards to logistics and plant maintenance, the company's contribution to the local, national and regional (Campania, Emilia Romagna, Basilicata) economic fabric is evident. This is a major commitment by the Group which is afforded ongoing focus.

PROPORTION OF SPEND TO LOCAL SUPPLIERS

	Cost	% of economic value generated	Suppliers	2019		2020	
					Of which regional		Of which regional
% of raw material procurement spend	642,895	71%	Local	50.63%	34.14%	49.25%	32.20%
			Non-local	49.37%		50.75%	
% of services spend (maintenance, logistics, etc.)	92,631	10%	Local	68.73%	49.97%	66.61%	43.77%
			Non-local	31.27%		33.39%	

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

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

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

In 2020, value distributed to the Public Administration in the form of taxes and duties totalled Euro 13,113 million.

While the Group's fiscal strategy is not formalised, it plays an important role in the internal control system. It is designed to ensure that legally-owed taxes are correctly and promptly determined and paid, that related obligations are met, and that tax risk - understood as the risk of violating tax regulations or the abuse of the principles and

purposes of the tax system - is minimised. The Group's tax strategy is aligned with its sustainability objectives - themselves integrated into its business strategy - and is based on the principles set out in the Ethics Code. These include transparency and correctness in dealings with the tax authorities.

The Company shall therefore apply the tax laws of the countries in which it operates, ensuring that the spirit and purpose of the rule or regulation in question is observed. Where the interpretation of tax regulations is unclear, or where they are difficult to apply, the Group pursues a reasonable line of interpretation based on the principles of legality, employing external professionals where necessary and implementing the appropriate procedures for dialogue with the tax authorities.

In order to consolidate transparency in its dealings with the tax authorities, the

Company adheres to the provisions regarding transfer pricing documentation, in compliance with the OECD Transfer Pricing Guidelines. This approach of openness and transparency in dealings with the tax authorities is designed to ensure communication that is transparent, accurate and timely.

Roles and responsibilities in the tax management process are clearly assigned, ensuring that the principles of segregation of duties are properly observed. A formal procedure is in place to govern relations with the public administration and identify the corporate functions that are authorised to deal with public sector bodies.

In pursuit of the objectives of minimising tax and reputational risk, the Group does not carry out transactions that primarily pursue a tax advantage and does not set up businesses and/or investments in territories classified as tax havens with the primary aim of reducing its tax burden.

During 2020, and in line with its objective of constantly improving its governance and strengthening its Internal Control and Risk Management System, La Doria launched a project to carry out the necessary risk assessment activities that would lead to an update of its Organisation, Management and Control Model as per Article 25-quinquiesdecies of Legislative Decree 231/01 (entitled "Tax crimes", inserted with Law No. 124/2019). In the coming years, the Company undertakes to encourage the development of a culture and values that prize the correct application of tax regulations by organising training activities for all staff. For country-by-country reporting of financial, economic, and tax information for each jurisdiction in which the Company operates, reference should be made to the Consolidated Financial Statements. The Group is aware that taxation is an important source of revenue and is vital for the

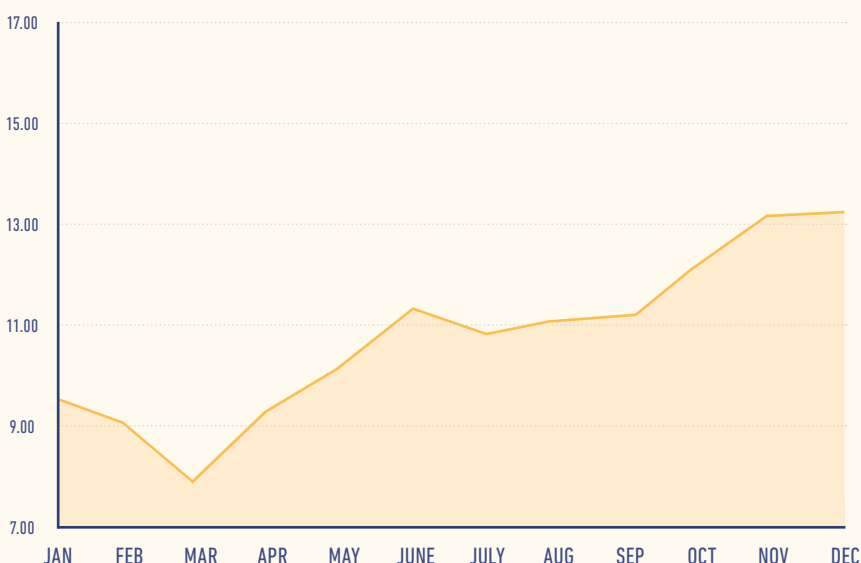
macroeconomic stability of the country, especially in the challenging circumstances created by the global pandemic. In 2020, despite being eligible for exemption from payment of the balance and advance payment of IRAP, the Group's Italian subsidiary Eugea Mediterranea opted not to apply this exemption, preferring to contribute to public spending and national growth during the emergency.

Share performance

The annual average daily share price in 2020 was Euro 10.74, up on 2019 (annual average price of 8.50). The lowest price was on March 12 at Euro 6.45, while the highest price was on November 9 at Euro 13.84. The average daily volume traded in 2020 was 61,047 (38,411 average daily volume traded in 2019).

MONTHLY SHARE PERFORMANCE - 2020

Data in Euro





PASSION

Innovation
Quality of the organisation
Italian identity



Innovation

Quality of the organisation
Italian identity



Innovation

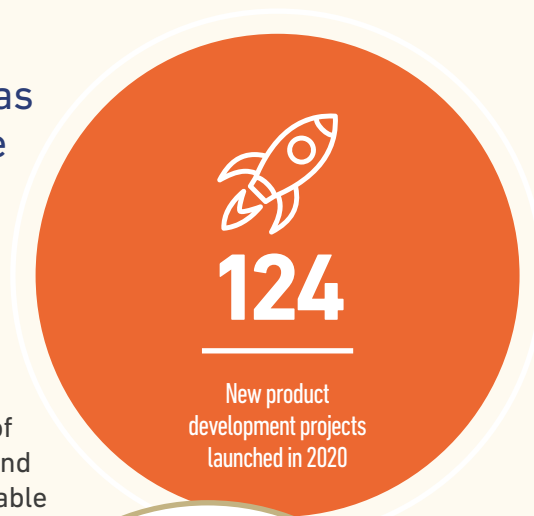


We view innovation and sustainability as two issues central to the present, and above all, crucial to building a future of greater well-being for all.

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

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

In product innovation, we have focused in particular on packaging, with the aim of meeting the growing demand on the market for sustainable products with a reduced energy/environmental impact by exploring new materials and new application technologies. For production process innovation, we focus on production optimisation and the mitigation of production environmental impacts.



Recipes for all needs

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

Over the last few years, La Doria has seen an increase in demand for healthy organic products, ranging from low-salt and low-sugar items to formulations free from allergens and suited to vegans. In 2020, 124 innovation projects were launched, involving all product lines.

The work carried out over the last few years has resulted in the introduction of several new La Doria products, including vegan pestos for the UK market, red and white sauces for the US market and various low-sugar products. In 2020 we used innovative new ingredients to design new product lines, including alternatives to classic basil-based pestos and lines based around vegetable juice beverages. We offered our clients recipes typical of ethnic and Balkan cuisine on the basis of an analysis of shifting consumer tastes.

In 2020 new product development projects involved modifying and improving not only the quality of the recipes already in production and pitching existing recipes to new clients (the latter referred to as “association” in the table), but also a significant focus of activities was also dedicated to product innovations viewed as the use of innovative, new ingredients and packaging.

Versatile and efficient

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

Flexibility in format changes

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

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

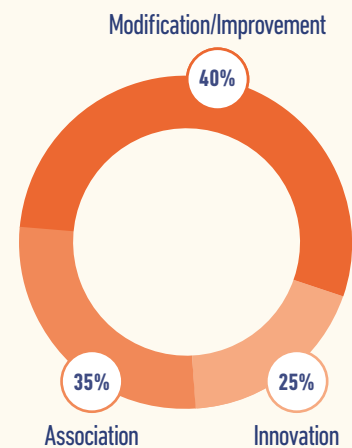
Technological innovation

Over the years, La Doria constantly pursued a process of innovation, taking advantage of the opportunities offered by technological innovation, while adequately supporting the business and human resources involved in the organisation.

La Doria’s performance in recent years shows that technological innovation is a winning strategy. In 2019 a feasibility study was carried out to identify how to improve the features of existing IT systems for a high level of integration of the processes, systems and personnel involved.

Based on the feasibility study, a multi-year series of projects involving all areas of

NEW PRODUCT DEVELOPMENT PROJECTS



the company has been planned. The La Doria Digital Transformation program calls for updating and development of the SAP system; development of a business intelligence system providing the various levels of the company with reports analysing the various processes; implementation of the MES system for integrated production process management through machine interconnection; dematerialisation of paper documents; and updating of the technological infrastructure and adaptation of IT security procedures.

The complex, ambitious programme, which began in 2020, will involve the whole group and will view the many young people present in all areas as the driving force for implementing the new measures and acquiring skill and mastery in the new tools as crucial to rising to face the challenges of the near future.



Quality of the organisation

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



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

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

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

The Covid-19 pandemic has stressed the importance of a robust, resilient food system that functions in all circumstances and is capable of ensuring that citizens have a sufficient supply of affordable food. Our company system has been called upon to make the great effort needed to meet the sudden increase in demand for our products in Italy and worldwide, standing by our customers with our customary reliability and implementing all the necessary protocols to ensure the safety of our people.



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



Increase in workforce

Loyalty of our clients

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

Working in the private labels market with a large client portfolio spread throughout the world is an ambitious challenge. Varying consumer preferences demand constant collaboration with clients and great production flexibility in terms of recipe formulation 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 realised 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 75% of turnover in the past two years, 8 have been our clients for at least ten years.

Regarding overseas markets, and excluding the subsidiary LDH, which alone accounts for more than 43% of La Doria's foreign turnover, the top 10 clients account for over 57% sales abroad. Of these, 9 clients have been loyal to La Doria for at least 10 years.



LOYALTY OF MAIN LA DORIA CLIENTS IN ITALY

ITALY	2019	2020
Percentage of turnover from top 10 clients	74%	77%
Years of loyalty of the 10 top clients	Number of clients	
Between 0 and 6 years	0	
For at least 7 years	2	
For at least 10 years	8	

LOYALTY OF MAIN LA DORIA OVERSEAS CLIENTS

OVERSEAS EXCLUDING LDH	2019	2020
Percentage of turnover from top 10 clients	62%	64%
Years of loyalty of the 10 top clients	Number of clients	
Between 0 and 6 years	0	
For at least 7 years	1	
For at least 10 years	9	

LOYALTY OF TOP LDH CLIENTS (LA DORIA PRODUCTS)

OVERSEAS TURNOVER FROM LDH	2019	2020
Percentage of turnover from LDH's	39%	43%
Percentage of turnover from top 5 LDH clients	90%	92%
Years of loyalty of the top 5 clients	Number of clients	
Loyal for at least 10 years	5	

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

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

Our People

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

The Group has **774** employees in Italy and **89** in the United Kingdom, of which **820** under permanent contracts. These people are the solid base on which the company is founded²⁸. 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 **878** seasonal workers²⁹ on temporary contracts. Such workers enjoy the same protection as others on our production lines and receive all necessary training to carry out their work in a safe way to the highest quality standards of the company. As a confirmation of the attention that La Doria reserves for these workers, a high percentage work with us on an annually repeating basis, during peak production periods, or are offered longer-term contracts.

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

La Doria is committed to ensuring a workplace environment free of discrimination, as per statutory law upon equal opportunities in the workplace. In the coming years, La Doria is committed to formalising a three-year action plan on diversity and inclusion.

La Doria therefore complies with statutorily-established salary levels and those under national collective bargaining.

In addition, supplementary company agreements providing more favourable company benefits, in addition to bonuses on the basis of objectives achieved, have been established.

GROUP PERSONNEL BY ROLE, GENDER AND AGE BRACKET AT 31/12/2020

	Total	Men		Women	
Executives	26	24	92%	2	8%
< 30	0	0	0%	0	0%
30-50	7	6	86%	1	14%
> 50	19	18	95%	1	5%
Managers	40	30	75%	10	25%
< 30	2	0	0%	2	100%
30-50	24	19	79%	5	21%
> 50	14	11	79%	3	21%
White-collar	280	155	55%	125	45%
< 30	36	16	44%	20	56 %
30-50	174	94	54%	80	46%
> 50	70	45	64%	25	36%
Blue-collar	517	470	91%	47	9%
< 30	97	91	94%	6	6%
30-50	298	269	90%	29	10%
> 50	122	110	90%	12	10%
TOTAL	863	679	79%	184	21%

²⁸ The GRI Content Index gives more detailed information on average training hours (indicator GRI 102-8).

²⁹ The number of seasonal workers refers to the total number of seasonal workers engaged over the course of the year.

The ratio between average female/male salaries at La Doria is reported below, indicating for executives a disparity of 33%, for managers of 10%, for white-collar workers of 9% and for blue-collar workers of 3%, due only in part to a greater number of men with more years of seniority and consequently higher average salary levels.

AVERAGE FEMALE/MALE SALARY RATIO LA DORIA

	2019	2020
Executives	67%	67%
Managers	90%	92%
White-collar	90%	91%
Blue-collar	98%	97%

AVERAGE FEMALE/MALE SALARY RATIO LDH

	2019	2020
Executives	64%	78%
White-collar	80%	65%

Importance of the local community and opportunities for young people

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

DATA ON TURNOVER OF PERMANENT PERSONNEL IN ITALY

	Annual hires			2019			2020			Annual departures			2019			2020		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women			
Total new hires	72	61	11	35	30	5	Total departures	54	47	7	23	21	2					
< 30 years	37	32	5	20	15	5	under 30	12	11	1	9	9	-					
30-50 years	29	23	6	14	14	-	30-50 years	13	12	1	6	4	2					
over 50	6	6	-	1	1	-	over 50	29	24	5	8	8	-					
New hire rate (%)	10.0%	10.3%	8.7%	4.7%	4.9%	3.8%	Departures rate (%)	7.5%	8.0%	5.5%	3.1%	3.5%	1.5%					

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

	Annual hires			2020			Annual departures			2020		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total new hires	226	185	41	Total departures	218	180	38					
under 30	135	108	27	under 30	124	102	22					
30-50 years	82	68	14	30-50 years	79	63	16					
over 50	9	9	-	> 50anni	15	15	-					
New hire rate (%)	29.2%	29.0%	30.4%	Departures rate (%)	28.2%	28.2%	28.1%					

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

	Annual hires			2019			2020			Annual departures			2019			2020		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women			
Total new hires	14	7	7	21	4	17	Total departures	11	3	8	11	3	8					
under 30	6	4	2	6	2	4	under 30	4	2	2	4	3	1					
30-50 years	7	3	4	10	2	8	30-50 years	3	-	3	4	-	4					
over 50	1	-	1	5	-	5	over 50	4	1	3	3	-	3					
New hire rate (%)	17.3%	17.9%	16.7%	23.6%	10%	34.7%	Departures rate (%)	13.6%	7.7%	19.0%	12.4%	7.5%	16.3%					

The project was born from the company's ongoing and long-term corporate strategy of investment in human capital. It is a privileged channel for selecting, training and developing key human resources for the Group's production sites. 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.

The program, conceptually simple, is quite complex in its structure and implementation, consisting of a series of steps towards a single goal: choosing the right people in which to invest, offering them real opportunities to stay in their environment and community.

The programme involves:

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

The extended closure of secondary schools and the use of remote schooling in 2020 due to the ongoing health emergency have forced the company to suspend the project in 2021. This temporary pause is needed to understand how the pandemic and the school system as a whole are reacting, but also to adapt the project to the new social rules imposed by the health emergency.

In 2020 the work-study placement project in partnership with a local scientific secondary school was suspended. This project aimed to introduce students to the food and agriculture industry, including in-depth looks at issues relating to quality, research and development, planning, marketing, company organisation and workplace safety.

2020 saw the beginning of a collaboration with the Department of Economics, Management and Institutions at the University Federico II of Naples, where the company contributed to the organisation of the Master's in Marketing and Service Management. In addition to economic support, the partnership involves internships at the company and the development of project work focusing on business analysis of the company's sector of operation.

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

The company, with this competition, has awarded 9 deserving students, 5 of whom are children of La Doria employees, with a contribution for the year 2020 of a total of approx. Euro 15,000. Though this intervention is not directly related to the training and development of people inside the company, it is still a worthy commitment to supporting people who are part of the La Doria family, encouraging university education for deserving students from lower income families and people from the entire local community.

Training and development

The ability of the company to be competitive on the market and to maintain growth necessarily relies on the development of its people. Product diversification and the speed of technological development would have a limited impact if it were not for a strong investment in professional growth. Corporate know-how is consolidated through a set of coordinated actions including training programs, individual and group coaching and career path development. In 2020 the Company spent around Euro 138,000 on training activities. The main training topics focus on the development of new products and food safety, production skills, line maintenance, workplace safety, linguistic abilities, and updating administrative-accounting skills. During this year of social distancing and restricted movement, the online training platform was a central tool for spreading and expanding company knowledge. Six new courses on ESG topics were added in 2020. 28% of employees completed the Human Rights course in 2020.

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

ANNUAL HOURS OF TRAINING

Hours of training	2019	2020
Total	13.922 ³⁰	7.138
- of which temporary	731	651

As shown in the table, total training hours were halved in 2020, primarily due to the health emergency.

In 2020 a Potential Assessment Project was carried out on some personnel to analyse their individual skills and characteristics and steer their development within the company towards current and future management positions.

In 2021, in addition to consolidation of the programmes and projects already underway, the following developments are expected:

1. Launch of the pilot programme Competences Management, based on the competence models adopted; The project, originally planned for 2020, was postponed due to the outbreak of the pandemic, which resulted in new priorities, and the launch of the Employee Potential Assessment project, which is, in a certain sense, a precursor to a performance assessment program.
2. Organization of initiatives relating to diversity and inclusion issues, including the creation of an interdepartmental committee.
3. As compatible with the course of the pandemic and governmental measures, safety refresher training, suspended in 2020, will be resumed.

³⁰ The figure has been restated from that published in the 2019 NFR as total hours did not include temporary staff hours.

Health and safety

With regard to the health and safety of workers, La Doria has made a significant commitment in recent years through initiatives focusing on greater worker involvement. La Doria is increasingly focused on supporting and establishing an effective safety culture at its facilities. This approach made it possible to deal with the Covid-19 emergency as promptly and effectively as possible.

To formalise its commitment to this issue, La Doria has obtained OHSAS 18001:2007 Certification for all its facilities: for its Management System, while also certifying its compliance at the end of 2020 with the UNI EN ISO 45001:2018 standard. An integral part of the System is the Policy, which is available to all workers and stakeholders. The documentation supporting the Safety Management System includes:

- a) the Manual of Occupational Health and Safety, which describes and illustrates the Occupational Health and Safety Management System and the characteristics and strategic and market aspects of the company;
- b) analysis of Context, stakeholders, risk and opportunity analysis;
- c) the Occupational Health and Safety Procedures, which cover all the points of the UNI ISO 45001:2018 Standard and ensure that it is correctly applied to guarantee full compliance.

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

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

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

In accordance with law, La Doria has a Prevention and Protection Service with Managers and Focal Points appointed at each facility, supporting the relative assigned roles. HSPPO's (Health and Safety Prevention and Protection Officers) are formally assigned to provide operational support for all facilities.

The Prevention and Protection service produces the Risk Assessment Document (RAD), identifies Prevention and Protection measures and training and education needs, prepares an annual Programme to coordinate prevention activities, organises and implements periodic workplace visits and meetings, and liaises with the Appointed Doctor.

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

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

Any event that may cause injury or damage to property, equipment, or the surrounding environment is governed by a specific procedure (Accident and injury investi-

gations and corrective and preventive measures). This procedure calls for an accident/injury report and a systematic analysis of the causes of the event. The fundamental aim of this investigation is to identify and evaluate possible:

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

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

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

Constant attention is paid to training and awareness raising among both

ACCIDENT RATE BY GENDER

Accident rate ³¹	2019	2020
Total	20.32	17.39
- men	22.88	21.07
- women	10.89	2.87

³¹ The accident rate is calculated as follows: (accidents/hours worked) *1,000,000.

permanently contracted employees and seasonal workers employed during peak production periods. The minimum training requirements for homogeneous groups of workers are thus listed in an attachment to the Risk Assessment Documents for each plant. Training activities are carried out in accordance with the Central Government-Regions Agreement of 2011, with periodic refresher sessions. The efficacy of all training initiatives is assessed by administering questionnaires on the topics examined.

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. Certification of the occupational health and safety management system from the OHSAS 18001 standard to the new ISO 45001 standard was planned and executed in 2020.

Covid emergency management

The Covid-19 epidemiological emergency that we have faced since March 2020 has posed a complex challenge for the entire nation. Against this backdrop of extreme suffering and uncertainty regarding the time needed to return to normality and the extent of the economic recovery, La Doria reacted with great strength and determination to ensure the supply to the markets of our products at a particularly difficult time for Italy and the entire world, in which household food consumption significantly rose and retail sales of packaged foods saw double-digit increases.

This was also made possible because - thanks to the sense of responsibility of all our employees - the Group never stopped, not even at the peak of the epidemic, remaining extraordinarily committed to its efforts to guarantee our customers and consumers access to our products and thus ensure the continuity of food production, an essential sector.

La Doria had three priorities in managing the emergency: protecting the wellbeing of its own people, supporting the community and ensuring business continuity.

From the start of the outbreak, our priority has been the safety of our employees, guaranteed by adopting specific protocols and taking all health measures, in compliance with the instructions from the competent authorities. A Central Crisis Committee was immediately set up to monitor the implementation of the operational instructions set out in the "Document on Organizational Measures put in place to contain the spread of Covid-19 in the workplace". The Committee played a fundamental role in promptly deciding how to implement the extraordinary legislative measures related to the health emergency and to ensure constant verification of the implementation of all the safety measures necessary to guarantee full protection of workers. All actions taken by the Group during the crisis were identified by following the recommendations of the World Health Organisation and applying the measures and recommendations provided by the national and local authorities, in some cases in advance or with the addition of stricter measures, where necessary in agreement with the competent doctors.

Work environments were sanitised and subject to extraordinary sterilisation. Events and visits to the Group's facilities by external personnel were suspended, as were business trips, with the exception of domestic trips required to ensure continuity of production.

Group employees who, in order to ensure continuity of production, continued to work in physical presence, were paid a bonus in addition to that granted by the Italian government under Decree Law No. 18 of March 17, 2020. During the Christmas holidays, the Company also paid all employees an additional Euro 500, in the form of electronic shopping vouchers to thank them for their dedication.

In addition to these measures, stricter social distancing rules were introduced, by alternating workstations, separating desks with plexiglass panels where necessary



and requiring the use of a face mask. In response to the Covid-19 epidemiological emergency, insurance coverage for hospitalisation for Covid-19 was also taken out in March 2020 to protect all employees.

During the Covid-19 emergency, La Doria offered support to the community by donating its products to charitable organisations such as the Banco Alimentare food bank and donating funds to research associations and to support the purchase of medical equipment and medical to strengthen regional health facilities to cope with the state of crisis.

The Covid-19 crisis situation also served as an opportunity to improve organisational culture. In early 2020, the Company implemented the MS Teams application, which enabled the necessary continuity of work in safe conditions during the health emergency by maximising access to tools for communication and collaboration between colleagues, including from mobile devices, and increasing the opportunities for interaction.



Italian identity

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

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

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

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

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

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



100%

The fresh tomatoes are 100% Italian



Made in Italy

100% of products are produced at our Italian plant



100%

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

The strength of Made of Italy

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

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

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

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

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

Italian excellence across the world



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

With a goal of exporting not only products, but Italian values and flavours, the "Cook Italia"³² brand was launched on the British market almost a decade ago, distributed by the British subsidiary LDH. The company was therefore able to not only promote the

taste and tradition of the Italian agro-food sector, but also extend its range to British supermarkets.

www.cookitalia.co.uk

Encompassing the best tradition of the Italian food industry

"*Tradizione Italiana* - Italian food tradition" is a consortium, with La Doria as one of the main founders, representing Italian culinary excellence and promoting the quality of Italy's agro-food sector. In addition to strengthening Italy's presence on the international markets, the consortium provides an opportunity to develop synergies among members both at production and commercial and distribution levels.

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



The product portfolio is extremely broad, covering a range of food categories, including pasta, tomato-based products, olive oil, mozzarella, dried fruit, coffee, wine and other traditional products.

A vast range of Italian tradition specialised products are offered, exporting the taste and flavours of the Mediterranean.

www.italianfoodtradition.com

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

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

This document comprises the Consolidated Non-Financial Declaration (hereafter also the “**Sustainability Report**”), prepared in accordance with Legislative Decree 254/16 and, as stated in Article 5 of the same Decree, is separate from the Directors’ Report. It reports upon the **material topics established by Articles 3 and 4 of Legislative Decree 254/16 with regards to financial year 2020** (from January 1 to December 31), to the extent necessary to ensure understanding of the company’s activities, its performance, its results and the related social and environmental impacts. In particular, the definition of the material topics for the La Doria Group (hereafter also the “Group”) and for the stakeholders, is undertaken on the basis of a materiality analysis, as described in the “Definition of material topics” paragraph of this document.

The Sustainability Report’s reporting scope is the same as the La Doria Group’s Consolidated Financial Statements³³ as at December 31, 2020. The Acerra facility has been included in the environmental data, since the ongoing safety measures continue to affect consumption and produce waste, despite the cessation of production activities at the facility. On the other hand, LDH (La Doria) Ltd. has been excluded since it is a company with no production activities and whose environmental aspects were not considered relevant to ensure the understanding of the Group’s business activities and the impact produced by it. For further information on the corporate structure, please refer to the Group’s annual documents: the Financial Report and the Corporate Governance Report, both available on the company’s website.

The 2019 figures are reported for comparative purposes, in order to support an assessment of the performance. The restatement of the comparative data previously published is clearly indicated as such. Furthermore, the use of estimates has been limited as much as possible to give a correct representation of performance and to ensure data reliability. Where use has been made of estimates these are based on the best available methodologies and are reported appropriately.

In 2020, no further significant changes in relation to the size, consolidation scope, organisational structure, ownership structure and supply chain of the Group took place.

The 2020 Sustainability Report was prepared in compliance with the “GRI Sustainability Reporting Standards”, fixed by Global Reporting Initiatives (GRI) according to the “in accordance - Core” option. The “Food processing sector Disclosures” published by the GRI in 2014 were also taken into consideration. The presence of content

responding to the guidelines is indicated in the text by means of identification codes shown at the beginning of the relevant paragraphs.

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

The update to the Sustainability Plan was approved by the Board of Directors on March 15, 2021.

Fight against bribery and corruption

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

³³ The list of Group companies consolidated line-by-line may be viewed in the section “Content of the Consolidated Financial Statements” in the Explanatory Notes to the Consolidated Financial Statements of La Doria S.p.A. at December 31, 2020.

Social aspects, personnel and respect for human rights

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

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

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

Environment

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

In 2020, the **reporting policy** for the Consolidated non-financial report was finalised and adopted by the parent company and the subsidiaries. The La Doria Group remains committed to ongoing improvements on all sustainability aspects in order to increasingly comply with best sector practices and to support dialogue with its stakeholders.

This Sustainability Report is prepared annually and was submitted to the Control, Risks and Sustainability Committee and was subsequently approved by the Board of Directors of Doria S.p.A. on March 15, 2021.

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

drawn up by La Doria S.p.A. pursuant to Legislative Decree No. 254/16.

The 2020 Sustainability Report was made public also on the website www.gruppoloria.it.

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

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

sustainability@gruppoloria.it

Definition of the material issues

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

The 2020 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 *Sustaina-*

bility Accounting Standards Board (SASB)³⁴, of the expectations of La Doria's main clients³⁵, both national and international, and of benchmarking conducted on sustainability communications by a panel of national and international players.

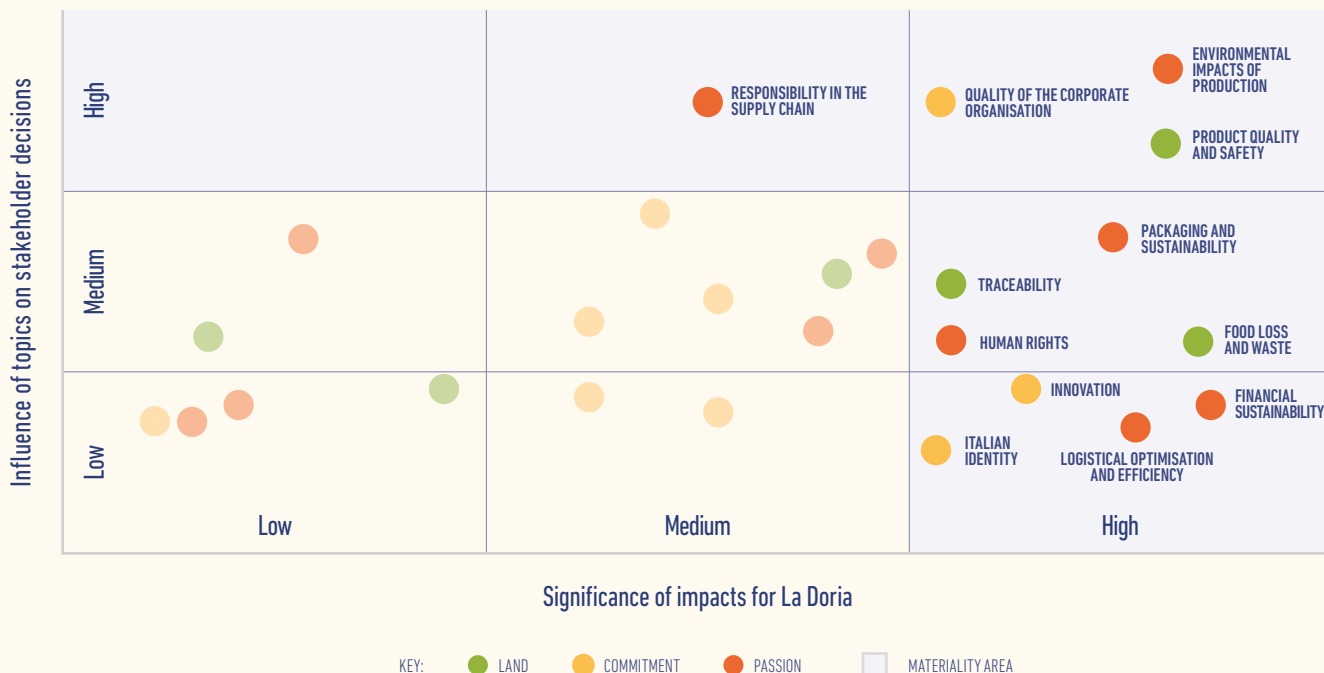
Once the relevant issues had been identified, a workshop with corporate management defined the matrix positioning of the themes in view of the impacts they might have on La Doria, of the company's ability to govern such impacts and of the influence on Group stakeholder decisions.

Shareholder involvement was important in creating the materiality matrix. A survey was conducted on certain categories of stakeholders (employees, customers and suppliers) who may affect the Company's ability to achieve its objectives. Recent years have seen a

gradual maturation in the process for involving stakeholders in sustainability issues: from a first phase focussed solely on listening, to a second stage based on consultation conducted through questionnaires.

This iteration was submitted for examination by the Technical Sustainability Committee, Control, Risks and Sustainability Committee, the Chairman and the Chief Executive Officer and approved by the Board of Directors on November 12, 2020. The material themes validated for this reporting cycle are those presented in the matrix shown below.







THE MATERIALITY MATRIX 2020



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

³⁵ 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 recognised 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 minimising and managing impacts associated with facility production processes.	●		●		●	●
Environmental impact on production	Minimise and correctly manage the impacts of the production processes: energy consumption, water consumption, emissions, waste.			●	●	●	●
Human rights and responsibility throughout the supply chain	Commitment to promoting and ensuring responsible conduct along the supply chain, with particular reference to the protection of human rights, to working conditions, to raw material supplier health and safety, to raw material prices and other aspects related to ethical conduct and relations with producers and suppliers.	●	●	●	●	●	
Packaging sustainability	Paying attention to the environmental footprint of packaging used in terms of the efficiency of materials used (packaging reduction), the origin and sustainability of the materials and consumer packaging recyclability.		●	●	●	●	●
Logistics optimisation and efficiency	Guaranteeing logistics efficiency and consequent reduction of environmental impacts deriving from product distribution activities.		●	●	●	●	
Economic sustainability	Economic results of the company and distribution of generated value to stakeholders.			●		●	
Innovation	Product innovation: working constantly on the search for new products and on responding to the ongoing evolution in consumer food habits and customer needs. Some areas of particular interest are: premium, organic, gluten-free and halal products, etc. Process innovation: replacement of machinery and renewal/innovation in production facilities with the aim of streamlining processes and reducing/minimising the negative impacts of facilities.	●		●		●	●
Quality of the corporate organisation	Corporate know-how, efficiency and responsiveness in meeting client needs. Consolidation of client relations and perceived quality of products and services.			●		●	
Italian identity	The importance of the origin of our products such as our 100% Italian tomatoes, Italian chickpeas, Italian fruit pulp (apricot, peach, pear and apple), and, for all products made with raw materials of non-Italian origin, the importance of their processing in Italy.	●		●		●	

CORRELATION BETWEEN THE MATERIAL ASPECTS AND GRI ASPECTS

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

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

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

GRI Content Index

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclosure	Description	Number of page (or link)																																																																																																																					
ORGANISATIONAL PROFILE																																																																																																																								
GRI 102 General information 2016	102-1	Name of the organisation	p. 26																																																																																																																					
	102-2	Activities, brands, products, and services	p. 16-17																																																																																																																					
	102-3	Location of the organisation's headquarters	p. 93																																																																																																																					
	102-4	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics	p. 17																																																																																																																					
	102-5	Ownership and legal form	p. 26-27 For further details, reference should be made to the Corporate Governance Report available on the Group website: www.gruppoloria.it																																																																																																																					
	102-6	Markets served	p. 17																																																																																																																					
	102-7	Scale of the organisation	p. 6-7 For further details, reference should be made to the Corporate Governance Report available on the Group website: www.gruppoloria.it																																																																																																																					
	102-8	Total number of employees by employment contract, work typology, location and gender	In addition to the information reported at page 82 the table with the other data required by the indicator follows <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Workforce at 31-12</th> <th colspan="2">Facilities in Italy</th> <th colspan="2">LDH</th> </tr> <tr> <th colspan="2">(by type of contract)</th> <th>2020</th> <th>2019</th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Permanent employees</td> <td>737</td> <td>717</td> <td>83</td> <td>77</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>607</td> <td>590</td> <td>39</td> <td>38</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>130</td> <td>127</td> <td>44</td> <td>39</td> <td></td> <td></td> </tr> <tr> <td>Fixed-term contracts</td> <td>37</td> <td>48</td> <td>6</td> <td>4</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>32</td> <td>43</td> <td>1</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>5</td> <td>5</td> <td>5</td> <td>3</td> <td></td> <td></td> </tr> <tr> <td>Full-time contract</td> <td>697</td> <td>683</td> <td>84</td> <td>77</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>581</td> <td>570</td> <td>40</td> <td>39</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>116</td> <td>113</td> <td>44</td> <td>38</td> <td></td> <td></td> </tr> <tr> <td>Part-time contract</td> <td>77</td> <td>82</td> <td>5</td> <td>4</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>58</td> <td>63</td> <td>0</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>19</td> <td>19</td> <td>5</td> <td>4</td> <td></td> <td></td> </tr> <tr> <td>Total employees</td> <td>774</td> <td>765</td> <td>89</td> <td>81</td> <td></td> <td></td> </tr> <tr> <td>Total men</td> <td>639</td> <td>633</td> <td>40</td> <td>39</td> <td></td> <td></td> </tr> <tr> <td>Total women</td> <td>135</td> <td>132</td> <td>49</td> <td>42</td> <td></td> <td></td> </tr> </tbody> </table>		Workforce at 31-12		Facilities in Italy		LDH		(by type of contract)		2020	2019	2020	2019	Permanent employees	737	717	83	77			- men	607	590	39	38			- women	130	127	44	39			Fixed-term contracts	37	48	6	4			- men	32	43	1	1			- women	5	5	5	3			Full-time contract	697	683	84	77			- men	581	570	40	39			- women	116	113	44	38			Part-time contract	77	82	5	4			- men	58	63	0	0			- women	19	19	5	4			Total employees	774	765	89	81			Total men	639	633	40	39			Total women	135	132	49	42	
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GRI Standard	Disclosure	Description	Number of page (or link)												
GRI 102 General information 2016	102-8	Total number of employees by employment contract, work typology, location and gender	The table below indicates the total percentage of new hires on seasonal contract <table border="1"> <thead> <tr> <th colspan="2">Seasonal contracts</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td colspan="2">Number of seasonal workers hired in the year</td> <td>878</td> </tr> <tr> <td colspan="2">- Men</td> <td>424</td> </tr> <tr> <td colspan="2">- Women</td> <td>454</td> </tr> </tbody> </table> <p>The number of personnel hired at the facility (p. 18-23) are period-end figures</p>	Seasonal contracts		2020	Number of seasonal workers hired in the year		878	- Men		424	- Women		454
	Seasonal contracts		2020												
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	- Men		424												
	- Women		454												
	102-9	Description of the organisation's supply chain	p. 24-25												
102-10	Any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	p. 92													
102-11	Whether and how the precautionary approach or principle is addressed by the organisation	p. 32													
102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	p. 30-33, 58-62													
102-13	Involvement in national and/or international sector associations	p. 35													
STRATEGY AND ANALYSIS															
GRI 102 General information 2016	102-14	Statement from the most senior decision-maker upon the importance of sustainability for the organisation and its sustainability strategy	p. 4-5												
ETHICS AND INTEGRITY															
GRI 102 General information 2016	102-16	Values, principles, standards and conduct norms, such as conduct codes or ethics codes	p. 27-33												
GOVERNANCE															
GRI 102 General information 2016	102-18	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	p. 27												
STAKEHOLDER ENGAGEMENT															
GRI 102 General information 2016	102-40	List of stakeholders involved	p. 34-35												
	102-41	Percentage of total employees covered by collective bargaining agreements	100% of workers are hired under collective contracts												
	102-42	Process for identification of stakeholders	p. 34												
	102-43	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p.34-35												
	102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded	p. 34-35												

GRI Standard	Disclosure	Description	Number of page (or link)
REPORTING PRACTICE			
GRI 102 General information 2016	102-45	Entities included in the Consolidated Financial Statements and those not included in the sustainability report	p. 92
	102-46	Process for defining the report content and the Aspect Boundaries	p. 94-96
	102-47	List all the material aspects identified in the process for defining report content	p. 94-95
	102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	p. 92
	102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	p. 96
	102-50	Reporting period	p. 92
	102-51	Date of most recent previous sustainability report	March 30, 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the sustainability report or its contents	p. 93
	102-54	Claims of reporting in accordance with the GRI Standards	p. 92
	102-55	GRI content index	p. 97-106
	102-56	External declaration of report	p. 107-109

SPECIFIC STANDARD DISCLOSURES

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions
CATEGORY: ECONOMIC				
RELEVANT ASPECT: ECONOMIC PERFORMANCE				
GRI 103 Management approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 72-75	-
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	p. 73-74	-
RELEVANT ASPECT: PROCUREMENT PRACTICES				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 58-63, 72, 75 http://www.gruppoladoria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers at significant locations of operation	p. 74	-
RELEVANT ASPECT: CORRUPTION				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 92-96 http://www.gruppoladoria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-
GRI 205 Anti-corruption 2016	205-1	Transactions assessed for risks related to corruption	p. 30-32 La Doria identified five areas to be assessed for risks related to corruption. The risks associated with corruption were analysed in the development of Model 231	-
	205-2	Communication and training about anti-corruption policies and procedures	p. 31-32	-
RELEVANT ASPECT: INCOME TAXES				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 72-75, 94-96 https://www.gruppoladoria.it/IT/corporate-governance/modello-organizzativo.xhtml	-
GRI 207 Tax 2019	207-1	Approach to tax	p. 74-75	-
	207-2	Tax governance, control and risk management	p. 74-75	-
	207-3	Stakeholder engagement and management of concerns related to tax	p. 74-75	-
	207-4	Country-by-country reporting	p. 74-75 Please refer to the Consolidated Financial Statements for financial, operating and tax information related to this indicator. Full disclosure of the information required by this indicator will be refined in subsequent reporting.	-

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions
CATEGORY: ENVIRONMENT				
RELEVANT ASPECT: MATERIALS				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 43, 46-48, 64-67	-
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	
	103-3			
GRI 301 Materials 2016	301-1	Materials used by weight or volume	p. 43, 66	-
	301-2	Percentage of materials used that are recycled input materials	p. 64-65	-
RELEVANT ASPECT: ENERGY				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 52-56	-
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	
	103-3			
GRI 302 Energy 2016	302-1	Energy consumption within the organisation	p. 54	-
	302-3	Energy intensity	p. 54	-
	302-4	Reduction of energy consumption	p. 53-54	-
RELEVANT ASPECT: WATER				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 52, 55-56	-
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	
	103-3			
GRI 303 Water 2018	303-1	Interactions with water as a shared resource	p. 55-56	-
	303-2	Management of water discharge-related impacts	p. 55-56	-
	303-3	Water withdrawal	p. 56	-
	303-4	Water discharge	p. 56	-
	303-5	Water consumption	In 2020, 365 mL of water was consumed	-
RELEVANT ASPECT: EMISSIONS				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 52-54, 101	-
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	
	103-3			
GRI 305 Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Direct Group emissions (Scope 1): tCO ₂ eq 52,958 The emissions are calculated on the basis of the conversion factors supplied by MinAmbiente 2021	-
	305-2	Indirect greenhouse gas (GHG) emissions (Scope 2) – Location Based	Indirect Group emissions (Scope 2): tCO ₂ eq 8,459 ³⁸ The emissions are calculated on the basis of the conversion factors ISPRA 2020	-
		Indirect greenhouse gas (GHG) emissions (Scope 2) – Market Based	Indirect Group emissions (Scope 2): tCO ₂ eq 12,950 The emissions are calculated on the basis of the conversion factors outlined in the document: AIB "Residual Mix 2020 factor"	-
	305-4	Greenhouse gas (GHG) emissions intensity	Group GHG intensity (Scope 1 and 2) (tCO ₂ /t product): 0.10 Market-Based Group GHG intensity (Scope 1 and 2) (tCO ₂ /t di product): 0.15	-

³⁸ Total indirect emissions also include the 48 tCO₂ from Acerra.

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions						
RELEVANT ASPECT: EFFLUENTS AND WASTE										
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 55-56	-						
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml							
	103-3									
GRI 306 Effluents and Waste 2016	306-1	Total water discharge by quality and destination	p. 56	-						
	306-2	Total weight of waste by type and disposal method	p. 55	-						
RELEVANT ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT										
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 102	-						
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml							
	103-3									
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers assessed according to environmental criteria	All our key suppliers of raw materials are assessed on environmental factors	-						
CATEGORY: TOPICS										
SUB-CATEGORY: LABOUR PRACTICES										
RELEVANT ASPECT: EMPLOYMENT										
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 82-87, 102	-						
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml							
GRI 401 Employment 2016	401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region		p. 83 GROUP TURNOVER (LA DORIA AND LDH, EMPLOYEES ON FULL-TIME AND PART-TIME CONTRACTS)	-					
			2020			2019				
			Total			Men		Women		
			Total new hires	247		189	58	216	180	36
			<30	141		110	31	115	98	17
			30-50	92		70	22	89	71	18
			>50	14		9	5	12	11	1
			New hires rate	28.6%		27.8%	31.5%	25.5%	26.8%	20.7%
			Total departures	229		183	46	175	142	33
			<30	128		105	23	84	72	12
	30-50	83	63	20	53	40	13			
>50	18	15	3	38	30	8				
Departures rate	26.5%	27.0%	25.0%	20.7%	21.1%	19.0%				
401-2	Employee benefits by type of contract	All Executives and some Group Managers and Employees are provided with a company car The daycare/pre-school contribution is provided only to permanent employees at the Parma facility as based on the level II agreements in place before the acquisition Meal vouchers are issued to all full-time employees, to part-time employees at the Parma facility and to part-time employees at all other facilities, working for at least 230 days per year		-						

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions																																									
ASPETTO RILEVANTE: HEALTH & SAFETY																																													
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 86-87, 103	-																																									
	103-2		http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml																																										
	103-3																																												
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	p. 86-87	-																																									
	403-2	Hazard identification, risk assessment, and incident investigation	p. 86-87	-																																									
	403-3	Occupational health services	p. 86-87	-																																									
	403-4	Worker participation, consultation, and communication on occupational health and safety	p. 86-87	-																																									
	403-5	Worker training on occupational health and safety	p. 85-87	-																																									
	403-6	Promotion of worker health	p. 86-87	-																																									
	403-8	Workers covered by an occupational health and safety management system	p. 86-87 100% of employees at Italian facilities	-																																									
	403-9	Work-related injuries	In addition to the information reported at page 86 we present the following summary <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Group</th> </tr> <tr> <th style="text-align: center;">2020</th> <th style="text-align: center;">2019</th> </tr> </thead> <tbody> <tr> <td>Number of recordable injuries³⁹</td> <td style="text-align: center;">30</td> <td style="text-align: center;">35</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">29</td> <td style="text-align: center;">31</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">1</td> <td style="text-align: center;">4</td> </tr> <tr> <td>of which temporary</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Rate of recordable workplace injury</td> <td style="text-align: center;">17.39</td> <td style="text-align: center;">20.32</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">21.07</td> <td style="text-align: center;">22.88</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">2.87</td> <td style="text-align: center;">10.89</td> </tr> <tr> <td>Rate of lost work days</td> <td style="text-align: center;">282.96</td> <td style="text-align: center;">497.08</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">321.12</td> <td style="text-align: center;">510.82</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">132.11</td> <td style="text-align: center;">446.4</td> </tr> </tbody> </table> <p>In 2020, there were no deaths or workplace accidents with serious consequences (as defined in this GRI).⁴⁰ The main types of injuries that occurred were collisions and cuts. In 2020, 6 accidents during commute occurred (not considered in the summary table). In 2020 no accidents involving outside company employees took place. In 2020 LDH did not report any workplace accidents.</p>		Group		2020	2019	Number of recordable injuries³⁹	30	35	- men	29	31	- women	1	4	of which temporary	0	0	- men	0	0	- women	0	0	Rate of recordable workplace injury	17.39	20.32	- men	21.07	22.88	- women	2.87	10.89	Rate of lost work days	282.96	497.08	- men	321.12	510.82	- women	132.11	446.4	-
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403-10	Occupational illnesses	In 2020 an employee occupational illness was recognised ⁴¹ <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="3">Cases of occupational illness</th> <th colspan="2" style="text-align: center;">2020</th> <th colspan="2" style="text-align: center;">2019</th> </tr> <tr> <th style="text-align: center;">Men</th> <th style="text-align: center;">Women</th> <th style="text-align: center;">Men</th> <th style="text-align: center;">Women</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Cases of occupational illness	2020		2019		Men	Women	Men	Women	1	0	0	1	-																													
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	Men	Women		Men	Women																																								
	1	0	0	1																																									

³⁹ Calculated excluding accidents during commute.

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

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

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions																															
RELEVANT ASPECT: TRAINING AND EDUCATION																																			
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 85, 104 http://www.gruppoladoria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-																															
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee by gender, and by employee category	In addition to the information reported at page 85 below the tables ⁴² Average training hours <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="2">2020⁴³</th> <th colspan="2">2019</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">6.2</td> <td colspan="2" style="text-align: center;">12.8</td> </tr> <tr> <th>Men</th> <th>Women</th> <th>Men</th> <th>Women</th> </tr> <tr> <td style="text-align: center;">5.6</td> <td style="text-align: center;">8.3</td> <td style="text-align: center;">11.6</td> <td style="text-align: center;">16.1</td> </tr> </tbody> </table> Average hours of training by role <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Executives</td> <td style="text-align: center;">1.1</td> <td style="text-align: center;">14.6</td> </tr> <tr> <td>Managers</td> <td style="text-align: center;">8.1</td> <td style="text-align: center;">12.9</td> </tr> <tr> <td>White-collar</td> <td style="text-align: center;">9.6</td> <td style="text-align: center;">14.3</td> </tr> <tr> <td>Blue-collar</td> <td style="text-align: center;">5.4</td> <td style="text-align: center;">12.4</td> </tr> </tbody> </table> This data exclusively concerns Group personnel working in Italy. The data is not available for the subsidiary LDH.	2020 ⁴³		2019		6.2		12.8		Men	Women	Men	Women	5.6	8.3	11.6	16.1		2020	2019	Executives	1.1	14.6	Managers	8.1	12.9	White-collar	9.6	14.3	Blue-collar	5.4	12.4	-
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RELEVANT ASPECT: DIVERSITY AND EQUAL OPPORTUNITY																																			
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 94-96, 11, 82-83, 93 http://www.gruppoladoria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-																															
GRI 405 Diversity and Equal Opportunities 2016	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	p. 28, 82-83	-																															
	405-2	Remuneration ratio total women to men in same category	p. 83	-																															
RELEVANT ASPECT: LABOUR PRACTICES AND GRIEVANCE MECHANISMS																																			
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 58, 94-96 http://www.gruppoladoria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-																															
GRI 406 Non-Discrimination 2016	406-1	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	p. 60-61, 86-87	-																															

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

⁴³ The figure includes training hours provided to temporary staff: men 13.5 average hours; women 8 average hours.

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions
SUB-CATEGORY: HUMAN RIGHTS				
RELEVANT ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 58-63, 94-96, 105 http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-
	103-2			
103-3				
GRI 412 Human Rights Assessment 2016	412-1	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	p. 60	-
	412-2	Employee training on policies or procedures on human rights	The training course was uploaded to the e-learning platform which is available to all employees. In 2020 28% of employees completed the Ethics Code course and 6% the Human Rights course made available in 2019. Around 170 hours were devoted to the Ethics Code and 47 to human rights	-
RELEVANT ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 58-63, 94-96, 105 http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-
	103-2			
103-3				
GRI 414 Supplier Social Assessment 2016	414-1	Percentage of new suppliers that were screened using labour practices criteria	The percentage of new raw material suppliers subject to control for working conditions is 100%	-
	414-2	Significant actual and potential negative human rights impacts in the supply chain and actions taken	p. 59-63	-
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
RELEVANT ASPECT: CUSTOMER HEALTH AND SAFETY				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 38, 94-96 http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-
	103-2			
103-3				
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	p. 38-40 100% of product and service categories assessed on the basis of their health and safety impacts	-
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no cases of non-compliance with regulations and/or self-regulation codes relating to the impact on product and service health and safety	-
GRI 417 Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	p. 42	-
	417-2	Incidents of non-compliance with regard to information and labelling of products and services	No cases of non-compliance with regulations and/or self-regulatory codes on information and labelling of products and services were recorded in 2020	-

DMA & Indicators	Disclosure	Description	Number of pages or specific	Omissions
RELEVANT ASPECT: TRANSPORT				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 68-70, 94 http://www.gruppoloria.it/IT/chi-siamo/qualita-e-sicurezza.xhtml	-
RELEVANT ASPECT: INNOVATION				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 78-79, 94	-
RELEVANT ASPECT: ITALIAN IDENTITY				
GRI 103 Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its scope; management method and its components; assessment of management methods	p. 88-89, 94	-

G4 SECTOR DISCLOSURES

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



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

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter also "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of La Doria Group (the "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 15, 2021 (the "NFS").

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

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

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

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

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including

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documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

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

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

Specifically we carried out the following procedures:

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

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



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

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

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

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of La Doria Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Mariano Bruno
Partner

Naples, Italy
March 31, 2021

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



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