



LAND

COMMITMENT

PASSION

2017 Consolidated Non-Financial Disclosure
Sustainability Report

La Doria Group

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Antonio Ferraioli
Chairman

Dear reader,

As outlined in our first Sustainability Report in 2017, commitment to sustainability on a daily basis has always guided our work and stems from an awareness that profit is no longer the only measure of business results, but that a company's true value is also measured by how it operates and generates shared value for all of its stakeholders.



Andrea Ferraioli
Chief Executive Officer

A strong business and the common good are not mutually exclusive, with an enterprise's success deriving not only from the creation of economic value, but also its ability to deliver social benefits.

Values such as legal compliance, ethics, transparency, respect for workers' rights, environmental protection and community development are at our core and apply to everything we do. They permeate the way we work and are part of every link of the La Doria Group value chain - from the procurement of raw materials, right through to the production of our goods.

Every day, we take every possible measure to ensure that our raw materials meet the highest quality, safety and traceability standards and that waste is minimised throughout the entire production chain. We constantly strive to do better and expect the same from our business partners - from farmers all the way through to customers. We are committed to guaranteeing and promoting safe and responsible working conditions and to mitigating the company's environmental impacts.

This Sustainability Report clearly communicates to stakeholders the Group's guiding values, policies and commitments and its performance in relation to sustainable and responsible development.

It details results and improvements implemented with regards to the various aspects of sustainability, in particular in terms of product quality, safety and traceability various

aspects of sustainability, in particular in terms of product quality, safety and traceability, supply chain responsibility, packaging sustainability, logistics efficiency, resource efficiency, customer focus and the development and well-being of the individual.

We are aware that there is still much to be done, and that we can do more and do it better. Therefore, in our second Sustainability Report, we have set ourselves more specific short-term goals so as to improve our social and environmental impact over time.

Particular areas in which we need to work harder and commit ourselves even more are those connected to the environmental impact of production, through focusing investment on energy efficiency and better production processes, water resource optimization and the cutting of waste volumes and CO₂ and greenhouse gas emissions.

We additionally are targeting the greater use of sustainable packaging, made from recycled or renewable materials or sourced from responsibly managed forests, reduced overall packaging volumes, the reuse of packaging and the elimination of all unnecessary packaging.

We will also promote and continue to develop projects in collaboration with farmers' organizations to provide tools and solutions for efficient and responsible agronomic management.

At the same time, we will promote and strengthen supply chain agreements in support of farmers by favouring long-term contracts that offer greater guarantees to businesses and encourage investments in productivity.

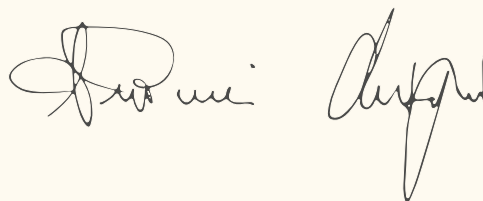
Furthermore, we have always been committed to local development and will continue to support our local communities through a range of social responsibility initiatives which, in particular, reward the youth.

We will increasingly incorporate our sustainability goals into our strategy, governance and business processes. Though not a simple challenge to undertake, it is one we believe we can deliver upon thanks to our in-built drive towards continuous improvement.

We firmly believe that sustainability is a critical tool in helping La Doria to achieve its long-term growth and stability goals, improving competitiveness and strengthening its reputation among customers, suppliers, investors and potential employees.

Sustainability and its embedding into the fabric of the business however require two essential conditions: the engagement of top management and all employees, and the instillation of a culture of sustainability at all levels - not only internally but also in the community at large. We will work towards this goal as considering it the only way to build a beneficial and shared approach to integrating sustainability.

Today more than ever we are aware that there is no alternative to sustainable and responsible growth for a company intent on standing the test of time. We view this as an obligation as well as the correct choice considering the new expectations and demands of a changing world. We have chosen to seize this opportunity as success can only be long-term if it creates shared value.



The fruits of our labour

669.1 mln €

Revenues
(95% from the private labels market)

0.43

Ratio
Debt/Equity

1.63

Ration
Debt/EBITDA

9%

EBITDA
Margin

The Land

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



100%

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



45

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 in our desire to see the best of Italian traditions appreciated and stand out in terms of quality and excellence.



100%

fresh Italian tomatoes



79.3%

of revenues
from overseas

7

Production
facilities

746

Personnel

599 mln kg

production



100%

traceability of
our products



94%

of waste recycled



639,743 €

value of products donated



94%

of metal can requirements
satisfied internally



15 km

average distance from
most-used outsourced
warehouses



94%

economic value generated
distributed to our stakeholders



100%

products made at our plant
in Italy



42%

energy needs satisfied internally



23

top Italian and overseas
clients with us for at least 8
years

The sector challenges

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

The global population is expected to grow to 9.7 billion by 2050, which will require the current global food production of 8.4 billion tons to almost double to 13.5 billion tons. Approximately 50% of the production required to satisfy the increased demand in 2050 must come from land which is currently already cultivated¹. This is essential in order to ensure that the growing global population has access to adequate nutrition and is safeguarded from the impacts that climate change may have on agricultural production.

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

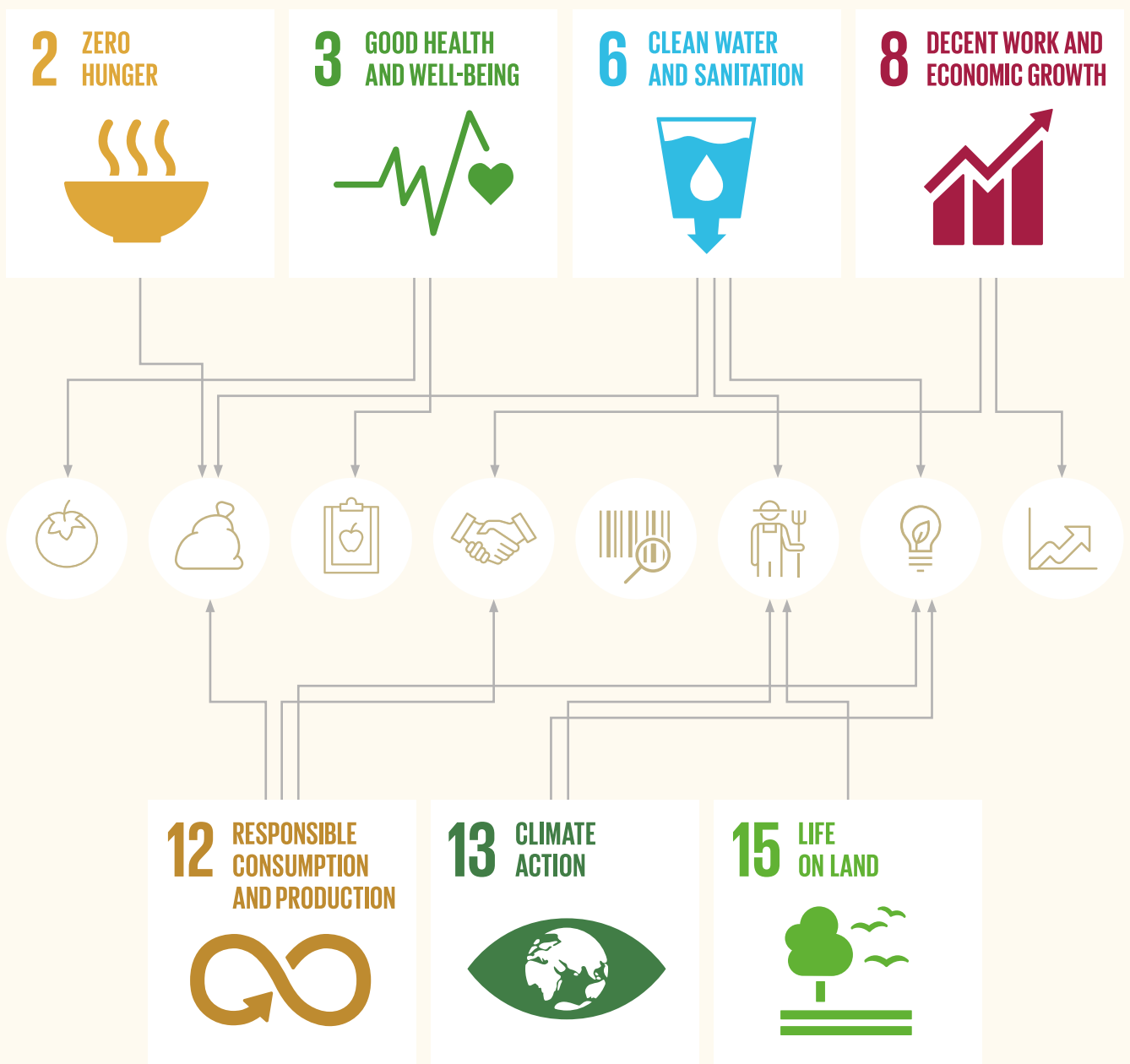
 <p>QUALITY AND SAFETY</p> <p>These are at the heart of the sustainability challenges for the sector, with clients and consumers placing particular attention on this issue (in some cases prepared to pay more for products which they perceive as safer or of higher quality). Over recent years, a number of 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 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 precision farming provide new tools to tackle, for example, water waste, the overuse of soil, the use of chemical agents and the repercussions on ecosystems.</p>	 <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: "Strategic work of FAO for Sustainable Food and Agriculture", FAO. 2017

Nations Sustainable Development Goals (SDG's²). Approved in 2015, the 17 objectives are broken down into 169 achievements to be reached by 2030. Pursuit of the Global Agenda for sustainable development no longer exclusively concerns national governments, but requires the direct involvement of a wide network of actors, including institutions and organisations, but also businesses and civil society. These objectives are increasingly key reference points for businesses as they draw up medium to long-term sustainability strategies.



In particular, the food sector sustainability challenges include a number of the specific SDG's.














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

Highlighting La Doria's contribution to delivering upon the Sustainable Development Goals (SDG's) of the United Nations, our key areas of focus for the coming two years are presented below. We expect in our 2018 reporting an improvement on the quantitative goals due to the commitments undertaken.

In particular, the food sector sustainability challenges include a number of the specific SDG's.

UN SDGs	Material Aspects	Areas of commitment	Commitment
 		<p>GOVERNANCE OF SUSTAINABILITY</p>	<ul style="list-style-type: none"> • Continue to circulate the Group principles outlined in the Ethics Code and in Company Policies • Implement the Enterprise Risk Management (ERM) system • Continuously update the 231 Models and the Ethics Code and train the Managers of the Areas involved • Prepare and formalise the human rights policy • Provide human rights training
   	<p>ENVIRONMENTAL IMPACTS OF PRODUCTION</p>	<p>ENERGY EFFICIENCY</p> <p>OPTIMISE USE OF WATER, REDUCE EMISSIONS AND WASTE</p>	<ul style="list-style-type: none"> • Support energy efficiency investment at Group plant and offices • Improve production processes to reduce waste and inefficiencies (CO₂ emissions, greenhouse gases, water consumption, waste) • Support the circular economy • Extend existing environmental certifications to all facilities • Increase controls on environmental aspects, with support also of third parties
	<p>COMPANY QUALITY SYSTEM</p>	<p>SAFETY</p> <p>PERSONNEL</p>	<ul style="list-style-type: none"> • Continue to encourage a safety culture at all Group facilities • Increase training hours on non-obligatory training • Prepare performance assessment and management tools and feedback tools based on equal opportunity principles • Assess inclusion in the MBO system of Sustainability-related elements • Encourage a sustainability culture through a training plan module for new hires • Create a dedicated training space for the e-learning platform • Formalise a diversity policy

UN SDGs	Material Aspects	Areas of commitment	Commitment	
     	SUPPLY CHAIN RESPONSIBILITY	SUPPLIERS	<ul style="list-style-type: none"> Promote registration of suppliers on the Sedex platform Promote and consolidate collaborations with grower organisations, making available tools and solutions for the sustainable use of agro-pharmaceuticals and to streamline agronomic operations, improving quality and harvests 	
	ECONOMIC SUSTAINABILITY			REGION
	FOOD LOSS AND WASTE			
 	PRODUCT QUALITY AND SAFETY	QUALITY	<ul style="list-style-type: none"> Continue to ensure a high level of food quality and safety through the adoption of a food quality and safety management system Offer our customers products which increasingly suit their dietary requirements (e.g. salt and sugar reduction) 	
	INNOVATION			
	TRACEABILITY			
  	PACKAGING SUSTAINABILITY	PACKAGING	<ul style="list-style-type: none"> Promote the use of CHEP pallets, permitting the continued reuse of materials and thus reducing waste, CO₂ emissions and consequently environmental impact Continue to self-produce a significant quantity of packaging, reducing costs and transport related impacts Increasing the use of packaging made using renewable sources and recycled materials Promote the reduction of packaging volumes and unnecessary packaging 	
	LOGISTICS OPTIMISATION AND EFFICIENCY			

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

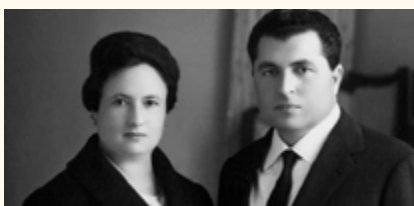
The company was founded in 1954 and the La Doria brand registered in 1957.

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.



LA 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

[G4-4; G4-8]

Our products

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



TOMATO-BASED PRODUCTS

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



PULSES VEGETABLES

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



READY-MADE SAUCES

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



OTHER PRODUCTS

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

In 2017, Group revenues reached Euro 669.1 million. 95% of consolidated revenues are generated from private label products, while slightly under 4% relate to products sold under the company brand³.

The pulses, vegetables and canned pasta line includes cooked pulses, baked beans ready-made soups, carrots and canned pasta.

The line performed very strongly in 2017, featuring significantly higher volumes both on the domestic and international markets. Industrial activity sales prices contracted, essentially due to heightened competition across all markets, including the UK where the

REVENUES BY PRODUCT LINE IN 2017

Product line	Revenue %
Tomato-based products	21%
Pulses vegetables	28%
Fruit juices	11%
Ready-made sauces	13%
Other products (LDH)	27%

³ The remainder (approx. 1%) concerns the sale of industrial brand products.

La Doria brands



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



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



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



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



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

depreciation of Sterling temporarily favoured local producers. In this environment, the Group focused on defending market share.

The trading activities of LDH in the United Kingdom saw stable prices on the basis of inflation, as cited above.

The red line saw stable volumes, with manufacturing activity sales prices contracting and trading activity prices remaining static on the basis of that stated above.

The sauces line includes ready-made sauces and meat-based, pesto, fish and white sauces, condiments and dressing sauces. Revenues reflect on the one hand very strong volume growth (particularly overseas) and on the other stable prices.

The fruit line, which includes juices and beverages produced by the parent company La Doria S.p.A., in addition to canned fruit marketed by the subsidiary LDH on the English market, reported stable prices and a drop in volumes on the domestic market following the loss of a discount channel order due to extremely aggressive competitor pricing.

Finally, the other lines, referring principally to products sold by the subsidiary LDH on the British market, reported significantly improved sales volumes and an increase in prices due to the above-mentioned inflationary effect following the weakening of UK Sterling against the Euro and the Dollar, in which the purchases of the main products imported are denominated such as dry pasta, tuna, salmon, canned sweet corn and other products.

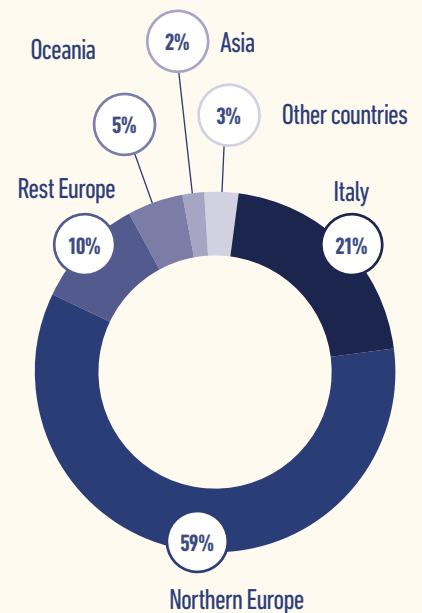
The markets

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

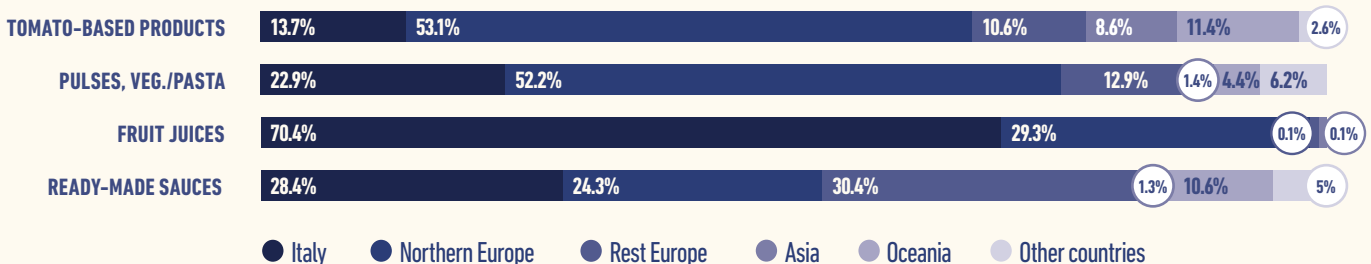
The main market for La Doria's products is Northern Europe and in particular the United Kingdom, thanks mainly to the subsidiary LDH (La Doria) LTD. The company has also gained strong positioning on the German, Scandinavian, Australian and Japanese markets. La Doria is the leading exporter of distributor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

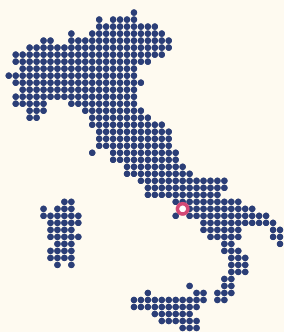




The production facilities

[G4-EN8; G4-EN15; G4-EN16⁴; G4-EN18⁵]

Angri



AREA

102,000 mq

HOURS WORKED 2017

455,027

PRODUCTION

Tomatoes, fruit juices and beverages, pulses, vegetables and pasta, metal cans and lids.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, BRC, IFS, KOSHER, ORGANIC, 100% ITALIAN TOMATOES, 100% ITALIAN ORIGIN FRUIT

FULL-TIME EMPLOYEES

184

PART-TIME EMPLOYEES

76

SEASONAL EMPLOYEES

170

QUANTITIES PRODUCED (GROSS KG)

2017

	2017
TOMATO-BASED PRODUCTS	61,754,528
PULSES AND VEGETABLES	129,051,814
FRUIT JUICES	77,306,223
TOTAL	268,112,565

WATER SOURCED

2017

2016

	2017	2016
GROUNDWATER IN M ³	1,011,641	984,362

GHG EMISSIONS

2017

2016

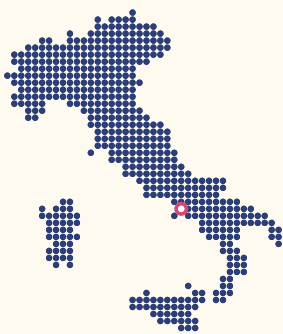
	2017	2016
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	19,169	17,799
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	1,209	837
GHG INTENSITY (TON CO ₂ /TONS OF PRODUCT)	0.08	0.07

⁴ Scope 2 emissions for 2016 were restated following the use of emission factors contained in the document "Emission factors for the production and consumption of electricity in Italy" year 2014.

⁵ The GHG Intensity index (tCO₂/tonnes of product) is calculated considering total Scope 1 and Scope 2 emissions.



Sarno



AREA

195,000 mq

HOURS WORKED 2017

313,920

PRODUCTION

Tomatoes, fruit juices and beverages, pulses, canned vegetables and pasta, metal cans.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, BRC, IFS, ORGANIC, KOSHER, 100% ITALIAN TOMATOES, 100% ITALIAN ORIGIN FRUIT

FULL-TIME EMPLOYEES

125

PART-TIME EMPLOYEES

35

SEASONAL EMPLOYEES

96

QUANTITIES PRODUCED (GROSS KG)

2017

	2017
TOMATO-BASED PRODUCTS	59,301,277
PULSES AND VEGETABLES	154,835,406
FRUIT JUICES	11,626,436
TOTAL	225,763,119

WATER SOURCED

2017

2016

	2017	2016
GROUNDWATER IN M ³	745,353	656,029

GHG EMISSIONS

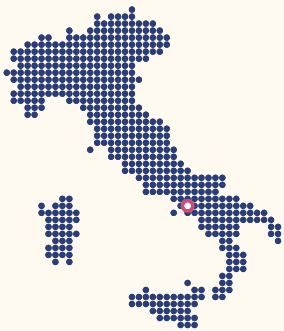
2017

2016

	2017	2016
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	11,778	10,751
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	3,458	4,236
GHG INTENSITY (TON CO ₂ /TONS OF PRODUCT)	0.07	0.08



Fisciano



AREA

112,000 mq

HOURS WORKED 2017

181,877

PRODUCTION

Tomatoes, pulses, vegetables and pasta.

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, BRC, IFS, ORGANIC, KOSHER, 100% ITALIAN TOMATOES

FULL-TIME EMPLOYEES

33

PART-TIME EMPLOYEES

11

SEASONAL EMPLOYEES

250

QUANTITIES PRODUCED (GROSS KG)

2017

TOMATO-BASED PRODUCTS	73,662,608
PULSES AND VEGETABLES	7,878,517
TOTAL	81,541,125

WATER SOURCED

2017

2016

GROUNDWATER IN M ³	206,885	199,047
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	1,376	3,073

GHG EMISSIONS

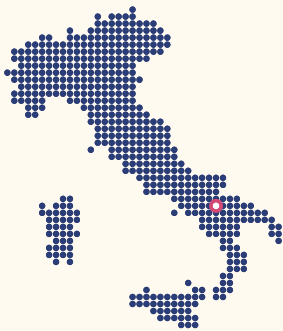
2017

2016

DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	6,598	5,831
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	1,270	1,364
GHG INTENSITY (TON CO ₂ /TONS OF PRODUCT)	0.1	0.1



Lavello



AREA

270,000 mq

HOURS WORKED 2017

146,589

PRODUCTION

Tomatoes and fruit puree

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001,
BRC, IFS, ORGANIC, 100% ITALIAN
TOMATOES, 100% ITALIAN ORIGIN
FRUIT

FULL-TIME EMPLOYEES

26

PART-TIME EMPLOYEES

7

SEASONAL EMPLOYEES

309

QUANTITIES PRODUCED (GROSS KG)

2017

	2017
TOMATO-BASED PRODUCTS	55,711,246
FRUIT PUREE	5,241,900
TOTAL	60,953,146

WATER SOURCED

2017

2016

	2017	2016
GROUNDWATER IN M ³	280,100	328,300
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	6,009	5,787

GHG EMISSIONS

2017

2016

	2017	2016
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	4,100	3,307
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	796	728
GHG INTENSITY (TON CO ₂ /TONS OF PRODUCT)	0.08	0.08



Faenza



AREA

24,000 mq

HOURS WORKED 2017

22,755

PRODUCTION

Fruit purees

CERTIFICATIONS

ISO 9001, ISO 14001, OHSAS 18001, ORGANIC, 100% ITALIAN ORIGIN FRUIT

FULL-TIME EMPLOYEES

8

SEASONAL EMPLOYEES

19

QUANTITIES PRODUCED (GROSS KG)

	2017
PUREE DI FRUTTA	11,245,900
TOTAL	11,245,900

WATER SOURCED

	2017	2016
GROUNDWATER IN M ³	73,328	87,333
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	2,368	3,199

GHG EMISSIONS

	2017	2016
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	617	801
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	218	253
GHG INTENSITY (TON CO ₂ / TONS OF PRODUCT)	0.07	0.07



Acerra



AREA

24,000 mq

HOURS WORKED 2017

126,310

PRODUCTION

Tomato-based products and ready-made sauces

CERTIFICATIONS

ISO 9001, OHSAS 18001, BRC, IFS, ORGANIC and 100% ITALIAN TOMATOES

FULL-TIME EMPLOYEES

62

PART-TIME EMPLOYEES

20

SEASONAL EMPLOYEES

40

QUANTITIES PRODUCED (GROSS KG)

2017

	2017
TOMATO-BASED PRODUCTS	3,157,046
READY-MADE SAUCES	27,496,263
TOTAL	30,653,309

WATER SOURCED

2017

2016

	2017	2016
GROUNDWATER IN M ³	355,040	353,370
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	22,617	25,390

GHG EMISSIONS

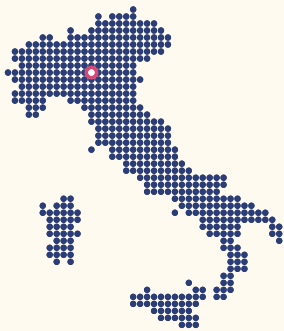
2017

2016

	2017	2016
DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	2,173	2,319
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	799	806
GHG INTENSITY (TON CO ₂ /TONS OF PRODUCT)	0.1	0.1



Parma



AREA

108,000⁶ mq

HOURS WORKED 2017

218,307

PRODUCTION

Ready-made sauces

CERTIFICATIONS

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

FULL-TIME EMPLOYEES

116

PART-TIME EMPLOYEES

62

QUANTITIES PRODUCED (GROSS KG)

2017

READY-MADE SAUCES	55,234,405
TOTALE	55,234,405

WATER SOURCED

2017

2016

GROUNDWATER IN M ³	294,117	238,185
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M ³	927	330

GHG EMISSIONS

2017

2016

DIRECT EMISSIONS (SCOPE 1) IN CO ₂ EQUIVALENT TONNES	5,071	4,729
INDIRECT EMISSIONS (SCOPE 2) IN CO ₂ EQUIVALENT TONNES	348	250
GHG INTENSITY (TCO ₂ /TONNES OF PRODUCT)	0.1	0.1

⁶ In 2017, the increase in the size of the Parma facility from 84,000 sq. m. in 2016 to 108,000 sq. m. is due to the purchase of land adjacent to the facility to be used for the construction of a new automated warehouse

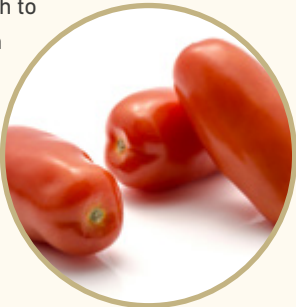
The product journey

[G4-12]



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

The processed raw materials are undoubtedly the most sensitive purchases and the Group value chain management strategy seeks to develop 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 and in Asia - as Italian production capacity is not sufficient to cover domestic needs. Despite this, La Doria has launched a project for the procurement of chickpeas from Italy. The company deals with major producers to procure pulses on the American market, while on the Asian market deals with raw material collectors for a number of local growers. Again in this case, extensive collaboration is undertaken to guarantee high product quality and safety standards.



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

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

Strategic procurement is also employed in terms of the materials 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. As outlined in greater detail in the logistics efficiency section, La Doria seeks as best as possible to leverage the proximity of plant to the ports of Naples and Salerno, optimising distribution to Europe, while trucks will continue to be favoured for Italian distribution. The products, finally, are sold to consumers under the brands of the various retail chain clients of La Doria.



The La Doria Group

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

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

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

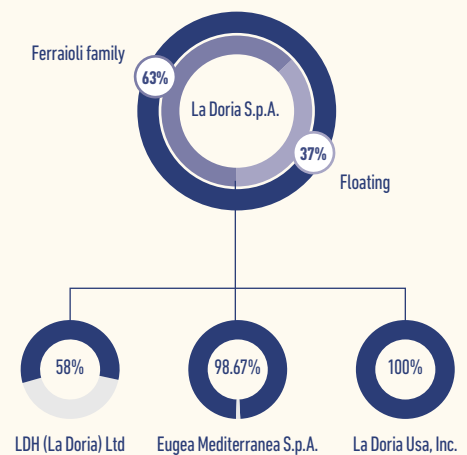
The Group subsidiaries are:

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

Expansion through diversification

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

GROUP STRUCTURE



Integrity and transparency

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

Group Governance

The La Doria S.p.A. Corporate Governance system⁷ is based on a set of regulations, conduct and processes formulated to guarantee efficient and transparent corporate governance and effective functioning of the corporate boards and control systems. The company complies with the principles and applicable criteria of the Self-Governance Code for listed companies, issued by Borsa Italiana. The Governance adopted by La Doria ensures correct and transparent management of information and the protection of all shareholders, in line with best national and international practice. This system was 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.

COMPOSITION OF THE BOARD AT 31/12/2017

Composition of the Board	2017	2016
Total members	9	8
- men	6	6
- women	3	2
< 35 years	1	0
35-54 years	2	1
> 54 years	6	7

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 comprises 9 members, of which 3 are Independent Directors. The presence of three female Directors ensures gender balance. Within the Board, the Remuneration and Appointments Committee and the Risks Committee with consultative and proposal functions have been set up. The Board of Statutory Auditors oversees compliance with Law and the By-Laws, with the principles of correct administration, the adequacy of the structure in terms of the aspects

⁷The 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.

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.

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 etc.).*



The company website is updated in a consistent and timely manner with all information concerning the La Doria Group and the main corporate documentation. In particular, the Corporate Governance and Investor Relations sections make available the information and documentation of importance to the financial community and for shareholders to assist them to knowledgeably exercise their rights.

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

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

In order to ensure that the conduct of all those operating on behalf of or in the interest of the company is consistently in line with the principles of legality, correctness and transparency in conducting business and company activities, the Group in 2008 adopted an Operating and Internal Control Organisational Model in accordance with

Legislative Decree No. 231/2001⁸, which makes reference both to the indications contained in the Confindustria Guidelines and best practices applied in Italy. The La Doria Model comprises a General Section and a Special Section, broken down into seven sub-sections dedicated to specific categories of offenses. Specifically, section I is dedicated to "Offenses against Public Sector", section II to "Corporate offenses", section III to "Market abuses", section IV to "Workplace Health and Safety Offenses", section V to "Offenses against Industry and Commerce", section VI to "Environmental Offenses" and section VII to "Offenses concerning the employment of illegal aliens". These sections 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.

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

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

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

The Ethics Code is an integral part of the Model and combined they represent an additional protection and sense of responsibility in terms of internal and external relations, offering at the same time shareholders appropriate efficient and correct management guarantees.

La Doria encourages all stakeholders to report possible violations of the Ethics Code, ensuring them attentive and effective management of such communications. In 2017, the Supervisory Board received a single report from employees concerning alleged violations of the Ethics Code, which was checked and archived as considered unfounded.

In 2017, the company officialised 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.

⁸The General Part of the Model and the Ethics Code are available on the company website <http://www.gruppoladoria.it/EN/index.xhtml> in the Corporate Governance section. The Italian subsidiary Eugea Mediterranea has also adopted an Organisational Model.

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 in 2017 of a maximum legality rating for the parent company by the Communications Authority (AGCM).

The overseas subsidiary in 2017 formalised and officialised the anti-bribery policy. In 2017, an e-learning platform was launched and in 2018 training hours shall be provided on Legislative Decree 231/01, on the Organisational Model and on the offenses covered, including Public Sector corruption, Corruption among private parties and Incitement to corruption. All new hires are trained upon the Ethics Code.

Respect for Human Rights

La Doria is committed to supporting within its spheres of influence the global human rights conduct standard, establishing

- human resource management policies and procedures in line with Italian regulations and the main international standards;
- the inclusion of ethical standards in supplier agreements;
- ethical parameters such as integrity and the respect of human and labour rights in the selection of raw material suppliers;
- channels to receive reports on violations of the Ethics Code principles; in particular for workers employed in the tomato fields, not directly employed by La Doria SpA but by agricultural businesses, a channel was created which permits the anonymous reporting of situations of risk. The creation of this "whistleblowing" system is also accompanied by an awareness-raising kit to combat illegal hiring practices.

In 2017 the Group formalised a "*Modern slavery statement*"⁹ 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.

For 2018, the La Doria SpA Ethics Code shall be updated in line with international human rights principles.

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

⁹ The document is available on the company website, http://www.gruppoladoria.it/assets/documents/The_Modern_Slavery_Statement_2016.pdf

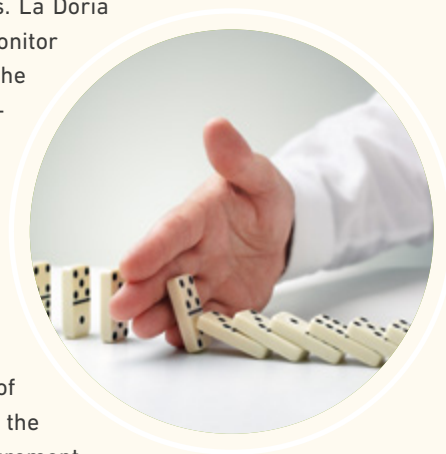
correct manner and in line with the risk management objectives. The coordination between the various parties involved in the internal control and risk management system is achieved through the sharing among the parties of all significant information concerning the system. This takes place in an institutional manner through the participation of the principal actors in the internal control and risk management system at the meetings of the Control and Risks Committee. In particular, the Internal Audit Manager, the Chairman of the Committee, the Vice Chairman of the Board of Directors and at least one of the members of the Board of Statutory Auditors, in addition, for the meetings relating to issues of a financial nature and compliance with Law 262, the Executive Officer, participate at the Committee. The Director in charge of the Internal Control and Risk Management System meets on a weekly basis with the Internal Audit Manager, discussing any significant issues in relation to the carrying out of the audit plan. Also to coordinate on issues of common interest, the Board of Statutory Auditors and the Independent Audit Firm organised and held during the year various joint meetings, in addition to those annually required by the applicable regulation.

In particular, the La Doria SpA risk management system considers also the risks related to climate change, with regards to major weather phenomenon which may potentially threaten the Group's operating continuity, risks related to the growing interest of the community and customers in lower environmental impact industrial processes, and more in general with regards to social responsibility, such as for example the implementation of the correct working conditions which La Doria demands of all its suppliers.

In particular, the risks related to compliance regarding safety and environmental matters and 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 environmental regulations and those for the protection of workers. All La Doria Facilities are OHSAS 18001 certified, while the Angri, Sarno, Fisciano, Lavello and Faenza facilities are ISO 14001 certified.

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.

Specifically, all the 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

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

The involvement of the stakeholders and the frequency of dialogue with each varies according to the matters considered and the opportunities available to come together. We summarise below the main communication means and matters of interest.

INVOLVEMENT OF STAKEHOLDERS AND MATTERS CONSIDERED

Stakeholders map

Stakeholder	Involvement and communication	Matters of interest
Shareholders	<ul style="list-style-type: none"> Shareholders' Meeting Interim financial reports Corporate Governance Report 	<ul style="list-style-type: none"> Economic sustainability Quality of the organisation
Clients	<ul style="list-style-type: none"> Dedicated meetings Collaboration in the development of products and improvement of services Production facility visits 	<ul style="list-style-type: none"> Product quality and safety Food loss and waste Quality of the organisation Economic sustainability Responsibility throughout the supply chain Traceability Packaging sustainability Logistics optimisation and efficiency Innovation Italian identity
Personnel	<ul style="list-style-type: none"> Circulation of the Ethics Code Specific meetings and training Company intranet Company review (Elledi) 	<ul style="list-style-type: none"> Quality of the organisation Economic sustainability
Trade Unions	<ul style="list-style-type: none"> Periodic meetings 	<ul style="list-style-type: none"> Quality of the organisation Workplace health and safety
Financial community	<ul style="list-style-type: none"> Institutional website Press releases Interim financial reports Corporate Governance Report Roadshows and dedicated meetings 	<ul style="list-style-type: none"> Economic sustainability Quality of the organisation
Suppliers	<ul style="list-style-type: none"> Dedicated meetings Training courses on specific issues Site visits Institutional website 	<ul style="list-style-type: none"> Traceability Food loss and waste Responsibility throughout the supply chain Logistics optimisation and efficiency
Public sector and Local Authorities	<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 organisationsi	<ul style="list-style-type: none"> Membership of Confindustria both on a regional (Confindustria Salerno and Ravenna) and an industrial (ANICAV and AIIPA) basis and involvement in activities Organisation of events and conventions on specific issues 	<ul style="list-style-type: none"> Product quality and safety Responsibility throughout the supply chain Italian identity Food loss and waste Traceability
Local communities	<ul style="list-style-type: none"> Partnership Involvement of schools 	<ul style="list-style-type: none"> Quality of the organisation Economic sustainability Environmental impacts of Production



LAND

Product quality and safety
Traceability
Food loss and waste

Product quality and safety

Traceability
Food loss and waste

Product quality and safety

[G4-FP5]



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

In addition to complying with all applicable regulations, all our facilities have ISO 9001 certified quality management systems and are certified to at least one of the main food safety standards (IFS, BRC).

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



FACILITIES CERTIFICATIONS

Certifications at our facilities
ISO 9001, BRC, IFS



FOOD SAFETY

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

THE 3 STEPS TO OUR QUALITY:

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

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, and we 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.

For the tomatoes, La Doria then awards prizes for the top ten suppliers with the best performances.

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 labor errors. These systems have not only been introduced in La Doria's own facilities, but also in those of raw material suppliers.

These three steps are accompanied by assessments throughout the lifecycle of our products to verify and ensure their quality and safety. 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.

Complaints

During 2017, under the company's quality management system, 2,820 complaints were registered, slightly up on the previous year.

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 2017, the tomatoes and pulses lines reported a reduced number of complaints on 2016. This improvement is due both to collaboration with suppliers (tomatoes, pulses) and better technology at our facilities.

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

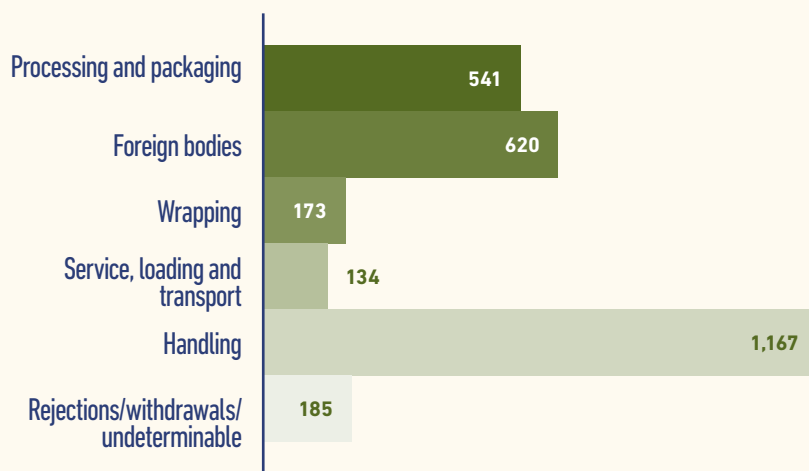
QUALITY COMPLAINTS BY PRODUCT LINE PER MILLION ITEMS SOLD (IN PPM) EXCLUDING LOADING, SERVICE AND TRANSPORT

Complaints regarding the quality of products	2017	2016
Tomatoes	2.51	2.94
Pulses	2.44	4.01
Pasta sauces and Pestos	1.59	1.98
Fruit	0.13	0.09

TOTAL NUMBER OF COMPLAINTS RECEIVED AND PERCENTAGE OF THOSE SETTLED

Complaints regarding the quality of products	2017	2016
Number of complaints received	2,820	3,625
Number of complaints settled during the year	100%	100%

2017 COMPLAINTS BY TYPE



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

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

To address the criticalities in product processing, tools have been introduced to production lines to verify the integrity of packs used and to ensure that the product is properly canned and sealed. This firm commitment has resulted in a reduction in the number of complaints concerning both canned tomato products and pulses compared to 2016.

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-colored irrigation accessories, so that the picking machines harvesting tomato produce can effectively identify and expel any collected rubber fragments. Technological advancements have also been introduced within processing plants to minimize the risk of foreign bodies in products, including automatic input selection, improved X-ray equipment and broken glass controls. In this regard, the firm commitment of recent years has led to a notable reduction in complaints.





Traceability

[G4-EN1]

Supply chains form an articulated and complex system, which require adequate control and management safeguards to mitigate risks to the product throughout its journey to the final consumer.

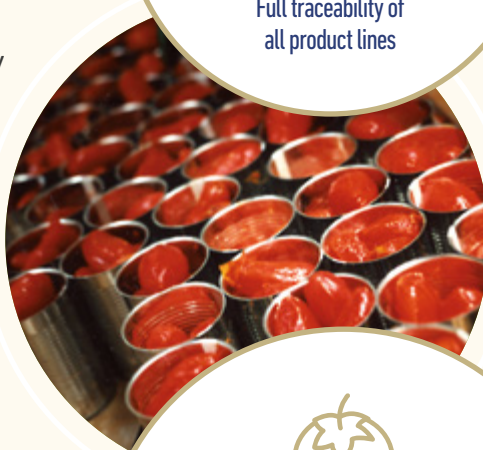
Traceability facilitates the identification of origins of risk factors and the implementation of appropriate measures in the suspected chain to prevent the reoccurrences of any issues.

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

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

TRACEABILITY

Full traceability of all product lines



TOMATOES

The traceability of tomato products right down to its cultivation lot

From 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.

To ensure that the system is effective, audits are carried out both internally and externally by ISO 9001, BRC and IFS Quality Management Systems' certification

GEOGRAPHICAL ORIGIN OF PRODUCTS (PERCENTAGE BREAKDOWN)

	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	EUROPE OTHER	ISRAEL
FRESH TOMATOES 223,191,094 KG	-	-	-	100%	-	-
VEGETABLES 58,318,583 KG	60%	10%	20%	6%	4%	-
FRESH FRUIT¹⁰ 12,903,176 KG	-	-	-	100%	-	-
FROZEN¹¹ 3,697,233 KG	-	20%	14%	9%	47%	10%

bodies, as well as by the subsidiary LDH in relation to its suppliers, other than La Doria, in order to verify full compliance with product traceability procedures. Additionally, the Group's major clients also carry out periodic product traceability controls.

La Doria's commitment to this concern is ever greater, since the company considers traceability an indispensable element to operating responsibly on the market. For this reason, the implemented traceability system is constantly evolving, with a progressive drive to adopt new technologies to improve its reliability.

In 2017, 31% of products were labeled with specific information on their origin. All products, as per legal requirements, are labeled with detailed information on their contents (i.e. ingredients) and on how to use and store them.

The journey of a tomato

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

¹⁰ Peaches, apricots, pears and apples processed in facilities to transform the fruit into puree for fruit juice production.

¹¹ Semi-processed fruit that is frozen and shipped to La Doria facilities to be transformed into juices and fruit-based beverages.

Food loss and waste



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

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

Additionally, we strive to maintain strong partnerships with

non-profit associations to which we can donate some of the products that are fit for consumption but cannot be sold to customers.



Reducing waste in our facilities

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

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

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



Less waste and a second life for processing by-products

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

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

QUANTITY OF RE-PURPOSED BY-PRODUCTS

	2017	2016
Peach stones (Kg)	352,240	487,280
Apricot stones (Kg)	262,840	232,200
Tomato skins (Kg)	6,157,850	4,494,500
Fruit skins (Kg)	1,485,680	1,351,120

products. In 2017, La Doria donated 2,365,040 products to charity, worth around Euro 615,330.

At the source

La Doria is not only engaged in the reduction of waste generated by raw material processing, over which it has direct control, but also constantly collaborates with suppliers to put in place measures to mitigate product loss in the agricultural production stage. Such collaboration takes different forms depending on the needs of suppliers, the organization of their agricultural activities and the type of relationship with the company.

PRODUCT DONATIONS BY LA DORIA



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

Again, in view of reducing waste during cultivation, several projects have been implemented to raise awareness and train agricultural suppliers on the use of innovative crop solutions. One example is the use of pheromone traps that, by monitoring the number of certain insects, allow plant protection measures to be applied only when strictly necessary. The introduction of technological and digital solutions 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
Responsibility throughout the supply chain
Packaging sustainability
Logistics optimisation and efficiency
Economic sustainability

Environmental impacts of production

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



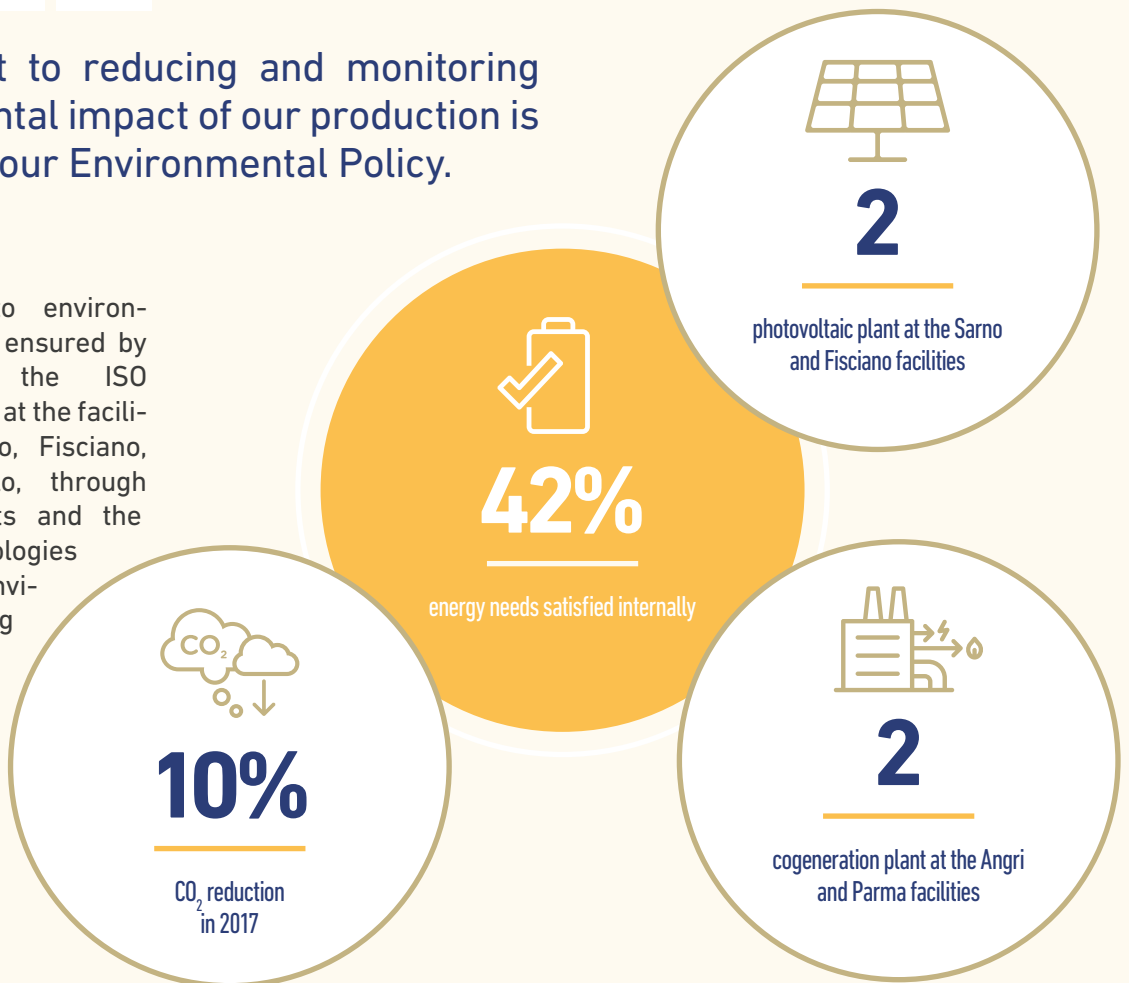
Environmental impacts of production

[G4-EN3; G4-EN5; G4-EN6;G4-EN8; G4-EN22; G4-EN23]



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 the facilities of Angri, Sarno, Fisciano, Faenza and Lavello, through development projects and the adoption of technologies which protect the environment by reducing inefficiencies and waste.



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

Power supply at our facilities

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

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

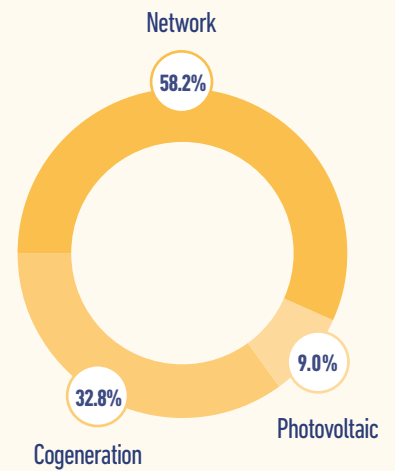
These photovoltaic and cogeneration plants are a key resource for the company, as they are able to supply approx. 42% of production electricity needs, while the remaining share is taken from the grid, as shown in the table

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 64% of the total.

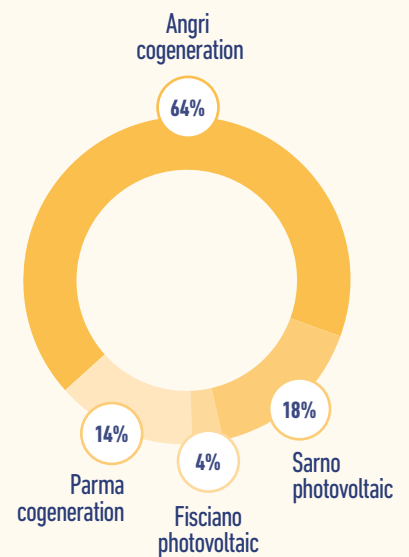
The introduction of the cogeneration plant has led to an increase in the demand for natural gas at the Angri and Parma facilities. To offset this increased demand, La Doria has implemented several heat recovery innovations that reduce gas consumption. At Angri, heat recovery plant, for example for the re-use of the cooling water used to heat the water for some pulses lines have been introduced. La Doria's cogeneration plant have received "High Yield of Cogeneration" (CAR)¹² recognition: this operating recognition is issued to facilities that are able to guarantee a high ratio of energy produced to energy consumed.

In terms of energy consumption, at Sarno over recent years initiatives included the following: the revamping of refrigeration cells, the introduction of a glycol¹³ plant, allowing the removal of the previous one, and the addition of inverters in well pumps. These and other similar interventions have reduced the facility's energy requirements over the last two years by approximately 1,056,023 kWh. In addition, in 2017 heat and energy recovery reduced consumption by 5,421 tCO₂.

ELECTRICAL CONSUMPTION BY SOURCE - 2017



SHARE OF ENERGY PRODUCED ON-SITE BY SOURCE



¹² 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.

¹³ Glycol is an antifreeze fluid.

The table below shows the aggregate data of all energy savings reductions achieved at the various facilities compared to the previous year. Natural gas reduction in 2017 reached 8% of the annual requirements of the Group's facilities.

ENERGY SAVINGS BY SOURCE

Source ¹⁴	2017		2016	
Electricity	544,585 kWh	1960.5 (GJ)	511,438 kWh	1841.2 (GJ)
Natural gas	1,906,239 m ³	75,105.8 (GJ)	2,228,886.1 m ³	87,818.1 (GJ)

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.

DATA ON ENERGY CONSUMPTION AND PRODUCTION IN GROUP FACILITIES

Energy consumed	2017		2016	
	(kWh)	(GJ)	(kWh)	(GJ)
Electricity ¹⁵	53,964,457	194,272.05	50,401,828	181,446.6
- from renewable sources ¹⁶	4,879,962	17,567.86	4,329,873	15,587.5
Natural gas	25,209,076 (m ³)	993,237.59	23,287,289 (m ³)	917,519.2

Energy self-produced ¹⁷	2017		2016	
	(kWh)	(GJ)	(kWh)	(GJ)
Electricity produced	18,199,270	65,517.37	18,368,050	66,125
Electricity self-consumed ¹⁸	17,697,436	63,710.77	17,560,209	63,216.8

Energy intensity index ¹⁹	2017		2016	
	MWh/ton	GJ/ton0,06	MWh/ton0,05	GJ/ton
	0.06	1.9	0.05	1.6

Less Waste and less wastefulness

Depending on specific production processes, various systems have either already been introduced or will be introduced in the coming years to provide solutions for minimizing waste or recovering production materials. At the Sarno facility, a unit for the treatment of production waste (i.e. tins of tomato products and pulses) has successfully been introduced that compacts the waste, re-purposes its contents as

¹⁴ 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

¹⁵ The data refers to the consumption of energy from the grid and from own production.

¹⁶ The renewable energy indicated here is that produced by photovoltaic plants on the roofs of the Sarno and Fisciano facilities.

¹⁷ This is the energy produced by the Group's facilities.

¹⁸ This self-consumed electricity represents the energy produced by the cogeneration plants that is consumed in the facilities themselves.

¹⁹ 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 being considered.

a nutrient for the bacteria of biological activated sludge treatment plants and sends other materials for recovery. This system permitted a reduction in the treatment of production waste at outside authorised centres of 24.63 tonnes on 2016.

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	2017	2016
Total weight (tons)	111.4	97.5
- destined for re-use or recycling	0	0
- destined for recovery	72.2	57.5
- destined for incineration	0	0
- destined for landfill	0	40
- other disposal	39.2	0
Non-hazardous waste		
	2017	2016
Total weight (tons)	29,970	31,218.4
- destined for re-use or recycling	0	0
- destined for recovery	28,250	30,779.3
- destined for incineration	0	0
- destined for landfill	0	439.1
- other disposal	1,750	0
Total waste (hazardous and non-hazardous)	30,081.4	31,315.9
Production volumes (tons)	599,992	662,434
Ratio of generated waste to production volumes	0.05	0.05

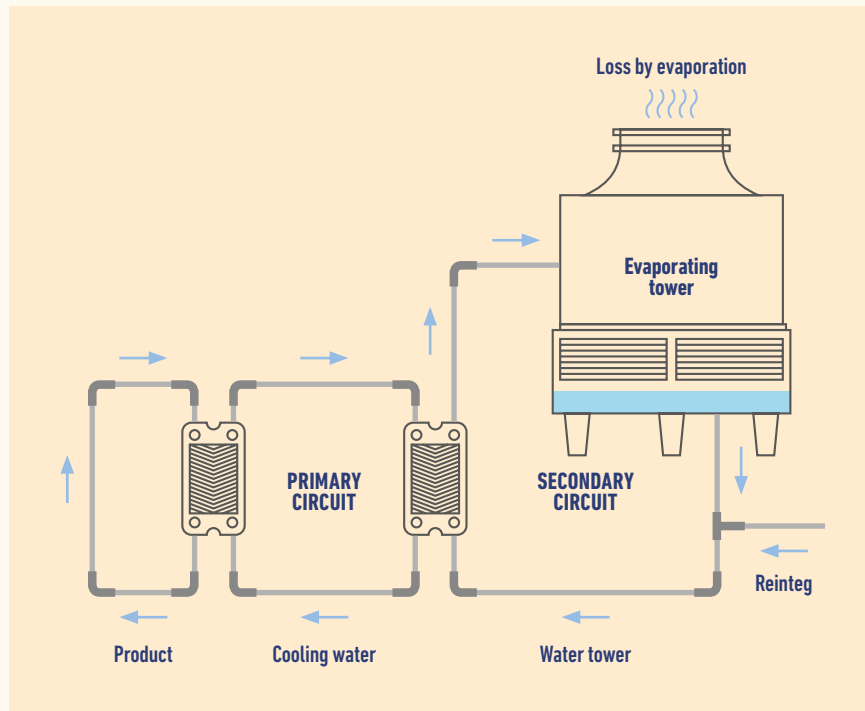
Water consumption

La Doria monitors water consumption at its facilities, reducing the use of natural resources and climate change impacts. The planning, execution and periodic controls, and more generally the correct management of water resources, optimises water consumption. Over the years, various water reuse actions have been taken, e.g. the reuse of the cooling water for finished product tomato line boxes at facilities. The water at 30°C, coming from the box cooling phase, is reutilised in the various tomato washing phases, immediately before peeling.

To minimise water consumption, where possible, closed circuit cooling circuits with evaporation towers have been constructed. 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



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

Water consumption	2017	2016
Groundwater in m ³	2,966,464	2,846,626
Aqueduct or other municipal source in m ³	33,297	37,779
Total procurement	2,999,761	2,884,405
Water sourced/ton produced	5	4.4

Water discharge	2017	2016
Water discharge in m ³	1,294,015	1,332,757.2
Ground water in m ³	1,302,328	1,167,689.9
Soil or subsoil in m ³	-	-
Total	2,596,343	2,500,447.1
Total water discharge/ton produced	4.3	3.8



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



Responsibility throughout the supply chain

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



Our commitment 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 fruit and vegetable harvesting. Over the last few years, in the tomato supply chain serious criticisms have been raised in relation to illegal hiring practices adopted in some regions, the

extensive use of undeclared labour, the exploitation of migrant workers and inhumane working conditions. In this context, we have made an important commitment regarding the tomato supply chain, because we want to be sure of not contributing indirectly to the violation of people's rights and as we want to play an active part in eliminating the problem.

0

There are 0 tomato suppliers assessed as at risk in 2017.

ISO 26000

We have created an assessment system for the tomato supply chain based on key aspects of ISO 26000.

45

field checks and audits have been conducted over the 2016-2017 period by La Doria, its clients and third parties.

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

Our focus on the tomato supply chain in recent years, however, has revealed the need for specific measures to verify and ensure effective compliance with ethical principles. In 2017, La Doria and its subsidiary LDH formalised a "Modern slavery statement" document²⁰ focused on avoiding any kind of involvement and showing any kind of tolerance to slavery and human trafficking connected with the company's products or commercial activities.

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 Code²¹ and to commit to its upholding.

The Risk Assessment Procedure in the tomato supply chain

In 2014, La Doria, with the support of SGS²², 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 2017, audits were conducted involving suppliers in the regions of Puglia, Basilicata, Campania and Lazio.

ETHICAL AUDITS CONDUCTED BY LA DORIA



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.

²⁰ The document is available on the website of the La Doria Group, http://www.gruppodoria.it/assets/documents/The_Modern_Slavery_Statement_2016.pdf

²¹ The Ethics Code is available on the website of the La Doria Group, http://www.gruppodoria.it/assets/documents/EthicsCode_LaDoria.pdf

²² SGS is an inspection, verification, analysis and certification services company.

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 2016-2017 period.

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

	2017	2016
Number of suppliers audited ²³	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	-	-
Percentage 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

The number of field visits by clients has fallen since 2014, when working conditions in the Italian tomato supply chain attracted significant media attention abroad. The

VISITS TO FIELDS BY CLIENTS AND SGS AUDITS

4

2017

9

2016

growing focus of the Group on the issue and the effectiveness of the implemented system have reassured our main clients of our responsible management of the supply chain, thus reducing the number of visits. In 2017, clients who conducted field visits reported some criticalities that were also recorded under the La Doria Quality Management System and which will be resolved in 2018.

COMPLAINTS RECEIVED CONCERNING WORKING CONDITIONS

	2017	2016
Number of complaints received	1	6
Number of complaints received and resolved	1	3

²³ The data refers exclusively to tomato suppliers.

Collaboration with suppliers, clients and organizations

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

La Doria has developed specific training and awareness-raising campaigns for agricultural suppliers, with the aim of encouraging a culture of sustainability within the industry. For such purposes, an imaginary character named "Happy Tomato" was created to lead the campaign demonstrating what La Doria means by a sustainable supply chain: product quality and safety, attention to the environment and waste, ethical and economic responsibilities. In light of the success of the campaign, La Doria has decided to extend the project to other supply chains involving Group activities. Responsibility within the supply chain for us means also the undertaking, together with suppliers, of environmental sustainability focused projects - cutting irrigation water and agro-pharmaceutical use and optimising water from phyto-sanitary treatments (mix residues in tanks and equipment cleaning water), and promoting biodiversity with systems supporting pollination.

Over recent years, close collaboration has been built up with two Northern European non-profit organisations, the IEH (Ethical Trading Initiative Norway) and the ETI (Ethical Trading Initiative), which lead a network of non-profits, businesses and trade unions engaged in the promotion of workers rights across the world. Collaboration with these organisations has led to education and discussion upon the issue and the identification of improvement opportunities for responsible chain management. In particular, on June 8, 2017 in Salerno the Group took part in a meeting organised by ANICAV on "Tomato harvesting and the use of illegal labour". All tomato chain actors attended the convention: the agricultural producers' associations (Aoa), the processing (Anicav) and distribution industries, representatives

of importation and supermarket associations from Norway, England and Denmark and the Italian Minister for Labour and the United Nations agency for immigration.

With the same philosophy of collaboration in order to achieve the best possible results, the National Association for Industrial Conserved Vegetable Foods (ANICAV) - an association of which La Doria is a member and whose chairman is currently Antonio Ferraioli - signed, in 2014, a Memorandum of Understanding with several major trade unions²⁴ on the promotion of social responsibility in the tomato-based supply chain of industrial food processing companies²⁵. The agreement, in particular, promotes the correct application of the National Labour Contract and the fight against illegal recruitment.

Actions implemented in 2017:

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

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

LDH and the use of the SEDEX portal

All of LDH's suppliers are required to become members of the Supplier Ethical Data Exchange (SEDEX), a non-profit organization committed to the promotion of ethical principles in global supply chains. The organisation is the broadest platform in Europe collating and processing data on the ethical conduct of supply chains. The SEDEX Members Ethical Trade Audit (SMETA) methodology, implemented by SEDEX, gathers together best practices in ethical and social audit practices. LDH accompanies the use of this methodology with a series of audits conducted directly by the company's own technicians.

In 2017, no potentially at risk situations emerged from the SMETA audit.

POTENTIAL NEGATIVE IMPACTS IDENTIFIED BY THE LDH MONITORING SYSTEM

	2017	2016
Number of suppliers audited (SMETA Audit)	100%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	0	2
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such	-	100%
Percentage 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 has also joined the Food Network for Ethical Trade (FNET), along with major British retailers and many food sector companies. The goal of this organization is to respond to ethical issues in the sector through the collaboration of all of its members. During 2017, the work of the organization focused on two main themes: collaboration between suppliers and retailers to respond jointly to common risks identified in supply chains, and how to effectively involve agricultural workers, farmers, fishermen, employment agencies and all other stakeholders in the supply chain.

²⁴ Flai-Cgil, Fai-Cisl, Uila-Uil

²⁵ For further information, refer to the website of ANICAV: <http://www.anicav.it/news/2014/7/24/366>

Environmental impacts of production
Responsibility throughout the supply chain

Packaging sustainability

Logistics optimisation and efficiency
Economic sustainability



Packaging sustainability

[G4-EN1; G4-EN2; G4-EN30]



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.

In 2017, the Group approved the sustainable packaging guidelines, formalising its commitment to integrating sustainability into the decision-making process.

For us, packaging sustainability means:

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



85%

of corrugated cardboard from recycled material



833 mln

No. of cans self-produced by La Doria in 2017 (93.5% of 2017 requirements)



24%

of shrink-wrap from recycled material

The main categories of product packaging that the Group uses are cans, glass bottles, cartons (Tetra Pack) and composite cartons (both of which are polycoated). La Doria has committed itself over the coming years to contribute to developing the circular economy through the procurement of packaging from renewable sources, from reused and recycled, recyclable or biodegradable materials, in turn based on a circular production chain for the manufacturing and consumption aspects. This model reduces market demand for non-renewable and sometimes scarce resources, in addition to reducing the quantity of waste and removing system inefficiencies.

La Doria over the coming years expects to increase the use of recycled materials, starting with corrugated cardboard, in order to reduce local environmental and food chain impacts to benefit the entire community.

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 2017, the Sarno and Anгри facilities produced approximately 93.5% 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, made 50 years ago, allows the company to simultaneously limit outsourced costs for packaging and transporting products and contributes significantly to sustainability.

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

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

Focus on other materials

Although the percentage of demand for recycled heat-shrink products (approximately 24%) is still small, the use of this product more than doubled on 2016. La Doria's glass principally comes from Europe. The weight of glass bottles and jars has also reduced over recent years.

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

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.

Material	Unit	Quantity	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	REST OF EUROPE	TURKEY
CANS	KG	35,374,867	-	50%	5%	44%	1%	-
GLASS CONTAINERS	No. pieces	211,464,304	-	-	-	67%	27%	6%
CARTONS	No. pieces	207,254,303	-	-	-	100%	-	-
COMPOSITE CARTONS	No. pieces	105,628,900	-	-	-	-	100%	-

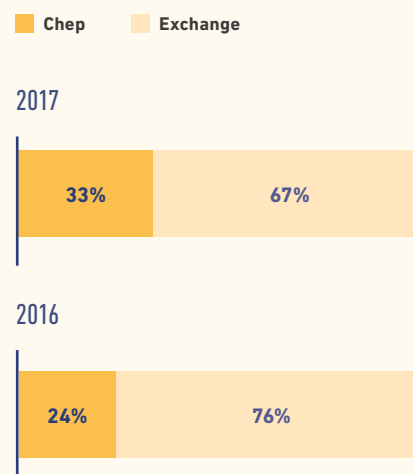
A similar project has been introduced in relation to the boxes used for the transport of tomatoes from the field to facilities. In this case, they are plastic containers that are used a number of times until they break. Once they can no longer be used, they are sent to a specialized company that breaks them into pieces and reuses the plastic to create new ones. The boxes used in 2017 were 100% sourced from recycled material.

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. 24% of TRB polyethylene, the shrink-wrap plastic film for packing trays is made from 100% recycled material, the paper used for the packaging of juices and beverages is produced from wood from responsibly managed forests and cardboard interlayers that are inserted between stacks of products on transport pallets are used up to 7 times, resulting in an annual saving of approximately 1,000 tons of cardboard. 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 by approx. 9% compared to 2016.

The CHEP pooling solution 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.

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.

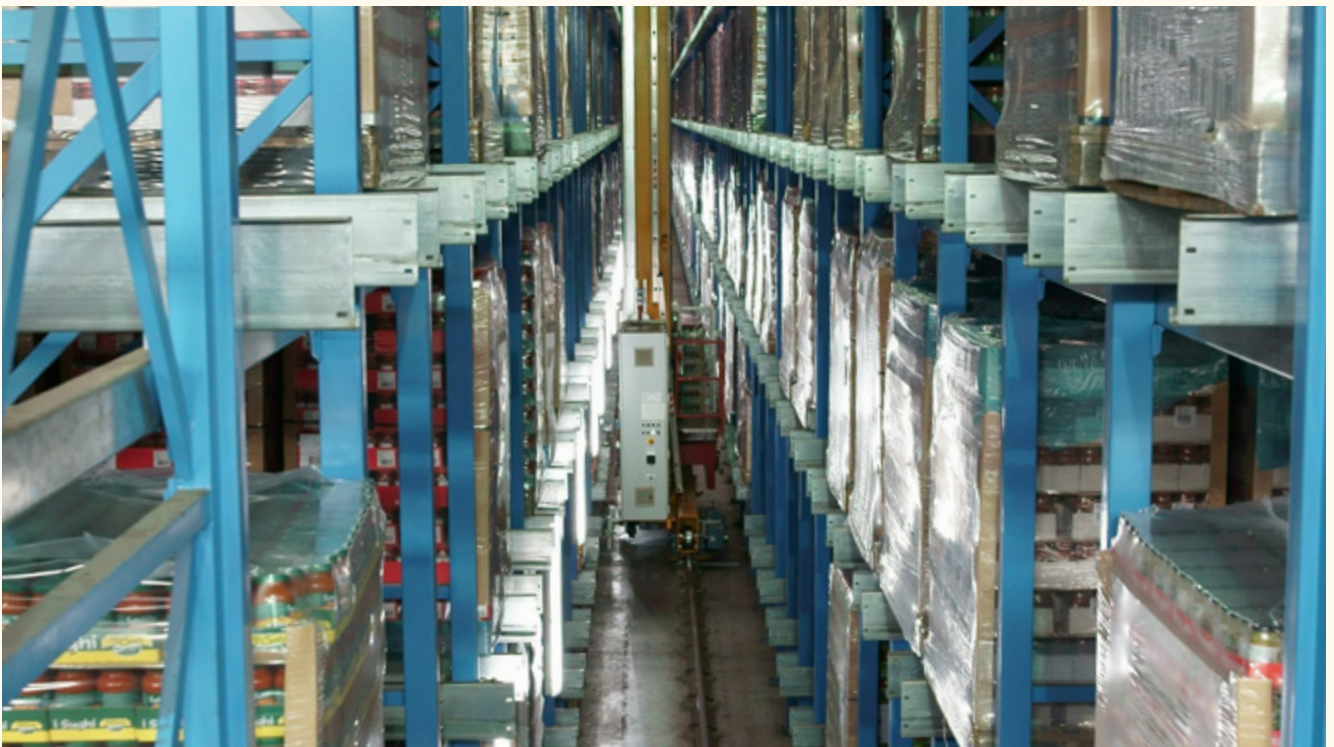


LCA ASSESSMENT RESULTS

IMPACT	Unit	CHEP - 2017	2017 EXCHANGE SIMULATION	2017 Savings	CHEP - 2016	2016 EXCHANGE SIMULATION	2016 Savings	Savings in %
Potential Global Warming (CO₂)	kg CO ₂ eq.	136,506	318,034	181,528	107,295	250,813	143,518	26%
Acidification	kmol H+ eq.	858	1,972	1,114	675	1,556	881	26%
Eutrophication	kg P eq.	3	8	5	3	6	3	67%
Energy consumption non-renewables	MJ	2,581,625	5,816,580	3,234,955	2,029,331	4,584,974	2,555,643	27%
Wood consumption	m ³	46	159	113	36	125	89	27%
Mineral consumption	person-reserve	16	39	23	13	31	18	28%
Water consumption	m ³	605	1,406	801	475	1,107	632	27%
Waste destined for landfill	kg	3,306	14,003	10,697	2,592	10,988	8,396	27%

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
 Responsibility throughout the supply chain
 Packaging sustainability

Logistics optimisation and efficiency
 Economic sustainability



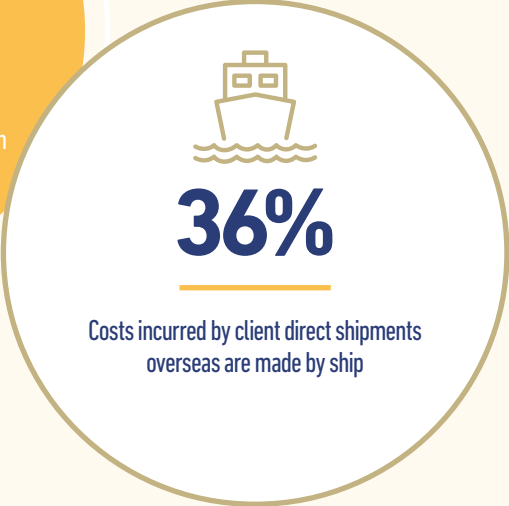
Logistics optimisation and efficiency

[G4-EN30]



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

Accordingly, we are constantly committed to making all of our transportation needs more sustainable, by favouring the shipment of products directly from the final production facilities, by reducing the movement of materials and semi-finished products between facilities and by limiting the use of external warehouses. The proximity of the La Doria facilities to the ports of Naples and Salerno is also a strategic advantage that the Group has decided to exploit in order to increase inter-modal transport and progressively reduce road transport.



Optimisation begins at our facilities

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

Significant investments have been made in recent years in the development of the Group’s warehouses, with the aim of expanding storage capacity within production facilities and reducing the use of external warehouses. In July 2017 the Sarno facility warehouse was thus extended by 6,200 sq. mtrs., increasing the pallet storage capacity by approx. 10,000. In 2018 the finished product automated warehouse at Parma is also scheduled for extension.

Despite the company’s commitment to leveraging as far as possible its own warehouses, at several peak times of the year it is necessary to make use of external warehouses for temporary product storage. In such cases, in order to minimize movements between internal and external warehouses, the latter are located within a certain cut-off radius from the production facility. Facilities requiring the use of external warehouses in peak production periods are predominantly the facility of Sarno, and to a lesser extent those of Angri and Parma. In the case of the Sarno facility, external warehouses are within a radius of approximately 15 km. The external warehouse used by the Angri facility is approximately 4 km away, while the external warehouse used by the Parma facility is the furthest, at approximately 50 km away.

15 Km

Distance of external warehouses from Sarno facility

4 Km

Distance of external warehouses from Angri facility

50 Km

Distance of external warehouses from Parma facility



Development of intermodal logistics

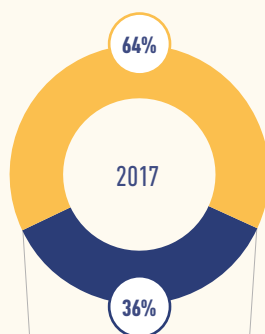
The proximity of the La Doria facilities to the ports of Naples and Salerno is also a strategic advantage that the Group has decided to leverage upon in order to increase intermodal transport and progressively reduce road transport. Additionally, the company is committed to developing intermodal logistics,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

In the wake of the success of a project launched in 2016 to develop train transport from our Southern Italy facilities to Germany, in 2017 the use of intermodal transport for shipping was extended also to France, moving 30% of goods by sea to the South, with the use of containers that accommodate larger pallets (40' wide), and 70% of goods to the North by train. This project saved approx. 9 shipments, in addition to reducing highway journeys, replaced by train and ship, by approx. 172,887 km.

These are just a few projects that express the Group's commitment to developing intermodal logistics for product transport. As confirmation of this commitment, it can be seen that for the red line and pulse products in 2017, highway transport reduced approx. 9%, in favour of the rail network (increasing approx. 11%). Considering also the ready-made sauces line, the train usage percentage is even higher.

COSTS INCURRED BY SUPPLIER & CLIENT

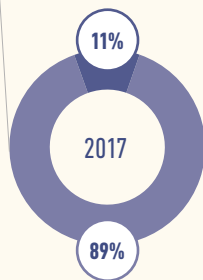
2017	
Costs incurred by client	64%
Costs incurred by supplier	36%



■ Costs incurred by client
■ Costs incurred by supplier

COSTS INCURRED BY SUPPLIER: ITALY-OVERSEAS

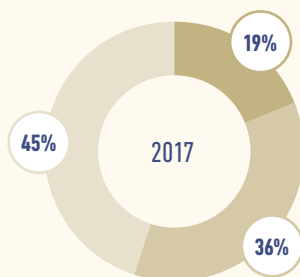
2017	
Costs incurred by supplier Overseas	11%
Costs incurred by supplier Italy	89%



■ Costs incurred by supplier Overseas
■ Costs incurred by supplier Italy

COSTS INCURRED BY SUPPLIER OVERSEAS SHIPMENTS (BASED ON 2017 VOLUMES)²⁶

Transport means	2017	
	kg	%
Road	5,578,836	19%
Ship	10,301,378	36%
Train	12,908,241	45%
	28,788,456	



■ Road
■ Ship
■ Train

²⁶ Data on the transport of tomato-based products and pulses. Ready-made sauces are excluded.



COSTS INCURRED BY SUPPLIER OVERSEAS SHIPMENTS EXCL. READY-MADE SAUCES LINE (BASED ON 2017 VOLUME)²⁷

Transport means	2017		2016	
	kg	%	kg	%
Road	5,482,006	21%	7,723,427	30%
Ship	10,284,531	40%	10,665,790	42%
Train	9,954,093	39%	7,036,483	28%
	25,720,631		25,425,700	

²⁷ Data on the transport of tomato-based product, pulse and ready-made sauces line.

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



Economic sustainability

[G4-EC1; G4-EC9]

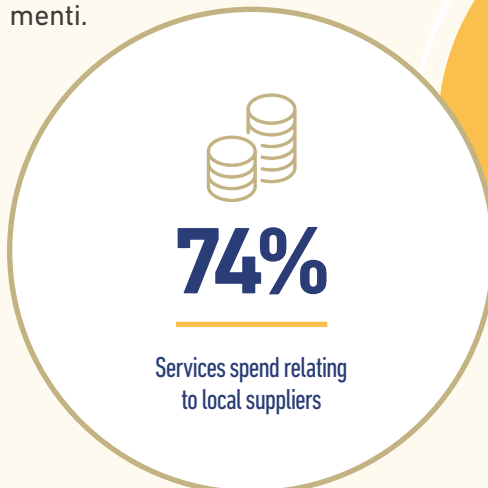
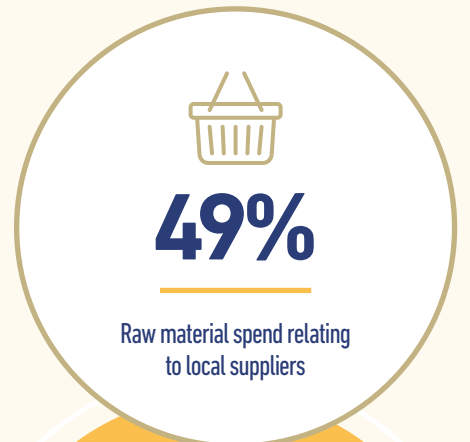


Economic sustainability for us means acting responsibly to ensure the long-term stability of the business.

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

Economic stability 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. e contribuendo a favorire migliori livelli occupazionali e investimenti.



Financial highlights

The La Doria Group in 2017 delivered more than satisfactory results, significantly beating forecasts and improving on 2016 - despite the challenging tomato and pulses marketplace and heightened competition, partly as a result of Brexit.

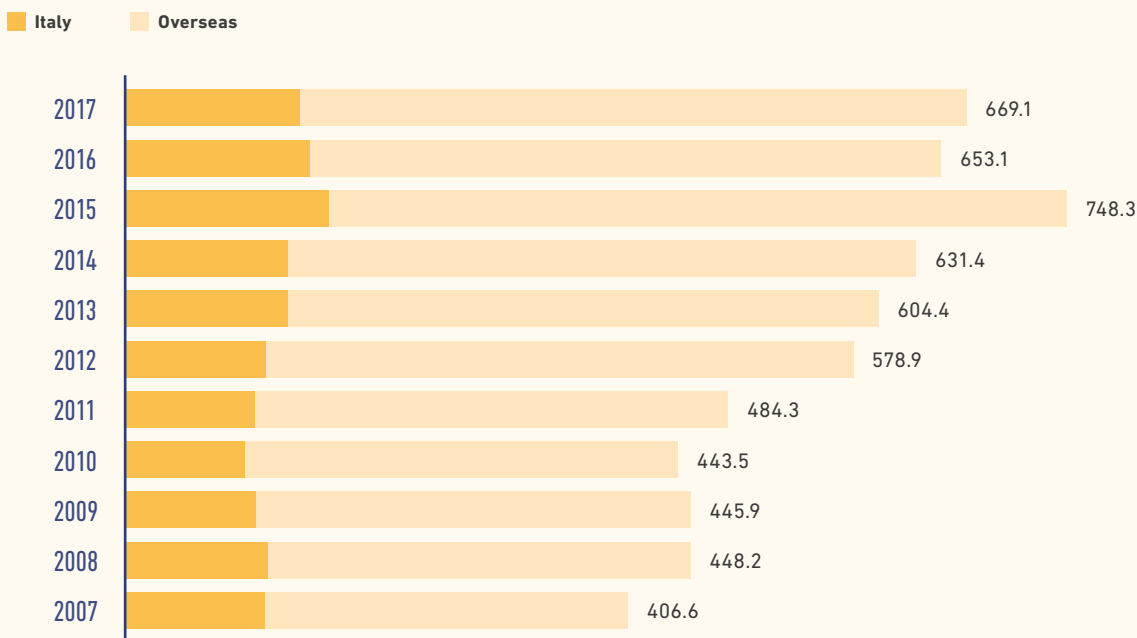
The Group performance featured strong revenue growth on the basis of significantly improved sales volumes - ahead of expectations - and a considerable increase in the margin thanks to the generation of major industrial efficiencies.

In summary, the 2017 results indicated consolidated revenues of Euro 669.1 million, up 2.4% on Euro 653.1 million in 2016 (+6.2% at like-for-like exchange rates), thanks in particular to the "Pulses and vegetables", "Ready-made sauces" and "Other lines" i.e. products acquired from third parties and sold by the subsidiary LDH.

The growth in revenues was achieved on the overseas markets - with sales up approx. 10% at like-for-like exchange rates and across all product categories - while the domestic market contracted 6%, principally due to the refusal of certain tomato-based product and fruit juice orders on the discount channel, amid excessive price competition and which are no longer considered remunerative for the Group. During this past year, the Group has made a number of major investments to a value of Euro 18.2 million (up on 2016), principally for the restructuring of the industrial building in Angri, the extension of the automated warehouse in Parma, improved pulses and tomato lines at the Angri facility, and finally extension of the Sarno production facility to incorporate a new packaging unit in 2018.

ANNUAL REVENUE

Data in euro million



Economic value directly generated and distributed

A sustainable business is capable not only of creating value but also of redistributing part of the wealth produced to the regions in which it operates and to its stakeholders - whether they be employees, suppliers, the public sector or the entire community. The following table presents, for the 2016-2017 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

	2017		2016	
Economic value generated	701,820	100.0%	668,874	100.0%
Economic value distributed	660,719	94.1%	624,534	93.4%
Reclassified operating costs	584,534	83.3%	547,058	81.8%
Value distributed to employees	53,558	7.6%	51,727	7.7%
Value distributed to providers of capital	2,506	0.4%	3,098	0.5%
Value distributed to Public Sector	12,205	1.7%	14,134	2.1%
Value distributed to shareholders	7,130 ²⁸	1%	7,704	1.2%
Value distributed to the community	786	0.1%	813	0.1%
Economic value	41,101	5.9%	44,340	6.6%

As the figures indicate, over the last two years the breakdown of distributed value has remained substantially stable. The only changes concern an increase, in percentage terms, of operating costs, in particular raw materials, and a reduction in percentage terms, of the value distributed to the Public Sector, due also to the tax benefit of the Patent Box.

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.

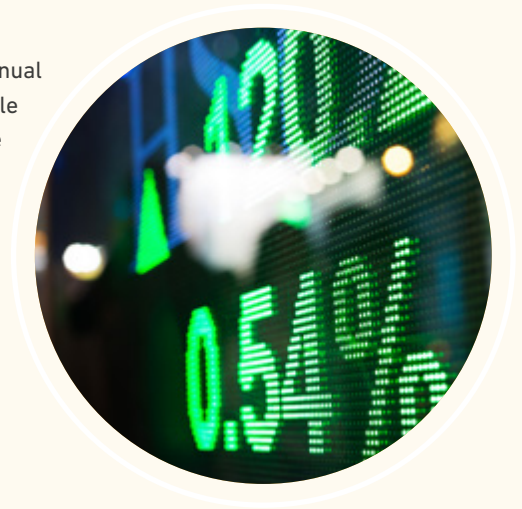
²⁸ The value distributed to shareholders for 2017 corresponds to the allocation of the net profit of La Doria S.p.A. as dividend to be proposed by the Board of Directors to the Shareholders' Meeting.

PROPORTION OF SPEND TO LOCAL SUPPLIERS

	Cost	% of economic value generated	2017		2016	
			Suppliers		Of which regional	Of which regional
% of raw material procurement spend	504,781	72%	Local	49.31%	30.45%	54.20%
			Non-local	50.69%		45.80%
% of services spend (maintenance, logistics, etc.)	74,467	11%	Local	74.45%	40.81%	75.60%
			Non-local	25.55%		24.40%

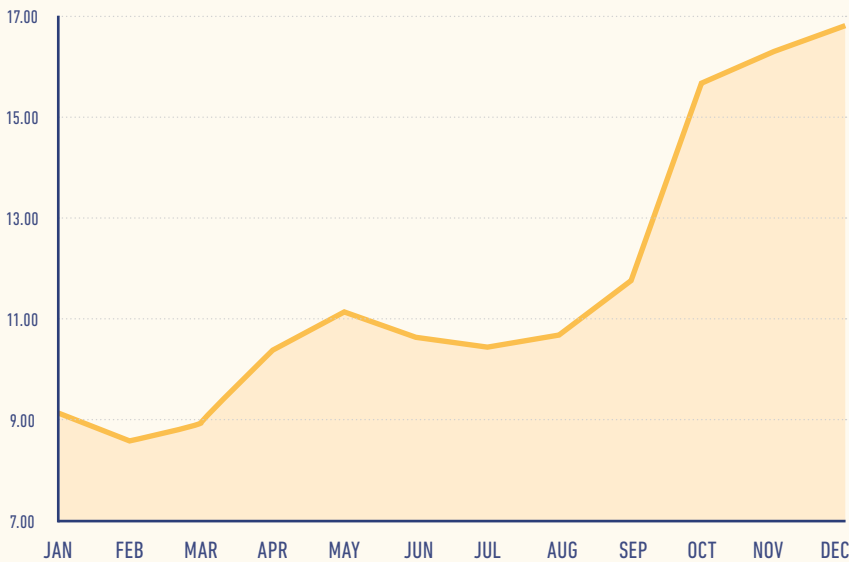
Share performance

The annual average daily share price in 2017 was Euro 11.70, up on 2016 (annual average price of 10.78). The lowest price was on February 24 at Euro 8.39, while the highest price was on 20.12.2017 at Euro 17.65. The average daily volume traded in 2017 was 79,371 (61,038 average daily volume traded in 2016). In 2016, the La Doria share, although remaining in the STAR segment which hosts companies meeting high liquidity, transparency and corporate governance requirements, transferred from the FTSE Italia Small Cap index to the FTSE Italia Mid Cap, having met the float and liquidity requirements.



MONTHLY SHARE PERFORMANCE - 2017

Data in Euro





PASSION

Innovation
Quality of the organisation
Italian identity

Innovation

Quality of the organisation
Italian identity



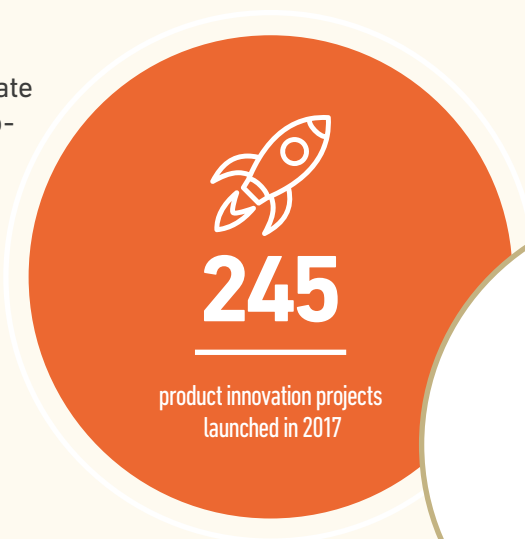
Innovation



Innovation has two main pillars for us: the creation of new product lines and recipes and plant streamlining through production process innovation.

We are producers of private labels, so for us product innovation necessitates close collaboration with our clients.

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



Recipes for all needs

Product innovation is entrusted to a specialized team that analyses client needs and proposes the best possible recipes to meet those needs.

Over the last few years, La Doria has seen a growth in demand for organic and healthy products, including low-salt and low-sugar items.

In 2017 alone, 245 innovation projects were launched, involving all product lines. An important contribution to the innovation projects has come from the introduction of specific IT systems that have enabled La Doria to supervise the whole process more effectively, to monitor the progress of projects more frequently and to share updates with all involved.

This work over recent years has resulted in the introduction of several new La Doria products, including red and green pestos for the UK market, family-size red sauces for the US market and organic pulses for the Italian market.

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

In 2017, the majority of new product development projects were devoted entirely to innovation, with a minority devoted to improving the quality of the recipes already in production and to the pitching of existing recipes to new clients (the latter referred to as “association” in the table).

Versatile and efficient

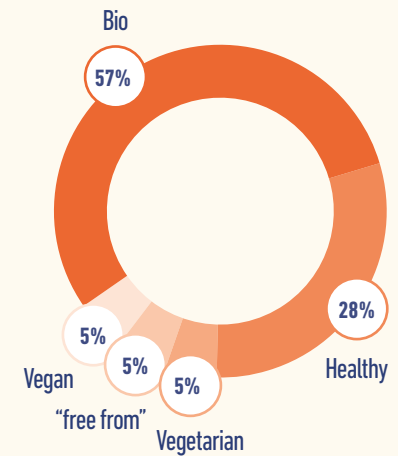
In the field of innovation, a very important role is also played by the organization of production processes and facilities in order to guarantee more production flexibility, cost reduction and the mitigation of environmental impacts.

Flexibility in format changes

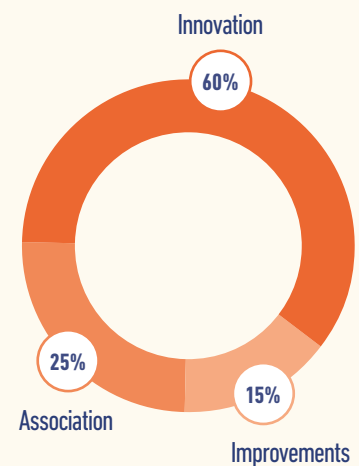
At La Doria facilities, production processes are characterized by a high degree of versatility. Indeed, each production line must be able to vary its operations according to the different product formats required by clients.

Due to the importance of this aspect, in 2017, all of the Group’s facilities were involved in a Kaizen improvement project dedicated to optimizing format changes. Kaizen is a Japanese management strategy meaning “change for better”, or “gradual and continuous improvement”, which encourages many little day-to-day improvements. To implement the project, a special team 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.

TRENDS IN THE DEVELOPMENT OF NEW PRODUCTS



NEW PRODUCT DEVELOPMENT PROJECTS





Quality of the organisation

[G4-10; G4-LA1; G4-LA6;G4-LA13]



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

Over time, we have been able to build a solid relationship with our clients, gradually gaining their trust by constantly listening to them and responding to their needs quickly and efficiently through the delivery of quality products and services. To do this, in an extremely competitive market, the daily contribution of everyone is required in order to be responsive enough to face challenges positively, aware that tomorrow further new competences will be needed. This is inseparable from the attention that the company

needs to dedicate to its people, their safety and their well-being. In 2017, the know-how of our “company system” was awarded protection through the granting of the patent box tax break by the Ministry for Economic Development. This award provided a tax benefit for 2015 recognised in financial year 2017.

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

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

Loyalty of our clients

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

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

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

LOYALTY OF MAIN LA DORIA CLIENTS IN ITALY

ITALY	2017	2016
Percentage of turnover from top 10 clients	71%	73%
Years of loyalty of the 10 top clients	Number of clients	
Between 0 and 6 years	1	
For at least 8 years	1	
For at least 10 years	8	

Regarding overseas markets, and excluding the subsidiary LDH, which alone accounts for more than 35% of La Doria's foreign turnover, the top 10 clients account for another 38% sales abroad. 9 of these have been clients of La Doria for at least 8 years, while a new client was gained from the acquisition of Pa.Fi.al..

LOYALTY OF MAIN LA DORIA OVERSEAS CLIENTS

OVERSEAS EXCLUDING LDH	2017	2016
Percentage of turnover from top 10 clients	38%	36%
Years of loyalty of the 10 top clients	Number of clients	
Between 0 and 6 years	1	
For at least 8 years	5	
For at least 10 years	4	

The top 5 clients of the subsidiary LDH accounted for over 87% of the overseas sales of La Doria in the last two years. All 5 clients have been loyal to LDH for at least 10 years. To maintain these levels of competitiveness, La Doria has to be ready, every day, to respond to changing client needs for new product lines, such as premium and organics lines, for packaging optimization, for quality controls along the whole supply chain and for the simplification of product distribution.

LOYALTY OF TOP LDH CLIENTS (LA DORIA PRODUCTS)

OVERSEAS LDH	2017	2016
% of overseas turnover of La Doria from LDH	35.4%	36%
% of turnover from LDH's top 10 clients	92.3%	87%

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

Our people

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

The Group has **673** permanently contracted employees in Italy and **73** in the United Kingdom. These people are the solid base on which the company is founded²⁹. 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 **884** seasonal workers³⁰ 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 general gender imbalance. Women, indeed, account for approx. 22% of the total workforce. The net imbalance is only partially offset in professional categories other than manual workers³¹.

GROUP PERSONNEL BY ROLE AND GENDER AT 31/12/2017

	Total	Men	Women
Executives	25	22	3
< 35	-	-	-
35-54	14	12	2
> 54	11	10	1
Managers	36	28	8
< 35	-	-	-
35-54	29	21	8
> 54	7	7	-
White-collar	248	146	102
< 35	72	39	28
35-54	148	89	64
> 54	28	18	10
Blue-collar	437	386	51
< 35	107	82	13
35-54	251	235	28
> 54	79	69	10
TOTAL	746	582	164

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

³⁰ In 2016, the number of seasonal workers employed was 311 (expressed as an annual average) while the 2017 figure is at year-end and represents the total number of seasonal employees hired in the year.

³¹ The GRI Content Index gives more detailed information on average training hours (indicator G4-9-LA9).

La Doria is committed to ensuring a workplace environment free of discrimination, as per statutory law upon equal opportunities in the workplace.

La Doria therefore complies with statutorily-established salary levels and those under national collective bargaining. In addition, supplementary company agreements providing more favourable company benefits, in addition to bonuses on the basis of objectives achieved, have been established.

The ratio between average female/male salaries at La Doria is reported below, indicating for executives a disparity of 15%, for managers and white-collar workers of 10% and for blue-collar workers of 5%, due only in part to a greater number of men with more years of seniority and consequently higher average salary levels. This disparity is greater at the subsidiary LDH.

AVERAGE FEMALE/MALE SALARY RATIO LA DORIA

	2017	2016
Executives	85%	84%
Managers	90%	93%
White-collar	90%	90%
Blue-collar	95%	96%

AVERAGE FEMALE/MALE SALARY RATIO LDH

	2017	2016
Executives	58%	57%
White-collar	77%	77%

Importance of the local community and opportunities for young people

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

DATA ON PERSONNEL TURNOVER IN ITALY

	Annual hires			2017			2016			Annual departures			2017			2016		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Men	Male	Female	Men	Male	Female			
Total new hires	17	12	5	16	10	6	Total departures	15	14	1	31	17	14					
< 35 years	11	8	3	14	10	4	< 35 years	5	5	-	7	4	3					
35-54 years	6	4	2	2	0	2	35-54 years	6	5	1	13	6	7					
> 54 years	0	0	0	0	0	0	> 54 years	4	4	-	11	7	4					
New hire rate (%)	3%	2%	4%	2%	2%	5%	Departures rate (%)	2.2%	3%	1%	5%	3%	11%					

DATA ON PERSONNEL TURNOVER IN THE UNITED KINGDOM

	Annual hires			2017			2016			Annual departures			2017			2016		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female			
Total new hires	12	4	8	8	3	5	Total departures	8	2	6	6	4	2					
< 35 years	7	2	5	5	2	3	< 35 years	4	2	2	4	2	2					
35-54 years	5	2	3	1	0	1	35-54 years	3	0	3	2	2	0					
> 54 years	0	0	0	2	1	1	> 54 years	1	0	1	0	0	0					
New hire rate (%)	16.2%	11%	21%	11.3%	8.6%	14%	Departures rate (%)	10.8%	5.6%	15.8%	8.5%	11.4%	5.5%					

Established in 2009, the project is a privileged channel for selecting, training and developing key human resources for the Group's production sites, involving the best students graduating from technical and professional institutes in the Nocerino-Sarnese area in the activities of our facilities during the peak tomato season. Participants are engaged in a training course that enables them to acquire basic skills for the world of work and company operations, with valuable work experience during the summer tomato season. At the end of this experience on the production lines, participants are assessed on their work and achievements during training so that the company can invest in the best resources through the offering of apprenticeship contracts, an important opportunity for young people in the area.

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

In addition, alongside the scholarships for employee children, from 2018 a "Regional scholarship" competition shall be set up which, in collaboration with a number of schools in the region, will award students graduating in the year and who enroll in faculties teaching the expertise required by the company.

Training and development

The ability of the company to be competitive on the market and to maintain growth necessarily relies on the development of its people. Product diversification and the speed technological development would have a limited impact if it were not for a strong investment in professional growth. Corporate know-how is consolidated through a set of coordinated actions including training programs, individual and group coaching and career path development. Every year, the company puts aside a budget of approximately Euro 130,000 for training activities, which is then supplemented by additional contributions raised through the involvement of Fondimpresa and participation in funding calls³². The main training topics are focused on the development of new products and food safety, on production line skills and maintenance and on workplace safety.

In 2017, the "Job Evaluation" project for Executives initiated in 2016 was completed. The project defines a skill and remuneration system consistent with roles and to check the effectiveness of performance recognition tools and systems in supporting business goals. Career tracking and development paths are highly focused on the most competent and professional resources. Executive and non-executive managers are evaluated on the basis of set goals achieved and linked to bonus remuneration.

ANNUAL HOURS OF TRAINING

YEAR	TOTAL HOURS OF TRAINING
2017	15,853
2016	12,363

³² The GRI Content Index gives more detailed information on average training hours (indicator G4-9-LA9)

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. 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. 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 miss's are appropriately analysed and, where required, corrective actions are taken in order to avoid repetition.

ACCIDENT FREQUENCY BY GENDER IN ITALY

Accident frequency	2017	2016
Total	3.62	2.78
-men	3.97	2.97
-women	2.50	2.13

RATE OF LOST WORK DAYS BY GENDER³³

Rate of lost work days ³⁴	2017	2016
Total	101.35	1,012
-men	94.15	1,228
-women	124.96	274

All facilities are OHSAS 18001 certified, and constant attention is paid to training and awareness raising among both permanently contracted employees and seasonal workers employed during peak production periods. Accordingly, corporate procedures require that all seasonal workers receive training on basic health and safety and company management procedures prior to starting work on the production lines. Unfortunately, in 2016, an accident led to the death of a worker at the Fisciano facility. The company has initiated all necessary investigations to identify the causes and conduct that may have contributed to the event, with the aim of taking additional action to further mitigate the risk that unpredictable conduct might lead to a similar incident.

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.

³³ The rate of lost work days is calculated according to the following formula: no. lost work days per accident/hours worked*200,000

³⁴ In 2016, the rate of lost work days was particularly high due to the accident resulting in the death of an employee. For such events, generally 7,500 lost work days are calculated.



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, apricots, 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, in 2011 the "Cook Italia"³⁵ brand was launched on the British market, distributed by the British subsidiary LDH. The company was therefore able to not only promote the taste and tradition of the Italian 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 has aggregate revenues of Euro 1.3 billion, with an export market of 55%. 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

³⁵The brand markets a series of Italian products on the British market, not only those produced by La Doria, but also by other Italian companies



Origins of this report

Methodological note

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

This Non-Financial Consolidated Statement (hereinafter, also “Sustainability Report”) reports, to the extent necessary to ensure the understanding of the company’s activity, its performance, results and the impact produced by the company in relation to the topics considered relevant and envisaged by Art. 3 of Legislative Decree No. 254/16, with reference to the financial year 2017 (from January 1 to December 31). As envisaged by Art. 5 of Legislative Decree 254/16, this document is a separate report containing specific wording in order to bring it in line with the Non-Financial Consolidated Disclosure required by law.

The definition of relevant aspects for the Group and its stakeholders took place on the basis of a structured materiality analysis process, which also provided a comparison of material topics with industry best practices, described in the section “Definition of Material Topics”.

The Sustainability Report’s reporting scope is the same as the La Doria Group’s Consolidated Financial Statements as at December 31, 2017³⁶. LDH (La Doria) Ltd. has been excluded for information and environmental data since it is a company with no production activities and whose environmental aspects were not considered relevant to ensure the understanding of the Group’s business activities and the impact produced by it.

For further information on the corporate structure, please refer to the Group’s annual documents: the Financial Report and the Corporate Governance Report, both available on the company’s website.

The La Doria Group’s Sustainability Report was drawn up in compliance with the “G4 Sustainability Reporting Guidelines” published by the Global Reporting Initiative (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 beginning with “G4” shown at the beginning of the relevant paragraphs.

Where appropriate, account was taken also of the EC 2017/C215/01 Guidelines. The contents of this document have been collated with the collaboration of all company personnel, who have provided comprehensive information and data regarding their activities in a timely manner.

³⁶The list of consolidated companies in the Group 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, 2017.

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

A comparative year was inserted, where available, in order to allow the performance assessment of the Group's activities. Furthermore, the use of estimates has been limited as much as possible to give a correct representation of performance; where use has been made of estimates these are based on the best available methodologies and are reported appropriately.

The Sustainability Report is produced annually: this 2017 version was approved by La Doria S.p.A.'s Board of Directors on March 14, 2018.

The Disclosure 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, issued 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 La Doria Group has envisaged a path of continuous improvement on all sustainability aspects in order to conform to legal provisions and industry best practices in an increasingly virtuous manner.

Social aspects

The quality and safety of products are essential requirements for operating in the food sector. The Group operates in accordance with main reference standards for food safety according to three principles aimed at ensuring its attainment: careful selection of raw materials, support to agricultural suppliers and ongoing investment in production and control systems.

Aspects pertaining to staff and 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, an important path was undertaken dedicated to the tomato supply chain aimed at controlling and minimising such risks, including through the adoption of a 'Modern Slavery Statement' which defines the commitment to avoid any involvement and to reject any form of tolerance towards slavery and trafficking in human beings connected to its products and commercial activities. Moreover, in terms of continuous improvement, a broader policy on Human Rights is expected to be formalised.

Specific actions are also expected as regards diversity and staff development, such as the formalisation of a Diversity Policy, the development of a performance management system and the development of people based on equal opportunity principles.

Environmental aspects

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 the Angri, Sarno, Fisciano, Lavello and Faenza facilities, with the objective of also extending it to Acerra and Parma in 2018. It also has an energy management system at production sites which enables the effective management of energy aspects and is committed to promoting investment with respect to efficiency.

The 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 in 2017. Finally, the legality rating assigned to the Parent Company by the Antitrust Authority should be noted.

The development and implementation of the previously-indicated actions may reasonably require a period of about two years (completion by December 2019).

Definition of the material issues

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

The 2017 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

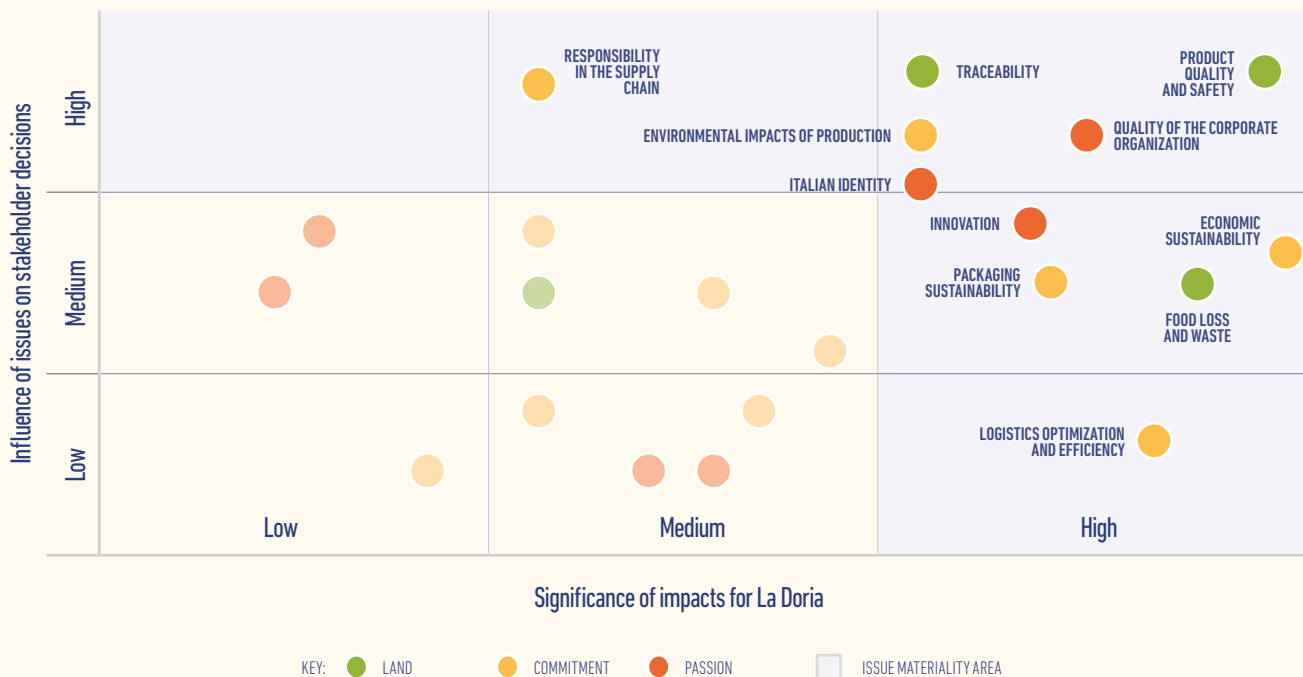
3. Validation of the materiality matrix.

In order to identify relevant issues, an analysis was made of several sector-specific reference documents, of industry Validation of the materiality matrix.research, of material issues for the sector identified by the Sustainability Accounting Standards Board (SASB)³⁷, of the expectations of La Doria's main clients³⁸, both national and international, and of benchmarking conducted on sustainability communications by a panel of national and international players. positioning of the themes in view of the impacts they might have on La Doria, of

the company's ability to govern such impacts and of the influence on Group stakeholder decisions.

This matrix representation has been validated by the Chairman and the Chief Executive Officer. The material themes validated for this reporting cycle are those presented in the matrix shown below. Compared to the previous version, the "Environmental impacts of production" material aspect was added and considered among other material aspects (Losses and waste and innovation).







THE MATERIALITY MATRIX 2017



³⁷ "Agricultural Products", "Processed Foods", "Non-Alcoholic Beverages", "Food Retailers & Distributors".

³⁸ The list of consolidated companies in the Group 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, 2017.

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

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

CORRELATION BETWEEN THE MATERIAL ASPECTS AND GRI ASPECTS

Material aspects	GRI Aspects	Scope of impacts	
		Internal	External
Product quality and safety	Customer health & safety Procurement practices	Group	Suppliers
Innovation	-	Group	
Traceability	-	Group	Suppliers
Environmental impacts of production	Materials Energy Water Emissions* Effluents and waste Transport	Group	Suppliers
Responsibility in the supply chain	Supplier assessment for labor practices; Labor practices grievance mechanisms; Supplier Human Rights assessment; Human rights grievance mechanisms.	Group	Suppliers
Food loss and waste	-	Group	Suppliers
Packaging sustainability	Materials	Group	
Logistics optimisation and efficiency	-	Group	Suppliers
Economic sustainability	Economic performance; Procurement practices	Group	
Quality of the corporate organization	Employment; Health and Safety; Training & Education; Diversity and equal opportunities	Group	
Italian identity	-	Group	Suppliers

* 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 and CO atmospheric emissions and their annual communication to the Competent Authorities. In the period no limit excesses were reported.

GRI Content Index

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Description	Number of page (or link)																																																																																																																							
STRATEGY AND ANALYSIS																																																																																																																									
G4-1	Statement from the most senior decision-maker upon the importance of sustainability for the organisation and its sustainability strategy	p. 4-5																																																																																																																							
ORGANISATIONAL PROFILE																																																																																																																									
G4-3	Name of the organization	p. 25																																																																																																																							
G4-4	Brands, products, and services	p. 14-15																																																																																																																							
G4-5	Location of the organisation's headquarters	p. 78																																																																																																																							
G4-6	Number of countries where the organisation operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics	p. 15																																																																																																																							
G4-7	Nature of ownership and legal form	p. 25-26 For further details, the Corporate Governance Report is available on the Group website: http://www.gruppoloria.it/EN/index.xhtml																																																																																																																							
G4-8	Markets served	p. 15																																																																																																																							
G4-9	Scale of the organization	p. 6-7 For further details, the Corporate Governance Report is available on the Group website: http://www.gruppoloria.it/EN/index.xhtml																																																																																																																							
G4-10	Total number of employees by employment contract, work typology, location and gender	In addition to the information reported at page 71 the table with the other data required by the indicator follows <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th colspan="2">Workforce at 31-12</th> <th colspan="2">Facilities in Italy</th> <th colspan="2">LDH</th> </tr> <tr> <th>(by type of contract)</th> <th>2017</th> <th>2016</th> <th>2017</th> <th>2016</th> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Full-time employees</td> <td>673</td> <td>671</td> <td>73</td> <td>70</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>546</td> <td>548</td> <td>36</td> <td>35</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>127</td> <td>123</td> <td>37</td> <td>35</td> <td></td> <td></td> </tr> <tr> <td>Temporary employees*</td> <td>18</td> <td>-</td> <td>1</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>-men</td> <td>14</td> <td>-</td> <td>0</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>-women</td> <td>4</td> <td>-</td> <td>1</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Full-time contract</td> <td>597</td> <td>579</td> <td>66</td> <td>66</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>486</td> <td>474</td> <td>36</td> <td>35</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>111</td> <td>105</td> <td>30</td> <td>31</td> <td></td> <td></td> </tr> <tr> <td>Part-time contract</td> <td>94</td> <td>92</td> <td>8</td> <td>5</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>74</td> <td>74</td> <td>0</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>20</td> <td>18</td> <td>8</td> <td>5</td> <td></td> <td></td> </tr> <tr> <td>Total employees</td> <td>691</td> <td>671</td> <td>74</td> <td>71</td> <td></td> <td></td> </tr> <tr> <td>Total men</td> <td>560</td> <td>548</td> <td>36</td> <td>35</td> <td></td> <td></td> </tr> <tr> <td>Total women</td> <td>131</td> <td>123</td> <td>38</td> <td>36</td> <td></td> <td></td> </tr> </tbody> </table> <p>*For 2016, the fixed-term contract (seasonal and part-time workers) data was the monthly average as the breakdown of the two types of contract was not available (as in the table below)</p>		Workforce at 31-12		Facilities in Italy		LDH		(by type of contract)	2017	2016	2017	2016	2017	2016	Full-time employees	673	671	73	70			- men	546	548	36	35			- women	127	123	37	35			Temporary employees*	18	-	1	1			-men	14	-	0	0			-women	4	-	1	1			Full-time contract	597	579	66	66			- men	486	474	36	35			- women	111	105	30	31			Part-time contract	94	92	8	5			- men	74	74	0	0			- women	20	18	8	5			Total employees	691	671	74	71			Total men	560	548	36	35			Total women	131	123	38	36		
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General Standard	Description	Number of page (or link)																					
G4-10		<table border="1"> <thead> <tr> <th colspan="2">Average monthly of personnel on temporary contracts (in Italy)</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Not in Campaign period</td> <td></td> <td>134</td> </tr> <tr> <td>In Campaign period (July – September)</td> <td></td> <td>841</td> </tr> </tbody> </table> <p>The table below indicates the total percentage of new hires on seasonal contract</p> <table border="1"> <thead> <tr> <th colspan="2">Seasonal contracts</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Number of seasonal workers hired in the year</td> <td></td> <td>884</td> </tr> <tr> <td>- Men</td> <td></td> <td>345</td> </tr> <tr> <td>- Women</td> <td></td> <td>539</td> </tr> </tbody> </table> <p>The number of personnel hired at the facility (pag. 16-22) are period-end figures.</p>	Average monthly of personnel on temporary contracts (in Italy)		2016	Not in Campaign period		134	In Campaign period (July – September)		841	Seasonal contracts		2017	Number of seasonal workers hired in the year		884	- Men		345	- Women		539
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G4-11	Percentage of total employees covered by collective bargaining agreements	100% of workers are hired under collective contracts																					
G4-12	Describe the organization's supply chain	p. 23-24																					
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	p. 25 In 2017, no significant changes in relation to the size, organisational structure, ownership structure and supply chain of the Group took place.																					
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	p. 30, 44-47																					
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	p. 28-30; 50-53																					
G4-16	Involvement in national and/or international sector associations	p. 31																					
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES																							
G4-17	Entities included in the Consolidated Financial Statements and those not included in the sustainability report	p. 78																					
G4-18	Process for defining the report content and the Aspect Boundaries	p. 80-82																					
G4-19	List all the material aspects identified in the process for defining report content	p. 80-81																					
G4-20	For each material aspect, report the Aspect Boundary within the organization	p. 80-82																					
G4-21	For each material aspect, report the Aspect Boundary outside the organization	p. 80-82																					
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	p. 16																					
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	p. 82																					

General Standard	Description	Number of page (or link)
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholders involved	p. 31
G4-25	Process for identification of stakeholders	p. 31
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p. 31
G4-27	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded	p. 31
REPORT SCOPE		
G4-28	Reporting period	p. 78
G4-29	Date of most recent previous sustainability report	October 5, 2017
G4-30	Reporting cycle	Annually
G4-31	Contact point for questions regarding the sustainability report or its contents	p. 78
G4-32	GRI Content Index and 'in accordance' option chosen	p. 83
G4-33	External declaration of report	p. 79, 93-95
GOVERNANCE		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	p. 26
ETHICS AND INTEGRITY		
G4-56	Values, principles, standards and conduct norms, such as conduct codes or ethics codes	p. 26-30

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Description	Number of pages or specific	Omissions
CATEGORY: ECONOMIC			
MATERIAL ASPECT: ECONOMIC PERFORMANCE			
G4-DMA		p. 62 & 81	-
G4-EC1	Economic value directly generated and distributed	p. 64	-
MATERIAL ASPECT: PROCUREMENT PRACTICES			
G4-DMA		p. 50, 62 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	p. 65	-
G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	100% of purchases are from suppliers complying with company policies	-
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT: MATERIALS			
G4-DMA		p. 39, 54 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-EN1	Materials used by weight or volume	p. 38 & 56 For 2017, the data concerning glass, brick and combi containers is presented in pieces and not in kilograms in the absence of a reliable method to calculate the requested unit measurements.	-
G4-EN2	Percentage of materials used that are recycled input materials	p. 54-55	-
MATERIAL ASPECT: ENERGY			
G4-DMA		p. 44 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-EN3	Energy consumption within the organization	p. 46	-
G4-EN5	Energy intensity	p. 46	-
G4-EN6	Reduction of energy consumption	p. 45-46	-
MATERIAL ASPECT: WATER			
G4-DMA		p. 44 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-EN8	Total water by source	p. 48	-
MATERIAL ASPECT: EMISSIONS			

DMA and Indicators	Description	Number of pages or specific	Omissions
G4-DMA		p. 44 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Direct Group emissions (Scope 1): tCO ₂ eq 49,506. Emissions are calculated on basis of conversion factors provided by Ministry for the Environment and Regional Protection and the Marine "National Standard Parameters Table. Co-efficiencies utilised for CO ₂ emissions inventory in the national UNFCC inventory" for each of the reporting years.	-
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Indirect Group emissions (Scope 2): tCO ₂ eq 8,099. The emissions are calculated on the basis of conversion factors provided by ISPRA based on data sources TERNA "Emission factors for the production and consumption of electricity in Italy" year 2014	-
G4-EN18	Greenhouse gas (GHG) emissions intensity	Group GHG intensity (Scope 1 and 2) (tCO ₂ eq/t product): 0.1	-
MATERIAL ASPECT: EFFLUENTS AND WASTE			
G4-DMA		p. 44 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-EN22	Total water discharge by quality and destination	p. 48	-
G4-EN23	Total weight of waste by type and disposal method	p. 47	-
MATERIAL ASPECT: TRANSPORT			
G4-DMA		p. 60 & 81	-
G4-EN30	Significant environmental impacts from the transport of products and goods/materials utilised for the organisation's activities and for the movement of personnel	p.56 & 60 The company has a structured system for the calculation of a reliable estimate of the quantitative parameters	-

DMA and Indicators	Description	Number of pages or specific	Omissions																																																																																			
CATEGORY: SOCIAL																																																																																						
SUB-CATEGORY: LABOR PRACTICES																																																																																						
MATERIAL ASPECT: EMPLOYMENT																																																																																						
G4-DMA		p. 69 & 81 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-																																																																																			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	<p>p. 72</p> <p>GROUP TURNOVER</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">2017</th> <th colspan="3">2016</th> </tr> <tr> <th>Total</th> <th>Men</th> <th>Female</th> <th>Total</th> <th>Men</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Total new hires</td> <td>29</td> <td>16</td> <td>13</td> <td>24</td> <td>13</td> <td>11</td> </tr> <tr> <td><35</td> <td>18</td> <td>10</td> <td>8</td> <td>19</td> <td>12</td> <td>7</td> </tr> <tr> <td>35-54</td> <td>11</td> <td>6</td> <td>5</td> <td>3</td> <td>0</td> <td>3</td> </tr> <tr> <td>>54</td> <td>0</td> <td>0</td> <td>0</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>New hires rate</td> <td>4%</td> <td>3%</td> <td>8%</td> <td>3%</td> <td>2%</td> <td>7%</td> </tr> <tr> <td>Total departures</td> <td>23</td> <td>16</td> <td>7</td> <td>37</td> <td>21</td> <td>16</td> </tr> <tr> <td><35</td> <td>9</td> <td>7</td> <td>2</td> <td>11</td> <td>6</td> <td>5</td> </tr> <tr> <td>35-54</td> <td>9</td> <td>5</td> <td>4</td> <td>15</td> <td>8</td> <td>7</td> </tr> <tr> <td>>54</td> <td>5</td> <td>4</td> <td>1</td> <td>11</td> <td>7</td> <td>4</td> </tr> <tr> <td>Departures rate</td> <td>3%</td> <td>3%</td> <td>4%</td> <td>5%</td> <td>4%</td> <td>10%</td> </tr> </tbody> </table>		2017			2016			Total	Men	Female	Total	Men	Female	Total new hires	29	16	13	24	13	11	<35	18	10	8	19	12	7	35-54	11	6	5	3	0	3	>54	0	0	0	2	1	1	New hires rate	4%	3%	8%	3%	2%	7%	Total departures	23	16	7	37	21	16	<35	9	7	2	11	6	5	35-54	9	5	4	15	8	7	>54	5	4	1	11	7	4	Departures rate	3%	3%	4%	5%	4%	10%	-
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G4-LA2	Employee benefits by type of contract	<p>All Executives and some Managers of the Group are provided with a company car.</p> <p>The daycare/pre-school contribution is provided only to permanent employees at the Parma facility as based on the level II agreements in place before the acquisition.</p> <p>Meal vouchers are issued to all fixed term employees except for those at the Parma facility who may use the canteen.</p>	-																																																																																			
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G4-DMA		p. 69 & 81 http://www.gruppoladoria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-																																																																																			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	<p>92.5% of workers are represented on the committees</p> <p>The committees operate on two levels:</p> <ul style="list-style-type: none"> • central for all La Doria S.p.A., the Integrated Prevention and Protection Service (including the Employer, the Appointees of the Employer, the Competent Coordination Doctor, the Prevention and Protection Manager, the Legal Affairs Department, the Environmental Manager); • of the facility, including the Facility Manager, the Employer Appointee, the Competent Doctor, the Prevention and Protection Manager, the Executives and the Worker safety representatives. 	-																																																																																			

DMA and Indicators	Description	Number of pages or specific	Omissions																																																																											
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	<p>In addition to the information reported at page 74 we present the following summary</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">In Italy</th> </tr> <tr> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Number of accidents³⁹</td> <td>31</td> <td>23</td> </tr> <tr> <td>- men</td> <td>26</td> <td>19</td> </tr> <tr> <td>- women</td> <td>5</td> <td>4</td> </tr> <tr> <td>of which temporary</td> <td>2</td> <td>0</td> </tr> <tr> <td>- men</td> <td>2</td> <td>-</td> </tr> <tr> <td>- women</td> <td>-</td> <td>-</td> </tr> <tr> <td>Accident rate</td> <td>3.62</td> <td>2.78</td> </tr> <tr> <td>- men</td> <td>3.97</td> <td>2.97</td> </tr> <tr> <td>- women</td> <td>2.50</td> <td>2.13</td> </tr> <tr> <td>Workplace illness rate</td> <td>0.12</td> <td>0.12</td> </tr> <tr> <td>- men</td> <td>-</td> <td>-</td> </tr> <tr> <td>- women</td> <td>0.50</td> <td>0.53</td> </tr> <tr> <td>Rate of lost work days</td> <td>101.35</td> <td>1,012</td> </tr> <tr> <td>- men</td> <td>94.15</td> <td>1,228</td> </tr> <tr> <td>- women</td> <td>124.96</td> <td>274</td> </tr> </tbody> </table> <p>In 2016, the rate of days lost was particularly high due to the accident resulting in the death of a worker. For such events, generally 7,500 lost work days are calculated.</p> <p>In 2017, two accidents involving outside company employees took place.⁴⁰</p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Gravity index⁴¹</td> <td>0.51</td> <td>5.06</td> </tr> <tr> <td>Frequency index⁴¹</td> <td>18.12</td> <td>13.90</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Absenteeism rate</th> <th>2017</th> <th>Absenteeism rate LDH</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>2.05%</td> <td>Total</td> <td>0.8%</td> </tr> <tr> <td>- men</td> <td>2.12%</td> <td>- men</td> <td>0.3%</td> </tr> <tr> <td>- women</td> <td>1.81%</td> <td>- women</td> <td>1.4%</td> </tr> </tbody> </table> <p>Over the last two years, LDH has not reported any workplace accidents.</p>		In Italy		2017	2016	Number of accidents³⁹	31	23	- men	26	19	- women	5	4	of which temporary	2	0	- men	2	-	- women	-	-	Accident rate	3.62	2.78	- men	3.97	2.97	- women	2.50	2.13	Workplace illness rate	0.12	0.12	- men	-	-	- women	0.50	0.53	Rate of lost work days	101.35	1,012	- men	94.15	1,228	- women	124.96	274		2017	2016	Gravity index⁴¹	0.51	5.06	Frequency index⁴¹	18.12	13.90	Absenteeism rate	2017	Absenteeism rate LDH	2017	Total	2.05%	Total	0.8%	- men	2.12%	- men	0.3%	- women	1.81%	- women	1.4%	-
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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 following ratios are calculated according to INAIL's guidelines.

DMA and Indicators	Description	Number of pages or specific	Omissions																											
MATERIAL ASPECT: TRAINING AND EDUCATION																														
G4-DMA		p. 69 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-																											
G4-LA9	Average hours of training per year per employee by gender, and by employee category	In addition to the information reported at page 73 below the tables AVERAGE HOURS OF TRAINING BY GENDER⁴² <table border="1" style="margin-left: auto; margin-right: auto;"><thead><tr><th colspan="2">2017⁴²</th><th colspan="2">2016</th></tr><tr><th>Male</th><th>Female</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>13.1</td><td>22.6</td><td>11.8</td><td>13.9</td></tr></tbody></table> AVERAGE HOURS OF TRAINING BY ROLE⁴³ <table border="1" style="margin-left: auto; margin-right: auto;"><thead><tr><th></th><th>2017</th><th>2016</th></tr></thead><tbody><tr><td>Executives</td><td>5.3</td><td>4.2</td></tr><tr><td>Managers</td><td>10.6</td><td>4.5</td></tr><tr><td>White-collar</td><td>11.8</td><td>6.3</td></tr><tr><td>Blue-collar</td><td>17</td><td>14.4</td></tr></tbody></table> This data exclusively concerns Group personnel working in Italy. The data is not available for the subsidiary LDH.	2017 ⁴²		2016		Male	Female	Male	Female	13.1	22.6	11.8	13.9		2017	2016	Executives	5.3	4.2	Managers	10.6	4.5	White-collar	11.8	6.3	Blue-collar	17	14.4	-
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MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY																														
G4-DMA		p. 10, 69 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-																											
G4-LA12	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. 26 & 71	-																											
G4-LA13	Remuneration ratio total women to men in same category	p. 72	-																											
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES																														
G4-DMA		p. 29, 51-53 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-																											
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	The percentage of new raw material suppliers subject to control for working conditions is 100%	-																											
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	p. 51-53	-																											

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 12.7 average hours; women 4.7 average hours.

DMA and Indicators	Description	Number of pages or specific	Omissions
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS			
G4-DMA		p. 50 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	p. 29 & 52	-
SUB-CATEGORY: HUMAN RIGHTS			
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA		p. 50 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	p. 51-53	-
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-DMA		p. 29, 51-53 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	p. 29, 52	-

DMA and Indicators	Description	Number of pages or specific	Omissions
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA		p. 33 & 81 http://www.gruppoloria.it/assets/documents/La%20Doria%20Politica%20Aziendale%202016.pdf	-
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	p. 33 & 34 100% of products	-
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle	No incidents of this type are reported in the period	-
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. 33 100% 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**

**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 the "Decree") and to article 5 of the CONSOB Regulation n. 20267, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of La Doria S.p.A. and its subsidiaries (hereinafter the "La Doria Group" or the "Group") as of December 31, 2017 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 14, 2018 (hereinafter 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 the "Sustainability Reporting Guidelines" including the "Food Processing Sector Disclosures", established respectively in 2013 and 2014 by GRI – *Global Reporting Initiative* (hereinafter "GRI G4 Guidelines"), 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 documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239 | Partita IVA: IT 03049560166

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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 G4 Guidelines. 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 "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 financial data and information included in the NFS with those included in the consolidated financial statements of the 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 and/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).

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 we carried out limited documentary verifications, in order to gather information about the processes



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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 activities and specific characteristics:

- at group's 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, Sarno and Parma production facilities of the parent company La Doria S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the La Doria Group as of December 31, 2017 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI G4 Guidelines.

Other Matter

The data for the year ended December 31, 2016 presented for comparative purposes in the NFS have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Mariano Bruno
Partner

Naples, Italy
March 28, 2018

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



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