



**LAND**

**COMMITMENT**

**PASSION**

2018 Consolidated Non-Financial Disclosure  
*Sustainability Report*

**La Doria Group**







# Contents

Letter to the stakeholders	4
The fruits of our labour	6
The sector challenges	8
<b>The La Doria Group: an alternative to the brands</b>	<b>14</b>
Production at our core	16
The product journey	25
The La Doria group	27
Integrity and Transparency	28
Dialogue with the Stakeholders	34
<b>Land</b>	<b>36</b>
Product quality and safety	38
Traceability	42
Food loss and waste	46
<b>Commitment</b>	<b>50</b>
Environmental impacts of production	52
Human rights and Responsibility throughout the supply chain	58
Packaging sustainability	64
Logistics optimisation and efficiency	68
Economic sustainability	72
<b>Passion</b>	<b>76</b>
Innovation	78
Quality of the organisation	80
Italian identity	86
<b>Origins of this report</b>	<b>90</b>
Methodological note	90
Definition of material topics	92
GRI Content Index	95
Auditors' Report	105



**Antonio Ferraioli**  
*Chairman*



**Andrea Ferraioli**  
*Chief Executive Officer*

Dear readers,

We have the pleasure of presenting to you our third Sustainability Report, which represents a precious opportunity to ensure all our stakeholders are aware of our deep commitment to sustainability.

Our business model has always been based on synergy between our values – legality, ethics, transparency, respect for human rights, respect for the environment and the development of the local community – and our Group’s financial solidity.

As we noted at the time of publication of last year’s report, the true value of a company is also measured by how it does business and generates value for all its stakeholders. 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.

It is this conviction that motivates us to strive for increasingly deep integration between economic growth and sustainable, responsible development initiatives, confident that such integration can serve as a model for creating shared value.

The La Doria Group consolidated its commitments to sustainability in 2018, as laid out in the Sustainability Policy adopted by the Group during the year, inspired by the UN Sustainable Development Goals, adopted as part of its Agenda 2030.

We reiterate our commitment to reducing the impact of our business on the environment and to managing energy resources sustainably; to optimizing our production processes to reduce waste and inefficiency; to working alongside farmers’ organizations to promote tools and solutions that ensure that farming is done efficiently and sustainably; to maintaining high levels of food quality and safety; and to improving the health and safety performances of workers.

We will continue to strive to increase the use of sustainable packaging, to improve the development of human resources and to promote the circular economy. We also intend to continue to contribute to local growth and to improve dialogue with our stakeholders.

In the 2018 edition of the Sustainability Report, we have sought to emphasize several topics of particular importance to us and our stakeholders: engagement, diversity, human rights, optimization and logistical efficiency, and sustainability culture and integration.

The engagement initiatives undertaken last year, aimed at creating opportunities for feedback from and dialogue with stakeholders, extended to consultation of employees to obtain their opinions and expectations regarding sustainability topics relevant to them.

The engagement activities made it possible to focus on the areas of improvement and plan the activities to be taken in the coming years to respond to feedback obtained. The La Doria Group regards human resources as crucial to achieving its business objectives. Accordingly, our future efforts will be directed at safeguarding and promoting the value of our people, fostering their professional growth while remaining committed to avoiding discrimination of all kinds, ensuring equal opportunities for both genders and focusing on their wellbeing and expectations. In this regard, in early 2019 we formally adopted our Diversity and Inclusion Policy, which promotes diverse human resources as a fundamental aspect of sustainability in the medium and long term.

In 2019 the Stakeholder Engagement process will also be extended to our clients, with whom we have built solid, lasting relationships, gradually gaining their trust through constant openness to feedback and meeting their needs in terms of quality, service, flexibility, expertise and reliability – in short, what we like to call the “quality of our company system”.

In 2018 we adopted our Human Rights Policy, which lays out the Group's commitment to supporting, within its sphere of influence, the protection of the human rights enshrined in the United Nations Universal Declaration of the Rights of Man and the treaties inspired by it.

We devote particular attention to promoting and respecting the rights of individuals and eliminating all forms of violation of such rights in our supply chain. As part of these efforts, we have begun an important process focused on the tomato and legume supply chain involving on the introduction of an ethical risk monitoring system, based on indications provided by ISO 26000 “Guidance on Social Responsibility”, which is used to identify suppliers at risk of improper working conditions.

We have made extensive investments in optimization and logistical efficiency with the aim of cutting the costs and environmental impacts of transporting raw materials and our products. As part of this process, we expanded the automated warehouse at our Parma production facility and reduced our reliance on external storage.

In the coming months, we will continue to work on integrating sustainability into our strategy, governance and business processes, while also spreading a culture of sustainability at all levels, internally and externally to the organization – an essential prerequisite to the success of an effective, shared approach to integration. In this regard, various training activities were carried out in 2018 with a focus on our employees and farmers.

These initiatives and the results they have yielded thus far motivate us to strive for constant improvement and to take further measures designed to meet the expectations of all the La Doria Group's stakeholders, since sustainability is the cornerstone of our system of values.

The future has significant challenges in store for us and we are confident we will rise to meet them by continuing to grow and become increasingly competitive, anticipating change in a constantly evolving world. However, our identity and founding values remain those that have always informed our actions, according to a socially responsible approach.

# The fruits of our labour

**687.9 mln €**

Revenues  
(95% from the private labels market)

**0.47**

Debt/Equity  
Ratio

**2.13**

Debt/EBITDA  
Ratio

**7.7%**

EBITDA  
Margin

## Land

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



**100%**

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.



**42**

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





**80.3%**

Of revenues from overseas

**6**

Production facilities

**802**

Personnel

**565 mln kg**

Production



**100%**

traceability of our products



**99%**

of waste recycled



**434,090 €**

value of products donated



**95%**

of metal can requirements satisfied internally



**15 km**

average distance from most-used outsourced warehouses



**95%**

economic value generated distributed to our stakeholders



**100%**

products made at our plant in Italy



**38%**

energy needs satisfied internally



**16**

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

## The sector challenges

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

The global population is expected to grow to 9.7 billion by 2050, which will require the current global food production to almost double. Approximately 50% of the production required to satisfy the increased demand in 2050 must come from land which is currently already cultivated<sup>1</sup>. 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.

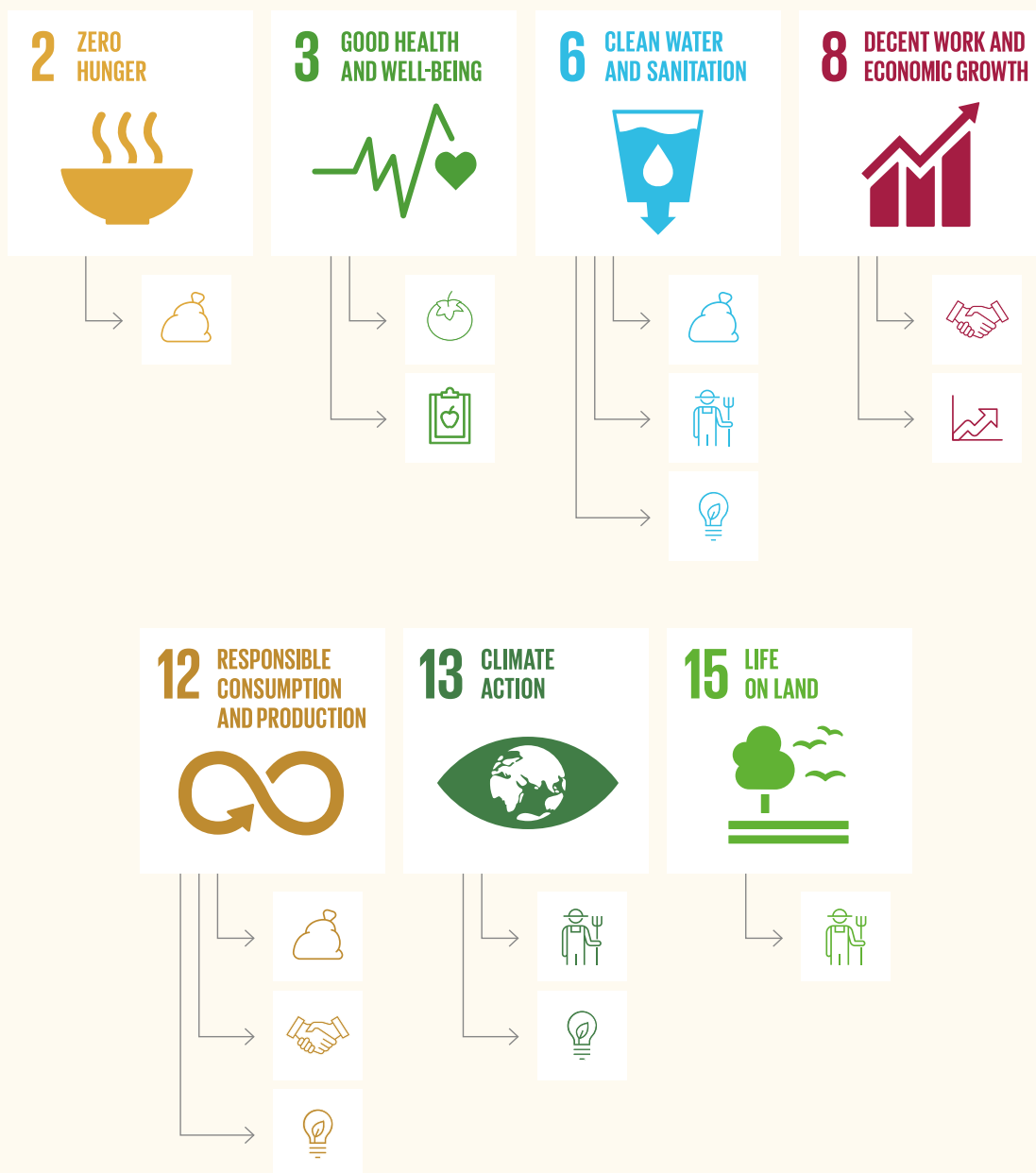
Against this backdrop, changing consumer habits, with an increasing focus on healthy eating choices and product quality and safety, in addition to increasing awareness that their decisions may impact the planet's sustainability,

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

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

pose a number of questions which sector operators simply cannot ignore. Actively dealing with these challenges is decisive for the achievement of the United Nations Sustainable Development Goals - (SDG's<sup>2</sup>). 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.




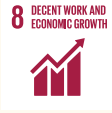





<sup>2</sup> For further details, see <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Highlighting La Doria's contribution to delivering upon the seven United Nations Sustainable Development Goals (SDGs) discussed above, in addition to goals five and ten on gender parity and inequalities, our key areas of focus in the three-year period 2017-2019 and the relevant actions taken and to be taken in 2019 are presented below.

For the specific SDG's, social and environmental areas of commitment related to the material aspects were identified.








UN SDGs	Material Topics	Areas of Commitment	Commitment	What we did in 2018	What we will do in 2019
   		GOVERNANCE OF SUSTAINABILITY	Continue to circulate the Group principles outlined in the Ethics Code and in Company Policies	We provided training regarding the Ethics Code to new recruits.	We shall promote at our largest suppliers training on the Ethics Code principles
			Implement the Enterprise Risk Management (ERM) system	At the end of 2018 we launched the ERM Project with the aim of completing the company risk identification and assessment method.	We will conclude the project
			Continuously update the 231 Models and the Ethics Code and train the Managers of the Areas involved	We began to update the Ethics Code.	We will conclude the update of the Ethics Code by submitting it for the BoD's approval. We will update the General Section and Sec. II on Market Abuse of the Special Section of the 231 Model.
			Prepare and formalise the human rights policy	In July 2018 we formally prepared and adopted our Human Rights Policy.	We shall plan measures to implement the Human Rights policy
			Improve the stakeholder engagement process	We surveyed some employees regarding sustainability topics and their expectations.	We will extend the survey to all employees, clients and suppliers.
			Provide human rights training	We have designed the training content to be delivered in 2019	In the first quarter of 2019 we will provide training courses on human rights to all employees through the e-learning platform.

UN SDGs	Material Topics	Areas of Commitment	Commitment	What we did in 2018	What we will do in 2019
   	ENVIRONMENTAL IMPACTS OF PRODUCTION	ENERGY EFFICIENCY	Support energy efficiency investment at Group plant and offices	We replaced at the Angri, Sarno and Fisciano facilities the lighting in some production units with LED lighting.	We will extend the replacement of existing lighting with LED systems to the other departments.
		OPTIMISE USE OF WATER, REDUCE EMISSIONS AND WASTE	Improve production processes to reduce waste and inefficiencies (CO <sub>2</sub> emissions, greenhouse gases, water consumption, waste)	We installed new engines in the cogeneration plant at the Angri facility, resulting in a considerable reduction in CO <sub>2</sub> and NO <sub>x</sub> . At the other facilities, we periodically monitor emissions and conduct a combustion analysis aimed at ensuring burner efficiency.	We shall install a new boiler at the Parma facility to improve efficiency and comply with ecological emission values. We shall streamline production at the Parma facility to reduce format changes and therefore waste. We shall invest in logistics expansion at Fisciano, reducing the impact of semi-finished product transport. We shall bring the production of "easy open" metal lids in-house to reduce the impact from supplier transport.
			Support the circular economy	We "reused" 5,000 plastic bins through the regeneration of broken bins delivered to the supplier, which used them as inputs in its production process.	We have plans to repeat the initiative in 2019.
			Increase controls on environmental aspects, with support also of external companies	In 2018 we commissioned an external company to conduct targeted internal audits in accordance with the law and in application of the 14001 standard.	We will also conduct the same type of audit in 2019.
  	COMPANY QUALITY SYSTEM	SAFETY	Continue to encourage a safety culture at all Group facilities	We spread a safety culture at all Group facilities through classroom training courses and periodic meetings.	We shall introduce an award for the Facility with the best frequency and gravity index improvement.
		PERSONNEL	Increase training hours on non-obligatory training	In 2018 we increased non-mandatory training hours by approximately 10%.	We shall continue to provide non-mandatory training (sustainability, human rights, diversity).
			Prepare performance assessment and management tools and feedback tools based on equal opportunity principles	We have designed a performance assessment and management tool to be introduced in 2019	We will launch a performance management program based on continuous feedback. We will begin a pilot project involving executives and those reporting directly to them.
			Assess inclusion in the MBO system of Sustainability-related elements	Worker safety elements (severity and frequency indices) were added to the MBO sheets of certain executives	We shall assess opportunities to include new sustainability-related elements to the MBO system.
			Encourage a sustainability culture through a training plan module for new hires	The Sustainability Policy was formally drafted and adopted in September 2018.	We shall plan measures to implement the Human Rights policy
				We provided a training module on the NFS and on sustainability with the aim of promoting a culture of sustainability.	We shall introduce a new Sustainability training module.
			Create a dedicated training space for the e-learning platform	We launched the e-learning platform.	We shall continue to use the e-learning platform to increase non-mandatory training
			Formalise a diversity policy	We approved the Diversity Policy during the BoD meeting of January 23, 2019.	We will promote awareness-raising initiatives on diversity issues.

UN SDGs	Material Topics	Areas of Commitment	Commitment	What we did in 2018	What we will do in 2019
	<b>HUMAN RIGHTS AND SUPPLY CHAIN RESPONSIBILITY</b>		We will promote registration of suppliers on the Sedex platform and GLOBALG.A.P. GRASP certification <sup>3</sup>	We proposed that our most important suppliers register with the Sedex Platform. Five raw materials suppliers formally joined. One of our largest pulses suppliers was awarded KRAV certification <sup>4</sup> .	We will continue to raise awareness among suppliers in view of registration on the Sedex platform and GLOBALG.A.P. GRASP certification. The goal is for 100% of tomato POs (producer organizations) to be GLOBALG.A.P. GRASP certified by 2020.
		<b>SUPPLIERS</b>	Extend independent verification of supply chain monitoring according to the UNI ISO 26000:2010 Guidance Standard on Social Responsibility and the relevant supply chain indicators of the Global Reporting Initiative (GRI) to the pulses supply chain	The independent authority's verification activity began in late 2018.	The verification process will be completed in the first quarter of 2019.
     			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	Training was delivered to farmers with the support of an outside consultancy firm on the sustainable use of fertilisers, reducing waste and in general on efficient farm management.	We shall continue training and education for farmers on economic, social and environmental sustainability.
	<b>ECONOMIC SUSTAINABILITY</b>		Promote and consolidate supply chain agreements to support farmers and favour long-term growing contracts to offer better guarantees to farmers and support investment to boost productivity	We formalized supply chain agreements that call for the company to supply seedlings to farmers, allowing farmers to avoid the initial outlay, while also permitting the company to choose the variety, thereby improving tomato quality and yield. Numerous technical training meetings in the field are planned with regard to various technical issues, ethical behaviour and good harvesting practices.	We will continue to enter into such agreements with the aim of fostering investments and increasing productivity.
		<b>REGION</b>	Support the development of communities through social responsibility initiatives	We provided four scholarships as part of the "Pomodoreide" competition for schools organized by ANICAV (the Association of Food-Processing Enterprises) and the Città della Scienza museum.	We shall assess opportunities to identify further Regional partnership measures.
			Partner with schools to award worthy students with grants or study trips	In 2018 we awarded six scholarships to top students graduating from local secondary schools during the year and enrolling in university programs consistent with the skillsets required by the company.	In 2019 plans call for collaboration with a local scientific secondary school through an internship program.
	<b>FOOD LOSS AND WASTE</b>		Consolidate the partnerships with non-profit associations to which we can donate products that are fit for consumption but cannot be sold to customers (e.g. Food Bank in Italy)	In 2018 we donated 86% of unsold products to the Food Bank.	In 2019 we shall identify a dedicated staff member to manage relations with the NGO's receiving donations.

<sup>3</sup> This is a standard for the inspection of agricultural and social best practices. The abbreviation stands for "GLOBALG.A.P Risk Assessment on Social Practices", an additional module of the GLOBALG.A.P. Standard focused on the assessment of the social aspects workers' activities in agriculture, used in practice to assess the risk of poor social practices in the sector.

<sup>4</sup> KRAV is Sweden's foremost organic product certification organization. Companies that adopt the KRAV mark are required to comply with more stringent ecological standards than provided for in European regulations (Reg. (EC) No 834/07). The KRAV standards also include social responsibility requirements.

UN SDGs	Material Topics	Areas of Commitment	Commitment	What we did in 2018	What we will do in 2019	
 	PRODUCT QUALITY AND SAFETY	QUALITY	Continue to ensure a high level of food quality and safety through the adoption of a food quality and safety management system	We launched an initiative to refresh skills in the Quality Assurance and Control area through the organization of a series of specialist courses in collaboration with an external company.	The course schedule will also be extended to 2019.	
	INNOVATION		Offer our customers products which increasingly suit their dietary requirements (e.g. salt and sugar reduction)	Within the company organization we established a dedicated function with the mission of identifying new consumer trends and needs such as the interest in wellness and wellbeing.	We shall continue customer service research and innovation.	
	TRACEABILITY				Obtain ISO 22005 certification for tomatoes, fruit, Italian chickpeas and basil.	
  	PACKAGING SUSTAINABILITY	PACKAGING	Promote the use of CHEP pallets, permitting the continued reuse of materials and thus reducing waste, CO <sub>2</sub> emissions and consequently environmental impact	The use of CHEP pallets for shipping finished products was proposed to an increased number of clients.	We shall continue to propose to our customers the use of chep pallets to replace pallets through exchange.	
						We will replace clusters for SKUs packaged in (unrecycled) TRB of four to six boxes with FSC-certified cardboard
				Promote the reduction of packaging volumes and unnecessary packaging	We have carried out feasibility studies, together with some customers, on reducing packaging volumes.	We will reduce the weight of the plastic wrap used on product pallets.
						We will reduce the weight of the PET that is used to package fruit juices and other beverages.
			Increasing the use of packaging made using renewable sources and recycled materials	The use of packaging from recycled sources was increased.	All paper and cardboard suppliers will be FSC-certified with effect from 2019.	
	LOGISTICS OPTIMISATION AND EFFICIENCY		Continue self-producing a significant quantity of packaging, reducing costs and transport related impacts	Metal can requirements are 95% satisfied internally.	We will also produce easy-open covers in-house.	

# The La Doria Group: an alternative to the brands

## Our History

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

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

Kingdom, Japan, Australia and across Europe.

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



### FOUNDATION

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

### DIVERSIFICATION

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

### EXPANSION

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







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

'80



'90



'00

**GENERATIONAL CHANGE**

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

**THE LISTING**

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



**LEADERSHIP**

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

# Production at our core

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

## Our products

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



### TOMATO-BASED PRODUCTS

The La Doria Group is the leading 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 2018, Group revenues reached Euro 687.9 million. 95% of consolidated revenues are generated from private label products, while slightly under 3.7% relate to products sold under the company brand<sup>5</sup>.

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

The *sauces line* includes ready-made sauces and meat-based, pesto, fish and white sauces, condiments and dressing sauces.

The *fruit line* includes juices and beverages produced by the parent company

## REVENUES BY PRODUCT LINE IN 2018

Product line	Revenue %
Tomato-based products	21.9%
Pulses vegetables	27.8%
Fruit juices	9.6%
Ready-made sauces	12.8%
Other products (LDH)	27.9%

<sup>5</sup> The remainder (approx. 1.3%) 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

La Doria S.p.A., in addition to canned fruit marketed by the subsidiary LDH on the English market.

Finally, the *other lines* refer principally to products sold by the subsidiary LDH on the British market.

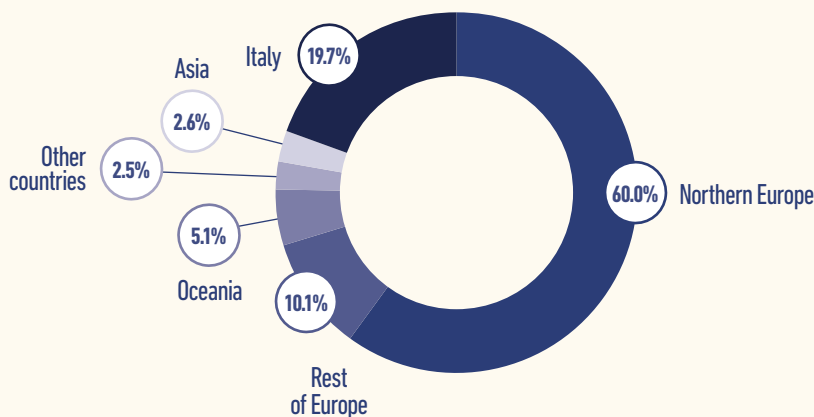
## The markets

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

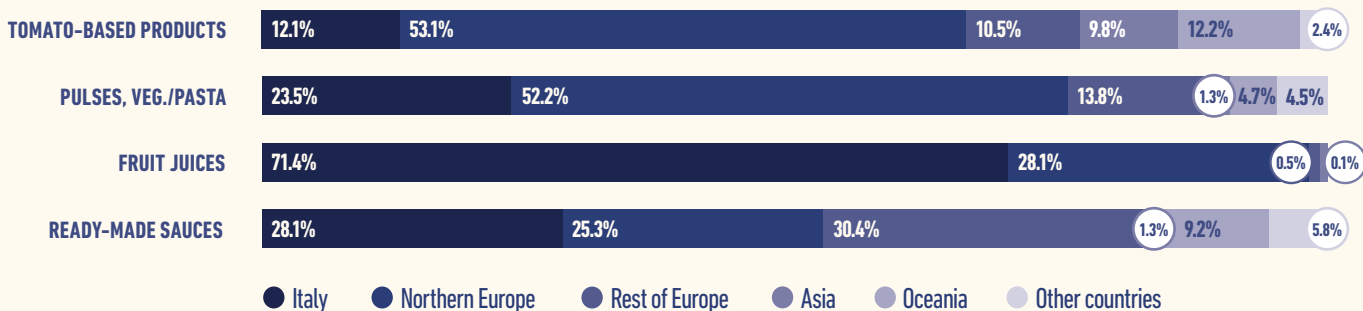
The main market for La Doria's products is Northern Europe and in particular the United Kingdom, thanks mainly to the subsidiary LDH (La Doria) LTD. The company has also gained strong positioning on the German, Scandinavian, Australian and Japanese markets. La Doria is the leading exporter of distributor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

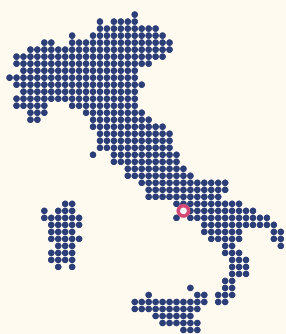




## The production facilities<sup>6</sup>

[GRI 102-10; GRI 102-48; GRI 303-1; GRI 305-1; GRI 305-2; GRI 305-4<sup>7</sup>]

### Angri



#### AREA

**101,000** sq. mtrs.

#### HOURS WORKED 2018

**444,634**

#### 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

181

PART-TIME EMPLOYEES

5

SEASONAL EMPLOYEES

211

#### QUANTITIES PRODUCED (NET KG)

2018

	2018
TOMATO-BASED PRODUCTS	47,891,537
PULSES AND VEGETABLES	114,497,832
FRUIT JUICES	58,002,003
<b>TOTAL</b>	<b>220,391,372</b>

#### WATER SOURCED

2018

2017

	2018	2017
GROUNDWATER IN M <sup>3</sup>	984,062	1,011,641

#### GHG EMISSIONS

2018

2017

	2018	2017
DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	18,540	19,169
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED <sup>8</sup>	1,513	1,686
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.09	0.08

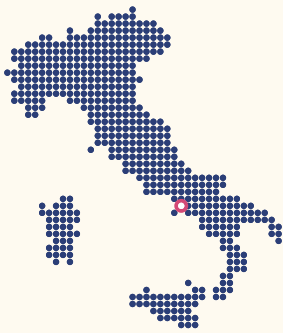
<sup>6</sup> We underline that the differences concerning facility square meterage on 2017 are due to precise measurements resulting in updates to the figures reported in the previous plans

<sup>7</sup> The GHG Intensity index (tCO<sub>2</sub>/tonnes of product) is calculated considering total Scope 1 and Scope 2 emissions.

<sup>8</sup> Following a collation and calculation process, the figures for 2017 indirect emissions at all facilities were restated on those published in the 2017 Sustainability Report. For the previous historic figures, reference is made to the 2017 Sustainability Report.



## Sarno



## AREA

**179,000** sq. mtrs.

## HOURS WORKED 2018

**329,602**

## 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

122

PART-TIME EMPLOYEES

9

SEASONAL EMPLOYEES

127

## QUANTITIES PRODUCED (NET KG)

2018

	2018
TOMATO-BASED PRODUCTS	36,682,025
PULSES AND VEGETABLES	135,499,717
FRUIT JUICES	9,681,943
<b>TOTAL</b>	<b>181,863,685</b>

## WATER SOURCED

2018

2017

	2018	2017
GROUNDWATER IN M <sup>3</sup>	734,143	745,353

## GHG EMISSIONS

2018

2017

	2018	2017
DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	11,835	11,778
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED	5,253	4,824
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.09	0.07



**Fisciano**



**AREA**

**112,000** sq. mtrs.

**HOURS WORKED 2018**

**181,489**

**PRODUCTION**

Tomatoes, pulses, vegetables and pasta and ready-made sauces

**CERTIFICATIONS**

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

FULL-TIME EMPLOYEES

**30**

SEASONAL EMPLOYEES

**264**

**QUANTITIES PRODUCED (NET KG)**

**2018**

	2018
TOMATO-BASED PRODUCTS	57,805,145
PULSES AND VEGETABLES	8,285,078
READY-MADE SAUCES	683,060
<b>TOTAL</b>	<b>66,773,283</b>

**WATER SOURCED**

**2018**

**2017**

	2018	2017
GROUNDWATER IN M <sup>3</sup>	201,142	206,885
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M <sup>3</sup>	232	1,376

**GHG EMISSIONS**

**2018**

**2017**

	2018	2017
DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	6,294	6,598
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED	1,890	1,771
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.12	0.09



## Lavello



## AREA

**266,000** sq. mtrs.

## HOURS WORKED 2018

**131,284**

## PRODUCTION

Tomatoes and fruit purée

## CERTIFICATIONS

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

FULL-TIME EMPLOYEES

**23**

SEASONAL EMPLOYEES

**311**

## QUANTITIES PRODUCED (NET KG)

	2018
TOMATO-BASED PRODUCTS	34,154,330
FRUIT PUREE	2,485,400
<b>TOTAL</b>	<b>36,639,730</b>

## WATER SOURCED

	2018	2017
GROUNDWATER <sup>9</sup> IN M <sup>3</sup>	0	0
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M <sup>3</sup>	5,218	6,009
CO-OPERATIVE WATER	278,900	280,100

## GHG EMISSIONS

	2018	2017
DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	3,160	4,100
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED	1,014	1,110
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.11	0.08

<sup>9</sup> Following a collation and calculation process, the underground water figures for 2017 were restated on those published in the 2017 Sustainability Report and considered in co-operative water. For the previous historic figures, reference is made to the 2017 Sustainability Report



**Faenza**



**AREA**

**24,000** sq. mtrs.

**HOURS WORKED 2018**

**23,843**

**PRODUCTION**

Fruit puree

**CERTIFICATIONS**

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

FULL-TIME EMPLOYEES

8

SEASONAL EMPLOYEES

29

**QUANTITIES PRODUCED (NET KG)**

**2018**

FRUIT PUREE	10,689,800
<b>TOTAL</b>	<b>10,689,800</b>

**WATER SOURCED**

**2018**

**2017**

GROUNDWATER IN M <sup>3</sup>	68,018	73,328
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M <sup>3</sup>	2,010	2,368

**GHG EMISSIONS**

**2018**

**2017**

DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	604	617
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED	309	304
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.08	0.07



Acerra<sup>10</sup>

## AREA

24,000 sq. mtrs.

## HOURS WORKED 2018

66,002

## PRODUCTION

Ready-made sauces

## CERTIFICATIONS

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

## FULL-TIME EMPLOYEES

59

## QUANTITIES PRODUCED (NET KG)

	2018
READY-MADE SAUCES	9,692,262
<b>TOTAL</b>	<b>9,692,262</b>

## WATER SOURCED

	2018	2017
GROUNDWATER IN M <sup>3</sup>	114,510	355,040
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M <sup>3</sup>	13,813	22,617

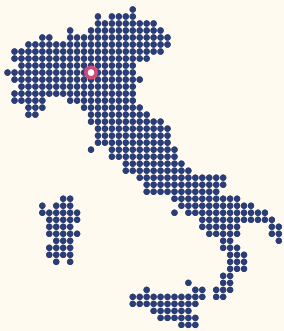
## GHG EMISSIONS

	2018	2017
DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	1,093	2,173
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED	678	1,115
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.18	0.10

<sup>10</sup> The Acerra facility ceased production activity on September 30, 2018 following the optimisation of the Group's industrial structure. The Facility in 2018 exclusively produced ready-made sauces. Group employees were relocated to other Group facilities. The data concerning production and the environmental aspects refer to the period 01/01/2018 to 30/09/2018.



Parma



AREA

**108,000** sq. mtrs.

HOURS WORKED 2018

**256,364**

PRODUCTION

Ready-made sauces

CERTIFICATIONS

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

FULL-TIME EMPLOYEES

124

PART-TIME EMPLOYEES

28

QUANTITIES PRODUCED (NET KG)

2018

READY-MADE SAUCES	38,230,738
<b>TOTAL</b>	<b>38,230,738</b>

WATER SOURCED

2018

2017

GROUNDWATER IN M <sup>3</sup>	295,258	294,117
AQUEDUCT OR OTHER MUNICIPAL SOURCE IN M <sup>3</sup>	673	927

GHG EMISSIONS

2018

2017

DIRECT EMISSIONS (SCOPE 1) IN CO <sub>2</sub> EQUIVALENT TONNES	5,487	5,071
INDIRECT EMISSIONS (SCOPE 2) IN CO <sub>2</sub> EQUIVALENT TONNES - LOCATION BASED	888	485
GHG INTENSITY (TON CO <sub>2</sub> /TONS OF PRODUCT) - LOCATION BASED	0.17	0.15

# The product journey

[GRI 102-9]



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

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

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



Pulses are however acquired principally in North and South America 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 labelling paper, the Group relies on third party suppliers.



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

Three means are used to ship products to clients: by ship, road and rail. As outlined in greater detail in the 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

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

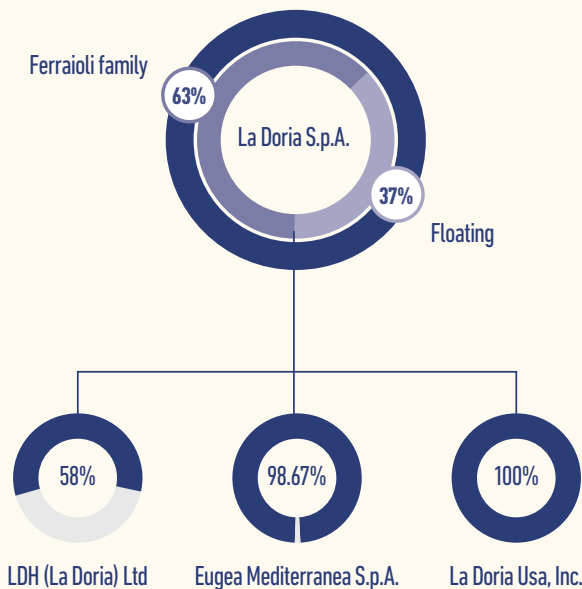
The La Doria Group (hereafter also the “Company” or “La Doria”) is a leading producer of tomato-based products, fruit juices and beverages, canned pulses and ready-made sauces, principally for the private labels. Company products to a significantly lesser extent are also sold under its own brands and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

## GROUP STRUCTURE



# Integrity and transparency

[GRI 102-11; GRI 102-12; GRI 102-16; GRI 102-18; GRI 102-48; GRI 405-1]

## Group Governance

The La Doria S.p.A. Corporate Governance system<sup>11</sup> is based on a set of regulations, conduct and processes formulated to guarantee efficient and transparent corporate governance and effective functioning of the corporate boards and control systems. The company complies with the principles and applicable criteria of the Self-Governance Code for listed companies, drawn up by the Corporate Governance Committee, 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 31/12/2018

Composition of the Board	2018	2017 <sup>12</sup>
<b>Total members</b>	9	9
<b>- men</b>	6	6
<b>- women</b>	3	3
<b>&lt; 30 years</b>	0	0
<b>30-50 years</b>	3	3
<b>&gt; 50 years</b>	6	6

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 Directors on January 23, 2019 assigned to the CRC duties regarding sustainability i.e. the processes, initiatives and activities required to deliver the company's commitment to sustainable development throughout the supply chain. The Board of Statu-

<sup>11</sup> The Annual Corporate Governance Report and the Remuneration Report are available on the company website [www.gruppoladoria.it](http://www.gruppoladoria.it), respectively in the Corporate Governance and Investor Relations sections.

<sup>12</sup> Following a collation and calculation process, the figures for 2017 were restated on those published in the 2017 Sustainability Report. For the previous historic figures, reference is made to the 2017 Sustainability Report.

tory 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 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.

## Sustainability Governance

The issue of sustainability, as stated above, is within the scope of the Control, Risks and Sustainability Committee, which undertakes proposal and consultative functions for the Board of Directors with regards to the drafting of objectives, actions and guidelines to promote a strategy which integrates sustainability into business processes, so as to create value over time for the shareholders and for all other stakeholders. At the end of 2018, a Sustainability Policy was drawn up which outlines the company's commitment to contributing to the achievement of the United Nations Sustainable Development objectives, as set out in the 2030 Agenda. The Committee has the duty of implementing and monitoring this Policy so that a culture of sustainability and dialogue with the stakeholders is promoted at all levels - two crucial commitments in pursuing the objective of integrating sustainability into company strategies. In 2018, in fact, attention was focused in this regard on the one hand on in-house sustainability training courses for all employees and on the other on improving the Stakeholder Engagement process.

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

## Communication to shareholders and Investor Relations

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

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

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

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

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

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



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

In order to ensure that the conduct of all those operating on behalf of or in the interest of the company is consistently in line with the principles of legality, correctness and transparency in conducting business and company activities, the Group in 2008 adopted an Operating and Internal Control Organisational Model in accordance with Legislative Decree No. 231/2001<sup>13</sup>, 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.

<sup>13</sup> The General Part of the Model and the Ethics Code are available on the company website [www.gruppoladoria.it](http://www.gruppoladoria.it) in the Corporate Governance section.



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 2018, the Supervisory Board (SB) did not receive any reports concerning the alleged violation of the Ethics Code and/or the Model adopted.

The company has adopted the "Reporting to the Supervisory Board" policy to correctly manage the direct communication channels for the timely reporting of any violations or irregularities concerning the Organisation, Management and Control Model, the Ethics Code and in general the company internal control system. La Doria permits anyone becoming aware of violations and irregularities to report such utilising the dedicated e-mail address [organismodivigilanza@gruppoladoria.it](mailto:organismodivigilanza@gruppoladoria.it) or anonymously through ordinary mail addressed for the attention of the Supervisory Board, Via Nazionale 320, Angri, SA. In 2018, to raise awareness around the above communication channel and the relative means for utilisation, La Doria provided all employees with a whistleblowing course through the e-learning platform.

In 2018, e-learning training sessions were delivered as per Legislative Decree 231/01 to Directors, Executives, senior managers and personnel reporting directly to the former. All new hires were provided with training on the Ethics Code.

## The fight against corruption

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

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

The controls implemented resulted in the allocation of a maximum legality rating for the parent company by the Communications Authority (AGCM).

The overseas subsidiary adopted an anti-bribery policy.

With regards to training on Legislative Decree 231/01, reference should be made also to the offenses covered, including Public Sector corruption, Corruption among private parties and Incitement to corruption. All new hires are trained upon the Ethics Code.

## The internal control and risk management system

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

La Doria's Risk Management System is structured to identify, assess and manage all risks impacting its business. In terms of non-financial risks, La Doria also considers 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 and 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. At the end of 2018, this monitoring was extended also to the pulses supply chain. Compliance risks include also those concerning the Administrative Responsibility of Entities, as per Legislative Decree 231/01), which La Doria offsets through adopting an Organisation, Management and Control Model which reduces the risk of committal of the offenses contained therein.



In the first half of 2019, La Doria will launch a project for the drafting of a method to identify and assess the risk and for subsequent prioritisation.

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

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

## Dialogue with the stakeholders

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

La Doria in 2018 began a process to improve relations with its stakeholders, with the goal of involving them more in the decision-making process. An effective stakeholder engagement process in fact allows companies to improve its decision-making process and make it more “sustainable”, while driving social, environmental and financial performances.

The involvement of the stakeholders and the frequency of dialogue with each varies according to the matters considered and the opportunities available to come together. For example, in October 2018 a “Pilot Project” for the consultation of all Headquarters personnel was concluded through a questionnaire collating opinions, ideas and suggestions to improve the Sustainability Report.

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

### INVOLVEMENT OF STAKEHOLDERS AND MATTERS CONSIDERED

#### Stakeholders map

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

## Stakeholders map

Stakeholder	Subgroups	Involvement and communication	Matters of interest
<b>PUBLIC SECTOR AND LOCAL AUTHORITIES</b>	<b>Government institutions Regulatory authorities Control bodies Local public bodies</b>	<ul style="list-style-type: none"> <li>• Dedicated meetings</li> <li>• Conventions</li> <li>• Institutional communications</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of the organisation</li> <li>• Economic sustainability</li> <li>• Product quality and safety</li> <li>• Environmental impacts of production</li> </ul>
<b>INDUSTRY ASSOCIATIONS AND OTHER ORGANISATIONS</b>	<b>Confindustria Anicav Federalimentare AIIPA</b>	<ul style="list-style-type: none"> <li>• Membership of Confindustria both on a regional (Confindustria Salerno and Ravenna) and an industrial (ANICAV and AIIPA) basis and involvement in activities</li> <li>• Organisation of events and conventions on specific topics</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Human Rights and Responsibility throughout the supply chain</li> <li>• Italian identity</li> <li>• Food loss and waste</li> <li>• Traceability</li> </ul>
<b>LOCAL COMMUNITIES</b>	<b>Schools Universities Association dues</b>	<ul style="list-style-type: none"> <li>• Partnership</li> <li>• Involvement of Schools and Universities</li> <li>• Disbursement of Scholarships</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of the organisation</li> <li>• Economic sustainability</li> <li>• Environmental impacts of production</li> <li>• Loss and waste</li> </ul>

The image shows two young green seedlings with two leaves each, growing out of a mound of dark brown soil. The background is a soft, out-of-focus green with a bright light source in the upper right corner, creating a lens flare effect. The word 'LAND' is written in large, white, bold, sans-serif capital letters across the middle of the image, partially overlapping the seedlings.

# LAND

Product quality and safety  
Traceability  
Food loss and waste



**Product quality and safety**

Traceability  
Food loss and waste



# Product quality and safety

[GRI 416-1; G4-FP5]



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

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

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



## FACILITIES CERTIFICATIONS

Certifications at our facilities  
ISO 9001, BRC, IFS

### THE 3 STEPS TO OUR QUALITY:

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



## FOOD SAFETY

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



## Quality in 3 steps

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

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

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

**We constantly invest** in the most advanced production and control systems for quality monitoring at every single stage of processing. The investments of the Group aimed at automating controls and introducing advanced production systems are an important contribution to guarantee product quality and safety. A series of automations have been successfully introduced in the collection, sorting and control of raw materials, with the aim of minimizing manual labour errors. These systems have not only been introduced in La Doria's own facilities, but also in those of raw material suppliers. The company's investment in this area focuses also on human resources and the organisation. In 2018, we launched an initiative to refresh skills in the Quality Assurance area through the organisation of a series of specialist courses in collaboration with an external company on topics regarding overseas legislation, HACCP, MOCA sector, Food Fraud, Pest management, Food Safety internal audits and Ethical Audits.

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

## Complaints

During 2018, under the company's quality management system, 1,981 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 2018, the tomatoes and pulses lines reported a reduced number of complaints on 2017. This improvement is due both to collaboration with suppliers (tomatoes, pulses) and better technology at our facilities.

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

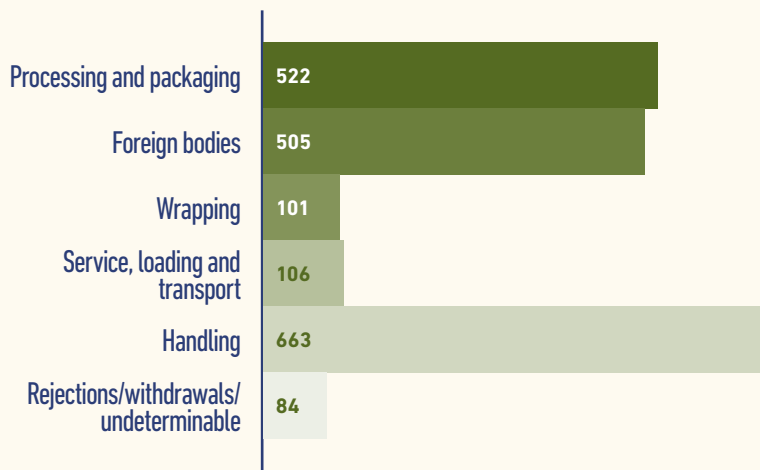
Complaints regarding the quality of products	2018	2017
Tomatoes	1.71	2.51
Pulses	1.34	2.44
Pasta sauces and Pestos	2.11	1.59
Fruit	0.12	0.13

Several types of complaints are not directly related to the production process itself, such as product "packaging", "service, loading and transport" and "handling". Complaints relating to "packaging" are attributable to supplies of paper products, lids, cans and tin plates not directly produced by the product processing facilities themselves. Complaints relating to "service, loading and transport" include those attributable to handling companies whose activities are outsourced by La Doria. In such cases, La Doria works in close partnership with its suppliers to constantly improve supplies and perfor-

**TOTAL NUMBER OF COMPLAINTS RECEIVED AND PERCENTAGE OF THOSE SETTLED**

Complaints regarding the quality of products	2018	2017
Number of complaints received	1,981	2,820
Number of complaints settled during the year	100%	100%

**2018 COMPLAINTS BY TYPE**



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

mance, 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 2017.

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





# Traceability

[GRI 301-1]

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

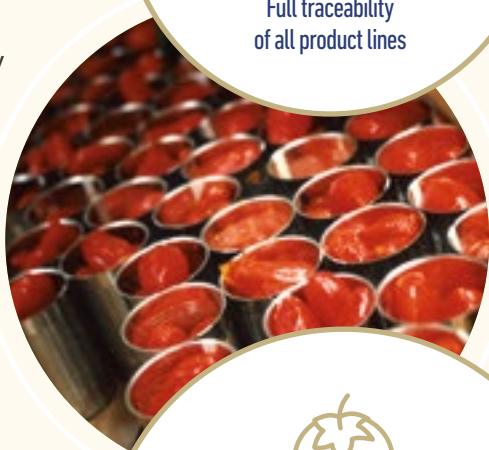
Traceability facilitates the identification of origins of risk factors and the implementation of appropriate measures in the suspected chain to prevent the reoccurrences of any issues.

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

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

**TRACEABILITY**

Full traceability of all product lines



**TOMATOES**

The traceability of tomato products right down to its cultivation lot

## From the land to the shelf

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

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

### GEOGRAPHICAL ORIGIN OF PRODUCTS (PERCENTAGE BREAKDOWN)

	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	EUROPE OTHER	ISRAEL
<b>FRESH TOMATOES</b> 196,802,926 KG	-	-	-	100%	-	-
<b>VEGETABLES</b> 57,606,352 KG	63%	10%	14%	8%	5%	-
<b>FRESH FRUIT<sup>14</sup></b> 13,316,918 KG	-	-	-	100%	-	-
<b>FROZEN<sup>15</sup></b> 3,723,892 KG	-	19%	20%	8%	46%	7%

To ensure that the system is effective, audits are carried out both internally and externally by ISO 9001, BRC and IFS Quality Management Systems' certification bodies, as well as by the subsidiary LDH in relation to its suppliers, other than La Doria, in order to verify full compliance with product traceability procedures. In 2018 LDH was awarded BRC Agents and Broker Standard certification (version 2). Additionally, the Group's major clients also carry out periodic product traceability controls.

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

In 2018, 33% of products were labelled with specific information on their origin. All products, as per legal requirements, are labelled with detailed information on their contents (i.e. ingredients) and on how to use and store them.

<sup>14</sup> Peaches, apricots, pears and apples processed in facilities to transform the fruit into puree for fruit juice production.

<sup>15</sup> Semi-processed fruit that is frozen and shipped to La Doria facilities to be transformed into juices and fruit-based beverages.

## The journey of a tomato

Regarding tomatoes, which are the traditional produce of the Group and entirely cultivated in Italy, La Doria deals directly with local associations of agricultural producers, not with other companies that produce for themselves or collect raw materials from local suppliers, as for other products. This characteristic of the tomato supply chain also allows for the identification of the Agricultural Production Unit (UPA), namely the exact field of cultivation. Indeed, each and every tomato field is geo-tagged through a GPS system. And the close collaboration with agricultural suppliers does not end here; a data set is also collected during the actual cultivation of the plants and fruit, providing detailed information on each lot arriving at the processing facilities. All tomatoes used by the company are 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.

## Traceability at LDH

The approach taken by the subsidiary to this issue has a different connotation in view of its trading activity, while still pursuing the same aim of ensuring the traceability of the finished product. LDH seeks to ensure that traceability drills involving its suppliers' finished products are concluded within a maximum of four hours. All traceability audits conducted in 2018 were successfully completed.

LDH was certified compliant with version 2 of the BRC Agents and Brokers standard in 2018. The audit reviews the protocols and procedures associated with product traceability and also examines controls in place regarding any indications of origin on packaging. All the technical audits conducted by LDH – or directly by its clients at its production facilities – include traceability assessments.

In 2018 LDH conducted three formally documented internal traceability assessments and one complete product recall assessment. In addition, two document-based traceability assessments were conducted to determine the fishing boats of origin for canned tuna, and both were successfully completed.

LDH has adopted a supply-chain mapping model for information and visibility regarding products and suppliers. The model applies to both seafood products and agricultural products and provides detailed information regarding environmental and labour impacts for each product/supplier. LDH's goal for 2019 is to complete a comprehensive map of the supply-chain for all suppliers deemed high-risk. A team of technical experts will meet three times a month to carry out this mapping process, which will involve visits to most suppliers and/or remote traceability audits/operations.



# Food loss and waste

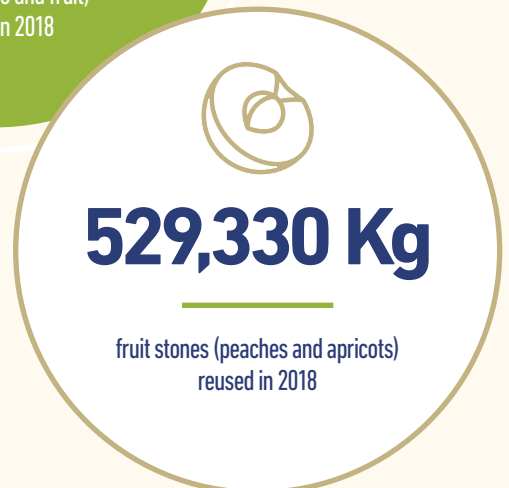


The issue of food loss and waste is increasingly a focus of the international community in its concern over the quantity of healthy products fit for consumption that are left uneaten.

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.

### QUANTITY OF RE-PURPOSED BY-PRODUCTS

	2018	2017
<b>Peach stones (Kg)</b>	359,520	352,240
<b>Apricot stones (Kg)</b>	169,810	262,840
<b>Tomato skins (Kg)</b>	5,320,859	6,157,850
<b>Fruit skins (Kg)</b>	1,135,840	1,485,680

## Donate – don't waste

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

In 2018, La Doria donated 1,428,364 products to charity, worth around Euro 434,090. In 2018, 86% of unsold products were donated to the Food Bank.

### PRODUCT DONATIONS BY LA DORIA



## At the source

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

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

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

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





# COMMITMENT

Environmental impacts of production

Human rights and Responsibility throughout the supply chain

Packaging sustainability

Logistics optimisation and efficiency

Economic sustainability



**Environmental impacts of production**

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



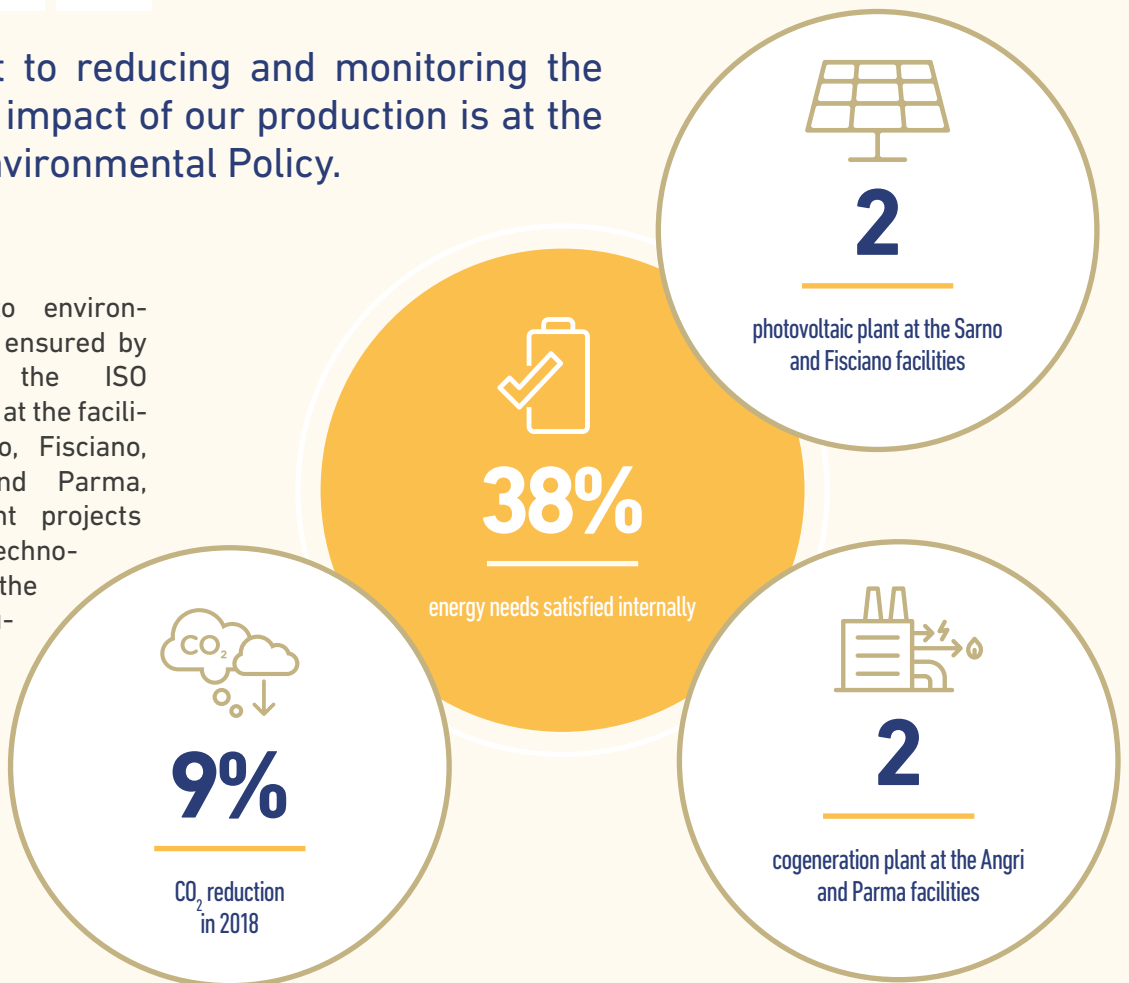
# Environmental impacts of production

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



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

Our commitment to environmental protection is ensured by compliance with the ISO 14001:2004 Standard at the facilities of Angri, Sarno, Fisciano, Faenza, Lavello and Parma, 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.

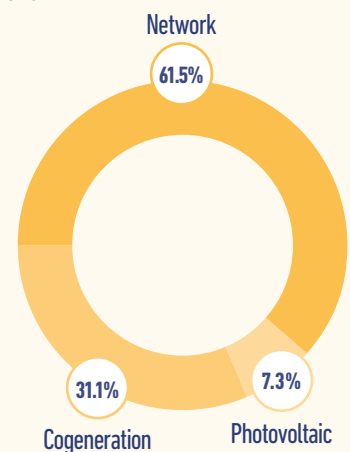
These photovoltaic and cogeneration plants are a key resource for the company, as they are able to supply approx. 38% of production electricity needs, while the remaining share is taken from the grid, as shown in the table.

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 66% of the total.

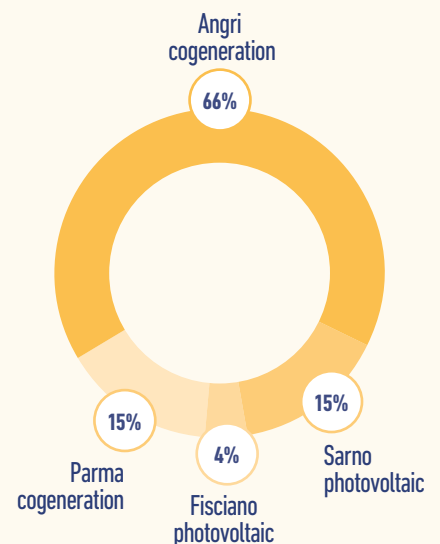
The introduction of the cogeneration plant has led to an increase in the demand for natural gas at the Angri and Parma facilities. To offset this increased demand, La Doria has implemented several heat recovery innovations that reduce gas consumption. At Angri, heat recovery plant, for example for the re-use of the cooling water to heat the pulses processing water or recovered heat from overspray. This recovery has supported the gaining for five years of white certificates (energy efficiency securities). La Doria's cogeneration plant have received "High Yield of Cogeneration" (CAR)<sup>16</sup> recognition: this operating recognition is issued to facilities that are able to guarantee a high ratio of energy produced to energy consumed.

In 2018, the Angri cogeneration plant was remodernised, replacing two of the main components i.e. the motor and the alternator. The two new groups installed, of the same power, are better performing and more reliable than the previous. The construction features indicate high efficiency and optimal environmental performance. The two Groups, in fact, already present reduced polluting emissions (CO<sub>2</sub> < 90 mg/Nm<sup>3</sup>, and NO<sub>x</sub> < 250 mg/Nm<sup>3</sup>).

**ELECTRICAL CONSUMPTION BY SOURCE - 2018**



**SHARE OF ENERGY PRODUCED ON-SITE BY SOURCE**

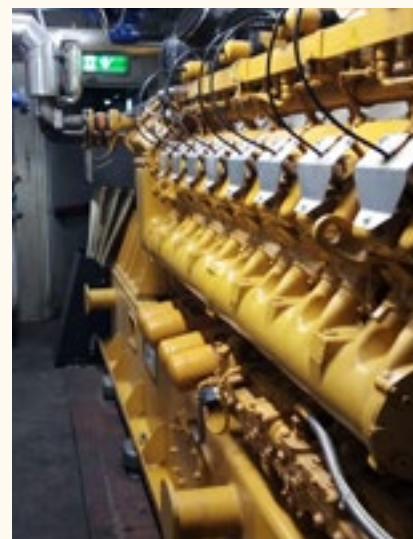


<sup>16</sup> For certification criteria, refer to those established by the Ministerial Decree of August 4, 2011 (Annex III), valid from January 1, 2011 and completing the transposition of Directive 2004/8/EC initiated by Legislative Decree No. 20 of 2007.

In terms of energy consumption, at Sarno over recent years initiatives included the following: the revamping or modernisation of the refrigeration cells, the introduction of a glycol plant<sup>17</sup>, allowing the removal of the previous one, and the addition of inverters in well pumps.

In terms of energy consumption, at Sarno over recent years initiatives included the following: the revamping of refrigeration cells, the introduction of a glycol<sup>14</sup> plant, allowing the removal of the previous one, and the addition of inverters in well pumps. These and other similar interventions have reduced the facility's energy requirements over the last three years by approximately 1,567,987 kWh. In addition, in 2018 heat and energy recovery reduced consumption by 5,098 tCO<sub>2</sub>.

In 2018, in addition, at the Angri, Sarno and Fisciano plants, the existing lighting was replaced on some production lines with LED-based systems. In 2019, the project will be extended to other production units. The table below shows the aggregate data of all energy savings reductions achieved at the various facilities compared to the previous year. Natural gas reduction in 2018 reached 8% of the annual requirements of the Group's facilities.



## ENERGY SAVINGS BY SOURCE

Source <sup>18</sup>	2018		2017	
<b>Electricity</b>	511,964 kWh	1,843.07 (GJ)	544,585 kWh	1,960.51 (GJ)
<b>Natural gas</b>	1,912,366 m <sup>3</sup>	75,347.21 (GJ)	1,906,239 m <sup>3</sup>	75,105.82 (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	2018		2017	
	(kWh)	(GJ)	(kWh)	(GJ)
<b>Electricity<sup>19</sup></b>	52,723,380	189,804.17	53,964,457	194,272.05
from renewable sources <sup>20</sup>	3,859,976	13,895.91	4,879,962	17,567.86
<b>Natural gas</b>	21,058,271 (m <sup>3</sup> )	829,695.88	25,209,076 (m <sup>3</sup> )	993,237.59

Energy self-produced <sup>21</sup>	2018		2017	
	(kWh)	(GJ)	(kWh)	(GJ)
<b>Electricity produced</b>	17,561,410	63,221.08	18,199,270	65,517.37
<b>Electricity self-consumed<sup>22</sup></b>	16,429,613	59,146.61	17,697,436	63,710.77

Energy intensity index <sup>23</sup>	2018		2017 <sup>24</sup>	
	(MWh/ton)	(GJ/ton)	(MWh/ton)	(GJ/ton)
	0.07	1.7	0.06	1.6

<sup>17</sup> Glycol is an antifreeze fluid.

<sup>18</sup> 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

<sup>19</sup> The data refers to the consumption of energy from the grid and from own production.

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

<sup>21</sup> This is the energy produced by the Group's facilities.

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

<sup>23</sup> 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.

<sup>24</sup> Following a collation and calculation process, the figures for 2017 were restated on those published in the 2017 Sustainability Report. For the previous historic figures, reference is made to the 2017 Sustainability Report.



## Less Waste and less wastefulness

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

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	2018	2017
<b>Total weight (tons)</b>	<b>100.5</b>	<b>111.4</b>
. destined for reuse or recycling	0	0
. destined for recovery	77.3	72.2
. destined for incineration	0	0
. destined for landfill	0	0
. other disposal	23.2	39.2
<b>Non-hazardous waste</b>		
	<b>2018</b>	<b>2017</b>
<b>Total weight (tons)</b>	<b>34,360</b>	<b>29,970</b>
. destined for reuse or recycling	0	0
. destined for recovery	34,173.4	28,250
. destined for incineration	0	0
. destined for landfill	0	0
. other disposal	186.6	1,720 <sup>25</sup>
<b>Total waste (hazardous and non-hazardous)</b>	<b>34,460.5</b>	<b>30,081.4</b>
<b>Production volumes (tons)</b>	<b>564,280.9</b>	<b>599,992</b>
<b>Ratio of generated waste to production volumes</b>	<b>0.06</b>	<b>0.05</b>

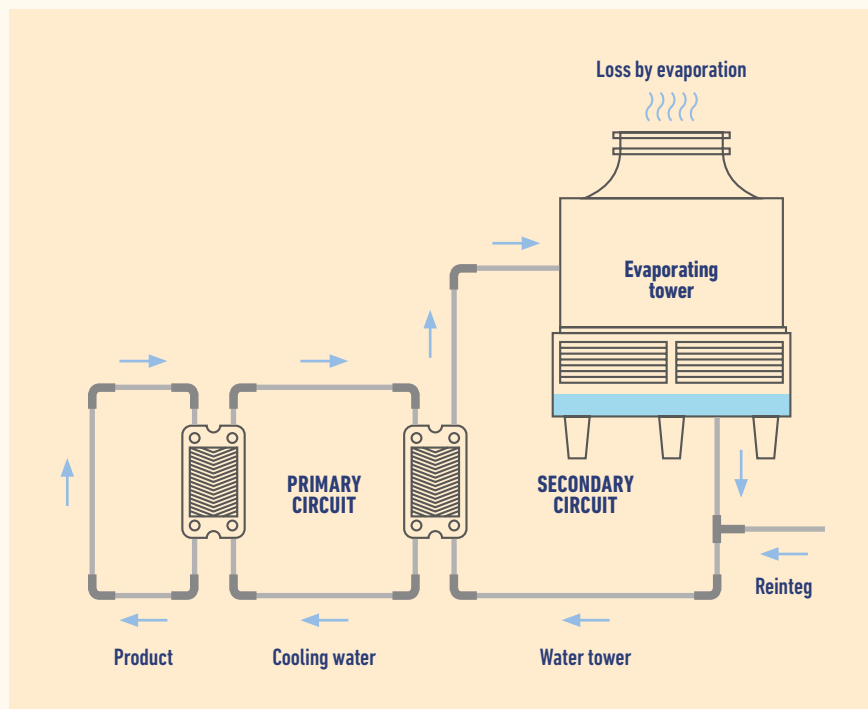
## Water consumption

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.

<sup>25</sup> Following a collation and calculation process, the figures for 2017 were restated on those published in the 2017 Sustainability Report. For the previous historic figures, reference is made to the 2017 Sustainability Report.

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 are broken down respectively below by source and destination.

Water consumption	2018	2017
Groundwater <sup>26</sup> in m <sup>3</sup>	2,397,133	2,686,364
Aqueduct or other municipal source in m <sup>3</sup>	21,946	33,297
Co-operative water in m <sup>3</sup>	278,900	280,100
<b>Total procurement</b>	<b>2,697,979</b>	<b>2,999,761</b>
<b>Water sourced/ton produced</b>	<b>4.8</b>	<b>5</b>

Water discharge	2018	2017
Water discharge in m <sup>3</sup>	1,287,173	1,294,015
Ground water in m <sup>3</sup>	1,068,876	1,302,328
Soil or subsoil in m <sup>3</sup>	-	-
<b>Total</b>	<b>2,356,049</b>	<b>2,596,343</b>
<b>Total water discharge/ton produced</b>	<b>4.2</b>	<b>4.3</b>

<sup>26</sup> Following a collation and calculation process, the underground water figures for 2017 were restated on those published in the 2017 Sustainability Report and considered in co-operative water. For the previous historic figures, reference is made to the 2017 Sustainability Report.



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

# Human rights and Responsibility throughout the supply chain

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

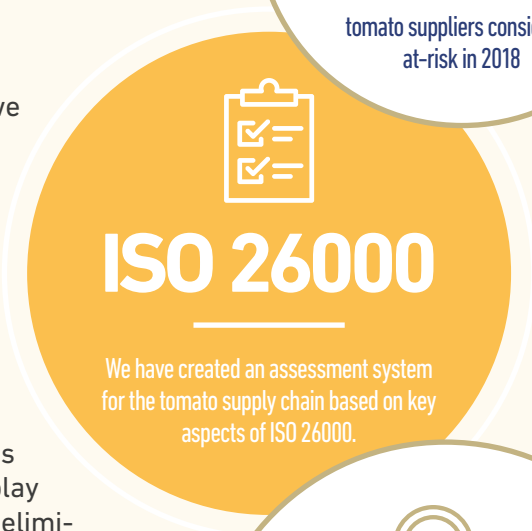


Our commitment is evident in terms of three sustainability aspects: Economic, Environmental, Social

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

The company strives to promote respect for human rights and the elimination of all forms of human rights violations within its organization and by its suppliers. Over the last few years, in the tomato supply chain serious criticisms have been raised in relation to illegal hiring practices adopted in some regions, the extensive use of undeclared labour, the exploitation of migrant workers and inhumane working conditions.

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



**Respect for Human Rights**

Within its sphere of influence, La Doria is committed to supporting the protection of the human rights enshrined in the United Nations Universal Declaration of the Rights of Man and the treaties inspired by it, such as the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO). This commitment is reflected in the Human Rights Policy adopted by La Doria in 2018. The Group has also formalized a “Modern day slavery statement” document<sup>27</sup>, 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. The La Doria SpA Ethics Code is being updated to reflect international human rights principles. Education in human rights and an understanding of the fundamental rights of humankind will form the subject of a training course planned for 2019 through the use of the e-learning platform.

**Responsible supply chain management**

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

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

In terms of economic sustainability, we undertake a number of initiatives to develop the community and ensure business continuity to our strategic suppliers. In terms of environmental sustainability, we work to reduce negative impacts on the environment (waste, water wastage, insecticide use, etc.). In terms of social sustainability, we commit to improving working conditions for those involved in fruit and vegetable harvesting.

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

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

**Qualification of suppliers**

A specific procedure guides the process of approving and validating all suppliers. In the case of agricultural raw materials (e.g. tomatoes, pulses, fruits), prior to the signing of contracts with suppliers, La Doria inspectors make visits to their fields to verify in person several aspects, including those related to social sustainability. On selection, all suppliers are required to adhere to the company’s Ethics Code<sup>28</sup> and to commit to its upholding.

**The Risk Assessment Procedure in the tomato supply chain**

In 2014, La Doria, with the support of SGS<sup>29</sup>, 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.



**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.

<sup>27</sup> The document is available on the website of the La Doria Group, [http://www.gruppoladoria.it/assets/documents/The\\_Modern\\_Slavery\\_Statement\\_2016.pdf](http://www.gruppoladoria.it/assets/documents/The_Modern_Slavery_Statement_2016.pdf)  
<sup>28</sup> The Ethics Code is available on the website of the La Doria Group, [http://www.gruppoladoria.it/assets/documents/EthicsCode\\_LaDoria.pdf](http://www.gruppoladoria.it/assets/documents/EthicsCode_LaDoria.pdf)  
<sup>29</sup> SGS is an inspection, verification, analysis and certification services company.

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 2018, audits were conducted involving suppliers in the regions of Puglia, Basilicata, Campania and Lazio.

### ETHICAL AUDITS CONDUCTED BY LA DORIA

18

2018

17

2017

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 2017-2018 period.

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

	2017	2016
Percentage of suppliers audited <sup>30</sup>	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	-	-

<sup>30</sup> The data refers exclusively to tomato suppliers.

## Checks and audits conducted by clients and third parties

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

### VISITS TO FIELDS BY CLIENTS AND SGS AUDITS



The growing focus of the Group on the issue and the effectiveness of the implemented system have reassured our main clients of our responsible management of the supply chain, thus reducing the number of visits. In 2017, clients who conducted field visits reported some criticalities that were also recorded under the La Doria Quality Management System and which were resolved in 2018. In 2018 no criticalities were identified.

### COMPLAINTS RECEIVED CONCERNING WORKING CONDITIONS

	2018	2017
Number of complaints received	0	1
Number of complaints received and resolved	0	1

## 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, La Doria participated in a roundtable organized by ETI on June 24 in Rome at the Embassy of the United Kingdom and in an assessment, also held in Rome, on September 28, regarding human rights in the tomato supply chain promoted by Oxfam<sup>31</sup> and a Scandinavian retailer.

## Pulses supply chain

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

With the aim of mapping criticalities within the pulses supply chain, in 2018 La Doria launched an audit campaign covering the geographical areas from which pulses are purchased. The audit activities carried out cover approximately 50% of current contracts.

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

In late 2018 independent verification began in the area of supply chain monitoring according to the UNI ISO

<sup>31</sup> Oxfam (Oxford Committee for Famine Relief) is an international confederation of NGOs dedicated to reducing global poverty through humanitarian aid and development projects. Its members include organizations from 18 different countries that work with nearly 3,000 local partners in over 90 nations to identify lasting solutions to poverty and injustice.

26000:2010 Guidance Standard on Social Responsibility and the relevant supply chain indicators of the Global Reporting Initiative (GRI) to the pulses supply chain. This verification will be completed in the first quarter of 2019.

### Actions implemented in 2018:

1. The approach taken to tomatoes was also extended to other supply chains (pulses);
2. Specific social responsibility training was provided to agricultural companies in collaboration with an outside consultancy firm;
3. The number of suppliers registered with SEDEX increased;
4. Awareness was raised amongst tomato producer organizations (POs) regarding the obtainment of GLOBALG.A.P. GRASP certification for the implementation of agricultural and social best practices;
5. The KRAV certification process was initiated;
6. Training was provided on the use of e-mail addresses to report situations at risk anonymously;

7. Tomato and pulse suppliers were provided gadgets in support of sustainable farming.

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

All our facilities are registered with the SEDEX platform and were subject to a SMETA audit in 2018, in addition to three ethics audits conducted directly by our clients, all completed with very few irregularities, for which the corrective actions have already been implemented.

## LDH – The commitment to human rights 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 fact, in 2018 LDH began to develop a full-fledged Responsible Sourcing Program based on the Sourcing Assessment Framework, the purpose of which is to understand and improve social and environmental impacts throughout the supply chain. This program translated into a series of social audits of suppliers at medium and high risk according to the Ethical Trade Initiative Base Code (SMETA method). The suppliers found to be at high risk are the first to be subject to an improvement plan. According to the framework used by LDH, all suppliers are reassessed annually or as soon as new information becomes available. In addition, the Supplier Sedex Compliance Tracker keeps track of all cases of non-conformity resulting from ethics audits, the corrective actions taken and the reports on the audits conducted.

In 2018, compared to 2017, the average number of critical cases of non-conformity identified in SMETA audits was reduced by 20%.

LDH uses three methods to monitor working practices and conditions:

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

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

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

In 2018 potentially at-risk situations were identified from the SMETA audits but the appropriate corrective actions were taken to remedy them.



### POTENTIAL NEGATIVE IMPACTS IDENTIFIED BY THE LDH MONITORING SYSTEM

	2018	2017
Percentage of suppliers audited (SMETA Audit)	85%	100%
Number of suppliers that have negative, potential or existing, impacts concerning labour practices	27	0
Percentage of suppliers with possible negative impacts with which the company has agreed specific actions to mitigate such	10%	-
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 – HUMAN RIGHTS TRAINING – GRI 412-2

Data	2018	2017
Number of training hours on human rights policies and procedures	12	0
Percentage of white collars involved in training activities	25%	0

GRI 414-1 (2016)		Percentage of new suppliers assessed according to human rights criteria	
Data	2017	2018	Comments
% of new suppliers assessed	100	100	All new suppliers were assessed according to the Responsible Sourcing Assessment Framework

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

In 2018 LDH's participation in FNET resulted in the launch of a new project aimed at studying working conditions within La Doria's spice supply chain. In fact, many herbs and spices originate in developing countries where compliance with labour laws is poor and where local market conditions could result in human rights violations. The project's objective is thus to obtain an effective map of products and suppliers to improve traceability and identify potential at-risk situations.

G4-FP2		Percentage of purchase volumes verified according to internationally recognized responsible, credible production standards, broken down by standard	
Data			
Name of standard 1	RSPO (Roundtable on Sustainable Palm Oil)		
Name of standard 2	MSC (Marine Stewardship Council)		
Name of standard 3	Rainforest Alliance		

Percentage of product purchased per standard	2017	2018	Comments
Percentage for standard 1	100	100	All palm oil used is RSPO certified
Percentage for standard 2	50	40	All seafood products, except for tuna fish and sardines, are MSC certified
Percentage for standard 3	100	90	A new product containing cocoa introduced in 2018 does not include RFA-certified cocoa

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

**Packaging sustainability**

Logistics optimisation and efficiency  
Economic sustainability



# Packaging sustainability

[GRI 301-1; GRI 301-2]



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

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

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

For us, packaging sustainability means:

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



**85%**

of corrugated cardboard from recycled material



**843 mln**

No. of cans self-produced by La Doria in 2018 (95.1% of 2018 requirements)



**27%**

of shrink-wrap from recycled material

The main categories of product packaging that the Group uses are cans, glass containers, cartons (Tetra Pak) and composite cartons (both of which are polycoated). La Doria has committed itself over the coming years to contribute to developing the circular economy through the procurement of packaging from renewable sources, from reused and recycled, recyclable or biodegradable materials, in turn based on a circular production chain for the manufacturing and consumption aspects.

This model reduces market demand for non-renewable and sometimes scarce resources, in addition to reducing the quantity of waste and removing system inefficiencies.

La Doria over the coming years expects to increase the use of recycled materials, 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 2018, the Sarno and Angri facilities produced approximately 95.1% of all company requirements for this type of packaging. These two facilities are also the main users of this type of packaging, since the bulk of the production of tomato-based products and canned pulses is concentrated there, although a portion of the cans is also sent to other nearby facilities. This investment, starting 50 years ago, allows the company to simultaneously limit outsourced costs for packaging and transporting products and contributes significantly to sustainability.

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

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

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

### **Focus on other materials**

Although the percentage of demand for recycled heat-shrink products (approximately 27%) is still small, we are committed to increasing their use over the coming years. La Doria's glass principally comes from Europe. The weight of glass bottles and jars has also reduced over recent years.

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

For paper and cardboard, La Doria has committed to procuring FSC-certified packaging from 2019.

Various packaging sustainability improvement projects are planned for 2019:

- reduction of the weight of the PET that is used to package fruit juices and other beverages;
- replacement of the clusters for SKUs packaged in (unrecycled) TRB of four to six boxes with FSC-certified cardboard.

### PACKAGING QUANTITIES AND ORIGINS (2018)

Material	Unit	Quantity	NORTH AMERICA	SOUTH AMERICA	ASIA	ITALY	REST OF EUROPE	TURKEY
CANS	KG	37,055,533	-	53%	4%	43%	-	-
GLASS CONTAINERS	KG	36,200,230	-	-	-	70%	24%	6%
CARTONS	KG	2,224,688	-	-	-	100%	-	-
COMPOSITE CARTONS	KG	1,840,795	-	-	-	-	100%	-

### Packing for transport

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

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

A similar project has been introduced in relation to the boxes used for the transport of tomatoes from the field to facilities. In this case, they are plastic containers that are used a number of times until they break. Once they can no longer be used, they are sent to a specialized company that breaks them into pieces and reuses the plastic to create new ones. The boxes used in 2018 were 100% sourced from recycled material.

In detail, we "reused" 5,000 plastic bins through the regeneration of broken bins delivered to the supplier, which used them as inputs in its production process. This project will again take place in 2019, demonstrating our commitment to the circular economy.

Other initiatives have been introduced in the packaging and transport of products in order to reduce the quantity of materials used or to select more sustainable materials that derive from recycling. 27% of the TRB polyethylene which we purchase, i.e. the shrink-wrap plastic film for packing trays, is made from recycled material; the cardboard interlayers that are inserted between stacks of products on transport pallets are used up to 7 times, resulting in an annual saving of approximately 1,000 tons of cardboard.

The width of the extendable film covering the finished and semi-finished product pallets will be reduced in 2019. In addition, for the transport of finished products, La



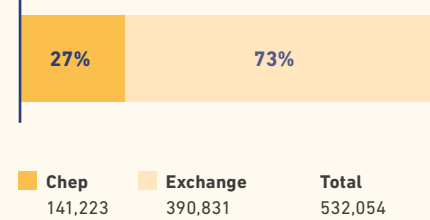
Doria has proposed to an increased number of customers the use of CHEP pallets, reducing the use of the exchange.

The CHEP pooling solution allows for the reutilisation of a greater number of pallets compared to exchange, in order to minimise the use of the resource, waste, CO<sub>2</sub> 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.

## DELIVERY QUANTITIES 2018



## LCA ASSESSMENT RESULTS

IMPACT	Unit	CHEP - 2018	2018 EXCHANGE SIMULATION	2018 Savings	Savings %
<b>Potential Global Warming (CO<sub>2</sub>)</b>	kg CO <sub>2</sub> eq.	150,129	353,037	202,908	57%
<b>Acidification</b>	kmol H+ eq.	941	2,181	1,240	57%
<b>Eutrophication</b>	kg P eq.	4	9	5	59%
<b>Energy consumption non-renewables</b>	MJ	2,830,066	6,434,433	3,604,367	56%
<b>Wood consumption</b>	m <sup>3</sup>	49	169	120	71%
<b>Mineral consumption</b>	person-reserve	18	43	25	59%
<b>Water consumption</b>	m <sup>3</sup>	662	1,550	888	57%
<b>Waste destined for landfill</b>	kg	3,515	14,880	11,365	76%

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

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

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

**Logistics optimisation and efficiency**  
 Economic sustainability



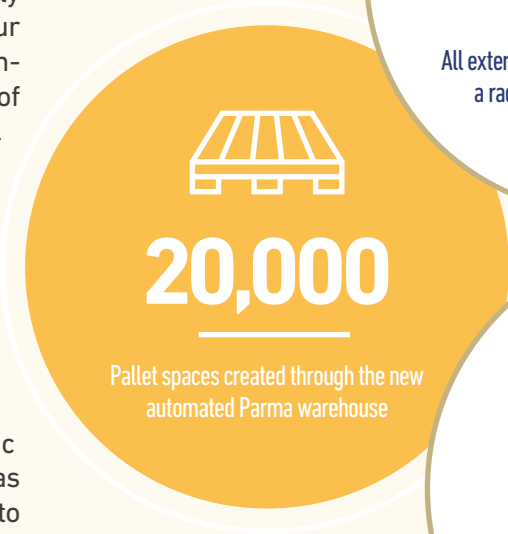
# Logistics optimisation and efficiency



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

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

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



## Optimisation begins at our facilities

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

Significant investments have been made in recent years in the development of the Group’s warehouses, with the aim of expanding storage capacity within production facilities and reducing the use of external warehouses. The expansion of the warehouse at the Sarno plant was completed in 2017, whereas in 2018 an automated, high-density free-standing warehouse was built in Parma to store an additional 20,000 pallets in an area of just 2,900 m<sup>2</sup>. Already in 2018, this project made it possible to reduce the number of transfers due to the elimination of the external Fiorenzuola depot.

In 2019 an expansion of the indoor space at the Fisciano facility is planned for finished product storage.

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 that of Angri. 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.

**15 Km**

Distance of external warehouses from Sarno facility

**4 Km**

Distance of external warehouses from Angri facility



The optimization of the industrial structure in 2018, through the closure of the Acerra facility, together with the resulting consolidation of production and storage of Sauces Line products at the Parma facility, made it possible to reduce transfers of finished products from Acerra to Parma and to all other facilities, while also reducing distances for procuring raw materials and packaging. In 2019 this new structure will eliminate approximately 314,000 km<sup>32</sup> of transfers between facilities and approximately 292,500 km of trips to purchase raw materials intended for the Acerra factory.

### NUMBER OF TRANSFERS AND KILOMETRES SAVED

Section	No. trips	Section	No. trips	Total distance (km)
Acerra - Parma	237	Parma - Acerra	40	178,822
Acerra - Fiorenzuola	151	Fiorenzuola - Acerra	20	116,622
Acerra - Fisciano	303	Fisciano - Acerra	18	18,425
Acerra - Sarno	19	Sarno - Acerra	11	1,082
<b>Total</b>	<b>710</b>		<b>89</b>	<b>314,952</b>

### REDUCTION OF DISTANCE FOR PROCUREMENT OF RAW MATERIALS AND PACKAGING

**418**

Number of trips saved

**292,573**

Km saved

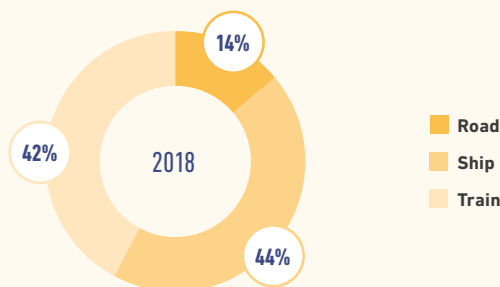
### Development of intermodal logistics

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 2018 we remained committed to shipping to international markets using forms of intermodal transport, as witnessed by the reduction in road haulage of international shipments with costs borne by the supplier from 19% to 14%.

### COSTS INCURRED BY SUPPLIER OVERSEAS SHIPMENTS (BASED ON 2017 VOLUMES)<sup>33</sup>

Transport means	%
Road	14%
Ship	44%
Train	42%



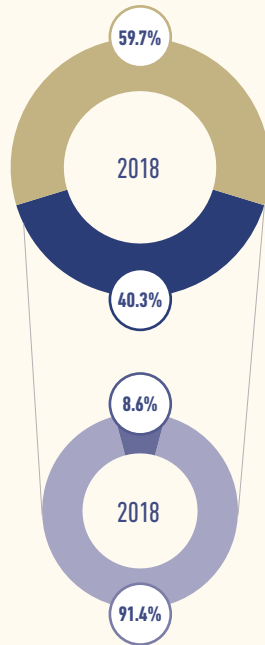
<sup>32</sup> It should be emphasized that these figures refer to the period January - September 2018, since the Acerra factory discontinued production with effect from October 1, 2018.

<sup>33</sup> Data on the transport of tomato-based product, pulse and ready-made sauces line.



**COSTS INCURRED BY SUPPLIER & CLIENT**

	2018
Costs incurred by client	59.7%
Costs incurred by supplier	40.3%



■ Costs incurred by client  
 ■ Costs incurred by supplier

**COSTS INCURRED BY SUPPLIER: ITALY-OVERSEAS**

	2018
Costs incurred by supplier Overseas	8.6%
Costs incurred by supplier Italy	91.4%

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



**COSTS INCURRED BY SUPPLIER OVERSEAS SHIPMENTS**

Transport means	2018		2017	
	kg	%	kg	%
Road	4,454,071	14%	5,578,836	19%
Ship	13,881,127	44%	10,301,378	36%
Train	13,494,249	42%	12,908,241	45%
	<b>31,829,447</b>		<b>28,788,456</b>	

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



# Economic sustainability

[GRI 201-1; GRI 204-1]



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

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

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

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



## Financial highlights

The La Doria Group in 2018 operated in a highly competitive marketplace, as exponentially has been the case over recent years with the growing negotiating power of the major Supermarkets. The proliferation and growth of Discount stores globally - with particularly aggressive sales price policies - the continued merging of the distribution giants and the sharpening of trade tensions and protectionist measures have ramped up the pressure on suppliers and heightened competition, particularly in the private labels segment. These issues are even more acute in the United Kingdom due to Brexit and the inflationary impacts from the weakening of Sterling. In this environment, we have managed to improve market share and turnover thanks to a considerable boost in volumes sold, while margins have been lower than expected, mainly due to the reduction in sales prices and higher production costs for the Group's manufacturing operations.

La Doria Group consolidated revenues in 2018 totalled Euro 687.9 million, increasing 2.8% on Euro 669.1 million in 2017. This result was achieved thanks to the excellent "Tomato-based products" performance, with good "Pulses and vegetables" growth. "Ready-made sauces" sales were however stable on the basis of lower prices, which offset increasing volumes, while "Fruit Line" revenues decreased - mainly due to weakening consumption both on the domestic and British markets. The "Other lines", i.e. products purchased from third parties and sold by the subsidiary LDH (La Doria) Ltd, however reported buoyant revenue growth.

Revenue growth overall in 2018 was achieved on the international markets, where sales increased approx. 5% at like-for-like exchange rates. Overseas, we grew all production categories, except for fruits - a not insignificant achievement in a highly competitive marketplace.

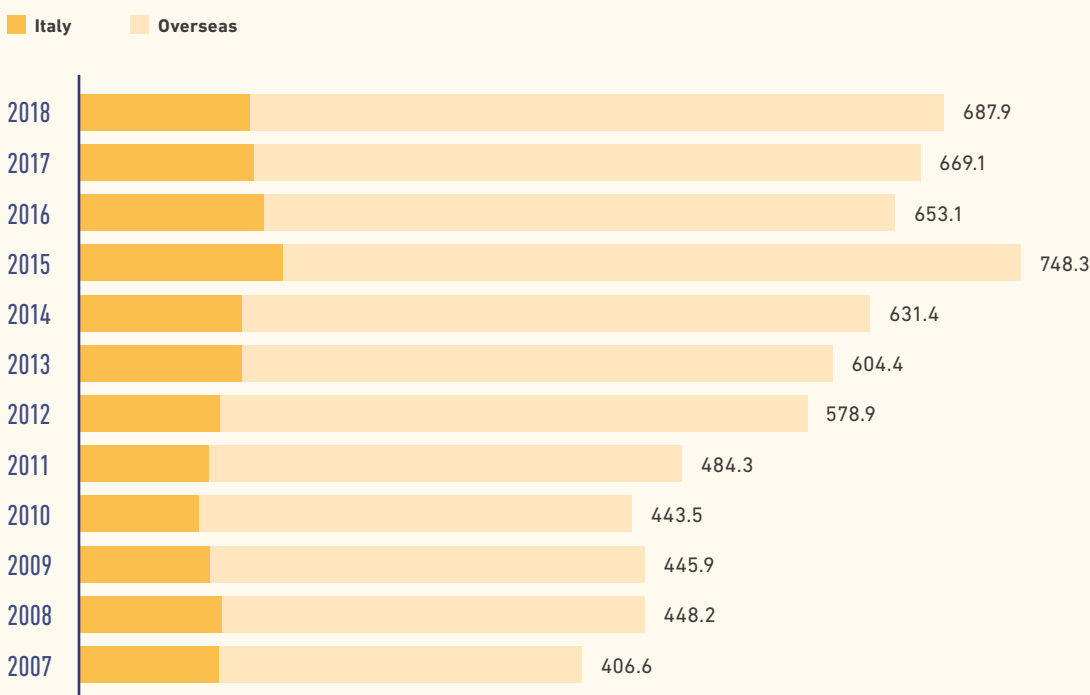
The domestic market however declined by over 2%, due - on the one hand - to a general fall in prices, particularly on the discount channel, and on the other to lower tomato product and fruit juice consumption, which over recent years has made it difficult to maintain volume levels.

In 2018, we focused on consolidating the business and launching our four-year investment plan, which will see resources of approx. Euro 115 million deployed until 2021.

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

## ANNUAL REVENUE

Data in euro millions



## 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 2017-2018 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

	2018		2017	
<b>Economic value generated</b>	<b>696,555</b>	<b>100.0%</b>	<b>701,820</b>	<b>100.0%</b>
<b>Economic value distributed</b>	<b>658,681</b>	<b>94.6%</b>	<b>660,719</b>	<b>94.1%</b>
Reclassified operating costs	582,885	83.7%	584,534	83.3%
Value distributed to employees	53,704	7.7%	53,558	7.6%
Value distributed to providers of capital	2,525	0.4%	2,506	0.4%
Value distributed to Public Sector	11,331	1.6%	12,205	1.7%
Value distributed to shareholders	7,577	1.1%	7,130	1%
Value distributed to the community	659	0.1%	786	0.1%
<b>Economic value</b>	<b>37,874</b>	<b>5.4%</b>	<b>41,101</b>	<b>5.9%</b>

As the figures indicate, over the last two years the breakdown of distributed value has remained substantially stable.

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

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

Analysing specifically the location of raw material and services providers, principally with regards to logistics and plant maintenance, the company's contribution to the local, national and regional (Campania, Emilia Romagna, Basilicata) economic fabric is evident. This is a major commitment by the Group which is afforded ongoing focus. This commitment is highlighted by the following percentages presenting an increase of approx. 2% in purchases of raw materials and services from local suppliers.

**PROPORTION OF SPEND TO LOCAL SUPPLIERS**

	Cost	% of economic value generated	2018		2017	
			Suppliers		Of which regional	Of which regional
% of raw material procurement spend	497,198	71.4%	Local	50.41%	32.28%	49.31%
			Non-local	49.59%		50.69%
% of services spend (maintenance, logistics, etc.)	75,346	10.8%	Local	70.73%	42.19%	74.45%
			Non-local	29.27%		25.55%

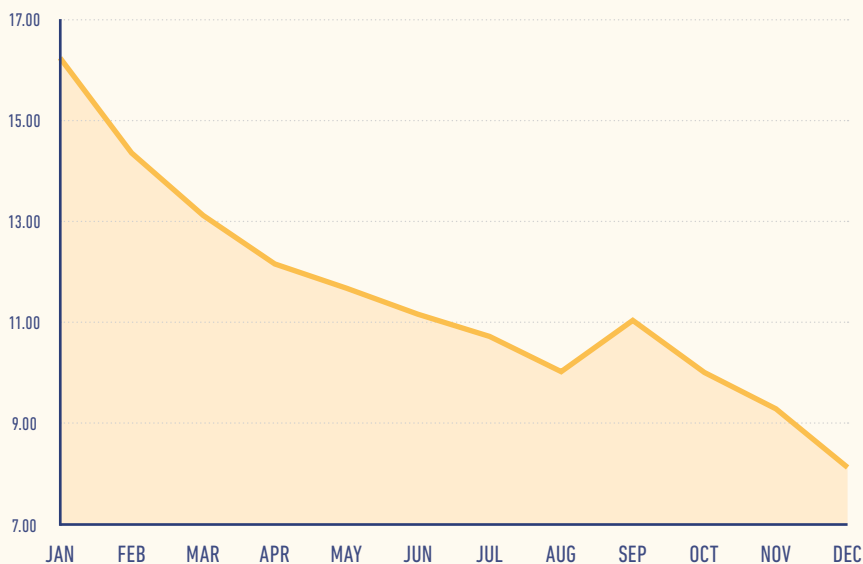
**Share performance**

The annual average daily share price in 2018 was Euro 11.53, down on 2017 (annual average price of 11.70). The lowest price was on December 14, 2018 at Euro 7.97, while the highest price was on 16/01/2018 at Euro 16.45. The average daily volume traded in 2018 was 58,424 (79,371 average daily volume traded in 2017).



**MONTHLY SHARE PERFORMANCE - 2018**

Data in Euro





# PASSION

Innovation  
Quality of the organisation  
Italian identity



**Innovation**

Quality of the organisation  
Italian identity



# Innovation



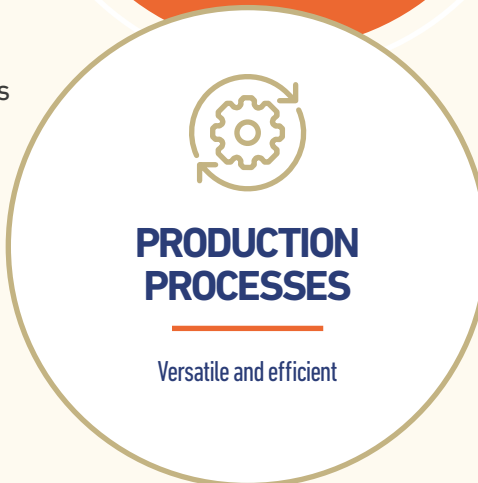
Innovation has two main pillars for us: the creation of new product lines and adapting existing lines to new market trends; and recipes and plant streamlining through production process innovation.

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

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

mental impact by exploring new materials and new application technologies.

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





## Recipes for all needs

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

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

In 2018, 170 innovation projects were launched, involving all product lines.

The work over the last year has resulted in the introduction of several new La Doria products, including white sauces for the UK market, pestos for the US market, ready sauces in combibloc packaging, purees and soups in combisafe packaging and various low-sugar products. In 2018 we studied the use of innovative new ingredients that allowed us to design new product lines such as alternatives to classic basil-based pestos and vegetable juice-based beverages. We offered our clients recipes typical of ethnic and Balkan cuisine on the basis of an analysis of shifting consumer tastes.

In 2018, most new product development projects involved modifying and improving the quality of the recipes already in production and pitching existing recipes to new clients (the latter referred to as "association" in the table), while a residual share was devoted to product innovation, defined as the use of innovative new ingredients and packaging.

## Versatile and efficient

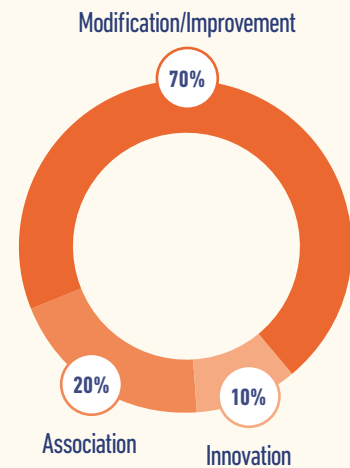
In the field of innovation, a very important role is also played by the organization of production processes and facilities in order to guarantee more production flexibility, cost reduction and the mitigation of environmental impacts.

### Flexibility in format changes

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

Due to the importance of this aspect, in 2018 all of the Group's facilities continued to be involved in a Kaizen improvement project dedicated to optimizing format changes, with the additional goal of simplifying the product range. Kaizen is a Japanese management strategy meaning "change for better", or "gradual and continuous improvement", which encourages many little day-to-day improvements. To implement the project, a special team was formed, composed of staff from all the facilities, who, on the one hand, analysed the relevant data in detail, including the mapping of all format changes and theoretical switching times, and, on the other hand, made direct observations on the lines, analysing the actual switching times and interviewing line operators. The project allowed the company to draw up procedures to improve processes and to make the approach homogeneous across the different facilities.

## NEW PRODUCT DEVELOPMENT PROJECTS



# Quality of the organisation

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



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

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

To do this, in an extremely competitive market, the daily contribution of everyone is required in order to be responsive enough to face challenges positively, aware that tomorrow further new competences will be needed. This is inseparable from the attention that the company

needs to dedicate to its people, their safety and their well-being.

In 2017, the know-how of our “company system” was awarded protection through the granting of the patent box tax break by the Ministry for Economic Development.

This award provided a tax benefit for 2015 recognised in financial year 2017. In 2018 the Tax Agency began the approval procedure for extending the “company

**10 years**

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

**+10%**

Increase in the hours of non-mandatory training on 2017

system” to include the ready-made sauces business, which in 2016 had been subject to merger by incorporation.

## Loyalty of our clients

The quality of our corporate organisation is what clients first notice about La Doria, in terms of product quality, know-how, capability, reliability and integrity and the transparency of our corporate governance. In 2018, the Group's Non-Financial Report was included in the "Future Respect Index 2018", a major Consumer assessment produced by the ConsumerLab Research Centre, which collates the best 40 Sustainability Reports out of 537. Through a specific survey, Consumers considered La Doria's Sustainability Report as clear and effective, indicating management which is cognisant of future needs, as paying attention to the common good, general interests and facilitating social harmony. 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	2018	2017
<b>Percentage of turnover from top 10 clients</b>	72%	71%
<b>Years of loyalty of the 10 top clients</b>	<b>Number of clients</b>	
<b>Between 0 and 5 years</b>	1	
<b>For at least 7 years</b>	1	
<b>At least 10 years</b>	8	

### LOYALTY OF MAIN LA DORIA OVERSEAS CLIENTS

OVERSEAS EXCLUDING LDH	2018	2017
<b>Percentage of turnover from top 10 clients</b>	58%	38%
<b>Years of loyalty of the 10 top clients</b>	<b>Number of clients</b>	
<b>Between 0 and 5 years</b>	1	
<b>For at least 7 years</b>	1	
<b>For at least 10 years</b>	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 58% sales abroad. 8 of these have been clients of La Doria for at least 10 years, while a new client was gained from the acquisition of Pa.Fi.al..

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

To maintain these levels of competitiveness, La Doria has to be ready, every day, to respond to changing client needs for new product lines, such as premium and organics lines, for packaging 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 TURNOVER FROM LDH	2018	2017
% of overseas turnover of La Doria from LDH	35.2%	35.4%
% of turnover from LDH's top 10 clients	90.3%	92.3%

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 **724** employees in Italy and **78** in the United Kingdom, of which **751** under permanent contracts. These people are the solid base on which the company is founded<sup>34</sup>. The peculiarities of production cycles, however, demand the use of seasonal workers<sup>35</sup> during peak production periods, mainly during the tomato season (from July through to September). Over the last year, the company has hired **942** seasonal workers on temporary contracts. Such workers enjoy the same protection as others on our production lines and receive all necessary training to carry out their work in a safe way to the highest quality standards of the company. As a confirmation of the attention that La Doria reserves for these workers, a high percentage work with us on an annually repeating basis, during peak production periods, or are offered longer-term contracts.

The type of work at our facilities, where most staff are employed, dictates a predominance of males and a gender imbalance. Women, indeed, account for approx. 21% of the total workforce. The net imbalance is only partially offset in professional categories other than manual workers<sup>36</sup>.

**GROUP PERSONNEL BY ROLE, GENDER AND AGE BRACKET<sup>37</sup> AT 31/12/2018**

	Total	Men		Women	
<b>Executives</b>	<b>24</b>	<b>21</b>	<b>88%</b>	<b>3</b>	<b>13%</b>
< 30	0	0	0%	0	0%
30-50	6	5	83%	1	17%
> 50	18	16	89%	2	11%
<b>Managers</b>	<b>38</b>	<b>30</b>	<b>79%</b>	<b>8</b>	<b>21%</b>
< 30	0	0	0%	0	0%
30-50	23	18	78%	5	22%
> 50	15	12	80%	3	20%
<b>White-collar</b>	<b>256</b>	<b>147</b>	<b>57%</b>	<b>109</b>	<b>43%</b>
< 30	23	11	48%	12	52%
30-50	171	96	56%	75	44%
> 50	62	40	65%	22	35%
<b>Blue-collar</b>	<b>484</b>	<b>432</b>	<b>89%</b>	<b>52</b>	<b>11%</b>
< 30	82	75	91%	7	9%
30-50	281	251	89%	30	11%
> 50	121	106	88%	15	12%
<b>TOTAL</b>	<b>802</b>	<b>630</b>	<b>79%</b>	<b>172</b>	<b>21%</b>

<sup>34</sup> The GRI Content Index gives more detailed information on average training hours (indicator GRI 102-8).

<sup>35</sup> The number of seasonal workers refers to the total number of seasonal workers engaged over the course of the year.

<sup>36</sup> The GRI Content Index gives more detailed information on average training hours (indicator GRI 102-8).

<sup>37</sup> Following a collation and calculation process, the figures for 2017 were restated on those published in the 2017 Sustainability Report. For the previous historic figures, reference is made to the 2017 Sustainability Report. This restatement concerns all tables containing a breakdown by age bracket.

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 18%, for managers of 10%, for white-collar workers of 9% and for blue-collar workers of 4%, 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

	2018	2017
<b>Executives</b>	82%	85%
<b>Managers</b>	90%	90%
<b>White-collar</b>	91%	90%
<b>Blue-collar</b>	96%	95%

#### AVERAGE FEMALE/MALE SALARY RATIO LDH

	2018	2017
<b>Executives</b>	64%	58%
<b>White-collar</b>	76%	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 TURNOVER OF PERMANENT PERSONNEL IN ITALY

	Annual hires			2018			2017			Annual departures			2018			2017		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female			
<b>Total new hires</b>	<b>30</b>	<b>29</b>	<b>1</b>	<b>17</b>	<b>12</b>	<b>5</b>	<b>Total departures</b>	<b>27</b>	<b>22</b>	<b>5</b>	<b>15</b>	<b>14</b>	<b>1</b>					
< 30 years	16	15	1	11	8	3	< 30 years	2	1	1	5	5	-					
30-50 years	13	13	0	6	4	2	30-50 years	16	12	4	6	5	1					
> 50 years	1	1	0	0	0	0	> 50 years	9	9	-	4	4	-					
<b>New hire rate (%)</b>	4.4%	5.2%	0.8%	3%	2%	4%	<b>Departures rate (%)</b>	4%	4%	4.1%	2.2%	3%	1%					

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

	Annual hires			2018			Annual departures			2018		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>Total new hires</b>	<b>259</b>	<b>235</b>	<b>24</b>	<b>Total departures</b>	<b>226</b>	<b>199</b>	<b>27</b>					
< 30 years	154	140	14	< 30 years	110	98	12					
30-50 years	87	78	9	30-50 years	91	77	14					
> 50 years	18	17	1	> 50 years	25	24	1					
<b>New hire rate (%)</b>	35.8%	39.4%	18.7%	<b>Departures rate (%)</b>	31.2%	33.4%	21.1%					

## DATA ON PERSONNEL TURNOVER IN THE UNITED KINGDOM

	Annual hires			2018			2017			Annual departures			2018			2017		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female			
<b>Total new hires</b>	<b>16</b>	<b>4</b>	<b>12</b>	<b>12</b>	<b>4</b>	<b>8</b>	<b>Total departures</b>	<b>11</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>2</b>	<b>6</b>					
< 30 years	6	1	5	7	2	5	< 30 years	4	3	1	4	2	2					
30-50 years	5	1	4	5	2	3	30-50 years	3	2	1	3	0	3					
> 50 years	5	2	3	0	0	0	> 50 years	4	1	3	1	0	1					
<b>New hire rate (%)</b>	<b>21%</b>	<b>12%</b>	<b>27%</b>	<b>16.2%</b>	<b>11%</b>	<b>21%</b>	<b>Departures rate (%)</b>	<b>14%</b>	<b>18%</b>	<b>11%</b>	<b>10.8%</b>	<b>5.6%</b>	<b>15.8%</b>					

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, offering an important opportunity to young people in the area. The project was extended to multiple technical institutes in 2018. In 2019 plans call for collaboration with a local scientific secondary school on an internship program aimed at introducing students to the food and agriculture industry, with an in-depth look at issues relating to quality, research and development, planning, marketing, company organization and workplace safety.

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 and in 2018 also to top students graduating from local secondary schools during the year and enrolling in university programs consistent with the skillsets required by the company.

The 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 and potential employees, encouraging university education for deserving students from lower income families.

La Doria as also among the main sponsors of the "Pomodoreide" competition organized by ANICAV (the National Industrial Processed Vegetable Association) in collaboration with the Città della Scienza museum. The competition, which is open to elementary, middle and hotel schools throughout Italy, seeks to promote knowledge of the tomato, from a food education perspective, through the creation of party games, artistic vegetable gardens and tomato-based recipes. Specifically, La Doria funded four scholarships awarded as prizes to the schools named the winners of the competition.

### 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 calls<sup>38</sup>. 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 2018 an e-learning platform was implemented for employee training, providing courses on various topics of interest to the company (the Legislative Decree 231 Organizational Model, whistleblowing and sustainability). This type of learning proved beneficial and consistent with the need for flexibility expressed by employees, who had the opportunity to learn without conflicting with their work commitments, to consult online mate-

<sup>38</sup> The GRI Content Index gives more detailed information on average training hours (indicator GRI 404-1)

rials as needed and to monitor their learning. The use of these technologies also made it easy for the company to share its content and update it promptly.

## ANNUAL HOURS OF TRAINING

Hours	2018	2017 <sup>39</sup>
<b>Total</b>	15,036	15,074
<b>- of which temporary</b>	656	534,5

### 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 misses are appropriately analysed and, where required, corrective actions are taken in order to avoid repetition.

### ACCIDENT FREQUENCY BY GENDER IN ITALY

Accident frequency	2018	2017
<b>Total</b>	2.85	3.62
<b>-men</b>	2.75	3.97
<b>-women</b>	3.23	2.50

### RATE OF LOST WORK DAYS BY GENDER

Rate of lost work days <sup>40</sup>	2018	2017
<b>Total</b>	94.15	101.35
<b>-men</b>	108.48	94.15
<b>-women</b>	43.59	124.96

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.

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.

<sup>39</sup> Following a collation and calculation process, the figures for 2017 were restated on those published in the 2017 Sustainability Report as containing training hours concerning candidates whose hiring had not yet been finalised. For the previous historic figures, reference is made to the 2017 Sustainability Report.

<sup>40</sup> The rate of lost work days is calculated according to the following formula: no. lost work days per accident/hours worked\*200,000



# 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, and peaches in our fruit juices are sourced 100% from Italy



## The strength of Made of Italy

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

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

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

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

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

## Italian excellence across the world

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

With a goal of exporting not only products, but Italian values and flavours, the "Cook Italia"<sup>41</sup> brand was launched on the British market almost a decade ago, distributed by the British subsidiary LDH. The company was therefore able to not only promote the taste and tradition of the Italian agro-food sector, but also extend its range to British supermarkets. [www.cookitalia.co.uk](http://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, comprising 16 Italian food sector leaders, has aggregate revenues of Euro 3 billion and an export market of 40%.



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

[www.italianfoodtradition.com](http://www.italianfoodtradition.com)

<sup>41</sup> The brand markets a series of Italian products on the British market, not only those produced by La Doria, but also by other Italian companies.





# Origins of this report

## Methodological note

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

This document comprises the Consolidated non-financial report (hereafter also the “**Sustainability Report**”), prepared in accordance with Legislative Decree 254/16 and, as stated in Article 5 of the same Decree, is separate from the Directors’ Report. It reports upon the **material topics established by Articles 3 and 4 of Legislative Decree 254/16 with regards to financial year 2018** (from January 1 to December 31), to the extent necessary to ensure understanding of the company’s activities, its performance, its results and the related social and environmental impacts. In particular, the definition of the material topics for the La Doria Group (hereafter also the “Group”) and for the stakeholders, is undertaken on the basis of a materiality analysis, as described in the “Definition of material topics” paragraph of this document.

The Sustainability Report’s reporting scope is the same as the La Doria Group’s Consolidated Financial Statements<sup>42</sup> as at December 31, 2018. 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 2017 figures are reported for comparative purposes, in order to support an assessment of the performance. The restatement of the comparative data previously published is clearly indicated as such. Furthermore, the use of estimates has been limited as much as possible to give a correct representation of performance and to ensure data reliability. Where use has been made of estimates these are based on the best available methodologies and are reported appropriately.

On October 1, 2018, production activity ceased at the Acerra facility. Therefore, the social and environmental data and information refers to the January 1 - September 30, 2018 period. In 2018, no further significant changes in relation to the size, consolidation scope, organisational structure, ownership structure and supply chain of the Group took place.

The 2018 Sustainability Report was prepared in compliance with the “GRI Sustainability Reporting Standards”, published in 2016 by Global Reporting Initiatives (GRI) according to the “in accordance - Core” option. The “Food processing sector Disclo-

<sup>42</sup>The list of Group companies consolidated line-by-line may be viewed in the section “Content of the Consolidated Financial Statements” in the Explanatory Notes to the Consolidated Financial Statements of La Doria S.p.A. at December 31, 2018.

tures” published by the GRI in 2014 were also taken into consideration. The presence of content responding to the guidelines is indicated in the text by means of identification codes shown at the beginning of the relevant paragraphs.

### 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. With regards to training on Legislative Decree 231/01, reference should be made also to the offenses covered, including Public Sector corruption, Corruption among private parties and Incitement to corruption. All new hires are trained upon the Ethics Code.

### Social aspects, personnel and respect for human rights

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

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

In addition, a “Sustainability Policy” and a “Diversity Policy” were issued, involving education and action initiatives.

### Environment

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

In 2018, the reporting procedure for the Consolidated non-financial report was finalised and adopted by the parent company and the subsidiaries. The La Doria Group remains committed to ongoing improvements on all sustainability aspects in order

to increasingly comply with best sector practices and to support dialogue with its stakeholders.

This Sustainability Report is prepared annually and was submitted to the Control, Risks and Sustainability Committee and was subsequently approved by the Board of Directors of Doria S.p.A. on March 14, 2019.

The Report is also subject to limited examination (“limited assurance engagement” according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A. which, at the end of the work performed, issues a specific report on the compliance of information provided in the non-financial consolidated statement drawn up by La Doria S.p.A. pursuant to Legislative Decree No. 254/16.

The 2018 Sustainability Report was made public also on the website [www.gruppoloria.it](http://www.gruppoloria.it).

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

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

[sustainability@gruppoloria.it](mailto:sustainability@gruppoloria.it)

## Definition of material topics

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

The 2018 Sustainability Report has been structured in accordance with material topics identified by La Doria, as reported in the matrix presented in this section of the document. The topics represent the most significant aspects for La Doria and its stakeholders.

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

1. Identification of the relevant topics, or all those topics that might potentially be significant for the company;
2. Assessment of topics with most significant impacts;

### 3. Validation of the materiality matrix.

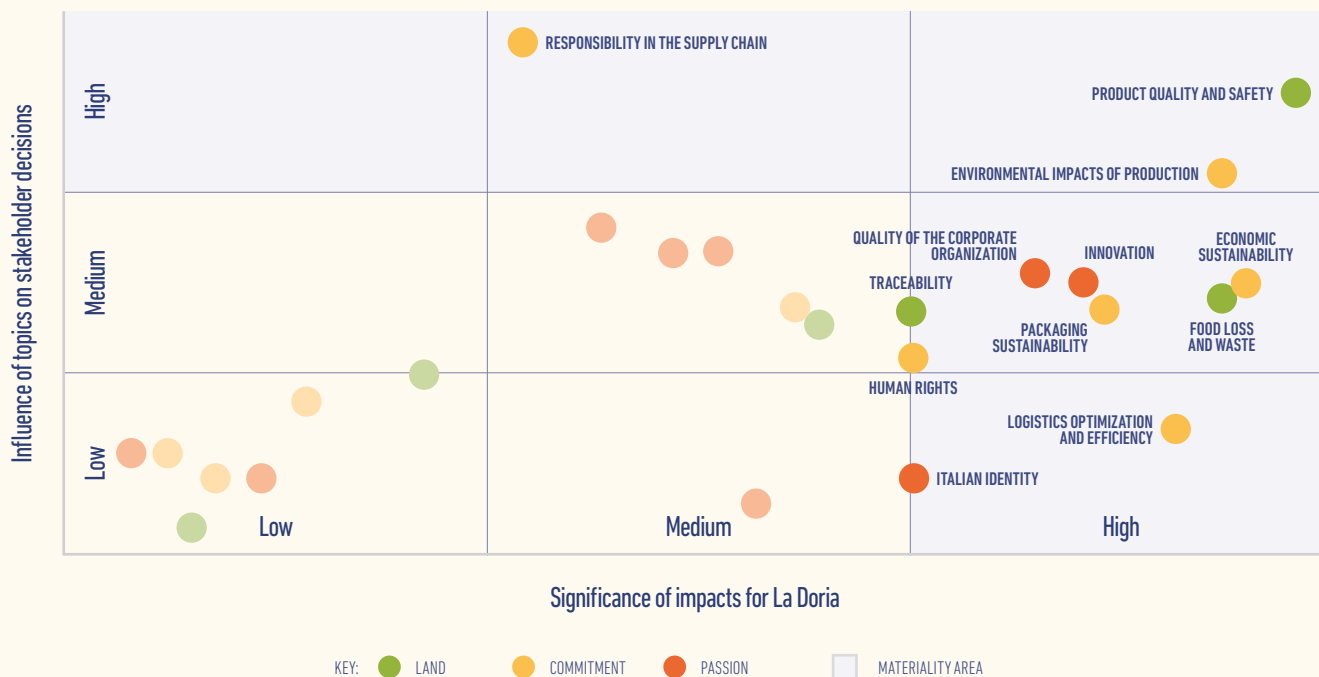
In order to identify relevant topics, an analysis was made of several sector-specific reference documents, of industry research, of material topics for the sector identified by the Sustainability Accounting Standards Board (SASB)<sup>35</sup>, of the expectations of La Doria's main clients<sup>36</sup>, both national and international, and of benchmarking conducted on sustainability communications by a panel of national and international players.

Once the relevant topics had been identified, a workshop with corporate management defined the matrix posi-

tioning 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 Control, Risks and Sustainability Committee, Chairperson and the Chief Executive Officer. The material themes validated for this reporting cycle are those presented in the matrix shown below. The material topic of Human Rights was added, covered in the previous edition in the Profile section, while in the current version featuring in the "Human Rights and Supply Chain Responsibility" section.







THE MATERIALITY MATRIX 2018



<sup>43</sup> "Agricultural Products", "Processed Foods", "Non-Alcoholic Beverages", "Food Retailers & Distributors".

<sup>44</sup> By analysis of specific requests received or of their sustainability documents.

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

Relevant topics for La Doria		The value chain					
							
<b>Product quality and safety</b>	Guaranteeing high product quality and safety, also in consideration of certifications and reference standards (e.g. IFS, BRC, organic)	●	●	●		●	●
<b>Traceability</b>	Guaranteeing the maximum traceability of products, from agricultural origin to the shelf, also in consideration of internationally recognized certification standards	●	●	●	●	●	●
<b>Food loss and waste</b>	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.	●		●		●	●
<b>Environmental impact on production</b>	Minimise and correctly manage the impacts of the production processes: energy consumption, water consumption, emissions, waste.			●	●	●	●
<b>Human rights and Responsibility in the supply chain</b>	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	●	●	●	●	●	
<b>Packaging sustainability</b>	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.		●	●	●	●	●
<b>Logistics optimisation and efficiency</b>	Guaranteeing logistics efficiency and consequent reduction of environmental impacts deriving from product distribution activities		●	●	●	●	
<b>Economic sustainability</b>	Economic results of the company and distribution of generated value to stakeholders.			●		●	
<b>Innovation</b>	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.	●		●		●	●
<b>Quality of the corporate organization</b>	Corporate know-how, efficiency and responsiveness in meeting client needs, consolidation of client relations and perceived quality of products and services			●		●	
<b>Italian identity</b>	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.	●		●		●	

## RECONCILIATION OF MATERIAL TOPICS &amp; GRI ASPECTS

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

\* The emissions aspect, considered as part of the environmental impacts of production, was only relevant in terms of CO<sub>2</sub> 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<sub>x</sub>, COV, NH<sub>3</sub> and CO atmospheric emissions and their annual communication to the Competent Authorities. In the period no limit excesses were reported.

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



## GRI Content Index

### GENERAL STANDARD DISCLOSURES

GRI Standard	Disclosure	Description	Number of page (or link)																																																																																																																					
<b>STRATEGY AND ANALYSIS</b>																																																																																																																								
<b>GRI 102</b> General Disclosures 2016	<b>102-14</b>	Statement from the most senior decision-maker upon the importance of sustainability for the organisation and its sustainability strategy	p. 4-5																																																																																																																					
<b>ORGANISATIONAL PROFILE</b>																																																																																																																								
<b>GRI 102</b> General Disclosures 2016	<b>102-1</b>	Name of the organization	p. 27																																																																																																																					
	<b>102-2</b>	Brands, products, and services	p. 16-17																																																																																																																					
	<b>102-3</b>	Location of the organisation's headquarters	p. 90																																																																																																																					
	<b>102-4</b>	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. 17																																																																																																																					
	<b>102-5</b>	Nature of ownership and legal form	p. 27-28 For further details, the Corporate Governance Report is available on the Group website: <a href="http://www.gruppoloria.it/EN/index.xhtml">http://www.gruppoloria.it/EN/index.xhtml</a>																																																																																																																					
	<b>102-6</b>	Markets served	p. 17																																																																																																																					
	<b>102-7</b>	Scale of the organization	p. 6-7 For further details, the Corporate Governance Report is available on the Group website: <a href="http://www.gruppoloria.it/EN/index.xhtml">http://www.gruppoloria.it/EN/index.xhtml</a>																																																																																																																					
	<b>102-8</b>	Total number of employees by employment contract, work typology, location and gender	In addition to the information reported at page 82 the table with the other data required by the indicator follows  <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Workforce at 31-12</th> <th colspan="2">Facilities in Italy</th> <th colspan="2">LDH</th> </tr> <tr> <th colspan="2">(by type of contract)</th> <th>2018</th> <th>2017</th> <th>2018</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td><b>Permanent contract</b></td> <td>679</td> <td>673</td> <td>72</td> <td>73</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>556</td> <td>546</td> <td>32</td> <td>36</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>123</td> <td>127</td> <td>40</td> <td>37</td> <td></td> <td></td> </tr> <tr> <td><b>Fixed contract</b></td> <td>45</td> <td>18</td> <td>6</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>-men</td> <td>40</td> <td>14</td> <td>2</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>-women</td> <td>5</td> <td>4</td> <td>4</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td><b>Full-time contract</b></td> <td>634</td> <td>597</td> <td>69</td> <td>66</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>525</td> <td>486</td> <td>34</td> <td>36</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>109</td> <td>111</td> <td>35</td> <td>30</td> <td></td> <td></td> </tr> <tr> <td><b>Part-time contract</b></td> <td>90</td> <td>94</td> <td>9</td> <td>8</td> <td></td> <td></td> </tr> <tr> <td>- men</td> <td>71</td> <td>74</td> <td>0</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>- women</td> <td>19</td> <td>20</td> <td>9</td> <td>8</td> <td></td> <td></td> </tr> <tr> <td><b>Total employees</b></td> <td>724</td> <td>691</td> <td>78</td> <td>74</td> <td></td> <td></td> </tr> <tr> <td><b>Total men</b></td> <td>596</td> <td>560</td> <td>34</td> <td>36</td> <td></td> <td></td> </tr> <tr> <td><b>Total women</b></td> <td>128</td> <td>131</td> <td>44</td> <td>38</td> <td></td> <td></td> </tr> </tbody> </table>		Workforce at 31-12		Facilities in Italy		LDH		(by type of contract)		2018	2017	2018	2017	<b>Permanent contract</b>	679	673	72	73			- men	556	546	32	36			- women	123	127	40	37			<b>Fixed contract</b>	45	18	6	1			-men	40	14	2	0			-women	5	4	4	1			<b>Full-time contract</b>	634	597	69	66			- men	525	486	34	36			- women	109	111	35	30			<b>Part-time contract</b>	90	94	9	8			- men	71	74	0	0			- women	19	20	9	8			<b>Total employees</b>	724	691	78	74			<b>Total men</b>	596	560	34	36			<b>Total women</b>	128	131	44	38	
	Workforce at 31-12		Facilities in Italy		LDH																																																																																																																			
	(by type of contract)		2018	2017	2018	2017																																																																																																																		
<b>Permanent contract</b>	679	673	72	73																																																																																																																				
- men	556	546	32	36																																																																																																																				
- women	123	127	40	37																																																																																																																				
<b>Fixed contract</b>	45	18	6	1																																																																																																																				
-men	40	14	2	0																																																																																																																				
-women	5	4	4	1																																																																																																																				
<b>Full-time contract</b>	634	597	69	66																																																																																																																				
- men	525	486	34	36																																																																																																																				
- women	109	111	35	30																																																																																																																				
<b>Part-time contract</b>	90	94	9	8																																																																																																																				
- men	71	74	0	0																																																																																																																				
- women	19	20	9	8																																																																																																																				
<b>Total employees</b>	724	691	78	74																																																																																																																				
<b>Total men</b>	596	560	34	36																																																																																																																				
<b>Total women</b>	128	131	44	38																																																																																																																				

GRI Standard	Disclosure	Description	Number of page (or link)												
GRI 102 General Disclosures 2016	102-8		<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>2018</th> </tr> </thead> <tbody> <tr> <td colspan="2">Number of seasonal workers hired in the year</td> <td>942</td> </tr> <tr> <td colspan="2">- Men</td> <td>420</td> </tr> <tr> <td colspan="2">- Women</td> <td>522</td> </tr> </tbody> </table> <p>The number of personnel hired at the facility (pag. 18-24) are period-end figures.</p>	Seasonal contracts		2018	Number of seasonal workers hired in the year		942	- Men		420	- Women		522
	Seasonal contracts		2018												
	Number of seasonal workers hired in the year		942												
	- Men		420												
	- Women		522												
	102-41	Percentage of total employees covered by collective bargaining agreements	100% of workers are hired under collective contracts												
	102-9	Describe the organization's supply chain	p. 25-26												
	102-10	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	p. 23, 27, 90, 96 The Acerra facility ceased production activity on September 30, 2018 following the optimisation of the Group's industrial structure. All production carried out at Acerra was mainly transferred to the Parma facility.												
102-11	Whether and how the precautionary approach or principle is addressed by the organization	p. 32													
102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	p. 30-32, 58-62													
102-13	Involvement in national and/or international sector associations	p. 35													
<b>MATERIAL TOPICS</b>															
GRI 102 General Disclosures 2016	102-45	Entities included in the Consolidated Financial Statements and those not included in the sustainability report	p. 90												
	102-46	Process for defining the report content and the Aspect Boundaries	p. 92-94												
	102-47	List all the material aspects identified in the process for defining report content	p. 92-93												
	102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	p. 18, 21, 28, 54, 55, 56, 82, 85												
	102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	p. 94												
<b>STAKEHOLDER ENGAGEMENT</b>															
GRI 102 General Disclosures 2016	102-40	List of stakeholders involved	p. 34-35												
	102-42	Process for identification of stakeholders	p. 34												
	102-43	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	p. 34-35												
	102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded	p. 34-35												

GRI Standard	Disclosure	Description	Number of page (or link)
<b>REPORT SCOPE</b>			
<b>GRI 102</b> General Disclosures 2016	<b>102-50</b>	Reporting period	p. 90
	<b>102-51</b>	Date of most recent previous sustainability report	March 29, 2018
	<b>102-52</b>	Reporting cycle	Annually
	<b>102-53</b>	Contact point for questions regarding the sustainability report or its contents	p. 91
	<b>102-54</b>	GRI Content Index and 'in accordance' option chosen	p. 90
	<b>102-55</b>	GRI content index	p. 95-104
	<b>102-56</b>	External declaration of report	p. 105-107
<b>GOVERNANCE</b>			
<b>GRI 102</b> General Disclosures 2016	<b>102-18</b>	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. 28
<b>ETHICS AND INTEGRITY</b>			
<b>GRI 102</b> General Disclosures 2016	<b>102-16</b>	Values, principles, standards and conduct norms, such as conduct codes or ethics codes	p. 28-33
<b>IDENTIFIED BOUNDARIES</b>			
<b>GRI 103</b> Management Approach	<b>103-1</b>	For each material aspect, report the Aspect Boundary within and outside the organization	p. 90

## SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions
<b>CATEGORY: ECONOMIC</b>				
<b>MATERIAL TOPIC: ECONOMIC PERFORMANCE</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 72-75	-
<b>GRI 201 Economic Performance</b>	<b>201-1</b>	Economic value directly generated and distributed	p. 74	-
<b>MATERIAL ASPECT: PROCUREMENT PRACTICES</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 58-63, 72, 75 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
<b>GRI 204 Procurement Practices</b>	<b>204-1</b>	Proportion of spending on local suppliers at significant locations of operation	p. 75	-
<b>G4-FP1</b>		Percentage of purchased volume from suppliers compliant with company's sourcing policy	100% of purchases are from suppliers complying with company policies	-
<b>CATEGORY: ENVIRONMENTAL</b>				
<b>MATERIAL TOPIC: MATERIALS</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 43, 46-48, 64-67 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
<b>GRI 301 Materials</b>	<b>301-1</b>	Materials used by weight or volume	p. 43, 66	-
	<b>301-2</b>	Percentage of materials used that are recycled input materials	p. 64-65	-
<b>MATERIAL TOPIC: ENERGY</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 52-56 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
<b>GRI 302 Energy</b>	<b>302-1</b>	Energy consumption within the organization	p. 54	-
	<b>302-3</b>	Energy intensity	p. 54	-
	<b>302-4</b>	Reduction of energy consumption	p. 53-54	-
<b>MATERIAL TOPIC: WATER</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 52, 55-56 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
<b>GRI 303 Water</b>	<b>303-1</b>	Total water by source	p. 56	-

DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions
<b>MATERIAL TOPIC: EMISSIONS</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 52-54, 99 <a href="http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml</a>	-
	<b>305-1</b>	Direct GHG emissions (Scope 1)	Direct Group emissions (Scope 1): CO <sub>2</sub> eq. tons 47,013  The emissions are calculated on the basis of conversion factors provided by the Ministry for the Environment and Regional Protection "National Standard Parameters Table". Co-efficiencies utilised for CO <sub>2</sub> emissions inventory in the national UNFCC inventory" for each of the reporting years.	-
		Indirect GHG emissions (Scope 2) – Location Based	Indirect Group emissions (Scope 2): CO <sub>2</sub> eq. tons 11,545  The emissions are calculated on the basis of the conversion factors outlined in the document: TERNA "International Comparisons" 2016.	-
Indirect GHG emissions (Scope 2) – Market Based	Indirect Group emissions (Scope 2): CO <sub>2</sub> eq. tons 15,287  The emissions are calculated on the basis of the conversion factors outlined in the document: AIB "Residual Mix 2017 factor".	-		
<b>305-4</b>	Emissions intensity GHG	GHG intensity (Scope 1 & 2) of Location Based Group (tCO <sub>2</sub> /t of product): 0.107  GHG intensity (Scope 1 & 2) of Market Based Group (tCO <sub>2</sub> /t of product): 0.113	-	
<b>MATERIAL TOPIC: EFFLUENTS AND WASTE</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 55, 99 <a href="http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml</a>	-
	<b>GRI 306 Effluents and Waste</b>	<b>306-1</b>	Total water discharge by quality and destination	p. 56
<b>306-2</b>		Total weight of waste by type and disposal method	p. 55	-
<b>MATERIAL TOPIC: TRANSPORT</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 68, 93-94	-

DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions																																																																																																																																		
<b>CATEGORY: SOCIAL</b>																																																																																																																																						
<b>SUB-CATEGORY: LABOR PRACTICES</b>																																																																																																																																						
<b>MATERIAL TOPIC: EMPLOYMENT</b>																																																																																																																																						
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 80, 82-85, 100 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-																																																																																																																																		
<b>GRI 401 Employment</b>	<b>401-1</b>	Total number and rates of new employee hires and employee turnover by age group, gender and region	<p>p. 83, 84</p> <p><b>GROUP TURNOVER (LA DORIA AND LDH. EMPLOYEES WITH PERMANENT AND FIXED CONTRACTS)</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">2018</th> </tr> <tr> <th>Total</th> <th>Men</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td><b>Total new hires</b></td> <td><b>275</b></td> <td><b>239</b></td> <td><b>36</b></td> </tr> <tr> <td>&lt;30</td> <td>160</td> <td>141</td> <td>19</td> </tr> <tr> <td>30-50</td> <td>92</td> <td>79</td> <td>13</td> </tr> <tr> <td>&gt;50</td> <td>23</td> <td>19</td> <td>4</td> </tr> <tr> <td><b>New hires rate</b></td> <td>34%</td> <td>38%</td> <td>21%</td> </tr> <tr> <td><b>Total departures</b></td> <td><b>237</b></td> <td><b>205</b></td> <td><b>32</b></td> </tr> <tr> <td>&lt;30</td> <td>114</td> <td>101</td> <td>13</td> </tr> <tr> <td>30-50</td> <td>94</td> <td>79</td> <td>15</td> </tr> <tr> <td>&gt;50</td> <td>29</td> <td>25</td> <td>4</td> </tr> <tr> <td><b>Departures rate</b></td> <td>30%</td> <td>33%</td> <td>19%</td> </tr> </tbody> </table> <p>A comparison may not be made with 2017 as the turnover figures refer only to permanent contract employees. The second table presents this comparison at the bottom.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">2018</th> <th colspan="3">2017</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><b>Total new hires</b></td> <td><b>40</b></td> <td><b>31</b></td> <td><b>9</b></td> <td><b>29</b></td> <td><b>16</b></td> <td><b>13</b></td> </tr> <tr> <td>&lt;30</td> <td>19</td> <td>15</td> <td>4</td> <td>18</td> <td>10</td> <td>8</td> </tr> <tr> <td>30-50</td> <td>16</td> <td>13</td> <td>3</td> <td>11</td> <td>6</td> <td>5</td> </tr> <tr> <td>&gt;50</td> <td>5</td> <td>3</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>New hires rate</b></td> <td>5%</td> <td>5%</td> <td>6%</td> <td>4%</td> <td>3%</td> <td>8%</td> </tr> <tr> <td><b>Total departures</b></td> <td><b>38</b></td> <td><b>28</b></td> <td><b>10</b></td> <td><b>23</b></td> <td><b>16</b></td> <td><b>7</b></td> </tr> <tr> <td>&lt;30</td> <td>6</td> <td>4</td> <td>2</td> <td>9</td> <td>7</td> <td>2</td> </tr> <tr> <td>30-50</td> <td>19</td> <td>14</td> <td>5</td> <td>9</td> <td>5</td> <td>4</td> </tr> <tr> <td>&gt;50</td> <td>13</td> <td>10</td> <td>3</td> <td>5</td> <td>4</td> <td>1</td> </tr> <tr> <td><b>Departures rate</b></td> <td>5%</td> <td>5%</td> <td>6%</td> <td>3%</td> <td>3%</td> <td>4%</td> </tr> </tbody> </table>		2018			Total	Men	Female	<b>Total new hires</b>	<b>275</b>	<b>239</b>	<b>36</b>	<30	160	141	19	30-50	92	79	13	>50	23	19	4	<b>New hires rate</b>	34%	38%	21%	<b>Total departures</b>	<b>237</b>	<b>205</b>	<b>32</b>	<30	114	101	13	30-50	94	79	15	>50	29	25	4	<b>Departures rate</b>	30%	33%	19%		2018			2017			Total	Men	Female	Total	Men	Female	<b>Total new hires</b>	<b>40</b>	<b>31</b>	<b>9</b>	<b>29</b>	<b>16</b>	<b>13</b>	<30	19	15	4	18	10	8	30-50	16	13	3	11	6	5	>50	5	3	2	0	0	0	<b>New hires rate</b>	5%	5%	6%	4%	3%	8%	<b>Total departures</b>	<b>38</b>	<b>28</b>	<b>10</b>	<b>23</b>	<b>16</b>	<b>7</b>	<30	6	4	2	9	7	2	30-50	19	14	5	9	5	4	>50	13	10	3	5	4	1	<b>Departures rate</b>	5%	5%	6%	3%	3%	4%	-
	2018																																																																																																																																					
	Total	Men	Female																																																																																																																																			
<b>Total new hires</b>	<b>275</b>	<b>239</b>	<b>36</b>																																																																																																																																			
<30	160	141	19																																																																																																																																			
30-50	92	79	13																																																																																																																																			
>50	23	19	4																																																																																																																																			
<b>New hires rate</b>	34%	38%	21%																																																																																																																																			
<b>Total departures</b>	<b>237</b>	<b>205</b>	<b>32</b>																																																																																																																																			
<30	114	101	13																																																																																																																																			
30-50	94	79	15																																																																																																																																			
>50	29	25	4																																																																																																																																			
<b>Departures rate</b>	30%	33%	19%																																																																																																																																			
	2018			2017																																																																																																																																		
	Total	Men	Female	Total	Men	Female																																																																																																																																
<b>Total new hires</b>	<b>40</b>	<b>31</b>	<b>9</b>	<b>29</b>	<b>16</b>	<b>13</b>																																																																																																																																
<30	19	15	4	18	10	8																																																																																																																																
30-50	16	13	3	11	6	5																																																																																																																																
>50	5	3	2	0	0	0																																																																																																																																
<b>New hires rate</b>	5%	5%	6%	4%	3%	8%																																																																																																																																
<b>Total departures</b>	<b>38</b>	<b>28</b>	<b>10</b>	<b>23</b>	<b>16</b>	<b>7</b>																																																																																																																																
<30	6	4	2	9	7	2																																																																																																																																
30-50	19	14	5	9	5	4																																																																																																																																
>50	13	10	3	5	4	1																																																																																																																																
<b>Departures rate</b>	5%	5%	6%	3%	3%	4%																																																																																																																																
<b>GRI 401 Employment</b>	<b>401-2</b>	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 permanent contract employees, to fixed contract employees at the Parma facility and to fixed contract employees at all other facilities, working for at least 230 days per year.</p>	-																																																																																																																																		

DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions																																																																														
<b>MATERIAL TOPIC: HEALTH &amp; SAFETY</b>																																																																																		
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 85, 101 <a href="http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml</a>	-																																																																														
<b>GRI 403 Occupational Health and Safety</b>	<b>403-1</b>	Percentage of total workforce represented in formal joint management-worker health and safety committees	90% of workers are represented on the committees. The committees operate on two levels: <ul style="list-style-type: none"> <li>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);</li> <li>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.</li> </ul>	-																																																																														
	<b>403-2</b>	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	In addition to the information reported at page 85 we present the following summary <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">In Italy</th> </tr> <tr> <th style="text-align: center;">2018</th> <th style="text-align: center;">2017</th> </tr> </thead> <tbody> <tr> <td><b>Number of accidents<sup>45</sup></b></td> <td style="text-align: center;">24</td> <td style="text-align: center;">31</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">18</td> <td style="text-align: center;">26</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">6</td> <td style="text-align: center;">5</td> </tr> <tr> <td><b>of which temporary employees</b></td> <td style="text-align: center;">-</td> <td style="text-align: center;">2</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">-</td> <td style="text-align: center;">2</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td><b>Accident rate</b></td> <td style="text-align: center;">2.85</td> <td style="text-align: center;">3.62</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">2.75</td> <td style="text-align: center;">3.97</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">3.23</td> <td style="text-align: center;">2.50</td> </tr> <tr> <td><b>Workplace illness rate</b></td> <td style="text-align: center;">0.24</td> <td style="text-align: center;">0.12</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">0.54</td> <td style="text-align: center;">0.50</td> </tr> <tr> <td><b>Rate of lost work days</b></td> <td style="text-align: center;">94.15</td> <td style="text-align: center;">101.35</td> </tr> <tr> <td>- men</td> <td style="text-align: center;">108.48</td> <td style="text-align: center;">94.15</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">43.59</td> <td style="text-align: center;">124.96</td> </tr> </tbody> </table> <p>In 2018, 3 accidents during commute occurred (not considered in the summary table). In 2018, four accidents involving outside company employees took place.<sup>46</sup></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2017</th> </tr> </thead> <tbody> <tr> <td><b>Gravity index<sup>47</sup></b></td> <td style="text-align: center;">0.47</td> <td style="text-align: center;">0.51</td> </tr> <tr> <td><b>Frequency index<sup>47</sup></b></td> <td style="text-align: center;">14.26</td> <td style="text-align: center;">18.12</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Absenteeism rate</th> <th colspan="2">Absenteeism rate LDH</th> </tr> <tr> <th></th> <th style="text-align: center;">2018</th> <th></th> <th style="text-align: center;">2018</th> </tr> </thead> <tbody> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>4.18%</b></td> <td><b>Total</b></td> <td style="text-align: center;"><b>1.5%</b></td> </tr> <tr> <td>- men</td> <td style="text-align: center;">4.38%</td> <td>- men</td> <td style="text-align: center;">0.73%</td> </tr> <tr> <td>- women</td> <td style="text-align: center;">3.49%</td> <td>- women</td> <td style="text-align: center;">2.28%</td> </tr> </tbody> </table> <p>Over the last two years, LDH has not reported any workplace accidents.</p>		In Italy		2018	2017	<b>Number of accidents<sup>45</sup></b>	24	31	- men	18	26	- women	6	5	<b>of which temporary employees</b>	-	2	- men	-	2	- women	-	-	<b>Accident rate</b>	2.85	3.62	- men	2.75	3.97	- women	3.23	2.50	<b>Workplace illness rate</b>	0.24	0.12	- men	-	-	- women	0.54	0.50	<b>Rate of lost work days</b>	94.15	101.35	- men	108.48	94.15	- women	43.59	124.96		2018	2017	<b>Gravity index<sup>47</sup></b>	0.47	0.51	<b>Frequency index<sup>47</sup></b>	14.26	18.12	Absenteeism rate		Absenteeism rate LDH			2018		2018	<b>Total</b>	<b>4.18%</b>	<b>Total</b>	<b>1.5%</b>	- men	4.38%	- men	0.73%	- women	3.49%	- women	2.28%
	In Italy																																																																																	
	2018	2017																																																																																
<b>Number of accidents<sup>45</sup></b>	24	31																																																																																
- men	18	26																																																																																
- women	6	5																																																																																
<b>of which temporary employees</b>	-	2																																																																																
- men	-	2																																																																																
- women	-	-																																																																																
<b>Accident rate</b>	2.85	3.62																																																																																
- men	2.75	3.97																																																																																
- women	3.23	2.50																																																																																
<b>Workplace illness rate</b>	0.24	0.12																																																																																
- men	-	-																																																																																
- women	0.54	0.50																																																																																
<b>Rate of lost work days</b>	94.15	101.35																																																																																
- men	108.48	94.15																																																																																
- women	43.59	124.96																																																																																
	2018	2017																																																																																
<b>Gravity index<sup>47</sup></b>	0.47	0.51																																																																																
<b>Frequency index<sup>47</sup></b>	14.26	18.12																																																																																
Absenteeism rate		Absenteeism rate LDH																																																																																
	2018		2018																																																																															
<b>Total</b>	<b>4.18%</b>	<b>Total</b>	<b>1.5%</b>																																																																															
- men	4.38%	- men	0.73%																																																																															
- women	3.49%	- women	2.28%																																																																															

<sup>45</sup> Calculated excluding accidents during commute.

<sup>46</sup> The data monitoring and collation systems at the company do not permit for the calculation of third party company accident ratios.

<sup>47</sup> The following ratios are calculated according to INAIL's guidelines.

DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions																											
<b>MATERIAL TOPIC: TRAINING AND EDUCATION</b>																															
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 80, 84-85, 102 <a href="http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml</a>	-																											
<b>GRI 404 Training and Education</b>	<b>404-1</b>	Average hours of training per year per employee by gender and by employee category	In addition to the information reported at page 85 below the tables <b>AVERAGE HOURS OF TRAINING BY GENDER<sup>48</sup></b> <table border="1" style="margin-left: 20px;"><thead><tr><th colspan="2">2018<sup>49</sup></th><th colspan="2">2017</th></tr><tr><th>Male</th><th>Female</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>14.5</td><td>17.2</td><td>12.6</td><td>21.2</td></tr></tbody></table> <b>AVERAGE HOURS OF TRAINING BY ROLE</b> <table border="1" style="margin-left: 20px;"><thead><tr><th></th><th>2018</th><th>2017</th></tr></thead><tbody><tr><td><b>Executives</b></td><td>13.7</td><td>5.3</td></tr><tr><td><b>Managers</b></td><td>16.1</td><td>10.6</td></tr><tr><td><b>White-collar</b></td><td>9.7</td><td>11.8</td></tr><tr><td><b>Blue-collar</b></td><td>16.6</td><td>16</td></tr></tbody></table> This data exclusively concerns Group personnel working in Italy. The data is not available for the subsidiary LDH.	2018 <sup>49</sup>		2017		Male	Female	Male	Female	14.5	17.2	12.6	21.2		2018	2017	<b>Executives</b>	13.7	5.3	<b>Managers</b>	16.1	10.6	<b>White-collar</b>	9.7	11.8	<b>Blue-collar</b>	16.6	16	-
2018 <sup>49</sup>		2017																													
Male	Female	Male	Female																												
14.5	17.2	12.6	21.2																												
	2018	2017																													
<b>Executives</b>	13.7	5.3																													
<b>Managers</b>	16.1	10.6																													
<b>White-collar</b>	9.7	11.8																													
<b>Blue-collar</b>	16.6	16																													
<b>MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY</b>																															
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 11, 82-84, 91 <a href="http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml</a>	-																											
<b>GRI 405 Diversity and Equal Opportunity</b>	<b>405-1</b>	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	p. 28, 82-84	-																											
	<b>405-2</b>	Remuneration ratio total women to men in same category	p. 83	-																											
<b>MATERIAL TOPIC: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>																															
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 92-94, 52-63, 102 <a href="http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoladoria.it/EN/about-us/quality-and-safety.xhtml</a>	-																											
<b>GRI 414 Supplier Social Assessment</b>	<b>414-1</b>	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%	-																											
	<b>414-2</b>	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	p. 59-63	-																											

<sup>48</sup> The average training hours were calculated on the basis of the average workforce.

<sup>49</sup> The figure includes training hours provided to temporary staff: men 23.2 average hours; women 17.6 average hours.



DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions
<b>MATERIAL TOPIC: LABOR PRACTICES GRIEVANCE MECHANISMS</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 58, 93-94 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
	<b>406-1</b>	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms	p. 60, 61	-
<b>SUB-CATEGORY: HUMAN RIGHTS</b>				
<b>MATERIAL TOPIC: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 58, 93-94 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
	<b>GRI 414 Supplier Social Assessment</b>	<b>414-2</b>	Significant actual and potential negative human rights impacts in the supply chain and actions taken	p. 59-63
<b>MATERIAL TOPIC: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 59-63 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
	<b>412-1</b>	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	p. 61	-
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>				
<b>MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY</b>				
<b>GRI 103 Management Approach</b>	<b>103-1 103-2 103-3</b>	Explain the material topic and its boundary, the management approach and its evaluation	p. 38, 93-94 <a href="http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml">http://www.gruppoloria.it/EN/about-us/quality-and-safety.xhtml</a>	-
	<b>GRI 416 Customer Health and Safety</b>	<b>416-1</b>	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	p. 38-40 100% of products
<b>416-2</b>		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	-

DMA and Indicators	Disclosure	Description	Number of pages or specific	Omissions
G4-FP5		Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	p. 38 100% of production volumes	-



Deloitte & Touche S.p.A.  
Riviera di Chiaia, 180  
80122 Napoli  
Italia

Tel: +39 081 2488111  
Fax: +39 6666887614173  
www.deloitte.it

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

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of La Doria S.p.A. and its subsidiaries (hereinafter "La Doria Group" or "Group") as of December 31, 2018 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 14, 2019 (hereinafter "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 to the "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

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

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

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

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

**Auditor's Independence and quality control**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality

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

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.230,00 i.v.

Codice Fiscale/Registro delle Imprese Milano n. 01049560166 - R.E.A. Milano n. 1720239 | Pagine Gialle IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse collegate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL, denominata anche "Deloitte Global" non fornisce servizi ai clienti. Si invita a leggere l'informazione completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo [www.deloitte.com/about](http://www.deloitte.com/about).

© Deloitte & Touche S.p.A.



2

Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Auditor's responsibility**

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "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).



3

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 and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

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

- at the group 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 production facilities Angri and Fisciano of the parent company La Doria S.p.A. and for Lavello of the subsidiary Eugea Mediterranea 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, 2018 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Mariano Bruno**  
Partner

Naples, Italy  
March 28, 2019

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







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

**GRUPPOLADORIA.IT**