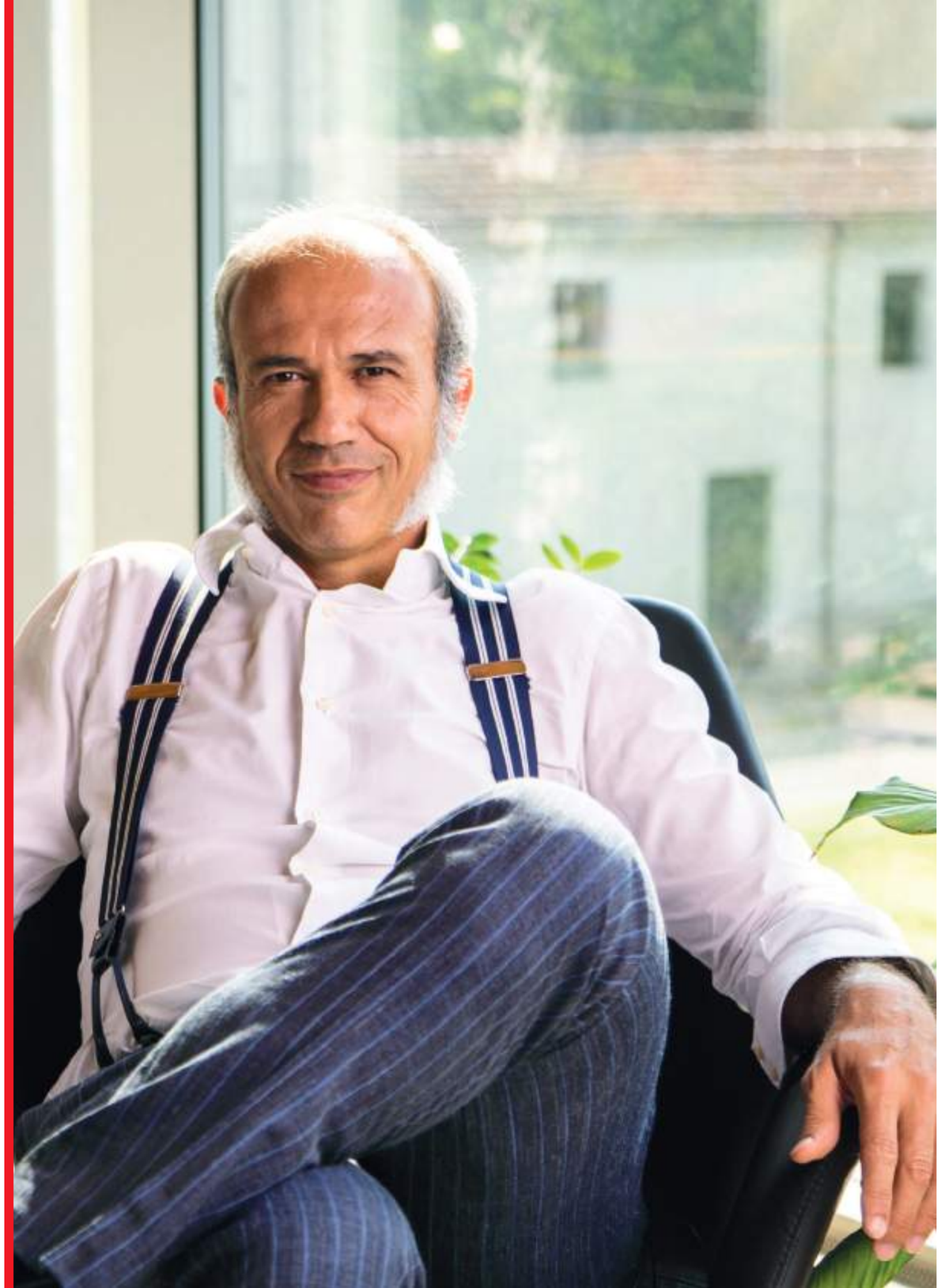
Environmental Report 2020

SUMMARY



Message to stakeholders

Dear stakeholders,

Our decision to prepare the first Environmental Sustainability Report came out of a desire to monitor the impacts of our production activities so we could track our performance in the most critical areas of sustainability, assess potential areas for improvement, identify the levers to use at the various levels of responsibility and establish priorities for our actions.

Over the past five years, our company has grown significantly, doubling the amount of tomatoes we process. This growth, combined with a strong drive to strengthen our international presence, has compelled us to address the issue of environmental sustainability, equipping ourselves with greater expertise and, consequently, with a structured monitoring and reporting methodology tailored to the specificities of our sector and company.

This is, therefore, a path that begins with a complete and in-depth analysis of the situation with the involvement of the entire operating structure and ends with the results of this Report.

Over time, we have undertaken a number of initiatives to identify the distinctive features of our activities' environmental footprint and to monitor the effects of the mitigation measures that we have implemented in our daily operations, assessing their scope and effectiveness.

This work has made us more aware of how we interact with the environment around us. And it is thanks to this awareness that we have begun planning future actions.

This Report aims to determine our performance as we strive for continuous improvement in this period of rapid expansion. At the same time, we have poured energy into interacting and developing partnerships with stakeholders active in the field of environmental sustainability and technological innovation.

This is why we have devoted so much space in this Report to letting the stakeholders who worked with us on our projects describe them in their own words. We believe that working and producing responsibly means taking responsibility for aspects that go beyond merely what the law requires. We believe that it means taking a collective approach that considers our stakeholders' point of view, their needs and their expectations.

We reflected long and hard about whether to publish this initial Report or to keep it for ourselves as an internal document, and in the end we decided to let you see how we've performed so we could share our journey with you and invite you to play an active role in its future improvement.

This being said, we consider this Environmental Sustainability Report as one step in the path to improving our environmental performance and that of our supply chain, a process that began over twenty years ago when we rolled out integrated production and continued ten years ago when we began the partnership with WWF Italy to reduce our water and carbon footprints.

This journey continues with the development of an organic strategy and action plan that face the future as solidly and tangibly as always and we look forward to sharing the results with you from this point on.

Enjoy!

FRANCESCO MUTTI
CHIEF EXECUTIVE OFFICER OF MUTTI

01.
About Mutti

Established in 1899 by Marcellino and Callisto Mutti, **our company processes 100% Italian tomatoes.** The company is now a leader on the tomato product market in Italy and Europe, with operations in 96 countries worldwide and net revenues of €465 million in 2020 from 580,000 tonnes of tomatoes processed.

Our logo embodies all our brand's distinctive values and our way of doing business. The words at the top, Solo pomodoro - only tomatoes - with a full stop at the end highlight both our specialisation and our close connection with the raw material. Next comes the Mutti family name, which boldly stands out to confirm our pact with generations of quality-conscious consumers.

At the centre of the logo two lions stand face-to-face, guarding the gold medal we won in Paris, a symbol of the excellence that has always distinguished our products starting with the selection of the tomatoes. It is an iconic image that dates back over one hundred years, when the two lions represented our products for those who could not read or write. All anyone needed to ask for was 'the brand with the two lions'.

Below the lions, the label reads Parma, our city of origin denoting a far larger area, now known as an excellent place to grow Italian tomatoes thanks to externalities like fertile soil, crop rotation and the quality of water, in addition to the expertise of the tomato growers that supply us.

Over the past 20 years we have seen a **steady growth in volumes and sales** with a premium price positioning.

Our market shares have grown relentlessly both in Italy and abroad.

Consumers and customers have become aware of our uniqueness and have rewarded us over time. We are one of the fastest growing brands in the fast-moving consumer goods sector[1]. For us, this is an acknowledgement of our product's superior quality and our business model centred around transparency and reliability.

[1] Information Resources Inc. (IRI), Consumer Goods – Top 25 Groups in 2020

Our products

Over the years we have specialised in the processing of tomatoes,

which we do not grow directly but buy exclusively from certified farmers who follow the criteria of a strict shared protocol based on principles that include respect for the environment and soil protection.

Although we process 100% Italian tomatoes only, this has never held us back. Since the company was founded, we have always stood out for our desire to innovate, which has led us to progressively expand our range of products.

Among our most iconic and well-known products, special mention goes to our tomato paste in an aluminium tube, created in 1951 to offer our customers a package that would preserve the quality and taste of concentrated tomato paste better and longer and also be more practical to use. This product was even more special because it came with a small gift. The cap doubled as a red Bakelite thimble to be used for sewing at home.

Mutti products

THE ESSENTIALS	OUR SPECIALTIES	CHOPPED DATTERINI TOMATOES	REGIONAL TOMATO PUREES	READY SAUCES	SIMPLE SAUCES	TOMATO PESTOS
DOUBLE CONCENTRATED TOMATO PASTE	S. MARZANO DOP TOMATOES	DATTERINI CHOPPED TOMATOES	EMILIANA TOMATO PUREE	DATTERINI	SIMPLE SAUCE WITH OLIVES	ORANGE PESTO
TRIPLE CONCENTRATED TOMATO PASTE	SLICED TOMATOES		PUGLIESE TOMATO PUREE	CLASSIC	SIMPLE SAUCE WITH BASIL	RED PESTO
PEELED TOMATOES	CHERRY TOMATOES		SICILIAN TOMATO PUREE	PIZZUTELLO	SIMPLE SAUCE WITH CHILLI	GREEN PESTO
TOMATO PUREE	DATTERINI TOMATOES			CHERRY	SIMPLE SAUCE WITH GRILLED VEGETABLES	
FINELY CHOPPED TOMATOES	PEELED DATTERINI TOMATOES					

Mutti worldwide

Over time, the Group has expanded from its historic business headquarters in Montechiarugolo, Parma, to meet all the demand for the taste of its products. In 2016, we completed the acquisition of Fiordagosto, a plant in Oliveto Citra (province of Salerno) dedicated to the production of southern Italy native varieties, such as the plum tomato and the cherry tomato.

In November 2017, we acquired the CO.PAD.OR plant in Collecchio, establishing a new company, Pomodoro 43044 S.r.l., with a production capacity of 300,000 tonnes, fully integrated within Mutti S.p.A. since January 2021.

We kicked off our international expansion in 2013, first in France, followed by the US, where we opened another three sales offices, then on to Stockholm, where we oversee the Northern European market, and Australia.

The Production

Montechiarugolo plant
MUTTI S.P.A.
Group headquarters and Italian sales branch

Collecchio plant
POMODORO 43044 S.R.L. *

Oliveto Citra plant
FIORDAGOSTO S.R.L.

MUTTI FRANCE S.A.S.
Based in **Paris** for the development of the French market (2013)

MUTTI USA INC.
Based in the **US** for the development of the American market (2017)

MUTTI NORDICS AB
Based in **Stockholm** for the development of the Northern European market (2018)

MUTTI AUSTRALIA PTY LTD
Based in **Rosebay** for the development of the Australian market (2019)

Sales branch

*Fully integrated within Mutti S.p.A. since January 2021

Our penchant for process and product innovation

We have always studied and updated processing methods to preserve our high production standards, armed with the knowledge that a crucial factor for the added value that distinguishes our products is how we process tomatoes.

Bolstered by ongoing research and development, **the production process improves continuously,** benefiting from some of the most innovative technologies in the sector and featuring several pieces of equipment that the company has patented. For example, Mutti finely chopped tomatoes are made using a pulp extraction machine developed in-house for a product unlike any other on the market.

Our product range has expanded significantly over the last few years, leading to an unprecedented differentiation. In only three years starting from 2018, we launched Datterini chopped tomatoes, regional purees, pestos and Sul Campo puree on the market.

We launched these products out of a desire to make the most of the qualities of the tomatoes we process, which come from all over Italy, and to satisfy the most disparate tastes of our customers on every occasion.

Chopped Datterini tomatoes are the result of our desire to enhance our range of finely chopped tomatoes with a product characterized by a soft, delicate, full taste and a thicker pulp than our standard finely chopped tomatoes. The distinctive taste of the Datterino tomatoes, a naturally sweet variety, is noticeably different from the fresh, herbaceous taste of finely chopped tomatoes.

Regional purees stem from our desire to honor three regions dedicated to tomato growing: Sicily, Puglia and Emilia. Thanks to our partnerships with the best local farmers, we have created three different purees that reflect the character of these lands. In Sicily, which boasts mineral-rich alluvial soil, a cherry tomato with a fresh taste grows. In northern Puglia (the “Capitanata” area), we find a long tomato with an intense taste and a thick, pulpy texture. In the Parma countryside, which is rich in organic matter and particularly fertile, a Datterino tomato grows with a sweet and delicate taste.

Our focus on innovation can also be seen in the launch of three different varieties of pesto from different colored tomatoes - red, green and orange. With a delicious and intense taste, our pestos have a lower fat content (-45% less than the average fat content of best-selling pestos on the market), thanks the tomatoes in the recipe, which account for more than 50%.

InstaFactory is the most recent example of our forward-looking, innovative approach.

Launched in September 2020 and developed and patented by the company, InstaFactory is a mobile factory set up in fields, where tomatoes can be processed. This is the best way to preserve their organoleptic qualities and produce an unparalleled tomato puree, i.e. Sul Campo puree.

Demonstrating our commitment to innovation, in 2021 alone, we allocated €32 million in investments for production upgrades and to further improve the Group’s quality, efficiency and safety indices.

Let’s now leave the floor to Vincenzo Russi, co-Founder and CEO of e-Novia, who will tell us how the InstaFactory project was born, as a virtuous example of innovation in agriculture.

InstaFactory: the first factory directly on the field

Vincenzo Russi
Co-Founder and CEO of e-Novia

Today we are all called to join in a collective effort of evaluating, studying and planning to find new solutions that are out of the box. The challenge of change pushes us to feed our creative soul and look at innovation processes in a new way.

Innovation is the act, the work of innovating. Its Latin etymology, in nova agere, means “putting new ideas into action”, bringing the future into the present with a technological, productive, organizational breakthrough.

Mutti and **e-Novia**, the Factory of Companies that turns intellectual property and new technologies into products and services for the market, met in the wake of an out-of-the-box idea. Indeed, the model they developed brings the factory to the field, rather than taking the field, through its products, to the factory. It is a processing plant that is not centralized, but distributed and capable of connecting with other systems located in different production venues. It is a self-contained and self-sufficient plant in terms of water and energy use. In other words: an **InstaFactory.**

This system is revolutionary: until little less than a year ago, there was not any type of installation in the world, complete and medium size, that achieved a balance between the volume of space occupied, the level of autonomy and the quantity of product processed. Today the InstaFactory guarantees, on a small scale, the management of complex industrial processes, from washing to sterilization up to evaporation.

As there were no such solutions on the market, the development of the InstaFactory required a free-thinking, creative approach that was concrete and highly precise at the same time. The goal was to create an efficient and functional system according to the **MVP** (Minimum Viable Product) concept at the basis of all non-linear innovation processes that have characterized every e-Novia project since it began.

All of this, taking into account the context where processing occurs - i.e. the farm field, which in this case is the place where product transformation takes place - and meeting the highest quality, certification and traceability standards.

The result? A real smart factory that can be managed entirely remotely by monitoring all the parameters and making, where necessary, real-time adjustments, such as in a Formula One car.

It was an extremely fascinating journey that, however, does not end here.

Indeed, it points to new scenarios on the horizon: on the one hand, an incremental development to further reduce the environmental impact of the factory and on the other, the recovery of **deep technologies** - which we call deep tech, i.e. science-inspired digital electronic elements combined with physics and mechanics elements - that at the moment are not yet part of the system.

01.

01

Mutti's history

Our history is deeply rooted in the heart of the Food Valley near Parma, an area devoted to tomato growing, where agricultural expertise and experience are important elements.

Since the late 1800s, the Mutti family has been devoted to processing Italian tomatoes with a strong and solid business idea: changing the paradigms of the value chain of tomato, which is a pillar of Italian food culture, by upholding a firm quality policy and meticulously caring for each and every detail.

For Mutti, partnering with its farmer supply chain has been pivotal, because "quality starts in the field." So the fields grow around our production plants, reaching a maximum average distance of 130 kilometres, and the entire production cycle is subject to the "law of freshness", respecting the rhythms of nature and preserving the natural properties of tomatoes.

1899

the brothers Marcellino and Callisto Mutti begin processing tomatoes

1909

Ugo Mutti, Marcellino's son, tells his father they should create a small factory to produce tomato extract

1911

the "Two lions" brand is registered

1925

Mutti wins the Palme d'Or at the Paris World's Fair

1951

the thimble-capped aluminium tube is created and the company expands in the province of Parma

1971

the company is the first to launch finely chopped tomatoes on the market, and remains a leader in Italy and abroad to this day

1994

Gault&Millau names Mutti's finely chopped tomatoes the best in Europe and Francesco Mutti becomes the company's CEO

2000

the Pomodorino D'Oro award is created

2010

Mutti starts its partnership with WWF Italy, a project to study and analyse the impact that tomato supply chain and processing have on energy and water consumption

2013

Mutti France is founded to develop business on the French market and the Fiordagosto project begins for the production of typical Southern Italian specialties

2017

Mutti USA Inc. opens and the Collecchio plant is acquired

2018

Mutti Nordics is funded

2019

Mutti Australia is funded

2020

Mutti launches "Sul Campo", the first tomato puree produced directly on the harvested field using InstaFactory, a mobile processing plant

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Our major milestones are mostly made up of product launches, innovations and openings of new subsidiaries to consolidate our presence around the world. However, 2010 too, when our partnership with WWF Italy started, is an important step in our history: it marked a turning point, because we managed to map our environmental impact with a focus on our water and carbon footprints.

We will let Eva Alessi, Head of Sustainable Consumption and Natural Resources at WWF Italy, give us her take on the initiative.

Partnership for Sustain-**Ability**

Eva Alessi - Head of Sustainable Consumption and Natural Resources, WWF Italy

2011- 2021.
Partners for over ten years.
The way that Mutti crossed its path with the WWF was special from the start. It was not due to a mere communication requirement or to “check the sustainability box” in the media, but to strategically improve agricultural practices from an environmental perspective.
The partnership began with an aspect that was innovative and forward-thinking at the time: measuring the water footprint.

While in the early 2010s concepts like the “carbon footprint” were beginning to take hold in everyday language, and not only among environmental experts, the notion of quantifying, analysing and then reducing water consumption in agriculture by calculating one’s “water footprint” was ground-breaking and not just in Italy. And this is despite the fact that farming accounts for 60% of all fresh water consumption in Italy. We therefore organised a joint project, taking a “snapshot” of the “water footprint” from the field to the table and – in a step that was revolutionary for the time – we set a reduction target: -3%.

I will admit, compared to today’s double-digit decarbonisation targets, this was decidedly… less sexy. But it was extremely high impact in absolute terms (over one billion litres of water), especially because it considered the entire value chain holistically and deeply penetrated the practices and culture of farmers/suppliers.

This project remains one of the examples of excellence that WWF Italy considers most significant, not only because of the results objectively achieved but also because of the partnership model it used, involving an environmental organisation and a company, as well as an academia (Horta, a spin-off of the Catholic University of Piacenza) and a research body (CMCC - Euro-Mediterranean Centre for Climate Change). Because the path to sustainability must be clear and transparent but also multi-stakeholder.

With this joint approach, WWF Italy and Mutti have continued their journey together. Drawing on the solid experience gained in the water footprint project, we have tried our hand at writing a practical handbook for improving the sustainability of farming practices while safeguarding the biodiversity of the land (from planting hedges and rows of trees to using green manure for more fertile soil and to creating artificial lakes).

Our starting point was water and, advancing, step by step, with a systemic vision of agriculture, we came to the next big theme of recent years: the use – and, therefore, the exploitation – of the soil, which is inextricably linked to other critical issues like biodiversity and greenhouse gas emissions.

There is no question that these are complex issues that, by their very nature, do not lend well to simplistic approaches or short-cuts. There are no one-size-fits-all recipes or ready-made solutions.

Alongside reforestation initiatives to enrich the rural landscape, especially in areas used for intensive farming, such as the Po Valley – including the ‘Mille Querce’ project – other complementary paths are worth considering. And when it comes to exploring new ground, Mutti is not one to shy away.

Take regenerative agriculture, a complementary approach to the more traditional reforestation that, through a skilful synergy of traditional practices and modern technologies, combats soil impoverishment by enriching it with carbon, which is thus captured and removed from the atmosphere.

This is another step forward for Mutti’s sustainability, which goes beyond merely complying with regulations, as it looks to include rather than exclude and engages all stakeholders with the common thread essential for the creation of value: optimism and passion.

01./ 02

Governance and shareholders

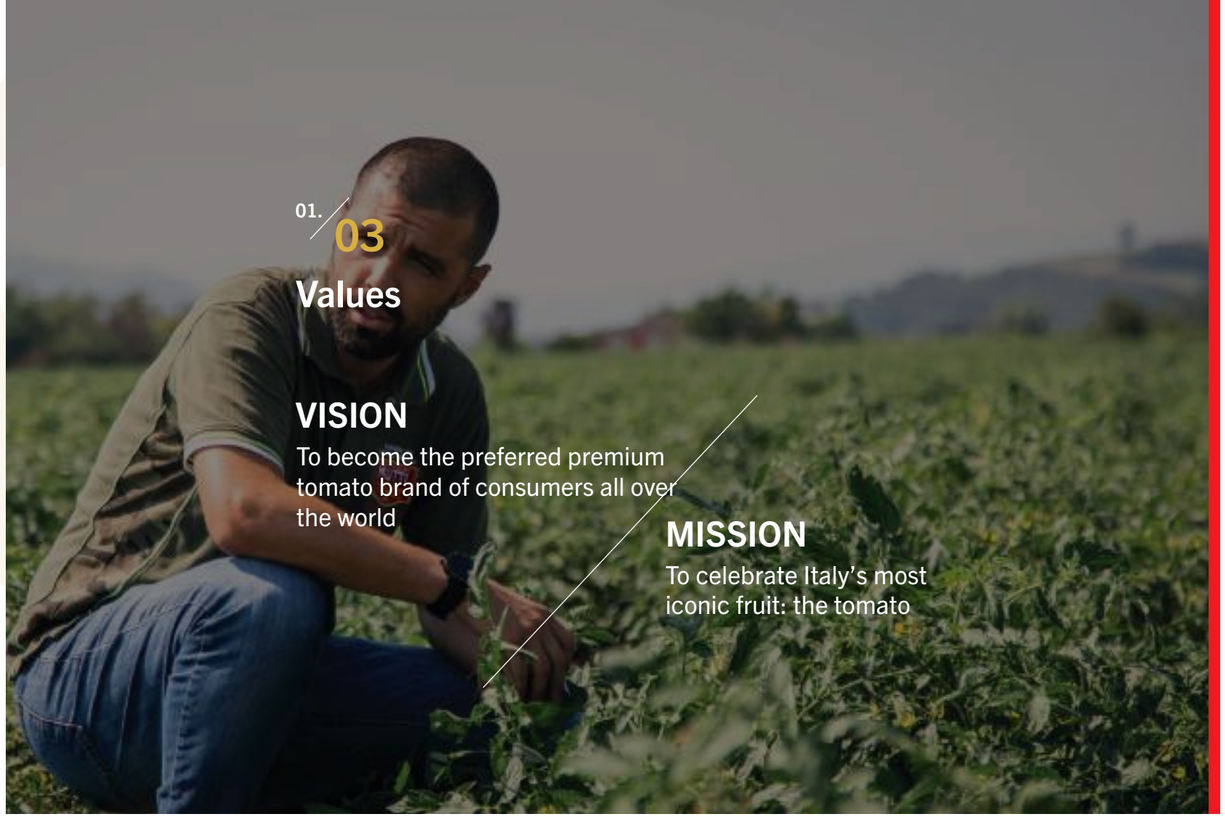
Mutti has a traditional management system in which the corporate bodies are the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, while the audit of the accounts is entrusted to an external auditing firm.

The Board of Directors, which is responsible for managing the company, has delegated some of its powers to the Chief Executive Officer, who has, in turn, delegated certain special powers-of-attorney.

The Chairman of the Board of Directors and the Chief Executive Officer are the company's legal representatives within the limits of their powers.

The Shareholders' Meeting is responsible for making the most important decisions for the life of the Company, including the appointment of the corporate bodies, the approval of the financial statements and amendments to the Articles of Association.

Red Lions, the Mutti family's holding company, owns 75.5% of the share capital and, since 2016, Verlinvest, a family-owned investment fund with around €2 billion in assets under management, holds the 24.5% minority stake.



01./ 03

Values

VISION

To become the preferred premium tomato brand of consumers all over the world

MISSION

To celebrate Italy's most iconic fruit: the tomato

Quality, Transparency and Reliability are the values on which we have based our business for 120 years.

"In our tomato cans, I want there to be an extra dose of intelligence"

FRANCESCO MUTTI, CEO OF MUTTI S.P.A.

The Mutti family has run the Company for over a century, and integrity, respect for people and interest in the community and local area have always been a genuine commitment.
In our Code of Conduct, which the Board of Directors approved in its most recent version in March 2021, we have set out our business value system, which we are committed to upholding and sharing with our stakeholders. Scenarios and contexts change, but Mutti's values remain the company's beating heart and will always be one of our greatest strengths.

Mutti's business values

1 **Pursuit of the highest standards**

2 **Long-term vision**

3 **Work culture**

4 **Respect and development of people**

5 **Protecting the environment**

6 **Simplicity and honesty**

Our value system cannot exclude caring for the environment, to which we are inextricably linked by what we do

Our values, our identity and our success are directly connected to the natural world around us, which is why preserving its vitality, diversity and beauty is a firm commitment for us. Care for the environment and the sustainable use of natural resources are cornerstones of our work.

Our strategy is based on investments and activities that meet the principles of sustainable development.
We are committed, in particular, to:

- **promoting a farming system that encourages the use of techniques that guarantee a lower impact on the environment** and the reduced emission of harmful substances into the environment, thus ensuring greater agricultural sustainability;
- **improving production to maximise efficiency,** especially as for water and energy, in every stage of the production chain;
- **encouraging and supporting best practices to protect the biodiversity** of agro-ecosystems affected by tomato crops;
- **implementing actions and projects to improve working environments;**
- **allocating a share of investments to self-generate energy from renewable sources;**
- **raising environmental awareness and providing training for employees and the farmer supply chain** to share initiatives inside and outside the company and to improve skills and professionalism;
- **investing in research by promoting an increasing sharing of results** and developing research projects in the interest of the community;
- **guaranteeing and implementing the monitoring and control of the company's progress** in terms of environmental impact.

01./04

Certifications

Our focus on the land can also be seen in the environmental certifications our company has earned for its products and processes.

At Mutti, we track the environmental impact of the entire production chain, from the tomato growing cycle to the delivery of the finished product to the consumer.
Ensuring that our customers enjoy the highest standards of innovation and safety is a priority for us, and this is why we have always implemented voluntary and compulsory measures to make sure our products feature the highest quality.
Confirming this commitment, we have obtained the following certifications from nationally and internationally recognised and accredited bodies:

· Integrated crop management in accordance with the **UNI 11233** standard (since 1999);

· **Non-GMO** declaration (since 2001);

· Supply chain traceability certification in accordance with the **ISO 22005** international standard, guaranteeing that the tomatoes are 100% Italian (since 2016);

· **BRC** and **IFS** food safety certification (since 2016).

In the first few months of 2021, we also began the process for certification in accordance with the **SA8000** international standard, which we have since successfully completed, demonstrating our focus on the fair and ethical treatment of workers and respect for human rights.

02.
Mutti's path to sustainability

At Mutti, sustainability is an ongoing process and one of the pillars on which we have always based our work, alongside high quality and strong relationships with the players in our value chain. To us, 'sustainability' above all means respect for the environment and a balanced use of its resources, in order to give back to the Earth what it gives us.

As we started mentioning in the previous pages, we have achieved several milestones on the path to sustainability, including the certifications of our supply chain and production and our ten-year long partnership with WWF Italy, aimed to improve the efficiency of water and energy consumption in the life cycle of our tomatoes, from the field to the shelf. We are particularly proud of this partnership, and not only because of the excellent results we achieved from 2010 to 2015, which exceeded expectations, but also because we were one of the first companies in Italy and the world to formally monitor our water footprint back in 2010.

Nevertheless, what underpins our path to sustainability has always been the desire to be more aware of our environmental impacts. We believe that this is essential to define a sustainable path that is even more solid and intrinsic to the way we do business, benefiting the environment and all our stakeholders.

The continuous monitoring of our environmental impacts is therefore both an end and a starting point at the same time: by refining it increasingly over the years we have been able to map our performance, which now plays a crucial role, serving as the basis for the definition of an environmental sustainability strategy.

This is a strategy that also traces back to the concept of 'regeneration', i.e., the regeneration of individual people, society and the planet, because our well-being coincides with the well-being of the ecosystem of which we are part.

We are aware that sustainable development requires collaboration and transparency and cannot be pursued alone. In other words, we must continuously and constantly interact with the stakeholders capable of accompanying us on this journey. This is what we have always done and, with this first Environmental Sustainability Report, we also want to pay homage to some of our 'travel companions' who have been at our side, lightening our load.

And that is why, as you might have noted in the words you red earlier, we invited some of our partners, whose viewpoints are very special to us, to talk about the actions and projects and even the emotions and – sometimes – the shortcomings behind the facts and figures presented.
Because while it is true that measurement and objectivity are essential in the journey to environmental sustainability, we know that it is above all passion, will and the drive to work together that make the difference.

02.
01

Relationships with stakeholders

Our achievements and success are based on the relationships we have forged over time with our various stakeholders, with whom we constantly interact in our business. We have always taken into account the way our decisions, however big or small, affect people, markets and the surrounding area.

With our value system, we believe we have a responsibility to all of these stakeholders and we hope to honour this commitment every day through our conduct and excellent business and work practices.

Our stakeholders

Consumers and customers
(actual and potential)

Employees and partners

Farmers and business partners

Communities

Industry and markets

Our reputation with the general public in Italy

In 2020, with the drafting of the new Corporate Narrative Book, a survey and feedback campaign led by Storyfactory was kicked off in which RepTrak measured and reported the Italian public's perception of Mutti's corporate reputation.
The results reflected our ongoing commitment to ensuring that our values are consistently reflected in concrete actions, with complete harmony and cohesion between parties and the improvement of the areas in which we operate.

This commitment has allowed us to build an excellent reputation with our stakeholders over the years:

- to the **general public** and **local communities**, we represent Italian entrepreneurship and the **Food Valley** and are a symbol of quality accessible to all;

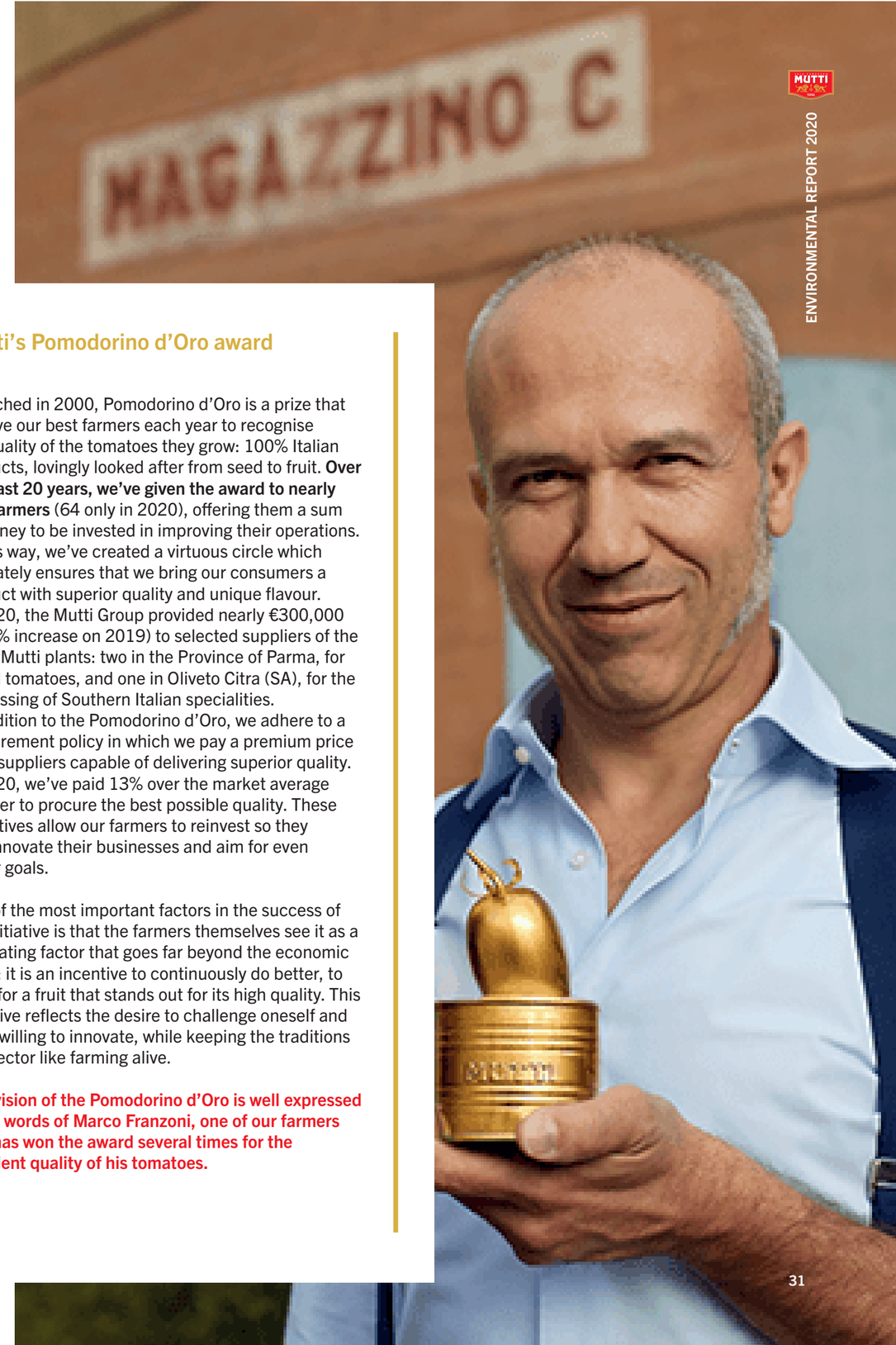
- according to the **media**, the company has the credibility to talk about entrepreneurship, economics and sustainability, making them current, tangible issues;

- **people** believe in the company and are proud to say they work at Mutti;

- **suppliers** feel like they play an active role in our business, because the company has the skills to take responsibility for transparency and speak on their behalf;

- in the **academic world**, we are perceived as a place where people can express themselves, because we update tradition by focusing on continuous evolution.

STAKEHOLDER CATEGORY	ENGAGEMENT COMMITMENTS AND INITIATIVES
CONSUMERS AND CUSTOMERS	We act responsibly, offering consumers and customers products that stand out for their superior quality. We strive to grow the brand by leveraging its focus on environmental sustainability, attracting potential customers who are sensitive to this issue, safeguarding our brand's image and tangibly enhancing our commitment.
EMPLOYEES AND PARTNERS	We offer a healthy and safe working environment where our people can reach their full potential. We improve the skills of our employees through individual and group coaching programs. We offer our new recruits an induction program with various company departments and with the CEO Francesco Mutti. We support the reporting by any employee of irregular conduct and alleged or actual violations of the Code of Ethics or the regulations in force, using the whistleblowing system accessible from the company's website but available for all our stakeholders.
FARMERS AND BUSINESS PARTNERS	We maintain relationships with our farmers and business partners based on trust and respect, often consolidated over time through long-term partnerships. We interact with them to check whether their organisations effectively manage environmental and social aspects, including respect for human and workers' rights and attention to health and safety. We provide our farmers with increasingly user-friendly IT tools that help them manage adverse events and farming practices based on weather trends recorded by weather stations and other relevant parameters detected. We offer various economic incentives to suppliers who stand out for the quality of their raw material with the "Pomodorino d'Oro" award. The hotline is available for our business partners too, so they can report any critical issues along the value chain and help us take corrective action.
COMMUNITIES	Since 2020, in partnership with Le Village, we have provided support to young entrepreneurs and their start-ups. For a future of greater social inclusion, in 2021, we began collaborating with the UNHCR (United Nations High Commissioner for Refugees, a United Nations agency) and Associazione Next, which has provided free qualified training to groups of unemployed disadvantaged people. The trainees have been placed in jobs at our plants and with our logistics partners during the tomato campaign. As founder of Regeneration 2030, together with Chiesi, Davines, Banca Mediolanum and Illy, we encourage a transition towards a regenerative socio-economic model.
INDUSTRY AND MARKETS	We work to de-commodify the tomato sector and create a system of transparent, fair and balanced relationships that will continue to grow for the **institutions** and the country.



Mutti's Pomodorino d'Oro award

Launched in 2000, Pomodorino d'Oro is a prize that we give our best farmers each year to recognise the quality of the tomatoes they grow: 100% Italian products, lovingly looked after from seed to fruit. **Over the past 20 years, we've given the award to nearly 800 farmers** (64 only in 2020), offering them a sum of money to be invested in improving their operations. In this way, we've created a virtuous circle which ultimately ensures that we bring our consumers a product with superior quality and unique flavour.
In 2020, the Mutti Group provided nearly €300,000 (a 66% increase on 2019) to selected suppliers of the three Mutti plants: two in the Province of Parma, for round tomatoes, and one in Oliveto Citra (SA), for the processing of Southern Italian specialities.
In addition to the Pomodorino d'Oro, we adhere to a procurement policy in which we pay a premium price to all suppliers capable of delivering superior quality. In 2020, we've paid 13% over the market average in order to procure the best possible quality. These incentives allow our farmers to reinvest so they can innovate their businesses and aim for even loftier goals.

One of the most important factors in the success of the initiative is that the farmers themselves see it as a motivating factor that goes far beyond the economic value: it is an incentive to continuously do better, to work for a fruit that stands out for its high quality. This initiative reflects the desire to challenge oneself and to be willing to innovate, while keeping the traditions of a sector like farming alive.

This vision of the Pomodorino d'Oro is well expressed in the words of Marco Franzoni, one of our farmers who has won the award several times for the excellent quality of his tomatoes.

Pomodorino d'Oro: an incentive to improve

Marco Franzoni, Farmer and winner of multiple Mutti "Pomodorino d'Oro" awards

If I were asked how I see the Pomodorino d'Oro, I would say that it is much more than an award:

it is recognition for the attention that we devote to each phase of the work, doing things the right way, from the preparation of the seedbed to caring for the tomatoes as they grow, fertilisation and irrigation, and to the final stage, the harvest.

More than twenty years after the initiative began and having worked so many years with the company, I am proud to be one of the farmers who have repeatedly stood out for the quality of their tomatoes, for their responsible choices and the concrete actions taken every day for an ever better product.

We farmers shoulder an enormous responsibility. We produce what people eat, and this is something that demands quality, otherwise we would have failed at our job. When you work with a company like Mutti, which rewards quality in such a tangible and motivational way, the desire to improve year after year becomes the ultimate goal of every activity, in order to achieve increasingly ambitious targets, and this includes innovation in farming techniques, an essential, rewarding step in a sector linked to tradition like ours.

For example, with regard to innovation, this year I had the opportunity to closely watch as the InstaFactory project came to fruition. InstaFactory is a plant patented by Mutti that processes tomatoes directly on the soil and revolutionizes the harvesting and processing of tomatoes, shortening the already very little amount of time between harvesting and processing.

Going back to the Pomodorino d'Oro, I can say that this award triggers a virtuous circle, because the award is not just the result of the work in the tomato market's hot months, but it is a recognition for all the toil that came before and that goes well beyond the phases of tomato growing, care and harvesting. These final steps in the process crown a much longer commitment to research and innovative farming techniques that take months, if not years, before they produce results.
So this award comes at the end of a long process in which we are never alone. At the centre of it all is communication with Mutti and the network of farmers based on mutual respect and transparency.

The Pomodorino d'Oro award reinforces the sense of belonging that we farmers have with the company. It reminds us that Mutti is close by our side and that it wants to maintain a solid, direct relationship as much as we do. This is a relationship that I personally wanted to honour through my steady, continuously evolving commitment to always striving for excellence in everything I do to grow tomatoes that are the highest expression of quality.

02.
02

Partnership: a relationship model along the supply chain

At Mutti, when we say our supply chain is "tight", we mean that it is made up of consolidated, long-standing relationships with our tomato suppliers based on mutual trust and respect. Although we have worked with a large amount of farmers continuously for many years, none of these relationships is exclusive. Because the success of a harvest is vulnerable to unpredictable weather conditions, we strive to balance and mitigate the procurement risks inherent to our business by relying on a vast network of farmers (around 800 in 2020) from whom we purchase our raw material.

We use the **Mutti Product Specifications** to establish the requirements and characteristics of products and the technical-agronomic aspects that tomato suppliers must respect, in addition to current legislation on integrated production (Italian Legislative Decree 150/2012). Specifically, Mutti has decided to adopt the farming techniques, confirmed as conforming to the "National Guidelines for integrated production", as laid down in Italian Ministerial Decree 4890 of 8 May 2014.
In addition to requiring the necessary compliance with quality and technical-agronomic standards, although we do not have direct control over our tomato suppliers, we monitor their social and environmental **practices** as much as possible. In particular, when entering into contracts with them, we require our suppliers to adhere to the principles of the SA8000 standard.

From a social standpoint, in terms of human and workers' rights, we ask them to uphold the principles at the core of our way of doing business:

· to neither use nor encourage child labour;

· to neither use nor encourage forced or compulsory labour;

· to ensure a safe and healthy workplace;

· to respect the right to collective bargaining and protect the freedom of association and trade union representation;

· to not engage in any kind of discrimination in the workplace;

· to treat all employees with dignity and respect by properly managing disciplinary procedures;

· to align working hours with the applicable laws and national and local agreements;

· to ensure fair remuneration for work in accordance with the national collective bargaining agreement.

For the supply chain in the Southern Italy, which several sector studies show is exposed to the risk of exploiting day laborers, we have asked for and obtained 100% mechanical harvesting and, since 2019, we have achieved the important goal of 100% supplier participation in **ethics audits conducted by an independent third party,** such as the Global Gap GRASP module, SA8000 and/or the Quality Agricultural Work Network. While sector studies do not indicate a risk of exploitation of day laborers in the Northern Italy, since other forms of exploitation could exist, the company has also started to require the same certification in the North as well.

In addition to requiring respect for human and workers' rights, we guarantee supply chain traceability with 100% Italian tomatoes, along with the respect of good agricultural practices.

Zero Pesticide Residue Integrated Production

With our Zero Residue project, we harness the findings of scientific research and technical assistance in the field of integrated tomato production to offer a product with traces of pesticide that are not only within the safety threshold but also below the limit of detection, which the law sets at 0.01 gr/kg.

Mutt's integrated production techniques have been certified for over 20 years and they allow us to keep pesticide residue below the legal limits. In this respect, our Zero Pesticide Residue Integrated Production is an extra commitment that takes us even farther, promoting an even more conscientious use of pesticides and following parameters that are even stricter than the national regulations.

This project scales back the list of permitted substances even further, based on how long they remain in the environment and it entails suspending the use of pesticides earlier, so as to lengthen the amount of time between the last treatment and the harvest.

The integrated production at the heart of this project is intended to mitigate the impact of agricultural production activities on the environment and the health of farmers. The requirements in the farming protocol minimise the use of pesticides and fertilizers, proposing and developing agronomic techniques that we now call scientific-based solutions and are also used in organic farming, such as crop rotation in the proper order, making the best use of organic matter, the soil and biogeochemical processes. As far as crop protection is concerned, monitoring diseases and insects, applying intervention thresholds based on sound epidemiological models that consider weather data and, lastly, only using pesticides that have been registered and authorised by the Ministry of Health so as to best protect the environment and people are essential requirements.
Integrated production has progressively expanded in scope and now not only does it encompass plant protection and nutrition but it also covers irrigation, promoting the responsible use of water with the widespread application of more efficient distribution techniques like drip irrigation systems.

The end aim of this approach is to share with farmers the most advanced scientific knowledge to optimise production per surface unit, reducing the use of scarce renewable natural resources like soil, water and biodiversity while directly benefiting consumers as well.

Innovation and technological upgrades are fundamental conditions for ensuring sustainability throughout the supply chain and with this in mind we have developed a specific decision support system for tomatoes with the added benefit of encouraging the widespread use of best growing practices.
It is in this context that, in collaboration with Horta – a spin-off of the Catholic University – we launched the pomodoro.net platform.

Let's hear about this project from the president of Horta, Pierluigi Meriggi.

Smart Agri-Culture

Pierluigi Meriggi,
President of Horta

What do I feel most when I think about our partnership with Mutti? Pride.
For having pursued a partnership aimed at developing a more sustainable approach to farming and expanding farmers' training.

But let's start from the beginning.

Horta is a spin-off of the Catholic University. It was founded in 2008 to share the results of research in the agri-food sector, developing predictive decision support systems (DSS - Decision Support System). Until 2015, we worked mainly on wheat and grapes, and then we started developing DSS for other plants of vital importance for our agriculture. In particular, tomatoes grown for processing – a complex crop – have always fascinated us. So the partnership with Mutti was not a particularly difficult choice: we needed a company that has a deep culture of innovation, integrated with a deep knowledge of the dynamics of the farming world.

The combination of innovation and information technology – at the heart of Horta – brought pomodoro.net to life.

Pomodoro.net is an information system that acts as an "agronomic compass" for farmers.

In other words, it suggests ways to manage adversities or farming practices based on weather trends recorded by weather stations and other parameters recorded by the user. For example, it assesses the risk of diseases like downy mildew so farmers can optimise the use of agropharmaceuticals. It suggests when and how to irrigate to save water and improve the quality and quantity of the harvest. It also helps prevent serious physiological plant disorders like blossom-end rot.

There are many benefits: first and foremost, pomodoro.net optimises technical means to the extent that it can manage complex specifications for tomato production with traces of pesticide that are so low they cannot be analytically detected. This tool gives farmers access to the most advanced agronomic practices while improving efficiency and safeguarding the environment.

The figures show it: Life Agrestic – which stands for Reduction of Agricultural GReenhouse gases EmiSsions Through Innovative Cropping systems – is a project that studies, assesses and reduces the impact of farming, not focusing on a single crop but analysing a species within the rotation.

So, within this holistic context, thanks to a DSS system, tomatoes required 33% fewer phytosanitary treatments, with a 25% reduction in the carbon footprint.

Of course, the journey with Mutti is still in its infancy. We need to work more in depth to expand the decision-making stage by leveraging the farmers' digital skills, explaining the system's benefits even more clearly, as it is fully effective if and only if it is promptly updated with all the necessary data. But we're headed in the right direction: 1/3 of Mutti's partner farms are successfully using pomodoro.net and we are confident that many more will join them soon.

However, we also need to simplify the tool and processes: indeed, we are piloting a 'light' version of pomodoro.net that can be used on a smartphone for immediate consultation and easier data entry.

Research institutes, processing companies and farms: the path to sustainability is not a solo endeavour.

03.
Mutti's approach to Environmental Sustainability

For Mutti, the sustainability of agro-ecosystems and the business performance are closely linked.

The quality of our product directly depends on the quality of the raw material, which in turn is closely related to the health of ecosystems and their ability to produce tomatoes.
While this is not the case for many other businesses, at Mutti, economic competitiveness and environmental sustainability are directly intertwined and this is why they are "naturally" part of the same business strategy.

Our products come with several positive externalities stemming from the environment where we operate and that we shall preserve. But they also feature negative externalities, which we shall mitigate.

As the European Commission points out, sustainability also has the advantage of making costs more efficient: by focusing on the production process, a company can improve the efficiency of its supply chain, cutting costs wherever possible. This creates a virtuous circle as the savings generated can be transformed into new investments in efficiency and innovation, which in turn reduce environmental impact.
In the final analysis, therefore, sustainable companies also enjoy gains in productivity. ISTAT data have shown that, already in the three years from 2015 to 2017, the productivity of slightly sustainable companies was 4.5% higher than that of companies with no sustainable practices, and productivity rose to 7.9% for middling sustainable companies and to 10.2% for highly sustainable companies.
In this context, the decision to embark on an increasingly formal path of environmental sustainability is as much a deliberate choice as a natural extension of our way of doing business. Moreover, other aspects tie us to the environment, aspects that relate back to our roots, how we were founded, our ethics – and not only in a moral sense but also in the original meaning of ethos as the place we inhabit (the Earth).

Let's hear about this from Andrea Illy, an exceptional storyteller.

Regeneration of phenomena

Andrea Illy
President of the Regeneration Society Foundation

Regeneration 2030 was founded out of an awareness that is becoming increasingly part of the collective consciousness: we have reached the end of an economic paradigm that we can, for simplicity's sake, define as extractive, i.e. a model that drains resources without replacing them, creating economic, social and environmental imbalances that have now become unsustainable.

What is the solution? A regenerative society that is not a dream and a utopia but a real, long-term prospect.

Living in a regenerative society means following and imitating the course of nature, which is regenerative by definition: maintaining healthy cells, regenerating impoverished ecosystems, replenishing natural capital. It offers tangible socio-economic benefits, increasing the number of decent jobs and making people happier within a more inclusive social fabric. So it is not a utopia but a naitopia, i.e., something perfectly concrete and feasible. It is a change that goes in several directions. In fact, there are three areas that we can improve to achieve this dream: land use, water systems and urban regeneration. These areas should be considered holistically and not separately, in what the sociologist Edgar Morin calls inter-retroactions and where each part feeds off the whole and vice versa.

This potentially radical transformation is happening thanks to businesses more than anything else. They are the drivers behind the regenerative society. And as the recent Edelman Trust Barometer shows, it is none other than companies that the public sees as the main agents of change.

But they are not just any companies. They are Italian companies that have decided to band together to make the spark ignited by Parma Capital of Culture 2020-21 burn brighter: Illy, Mediolanum, Davines, Chiesi. And, of course, Mutti. Mutti's contribution to this project has been crucial and most clearly visible in the part dedicated to the knowledgeable use of soil through regenerative farming. This involves a model that restores nutrients to the soil, contributing to the health of the microbiota and therefore regenerating the land with restored balance and resilience. This also means less use of agro-chemicals and greater reliance on phytochemistry, ensuring that plants protect themselves from pathogens, with obvious benefits for the health of the entire ecosystem. It can be summed up in one concept: one health.

Mutti has the possibility and potential to delve ever more deeply into this vision, exploring the virtuous circle between the benefits of tomatoes – take, for instance, lycopene and its antioxidising action associated with longevity – and their cultivation within a regenerative context. Mutti's role is also highly symbolic: it represents the food chain, which is quintessentially regenerative. And, thanks to its recognised role as a sustainable company, it can attract others, especially agri-food companies, fuelling the agricultural transition which, alongside the energy transition, stands to be a real game changer.

So we start with tomatoes, but then we broaden our sights with spillovers that involve, for example, wheat.

Research plays a fundamental role in this context and the fact that the revolution got its start in the Food Valley is even more significant. A life without research is not worth living, Socrates said. But he also said "I know I don't know". Here, research as we straddle two worlds – the extractive and the regenerative – is absolutely crucial. But it must be open, transparent and not self-referential. It is precisely for this reason that Regeneration 2030, with the support of Jeffrey Sachs, is creating a specific scientific program on the one hand while on the other it is conducting research into potentially scalable regenerative projects. We are not starting with a blank page, although we are still sketching out the first lines. Before we complete the picture, we need to encourage collaboration between stakeholders, especially between the private sector and government decision-makers, and we need two equally crucial elements: time and experience.

03./01

Measuring environmental performance

For a company like Mutti, the Earth is at the centre of it all. The Earth gives us our raw material and the Earth, thanks to the best farming techniques, generates the high quality products that have distinguished us for over a century.
Giving back to the Earth what it gives us is the least we can do. This is why we are increasingly committed to minimising our environmental impact throughout our products' life cycle and trying to use natural resources in an increasingly balanced and knowledgeable way. With this in mind, we have pro-actively launched environmental responsibility initiatives and projects, even going beyond what is required by law.
To outline our focus on the environment in an increasingly systematic way, we have adopted a model that integrates the environment, safety and social responsibility with the aim of striving to continuously improve our performance in order to prevent and reduce our environmental impact.
To achieve this, we have certified the environmental management systems at our sites in accordance with ISO 14001.

In 2019, in collaboration with the Scuola Superiore Sant'Anna in Pisa, we have carried out a study to identify the proper indicators to measure our performance in terms of environmental impact. The second stage of this project entailed defining targets for improvement, always measured by indicators that:

· comprehensively reflect the company's key operating areas;

· support company departments in the internal environmental performance assessment, planning and management processes.

These improvement targets come from the measurement of the performance that we have committed to monitoring, with the aim of analysing trends compared to prior years' results.

In particular, by involving all company departments concerned:

· we have identified focus areas;

ENVIRONMENTAL INITIATIVES	ENERGY CONSUMPTION AND EMISSIONS	WATER CONSUMPTION AND WATER QUALITY	WASTE MANAGEMENT	SUSTAINABLE PACKAGING	BIODIVERSITY AND SOIL CONSUMPTION

· we have considered key environmental sustainability performance indicators (KPIs) and defined a multilevel system of indicators;

· we have defined criteria for the establishment of improvement targets and implemented a control system to ensure constant monitoring of the KPIs;

· we have identified environmental performance improvement opportunities;

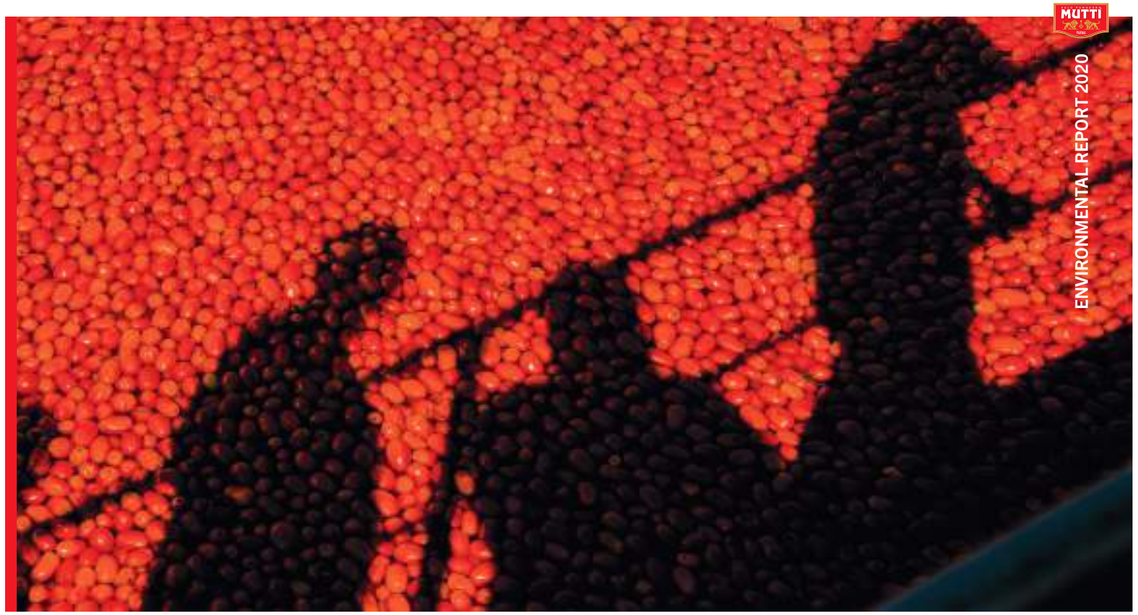
· we have assessed the environmental performance of the investment plans implemented in the process of expanding and modernizing plants.

This work is therefore the indispensable basis for an overall reflection on the environmental sustainability strategy.
We decided to focus on the production process and direct actions before expanding the scope of performance monitoring to the supply chain at a later time.
This choice stems from the need to proceed in an orderly fashion, since for years we have been working with all our suppliers on issues of environmental sustainability in order to mitigate the indirect impacts deriving, for example, from logistics, rather than those associated with the production of raw materials.

The improvement areas identified for each focus area as part of this target setting exercise were also defined with a view to contributing to the United Nations Sustainable Development Goals (SDGs).

ENVIRONMENTAL INITIATIVES	Integrating environmental sustainability within the company strategy, increasing the number and the extent of environmental initiatives, involving employees also through awareness raising initiatives
ENERGY CONSUMPTION AND EMISSIONS	Checking and reducing energy consumption and emissions, encouraging efficiency initiatives
WATER CONSUMPTION AND WATER QUALITY	Measuring, monitoring and reducing the use of water withdrawn and improving water quality
WASTE MANAGEMENT	Guaranteeing a better management of waste produced, reducing its amount and promoting waste recovery and recycle
SUSTAINABLE PACKAGING	Promoting circular economy through the use of recyclable and recycled packaging
BIODIVERSITY AND SOIL CONSUMPTION	Limiting soil usage, containing the amount of occupied sealed soil

The paragraphs below include details on our performance over the past three years, the annual targets we have set and our achievement of the 2020 target, along with the target for 2021, which is based on our mapped performance. These targets set minimum thresholds to be reached, which have been determined based on the performance of the prior years with a with a view to improving continuously.



TARGETS

Integrating environmental sustainability within the company strategy, increasing the number and the extent of environmental initiatives, involving employees also through awareness raising initiatives.

Annual operative target:
Expanding environmental initiatives by increasing investments in environmental initiatives

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
60	80	72	144		107

KPI: INVESTMENTS IN ENVIRONMENTAL INITIATIVES (THOUSAND EUROS) / YEAR

The model used to set annual operating targets considers our performance in the previous three years and is designed to set increasingly ambitious targets for continuous improvement. In particular, the targets are defined mathematically, i.e. according to an average in which a greater weight (+50%) is given to the year with the best performance among those considered.
But before we illustrate our results, which constitute the new baseline on our path of continuous improvement, **we would like to tell you how we defined these strategic and operational targets in the words of Tiberio Daddi, Associate Professor of Corporate Environmental Management at the Scuola Sant'Anna in Pisa.**

The art of **Measurements** and action

Tiberio Daddi, Sant'Anna School of Pisa - Associate Professor of Corporate Environmental Management

Today, when we talk about environmental sustainability, the definition of indicators and their measurability is an increasingly relevant issue.

There are international standards that help companies in this process - from ISO 14001 to the GRI Sustainability Reporting Standards - and they offer a secure frame of reference. However, they come with the risk of being overly formal or simply copying previous projects without taking account of the individual company's specific characteristics. This is why our project with Mutti was, in some respects, ground-breaking.

On the one hand, it had the firm will of the owners behind it. They wanted all departments to be fully committed since sustainability is a priority throughout the entire corporate value chain. And, even more importantly, it entailed the definition of measurable items relating to sustainability goals which, in turn, form part of each manager's business targets (taking an MBO – management by objectives – approach).

On the other hand, it was an unprecedented methodological process. We were constantly working together with the various departments, starting with their actual, tangible needs and developing the various indicators in a series of open and transparent discussions.

While the general framework of the international standards was certainly always there, it was only in the background and never took precedent in the discussions. We then referred back to it at the end of the discussion process and thus it became the natural landing place for the indicators.

It would have been simpler – but also less stimulating – to have gone the reverse route and shown up at the company with a check list already written out and asked the department heads to contribute by "simply" providing the data. Instead, we went the other way, brainstorming together on specific items for the company: after the first round of meetings, we had developed as many as 300 items and, at the end of the third round, we had kept 66, eliminating some, adding others and prioritising them.

This is truly a 'horizontal' model of co-creation that has, for instance, led us to count the number of client companies with their own shops and that can therefore help provide a tangible, circular-economy solution to the 'destruction of unsold products'. Another example is the number of washes or rinses in the various stages of production, which we counted in order to better understand how we can optimise water resources and cleaning products for machinery, with the added benefit of improving production line planning.

However, two aspects should be emphasised and might possibly be the most meaningful, important results: the opportunity the company had to look inside and clearly see where to roll up its sleeves and work to reduce its environmental impact and, above all, where to directly involve people in the most strategic lever for the company's development. These are not obvious aspects and demonstrate the far-sightedness of a group willing to put itself on the line.

Did everything go smoothly? Not quite. We definitely need to refine the data retrieval flow and be more systematic in our collection. But the entire company's commitment and willingness definitely give us reason to be optimistic. And optimism breeds enthusiasm and builds strength.

03./ 02

Mutti's environmental performance

In the pages that follow, we describe the company's environmental performance in 2018-2020 through environmental indicators that are deemed relevant from the environmental point of view. These indicators are fed by data continuously available in our information systems and potentially usable by people with different levels of responsibility, having been developed according to a bottom-up approach involving all company departments.

The decision to share several years of performance comes out of a desire to provide an overview of the trends of our environmental impacts, the result of increasingly complete and precise monitoring. This overview gives us a solid foundation on which to build our future environmental strategy.

The factors considered are energy consumption and energy emissions, water use, waste management and soil sealing, in addition to a survey of packaging and logistics, although the company handles the last two activities through external partners and not directly.
The work carried out under the supervision of the Institute of Management of the Scuola Superiore Sant'Anna in Pisa led to the identification of the KPIs to monitor to gain a measure of the environmental impact and the action levers to share with the various levels of responsibility throughout the company.
This is why, following this multi-year analysis, which we are sharing for the first time, we are designing a real environmental strategy that goes beyond the definition of short-term targets and the results of which we will be proud to show you in subsequent editions of our report.

03./ 02.1

Consumption and emissions

Our products have an intrinsic energy content resulting from the consumptions associated with concentration and pasteurization processes, which are typical of tomato derivatives. This is why we devote significant attention to the continuous monitoring and efficiency of the consumptions we cannot eliminate.

In 2010, in partnership with WWF Italia, we already calculated the carbon footprint of our production activities according to the GHG Protocol, i.e. the international standards developed by the World Resources Institute. In 2015, we achieved our emissions reduction goal, cutting emissions per product unit by 27% on 2009. Thanks to optimisation measures - such as the installation of falling firm evaporators that enable to save energy by up to 50% - and the use of renewable energies (in particular, the installation of photovoltaic panels at the Montechiarugolo and Collecchio plants in 2011), between 2010 and 2015, we avoided the release of 20,000 tons of CO2 into the atmosphere.

Economizers have also been installed at the Montechiarugolo plant, some for recovering energy from the exhaust of the boilers and, in 2020, another for reusing the condensed steam from the heating of tomatoes. In particular, the condensed steam, i.e., water that is still hot, is used to heat the tomatoes entering the plants. In 2020, a cogeneration system powered by natural gas and used to self-produce energy was installed at the plant. The benefits of the cogenerator are further enhanced by the economizers, which recover hot water that can be used to heat both the tomatoes before processing and the water that feeds the thermal power plants. These benefits will be seen starting in 2021 when the cogenerator becomes fully operational.

At the Collecchio plant, where solar panels were installed in 2011, on the other hand, energy efficiency projects in recent years have included the replacement of the existing lighting fixtures and transformers with energy-efficient ones, a project that will continue in 2021.

The Fiordagosto plant also underwent several projects, including the installation of a mechanical recompression evaporator in 2016, which substantially improved efficiency in terms of natural gas consumption. Furthermore, LED lighting fixtures were installed from 2018 to 2020, resulting in an energy savings of 40% compared to the previous system. Finally, another energy optimisation project in 2019 involved the elimination of a passage from the evaporator during the reprocessing of tomato puree from the vat to the bottle, saving electricity and natural gas.

Photovoltaic systems in the Montechiarugolo and Collecchio plants have permitted the production of large amounts of energy for self-consumption. Specifically, from 2018 to 2020, thanks to the production of renewable energy using the photovoltaic panels, we have saved 1,500 tons of CO2. The installation of photovoltaic panels at the Fiordagosto plant is also being considered.

ENERGY CONSUMPTION	UNIT	2018	2019	2020
Natural gas	GJ	635,803	635,499	685,694
Diesel fuel*	GJ	1,409	1,338	1,557
ELECTRICITY				
Purchased electricity**	GJ	120,028	116,591	128,431
Photovoltaic	GJ	5,203	5,370	4,851
of which produced and consumed	GJ	4,884	5,073	4,555
TOTALE ENERGY CONSUMED	**GJ**	**762,124**	**758,501**	**820,237**

*Diesel consumption does not include the company car fleet, whose environmental impact is immaterial due to the small number of vehicles.
** Purchased electricity comes from non-renewable sources only.
Note: The methodology used for conversion to GJ is based on the conversion factors published in 2020 by Department for Environment, Food & Rural Affairs. The information in the table refers to the parent company Mutti S.p.A. and the production companies: Fiordagosto S.r.l. and Pomodoro 43044 S.r.l.

In 2020, electricity and natural gas consumption increased slightly due to the rise in the tons of raw material to be processed.

CO_2 EMISSIONS	UNIT	2018	2019	2020
DIRECT EMISSIONS (SCOPE 1)				
Natural gas	tons of CO_2	34,987	35,216	38,031
Diesel fuel	tons of CO_2	105	100	117
INDIRECT EMISSIONS (SCOPE 2)				
Electricity purchased from non-renewable sources (location based)	tons of CO_2	9,369	8,939	9,846
Electricity purchased from non-renawable sources (market based)	tons of CO_2	16,104	15,092	16,625
TOTAL CO_2 EQ EMISSIONS (location based)	**tons of CO_2**	**44,461**	**44,255**	**47,994**
TOTAL CO_2 EQ EMISSIONS (market based)	**tons of CO_2**	**51,196**	**50,408**	**54,773**

Note: Scope 2 emissions from electricity consumption are calculated according to the location-based methodology using the emission factors published by ISPRA (Italian National Institute for Environmental Protection and Research) in 2020 within the manual "Rapporto 317_2020 fattori emissioni principali paesi europei" and according to the market-based methodology using the emission factors published by AIB - European Residual Mixes 2017 - 2018 - 2019. The methodology used to calculate fuel emissions (natural gas and diesel fuel) is based on the emission factors published in 2020 by ISPRA. The information in the table refers to the parent company Mutti S.p.A. and the production companies: Fiordagosto S.r.l. and Pomodoro 43044 S.r.l.

Based on our environmental performance over time and the initiatives we have undertaken, we have set the following targets to reduce our energy consumption and carbon footprint.

TARGETS

Checking and reducing energy consumption and emissions, encouraging efficiency initiatives

Annual operating target:
Reduction of energy consumption per ton of finished product

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
1.72	1.76	1.68	1.72		1.73

KPI: TOTAL ENERGY CONSUMPTION (GJ) / FINISHED PRODUCT (TON)

Energy consumption indicator in production processes shows a stabilization of consumption per unit. The years taken into account feature slight differences, which are mainly due to the variation of dry matter in raw materials, which has register more moderate value (-3%) in 2019 compared to 2018 and also 2020 (-1%). Differences also stem from weather trend in the harvesting campaign, which impacts on energy efficiency following slowdowns and new starts due to weather events. Available room for energy efficiency, with the same technology, seems to be more modest compared to that reached until 2014-2016 with the installation of new generation evaporators. In a context like this, it is necessary to consider compensation measures too.

Talking about logistics, we are aware that the transport sector too has an impact in terms of the CO_2 emissions released into the atmosphere and, although logistics is not under our direct control, we are careful about monitoring how our finished products are transported.

Our distribution warehouses are located at an average distance of 10 km from our production plants and this allows us to considerably limit the environmental impacts generated during storage. These impacts could be further reduced by using natural gas vehicles to move finished products to the warehouses, and we are currently analysing the feasibility of this switch.

Our products are moved from the warehouses only after they are sold, which allows us not to introduce extra goods into the logistics flow.

As far as the vehicles used are concerned, each year we aim to increase vehicle saturation, reduce journeys by empty vehicles and decrease kilometres travelled by road per ton of product shipped, trying wherever possible to use vehicles with a lower environmental impact.

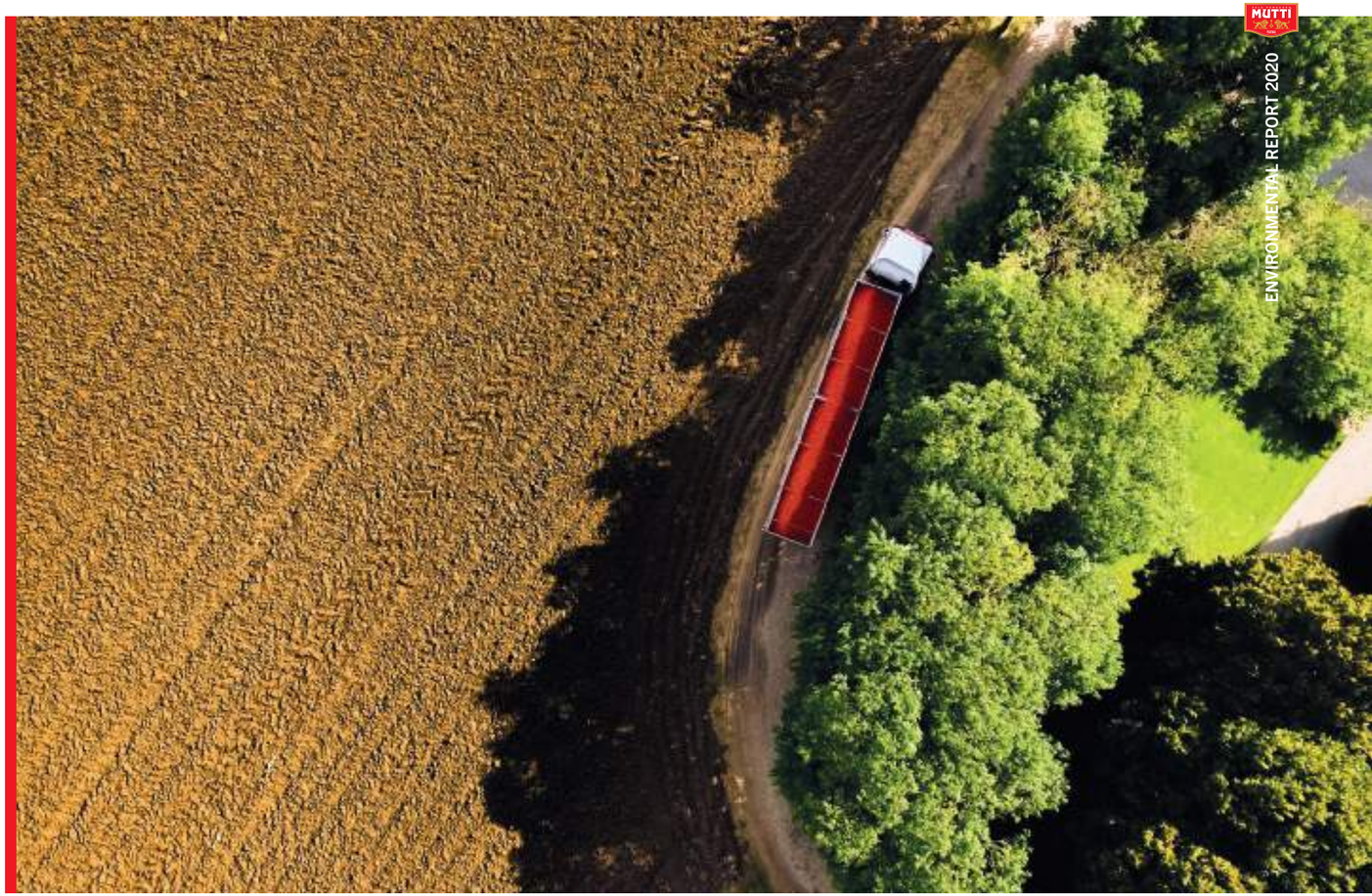
TARGETS

Reducing CO_2 emissions, promoting a more sustainable logistics management

Annual operating target:
Reduction of km travelled by road (for diesel engines) per ton of product shipped

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
30.3	31.3	30.2	30.7		30.6

KPI: KM TRAVELLED BY ROAD (DIESEL ENGINES) / TON OF SHIPPED PRODUCT



In 2020, we decreased the kilometres travelled by road per ton of product shipped by using intermodal routes (truck and train, truck and ship) on several Italian long-distance routes and in Sweden and Norway. During the lockdown, we temporarily made use of intermodal routes to transport our products to Austria, to the premises of one of our large distributors covering all **Germany** and based near the local railway station: we shipped nine railway cars to Austria, which corresponds to 18 fewer trucks moved. We aim to make this temporary solution a permanent practice. In Belgium, where we already work with an intermodal distributor, we also intend to expand the use of rail transport, and the same this will be done in the Netherlands.

03./02.2

Water withdrawals and water quality

We understand that water is an asset we all share and a resource to be protected as it is limited. At our production plants, water is used during tomato processing, for transport and washing and to cool the plant equipment. In these steps of the process, we are committed to reusing water several times before releasing it into the water grid.

The water we use is taken mainly from wells and, once used, it is purified and returned to the water grid after cleaning.

Although, according to calculations, the water used in our plants accounts for only a small share (2%) of all the water used for tomato production, we pay the utmost attention to water use, as it is an essential resource for us, and this is why over the years we have committed to a series of initiatives to improve the efficiency of water consumption.

Thanks to the long-standing partnership with WWF Italy, in place for over 10 years, and the water footprint monitoring by the Euro-Mediterranean Center on Climate Change (CMCC), **we were one of the first in our industry to calculate, starting in 2010, how much water is used in production in order to reduce our water footprint, from tomato growing to the finished product.**

The Water Footprint analysis began in 2010 with a study of the entire production chain and considering all production lines in the plants. It was then extended to a vast portion of the value chain, from tomato growing to product processing, right up to the packaging process, in order to calculate the amount of "hidden" water that is theoretically "stored" in every Mutti product.

Thanks to the Water Footprint analysis, in just five years not only have we reached the target we set in 2010, i.e. to reduce the water footprint by 3%, but we have exceeded it, with a reduction of 4.6%.

We have also undertaken to increase the amount of water we reuse and purify at all our plants so we can withdraw increasingly less water from the grid and water table. However, the ratio of water to finished and semi-finished product is greatly affected by the quantity of raw materials processed and seasonal weather trends. Indeed, the weather directly affects the supply of raw materials, and rainfall can jeopardise continuity to the point of forcing sudden stops and restarts (which might even involve the entire plant), with the related washing of the equipment.

As for the practices at our production plants, today about 20% of the purified water (100 m^3/h) at the Montechiarugolo plant is reused for plant operations like conveying tomato waste. In order to continuously improve water management, we are currently working to kick off a project for the improvement of the purification plant.

At the Collecchio plant, work was carried out in 2020 to reduce water consumption during the tomato processing campaign. This work included removing a tomato peeling plant and optimising the use of water for the transport of discarded tomatoes, switching from the use of well water to recycled water.

The Fiordagosto plant has also seen substantial investments in recent years. In 2019 and 2020, work was carried out to recirculate water in the peeling room, involving the reuse of water that was previously sent directly to the purifiers and resulting in a reduction in consumption. Furthermore, in the three years from 2018 to 2020, a series of plant initiatives were carried out to reduce water waste during the summer campaign processing cycle.

KPI	UNIT	2018		2019		2020	
WATER WITHDRAWAL BY SOURCE		From all areas	From water stressed areas	From all areas	From water stressed areas	From all areas	From water stressed areas
Groundwater (irrigation wells)	Mega-litres	**1,674.42**	**0**	**1,865.42**	**0**	**1,570.98**	**0**
of which freshwater (≤1.000 mg/l total dissolved solids)		1,674.42	0	1,865.42	0	1,570.98	0
of which other types of water (>1.000 mg/l total dissolved solids)		0	0	0	0	0	0
Water grid		**32.45**	**154.22**	**25.70**	**131.17**	**36.01**	**124.51**
of which freshwater (≤1.000 mg/l total dissolved solids)		32.45	154.22	25.70	131.17	36.01	124.51
of which other types of water (>1.000 mg/l total dissolved solids)		0	0	0	0	0	0
TOTAL		**1,706.87**	**154.22**	**1,891.12**	**131.17**	**1,606.99**	**124.51**

The classification of water stress areas was based on the World Resources Institute's Aqueduct Water Risk Atlas tool (https://www.wri.org/initiatives/aqueduct).
The information in the table refers to the parent company Mutti S.p.A. and the production companies: Fiordagosto S.r.l. and Pomodoro 43044 S.r.l.

The reduction in the amount of water withdrawn for our production is mostly attributable to the Collecchio plant and is the result of several factors. Specifically, in addition to the optimisation initiatives outlined above, the data measurement system was refined and aligned with that of our other production plants, thereby ensuring a higher level of data accuracy than in previous years.

KPI	UNIT	2018		2019		2020	
WATER DISCHARGES BY DESTINATION		**In all areas**	**In water stressed areas**	**In all areas**	**In water stressed areas**	**In all areas**	**In water stressed areas**
Surface waters	Mega-litres	**1,823.18**	**172.23**	**2,127.16**	**157.62**	**1,947.12**	**140.62**
of which freshwater (≤1.000 mg/l total dissolved solids)		1,823.18	172.23	2,127.16	157.62	1,947.12	140.62
of which other types of water (>1.000 mg/l total dissolved solids)		0	0	0	0	0	0
TOTAL		**1,823.18**	**172.23**	**2,127.16**	**157.62**	**1,947.12**	**140.62**

The classification of water stress areas was based on the World Resources Institute's Aqueduct Water Risk Atlas tool (https://www.wri.org/initiatives/aqueduct).
The information in the table refers to the parent company Mutti S.p.A. and the production companies: Fiordagosto S.r.l. and Pomodoro 43044 S.r.l.

TARGETS

Measuring, monitoring and reducing the use of water withdrawn and improving water quality

Annual operating target: Reducing the total amount of water withdrawn at the plant per ton of finished product

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
3.91	4.23	3.87	3.77		3.92

KPI: WATER WITHDRAWN AT THE PLANT (M^3) / FINISHED PRODUCT (TON)

The enormous importance of water for our business means that we are always looking to identify, support and validate innovative solutions to continuously improve the efficiency of water use, both at our production plants and – even more vitally and with more difficulty – in the fields of our tomato suppliers. This is why we have partnered with IMEM – the National Research Centre's Institute of Materials for Electronics and Magnetism – and the CNR, to support the development of an innovative technological solution to measure "in vivo" water stress in plants and thus enable a more efficient use of water. **Michela Janni, an IMEM-CNR researcher, tells us about it.**

Let tomatoes speak for themselves

Michela Janni
IMEM-CNR researcher

Our partnership with Mutti was not accidental. At IMEM – the National Research Centre's Institute of Materials for Electronics and Magnetism – we were working on a revolutionary tool to measure the water stress of plants and therefore make it possible to use water more efficiently.

This is an increasingly critical issue today, considering that agricultural production consumes 70% of this vital asset available on Earth.

Why is it revolutionary? Until a couple of years ago, when our journey with Mutti began, water stress monitoring was done indirectly – using drones and satellites, for example – or with sensors placed in the soil near the plant. The IMEM CNR research team decided to graft the sensor directly inside the stem of the plant to continuously monitor in real time the ionic composition of the sap, the litmus test of water stress. In other words, we've found the best observation point possible for figuring out exactly how much water the tomato plant needs.

This was a tool originally developed for sports, to monitor athletes' perspiration. The paradigm shift – what we might call abduction, i.e. the connection of different worlds through a conceptual and experimental bridge – was its application in farming.

However, we needed a reputable, credible partner to take us out of the laboratory and into the field and we saw Mutti – given its history and the real work it has done in environmental sustainability – as the perfect partner.

So we started working jointly to improve both the tool – which we called BIORISTOR (short for bio-transistor but it also sounds like something that 'restores life') – and the process. First, we had sensors that 'talked' with the processing unit through wires. Now we have an IoT organic electrochemical transistor.

After two years of work - the first one was all about exploring, the second decidedly more systematic - the data show that this system saves an average of 30-35% of the water that would otherwise be used.

Mutti believed in the project when it was just getting started and put its trust and resources in us. Working together, we have made it grow and the project has received investments from the Emilia-Romagna Regional Operational Plan and the European Regional Development Fund (POSITIVE project). We need to widen the field even more... in every sense, extending the partnership and making it even stronger and more fruitful.

Tradition and innovation, passion and research, culture and creativity: we managed to weld together these concepts that are often seen as opposite and we did it tangibly and enthusiastically.

03./ 02.3

Waste management

Our production plants manage the collection, the separation and the disposal of waste in compliance with current regulations and with a focus on environmental protection that compels us to reduce the generation of waste.

Waste derives from production activities and consists of scraps from the transformation process, packaging waste and waste from maintenance on production lines.

We are committed to disposing of our waste responsibly, maintaining a constant ratio of the non-hazardous waste disposed of to that recycled, while we have improved and expanded the recovery of hazardous waste, preventing much of it from being sent to landfills.

Specifically, **we improved the ratio of recovered and recycled waste to total waste generated, excluding tomato sludge,** by five percentage points between 2018 and 2020, ensuring that over 81% of hazardous and non-hazardous waste was recovered or recycled.

In terms of efficiency initiatives, at the Montechiarugolo plant we have recently eliminated the use of extensible film, which was previously used to seal the semi-finished product vats, switching to a polyethylene covering. A study is also underway with the University of Parma to find alternatives to the use of aseptic bags after the first processing.

At both the Collecchio and Fiordagosto plants, the percentage of waste sent for recovery has increased considerably over the years. Reducing the amount of waste for disposal also remains a goal for the coming years.

WASTE GENERATED BY TYPE AND DISPOSAL METHOD	UNIT	2018	2019	2020
TOTAL WASTE GENERATED	ton	**9,999**	**11,351**	**10,205**
Non-Hazardous		9,991	11,338	10,196
Hazardous		8	13	9
DIRECTED TO DISPOSAL/TREATMENT		**1,539**	**1,667**	**1,128**
Non-Hazardous		1,537	1,666	1,127
Hazardous		2	1	1
DIRECTED TO RECOVERY/RECYCLING		**8,460**	**9,678**	**9,077**
Non-Hazardous		8,454	9,666	9,069
Hazardous		6	12	8
DIRECTED TO STORAGE		**0**	**6**	**0**
Non-Hazardous		0	6	0
Hazardous		0	0	0

The information in the table refers to the parent company Mutti S.p.A. and the production companies: Fiordagosto S.r.l. and Pomodoro 43044 S.r.l. and were supplied by the disposal services company.

TARGETS

Guaranteeing better waste management, reducing the amount of waste and promoting waste recovery and recycling

Annual operating target:
Reduction of waste produced

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
4.8%	4.7%	4.1%	3.7%		4.2%

KPI: WASTE PRODUCED (TON) / FINISHED PRODUCT (TON)

Tomato sludge is a type of waste produced exclusively during the processing campaign that is distributed as an organic soil improver in the land adjacent to the Montechiarugolo and Collecchio plants in the months from July to September. The amount generated is dictated by the weather conditions during tomato harvesting. If there is rainfall, tomatoes arrive at our plants covered in more soil, whereas they are cleaner if the weather is dry.
Lastly, there may be as much as around 10,000 tons of fresh tomatoes that are not suitable for processing into our finely chopped, puree and concentrate products because they have defects, and we have always tried to find an alternative use for them, first as animal feed and for some years now in the production of biogas at third party plants that can use this raw material as carbon source.

In the Fiordagosto plant, on the other hand, the sludge is managed according to the current legislation in Campania, which provides for disposal at authorized composting plants.

03./ 02.4

Biodiversity and soil consumption

In the growing stage of production, we face issues such as maintaining soil fertility, the depletion of organic matter and the loss of natural habitats and, therefore, biodiversity. Aware of the need to address these issues, since 2017, we have analysed the current biodiversity of agri-ecosystems used to grow tomatoes. The aim of this study is to identify the priorities in the various areas, set improvement targets with tomato growers and implement an action plan for biodiversity in farming.

With the WWF's support, a manual that illustrates possible interventions to restore space for nature in agri-ecosystems was written, also for dissemination purposes, identifying the best practices for the recovery of biodiversity in rural areas. We shared and promoted this guide with the farmers who took part in the 2018 Pomodorino d'Oro Mutti event.

In the years that followed, we have kicked off a number of initiatives, all aimed at engaging farmers in the restoration of natural habitats and the monitoring of swallow and house martin nests as indicators of environmental quality. Unfortunately, none of these initiatives was successfully completed, partly because of the pandemic that has prevented all publicity and engagement projects, and partly because the project, candidate for funding in the context of measures to support biodiversity, was not approved.

In 2019, in collaboration with the Scuola Superiore Sant'Anna of Pisa and other partners, we sponsored the **KilometroVerdeParma** project to create a tree-lined corridor along the 11 kilometres of the A1 motorway that crosses Parma. The KilometroVerdeParma project has evolved and expanded from this first small area, becoming the great reforestation project it is today. In this context, **we launched a renaturalisation initiative called Mille Querce – One Thousand Oaks – in 2020.** To date, 1,100 trees have been planted as part of this project, including 130 oaks, over 50,000 square metres in state-owned areas in the municipalities of Montechiarugolo, Traversetolo and Sissa Tre Casali. It will continue with tree planting in other participating municipalities.

The objective of renaturalising marginal land is to highlight its positive effects on the ecosystem, in order to create a real replicable model for the future.

This is a series of commitments demonstrating Mutti's ambition of pursuing quality improvements for the land – preserving it, actively contributing to its development and doing something more for our Earth.

Another aspect that we have always taken into consideration when making business decisions has been to limit our occupation of new soil and instead use existing buildings in the area.

TARGETS

Limiting soil usage, containing the amount of occupied sealed soil

Annual operating target:
Containing the amount of occupied sealed soil

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
1.24	1.26	1.18	1.13		1.19

KPI: OCCUPIED SEALED SOIL (M^2) / MUTTI'S TURNOVER (K€)

The operational target objective for soil sealed includes the surface area of the Red Store warehouse.

We now give the floor to Agostino Maggiali, President of Ente Parchi del Ducato, for his point of view on the environmental benefits of the 'Mille Querce' project.

To grow a tree it takes a seed... of culture

Agostino Maggiali
President of Ente Parchi del Ducato

Safeguarding natural areas, protected zones and regional and national parks is taking the shape of a development system that brings us together, and not only in Italy.

Working hand in hand with local associations and production businesses in the area – from farms to the tourism industry – is increasingly becoming a lever for balanced and sustainable growth. Our alliance with Mutti was therefore a natural way to create a win-win model that, starting with the safeguarding of biodiversity, would trigger a domino effect of economic and social benefits.

Care for biodiversity has the power to activate a virtuous circle that begins with the reclamation of degraded areas through reforestation: the use of native species, such as our 'Mille Querce' project in partnership with Mutti, traps greenhouse gases – especially CO2 – and gives areas of land that had been abandoned back to residents.

But that's not all. This initiative, which covered an area of the Parma plain, involved three municipalities, each of which had the vision to focus on the complete integration of development and land protection, championing an approach that combined education, culture and information and targeted the younger generations.

Then came the company, Mutti, an example of far-sightedness in the way it sees the quality of its finished product as dependent on the quality of the process, which in turn depends on the quality of the genius loci. The company is not a solitary unit. It does not act alone. Production specifications, respect for traditions and synergies with new technologies are all fundamental elements enhanced within an integral socio-economic-environmental context.

The 'Mille Querce' project therefore demonstrates how environmental protection and economic development are not mutually exclusive but interdependently feed and enrich each other. All the consumer surveys around the world tell us that people prefer companies capable of taking concrete action to preserve the land where they operate, promoting well-being and development and, above all, partnering with local associations and institutions. This is a path in the making and we are seeing the results. A genuine network is forming as other municipalities join the project, and this will lead to the creation of true biodiversity corridors, benefiting migrating avifauna above all.

The work being done has deep roots and influences the behaviour of people and institutions and more. Just take, for instance, Mutti's tomato suppliers, because initiatives like 'Mille Querce' can only be successful if they engage and influence the entire supply chain.

The ecological transition – in which 'Mille Querce' is one small sprout – is what we are aiming for throughout the country. It is more than a slogan. It is the groundwork for development over the next 30 years. Because investing in innovating the current economic paradigm means reducing the environmental footprint of production chains, optimising them and making them more competitive, for example in terms of energy use. These savings can then, in turn, be reinvested to the benefit of the community in an infinite process that creates meaning and ensures well-being in the long term.

03./02.5

Sustainable packaging

We primarily package our products in metal tins and glass. They are fully recyclable.

The tins are made from 100% recyclable and 76% recycled raw materials and 10% of the glass is recycled. We are confident that there is room for improvement in this area.

Overall, about 23% of the raw materials used for primary and secondary packaging are recycled, slightly down in recent years.
Since 2021, we are actively working with our partners to find solutions that improve these indicators and we can count on a very active and dynamic supply chain in this respect.
A very modest amount of plastic is used in our primary packaging, less than 1%. If we include secondary packaging, it comes to 2.7% of the total packaging.
Over the years, we have become increasingly committed to promoting a circular economy. We are at the forefront when it comes to avoiding the use of non-recyclable packaging and we promote sustainable packaging that is:

· completely or easily recyclable;

· made from recycled materials;

· made from sustainable raw material sources (e.g., FSC certified paper);

· compostable, provided that the materials are compatible with the Company's production processes, which involve temperatures and humidity levels that are too high for currently available compostable packaging;

· plastic free, even for products that are generally sold in plastic packaging on the market to make them more convenient in terms of use or portioning.

For the small number of plastic packages or those with plastic components that we currently use (caps, labels and pouches), we are considering using bioplastics and recyclable plastic. Moreover, we are trying to reduce the amount of plastic used wherever possible.
Additional studies are still underway on product labels. One innovative project focuses on the use of labels made out of discarded tomato peels as part of a circular economy approach and for the reuse of production scraps. If this is not feasible, we will also consider labels made out of grass.

TARGETS

Promoting a circular economy through the use of recyclable and recycled packaging

Annual operating target:
Using 100% of recyclable primary and secondary packaging

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
99%	99%	99%	99%		100%

KPI: RECYCLABLE PRIMARY AND SECONDARY PACKAGING (KG) / TOTAL PACKAGING (KG)

Annual operating target:
Increasing the use of primary and secondary packaging made up of recycled materials

2018 LEVEL	2019 LEVEL	2020 TARGET	2020 LEVEL	→	2021 TARGET
24%	25%	24%	23%		24%

KPI: PACKAGING (PRIMARY AND SECONDARY) RECYCLED (KG) / TOTAL PACKAGING KG

03./ 03

Next steps

While our commitment to environmental sustainability has always been part of our modus operandi, we are now aiming to set even more ambitious goals as we chart a more consistent and precise course of action.

Over the past few years, we have been monitoring our environmental performance and this has given us a mirror to see where we stand, making us even more aware of where we can and should take action to respect natural resources.

The regenerative capacity of the ecosystem seems to be severely tested and the phenomena associated with climate change are undoubtedly an alarm bell that can no longer go unheard, especially by us, who are directly exposed with our activities.

Accordingly, we have decided to develop our environmental sustainability strategy around the four natural elements, which lie at the foundation of our products and give us, without asking for anything in return, the essential ingredients that make our tomatoes so good. These elements are the four forces of Nature that create life:

THE SUN | EARTH | WATER | AIR

We want to ensure, by effectively conserving and regenerating ecosystems, that the silent work of these four elements can continue to its fullest potential in the future, and that it will not be damaged. We want this for ourselves, for our children and for the communities where we operate.

Our approach to these resources will be through tangible actions in line with our identity: first, do no harm, then regenerate.

Step one: further shrink our environmental footprint. Our green strategy will clearly define the actions, targets, timelines and investments to be made over the next few years to improve our performance, reduce our emissions and limit resource consumption.

We intend to base our strategy on the European Union's new "Farm to Fork" vision. Accordingly, we will take action in every stage of our production cycle, from the tomatoes growing in the fields to the distribution of our products, and our goals will be ambitious, to enhance what we have achieved thus far through the successful activities already undertaken.

Step two: lead the environmental transition beginning in our country and contribute to the progressive transformation of the Italian production system. We will do this through innovative, highly scientific initiatives capable of generating tangible benefits for the four natural elements.

Here's what we plan to do:

WATER
we will take part in joint projects for the natural rehabilitation of the waterways that flow through our production areas;

EARTH
we will extensively apply farming practices that enrich the organic qualities of the soil and implement projects to restore natural habitats and biodiversity, answering the UN's rallying call for 2021-2030 to be the Decade on Ecosystem Restoration;

AIR
we will increase the use of farming techniques that reduce the emission of pollutants from farming and we will use more sustainable means and modes of transport to reduce the impacts of logistics;

THE SUN
we will aim to meet our energy needs using renewable sources for total sustainability and avoiding any conflict with food production.

For each of these strategic action areas, we will identify a baseline and targets to be achieved and begin a scientifically rigorous monitoring program with the transparent reporting of results.

In this way, our commitment to sustainability is now more incisive and aware.

It's going to be a long and exciting journey, and we'll share every step of it with you.

Appendix

Methodological Note

The Mutti Group's Environmental Sustainability Report (hereinafter also referred to as the "Report") was prepared for the first time for 2020.

The Environmental Sustainability Report has been prepared in accordance with the GRI-Referenced option set out in the Global Reporting Initiative Sustainability Reporting Standards established in 2016 by GRI - Global Reporting Initiative. In particular, in accordance with GRI Standard 101: Reporting Principles, paragraph 3, we have referred to the disclosures indicated in brackets below:

· GRI 302: Energy 2016 (302-1);
· GRI 303: Water and Effluents 2018 (303-3; 303-4);
· GRI 305: Emissions 2016 (305-1, 305-2);
· GRI 306: Effluents and Waste 2016 (306-2).

Unless otherwise specified, the reporting scope for the data and information contained in the Report refers to the parent company Mutti S.p.A. and to the production companies: Fiordagosto S.r.l. and Pomodoro 43044 S.r.l. In this first reporting year, the scope does not include the data and information relating to the Red Store warehouse located in Montechiarugolo.

To provide a full and complete view of the Group's performance, where possible, the published data are presented comparatively, showing the Group's performance in 2018 and 2019.

The contents of this Report have not been subject to a limited assurance review by an independent third party auditor.

For any information on the Environmental Report, you can write an email at sustainability@muttispa.it.

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