



The Non-Financial Report 2016



Contents

Isagro S.p.A.

A company directed and coordinated by
Holdisa S.r.l.

	pag
Letter from the Chairman	2
Methodological Note	3
Isagro, innovation for the health of crops	5
Who we are	6
History	10
The Group's mission	11
Stakeholder mapping and Materiality analysis	12
Ethics and integrity	15
Code of Ethics	16
Corporate Governance	18
The reference context	20
The internal control and risk management system	21
Ownership structure and Investor Relations	24
Economic value generated and distributed	25
The sustainability of our products	27
The Group's plants	28
Our products	31
Innovation, Research and Development	33
Our people	35
Commitment towards its employees	36
Resource development and talent management	38
Diversity and equal opportunities	40
Pay policies	41
Trade union relations	42
Occupational Health and Safety	43
The local community	45
The supply chain	46
The environment, a resource to be protected	49
Management of environmental impacts	52
Energy consumption	54
Atmospheric emissions	55
Water consumption	56
Waste management	57
Safeguarding of biodiversity	58
Annexes	59
GRI Content Index	67

Letter from the Chairman



The presentation of this first Non-Financial Report drawn up along the lines of our previous 14 Sustainability Reports leads me to renew and share my reflection on the relationship between Sustainability and Innovation and how the latter needs the former, its noblest values and its metrics to obtain the most significant effects on economic and social development and the success of the corporate development model.

Sustainable innovation is an instrument that enables the company to grow because every one of its products is the result of careful consideration of its use, functions and the monetary and environmental costs generated throughout its life cycle.

This approach is adopted on a daily basis in all our activities and, in particular, in the search for new molecules and solutions for agriculture that combine consolidated chemical research and development skills with an increasingly low environmental impact, establishing new frontiers for sustainability, such as Biosolutions.

I am convinced that biosolutions represent a pillar of the Isagro model development project as an adequate expression of integrated pest management, that is, the synergistic union between chemically-produced agropharmaceuticals and bioproducts to preserve and strengthen crops, facing the food emergencies of vast areas of our planet and other serious problems, in the name of health for humans, plants and the environment.

The Environmental Report published in 14 consecutive editions has undergone a significant evolution this year, becoming our first Non-Financial Report structured in accordance with the Sustainability Reporting Standards issued by the Global Reporting Initiative.

We, too, consider sustainability an essential prerogative to guarantee the stability of an ecosystem, that is, the ability to create well-being and progress, paying increasing attention to the economic, social, environmental and governance impacts in the process.

The transposition of the European Directive on Non-financial information in the Italian legislation sees us again at the forefront of awareness of the socioenvironmental topics that have always played a guiding role in the development of our Group's activities.

The opportunity to fulfil this regulatory requirement thus allows us to integrate the summary of the indicators of the company's economic and financial situation with a representation, based on the principles of transparency and objectiveness, of the impacts that our strategic model has on our internal and external setting and how the needs and expectations of the stakeholders influence its development.

This approach is also one of the main principles lying at the basis of the company's code of ethics, which identifies maximum protection of the available resources as a top-priority requirement, in terms of investment, for any industrial development.

Our long-standing membership of the Federchimica Responsible Care program is also a concrete expression of our excellent performance in Sustainability issues.

Methodological Note

This document is the first Non-Financial Report issued by the companies belonging to the group made up of Isagro S.p.A. and its subsidiaries (hereinafter referred to as “Isagro”, “the Isagro Group” or simply “the Group”). It describes the projects and main results in terms of sustainability performance obtained in 2016 (from 1 January to 31 December).

The 2016 Non-Financial Report was drawn up in conformance with the new «**GRI Sustainability Reporting Standards**» (2016) published by the Global Reporting Initiative (GRI), in accordance with the «Core» option. The annexes of this document contain the table of GRI indicators reported, which serves as a compass for the readers. The contents reported were taken from the results of the first materiality analysis conducted in 2016, which identified the material aspects for the Group and its stakeholders and is contained in this document.

The scope of the economic data is the same as for the 2016 Consolidated Financial Statements of the Isagro Group.

The scope of the social and environmental information comprises the companies belonging to the Isagro Group at 31 December 2016 fully consolidated in the Group's Consolidated financial statements. It is, however, pointed out that:

- with reference to the information on environmental aspects, the scope considered includes all the Group's production plants and the field testing site in Galliera (Bo). The sales offices are excluded in that they are not considered to be relevant;
- with reference to the information on the supply chain, the scope considered includes Isagro S.p.A and Isagro Asia Agrochemicals Pvt Ltd. (Isagro Asia), in that the purchases made by the sales offices are not considered to be relevant.

Any further exceptions are expressly indicated in the text.

In order to allow the data to be compared in time and to assess the trend of the Group's activities, a comparison with the previous year, where possible, is provided.

In addition, in order to obtain a correct representation of the company's performance and guarantee the reliability of the data, the use of estimates was avoided as far as possible and, where present, such estimates are based on the best methods available and duly reported.

With reference to significant changes in the company's ownership structure taking place within the scope of the reporting period considered, it is pointed out that:

- Isagro Poland LLC. and Isagro Mexicana S.A. de C.V., controlled entirely by Isagro S.p.A., were set up;
- Isagro Vietnam Company Limited, controlled entirely by Isagro Singapore Pte. Ltd.. Isagro Singapore, in turn directly controlled by Isagro S.p.A., was set up;
- the companies Isagro Argentina, Isagro Brasil, Isagro Shanghai and Isagro USA were strengthened by recruiting new resources.

The **frequency** of publication of the Non-Financial Report is established as annual. For all information concerning the Non-Financial Report, contact the Communication Dept. of Isagro. The Non-Financial Report is also available for consultation in the Sustainability section of the Isagro site www.isagro.com.





Isagro, innovation for the health of crops

Who we are



Turnover of €149.7 mln



**5 plants, 4 in Italy
and 1 in India**



EBITDA of €16.2 mln



**€ 14.1 mln investments in Research,
Development and Innovation**



618 employees



Sales in 80 Countries

Isagro S.p.A., based at via Caldera 21, Milan, is a company indirectly controlled by Piemme S.r.l. and active in the industrial sector of agropharmaceuticals. In fact, Isagro operates in the field of research, intellectual property management, and the development, production, marketing and distribution of agropharmaceuticals, investing in the discovery and development of new molecules and active ingredients with a low environmental impact. The Group operates worldwide on the market of agropharmaceuticals and biostimulants, providing a vast range of innovative, specific solutions with effective formulations ensuring excellent productivity with a limited environmental impact. Isagro has production plants at 5 sites, of which 4 in Italy (Adria, Aprilia, Bussi sul Tirino and Novara) and 1 in India (Panoli-northwestern Mumbai, state of Gujarat), with direct distribution in Colombia, India, Spain and United States, and in Brazil since April 2017. Isagro S.p.A. has been listed on the Italian Stock Exchange (Borsa Italiana) since 2003 and was admitted to the STAR segment in 2004.

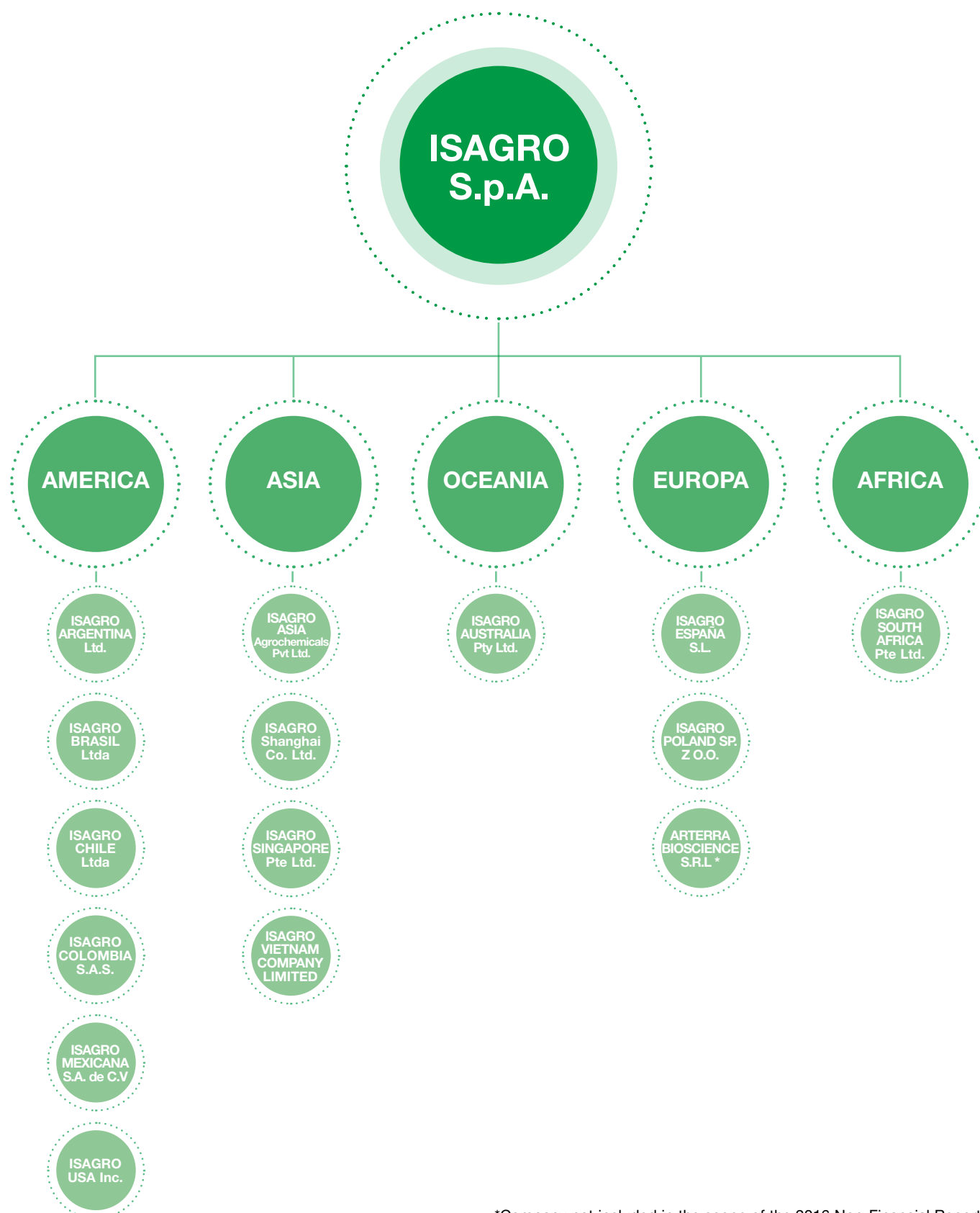
Aware of the importance of planning the future, Isagro proposes numerous development projects that concern both active ingredients and new formulations. With reference to the research and development phase, the Group is projected towards expanding the biosolutions sector, characterized by products destined to become increasingly important in business strategy.

The Isagro business model is based on the consolidation of its role as an originator and predeveloper of products, assigning the complete development of new molecules to third parties, for a licence in the exploitation rights. Through this strategy, despite limiting its commitment to development, a sector characterized by large investments and a medium/long-term management horizon, with a time to market of 10-12 years, the Group can play an active, leading role in the initial research, which requires a high level of technical knowledge.



The Group's Structure at 31 December 2016

During the course of its history, the Isagro Group has undergone a process of expansion that led in 2016 to its presence on the main world markets with production plants in Italy and India and companies on all continents, as can be seen from its structure at 31 December 2016:



*Company not included in the scope of the 2016 Non-Financial Report.

Presence on the market



The Group has five production plants, four of which are situated in Italy (Adria, Aprilia, Bussi sul Tirino and Novara) and one in India (Panoli). It also has a Research Center in Novara (originally Montecatini/Montedison, founded in 1956 and subjected to a major renewal in 2015) and a field testing site in Galliera (purchased in 2001 as part of the takeover of Caffaro). With regard to its approach to the market, due to the fact that it is smaller than its direct competitors, Isagro adopts a “hybrid” model, operating directly in local marketing/distribution in Brazil (since 2017), Colombia, India, Spain and the USA through its subsidiaries and indirectly in the other countries through third-party distributors (independent or belonging to large groups), selling its products in more than 80 countries all over the world.



The distribution of Agropharmaceuticals and nutritional products, especially on markets with a fragmented demand, requires sales structures with high fixed costs and significant amounts of circulating capital. For this reason, Isagro, who does not have a broad catalogue of proprietary products but works on selected molecules that are the fruit of its discovery activities, would not be able to operate efficiently with directly controlled distribution structures on all the markets on which it sells its products.

Consequently, the Group distributes its products:

- directly with its own local structures, where this is economically and financially feasible/profitable, in other words, markets for which the Isagro products, together with opportunistically co-distributed third-party products, justify the fixed-cost structure of the single networks and/or where it is considered to be strategic;
- indirectly through third-party distributors on the other markets. These distributors, as indicated previously, may be local independent companies or branches/subsidiaries of international groups.

Isagro also pursues the strategy of developing local offices on strategic markets through which to coordinate the local registration activities, hold the registrations and perform marketing operations in support of the sales of third-party distributors.

The types of customers include distributors on a national level, agricultural cooperatives, farming consortia, wholesalers and farmers.

Distribution through the distribution networks of third parties

With regard to the distribution of proprietary products via the networks of third parties, the marketing strategy varies according to the type of product. In fact, most agropharmaceutical products owned by the Group are marketed through Partners, distributors belonging to multinational groups and distributors not belonging to multinational groups (or independent distributors). Non-partner distributors are chosen on the basis of the efficiency of the sales organization, the coverage of the area and the presence of a complementary product portfolio with respect to the Group's proprietary products.

Partner distributors

The Partners handle the exclusive or non-exclusive distribution of the Group's products in countries in which they are present with their own direct sales organizations, receiving both technical products (i.e. active pharmaceutical ingredients) to be formulated subsequently and packaged locally, and unpackaged formulations to be packaged locally.

Distributors belonging to multinational groups

Distributors belonging to multinational groups represent an important marketing channel above all for the lines of copper-based products and pyrethroids, in that they guarantee high market shares and therefore greater sales volumes due to their efficient distribution networks and a complete product portfolio.

Distributors not belonging to multinational groups (or independent distributors)

These distributors, chosen on the basis of the efficiency of their sales organization, the coverage of the area and the presence of a product portfolio complementary to the Group's products, receive from the Group both finished products and unpackaged formulations to be packaged locally, according to the suitability and availability of local structures.

History

1993

Isagro is set up through a *management buy-out*

1994

Isagro becomes a joint-stock company; Isagro Ricerca is set up

2001

Isagro acquires the agrochemical business branch of Caffaro including the Galliera's Research Center and the agrochemical business branch of RPG (India) including laboratories and Panoli plant

2003

Isagro S.p.A is listed on the Borsa Italiana electronic stock market

2004

Isagro S.p.A is admitted to the STAR segment of the electronic stock market

2005

The Bussi sul Tirino plant is put into operation

2006

Acquisition of a partial ownership of the Novara Research Center

2009

The Adria plant obtains EMAS registration

2012

Merging of Isagro Ricerca in Isagro Spa

2015

A new Research Center is inaugurated in Novara

2016

Isagro publishes its first Non-Financial Report on a Group level.

The Group's mission

The Group's **mission** is to offer innovative solutions of **chemical and biological origin**, for the health of crops, with absolute respect for the environment and the users and consumers of farm products. Isagro focuses its innovation and development projects on **farmers** and **agricultural companies**, and their requirements and need to satisfy the agricultural food chain with high-quality products. The Group's ambition is to guarantee food safety through sustainable use of our planet's resources, to **produce more and better**.

Isagro considers sustainability a value and a commitment that is reflected in behaviour and activities managed efficiently and economically so as to guarantee maximum safety, the protection of health and quality of the production process with full respect for the environment. In a world in which it has become important to reconcile development and the available resources, growth and needs of the future generations, Isagro commits itself every day to combat the shortage of food and nutritional problems above all in densely populated countries with limited economic resources.



Stakeholder mapping and Materiality analysis

Isagro considers sustainability an integral part of its business strategy, based on a responsible approach that takes account of the balance between the organization, the areas in which it operates and the local communities.

- The strategy adopted by Isagro has the objective of creating value for the Group's stakeholders, meeting the market's needs and taking advantage of the new opportunities that arise from a correct management of people and the environment.
- To this aim, in 2017, Isagro conducted its first materiality analysis, which involved the main corporate functions, in order to strengthen its responsible approach by identifying and giving priority to sustainability issues that are important for the Group and its stakeholders. In particular, Isagro identified the material aspects that reflect the significant impacts for the organization from the economic, social and environmental points of view and substantially influence the assessments and the stakeholders' decisions. In fact, Isagro believes it to be fundamentally important to establish relationships based on trust, respect and collaboration with its stakeholders, so as to be able to meet their needs and expectations adequately. In the dynamic and competitive scenario in which the Group operates, the ability to predict and anticipate changes in interest or needs is an indispensable condition for creating value.

The Isagro Group and its Stakeholders



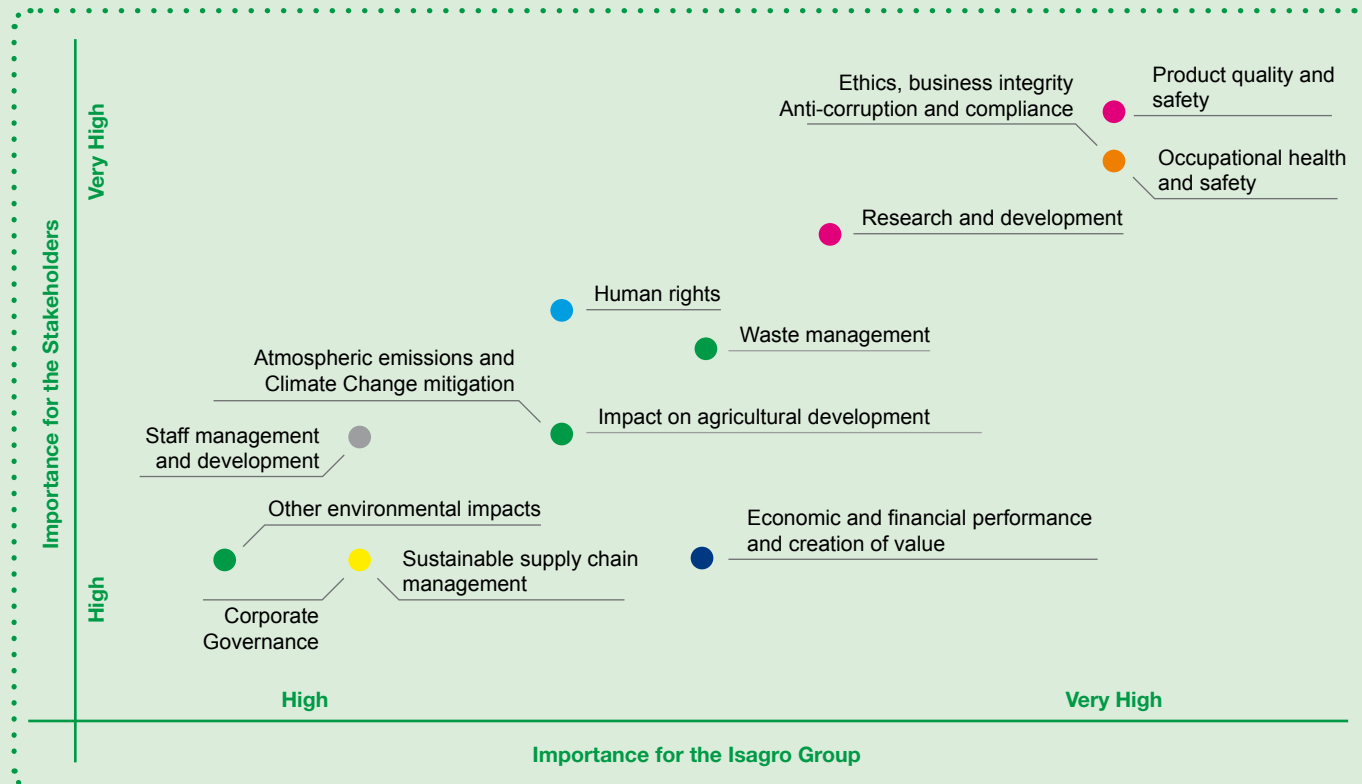


Having identified its significant stakeholders, the Group conducted a materiality analysis in compliance with the “G4 Sustainability Reporting Guidelines” established in 2013 by the GRI – Global Reporting Initiative. The materiality analysis has brought numerous benefits to the organization, such as a greater awareness of the environmental and social issues considered significant and the opportunity to set new objectives for the future, reflecting on how to fully integrate sustainability issues in its strategy and growth.

The results of the analysis are summarized in the materiality matrix shown below. In particular:

- each point on the matrix represents a material issue to be reported in this document;
- the issues are divided into 7 categories, each marked with a different colour;
- the issues are positioned on the matrix according to their importance for the Group and its stakeholders.

The Isagro Group materiality matrix



Legend			
● Governance and Compliance	● Social responsibility towards employees	● Social responsibility towards suppliers	● Environmental responsibility
● Economic responsibility	● Social responsibility for product	● Social responsibility towards the community	

The most important issues regard both specific aspects of the sector in which the Group operates, primarily the **quality and safety of its products** and **research and development**, associated with the Group's desire to put increasingly innovative, high-performance products with high levels of safety and quality on the market, and aspects associated with governance and compliance, primarily **ethics, business integrity, anticorruption and compliance**.

In the environmental sector, priority is given to issues such as **waste management, atmospheric emissions and climate change mitigation**. Particular importance is also given to the social issue, **people management and development**, in relation to the Group's commitment to favour policies elaborated with a view to valorizing and facilitating the growth of its employees, and its implementation of a system that ensures equal rights. The matrix also reveals the importance given to the social issue of **human rights**, a sign of the Group's strong commitment and the requests of its stakeholders to ensure that the applicable national and international legislation is respected, condemning all forms of labour exploitation, forced labour and child labour at the same time.

Further details on the analysis of material issues are given in the Annexes of this document.



Ethics and integrity

In 2006, for the first time, Isagro S.p.A. adopted the **Charter of Values and the Code of Ethics** (now known simply as the **Code of Ethics**), which it updated and extended to all companies in the Group in 2011. In 2016, this document was reviewed and updated with a view to completing and adding details to the numerous sections of which it is made up.

The Code of Ethics was designed with a view to establishing common principles applicable to all countries in which the Isagro Group operates, in line with the laws and regulations in force in each country. In particular, the purpose of this document is to guarantee observance of the fundamental rights of all collaborators, in line with the company's mission and promoting the development of a common company culture.

The Code expresses unavoidable principles for conducting business, such as legality, integrity, transparency, diligence, professionalism, confidentiality, social equity and value of the person.

The Group's Code of Ethics is available in Italian and English on the company's web site www.isagro.com.

This code defines and regulates the following areas:



Management of relations with the shareholders

- *Corporate Governance*: the Group's governance is based on the highest standards of transparency and fairness in managing its business, in such a way as to create value for the shareholders, ensure correct management of the entrepreneurial risk and guarantee a high-quality product;
- *Administrative management and financial communication*: the Group operates with absolute transparency, adopting special procedures to guarantee the correctness and truthfulness of the company's communications and to prevent corporate crime and market abuse.



Management and protection of human resources

- *Equal opportunities, discrimination and harassment*: Isagro observes the principle of equal opportunities in the work environment, committing itself, at the same time, to create an environment free of discrimination and that safeguards the dignity of each individual worker;
- *Forced labour, child labour, illegal work and freedom of association*: the Group condemns all forms of forced labour, child labour and illegal work and recognizes and respects its workers' rights to create trade union organizations;
- *Conflict of interest*: all recipients of the Code of Ethics are obliged to avoid conflicts of interest. Even when there only appears to be a risk of a conflict of interest, the collaborator must notify his boss;
- *Protection of IT tools and privacy*: the Code of Ethics regulates the need to respect the company's policy on the use of the company's IT tools and the protection of the privacy and personal data of all human resources;
- *Health and safety*: Isagro is committed to spreading a culture aimed at promoting safe working conditions within the organization, by adopting policies and preventive measures that minimize health risks.



Management of customer relations

- *Quality control and customer satisfaction:* every company in the Group undertakes to reach high standards of quality and to pursue the satisfaction of its customers;
- *Contracts and communications with customers and the management of incoming financial flows:* in observance of the Group's ethical principles, Isagro undertakes to ensure that the communications comply with the company's policy. In addition, full traceability of the incoming financial flows is required, in line with the anti-money laundering legislation.



Management of supplier relations

- *Selection of the supplier and purchasing process, supplier conduct and integrity and management of outgoing financial flows:* Isagro selects suppliers on the basis of their reliability and reputation. The Group demands honest and transparent behaviour from its suppliers, with particular regard to anticorruption, human rights and its workers' rights. Full traceability of the outgoing financial flows is required, in line with the anti-money laundering legislation.



Management of community relations

- The Group operates the aim of creating richness for the entire community, in line with the principle of competition and environmental protection.



Management of relations with other categories of stakeholders

- The rules set out in the legislation in force are applied to relations with Public authorities, consultants and other collaborators.



Intra-group relations

- All the companies in the Group are requested to respect the values expressed in the Code of Ethics, sincere cooperation in pursuing the objectives, full respect of the law and the legislation in force.
- Each company undertakes to avoid behaviour that could be detrimental to the integrity, autonomy or image of the company itself or the Group. The information, in particular for the purposes of drawing up the consolidated financial statements and other communications, must circulate within the Group in accordance with the principles of truthfulness, correctness, completeness, clarity, transparency, within the scope of business of each company.

Corporate Governance

The Group is aware of the importance of the role played by an effective and efficient Corporate Governance system in achieving business objectives and creating sustainable long-term value. The Corporate Governance system is represented by the set of principles, rules and procedures that govern the decision-making process and guide the business activities, in addition to guaranteeing efficient and transparent control and monitoring. The Isagro Corporate Governance model complies with current regulations and is in line with provisions of the Corporate Governance Code approved by Borsa Italiana S.p.A.'s Committee for Corporate Governance Committee of listed companies (the "Corporate Governance Code"), applied by the company since 2003.

The model adopted by Isagro envisages the following corporate bodies: the Shareholders' Meeting, the Board of Directors (BoD), the Board of Statutory Auditors and internal Board of Directors committees, such as the Control and Risk Committee and the Appointments and Remuneration Committee.

The Shareholders' Meeting of 24 April 2015, decided that the Board of Directors should have eight members, including three women, three aged between 30 and 50 and five over 50 years of age. The Board of Directors will remain in office until the Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2017. The Board of Statutory Auditors, in office since 28 April 2016, has five members and will remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2018.

The membership of the Board of Directors as at 31 December 2016 is shown in the following table.

Title	Nome	Gender	Year of birth	Executive (e) – non-executive (ne)	Ind. Code	Ind. CFL	Risk And Control Committee	Appointments And Remuneration Committee
Chairman and Chief Executive Officer	Giorgio Basile	M	1942	E	-	-	-	-
Deputy Chairman	Maurizio Basile	M	1948	E	-	-	-	-
Director	Riccardo Basile	M	1979	NE	-	-	-	-
Director	Christina Economou	F	1974	NE	-	-	-	-
Director	Gianni Franco	M	1945	NE	-	-	-	-
Director	Enrica Maria Ghia	F	1969	NE	X	X	Ch	-
Director	Adriana Silvia Sartor	F	1948	NE	X	X	-	Ch
Director	Stavros Sionis	M	1945	NE	X	X	M	M

Risk and Control Committee

The Risk and Control Committee expresses opinions on risks that are or could be significant to the Group, assesses the correct use of the accounting standards for preparing the necessary reports, also providing opinions to the Board of Directors on risk management and on the definition of internal control system guidelines.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is responsible for determining the corporate performance objectives in Board of Directors activities, the achievement of which is associated with the variable component of the remuneration for executive directors. The Committee also prepares opinions for the Board of Directors on board membership, proposing candidates for office as director. Lastly, its aim is to assess the total remuneration involved, also attributing any special bonuses to the directors.

For a more complete disclosure on the Corporate Governance system of Isagro S.p.A., and on membership of the corporate bodies, reference should be made to the “Report on Corporate Governance and Ownership Structure”, available in the Governance section of the Company’s web site www.isagro.com.



The reference context

Since 2016, Isagro has developed a new approach to sustainability, and the decision to commit to the annual preparation of a non-financial report forms part of a vastly important national and international context in which environmental protection, the adoption of sustainable development and management of resources play a central role. The Group has always been careful of the environmental impact caused by its business activities, so much so that for several years it has been committed to preparing a specific Environmental Report, but recent regulatory developments have also increased awareness of other impacts, such as social, governance and supply chain-related aspects.

The international framework covering the Isagro Non-Financial Report includes, in particular, the Sustainable Development Goals (17 goals set for 2030 by the United Nations, involving the public and private sectors in promoting the achievement of common goals such as peace, safety, justice, social inclusion and environmental responsibility) and Italian Law Decree no. 256 which transposes European Directive 2014/95 to Italian law - Barnier on “Non-financial disclosure”, which envisages the obligation for certain public interest companies to issue a disclosure from 2017 on the management of social and environmental issues.

Isagro operates in a complex and highly technological market and considers good management and control over the risks to which it is exposed to be a determining factor in guaranteeing stability and balance over time and in maintaining long-lasting relationships with its Stakeholders. To this aim, the Group has adopted a specific “Internal Control and Risk Management System” to identify and assess action and events that are able to jeopardise Group operations.



The Internal Control and Risk Management System

Aware that sound risk management and a good internal control system are crucial to ensuring efficient and effective corporate process management, Isagro S.p.A. adopted an “Internal Control and Risk Management System” to identify and assess actions and events that could jeopardise the activities.

The internal control and risk management system involves various bodies and individuals of Isagro S.p.A.:

- the Board of Directors, which has the role of guidance and assessment of the system’s adequacy;
- the Director in charge of the internal control and risk management system, who arranges its planning, implementation and management. This duty is assigned to the Company’s Chairman and CEO;
- the Risk and Control Committee, with the task of supporting Board of Directors assessments and decisions relating to the internal control and risk management system;
- the Risk Manager, appointed to assist the corporate bodies in the risk management process;
- the Internal Audit Manager, with the duty of verifying that the internal control and risk management system is adequate and operational;
- the company departments responsible for controls to ensure the monitoring and management of business risks;
- the Manager charged with preparing the company’s financial reports, who confirms that Company disclosures to the market correspond with the accounting books and records;
- the Managers of the Corporate Affairs and Legal departments;
- the Board of Statutory Auditors, which supervises the efficiency of the internal control and risk management system;
- the Supervisory Body, pursuant to art. 6, Italian Legislative Decree 231/2001.

The internal control and risk management system comprises a set of rules, procedures and organisational structures which, through a suitable identification, measurement, management and monitoring process for the main risks, allows sound and fair business management consistent with the predefined objectives.

In particular, the risk management process involves risk assessment activity which aims to identify the main business processes and related risks and to identify and assess the prevention/protection measures implemented by the Company to limit those risks.

At the same time, the Parent company also has an **Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001** which describes the organisational model adopted by Isagro S.p.A. Implemented in 2006 and updated in 2016, the Model aims to prevent and punish any conduct that could be classified as offences envisaged in the Decree. In its updated version, the model reflects the changes in the organisation and is aligned to the current reference best practices. This document is designed as a means of protecting the values already agreed within the company. The model contains the Code of Ethics and refers to the appointment of a Supervisory Board, which has the duty of supervising the operations of Isagro S.p.A. with monitoring and updating of the model itself.

Main Risk Factors for Sustainability



Risk of concentrating products on a limited number of distributors

The Isagro Group sells its products to a large number of distributors, who subsequently market them in the countries where the Group has no distribution network. Reductions in turnover towards one or more of these distributors cannot be ruled out, and this could have a significant impact in terms of total sales with negative consequences on the Group's economic, financial and asset situation.



Risk associated with the operation of the plants and research centers

The production plants are subject to operational risks that could cause significant damage to property and reductions in production. With regard to the research activities, the Group conducts the studies necessary to complete the dossiers required by the authorities to obtain the registration of new active ingredients and new formulations. The Group has purchased equipment that protects against the risks and has taken out insurance policies to cover the risks associated with unscheduled stops but their occurrence cannot be ruled out.



Climate-related risk

The sale of Agropharmaceuticals is closely associated with climatic conditions. Although the Group adopts a diversification policy for the markets on which it operates in order to cover the largest possible number of markets in both hemispheres and, despite the fact that it plans to enrich its current product portfolio, there is no guarantee that such diversification policies are implemented effectively and are capable of eliminating or reducing this kind of risk.



Product liability risk

The products marketed contain chemicals that are potentially harmful for man and the environment. Although these products have been tested and have marketing authorizations, the risk that the Group may be subjected to liability actions associated with presumed product defects for damage caused to things or persons cannot be ruled out. The Group subjects the products developed and marketed to detailed quality analyses and has taken out insurance policies to cover damages caused to customers and/or third parties by the use of the Group's products.



Supply risk

The Group uses high-quality raw materials and components normally purchased from selected suppliers. In order to prevent supply difficulties due to this selection of suppliers, the Group continually qualifies new suppliers. If the Group does not manage to maintain the current supplier diversification, it could have trouble finding raw materials of an adequate quality or in sufficient quantities to meet its production requirements or undergo increases in the supply costs.



Commercial risk

The Group operates in a sector subject to a continuous technological evolution and, although it pursues a strategy aimed at optimizing the efficiency of its manufacturing processes, the risk of it not managing to patent new-generation products could have a negative effect on its economic, financial and asset situation. Its presence and operation on several international markets, and its strategy of development on new overseas markets expose Isagro, among other things, to a series of risks associated with the geopolitical and macroeconomic conditions of the countries in which it operates.



Intellectual property risk

Scientific innovation represents a critical factor for the Group's success: the expected results also depend upon the Group's ability to obtain patents for its new products in Italy and overseas, and to develop new know-how. There is no guarantee that the Group will manage to develop new patentable products: it could therefore be forced not to market the product or to stipulate licence agreements with third parties. In addition, the Group uses proprietary processes, know-how and non-patented data that it considers industrial secrets and that are protected by stipulating confidentiality agreements with its employees, consultants and contractual partners.

As part of its continuous improvements to the internal control and risk management system, Isagro S.p.A. has established the Internal Audit Department. This department, which reports directly to the Board of Directors, verifies the operations and suitability of the internal control and risk management system through an annual audit plan based on a structured process of analysis and prioritisation of the main risks.

In addition, it prepares periodic reports containing information on its own activities, the methods used for risk management and on compliance with the risk mitigation plans. The periodic reports contain a suitability assessment of the internal control and risk management system.

Isagro against corruption

Isagro S.p.A. focuses in particular on the issue of corruption, promoting the fight against all of its forms. Through the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, management is committed to providing clear directives in order to effectively prevent all forms of corruption.

In particular, the 231 Model refers to the punishment for Corporate Offences, which include corruption between private individuals. The Code of Ethics also confirms that no form of corruption is tolerated in relations with suppliers and with Public Administration. With explicit reference to Public Administration officials, the parent company specifies that no money, gift or any other payment in kind may be offered which could be interpreted as an attempt to influence the way they carry out their duties.

In 2016 there was no record of reports or disciplinary measures relating to corruption being received, either by Isagro S.p.A. or at Group level. Isagro S.p.A. actively participates in preventing corruption, also through specific training courses to disseminate awareness and application of the system. The courses are regularly held through an online platform, every time the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 is updated, as occurred in 2017.

The Isagro Group and respect for human rights

In conducting its business activities, Isagro is committed to ensuring that the working conditions of its employees are based on respect for fundamental human rights, the international agreements and laws in force; the Group does not tolerate the use of forced labour, that is, the use of workers recruited by constraint, force or blackmail, under any circumstances. The Group is constantly committed to creating and maintaining a working environment that protects everyone's dignity and respects the fundamental rights of individuals with whom it interacts, safeguarding their physical and moral integrity and guaranteeing equal opportunities.

In this sense, as expressed in the Ethics Code, the Group rejects all forms of discrimination based on age, gender, sexual preference, health, race, nationality, cultural background, social status, political opinions and religious beliefs. The Group guarantees a safe and healthy workplace for its employees and working conditions that respect individual dignity.

Ownership structure and Investor Relations

The company's ownership structure has one majority shareholder, Piemme S.r.l., which is the controlling entity of Holdisa S.r.l., the direct holding company of Isagro S.p.A. with an interest equal to 53.7% of the total. The remainder is float on the stock market. As at 31 December 2016, the share capital of Isagro S.p.A. totalled € 24,961 thousand, fully subscribed and paid up, and comprised 24,549,960 Ordinary Shares and 14,174,919 Growth Shares.

Significant shareholders of Isagro S.p.A.

Holdisa srl	53,70%
Float	46,30%

The creation of value for shareholders and for all other stakeholders, and likewise the management of relations and transparency in financial activities, is one of the Group's key objectives. In this respect, Isagro considers the public disclosure of financial reporting to be important. In fact, eliminating any discrepancies in disclosures and guaranteeing the maximum level of information possible to all stakeholders is - for the Group - the best possible strategy for managing the investment plans.

In 2016, Isagro organised conference calls at the time of publication of the Group's quarterly, half-yearly and annual results. In-depth informative events are organised during the year for potential investors, in addition to those on the events calendar held with Group consultants and the two STAR Conferences attended (in Milan and London), envisaged as opportunities for meeting with the financial community. Furthermore, to demonstrate the value of the information shared, 17 press releases were issued during the year.

In 2014 Isagro Group issued an innovative financial instrument called Growth Shares, a category of shares specially designed for companies with a controlling entity, which, in the absence of voting rights:

- awards an "extra dividend" (20% in Isagro's case) over and above any established for ordinary shares;
- establishes automatic conversion by articles of association (which cannot be modified without the authorization of the Growth Shareholders' Meeting, into Ordinary Shares if control is lost (in Isagro's case, if Piemme drops below 50% of Holdisa and Holdisa below 50% of the ordinary shares of Isagro) and in all cases of a mandatory takeover bid.

The Growth Shares originate from the consideration that, in a company having a controlling entity, the right to vote represents a non-decisive element and an unexercised right for a minority shareholder. From this point of view, Growth shares go beyond the limits of other categories of special shares, ensuring, in addition to the extra dividend, a protective mechanism such as automatic conversion in cases in which it becomes important for the minority shareholder to hold ordinary shares.

Consequently, Growth Shares:

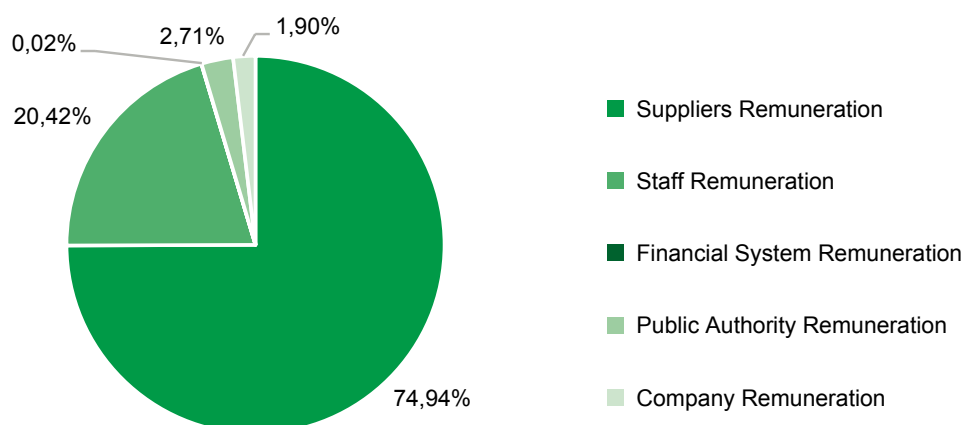
- from the point of view of assets, are equivalent in terms of theoretical value to Ordinary Shares;
- from the point of view of income, if dividends are issued for Ordinary Shares, ensure a higher dividend and therefore a higher value than the latter.

Economic value generated and distributed

Isagro is actively committed to creating long-term economic value. Once generated, this value is redistributed among all the Group's stakeholders.

The economic value generated and distributed during the year is explained in a reclassified Income Statement in the Consolidated Financial Statements of Isagro for the year ending 31 December 2016. The net global added value of the Group as at 31 December 2016, totalled **over € 143 million**.

Distribution of economic value generated by the Group at 31.12.2016.



The majority of the value generated - 74.94% - is distributed to suppliers (as indicated by the items raw materials and consumables used, costs for services, other operating costs, change in finished product inventories and work in progress), followed by personnel remuneration (20.42%) and Public Administration (2.71%). The remaining portion (around € 3 million) of the value generated is distributed between the financial system and the company.

Sponsorship event

Isagro S.p.A. is the main sponsor of the Festival Paganiniano in Carro, the place of origin of the ancestors of Niccolò Paganini and where the Società dei Concerti de La Spezia has coordinated the event since 2002 in collaboration with the Municipality of Carro, the local tourist office, other participating municipalities, the 'Amici di Paganini' association and some sponsors.

The Società dei Concerti de La Spezia, founded in 1969 and the organizer of over 2,000 concerts, is the most important institution for spreading musical culture in the province of La Spezia: it began 15 years ago with just three concerts organized in the small municipality of Carro. The event dedicated to the musical virtuosity of Paganini is developed today in nine municipalities in the province of La Spezia, above all in the upper and middle valley of Vara, and is characterized increasingly by the quality of the programme and the musicians, as demonstrated by the growing success in terms of audience. The Festival, the sixteenth edition of which was held from 15 July to 14 August 2017, has the support of the Region of Liguria and that of the MIBAC – Ministry of Cultural Heritage and Activities. It also received an important contribution from the Carispezia Foundation within the scope of the 2016 "Cultura in Rete" competition.

Isagro S.p.A. believed in the event right from the beginning for its high intrinsic value and for an objective: to promote the Italian culture in the world.

In 2011, the tenth edition of the Festival was celebrated by the President of the Republic conferring a plaque for the high cultural value of the event. In 2013, Isagro S.p.A.'s twenty years of business and ten years of listing on the stock exchange were celebrated with a concert by the pianist Restani accompanied by La Scala String Quartet: the Festival was previewed in the "Salone delle Grida" of the Milan Stock Exchange, in Palazzo Mezzanotte. The Festival obtained the Effe 2015-2016 (Europe for Festivals, Festivals for Europe) label, an award given to 761 festivals in 31 European countries.



The sustainability of our products

The Group's Plants

Isagro has five production plants, each of which has some peculiar features. Four of the plants are situated in Italy, in Adria (RV), Aprilia (LT), Bussi sul Tirino (PE) and Novara. The fifth plant is situated in Panoli in the state of Gujarat in India.

Adria

The Adria plant occupies an area of about 73,000 m², of which almost half is green; the plant is dedicated to the production of copper based fungicides. The Adria plant has ISO 14001 certification; in addition, the plant obtained EMAS registration in 2009 and, once a year, produces a public environmental declaration that can be downloaded from the Sustainability section of the web site www.isagro.com. The Adria plant regularly sets environmental performance and environmental staff training targets in order to improve its performance. The plant constantly monitors its environmental parameters, which are well below the limit threshold laid down in the legislation in force.



Aprilia

The Aprilia plant, which occupies an area of 133,500 m², is used for the formulation and packaging of agropharmaceutical products and logistics (reception, storage and shipment). No chemical reactions or synthetic processes are carried out on the plant: the active ingredients and cofomulants used for the formulations reach the plant by road transport.

The agropharmaceutical products handled are:

- wettable powders (WP) (also packed in water-soluble packages, both for conventional farming and for organic farming);
- Water-dispersible granules (WDG) (packaging);
- Granular products (GR);
- Solvent-based liquids (EC);
- Concentrated suspensions (paste) (SC);
- Water-based liquids (EW);
- Liquid fertilizers and biostimulants (organic farming).



The plant has an excellent environmental *performance*, using technologies and resource management systems that enable particularly low levels of environmental impact to be reached. In addition to this, an energy diagnosis study has been conducted with a view to optimizing the use of electrical and thermal resources. In 2015, odour abatement components were installed on the system and a systematic and specific staff training programme was implemented in order to reduce the risks present in the surrounding environment.

The Bussi sul Tirino plant synthesizes the active ingredient of Tetraconazole, starting from what is produced at the Indian plant in Panoli. In 2015, the plant received a major investment for the construction of a cryogenic condensation plant that enabled the emission of volatile organic compounds to be reduced significantly and the raw material to be reused.

Bussi sul Tirino



Novara

The Novara plant, called **Biological Product Unit**, produces formulations based on natural microorganisms. In operation since 2006 and almost entirely free of significant gaseous emissions, the plant can serve both the agricultural market and the environmental market. Since 2015, the plant has been integrated in the **New Research Center** area, whose mission is to identify new active ingredients, to develop products in order to have them registered for commercial purposes and to defend the products registered to maintain their commercial utility.



Panoli

The Panoli plant synthesizes the most important active ingredients manufactured by the Group, and produces intermediates for subsequent use at other plants. In time, the plant has developed a consolidated environmental management strategy, which lies at the basis of numerous projects, such as the “Zero wastewater project” for a complete overhaul of the liquid effluent treatment systems. The plant obtained ISO 9001:2008 certification in 2001 and ISO – 14001:2004 certification in 2005. The plant also obtained OHSAS 18001:2007 certification in 2011, thus equipping itself with an international occupational health and safety system.



In addition to the production plants and the Research Center, there is a field testing site in **GALLIERA** (BO). The Galliera center is an experimental testing center where field tests are carried out to determine the biological efficacy of new active ingredients and formulations. It is a center recognized by the Ministry of Agricultural, Food and Forestry Policies for the production of agronomic efficacy data (GEP) and, together with the Department of Environmental Fate and Metabolism and the Department of Residue Analysis in Novara, is recognized both by the Ministry of Health and the Ministry of Agricultural, Food and Forestry Policies for official tests on agro pharmaceutical residues.



Our products

Isagro operates with two business lines both based on Research and Development activities: **Agropharmaceuticals** and **Biosolutions**. The Group invests about 10% of its annual sales in Research, Development and Innovation, with a view to strengthening its markets by producing new molecules and solutions for protecting crops worldwide with a low environmental impact.

The main categories of products offered by the Group are listed below.

Fungicides

Fungicides are synthetic products used to combat pathogenic fungi. They represent a strategic segment for the Group, which has always invested and continues to invest a large part of its resources in Research, Development and Innovation to ensure their development with a view to strengthening its range of products and thus increasing its market shares. The main markets where they are sold are Brazil, Italy, United States, France, Spain, Eastern Europe, Russia and the Middle East.

Insecticides

Insecticides are used to control insects that damage crops and are classified according to their mechanism of action. The main markets on which they are sold are Europe, India, South Africa and Cuba.



Microorganisms

This category includes agropharmaceuticals based on microorganisms. The main markets of this product for the Group are currently Italy and Spain. The Group's product on the market contains the microorganisms *Trichoderma gamsii* + *Trichoderma asperellum* and is manufactured entirely at the Novara plant.

Biostimulants

Biostimulants are products used on all crops and can modify the metabolic and enzymatic processes of plants to improve their productiveness and quality.

Pheromones

Pheromones are chemical synthesis agents, used in traps to monitor the presence of insects and in sprays to prevent damage to crops.

Fumigants

Fumigants are a category of agropharmaceuticals that perform their function by disinfecting the soil of weeds, pathogenic fungi, worms and parasitic insects, thus ensuring optimal development of the crops subsequently sown or transplanted in it.

Every field of activity of each Isagro site is regulated by a Quality Management System, whose purpose is to make the work procedures increasingly safe and reliable, thus guaranteeing continuously high product quality and plant reliability for customers. All the organization's plants have obtained **ISO 9001 certification**, which establishes the requirements for implementing a quality management system within an organization.

Isagro Asia has also obtained accreditation for chemical analyses on the plant in compliance with the **ISO/IEC 17025:2005** standard from the *National Accreditation Board for Testing and Calibration Laboratories* (NABL).

The Group's strategic approach to Research and Development has gone through two phases in the past and is currently going through a third phase.

In the first phase, from 1993 to 2005, Isagro's strategy was to establish partnerships with companies with no research activities but with considerable sales/distribution capabilities, so as to share the costs of research and ensure an adequate distribution outlet for its new products. This was done through a spin-off of the research activities in Isagro Ricerca Srl with the participation of a series of minority shareholders and through specific innovative research agreements.

In the second phase, from 2006 to 2011, Isagro gradually regained possession of the Research, Development and Innovation activities, taking full control of Isagro Ricerca and merging it into Isagro S.p.A.

Finally, in the light of the prolongation of the times and investments necessary for the development of new molecules that concerned the entire industry and the concentration processes triggered by it, Isagro based its activity on the co-development of new molecules with third-party organizations. In this way, Isagro invents the molecule on its own (i.e. the discovery phase) and subsequently looks for one or more partners interested in co-investing with Isagro in the development phase, acquiring sales rights on individual markets or groups of markets, depending on the case. In this way, Isagro can realize the full potential of its inventions and obtain an adequate commercial value from its inventions through collaboration with third parties.

At its Research Center in Novara and field testing station in Galliera, Isagro currently employs about 100 workers in Research, Development and Innovation, investing about 10% of its annual turnover in these activities.

In particular, Isagro's research activity is carried out in various lines of work, with the objective of defining products qualified as "worthy of development". In 2016, the Group concentrated mainly on fungicides, products against soil parasites and weed killers. At the same time, Isagro pursued the development of products at an advanced phase, such as fungicides, isomers and copper-based products. Finally, during the course of the year, the Isagro Group obtained 33 new marketing authorizations in many different countries of the world.

Impact on agricultural development

Despite the significant progress made in cultivation techniques over the past few years, in 2011, 870 million people were still undernourished. More recently, the increase in demand for cereal products has been due in part to the demand for biofuels, in the search for an increasing abatement of pollutant emissions and the greenhouse effect. The demand for cereals is expected to increase by about 30%, equivalent to another 600 million tonnes per year, by 2025, by effect of the increasing world population, as well as increased economic prosperity in emerging countries (with diets increasingly rich in protein) and the demand for biofuels.

In order to maintain sufficient levels of food production, farming production will have to increase, particularly in the areas of Asia with the highest growth rates but often characterized by agriculture with a limited use of technical means like Agropharmaceuticals. These major global trends contrast with the limited total amount of cultivable land, the expansion of which is rather slow and problematic: the availability of land for agricultural use is hard to increase and, in some countries, is decreasing due to the expansion of industrial activities or increasing urbanization.

Land for agricultural use is therefore becoming an increasingly limited resource, from which its full potential must be extracted, also through the use of technologies such as Agropharmaceuticals, which make a considerable contribution to agricultural productiveness. It is estimated that with an inevitable loss of 40% of production, the

rest of the world production, for 30%, is due to the natural vegetative growth and 30% to the contribution of these products without which the harvest would be lost, thus halving production. In this way, over the past 50 years, the levels of productivity of the land have more than doubled despite a much smaller increase in the amount of cultivable land.

As illustrated above, the main objective of using Agropharmaceuticals in modern agriculture is represented by the need to increase the yield of crops per unit of cultivated surface area, in order to ensure a growth for the production of food in line with that of the population and the economic conditions. In fact, the availability of land for agricultural use is, on a worldwide level, a limited resource that is difficult to expand so its productiveness must be increased. In addition, failure to defend crops could cause a loss of up to 75% of production, according to the crop and the environmental conditions.

Agropharmaceuticals are used mainly on crops that serve to produce food (for human or animal consumption) - in particular, fruit and vegetables represent nearly 25% of total sales in that they are high-profit crops per unit of cultivated land and increase the propensity to purchase Agropharmaceuticals - and, to a lesser degree, for other goods, such as textile fibres (cotton, linen, jute, etc.), starch and oil for non-food use (cosmetic bases) and biofuels. As it is a decisive issue for the development of its business, Isagro pays a great deal of attention to the production and use of Agropharmaceuticals and other technologies aimed at improving the yield of cultivated land.



Our people

Commitment towards its employees



618 employees, +2%



Over 8,000 hours of training



96% of employees on open-ended contracts



20% of staff represented by women

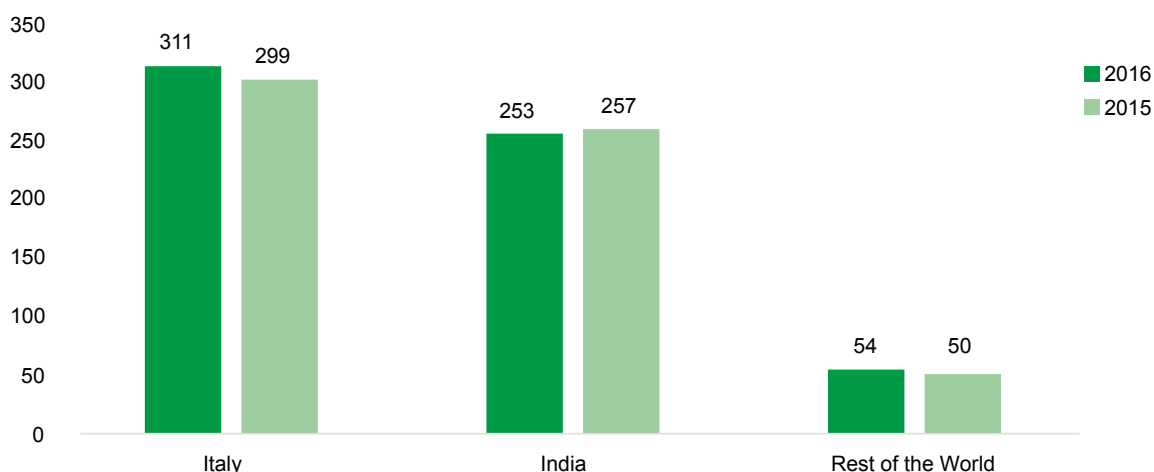
Isagro considers people the most important asset for creating value and improving the company's performance. Consequently, the Group is committed to managing its employees by valorizing their work and facilitating their professional development and growth.

Considering its employees as a key factor for the company's success, Isagro aims to increase their capabilities and professionalism, through a human resource valorization policy that comprises the improvement of their skills, the management of talent, the work-life balance and diversity management within the Group.

At 31 December 2016, the total staff of the Isagro Group was **618 employees**, a 2% increase with respect to the previous year.

The company population of the Group is concentrated mainly in Italy (50%) and India (41%), where the production plants are situated, while the remaining part (9%) is employed in the offices situated in Brazil, Colombia, USA, Spain and Shanghai, hereinafter grouped under the category "Rest of the world". During the year, the Group also used the services of an average of 977 collaborators (self-employed workers, external and temporary collaborators)¹, nearly all in India.

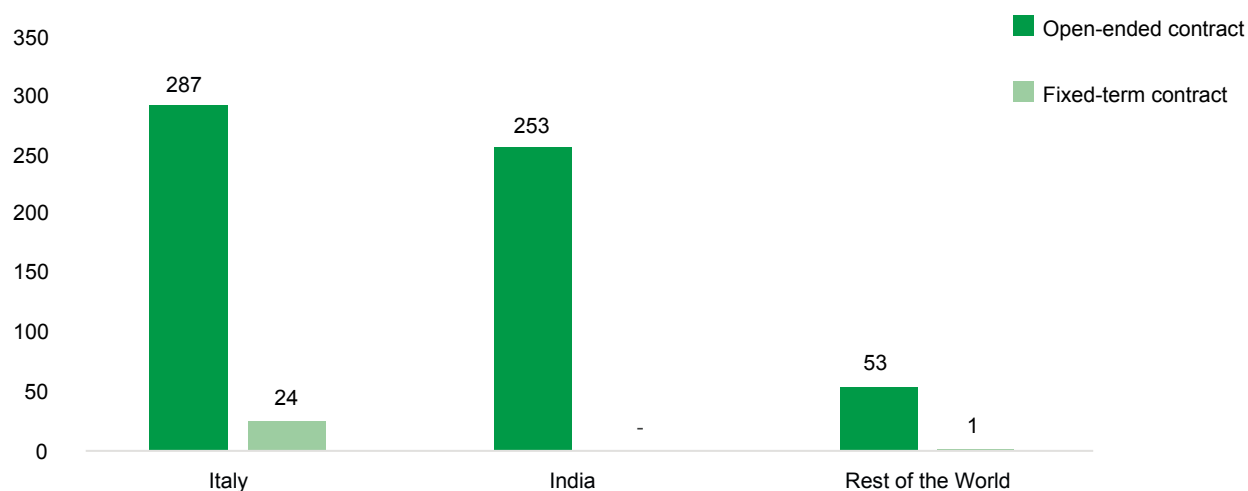
Distribution of employees by geographical area at 31 December (no.)



¹ Average number of collaborators

In line with the previous year, at 31 December 2016, **96%** of its staff are **employees with an open-ended contract**, thus confirming the Group's commitment to establish long-lasting work relationships.

Distribution of employees by type of contract and geographical area at 31 December 2016 (no.)



It is pointed out that the Group, with a view to using its human resources more efficiently and effectively, gives priority to candidates resident in the areas where the company performs its business, that is, towns and villages situated nearby, so as to reduce the distances travelled by the resources. This policy is clearly subject to the presence in the area of professional figures with the characteristics required by the Group.

Number and rate of new hires and employee turnover

Number and rate of new hires

	2016				2015			
	<30	30-50	>50	Rate	<30	30-50	>50	Rate
Men	31	55	7	19%	28	43	6	16%
Women	5	5	1	9%	5	1	3	8%
Total	36	60	8	17%	33	44	9	14%

Terminations and employee turnover

	2016				2015			
	<30	30-50	>50	Rate	<30	30-50	>50	Rate
Men	9	17	8	7%	3	11	11	5%
Women	1	2	2	4%	1	-	3	3%
Total	10	19	10	6%	4	11	14	5%

In 2016, 104 people joined the Group, recording a new hire rate, that is, the ratio between the number of new hires and the total number of employees at 31 December, of 17%, a slight increase with respect to the previous year. The termination rate, that is, the ratio of employees leaving the company and the total number of employees at 31 December, increased slightly from 5% a 6%.

Resource development and talent management

To attract talented young people and favour the recruitment of young graduates, the Isagro Group has always paid particular attention to the university environment, with which it collaborates, by offering opportunities for traineeships and dissertations.

The Isagro Group pays particular attention to training, recognizing the importance of the role it plays in building knowledge and maximizing the technical and specialized skills of its resources. For this reason, the Group undertakes to provide training that will ensure a continuous professional growth of its employees.

To improve and continually update the skills necessary to carry out correctly the activities associated with their role, as well as those influencing quality, health, safety and the environment, Isagro S.p.A. has elaborated a process aimed at:

- estimating and re-examining the knowledge, experience and capabilities of the entire staff;
- organizing and providing specific training and refresher programmes for the entire staff, including new recruits;
- training the staff for general and specific emergency tasks and keeping them up to date, also through the use of drills and simulations;
- keeping an up-to-date record of the courses, instructors, the staff involved and the qualification levels reached.

The documentation on the training and briefing given to the staff is recorded and filed at their units by Human Resources, using a single IT system via the web.

Average number of hours of training per capita by work category and sex in Italy in 2016 (n.)

	Men		Women		Total	
	No. hours	Average	No. hours	Average	No. hours	Average
Directors/Executives	1.304	43,5	397	79,4	1.701	48,6
Managers	1.039	25,3	586	18,3	1.625	22,3
White and blue collar workers	3.124	21,8	1.666	27,8	4.790	23,6
Total	5.467	25,5	2.649	27,3	8.116	26,1

In 2016, a total of over 8,000 hours of training was given in Italy, mainly through classroom and e-learning training sessions, with an average of 26.1 hours per capita. The areas on which the training focused mainly are:

- Quality, Safety and the Environment
- Specific technical training for specialized skills.

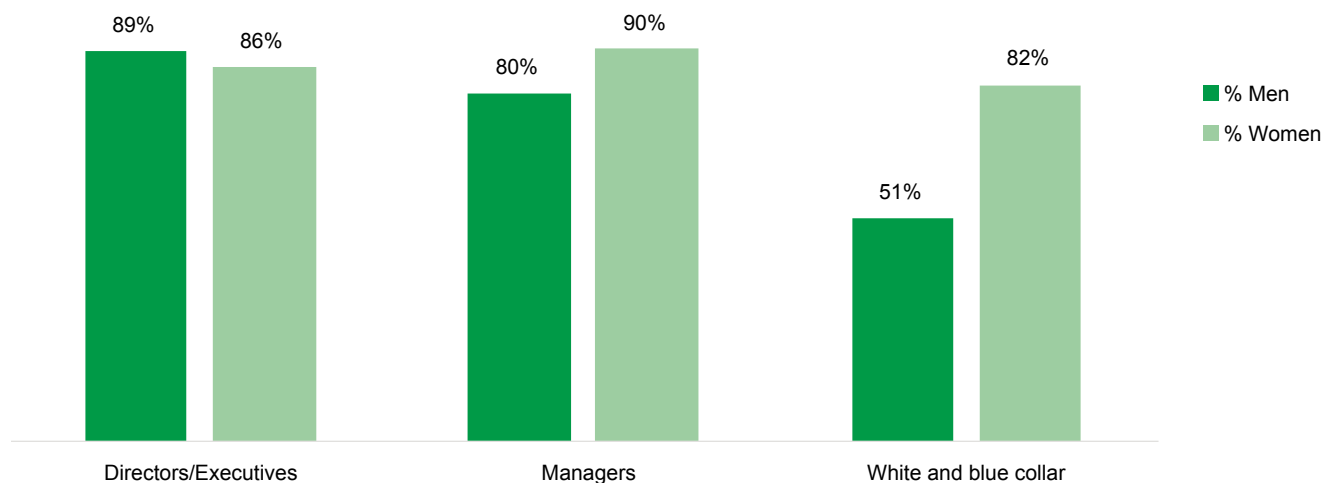
Most of the training concerned Quality, Safety and the Environment, in compliance with the applicable legislation in force, which continues to impose an increasing number of obligatory Occupational Health and Safety training activities.

Following the recent changes made to the legislation, on a European and worldwide level (CLP and REACH regulations, GHS), on the classification, labelling and registration of chemical agents, particular attention has been paid to refreshing the courses on chemical risks and the management of substances (including the waste

produced by the plants). In fact, Isagro considers awareness in handling and due control of the substances used to be fundamentally important, in every phase of the activities carried out.

It is pointed out that the year 2016 saw the conclusion of an important training course, begun in 2015, which involved 40 resources from the Novara and Milan sites in “Promoting a culture oriented towards Project management”. This training course was held in collaboration with the Polytechnic of Milan and benefited from the contribution set aside in Fondimpresa.

Employees subjected to a performance and career assessment by sex and work category (no.)² in 2016



In line with the previous year, the year 2016 also saw the annual assessment of individual performance, which is of strategic importance in the development of human resources, which involved 63% of the company's male population and 85% of the company's female population³. The aim of this process was to guarantee consistency between the company culture and assessment criteria, and to make the relationship between different professional figures more effective through a feedback phase.

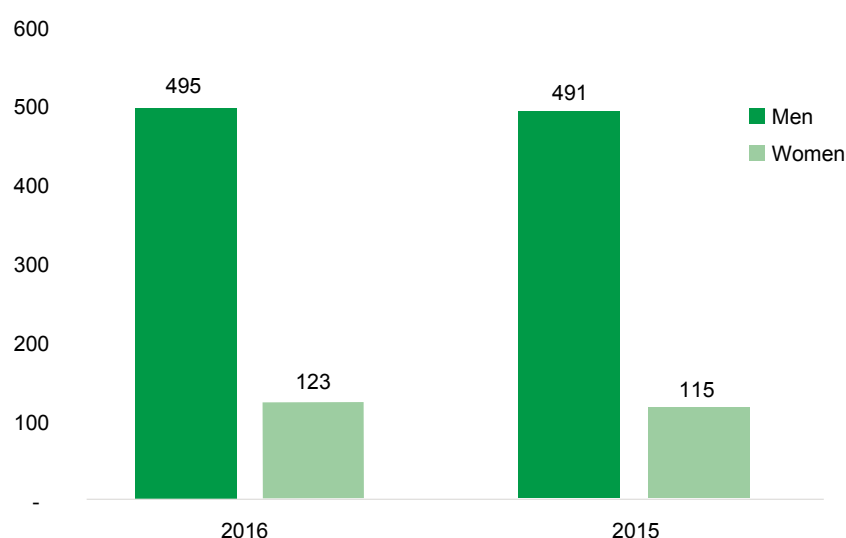
² For contingent situations the graph does not include the employees of the Indian subsidiary of Isagro (Asia).

³ For contingent situations this data does not include the employees of the Indian subsidiary of Isagro (Asia).

Diversity and equal opportunities

In line with the contents of the Code of Ethics on the management of human capital, the Isagro Group undertakes to make sure that the work environment favours equal opportunities and develops a culture based on the valorization of diversity. In confirmation of this commitment, at 31 December 2016, there were 123 women working for the company, that is, 20% of the entire staff, 7 of whom belong to the “Directors/executives” category.

Number of employees by sex at 31 December (no.)⁴



With regard to the breakdown of staff into work categories, in 2016 over 68% of the employees belonged to the “white and blue collar workers” category, in line with the 2015 data. The “managers” and “directors/executives” categories represent 23% and 9% of the total number of employees at 31 December 2016.

Distribution of employees by work category and sex at 31 December (no.)⁵

	2016			2015		
	Men	Women	Total	Men	Women	Total
Directors/Executives	48	7	55	43	6	49
Managers	97	43	140	95	40	135
White and blue collar workers	350	73	423	353	69	422
Total	495	123	618	491	115	606

In addition, with regard to distribution by age group, the Group’s staff belongs mainly to the age group from 30 to 50 years (68%), followed by the over-50 age group (25%) and the under-30 age group (8%).

Distribution of employees by work category and age group at 31 December 2016 (no.)⁶

	2016				2015			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Directors/Executives	-	25	30	55	-	24	25	49
Managers	2	98	40	140	1	97	36	134
White and blue collar workers	45	296	82	423	63	280	80	423
Total	47	419	152	618	64	401	141	606

⁴ The breakdown of the data by sex is, in part, the result of estimates.

⁵ The breakdown of the data by sex and work category is, in part, the result of estimates.

⁶ The breakdown of the data by work category and age group was, in part, the result of estimates.

Pay policies

As part of its pay policy plan, the Isagro Group has a differentiated system according to the work category, which comprises incentive systems linked to individual and company objectives as well as the pay component. Within the Isagro Group, the pay policies are oriented to guarantee competitiveness on the labour market, in line with the growth objectives, and the loyalty of its human resources, and to differentiate the pay instruments on the basis of individual skills and responsibilities. In some companies of the Group, such as the Brazilian and Colombian companies, a performance assessment system is implemented on the basis of environmental and social criteria as well as the results obtained.

The members of the Board of Directors, in particular, receive a fixed annual salary, the amount of which depends on the commitment required of them; this amount is higher for directors occupying roles of particular responsibility or that are also members of committees within the Board. The salaries of executive directors are determined on the basis of the best practices followed for similar posts by companies present in the same sector in which Isagro S.p.A. operates and is made up of a fixed annual component, a variable component and fringe benefits such as the assignment of company cars and a “Directors & Officers” insurance policy. All workers have access to the company canteen, where present, or receive meal vouchers the value of which varies according to the workplace.

In some cases, such as Isagro’s U.S. site, new recruits are given a bonus determined according to the type of work that they have been called to perform, while a particularly virtuous case is Isagro Shanghai, which offers its employees life and health insurance, disability and invalidity cover, a pension plan, unemployment insurance and a housing allowance.



Trade union relations

The Group maintains a relationship of constructive collaboration with trade unions, which has enabled it to obtain excellent results in the management of industrial relations. The percentage of employees covered by a collective agreement is 100% on the Italian, Spanish and Brazilian plants of the Group. The main activities in which the Isagro management has interacted with the trade unions concern:

- sharing and elaboration of specific working hour agreements, which include all the flexible features offered by the National Labour Contracts and have allowed for the implementation of all the changes in working hours required to meet the various production needs and the streamlining of the corporate organization, mainly at the industrial sites;
- renewal of the agreements on the productivity targets at the industrial sites related to the second-level negotiation on Bonuses;
- management of the Ordinary Redundancy agreements that concerned the production activities of the Aprilia and Bussi sul Tirino plants for a limit period of time.



The Isagro Group confirms its maximum effort to ensure health and safety at the workplace as fundamental elements and indispensable values for the Group.

In fulfilment of the obligations laid down in the occupational health and safety legislation, Isagro makes investments that the employers of each production plant consider to be necessary, in each individual case, to guarantee a safe and responsible management of the production processes and a safe environment for the workers. These investments are proposed at the beginning of every year, following assessments made by the Health and Safety Departments in collaboration with the Employers and Technical department managers. If a need arises to make further investments not included in the budget during the year, they are made in any case, which confirms the top priority that Isagro gives to Health, Safety and the Environment. To guarantee the efficacy of these investments and constantly check the adequacy of the objectives set, the Group continually implements specific organizational models.

In addition, each of the Group's plants is regulated by a Safety Management System, whose purpose is to make the work procedures safer and more reliable. In particular, the Adria and Aprilia plants implement specific Safety Management Systems that fulfil a legal obligation imposed by the fact that the two sites are subject to the "Seveso directive" (that is, Legislative decree no. 105/2015, which is the Italian transposition of the European directive known as "Seveso-III directive"). These systems are designed to prevent accidents on the plant, considered significant in that they would involve huge quantities of chemicals.

To be more specific, the health and safety activities concerned:

- staff training and awareness activities and training on workplace safety issues;
- monitoring of the principal indices for work accidents;
- improvements in the conditions of safety, adaptation of the production sites and adoption of the best available technologies;
- regular management of systems, machinery and equipment so as to minimize risks for the employees' health and safety;
- updating of the specific risk assessment documents, where required, to maintain an adequate risk assessment in line with evolving situations and changes made to the production processes;
- specific audits at the sites so as to monitor the practical application of the safety and environmental obligations in accordance with the legislation in force;
- obtainment of OHSAS 18001:2007 certification (Occupational Health and Safety Assessment Series) for the Panoli plant.

The activities listed above consolidated the successes obtained over the past few years in reducing the number of accidents, despite the increase in staff and production units.

It is pointed out that in Italy, in 2016, a total of 16 coordination meetings on health and safety issues were held, mainly locally at the various production sites. Also at the Indian plant, the Health and safety committees meet up periodically during the year.

Days of absence for injury in Italy by sex (no.)

No. cases	2016			2015		
	Men	Women	Total	Men	Women	Total
Days of absence for injury	93	41	134	95	-	95

Accidents in Italy by sex (no.)

No. cases	2016			2015		
	Men	Women	Total	Men	Women	Total
Workplace accidents	1	2	3	5	-	5
Commuting accidents	-	-	-	1	-	1

Health and safety indicators in Italy by sex

	2016			2015		
	Men	Women	Total	Men	Women	Total
Frequency ⁷	2,5	12,88	5,41	14,57	0	10,68
Gravity ⁸	0,23	0,24	0,23	0,23	0	0,17

In Italy, 3 workplace accidents (1 to a male employee and the other 2 to female employees), of which none were fatal, were recorded in 2016. In addition, the accident frequency rate dropped significantly in line with the downward trend in the number of accidents, while the gravity index increased slightly, from 0.17 to 0.23.

It is also pointed out that, during the year, an occupational disease was reported but no outcome was found while two were reported in 2015, of which the first was not acknowledged and the second is still awaiting an outcome.

As far as absenteeism is concerned, the value recorded in 2016 is 2%, in line with that recorded in 2015.

Absenteeism in the Group by sex⁹

	2016			2015		
	Men	Women	Total	Men	Women	Total
Absenteeism rate	2%	3%	2%	3%	2%	2%

⁷ The accident frequency was calculated using the following formula: (workplace accidents/hours worked) * 1,000,000.

⁸ The gravity index was calculated using the following formula: (days lost due to injury /working hours) * 1,000

⁹ The absenteeism rate was calculated using the following formula: (days of absence /working days)* 100. It is pointed out that this data does not include the employees of the Indian subsidiary of Isagro (Asia).

The local community

The supply chain



58% of purchases represented by active pharmaceutical substances



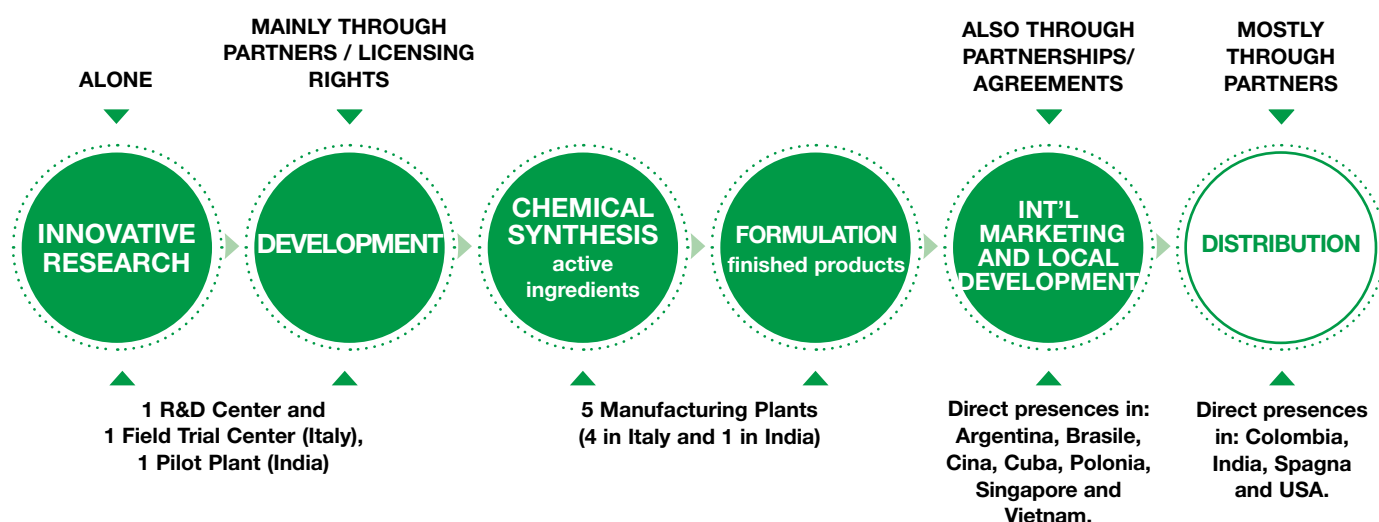
99% local purchases in India and 45% local purchases in Italy

The Group's main activity is the innovative research, development, production and marketing on a worldwide scale of Agropharmaceuticals and nutritional products, both belonging to the Group and to third-party organizations. The organizational model adopted by the Group for carrying out these activities (called the "value chain") consists of the following main phases, listed in short below, separate from, but linked to one another:

- innovative research
- development
- production
- distribution

The chart below illustrates the value chain of the Isagro Group.

Isagro's Core-Business



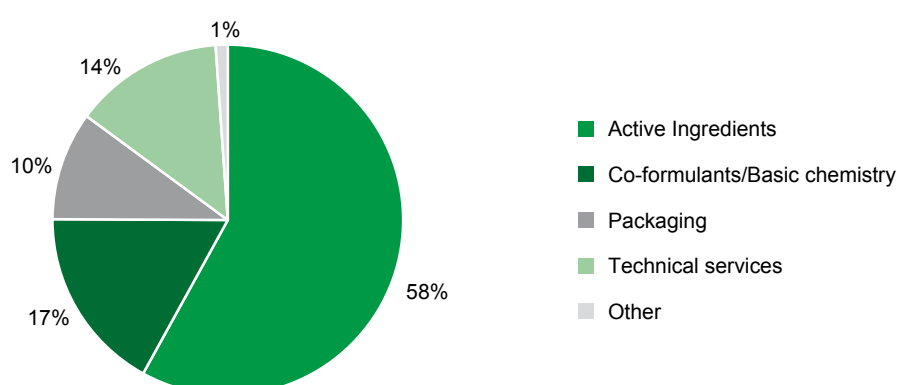
In relation to this, the Group uses high-quality raw materials and ingredients, including Active ingredients and Co-formulants conforming to adequate quality specifications and purchased regularly from selected suppliers. In order to avoid supply problems due to this supplier selection, with a consequent increase in purchasing costs, the Group continually selects new suppliers with a view to identifying a larger number of sources and thus stimulating competition between them. In particular, Isagro S.p.A. and Isagro Asia qualify new suppliers on the basis of criteria concerning their reliability and the formalization of a supply contract with a safeguard clause in compliance with the Model 231. With the same supply conditions, however, Isagro S.p.A. gives priority to suppliers that have HSE certifications and/or adopt Responsible Care programmes even if these procedures do not imply actual screening

of social and environmental criteria. It is pointed out that the Indian subsidiary will incorporate indicators of respect for the environment in their selection processes starting from 2018.

Should the Group not manage to maintain the current supplier diversification or should tension occur on the supply front due to a reduced number of suppliers or shortage of raw materials, or an increase in competition from the other operators in the sector, the Group could have difficulty obtaining raw materials of an adequate quality or in a sufficient quantity to cover its production, or undergo increases in their supply costs, with possible negative repercussions on its operation and the economic situation and assets of the Group.

In 2016, the value of the total annual expenditure amounted to € 68.4 million, divided between over 250 suppliers.

Total expenditure by product category in 2016¹¹



In particular, in line with the previous year, the most significant item is represented by the purchase of active pharmaceutical ingredients, which amounts to € 39.7 million (equivalent to 58% of the total). Another particularly significant item is the purchase of technical services, € 9.4 million, which comprises the services outsourced with a contract for mechanical maintenance, waste transport and disposal, surveillance and reception. This item also comprises technical engineering services. The Co-formulants amount to € 11.6 million (17% of the total) while packaging accounts for 10% of the total expenditure (€ 6.8 million).

With regard to the procurement of strategic non-proprietary raw materials, and, in particular, TFE (Tetrafluoroethylene) – a non-fungible and non-transportable product used in the synthesis of technical Tetraconazole – the Group uses a single, qualified supplier with which it has a long-standing trade relationship and whose contract is due to expire in 2020 with a possibility of renewal to 2025. The Group's main Biostimulant (known as Siapton) – which, however, unlike TFE, is easier to find on the market as it does not present some of the characteristics mentioned above – at the time of publication of this report is purchased from a single supplier, with whom the contract stipulated expires in 2017 (this contract has, however, been renewed every 3 years for over 20 years).

Although there are other suppliers of TFE and Biostimulants (including Siapton) on the market, Isagro must take appropriate measures to replace these suppliers, or to determine whether and to what degree it should change its current supply model. This could entail an increase in purchasing costs of TFE and/or Siapton, and difficulties, in terms of time, in adopting an alternative solution and repercussions on the Group's ability to procure these raw materials with respect to the production plan, with consequent risk of negative effects on the Group's economic, financial and asset prospects.

¹¹ Percentages expressed in values in Euro.

The origin of the purchases is particularly important. Where possible, Isagro purchases locally so as to create value for the local communities where the Group operates. The data is significant considering that the two companies Isagro S.p.A. and Isagro Asia are those that purchase the most raw materials and can be considered the most significant operating sites. In 2016, out of a total of € 68.4 million, over half the purchases come from suppliers considered local (€ 38.4 million).

Expenditure on local suppliers in 2016¹²

Geographical area	Percentage of expenditure on local suppliers in 2016	Percentage of expenditure on local suppliers in 2015
Italy	99%	99%
India	45%	45%

As can be seen from the table, in the two-year period considered, 45% of the purchases made by Isagro S.p.A concern Italian suppliers while 99% of the purchases made by Isagro Asia concerns Asian suppliers.

¹² Percentages expressed in values in Euro. It is pointed out that the geographical allocation of the purchases made in India is, in part, the result of estimates

The environment, a resource to be protected



-13% of energy consumption



Certification of the ISO 14001 environmental management system for the plants of Adria and Panoli

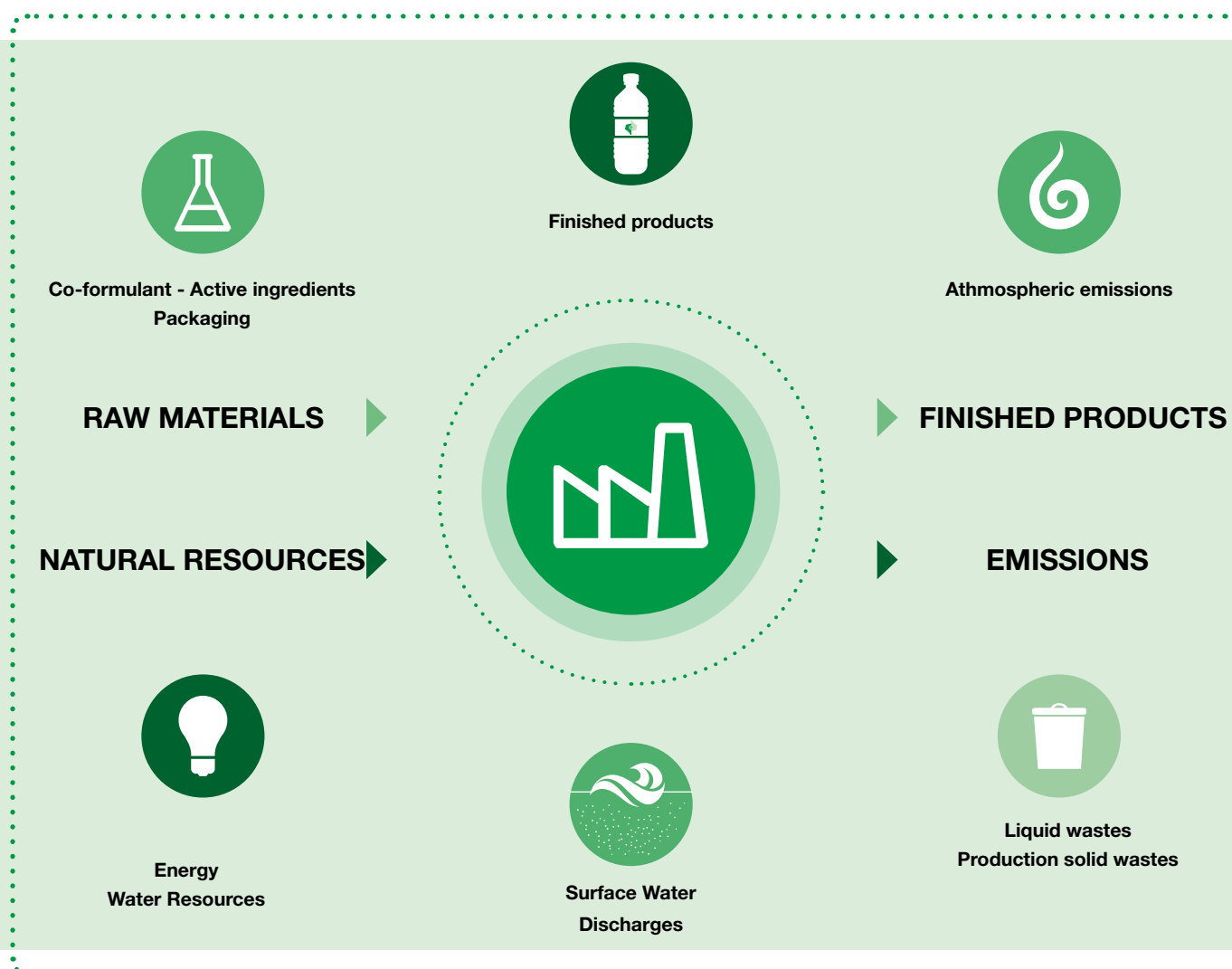


-12% of direct and indirect CO₂ emissions of the Group



-5% of waste produced by the Group

The production flow of each of the Group's production plants consists of the transformation of raw materials into finished products. In managing these activities, Isagro pays particular attention to environmental aspects, from the consumption of natural resources to their impact on the surrounding environment, taking the measures and actions necessary to monitor the activities potentially harmful for the environment carried out by the Group and to prevent and/or limit any environmental impacts of the aforesaid activities, and, where necessary, to remedy any damage caused. In relation to this, the Isagro Group's activities are subject to both Italian and European environmental legislation and regulations, and those of the non-EU countries in which the Group operates.



In this setting, the Isagro Group has adopted an environmental risk management protocol, divided into the following phases:

- periodic monitoring of the consumption of natural resources (water and energy);
- close control of outgoing pollution parameters so as to prevent the emission thresholds set from being exceeded;
- ordinary and extraordinary maintenance of the abatement/treatment systems;
- research and innovation in abatement systems;
- periodic analysis of the production flows aimed at minimizing their environmental impact.

The correct application of the environmental protocol on a Group level is guaranteed by the “Environmental policy” - a document that indicates the impact reduction targets and the guidelines to be followed to reach them and that every plant sets and periodically renews – and the adoption of a Management System – including a series of procedures and operating instructions for controlling all environmental impacts – implemented by each site.

Although the Group’s activity is carried out in compliance with the laws and regulations in force and Isagro has adopted an environmental management protocol, it cannot be excluded that, in the future, following violations found, causes of force majeure or changes to the legislation, the Group may be called to bear significant costs or investments or be subjected to environmental responsibility for the activities carried out, with a risk of negative effects on its economic, financial and asset situation.



Management of environmental impacts

Environmental protection is a commitment for Isagro and is reflected by behaviour and activities managed in an efficient and economical way, to guarantee maximum safety and quality of the production processes with full respect for the environment and the area in which it operates. Like every production activity, the Group's plants take resources from nature.

Aware of the fact that, to ensure a balance, natural resources must remain at the disposal of future generations, Isagro has implemented an environmental impact control policy so as to make a true investment in industrial development. Anticipating the indications given and agreed upon in the National Collective Agreement for the chemistry sector, Isagro has adopted environmental issue involvement and communication strategies towards all its stakeholders. The activities agreed upon with the trade unions, already carried out by the Group on the basis of its environmental policy, are:

- membership of the Responsible Care programme;
- important training on Health, Safety and the Environment;
- involvement of workers' safety representatives in all the company's activities;
- involvement of contractors in the practices selected by Isagro for safeguarding the environment.

RESPONSIBLE CARE

The "*Responsible Care*" programme is a voluntary programme with the objective of guiding its member companies towards a sustainable development model of the world chemical industry, through guidelines, performance indicators and the checking and monitoring of the performance obtained. By joining the programme, the companies can monitor and improve their health, safety and environmental performance.

Currently adopted by over 10,000 organizations in more than 60 countries, it is managed in Italy by Federchimica, with over 150 member companies. The results of the activities of the programme are published annually in a report.

These commitments result in an increased awareness and preparation of the company's staff and the surrounding environment, with a view to encouraging safer behaviour towards the environment on which the possible impacts of their work activities are to be minimized.

In this sense, the Group has adopted a specific Environmental Management System, the purpose of which is to control every aspect of the environmental impacts. The obtainment of **EMAS** registration by the Adria plant guarantees a higher level of transparency towards the public. In fact, this plant, like the Panoli plant, has obtained **ISO 14001 certification**, integrating specific environmental procedures in its Quality Management System, present at every plant.

Plant	Quality Management System		Environmental Management System		Safety Management System	
	System in use	Year adopted	System in use	Year adopted	System in use	Year adopted
Adria	UNI EN ISO 9001:2008	1993	UNI EN ISO 14001/EMAS	2000/2007	SGS "Major Accident Risk"	2006
Aprilia	UNI EN ISO 9001:2008	2004	Internal Management System		SGS "Major Accident Risk"	1999
Bussi	UNI EN ISO 9001:2008	2008	Internal Management System		Internal Management System	
Milan	UNI EN ISO 9001:2008	1998	Internal Management System		Internal Management System	
Novara	UNI EN ISO 9001:2008	2010	Internal Management System		Internal Management System	
Panoli (India)	UNI EN ISO 9001:2008	2002	UNI EN ISO 14001	2005	OH SAS 18001: 2007	2011



Energy consumption

For a production-based organization like Isagro, energy consumption is a particularly important aspect, closed linked to its business activities. In relation to this, the Group strictly respects the national and international legislation in force and undertakes to monitor the consumption of energy in its production processes periodically, with a view to achieving a continual improvement.

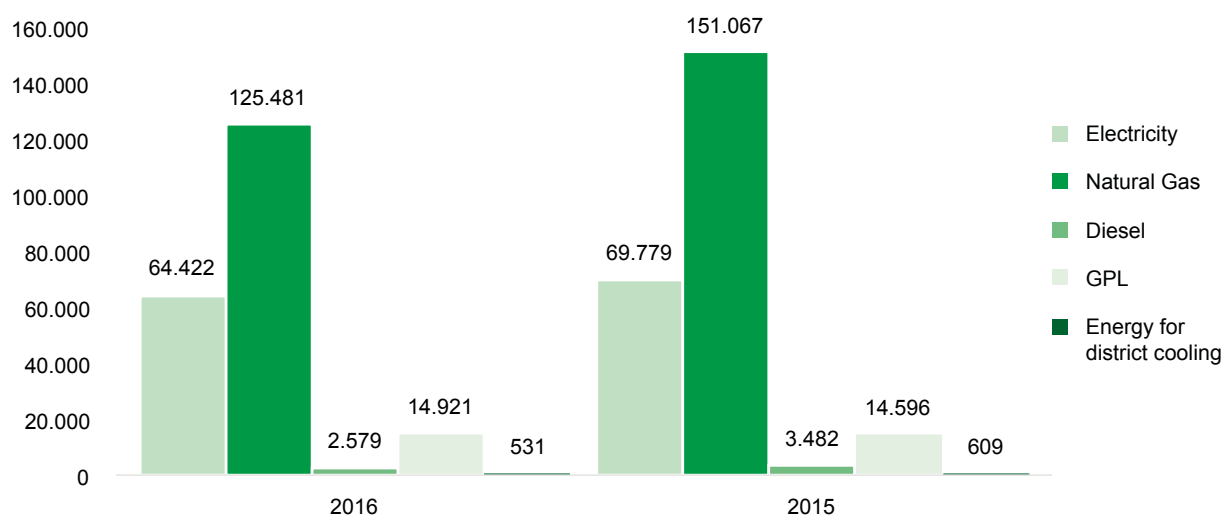
Isagro's energy consumption in 2016 was almost **208,000 GJ**¹³, recording a decrease of 13%¹⁴ with respect to the previous year. This decrease is, in part, attributable to some projects implemented by the Group at the plants of Panoli and Bussi, with a view to reducing their energy consumption and improving their manufacturing processes in terms of energy efficiency. In Panoli, for example, new water cooling technologies have been implemented and the installation of new technical devices has reduced the losses in the remote cooling process.

As can be seen from the chart below, the largest part of the Group's energy consumption comes from the use of natural gas, as a non-renewable fuel for its manufacturing process, which, in 2016 represented 60% of its overall consumption, as against 31% attributed to the purchase of electricity.

With regard to the Group's electricity consumption, it is pointed out that over 70% is attributable to the electricity requirement of the Italian plants while the remaining amount is attributable to the Indian plant of Panoli.

Finally, it is pointed out that the reduction in energy consumption between the two years analysed, is also attributable to the production downtime at the Italian plant of Bussi in the last few months of 2016.

The Group's energy consumption by source (GJ)



As can be seen from the chart, a limited amount of energy, equivalent to 0.3% of total consumption, is attributable to the use of a local district cooling system at the Indian plant.

¹³ - Source of the conversion factors for natural gas, diesel and LPG: National standard parameter table

- Source of the conversion factor for electricity: GRI Sustainability Reporting Guidelines, Version 3.1.

¹⁴ - It is pointed out that, for 2016, the conversion factor for natural gas was updated with respect to that used in 2015.

Atmospheric emissions

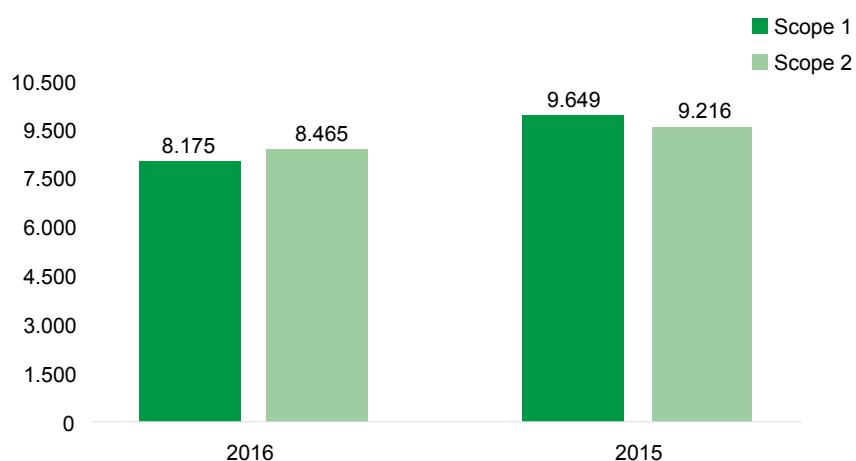
In 2016, the Group produced a total of **16,640 tonnes of CO₂¹⁵**, with a decrease of about 12% with respect to 2015. These carbon dioxide emissions can be broken down as follows:

Scope 1 – Direct emissions associated with proprietary sources or under the control of the companies in the Group, such as fuels used for heating and for the work vehicles necessary for the Group's activities.

Scope 2 – Indirect emissions associated with the generation of energy purchased and subsequently consumed at the Group's plants.

In 2016, the direct CO₂ emissions (*Scope 1* emissions) were 8,175 tonnes, recording a decrease of over 15%¹⁶ with respect to the previous year. The indirect CO₂ emissions (*Scope 2* emissions) amounted to 8,465 tonnes, again with a reduction compared to 2015, albeit lower, equivalent to about 8%.

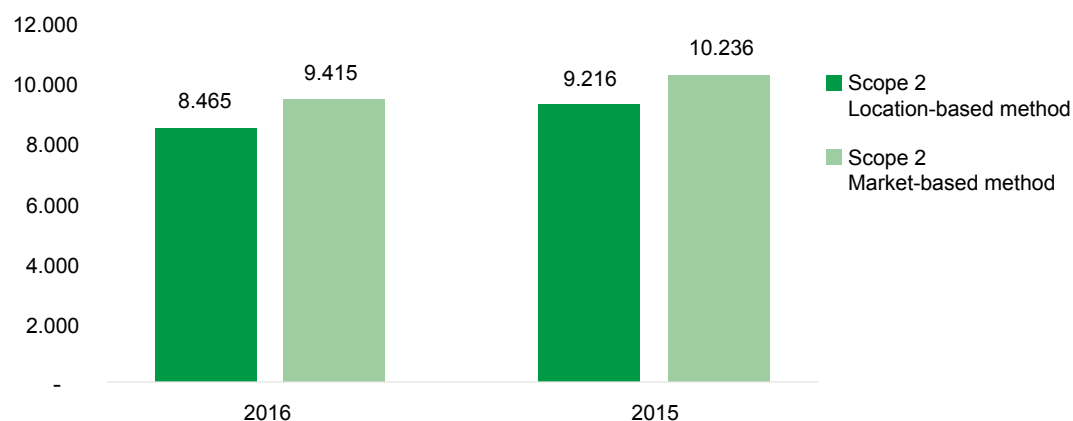
Breakdown of the Group's CO₂ emissions by Scope 1 and Scope 2 (tonnes of CO₂)



The *GRI Sustainability Reporting Standards* establish two methods for calculating the Scope 2 emissions: “*Location-based*” and “*Market-based*”. The “*Location-based*” method, used to calculate the emissions indicated above, reflects the average intensity of the emissions produced by the total national electricity production, while the “*Market-based*” method reflects the emissions produced by the electricity that the companies have chosen to use

and can be calculated using the default emission factors that represent the “*residual mix*”, that is the unmonitored and unclaimed energy and emissions (approach adopted for Italy¹⁷), and regional, subnational or national average emission factors (approach adopted for India).

The Group's Scope 2 CO₂ emissions using the *Location-based* and *Market-based* methods (tonnes of CO₂)



¹⁵ Source of the emission factors for natural gas, diesel and LPG: Table of national standard parameters: coefficients used for the CO₂ emissions inventory in the UNFCCC national inventory (mean value of the years 2013-2015). This data can be used to calculate emissions from 1 January 2016 to 31 December 2016.

Source of the emission factor for electricity: Terna, 2014 international comparisons.

¹⁶ It is pointed out that, for 2016, the emission factor for natural gas was updated.

¹⁷ Source of the emission factor for electricity “*Market based - Italy*”: European Residual Mixes 2015.

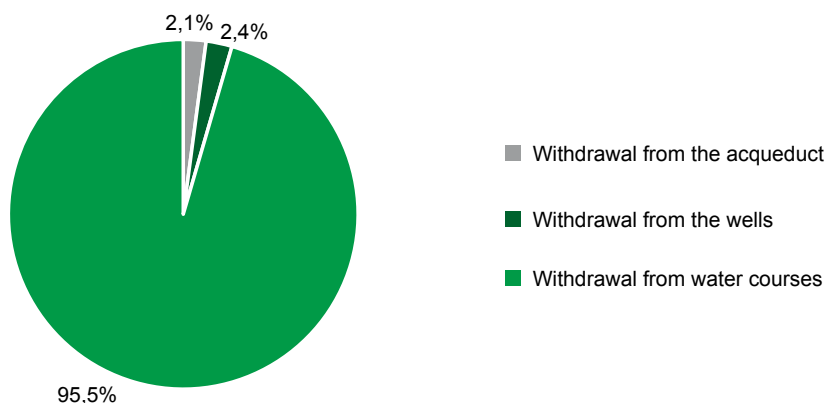
Water consumption

Like all other production plants, Isagro's plants take the water they need to transform raw materials into finished products from nature.

The Group's water consumption in 2016 reached an overall value of **1,209,909 m³**, of which more than 70% is attributable to the Bussi plant alone. The main supply source, accounting for over 95% of the water consumed, is represented by local watercourses and, to a far lesser extent, by wells (2.4%) and water supply systems (2.1%), whose consumption is closely linked to the presence of staff on the sites.

On the farm complex at the Galliera site, there is also an Artesian well but the water drawn from it is not monitored. This well is occasionally used to irrigate the farmland.

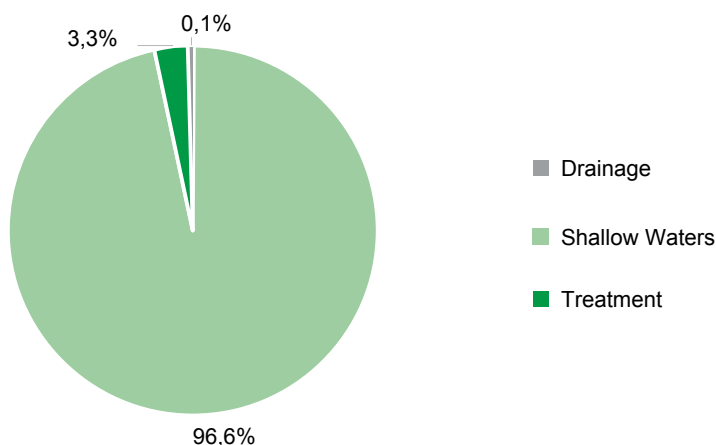
The Group's water consumption in 2016 by supply source¹⁸



The Group develops projects with a view to optimizing water consumption also by favouring reuse and recovery of the water in the manufacturing processes. In fact, in 2016, at the Panoli plant, about 1% of the total amount of water taken by the plant, equivalent to about 84,432 m³ of water, is reused in a water cooling system or for other activities such as irrigation. Once the water has completed its function in the production cycle of the

Group's plants, it is released mainly in the form of surface water and, to a lesser degree, through sewage and treatment systems. In 2016, the total amount of wastewater produced was **1,157,377 m³**, of which 96.6% was destined to the surface, 3.3% to treatment and just 0.1% to the sewer¹⁹.

The Group's wastewater in 2016²⁰



It is pointed out that the quantities of wastewater produced by the Aprilia and Novara plants are greater than the amount of water taken because they include the rainwater that flows to the same outlet.

¹⁸ Percentages expressed in values in m³

¹⁹ For the Novara and Galliera sites, the wastewater data was estimated as equal to the total amount of water taken.

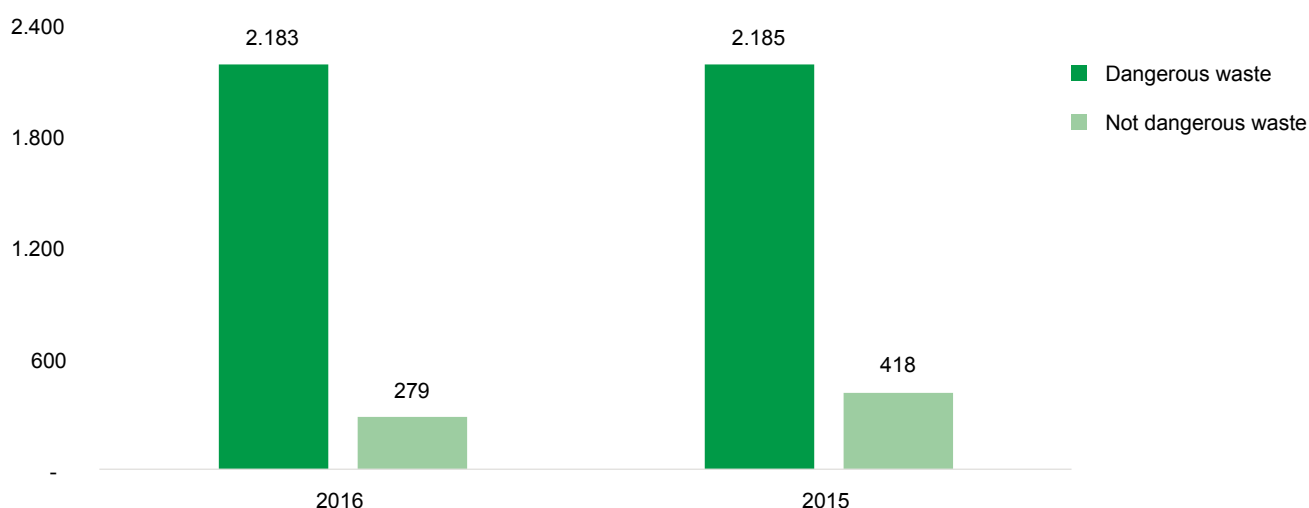
²⁰ Percentages expressed in values in m³

Waste management

The large quantity of hazardous waste that characterizes Isagro's business entails a need for attention towards responsible waste management in strict compliance with the applicable laws and regulations. The Group continues its awareness projects aimed at favouring the disposal, recovery and recycling of the materials used in the industrial processes.

In 2016, the waste produced amounted to 2,462 tonnes, a slight decrease compared to the previous year (-5%). As can be seen from the chart below, a significant proportion of this waste, i.e. **2,183 tonnes**, equivalent to about 89% of the total, is represented by hazardous waste, in line with the previous year. Non-hazardous waste represents a residual part.

The Group's waste in 2016 by type (t)



The Group's waste by method of disposal (t)

	2016			2015		
	Hazardous	Non Hazardous	Total	Hazardous	Non Hazardous	Total
Recycling	11	1,4	12,4	20,5	46,2	66,7
Composting		9,5	9,5		45,5	45,5
Recovery	71	224	295	46	290	336
Energy recovery	60	-	60	82	-	82
Incineration	215,6	-	215,6	271	-	271
Landfill site	1.824,90	44,5	1.869,40	1.765,30	36,7	1.802,00
Total	2.182,50	279,4	2.461,90	2.184,80	418,4	2.603,20

In line with our environmental policy that includes careful management of the material put into and taken out of the company's manufacturing process, most of the waste produced is disposed of at a landfill site (76% in 2016). The remaining amounts are transferred for recovery (12% in 2016) or incineration (9% in 2016) while a minimum amount of waste is used to produce energy and converted into compost.

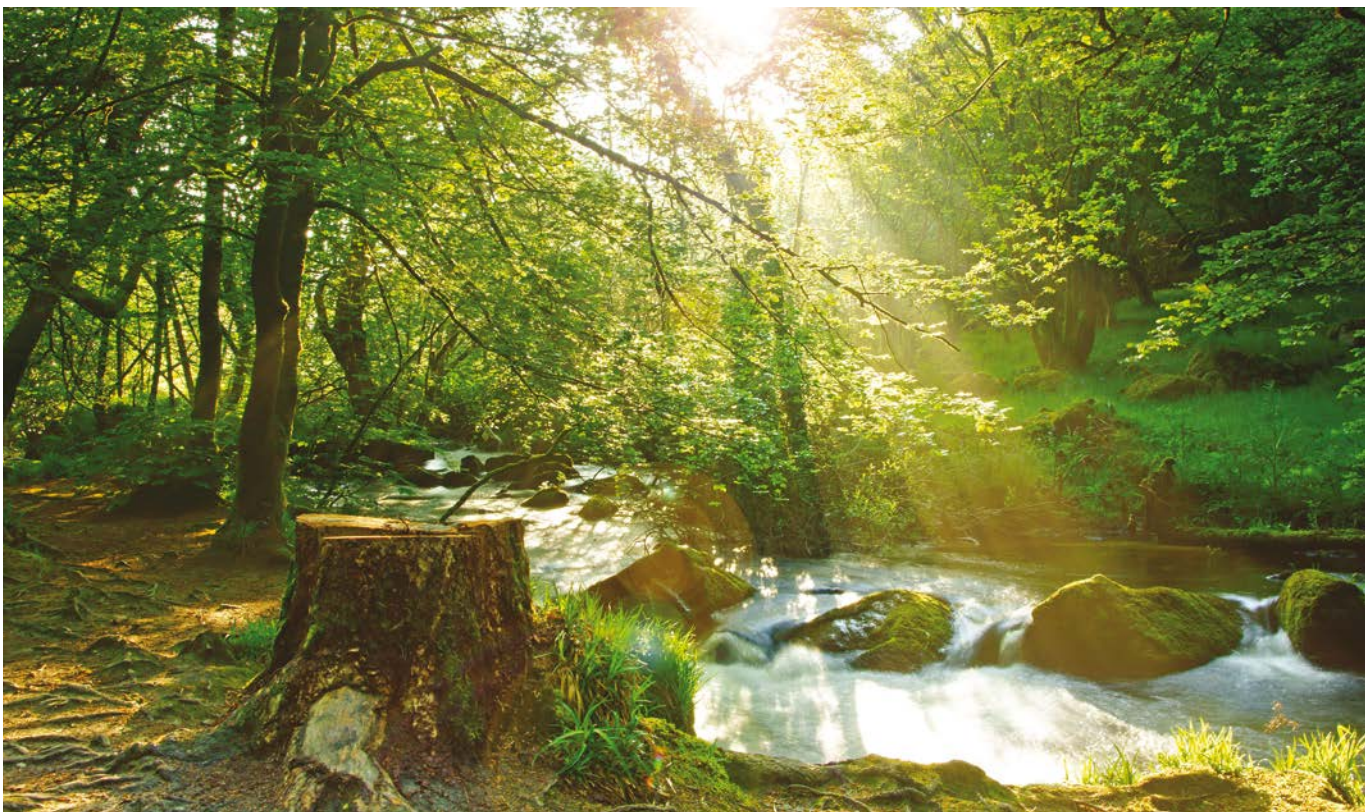
Safeguarding of biodiversity

With particular reference to safeguarding the biodiversity of the production sites:

- **Adria:** the plant is situated in the municipality of Adria in the Po Delta Park in the region of Veneto instituted through Regional law no. 36 of 8 September 1997. There is also a landscape protection area covering a strip of 150 mt along the Canal bianco in accordance with art 142 letters c-d of Legislative decree no. 42/2004.
- **Bussi:** the plant is situated within the southern border of the Gran Sasso National Park. About 10 km downstream of the plant is the “Alanno Dam” Regional Nature Reserve, which is situated on the Site of Community Importance called La Maiella (SIC IT7140203) and it is also a Special Protection Area (SPA IT7140129). The area lies between the river Pescara and the Alanno Dam, a reservoir almost completely underground and occupied by the reed-bed of Cannuccia di Palude, partially destroyed by fire in 2011.

The risk for the company concerns its wastewater, the receptor of which is the river Pescara. In relation to this, as the finished product is classified as hazardous for the environment, the company has implemented a management system that reduces the risk of spillage to a minimum through the installation of containment basins for the storage tanks and a double final containment basin into which flows all the water coming from the plant.

- **Novara:** the Terdoppio Canal, the receptor of the wastewater, flows into the River Ticino in the district of Cassolnovo, a municipality situated inside “Ticino Park”. A radical change to the route followed by this wastewater is currently under way, the new destination being the municipal sewer.



Annexes

Table of scopes of the material sustainability issues and reconciliation with their GRI topics

AREA	Material issues	Boundary	Main Stakeholder concerned	Isagro's role	Reconciliation with GRI topic
GOVERNANCE AND COMPLIANCE	Ethics, business integrity, anticorruption and compliance	All companies within the scope	All	Direct	Anti-corruption
					Anti-competitive behaviour
					Environmental compliance
GOVERNANCE AND COMPLIANCE	Corporate Governance	All companies within the scope	All	Direct	Socioeconomic compliance
					Diversity and Equal Opportunity
ECONOMIC RESPONSIBILITY	Economic and financial performance and creation of value	All companies within the scope	Shareholders and financial backers	Direct	Economic performance
SOCIAL RESPONSIBILITY - EMPLOYEES	Staff management and development	All companies within the scope	Employees	Diretto	Training and education
					Diversity and Equal Opportunity
					Non discrimination
SOCIAL RESPONSIBILITY - PRODUCT	Occupational Health and Safety	All companies within the scope	Employees	Direct	Occupational Health and Safety
SOCIAL RESPONSIBILITY - PRODUCT	Product quality and safety	All companies within the scope	Customers, Suppliers, Distributors, and agriculture companies	Direct; Contribution	Customer health and safety
					Customer privacy
SOCIAL RESPONSIBILITY - PRODUCT	Research and development	All companies within the scope with at least one production plant	Universities, Research centers and Customers	Direct; Contribution	N.A.
SOCIAL RESPONSIBILITY - SUPPLIERS	Impact on agricultural development	All companies within the scope	Customers, Farmers and agriculture companies	Direct; Contribution	N.A.
SOCIAL RESPONSIBILITY - SUPPLIERS	Sustainable supply chain management	All companies within the scope, Suppliers and business partners	Suppliers and business partners	Direct; Contribution	Supplier social assessment
					Procurement Practices
					Supplier environmental assessment
ENVIRONMENTAL RESPONSIBILITY	Other environmental impacts	All companies within the scope with at least one production plant	Public authorities and local communities	Direct; Indirect	Energy
					Biodiversity
					Water
ENVIRONMENTAL RESPONSIBILITY	Atmospheric emissions and climate change mitigation	All production companies within the scope with at least one production plant	Public authorities and local communities	Direct; Indirect	Emissions
ENVIRONMENTAL RESPONSIBILITY	Waste management	All production companies within the scope with at least one production plant	Public authorities and local communities	Direct; Indirect	Effluent and Waste
SOCIAL RESPONSIBILITY - COMMUNITIES	Human rights	All companies within the scope, Suppliers and business partners, Local communities	All	Direct; Contribution	Child labor
					Forced or compulsory labor

ECONOMIC VALUE DISTRIBUTION TABLE

Created value table	
Determination of value generated	2016
	thousands of euros
Direct economic value generated	143.495.467
Distribution of value generated	2016
	thousands of euros
Value distributed to suppliers	107.539.900
Staff remuneration	29.307.322
Financial backer remuneration	28.286
Shareholder remuneration	0
Public authority remuneration	3.887.114
Value withheld by the company	2.732.845

Chapter: Our people

Information on employees²¹

Total number of employees by type of contract and sex						
Isagro Group						
Type of employment contract	at 31 December 2016			at 31 December 2015		
	Men	Women	Total	Men	Women	Total
Open-ended	476	117	593	476	111	587
Fixed-term	19	6	25	15	4	19
Total	495	123	618	491	115	606

Total number of employees by type of contract and sex						
Italy						
Type of employment contract	at 31 December 2016			at 31 December 2015		
	Men	Women	Total	Men	Women	Total
Open-ended	195	92	287	192	88	280
Fixed-term	19	5	24	15	4	19
Total	214	97	311	207	92	299

Total number of employees by type of contract and sex						
India						
Type of employment contract	at 31 December 2016			at 31 December 2015		
	Men	Women	Total	Men	Women	Total
Open-ended	247	6	253	252	5	257
Fixed-term	-	-	-	-	-	-
Total	247	6	253	252	5	257

²¹ The data breakdown by sex is, in part, the result of estimates made in accordance with the best methods available.

Total number of employees by type of contract and sex						
Rest of the world						
Type of employment contract	at 31 December 2016			at 31 December 2015		
	Men	Women	Total	Men	Women	Total
Open-ended	34	19	53	32	18	50
Fixed-term	-	1	1	-	-	-
Total	34	20	54	32	18	50

Total number of employees by employment type (full-time and part-time)						
Isagro Group						
Full Time / Part Time	at 31 December 2016			at 31 December 2015		
	Men	Women	Total	Men	Women	Total
Full-time	492	106	598	488	101	598
Part-time	3	17	20	3	14	17
Total	495	123	618	491	115	606

New employee hires and employee turnover

Total number and rate of new employee hires and employee turnover						
Isagro Group						
Hires						
Number of people	from 1 January to 31 December 2016					Rate
	<30 years	30-50 years	>50 years	Total		
Men	31	55	7	93		19%
Women	5	5	1	11		9%
Total	36	60	8	104		17%
Terminations						
Number of people	from 1 January to 31 December 2016					Rate
	<30 years	30-50 years	>50 years	Total		
Men	9	17	8	34		7%
Women	1	2	2	5		4%
Total	10	19	10	39		6%

Total number and rate of new employee hires and employee turnover						
Isagro Group						
Hires						
Number of people	from 1 January to 31 December 2015					Rate
	<30 years	30-50 years	>50 years	Total		
Men	28	43	6	77		16%
Women	5	1	3	9		8%
Total	33	44	9	86		14%
Terminations						
Number of people	from 1 January to 31 December 2015					Rate
	<30 years	30-50 years	>50 years	Total		
Men	3	11	11	25		5%
Women	1	-	3	4		3%
Total	4	11	14	29		5%

Total number and rate of new employee hires and employee turnover					
Italy					
Hires					
Number of people	from 1 January to 31 December 2016				
	<30 years	30-50 years	>50 years	Total	Rate
Men	2	21	5	28	13%
Women	3	5	1	9	9%
Total	5	26	6	37	12%
Terminations					
Number of people	from 1 January to 31 December 2016				
	<30 years	30-50 years	>50 years	Total	Rate
Men	3	11	8	22	10%
Women	-	2	2	4	4%
Total	3	13	10	26	8%

Total number and rate of new hires and employee turnover					
Italy					
Hires					
Number of people	from 1 January to 31 December 2015				
	<30 years	30-50 years	>50 years	Total	Rate
Men	8	22	6	36	17%
Women	2	1	3	6	7%
Total	10	23	9	42	14%
Terminations					
Number of people	from 1 January to 31 December 2015				
	<30 years	30-50 years	>50 years	Total	Rate
Men	2	10	9	21	10%
Women	1	-	3	4	4%
Total	3	10	12	25	8%

Total number and rate of new hires and employee turnover					
India					
Hires					
Number of people	from 1 January to 31 December 2016				
	<30 anni	30-50 anni	>50 anni	Totale	Tasso
Men	21	24	-	45	18%
Women	1	-	-	1	17%
Total	22	24	-	46	18%
Terminations					
Number of people	from 1 January to 31 December 2016				
	<30 anni	30-50 anni	>50 anni	Totale	Tasso
Men	-	-	-	-	-
Women	-	-	-	-	-
Total	-	-	-	-	-

Total number and rate of new hires and employee turnover					
India					
Hires					
Number of people	from 1 January to 31 December 2015				
	<30 years	30-50 years	>50 years	Total	Rate
Men	16	18	-	34	13%
Women	-	-	-	-	0%
Total	16	18	-	34	13%
Terminations					
Number of people	from 1 January to 31 December 2015				
	<30 anni	30-50 anni	>50 anni	Totale	Tasso
Men	-	-	-	-	-
Women	-	-	-	-	-
Total	-	-	-	-	-

Total number and rate of new employee hires and employee turnover					
Rest of the world					
Hires					
Number of people	from 1 January to 31 December 2016				
	<30 years	30-50 years	>50 years	Total	Rate
Men	8	10	2	20	59%
Women	1	-	-	1	5%
Total	9	10	2	21	39%
Terminations					
Number of people	from 1 January to 31 December 2016				
	<30 anni	30-50 anni	>50 anni	Totale	Tasso
Men	6	6	-	12	35%
Women	1	-	-	1	5%
Total	7	6	-	13	24%

Total number and rate of new employee hires and employee turnover					
Rest of the world					
Hires					
Number of people	from 1 January to 31 December 2015				
	<30 years	30-50 years	>50 years	Total	Rate
Men	4	3	-	7	22%
Women	3	-	-	3	17%
Total	7	3	-	10	20%
Terminations					
Number of people	from 1 January to 31 December 2015				
	<30 years	30-50 years	>50 years	Total	Rate
Men	1	1	2	4	13%
Women	-	-	-	-	0%
Total	1	1	2	4	8%

Chapter: The environment, a resource to be protected

Energy consumption within the organization

Energy consumption		
Type	2016	2015
	Total in GJ	Total in GJ
Natural gas	125.481	151.067
LPG	14.921	14.596
Diesel	2.579	3.482
Purchased electricity	64.422	69.779
Energy for district cooling	531	609
Total	207.934	239.533

Chapter: The local community

Total expenditure by product category

Product category	2016	2015
	Value of total annual expenditure [€/000]	Value of total annual expenditure [€/000]
Active ingredients	39.716	44.792
Coformulants/basic chemistry	11.671	17.189
Packaging	6.856	8.139
Technical services	9.443	10.919
Other	762	1.623
Total	68.448	82.662

Proportion of expenditure on local suppliers²²

Proportion of expenditure on local suppliers				
Italy				
Type of purchase	2016		2015	
	Value of total annual expenditure [€/000]	% of total	Value of total annual expenditure [€/000]	% of total
Purchases from local suppliers	24.473	45%	29.367	45%
Purchases from non-local suppliers	29.911	55%	35.892	55%
Total	54.384		65.259	

Proportion of expenditure on local suppliers				
India				
Type of employment contract	2016		2015	
	Value of total annual expenditure [€/000]	% of total	Value of total annual expenditure [€/000]	% of total
Purchases from local suppliers	13.969	99%	17.272	99%
Purchases from non-local suppliers	95	1%	130	1%
Total	14.064		17.402	

²² The geographical allocation of the purchases made in India is, in part, the result of estimates made using the best methods available

Materials used by weight

Materials used by weight or volume				
Isagro group				
Type of material	2016		2015	
	Unit of measurement	Weight	Unit of measurement	Weight
Active ingredients	t	24.156	t	25.275
Coformulants/basic chemistry	t	11.766	t	13.173
Totale	t	35.922	t	38.450

Table of the national or international associations/organizations to which Isagro S.p.A. belongs

AIMAN - ASSOCIAZIONE ITALIANA MANUTENZIONE	CONSIGLIO NAZIONALE DEI CHIMICI
AIRI ASSOC.ITAL.RICERCA INDUSTRIALE	CONSORZIO IBIS
AIRPLUS INTERNATIONAL SRL	European Biostimulants Industry Council (EBIC)
AITI-ASSOCIAZIONE ITALIANA TESORIERI	FEDERCHIMICA
AMERICAN CHAMBER OF COMMERCE IN ITALY	FONDAZIONE REPUBBLICA
ANRA-ASSOCIAZIONE NAZIONALE DEI RISK MANAGER	G.R.I.F.A. GRUPPO DI RICERCA IT. FITOF. E AMB.
ASPEN INSTITUTE ITALIA	CENTRO STUDI GRANDE MILANO
ASSOCIAZIONE INDUSTRIALI DI NOVARA	HEALTH AND SAFETY EXECUTIVE
ASSOCIAZIONE ITALIANA DELLE AZIENDE FAMILIARI	IBMA aisbl
ASSOCIAZIONE ITALIANA INTERNAL AUDITORS	PREVIASS II
ASSOCIAZIONE ITALIANA POLITICHE INDUSTRIALI	RESEARCH QUALITY ASSOCIATION LTD
ASSOLOMBARDA	SOCIETA' DEL GIARDINO
ASSONIME	THE RULING COMPANIES ASSOCIATION
Autorita' Garante della Concorrenza	UNINDUSTRIA BOLOGNA
CINEAS	UNINDUSTRIA LATINA
CONFAGRICOLTURA BOLOGNA	UNIONE CONFCOMMERCIO - AICE
CONFINDUSTRIA VENEZIA	UNIONE DEGLI INDUSTRIALI PROVINCIA PESCARA
CONSIGLIO DELL'ORDINE DEI CONSULENTI	

The Non-Financial Report

The Isagro 2016 Non-Financial Report is written in compliance with the Sustainability Reporting Standards established in 2016 by the Global Reporting Initiative (GRI), on the basis of the “Core” option, which requires the reporting of at least one indicator for each of the issues that emerged as material from the Materiality analysis.

Universal Standards

GRI Standard	Page no.	Information
GRI 102: General Disclosures 2016		
Organizational profile		
102-1		Name of the organization.
102-2		Main brands, products and/or services.
102-3		Location of headquarters.
102-4		Number of countries in which the organization operates and countries in which the organization has activities or in which the activity carried out is specifically important with respect to the sustainability issues discussed in the Sustainability Report.
102-5		Ownership and legal form.
102-6		Markets served (including the geographical coverage, fields of activity and type of customers and recipients).
102-7		Scale of the organization.
102-8		Number of employees by contract and sex.
102-9		Description of the organization's supply chain
102-10		Significant changes to the organization and its supply chain in the reporting period.
102-11		Precautionary principle or approach.
102-12		Adoption of codes of conduct, principles and charters developed by external organizations/associations for economic, social and environmental performance.
102-13		Membership of national or international sustainability promoting associations or organizations.
Strategy		
102-14		Statement from senior decision-maker.
Ethics and integrity		
102-16		Values, principles, standards and norms of behaviour.
Governance		
102-18		Governance structure.

Stakeholder Engagement		
102-40		List of stakeholder groups.
102-41	Information not available in structured form for all the companies in the Group	Percentage of employees covered by collective bargaining agreement.
102-42		Identifying and selecting stakeholders.
102-43		Approach to stakeholder engagement, including the frequency of involvement by type and group of stakeholders and indication of the involvement activity and interaction in the reporting process.
102-44		Key topics and concerns raised through the involvement of stakeholders and how the organization responded, including the report drawn up. List of stakeholder groups that raised the topics analysed.
Reporting practice		
102-45		Entities included in the organization's consolidated financial statements or equivalent documents.
102-46		Defining report content and boundaries.
102-47		List of material topics identified in the analysis for establishing the reporting scope.
102-48	This is the first Non-Financial Report of the Isagro Group	Restatements of information and reasons for the changes.
102-49	This is the first Non-Financial Report of the Isagro Group	Changes in reporting and limitations with respect to the previous reporting period.
102-50		Reporting period
102-51	This is the first Non-Financial Report of the Isagro Group	Date of most recent report.
102-52		Reporting cycle (annual, biennial).
102-53		Contact point for questions regarding the Non-Financial Report.
102-54		Claims of reporting in accordance with the GRI Standards.
102-55		GRI Content Index
102-56	This Non-Financial Report has not been subjected to external assurance	External assurance

Topic-specific Standards

GRI Standard	Page no.	Omission	Information
ECONOMIC			
Material topic: ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 201: Economic performance 2016			
201-1			Direct economic value generated and distributed.
Material topic: PROCUREMENT PRACTICES			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 204: Procurement practices 2016			
204-1			Proportion of spending on local suppliers for the largest operating sites.
Material topic: ANTI-CORRUPTION			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 205: Anti-corruption 2016			
205-2	In 2016, 12 hours of training were given on anti-corruption topics at Isagro Shanghai		Communication and training about anti-corruption policies and procedures
205-3			
Material topic: ANTI-COMPETITIVE BEHAVIOUR			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 206: Anti-competitive behaviour 2016			
206-1	No legal actions for anti-competitive behaviour were filed in 2016		Legal actions for anti-competitive behaviour and antitrust and their outcomes

GRI Standard	N. pagina	Omissione	Informazione
ENVIRONMENTAL			
Topic: MATERIALS			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 301: Materials 2016			
301-1			Materials used by weight or volume.
Material topic: ENERGY			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 302: Energy 2016			
302-1	46		Energy consumption within the organization
Material topic: WATER			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 303: Water 2016			
303-1		Information only available for the 2016 reporting year	Water withdrawal by source
303-3			Water recycled and reused
Material topic: BIODIVERSITY			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 304: Biodiversity 2016			
304-1			Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas
Material topic: EMISSIONS			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 305: Emissions 2016			
305-1			Direct (scope 1) greenhouse gas emissions
305-2			Energy indirect (scope 2) GHG emissions

GRI Standard	Page no.	Omission	Information
Material topic: EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 306: Effluents and waste 2016			
306-1		Information only available for the 2016 reporting year	Water discharge by quality and destination
306-2			Total weight of waste by type and method of disposal.
306-3	No significant spills occurred during the reporting period. Only one non-significant spill of 30 kg of chlorothalonil occurred in the warehouses of the Aprilia plant		Significant spills
Material topic: ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 307: Environmental compliance 2016			
307-1	No fines or sanctions were received in 2016 for non-compliance with environmental laws and regulations		Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
Material topic: SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 308: Supplier environmental assessment			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
308-1	The environmental criteria are not currently included in the supplier assessment		New suppliers that were screened using environmental criteria.
SOCIAL			
Material topic: EMPLOYMENT			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 401: Employment 2016			
401-1			Total number and rate of new hires and employee turnover by age group, sex and geographical area
Topic: LABOUR / MANAGEMENT RELATIONS			
GRI 103: Management Approach 2016			
103-1			Spiegazione degli aspetti materiali e relativi confini
103-2			Informazioni generali sull'approccio del management e relative caratteristiche
103-3			Valutazione sull'approccio del management

GRI Standard	Page no.	Omission	Information
GRI 402: Labour / Management relations 2016			
402-1	The minimum number of weeks' notice for significant organizational changes is in line with the requirements set out in the local regulations or collective bargaining agreement.	The data reporting scope is limited to Isagro S.p.A. and Isagro España S.L.	Minimum notice periods regarding operational changes, including their inclusion in the collective bargaining agreements.
Material topic: OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 403: Occupational health and safety 2016			
403-2		Information not available in structured form for all the subdivisions requested. We will develop further our internal data collection system in the 2017 reporting year	Types and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by category of employee
Material topic: TRAINING AND EDUCATION			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 404: Training and education 2016			
404-1		Information not available in structured form for all the subdivisions requested.	Ore medie di formazione annue per dipendente, suddivise per genere e categoria.
404-3		We will develop further our internal data collection system in the 2017 reporting year	Average hours of training per year per employee, by sex and category.
Material topic: DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 405: Diversity and equal opportunity 2016			
405-1			Diversity of governance bodies and employees, by sex, age, protected group and other diversity indicators
Material topic: NON-DISCRIMINATION			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 406: Non-discrimination 2016			
406-1	No incidents of discrimination were recorded in 2016		Incidents of discrimination and corrective actions taken

GRI Standard	Page no.	Omission	Information
Material topic: CHILD LABOUR			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 408: Child labour 2016			
408-1	The current risk management system does not include a specific analysis of the risk of child labour		Operations and suppliers at significant risk for incidents of child labour and the actions taken
Material topic: FORCED OR COMPULSORY LABOUR			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 409: Forced or compulsory labour 2016			
409-1	The current risk management system does not include a specific analysis of the risk of forced labour		Operations and suppliers at significant risk of incidents of forced labour and the actions taken
Material topic: SUPPLIER SOCIAL ASSESSMENT			
GRI 414: Supplier social assessment 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
414-1	The social criteria are not currently included in the supplier assessment		New suppliers that were screened using social criteria
Material topic: CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 416: Customer health and safety 2016			
416-2	No cases of non-compliance with product health and safety laws and regulations were recorded in 2016.		Incidents of non-compliance concerning the health and safety impacts of products and services

GRI Standard	Page no.	Omission	Information
Material topic: CUSTOMER PRIVACY			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2	The Group has implemented a system of alerts with a view to taking prompt action if any customer safety or privacy problems arise. Isagro is also setting up an advanced monitoring system with alerts in case of data violation, which will be completed by the end of 2017.		The management approach and its components
103-3			Evaluation of the management approach
GRI 418: Customer privacy 2016			
418-1	No customer data losses or privacy violations occurred in 2016		Substantiated complaints concerning breaches of privacy or loss of customer data
Material topic: SOCIOECONOMIC COMPLIANCE			
GRI 103: Management Approach 2016			
103-1			Explanation of the material topic and its boundaries
103-2			The management approach and its components
103-3			Evaluation of the management approach
GRI 419: Socioeconomic compliance 2016			
419-1	In November 2016, the company received two fines, with a value of between 50 and 200 thousand euros each for some batches of copper-based products sold for organic crops. Isagro requested and obtained a counteranalysis (conducted at the end of April 2017).		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations in the social and economic area.

