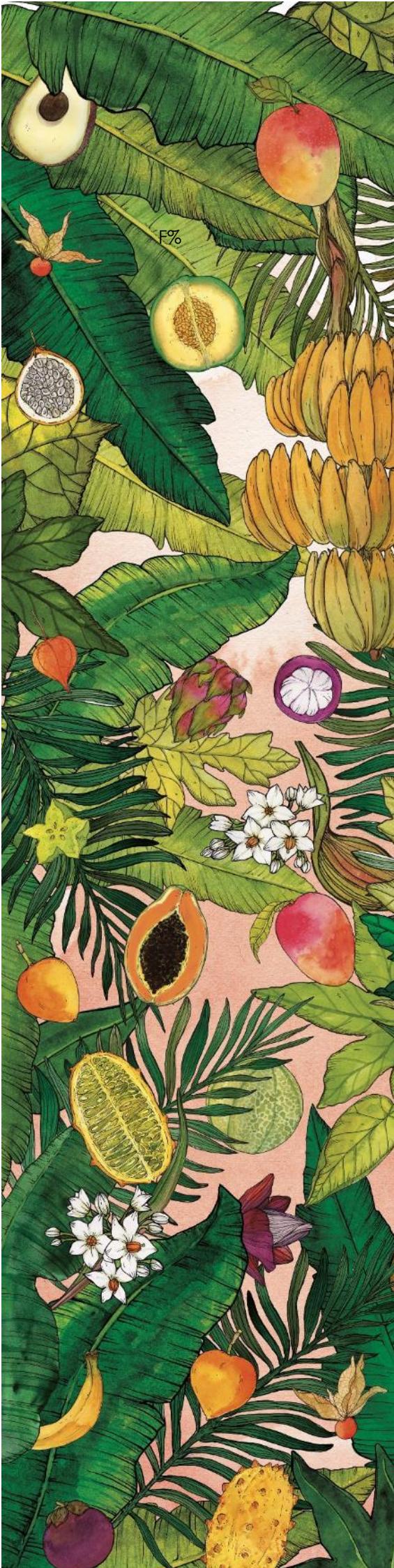




GRUPPO
ORSERO

SUSTAINABILITY REPORT 2019



Content

LETTER TO THE STAKEHOLDERS	1
METHODOLOGICAL NOTE	4
ORSERO GROUP	8
GROUP PROFILE	8
PASSION AND DETERMINATION: VALUES OF ORSERO	12
CODE OF ETHICS: THE PRINCIPLES OF ORSERO'S DAILY ACTIONS	13
ORSERO STORY: FROM LOCAL FAMILY TO GLOBAL FAMILY	15
GROUP GOVERNANCE.....	19
ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL	22
RISK MANAGEMENT	24
OUR SUSTAINABILITY VISION	29
GROUP STAKEHOLDERS	30
MATERIALITY ANALYSIS.....	33
PRODUCT RESPONSIBILITY	35
THE ITALIAN FRUIT FAMILY	35
OUR SUPPLY CHAIN	48
QUALITY CONTROL AS A STRENGTHPOINT.....	57
RESPONSIBLE COMMUNICATION.....	69
SOCIAL RESPONSIBILITY.....	73
OUR EMPLOYEES	73
ORSERO SOCIAL COMMITMENT.....	84
ENVIRONMENTAL RESPONSIBILITY	86
EMISSIONS IN THE ATMOSPHERE	88
WASTE MANAGEMENT.....	90
THE USE OF WATER RESOURCES.....	91
LOGISTICS	92
RESPONSIBLE PACKAGING	92
ECONOMIC RESPONSIBILITY	96
ADDED VALUE DISTRIBUTION	97
INVESTOR RELATIONS	99
MATERIAL TOPICS BOUNDARY	100
GRI CONTENT INDEX.....	102
INDEPENDENT AUDITOR'S REPORT.....	110

Letter to the stakeholders

Dear stakeholders,

What happened in 2019 is part of the strategic framework that has already been set in place for a few years now, which has at its basis the desire to shift the Group's position, with the aim of making it grow.

Since 23 December 2019, Orsero's shares have been listed on the STAR segment of the Italian Stock Exchange, at the end of a process that saw the Group first entering the AIM market, thanks to the merger with Glenalta in February 2017, and finally reach the main market, with a qualitative leap from both the stock's visibility standpoint and also from the necessary implementation of the internal governance structure perspective, of which a full account is given in the "Governance Report".

With regard to the acquisitions made during the year, in line with the Group's mission to focus its strategy on its core business, in January 2019 the Spanish subsidiary Hermanos Fernández López S.A. acquired the entire capital of Sevimpor Distribuidora De Frutas De Importacion S.L., a company dedicated to the wholesale distribution of fresh fruit and vegetables and specialized in the billing of bananas from the Canary Islands. In March 2019 an agreement was reached for the acquisition of the Fruttica Group.

The Fruttica Group specializes in the import and wholesale distribution of fruit and vegetables, with a particular focus on the distribution of Italian-produced grapes in France (approx. 50% of the volume), melons, pears and vegetables and is based in Cavaillon, Provence, where the Orsero Group is already established with its own logistics platform. The Fruttica Group distributes over 20,000 tons of fruit and vegetables per year to customers mainly belonging to the large-scale retail trade, with an annual turnover of 24 million euro and Adjusted Ebitda of over 2.5 million euro.

In June 2019, an agreement was reached for the acquisition, completed in early July and effective on the 1st of July 2019, of the remaining 75% of the capital of the company Fruttital Cagliari, which specialises in the wholesale distribution of fruit and vegetables in Sardinia and in which the Orsero Group had already previously held the remaining 25% of the share capital.

At the end of the year the deeds of purchase of the Solgne warehouse (20 December 2019) and the warehouses in Milan, Verona, Rome and Molfetta (14 January 2020) owned by the related party company Nuova Beni Immobiliari S.r.l. were completed.

The consolidated financial statements show a profit of Euro 2,264 thousand, of which Euro 2,022 thousand attributable to the Group after depreciation and amortisation of Euro 25,753 thousand, net non-recurring charges of Euro 4,575 thousand, net income/expense for Euro 959 thousand and the pro-quota share of the companies consolidated under shareholders' equity for 751 thousand Euro.

During 2019, the Group focused on the growth of the Distribution sector, both in terms of internal channels, in particular the development of the fresh-cut fruit business in Italy with the setting up of three processing rooms located in the Verona and Molfetta warehouses and, in respect to the rented structure in Cagliari, and the external ones, such as the acquisitions carried out in Spain, France and Italy as mentioned above. The year in question was particularly significant in terms of the implementation of the Group's strategy: in fact, we finalised significant acquisitions in the distribution sector, continued our commitment to strengthening fresh-cut, and made substantial operational investments on the distribution platforms managed by the Group.

As already mentioned, the performance in 2019, with the exclusion of French operations, remained at the levels of the previous year, despite the usual variations from one year to the next between the Group's various companies.

Given the nature of the Orsero Group's own activities, there are no basic or applied research activities that can be traced, however, the Group is carrying forwards with the development, testing and engineering of a new integrated information and management system that is currently not available on the market, implemented ad hoc to meet the particular needs of the distribution sector and innovative economic/financial planning tools necessary to meet some of the requirements for access to the MTA market.

In recent years, the Orsero Group has implemented a strategy of focusing on its core-business; this strategy and the activities and operations carried out alongside have laid the foundations for the Group's potential growth and expansion in a field characterized by the concentration in the main markets of reference. The strong competitive positioning and a solid financial structure appropriate to the business made possible the acquisitions made in the last financial year, while remaining very careful in ensuring that the sellers requirements of target companies are appropriate and adequate to the risk profile of such activities.

The Group's strategy is clear and aimed at a persistent focus on distribution in the markets of reference with the aim of strengthening its competitive stance with great attention to its margins. In the immediate period ahead of us, while remaining attentive to taking advantage of possible growth opportunities as a result of new acquisitions, we plan to continue to focus on achieving operational synergies, an ever-improving efficiency of the structure and a growing focus on Corporate Social Responsibility in order to further increase the company's the solidity and value. The Group's commitment is reflected in the first "Sustainability Report" with which it plans to share its activities with all stakeholders in

a transparent and measurable manner in order to meet, through a gradual process, the expectations of its employees, customers and suppliers as well as the community within which it operates.

Methodological note

The Sustainability Report of the Orsero Group (consisting of Orsero S.p.A. and its subsidiaries hereinafter also referred to as "Orsero" or "The Group") represents the Non-Financial Statement prepared in accordance with Legislative Decree 254/2016 and published separately from the Management Report. The document, in compliance with Art. 3 and Art. 4 of Legislative Decree 254/2016, is intended to report, to the necessary extent to ensure an understanding of the company's business, its performance, its results and the impact, with regard to environmental, social, personnel-related issues, the fight against active and passive corruption and safeguard of human rights.

The definition of the relevant aspects for the Group was carried out according to a materiality analysis process that included a comparison of material topics with the best practices in the sector, also taking into account stakeholders' expectations, as described in the section "Materiality analysis".

The reporting period runs from 1 January 2019 to 31 December 2019, the data relating to the previous year are reported, where available, only for comparative purposes so as to facilitate the assessment of the Group's business performance.

The scope of data and economic and financial information corresponds to that of the Orsero Group's Annual Financial Report at 31 December 2019.

The scope of data and corporate information includes all the companies consolidated by the holding company Orsero S.p.A.¹

The scope of environmental data and information includes only those companies consolidated in a standard practice by the holding company that manages production sites, while companies with only commercial offices are excluded, as they are not regarded as relevant to ensure an understanding of the Group's business activities and of its relative impact.

Any additional limitations on the scope of consolidation are specified in the individual chapters, but do not limit the understanding of the Group's business activities and the impact by them produced.

¹ For a list of the companies consolidated on a line-by-line basis, please see the 2019 Orsero Group Consolidated Financial Statements, paragraph "List of all the companies – List of all the companies fully consolidated".

In reference to the significant changes in equity investments held

During 2019, it should be noted that:

- In January 2019 the acquisition of Sevimpot took place by Hermanos Fernandez Lopez;
- in March 2019 there was the acquisition of Fruttica Group (Po-stifruits sas, Fruttica sas and GP Frutta srl) by AZ France SA. It should be noted that the Fruttica Group's social data refer to the entire year of reporting;
- in July 2019 the acquisition of Fruttital Cagliari Srl by Fruttital Srl. took place. It should be noted that the social and environmental data of Fruttital Cagliari Srl refers to the entire year of the reporting period;
- in December 2019 the sale of Vado Container Services Srl took place. The social and environmental data are not included in this Sustainability Report due to the absence of significant social and environmental impacts and risks related to the activity that were carried out.

In order to correctly represent the Group's performance, the use of estimates has been limited as much as possible; whereas when estimates have been used, they are instead based on the best available methodologies and appropriately reported.

The current DNF(non-financial reporting)was outlined in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by the Global Reporting Initiative (GRI), according to the "in accordance - Core" option. With regard to the specific GRI 403 (Workplace Health and Safety) Standards, the most updated version of 2018 was applied.

The Orsero Group, which boasts a significant presence at European and international level, has undertaken a development path within the scope of the issues considered relevant and provided for by Art. 3 of Legislative Decree 254/16.

FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

The topic centered on the fight against corruption is monitored within the framework of the 231 Model and through the Code of Ethics. Considering the importance of this theme with respect to business and the different aspects of relations with Stakeholders, Orsero S.p.A. undertakes to draw up on a specific anti-corruption policy to be extended to its foreign subsidiaries, in order to provide common guidelines.

SOCIAL ASPECTS, RELATIVE TO HUMAN RESOURCE AND AT THE SAFEGUARD OF HUMAN RIGHTS RISPETTO DEI DIRITTI UMANI

The Group oversees social topics relating to personnel and safeguard of human rights mainly through the Code of Ethics.

Orsero constantly dialogues with its Clients through in-depth meetings on the main issues in the sector, guaranteeing a widespread distribution throughout the territory and satisfying clients' requests and preferences, guaranteeing the highest standards of quality and safety. Quality controls play a main role in this field as they are included among the product analyses specific checks against customer standards.

With specific reference to marketing aspects, it should be noted that Orsero operates in compliance with the legislation in force in the main markets where it operates, thereby providing on all packages a proper and transparent product information that includes, the place of origin, the category and variety of the product, the place of packaging, the weight and storage method.

The majority of the Group's suppliers certify the quality of their products and agricultural practices through Global GAP and Rainforest Alliance certifications, internationally recognized certifications, which attest by their adherence to the principles of sustainability and responsibility.

Orsero assesses the adoption of a code of business conduct and to expand the supplier evaluation process to include environmental, social and human rights aspects.

ENVIRONMENT

Orsero Group is committed to a path of continuous improvement on all aspects of sustainability in order to adhere more virtuously to the best practices in the field. In terms of environmental safeguard and protection, Orsero monitors its environmental impacts so that a strategy can be implemented to minimize the use of resources. With this in mind, the Group is committed to developing an ad hoc policy aimed at managing its environmental impacts and at reducing them just as well.

With a view to pursue an increasing integration of sustainability issues in its business activities, Orsero is committed to integrate its risk mapping with an analysis of the main ESG (Environmental, Social, Governance) factors, including climate change, and to finalize a reporting procedure related to the non-financial consolidated Reporting, adopted by the Holding Company and its subsidiaries. In addition, the Holding Company is evaluating the preparation of a sustainability plan with medium/long-term objectives.

The development and implementation of the above mentioned projects may reasonably require a timeframe of around 18-24 months, by March 2022.

This document is drawn up on an annual basis and was submitted for approval by the Board of Directors of Orsero S.p.A. on the 11 March 2020.

The Sustainability Report is subject to a limited review ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A..

Orsero Group

Group Profile

Orsero Group is a synonym for Italian excellence in the world, a reality that finds its origins in the 40s in the fertile fields of Savona. The history of Orsero is an Italian family story that has stubbornly and successfully entered the international market of import and distribution of fruit and vegetables. Orsero is a leader in Italy and a major player in Mediterranean Europe for the import and distribution of fruit and vegetables, thanks to the expertise gained in over 70 years of activity. The Group moves and distributes, every year, more than 750² thousand tons of fruit and vegetables, constantly monitoring the quality and freshness of the products. Orsero is a synonym for fruit and vegetable products of taste, genuineness and integrity; an Italian excellence in the world, able to bring products from every corner of the world to Southern Europe, in a very short time, thanks to an articulated and efficient organization at all stages of the supply chain. Every year, about 15 million boxes of fruit and vegetables reach the main markets and wholesalers throughout Southern Europe.

The Group is currently present in Italy, Spain, France, Portugal, Greece, Costa Rica, Colombia and Mexico with about 1,500 employees working in the 25 warehouses, 22 ripening centers and 26 fruit and vegetable market stands where the Group operates.

There are 3 different operating sectors integrated and coordinated by the parent holding company:

- Distribution
- Import & Shipping
- Services

In the Distribution sector operate companies dedicated to the distribution of fresh fruit and vegetables from most countries around the world, at any time of the year, in the territories under their jurisdiction. The Group's distribution companies are based and operate in the markets of Mediterranean Europe (Italy, Spain, France, Porto-Gallo and Greece) and Mexico.

² Internal Statistics (2018)

The widespread presence in the territory, with platforms specialized in the processing and storage of fresh product, makes it possible to serve both traditional/traditional wholesalers/markets and large-scale organized distribution (GDO), with different mixes in the various countries according to the greater or lesser incidence of GDO on these markets. On a global level, the incidence of sales to large-scale distribution in 2019 was around 59% of the aggregate value of sales by European distributors, due to a growth in sales to this segment which affected all companies and which had the most significant progress in Spain, where new distribution channels were activated with some of the major large-scale distribution chains. There are framework agreements with large-scale retail chains, which regulate the main specifications and characteristics of the product being delivered, while product volumes and prices are defined on a weekly basis, following market dynamics. Suppliers, selected in some of the most important production areas in the world, guarantee a complete range of products available 365 days a year.

The import and marketing (Import & Shipping) of bananas and pineapples is one of the main activities of the Group as a whole, considering both the great success that these products have in the European market and the fact, not negligible from the point of view of the stability of the operating cycle, of their availability throughout the year. The Group supplies bananas and pineapples through long-term relationships with the most important suppliers based in Central America, the Canary Islands and, to a lesser extent, Africa. Bananas and pineapples are marketed under the "F.Ili Orsero" and "Simba" brands, in addition to numerous private labels. The maritime transport of bananas and pineapples produced in Central America is carried out mainly by owned ships, the four reefer units "Cala Rosse" that connect Central America with the Mediterranean, ensuring the timely arrival of fresh fruit on European markets every seventh year.

The Services sector includes the activities relating to the Holding Company as well as the provision of those services in the customs, container maintenance and IT sectors carried out by some minor companies.

Growing, aiming at goals that seem unattainable and bringing the world closer to grow together with suppliers and customers.

The mission of Orsero summarizes the values and the strategy that direct the corporate journey and the Group's way of doing business day after day. The keystone of Orsero's great success lies in the professional and personal relationships built and consolidated over time, which make suppliers and customers real strategic partners.

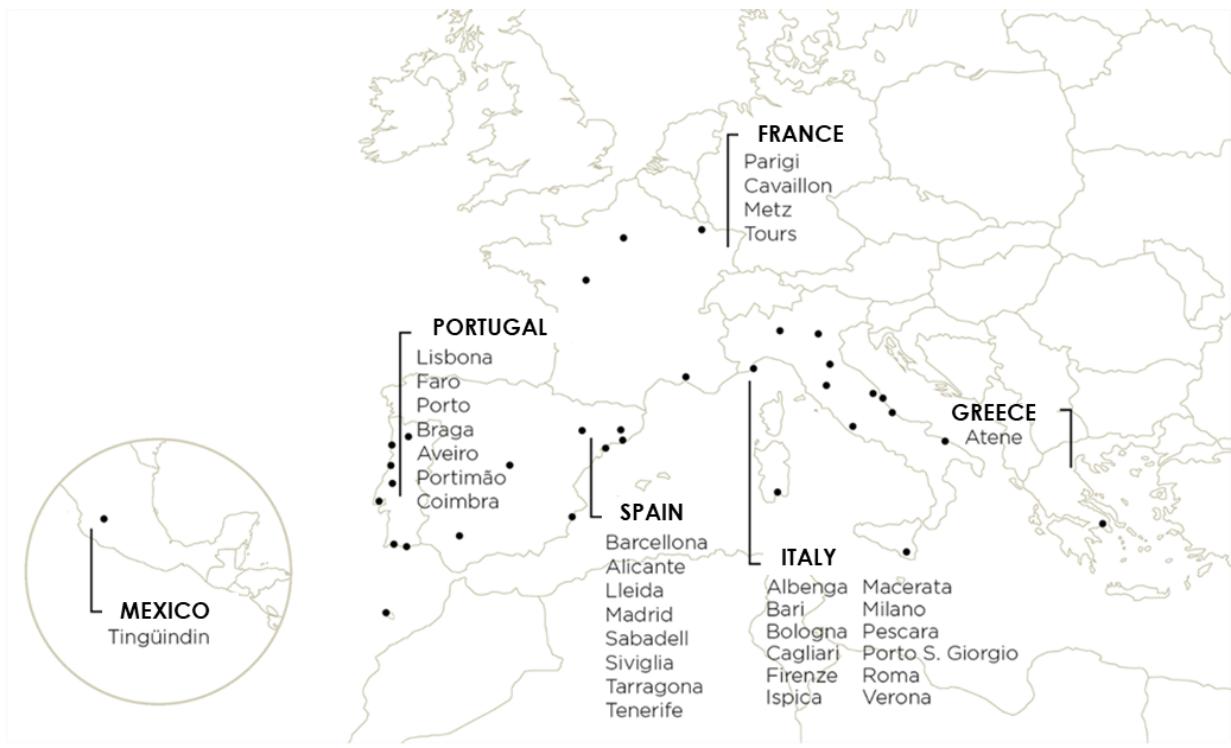
The value of Orsero is the result of a perfect gear that finds fulfillment in commitment, organization, efficiency, tradition and innovation. Orsero uses state-of-the-art vehicles that allow transport by sea and by land without ever breaking the cold chain; fruit and vegetables from every corner of the planet reach the warehouses to complete the maturation cycle and be distributed throughout Southern Europe. Every day, Orsero's fruit and vegetables are shipped from the warehouses managed by the Group to fill the fruit and vegetable stalls of the main Mediterranean supermarkets and wholesalers. With over 100 customers in the large-scale retail trade, more than 10.000 customers among traditional wholesalers and a daily presence in over 20 fruit and vegetable market stands, Orsero is the reference player in all the markets of Mediterranean Europe.

The Orsero Group includes, as of 31 December 2019, Orsero S.p.A. Holding Company and 30 fully consolidated subsidiaries in which the Holding Company retains, directly or indirectly, the majority of voting rights and over which it exercises control.



Synthetic representation of the Group. For more details, please refer to the 2019 Orsero Group Annual Report.

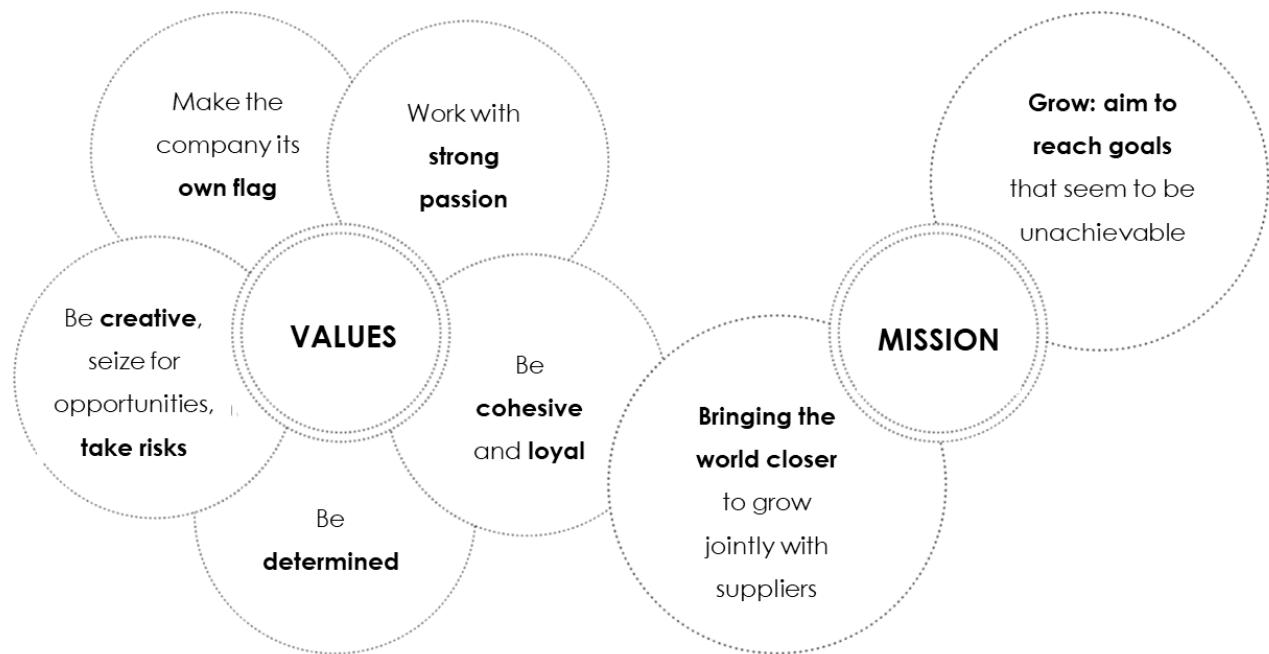
Note: Companies marked with * are consolidated in the Annual Financial Report according to the equity method and therefore they are excluded from the scope of social and environmental information in the following document.



3

³ Map of the Orsero Group's main warehouses, market stands and offices.

Passion and determination: values of Orsero

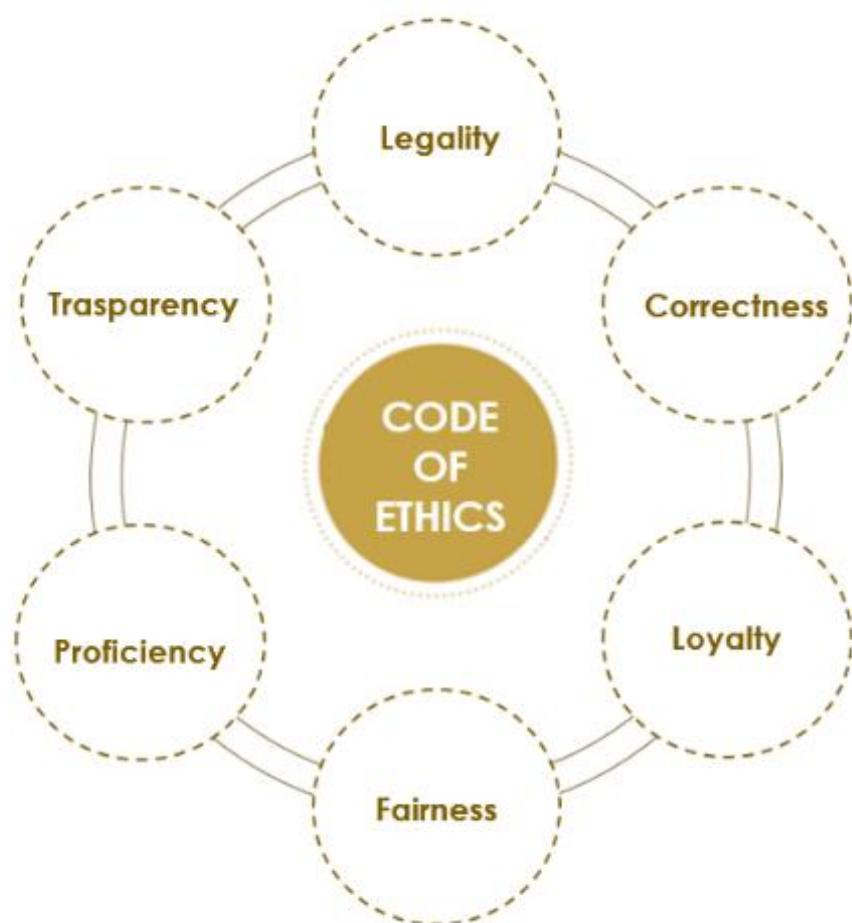


Family is the starting point and destination of Orsero; it is from the family that the Group draws its most profound origins, and it is for families that Orsero works to constantly improve the quality of its products. In the same way, without losing sight of their traditions, Orsero carries his Italian spirit in his heart, which represents a determined and stubborn way of living and working.

Orsero products carry the brand that has always distinguished the Group: commitment, know-how, dedication, care and love. Italy, Spain, France, Portugal, Greece, Costa Rica, Colombia and Mexico share the same values and ideals of the Orsero world.

Code of Ethics: the principles of Orsero's daily actions

Orsero S.p.A acts in compliance with the principles of loyalty, correctness, transparency, responsibility, freedom, dignity of human beings and respect for diversity and rejects any discrimination based on sex, race, language, personal and social conditions and religious and political beliefs.



The Code of Ethics is the document that defines the set of ethical and social rules to which corporate representatives must adhere; it can be defined as the "Constitutional Charter" of a company, as it establishes moral rights and duties, defining the ethical-social responsibility of each participant in the Company's organization.

The Code of Ethics contains all the values that inspire the Orsero Group's way of doing things on a daily basis : transparency, fairness and loyalty. All those who operate in Italy or abroad or on behalf of the Company and the Group, each in the framework of their own functions and responsibilities, are called to respect the principles and provisions contained in the Code itself. The Group's Code of Ethics encompasses all of Orsero's own values, representing an opportunity not only to formalize excellences already consolidated over time, but also to define guidelines for the actions and the behavior of those who identify themselves and deal with the Orsero world on a daily basis.

Security is a fundamental component of the operating procedures for the management of processes that, by nature, require particular attention towards workers, collaborators, customers and the social context in which the Company operates.

To meet the needs of safety, health and working conditions, a suitable supervision and control policy is pursued and implemented in the sites where the Group operates. The internal control system, composed of the set of tools, activities, procedures and organizational structures, aims to ensure:

- The effectiveness and efficiency of company activities;
- The reliability of accounting and management information;
- Compliance with laws and regulations;
- Protecting the integrity and corporate assets

The Orsero Code of Ethics has the objective of collecting and sharing the rules and principles of conduct which, since the foundation of the Company, establish relations with both personnel and third parties and which, more generally, characterize the development of the corporate activity.

Orsero story: from local family to global family

The story of Orsero is one of an Italian family, which has worked every day for over three generations with care and passion to deliver only the best products on the table of every family.

The first Orsero was founded in 1940 by Antonio Orsero: the family fruit distribution company, active on the Italian territory, was born in Savona. In 1961 the time came for another Orsero's generation, the one of Raffaello, who has the merit of expanding the business activity of the fruit and vegetable trade.

During the 1970s, step by step, the company found a further driving force in the distribution and import of exotic fruits against the season; these are the years of the first great achievements of Orsero: the company began to market exotic fruits and to distribute them throughout the Mediterranean basin.

The 1980s are marked by corporate internationalization, achieved through a dense network of investments that led the company to the acquisition of banana plantations in Costa Rica and of several companies specialized in the maturation and distribution of bananas in France. Reefer Terminal was born in the port of Savona-Vado, specialized in the handling and storage of fresh products. Port logistics control is a fundamental step in the Group's evolution process; the port facility allows the company to control more effectively the quality and freshness of the fruit, ensuring a high-profile product. The need to guarantee a high quality product pushes the company to invest in the ship owning sector and in refrigerated transport on rubber; the first naval fleet with a cooling system, "Cala Bianche", was specifically build for the transport of fresh fruit and vegetables in the hold.

The 90s are marked by the consolidation of the company on the international scene, with further investments in the distribution sector in Italy, Portugal and Greece. Between 1999 and 2000, the second "Cala Rosse" naval fleet, composed of larger ships, was also launched and currently is still in operation. In the first decade of the 2000s, the expansion policy was carried out in Spain and Italy, thanks to the acquisition of shares in some companies operating in the distribution sector. In 2012 the F.lli Orsero brand was launched, as synonym of Extra Premium quality fruit. The brand, intended for the European market, expresses the highest quality of the product thanks to the management and control of the entire supply chain, and has become the spokesman of the love and passion of the Orsero Group towards its products. In recent years, an organizational review and a reinforcement of the managerial structure have been carried out.

In 2017, the Group was named "Orsero SpA" following the merger with Glenalta Food and was listed on the AIM Italia stock market. Today Orsero is particularly focused on its core business, strategically expanding the distribution sector with the acquisition of total control of two Joint Ventures in Italy and another in Spain, active in the distribution of fresh fruit and vegetables.

During 2018, in line with the group's mission to focus its strategy on "core business", the Spanish subsidiary Hermanos Fernández López S.A. is included in the share capital of the company Bonaoro S.L.U. active in the production, storage, packaging, marketing, export and import of Canary Island bananas and the entire capital of the company Sevimpex Distribuidora De Frutas De Importacion S. dedicated to the wholesale distribution of fresh fruit and vegetables and specialized in the ripening of bananas from the Canary Islands, thus strengthening its territorial presence.

Also in 2018, the Group acquired a 19% stake in Moño Azul S.A. due to its strategic importance as a supplier of pears and apples of primary interest to the Group.

In 2019 the Group sees the continuation of the "Fresh Cut" expansion activity, with the opening of three new centers in Molfetta, Verona and Cagliari. This is the year of the acquisitions of Fruttica Group, the consolidation of Fruttital Cagliari. As of 23 December 2019, the Orsero shares are listed on the STAR segment of the Italian Stock Exchange, with a quantum leap both in terms of stock visibility and the necessary implementation of the internal governance structure.

‘40

Start of the distribution of fruit and vegetables

‘70

Development of the activity of fruit and vegetable distribution, import of exotic fruit and "against season"

‘90

Investments in the distribution sector in Italy, France, Portugal and Greece. Start of the Shipping activity

2012

Launch of the F.lli Orsero brand, synonymous of Extra Premium quality fruit and expression of a large family business

2014

Focus on the Group's core business. Related redefinition of the organizational structure and enhancement of the management system

2017

Group listing on AIM Italia thanks to the business combination with the SPAC Glenalta Food. Completion of the JV's integration in Spain and Italy: Hermanos Fernandez Lopez, Fruttital Firenze and Galandi

2018

Expansion of the Distribution sector with the acquisition of Sevimpur in Spain. Strengthening of the launch "Fresh Cut" project in Italy, together with the expansion of the production site in Florence

2019

Continuation of the expansion of the "Fresh Cut": opening of 3 new centers in Molfetta (BA), Verona and Cagliari (Italy). Acquisition of the Fruttica Group for the remaining 75% of Fruttital Cagliari. Market listing for the MTA-STAR segment



focus on:

The road to the billion: mission achieved

On February 13, 2017, the Orsero Group made its debut at Piazza Affari; the Savona company arrived at AIM Italia, the Italian Stock Exchange market dedicated to small and medium-sized enterprises, following the incorporation into the already listed Glenalta Food, a vehicle company specifically created and listed in 2015 to collect resources used in the acquisition of a target company to lead to listing. The availability of around 50 million euros contributed by the new share-holders served to consolidate the international presence of the Group and to further promote growth through external lines, with particular attention to Italy, France and Spain. Secondly, the new availability of capital will be a useful tool for entering the marketing of adjoining merchandise classes, such as dried fruit or portioned products, such as IV.

Since December 23, 2019, the Orsero shares have been listed on the STAR segment of the Italian Stock Exchange, at the end of a process that saw the Group first enter the AIM market, thanks to the merger with Glenalta in February 2017, and finally reach the main market, with a quantum leap both in terms of visibility of the stock and the necessary implementation of the internal governance structure, of which an extensive account is given in the "Governance Report".

The objective of reaching a turnover of one billion euros was achieved starting from 2019, characterized by the implementation of important strategic and operational investments that lay the foundations for the Group's future growth and development.

Group Governance

**Paolo Prudenziati**

President,

Chairman, Chief Executive Officer and CCO

Joined the Group in 2016 and was appointed Managing Director. Since February 2017 has been President, Managing Director and Chief Commercial Officer of the Orsero Group.

**Raffaella Orsero**

Deputy Chairman, and CEO

Since September 2013 has been Chief Executive Officer of GF Group, a position that held until July 2015 when was appointed Chairman. Since February 2017 has been Deputy Chairman and Chief Executive Officer of the Orsero Group.

**Matteo Colombini**

CEO and CFO

In 2015 joined GF Group Spa as Group Chief Financial Officer. Since February 2017 has been Chief Executive Officer of the Orsero Group.

The evolution over time of the Group's organizational and governance structure has accompanied the various cycles of the company through its phases of expansion from a local to a global reality.

Orsero S.p.A, Parent of the Orsero Group, has adopted the traditional management and control system. The Board of Directors was appointed by the Shareholders' Meeting on November 30, 2016 (then Glenalta Food SpA), effective from February 13, 2017 and will remain in office until the date of approval of the financial statements, at December 31, 2019. It should be noted that, following the resignation of Director Luca Fabio Giacometti, the Shareholders' Meeting of the Parent Company on 25 October 2019, on the proposal of the Board of Directors, appointed Laura Soifer as a member of the Board of Directors, all with effect from the date negotiations began.

Three members of the Board of Directors are independent directors.

Board of Directors:

Paolo Prudenziati	Chairman
Raffaella Orsero	Deputy Chairman, and CEO
Matteo Colombini	Chief Financial Officer
Vera Tagliaferri	Director
Armando de Sanna	Director
Laura Soifer	Director Gino Lugli
Carlos Fernández Ruiz	Director
Alessandro Piccardo	Director

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUP

As of 31.12.19				
	Men	Women	Total	%
< 30	-	-	-	0.0%
30 - 50	2	2	4	44.4%
> 50	4	1	5	55.6%
Total	6	3	9	
%	66.7%	33.3%		

The Board of Statutory Auditors as of December 31st 2019, is comprised of 3 effective members and two alternates

Board of Statutory Auditors:

Michele Paolillo	Chairman
Guido Riccardi	Statutory auditor
Paolo Rovella	Statutory auditor
Elisabetta Barisone	Alternate auditor
Giovanni Tedeschi	Alternate auditor

The composition of the additional committees is listed below:

Related Parties Committee and Risks:

Vera Tagliaferri	Chairman
Armando de Sanna	Member
Gino Lugli	Member

Remuneration Committee:

Armando de Sanna	Chairman
Vera Tagliaferri	Member
Laura Soifer	Member

Organizational, Management and Control Model

To guarantee the conditions of fairness and transparency in the conduct of business activities, the parent company Orsero S.p.A has adopted an "Organization, Management and Control Model" in line with Legislative Decree 231/2001.

The adoption of the Model represents, together with adherence to the Code of Ethics, a powerful awareness-raising tool for all Group⁴⁴ employees and those involved in the activities, such as customers, suppliers and business partners. This Model also ensures that all parties adopt, in performing their activities, correct and linear conduct, and that they commit themselves, in an effective and targeted manner, to the prevention of the crimes contemplated in Legislative Decree 231/2001.

In particular, the Model identifies, through a careful analysis and mapping of the risks related to the business activity, the "areas of activity at risk", or those areas and corporate functions potentially affected by the risk of committing crimes. The processes involved in the possible commission of offenses are also identified.

Therefore, the Model proposes to adequately inform all those who operate in the name and on behalf of the company with respect to these risks: the sharing and adoption of the Model is therefore proposed as an awareness-raising tool, but, above all, as a functional mean of promoting a risk prevention and assessment system.

With this in mind, an internal control system was set up, as a process carried out by the management and by the directors of the company areas, aimed at identifying the potential risks, implementing adequate preventive procedures and ensuring the efficiency and effectiveness of the business activity. In this way, it is possible to act promptly, even as a preventive measure, by monitoring the areas of activity that are potentially at risk, to prevent and oppose any illegal acts.

⁴⁴ As at 31 December 2019, the Italian companies of the Group that have adopted the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 are as follows: Orsero S.p.A., Fruttital S.r.l., Simba S.p.A., Orsero Servizi S.r.l., Vado Container Services S.r.l., Cosiarma S.p.A., Fresco Ship's Agency and Forwarding S.r.l., Fruttital Firenze S.p.A., Galandi and C. S.p.A., Fruttital Cagliari S.r.l.

Training

The Group companies promote the Model and the knowledge of the related internal protocols among all employees, who are required to know and comply with the content. The provisions on administrative liability and on the offenses provided for by Legislative Decree 231/2001, and, more specifically, the principles contained in the Model and in the behavioral procedures are brought to the attention of all employees upon hiring and, when necessary, in the event of significant changes.

Orsero S.p.A promotes knowledge and observance of the Model also among the financial commercial partners, consultants, collaborators, customers and suppliers. They are provided with the appropriate information on the principles, policies and procedures that the company has adopted.

One of the companies of the group, Bella Frutta S.A. has assigned, during the course of 2018, to legal experts the drafting of anti-corruption policies and procedures and the training of management and employees of the Company. The policies were redrafted during 2019 but training will none the less be provided throughout 2020.

Risk Management

The Risk Assessment and Risk Management activity, aimed at identifying the operating areas potentially exposed to risk, led to the identification of some of the most sensitive business activity profiles. With respect to these topics, the Orsero Group is committed to a constant and careful monitoring, which can guarantee the Group's future growth prospects and the efficiency of its business activities.

With a view to increasing compliance with the requirements of Legislative Decree 254/16 and a more in-depth knowledge of the impacts generated and suffered, Orsero is committed to integrate its risk mapping with an analysis of the main ESG factors (Environmental, Social, Governance), including climate change.

Due to the spread of the Covid-19 epidemic in the first months of 2020, the Group's management carefully monitors the evolution of the situation, without noticing for the moment noteworthy effects on the financial statements. However, it cannot be excluded that if the situation were to continue over time in an important way, and new and more stringent limitations were to be introduced at Italian and European level with reference to logistics and the movement of goods, economic, social and environmental impacts could be generated which currently cannot be quantified.

The Group has taken steps to implement suitable safety and control measures to ensure operational continuity in the production sites, through careful management of the emergency and the reorganization of the work activity to safeguard the health and safety of the people. As part of the continuous monitoring activity it carries out, management will promptly notify the market of any negative change in the overall framework in which the company operates and, if possible, will make estimates of the potential impacts of Covid-19.

Risks related to external markets



Risks related to the macroeconomic trend

The economic results and the balance sheet of the Orsero Group are influenced by factors that reflect the macroeconomic trends, such as consumption trends, labor costs and interest rate trends. Although the core business of the Orsero Group is represented by the marketing of fresh fruit and vegetables, a sector linked to primary consumption, thus substantially stable and not very sensitive to changes in the macroeconomic context, the international situation is closely monitored in order to adapt commercial strategies and confirm growth expectations, if needed.



Socio-political risks given by the presence of the Orsero Group in emerging countries

The Orsero Group operates on a global basis and, in particular, between Central America, South America and the Mediterranean. The activities of the Orsero Group are therefore partly linked to non-European countries, especially regarding relations with suppliers of some products. The strategy of the Orsero Group is mainly aimed at politically stable countries, with a fairly limited exposure. Nevertheless, all growth opportunities are carefully assessed, also through agreements and alliances.

Strategic and operational risks



Risk connected to the price trend of raw material, procurement and relationships with suppliers. The activities of the Orsero Group, represented by the import and distribution of fruit and vegetable products, are strongly dependent on the supply of certain products such as bananas, pineapples or avocados, and to the fluctuation of the relative purchase prices, especially in consideration of the availability of the products, and of the risks linked to the absence of formalised, albeit long-term, relationships with most of its furnaces. There is also the risk that the Group may not be able to transfer any higher purchase prices of products to sales prices in the markets where they are sold. The occurrence of such circumstances, considered to be of average probability, could have significant effects on the Group's financial position. This risk is considered to be of medium importance. The quality and quantity of the offer of such products, as well as the availability and sustainability of the purchase price of goods marketed by the Orsero Group, which are perishable by their nature, may be influenced by factors that are difficult to predict or control. In particular, supply conditions are extremely sensitive to the climate and weather factor (periods of drought or excessive rainfall, storms or hail on plantations), as well as to soil conditions or the presence of weeds or pests, which determine the greater or lesser availability of the products, and consequently, their purchasing price. The change in raw material prices is generally managed through the price policy of the products sold. In order to deal with all this, the Orsero Group implements a strategy of diversification of its sources, both in terms of geographic areas of supply and suppliers, in order to address and compensate any product shortages during the different seasons (the so-called "campaigns") of products. For the Orsero Group, one of the priorities has always been the care of the relationship with suppliers, with many of which have been established relationships over time, thus ensuring the constancy of the necessary supplies and a possible mediation of purchase prices.



Risks connected to dependence on distribution channels.

The Orsero Group's turnover is significantly dependent on sales to both large-scale retailers ("GDO") and traditional wholesalers. In particular, in 2019, the Orsero Group's turnover from large-scale distribution accounted for approximately 59% (61% in 2018) of the Group's turnover in the distribution sector, or even 51% of the Group's total consolidated turnover.

The Group is exposed to risks related to the possible interruption of relations with its customers or to changes in such relations that are worse than those existing

at the reference date. The occurrence of such circumstances, considered to be of low probability of occurrence, would entail a risk of having significant effects on the Group's economic, financial and equity situation. This risk is considered to be of medium importance. It should be noted that the contracts with the large-scale retail trade are regulated by framework agreements, which govern the main specific characteristics of the product delivered. Except in certain specific cases, product volumes and prices are defined on a weekly basis, also in order to manage certain factors not necessarily related to the product, such as, for example, the euro/dollar exchange rate or the cost of oil which is reflected in the cost of transport. In this context, the Orsero Group has always responded with a strategy aimed at increasing its size and with a continuous effort to adapt and improve efficiency, with the aim of protecting the basic economic efficiency of its operations. From 2012, the start of the marketing of bananas and pineapples under its own brand represents an effective strategic response by a structured and mature group to a radical change in the mechanisms of its core business. The Orsero Group is well aware of the risk associated with this challenge, but believes that it is balanced by a unique opportunity to create over time a name and a quality Italian brand able to stay on the market and compete with the major multinationals in the sector.

Financial Risks

In the exercise of its activities, the Orsero Group is exposed to financial risks connected with its operations, in particular it is exposed to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The management of financial risks is carried out within the framework of precise organizational guidelines that govern the management of the same and the control of all transactions that have a significant impact on the composition of financial and/or commercial assets and liabilities.

Legal and compliance risks



Risks related to potential environmental damage

The Orsero Group is exposed to the risk that any failure or serious breakage may occur to ships, plants or machinery that could cause damage to third parties, accidents or environmental damage. The Orsero Group, through dedicated offices, carries on all the activities necessary to ensure the respect of the environment, optimizing the use of energy sources and natural resources.



Risks related to the administrative liability of legal entities

The Group is exposed to the risk of incurring the administrative liability of the entities provided for by Legislative Decree 231 and any penalties imposed by the said decree (or by any similar local regulations applicable) due to any assessment of the inadequacy of the model adopted, pursuant to the aforementioned decree, by the Holding Company and the Italian subsidiaries and/or due to the non-application of a similar model by the Group's foreign companies. The occurrence of such circumstances, which are deemed to be of low probability, would entail a risk that could have a negative impact on the Group's operating performance, financial position and financial position. Since 2010, the Orsero Group (formerly GF Group) has adopted the organizational model, the code of ethics and appointed the ethics committee provided for by Legislative Decree 8 June 2011, as well as the supervisory body, in order to ensure compliance with the prescribed conditions of fairness and transparency in the conduct of business activities, to protect the position and image of the company, the expectations of shareholders and the work of employees. The model is a valuable tool to raise awareness of all those who work on behalf of the Orsero Group, so that they behave correctly and linearly in the performance of their activities, and a means of prevention against the risk of committing crimes. Please note that Model 231 and the Code of Ethics can be consulted in the corporate governance section of the website www.orserogroup.it.

For a complete list of the risk profiles of the Group's activities, please refer to the specific section in the Consolidated Financial Reporting at 31 December 2019.



Our Sustainability vision

The Orsero Group considers corporate social responsibility as an exceptional lever for social progress and collective well-being. The Group's priority is to offer families across Europe products of excellence, guaranteeing traceability and safety.

Group stakeholders

In carrying out its activities, the Orsero Group comes into contact with numerous categories of stakeholders, subjects with whom the Group collaborates, dialogues and interacts. Stakeholders also have a primary role thanks to their ability to influence the business and to be influenced by it at the same time. Ahead of the publication of the first Sustainability Report, an activity was carried out, aimed specifically at identifying the main stakeholders of the Orsero Group, which represent fundamental players for the creation of the Group's value.



In particular, stakeholder mapping was carried out taking into consideration various parameters that reflect the significance and importance that these parties have for the Group.



Responsibility

The Orsero Group pays the utmost attention to all those individuals towards whom the organization has a responsibility whether economic, legal, and operational or guaranteed by regulations, contracts and codes of conduct.



Influence

Each stakeholder has the ability to influence the organization, in relation to the decision-making processes and therefore to the Company's possibility to achieve its objectives. Stakeholder can influence the Group in a more or less significant way and through formal or informal relationships.



Dependency

Particular regard is also given to those who depend the most on the Group: among these are employees and their families, customers - who depend on products for their safety, health or well-being - and suppliers.



Different perspectives

Subjects whose different points of view can lead to a new understanding of the surrounding reality are also included in the evaluation, allowing the organization to identify new opportunities and share common goals.

The following page describes the methods of dialogue with the stakeholder implemented by the Orsero Group, such as the activities aimed at ensuring a careful and constant comparison with the individuals involved, in order to listen to the needs and the different interests of each stakeholder, promoting the comparison and sharing of goals and strategies.

Stakeholder	Stakeholder expectations	Engagement method
Clients	Guarantee of product quality, reliability and transparency. Continuity in the supply of products.	In-depth meetings with retailers on the main themes of the sector.
Customers	Maximization of costumer value: guarantee of quality and availability of products.	Communication on the official page and on social networks, management of complaints.
Suppliers	Relationship based on fairness, transparency and compliance with contractual agreements. Creation and distribution of value. Prompt communication and sharing of business strategy.	Involvement and monitoring of the "safety at work" issues. Development of partnership projects. Ad hoc relational events.
Employees and Labour Unions	Work relationship based on fairness, respect and enhancement of personal skills and attitudes. Monitoring of health and safety conditions in the workplace.	Granting of employee benefits, organization of business activities and events. Meetings between employees and management.
Shareholders and Financial community	Creation and distribution of value. Corporate Governance and Risk Management. Transparency and timeliness in financial information. Representativeness of minorities.	Issuing of press releases, roadshow organization and meetings with investors. Presentation of the Group's strategy and future projects.
Media	Transparency and timeliness of information, frequent dialogue.	Press releases. Events with the economic press. Events related to the presentation of the Group's strategy and future projects.
Institutions and Governments	Collaboration, technical support and information sharing. Participation in the territorial planning of activities. Compliance with current legislation in all countries where the company operates.	Dedicated meetings, work tables and conferences.
NGOs and local community	Listening to local associations, dialogue with the community. Contribution and support to local initiatives and local communities. Access to information. Protection of heritage and the environment.	Social activities with local communities in line with the business. Promotion of local initiatives.

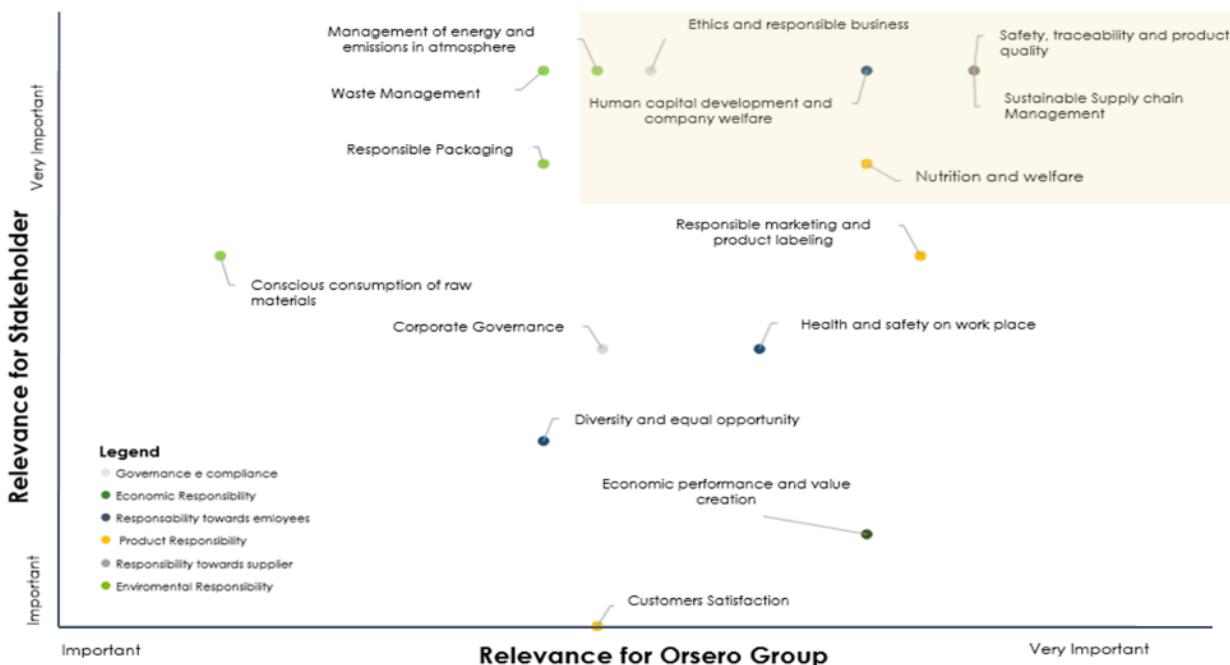
Materiality analysis

The Orsero Group has developed an initial analysis of the significant sustainability issues through an internal materiality process: the constant dialogue already in place between the management and the Group's stakeholder has allowed the identification of the issues relevant to the organization and its stakeholders.

The materiality analysis was conducted in order to identify and prioritize the issues that influence the Group's ability to create value and those deemed relevant by the Group's stakeholders.

The starting point was the analysis of the aspects of the GRI Sustainability Reporting Standards, and those indicated by the publication "Sustainability Topics for Sectors: What do stakeholders want to know?" (GRI, 2013). These were enriched by an analysis of industry benchmarks and the topics mentioned by other publications in the area of sustainability. The evaluation of the relevant issues was carried out through an internal workshop involving the main business functions and top management and led to the definition of the materiality matrix below. The Group, with a view to increasing the involvement of its stakeholders, will undertake, starting next year, a gradual extension of its activities and stakeholder engagement initiatives, also with a view to updating the materiality analysis.

In the matrix, the aspects that are most relevant for the Group and its stakeholder are placed in the upper right quadrant and represent a strategic priority for the Group. The materiality matrix offers a representation of all the organization's significant economic, environmental and social impacts, which also substantially influence stakeholder assessments and decisions.



Our priorities



Security, product traceability and quality

The Orsero Group strives daily to bring the best quality fruits to the tables throughout Europe, controlling every phase of the supply chain, to ensure freshness, taste and safety.



Sustainable management of supply chain

The supply chain plays a fundamental role within a business, and even more so in the agricultural sector. To guarantee the best products to all customers, the Orsero Group selects the best land and local producers. The constant dialogue with the suppliers guarantees quality and control over the entire supply chain.



Development of human capital and promotion of corporate welfare

Employees and collaborators are the engine of the Orsero Group. The Group is committed to promoting work-life balance and ensuring fair and stable work relationships based on the respect and promotion of talent.



Ethics and responsible business The Orsero Group, like all the subjects with which the organization collaborates and interacts, puts the management of the activities in the first place in an ethical and responsible manner. Value creation must be guided by the principles of sustainability, guaranteeing respect, fairness and business ethics.



Energy and atmospheric emissions management, waste management

The environmental impact of Orsero products is constantly monitored, with the prospect of an improvement of the efficiency of the resources used. The Group is committed to reducing consumption and fighting waste, with a focus on innovation and packaging.



Nutrition and Welfare

Orsero's mission is to bring healthy and nutritious products throughout European tables, promoting the adoption of a healthy lifestyle and a balanced diet. For this reason Orsero puts its signature on its products and on its controlled and certified fruits and vegetables.

Product responsibility

The Italian fruit family

For over 70 years, the Orsero Group has been an international leader in the import and distribution of fruit and vegetable products.

The Orsero Group selects the best suppliers, coming from every corner of the world, so that it can bring only the best quality products to tables all over Europe.

The Orsero Group operates in the fruit and vegetable sector and represents a reference player in all markets in Southern Europe, particularly in the markets of Italy, Spain, France, Portugal and Greece. Thanks to its numerous distribution channels, it brings its products to supermarkets and fruit and vegetable stands throughout Europe.

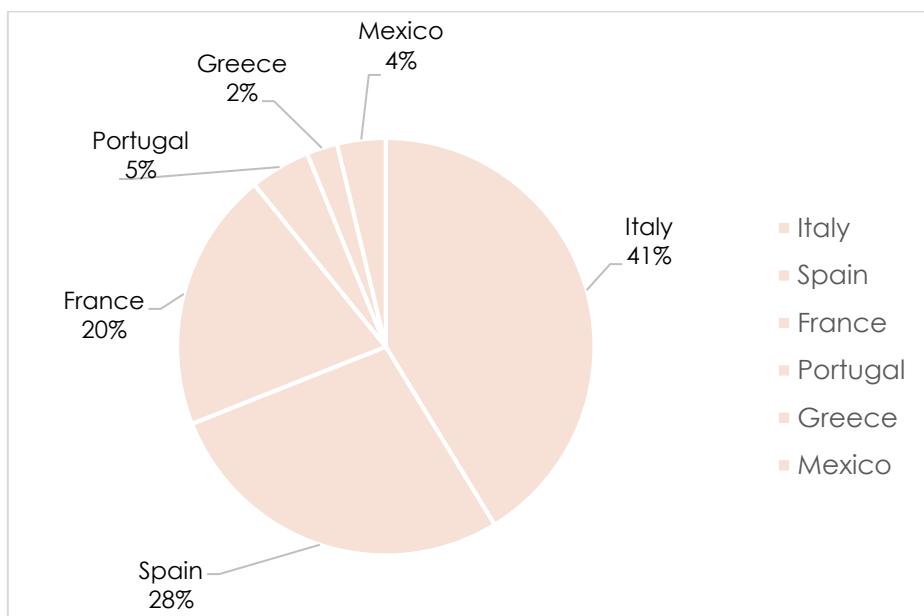
The most relevant market for the Orsero Group, in terms of size and revenues, is certainly the Italian one, where it is Top Player in the fruit and vegetable sector. The Italian market - which covers 41% of the Group's sales, is immediately followed by the French and Spanish markets, whose sales represent 48% of the Group's revenues.

**TOP PLAYER IN
ITALY AND
PORTUGAL**

**PLAYER N.2
IN SPAIN**

**PLAYER N.3
IN FRANCE**

DISTRIBUTION SALES MIX⁵ (2019)



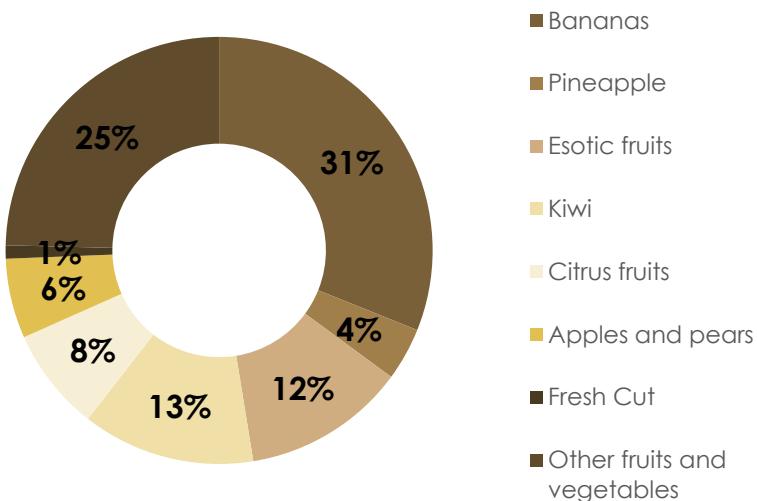
Historically, the Orsero Group markets and serves large retailers with branded products (such as Chiquita, Zespri and many others), private labels of the GDO (Coop, Conad, Carrefour, etc.) and numerous products without a brand. In the most recent years, starting from 2012, the Group launched the Fratelli Orsero brand products, an expression of the tradition and passion of a large Italian family business. The main products of the Fratelli Orsero line are bananas and pineapples, along with citrus fruits, apples, melons, pears and a complete line of exotic fruits. The product varieties marketed by the Group are indeed numerous and come from all over the world.

During 2019, the Orsero Group purchased about 300 thousand tons of bananas from Central America and Europe: about 60% of the bananas distributed by the Group come from direct imports of the Group mainly from Colombia and Costa Rica, but there are numerous products from the Canary Islands, for about 50 thousand tons.

In Europe, bananas have always been particularly appreciated for their beneficial properties and their naturally sugary taste. In the Group's Distribution Sector, bananas represent 30% of the Group's sales.

⁵ Intersegment net sales. The geographical mix is based on the country where the Orsero Group's subsidiaries are located.

PERCENTAGE OF SALES IN THE VALUE DISTRIBUTION SECTOR, BY PRODUCT (2019)



Last year, the Group purchased about 60 thousand tons of pineapple. Pineapple is a very successful product and is the protagonist of Fratelli Orsero's Extra Premium line. In 2019, sales of pineapple in the Distribution sector accounted for 4% of the Group's total.

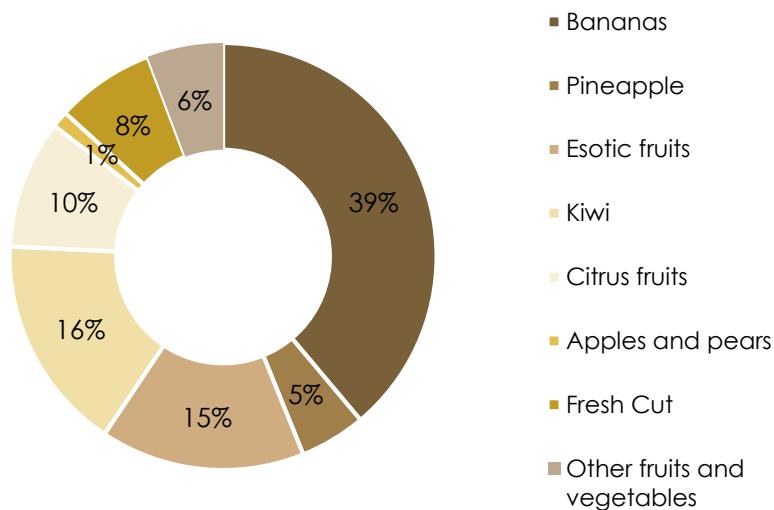
In addition to the important sales numbers of the two fruits that are the leading products of the Orsero line, it is also essential to underline their strategic importance. In fact, bananas and pineapples are both available throughout the year: this brings important advantages both from an industrial and commercial point of view. On one hand, this allows the Group and the companies that manage the supply chain of these products to use the installed capacity - both in terms of maturity cells, and in terms of pending personnel - efficiently and continuously throughout the year; on the other hand, from a commercial perspective, this allows the Group to record constant sales for these product lines. It is therefore evident that bananas and pineapples play an important strategic component in the fruit and vegetable market, commonly characterized by the important seasonality of the products and therefore more subject to volatility.

Exotic fruit is also a very successful product category: in 2019, the Orsero Group purchased over 50 thousand tons of exotic fruit, including over 33 thousand tons of avocados. In addition to these products, there are many exotic fruits marketed by the Orsero Group, including coconut, manioc, passion fruit, plane tree and many others.

The growth of the Fresh cut market should be highlighted, with revenues amounting to approximately 9 million euros and representing 1% of sales in the distribution sector.

Overall, the Orsero Group markets over 300 different product references, a very wide variety of products from all corners of the world. Each fruit is grown in the best production areas in the world, by producers selected and certified according to the main international standards in terms of safety, health and social responsibility.

PURCHASING BY VOLUME OF FRUIT AND VEGETABLE PRODUCTS OF THE GROUP BY PRODUCT (2019)



Fratelli Orsero's banana

Banana is among the oldest fruits of the planet: it is native to New Guinea, where it was born more than 7,000 years ago. During the centuries this sweet fruit spread first in India, then in Africa and finally in Central America. Following the routes of the great maritime trade, the banana went around the world and conquered the tables of the Italian families.

Fratelli Orsero's bananas are produced in the best plantations of Colombia, Costa Rica and Ecuador. In these countries, Orsero has found the best soils, fertile and rich, perfect for the production of tasty fruits.

Bananas, available 365 days a year, are the fruit of the banana tree, a huge plant up to 7 meters tall. They are born upside down, one next to the other, in a large mass of fruit called "helmet", which can exceed one meter in length and contain more than 200 fruits. The "Cavendish" variety, queen of the Italian tables thanks to its sweet pulp, is cultivated in Central America.

The majority of Fratelli Orsero bananas come from Colombia, Costa Rica and Ecuador: in these countries, the environmental and climatic conditions allow an optimal cultivation and growth of this fruit, so well-appreciated and spread all over the world.



Fratelli Orsero's Pineapple

Pineapple is a fruit native to Southern Brazil and Paraguay. It was Christopher Columbus who introduced it in Europe, giving way to a trade network that today exports it all over the world.

The pineapple is considered the king of tropical fruit, it was called "pineapple" by the British for its resemblance to a pine cone and for its heart full of juice, which resembles the apple. The natives who cultivated it called it "anana", from which it derives its name in Italian and in other languages. The Spanish explorers, on the other hand, called it "indian pinecone", and the Europeans who could afford this exclusive fruit nicknamed it the "royal pinecone".

The Fratelli Orsero's pineapples are the fruits of Costa Rican plantations. "Extra sweet" pineapples, so called because of their juicy pulp and sweet unmistakable scent, grow in sunny fields.

Pineapples grow on the homonymous plant, a bush that is grown primarily in Central and South America. At the center of the plant, surrounded by spiny leaves, the fruit grows: a large oval cone surmounted by a tuft of green leaves, with a fleshy and appetizing pulp.





focus on:

Respect for nature and organic agriculture

Within the offer of the Orsero Group there is also a part of products coming from organic farming. Organic farming is a method of cultivation that has been growing more and more in recent years. An agriculture where the agricultural ecosystem is considered as a balanced model for the development of cultivated plants and based on respect: respect for natural cycles, soil and water, plants and animals. Respect also for people and the planet we live on.

In order for a farmer to be certified organic he must cultivate the land organically for at least three years, to ensure that the soil is cleaned of any chemical agents or toxic waste. The objective of organic farming is to produce in an environmentally friendly way, exploiting ecosystem services and the natural properties of natural resources.

A) The organic cultivation of fruit, vegetables and fruit and vegetables requires that all propagation material (plants, seeds, etc.) comes only from organic farming, that the organic and mineral fertilizers used are permitted under EU-European legislation, and that the protection of plants from insects and pests is carried out using natural methods.

B) The organic cultivation of fruit, vegetables and fruit and vegetables requires that the entire production process is carried out in accordance with European regulations which define, among other things, that the propagation material (plants, seeds, etc.) comes only from organic farming, that the organic and mineral fertilizers are included in special lists and that the protection of plants from insects and pests is carried out by natural methods.

Each stage of the production process is monitored to keep track of the entire supply chain and to ensure the quality certification of the products. In particular, European legislation provides for a complex system of chain controls that guarantees maximum transparency on what arrives on our tables.

The Orsero Group markets organic products, to offer the maximum taste and quality while respecting nature. Among the organic products offered by the Group, bananas and pineapples stand out, produced in the most suitable areas of Central America with sustainable methods and in compliance with specific European regulations. Since 2018 the Group has been studying a more sustainable packaging for our F.lli Orsero bananas (standard and organic). The tray is made with 100% recycled paper and vegetable-based inks.





focus on:

The new market trends and the IV line, juices and smoothies

The focus on adopting a healthy lifestyle and proper nutrition is increasingly common nowadays, especially among young people. A healthy and nutritious diet, rich in fruit and vegetables, is fundamental for health and well-being: including fruit in your diet guarantees the right amount of mineral salts, vitamins and micronutrients essential for the body. The Orsero Group promotes attention to health and, in addition to ensuring the excellence of its products, gives everyone the opportunity to enjoy fresh fruit at any time and in any place. From 2014, in fact, a line of Fresh Cut F.lli Orsero has been launched: fruit of Extra Premium quality, ripe to the right point, selected every morning, handcrafted and packaged without the addition of any liquid. The new Fresh Cut F.lli Orsero line includes convenient ready-to-use packages, equipped with fork in on-the-go formats. The fruit is washed, cut and packaged to reach the consumer ready to be enjoyed at any time of the day. The packaging process takes place in the Group's latest-generation laboratories, located in Florence, Molfetta, Verona and Cagliari, for a total of 3,500 square meters of dedicated work space. The plants are ISO 9001 certified and equipped with the most advanced technologies for fruit cutting in order to obtain the highest quality, hygiene and safety standards of the product while maintaining the organoleptic qualities. Located in geographically strategic areas, they provide a rapid and widespread service throughout the country.

The positioning of the processing rooms inside or near the first gamma plants guarantees direct access to a raw material that is always fresh and of high quality.

The attention to provide always new healthy and comfortable products to be enjoyed even outside the home, has led the Orsero Group to launch a wide range of freshly squeezed juices and smoothies branded F.lli Orsero, cold processed using HPP technology.



focus on:

2019 ISTAT basket: Ginger appears

Ginger is the rhizome of an herbaceous plant native to the Far East, cultivated nowadays in the whole tropical and subtropical belt of the world and also in Italy. It became popular thanks to its nutritional properties, in 2019 it became part of the ISTAT basket, which identifies the goods most purchased by Italian families.

The word "ginger" comes from the Greek *zingiberis*, which in turn comes from Tamil *ingiver*. The etymology of the term reconstructs the export routes of the spice, which already in ancient times travelled in dried and pulverized form on the route that from the East - in particular from India - reached the Mediterranean basin..

Benefits from ginger

Taken in the form of herbal tea, fresh or dehydrated, ginger stimulates digestion, is an anti-inflammatory remedy and acts as a protector of the digestive system. It also has an effective analgesic and anti-inflammatory action to combat muscle and osteoarthritis related pain

Nutritional values per 100 g of edible part

ENERGY 333 kj / 80 kcal

0.75 g	2 g	0.013 g
FATS	FIBRE	SALT
17.8 g	1.82 g	415 g
CARBOHYDRATES	PROTEIN	POTASSIUM
		0.23 mg
		COPPER





focus on:

2019 ISTAT BASKET: berries appears

The berries are born on small shrubs, often perennial, which grow in semi-shade in places with humid and cold climate, typical of the undergrowth.

The range includes:

- The raspberries have a soft flesh and a sweet and delicate taste.
- The red currant, with its red color and acidulous taste.
- The wild strawberries, with their firm and sweet flesh.
- The blueberries, dark in color and crispy flesh.
- Blackberries, with a soft texture and sweet taste.

Always widespread in Italy, their nutritional properties have recently become more popular, and in 2019 they became part of the ISTAT basket, which identifies the goods most purchased by Italian families.

Benefits of berries

Like all fruits, berries also contain water, fiber and mineral salts in abundance. But the peculiarity of berries is another: in fact, these berries are rich in certain antioxidant substances, i.e. they fight cellular aging. These are flavonoids.

In this case, flavonoids fight capillary fragility, a disturbance that causes the appearance of annoying symptoms including cellulite and varicose veins. Blueberry, in particular, thanks to the properties of flavonoids of which it is rich, becomes an excellent food for those with vision problems.

Berries are also rich in plant sterols, molecules known for their effectiveness in controlling blood cholesterol levels as they reduce absorption by the intestine. Finally, the berries are rich in vitamin C, essential for good health especially in the cold season.

Our supply chain

The Orsero product chain is constantly monitored and controlled, to guarantee the highest quality and safety of the products. From the selection of suppliers to distribution, the Orsero Group manages all stages of the value chain.



Orsero products come from the best soil in every corner of the world, from Latin America, Europe and Africa, to ensure the excellence of the products. The first stage of the value chain consists in the choice of suppliers according to a strict selection process, which involves the verification of best agricultural practices, such as compliance with regulations and the adoption of ethical and certified practices. In addition, periodic checks are carried out on the Group's major suppliers, particularly with regard to the supply of

bananas and pineapples. The search for a direct dialogue between Orsero and its suppliers is one of the major secrets of Orsero's success: thanks to the long-term relationships established with suppliers, a safe and quality supply is guaranteed.

Once picked, the fruit and vegetables are ready for transport: by ship, iron-rail or road, Orsero products arrive at the Group's warehouses from every corner of the planet. Logistical efficiency is also guaranteed by the activity of the fleet owned by "Cala Rossa", which transports fresh exotic products from the Americas. The direct ownership of the ships, together with Orsero's many years of experience, gives the Group a competitive advantage, as well as direct control over each product. Arriving in the main European ports, the ships in the fleet handled around 480,000 pallets during the year.



Quality control is one of the major strengths of the Orsero Group: at every stage of the supply chain, during transport, in and out of the warehouses, the products pass through strict quality controls. Each product must comply with the quality standards imposed by the Group: for this reason more than 7 thousands⁶ check every day only in Europe.

The secret of Orsero's success also lies in the expertise gained in over 70 years of activity. Every day, fruit and vegetables from all over the world are stored and processed with special care. The cold chain is never interrupted, to ensure maximum freshness and quality of the products. In the warehouses managed by the Group, products are stored and processed to offer customers tailor-made solutions. The ripening phase takes place in full respect of the products, thanks to the use of ethylene.



⁶ The data relating to the quality controls carried out by the Group is the result of estimates made using the best available methods. The scope of the information is limited to the European companies of the Orsero Group.

Finally, the products are sold daily to large-scale retailers and traditional wholesalers/markets: Orsero products end up on the shelves of the major supermarkets in Southern Europe and in all major fruit and vegetable markets. In addition to guaranteeing widespread distribution throughout the territory, Orsero satisfies customers' requests and preferences, guaranteeing the highest standards of quality and safety.



Selection and control of suppliers

The secret of the Orsero group are the professional and personal relationships that turn the suppliers into strategic partners. Thanks to the experience and passion that distinguish the Group, over 1,500 suppliers work with Orsero. The Orsero Group promotes dialogue with suppliers and a responsible and sustainable supply chain management, to guarantee, on a daily basis, maximum transparency of the origin of the products.

The Group's strategy for managing the value chain is to establish solid relationships of trust and collaboration with its suppliers: the Orsero Group is committed to maintaining direct contact with local suppliers, to monitor compliance with ethical standards, as to raise awareness and train all suppliers on the aspects that can influence the quality and safety of the products. The result of this approach is a strong consolidation of supplies and the preservation of relationships over time, to guarantee the maximum quality of the products and a stable and secure supply.

Among the most important suppliers of the Orsero Group there are renowned brands, such as Chiquita, Zespri, Melinda and many others. The constant dialogue and the consolidated relationship with the Group's suppliers guarantee relationships of trust, so that all the products have the characteristics desired by the customers.

When new suppliers are selected, it is the consolidated practice of the Group to require compliance with some fundamental requirements to guarantee the quality of the supply. In particular, a first selection of new suppliers is based on the possession by local farmers of internationally recognized certifications, which certify the quality of agricultural practices and the standards of cultivation and land management: in such way, for the Group Orsero, it is possible to constantly keep track and control of its own suppliers. For the time being however, there are no official practices currently in force with a specific focus on social and environmental criteria, although in some of the Group's companies, such requirements are demanded for the compilation of the registry office's suppliers. The majority of the Group's suppliers certify the quality of their products and agricultural practices through Global GAP and Rainforest Alliance certifications, internationally recognized certifications, which attest to their adherence to principles of sustainability and responsibility.



Global GAP Certification

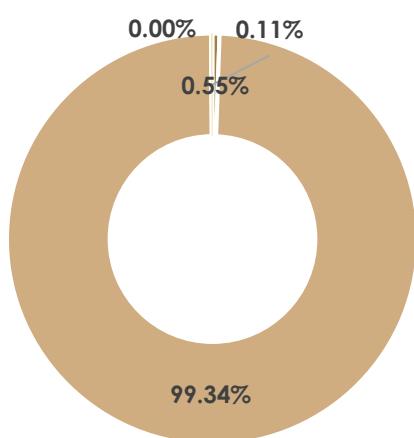
The Global GAP (Good Agricultural Practice) protocol defines the essential elements for the development of agricultural best practices applicable to farms, crops, land products and livestock rearing. The protocol was created by Eurep (Euro-Retailer Produce Working Group) in order to respond to the growing needs of food safety and respect for the environment. To be certified as a Global GAP, it is necessary to present certain requirements related to environmental aspects (such as land and waste management), product requirements (pesticides used, irrigation techniques, crop protection, harvest methods and post-harvest treatments), animal welfare and workers' health and safety.



Rainforest Alliance Certification

The Rainforest Alliance is a non-governmental organization for the protection and conservation of the environment and the territory. The goal is the conservation of biodiversity, promoting sustainable living conditions and transforming land use practices, commercial practices and consumer behavior. To become certified farmers, it is necessary to comply with the criteria (Rainforest Alliance Sustainable Agriculture Standard) belonging to the three pillars of sustainability - social, economic and environmental. The Rainforest Alliance certified farms are regularly checked to verify compliance with the standards, in a perspective of continuous improvement towards sustainable agriculture.

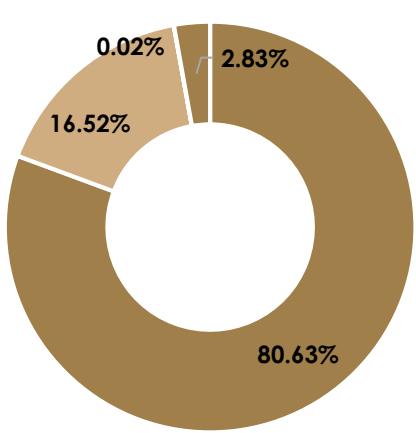
**PERCENTAGE OF THE WEIGHT OF BANANAS PURCHASED BY TYPE OF CERTIFICATION⁷
(2019)**



For bananas, more than 99% of the products come from Global Gap and Rainforest Alliance certified suppliers). On the other hand, products without certification are residual (less than 1%).

- Global Gap e Rainforest Alliance
- Global Gap
- Other certification
- Without certification

**PERCENTAGE OF THE WEIGHT OF PINEAPPLE PURCHASED BY TYPE OF CERTIFICATION.
(2019)**

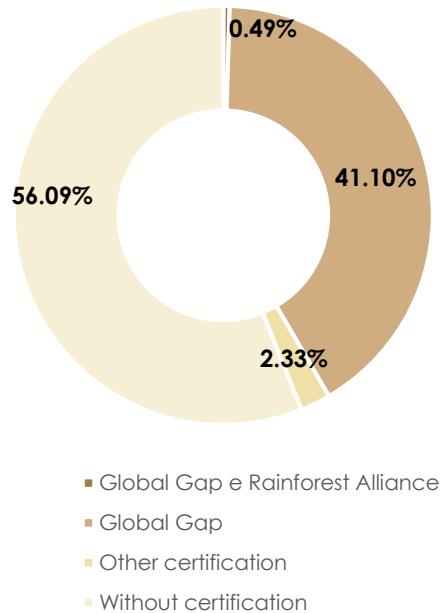


Pineapples marketed and distributed by Orsero are also over 97% certified products: over 80% of the products come from Global Gap and Rainforest Alliance certified suppliers, while over 15% are only Global GAP certified.

- Global Gap e Rainforest Alliance
- Global Gap
- Other certification
- Without certification

⁷ The data relating to products purchased by type of certification are the result of estimates made according to the best available methodologies.

PERCENTAGE OF THE WEIGHT OF OTHER PRODUCTS PURCHASED BY CERTIFICATION TYPE
(2019)

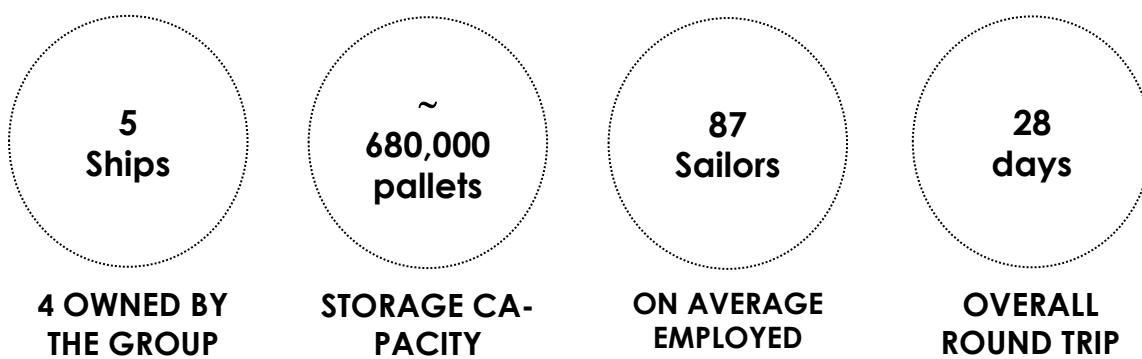


With regard to other fruit and vegetables (such as exotic fruits, citrus fruits, apples and pears, kiwis, etc.) more than 40% of the products are certified: of the total, more than 2% of the products purchased during 2019 came from both Global Gap and Rainforest Alliance certified suppliers and almost 50% from Global Gap certified suppliers.

Import and logistics efficiency: our ships

The Orsero fleet transports Orsero products from Central American suppliers to the table of families throughout Europe.

From the producer to the consumer, every journey takes place in compliance with international regulations, as well as regulations on safety and product quality: thanks to the "Cala Rossa" ships the logistics phase is managed efficiently, to guarantee the freshness of all products.



The "Cala Rossa" naval fleet owned by the Orsero Group consists of four ships, belonging to the subsidiary Cosiarma S.p.A. The "Cala Rossa" fleet represents an extraordinary competitive advantage for the Orsero Group, which, thanks to it, manages efficiently and autonomously part of the logistics of its products.

The maritime transport of bananas and pineapples produced in Central America is mainly carried out with owned ships, until the end of 2018 by the four reefer vessels "Cala Rosse" to which in 2019 was added a fifth rented ship, which connects on the basis of a 28-day voyage schedule, now 35, the Central American with the Mediterranean, to allow the timely arrival of fresh fruit on European markets every week.

In the shipping business, there has been a good recovery in profitability compared to the previous year, the change in the voyage schedule from 28 to 35 days has resulted in savings that more than offset the cost of chartering the fifth additional vessel.

The ships of the Orsero Group load the fruit and vegetables grown on Central American plantations and sail from the ports of Costa Rica (Moin), the Dominican Republic (Rio Haina) and Colombia (Turbo) to the major port areas of Southern Europe, Spain, Portugal and Italy, respectively in the ports of Tarragona, Lisbon and Vado Ligure. During the boarding phase, the first quality controls are carried out, verifying the conformity of each load to the quality and product standards. Fruit and vegetables travel inside refrigerated holds, so that the cold chain is never interrupted: during each trip, periodic temperature

controls are carried out using an automated system. The quality of the loads is subsequently verified even at the time of unloading by the employees.

Each vessel can transport around 10,500 pallets per trip. Half of the cargo, from Central America to Europe, is made up of fruit and vegetables from Orsero: the Orsero fleet offers a transport and logistics service also to other operators, in order to optimize the transport of goods and efficiently exploit every single voyage. The time needed to make the two trips, outward and return, from Central America to Europe and vice versa, takes about 28 days. The average disembarkation time is 18 hours, less than 50% of the time compared to the competition.

Health and safety on board

The Group operates in compliance with current legislation on safety at work, and adopts all the necessary tools to allow employees to work in a healthy and safe work environment. All workers receive the appropriate training on the correct working practices and on the prevention of health and safety risks, both at sea and on land.

Compliance with the law is a fundamental principle for the Orsero group fleet, and to continue to operate in compliance with the law and regulations, a series of checks are periodically carried out to verify the conformity and correctness of the transports: at each trip and in each port of departure, it is verified that the fleet documentation is regular, so that navigation is always controlled and safe.

Safety at sea

In addition to putting into practice the activities for the safety of the on-board personnel, all those measures aimed at protecting the navigation and transport activity from external interventions that can cause dangerous situations, such as piracy, terrorism, smuggling of goods and people, illegal discharges into the sea and other environmental accidents, are also implemented. To prevent any risks deriving from these phenomena, the Orsero fleet guarantees adhesion and compliance with national and international regulations and conventions aimed at regulating the behavior to be adopted.

As proof that safety is of the utmost importance for the Group, Cosiarma S.p.A. has entered into an agreement with an agency specialized in the training of maritime and land-based personnel, for the design, organization and management of training courses and tutoring.

Quality control as a strength point

The Orsero Group guarantees the highest quality thanks to the numerous controls in all phases of product management, respecting the highest international safety and health standards.

The Orsero Group guarantees the excellence of its products throughout the supply chain, from cultivation to the table. Every day, all the people of Orsero carry out their work with great pride, dedication, loyalty and responsibility.

To offer the best products, the first check takes place during the procurement phase, thanks to the selection of the best suppliers and the quality control of the products. In addition to the possession of certifications by suppliers, in order to guarantee the best quality standards and the adoption of sustainable agricultural practices, it is essential that each load is verified at the origin. The products are subsequently checked during the logistic phase: at the beginning, during and at the end of the transport, the quality control personnel check their characteristics and state of preservation. In particular, with regard to the products transported directly by the Group thanks to the Cale, the owned ships, meticulous checks are carried out when the products are unloaded in the ports: through random checks of the loads, the products are evaluated by the operators who give them a score and check their features.

Furthermore, when the products arrive in the warehouse, a series of checks are immediately carried out by the staff in order to ensure high levels of safety and quality. The inspections include the verification of the correct application of the product and food safety standards in every warehouse of the Group, in the storage warehouses and by the third party suppliers. In 2019, Group-wise over 7⁸ thousands of quality controls daily, on all product lots and incoming references⁸.

⁸ The data relating to the quality controls carried out by the Group is the result of estimates made using the best available methods. The scope of the information is limited to the European companies of the Orsero Group.

⁹ For each reference during acceptance in the warehouses managed by the Group, specific checks are carried out by the quality staff. In addition to the controls indicated herein, further investigations are carried out on the chemical properties of the products, selected on the basis of a sampling plan defined at the beginning of the year.

	
<p>Tactile checks The product is checked in its shape, i.e. its weight, size, quality, etc.</p> 	<p>Aesthetic checks It is verified that the product has a long shelf-life, that it has no diseases or deformations.</p> 
<p>Visual checks The products come at each arrival: it is verified that the product is of the correct variety and that the characteristics of the fruit are correct.</p> 	<p>Customer Standards In order to respond to consumer preferences, it is checked that each product is ready to be distributed and therefore complies with certain customer standards.</p> 
<p>Temperature monitoring Upon arrival of each load of products, the temperature inside the truck or container is measured. The temperature is checked at different points in order to ensure the freshness of the entire load.</p> 	<p>Humidity checks Each product must always be stored in a healthy environment and in the right conditions: to ensure freshness, the humidity in the environment is constantly checked.</p> 

10

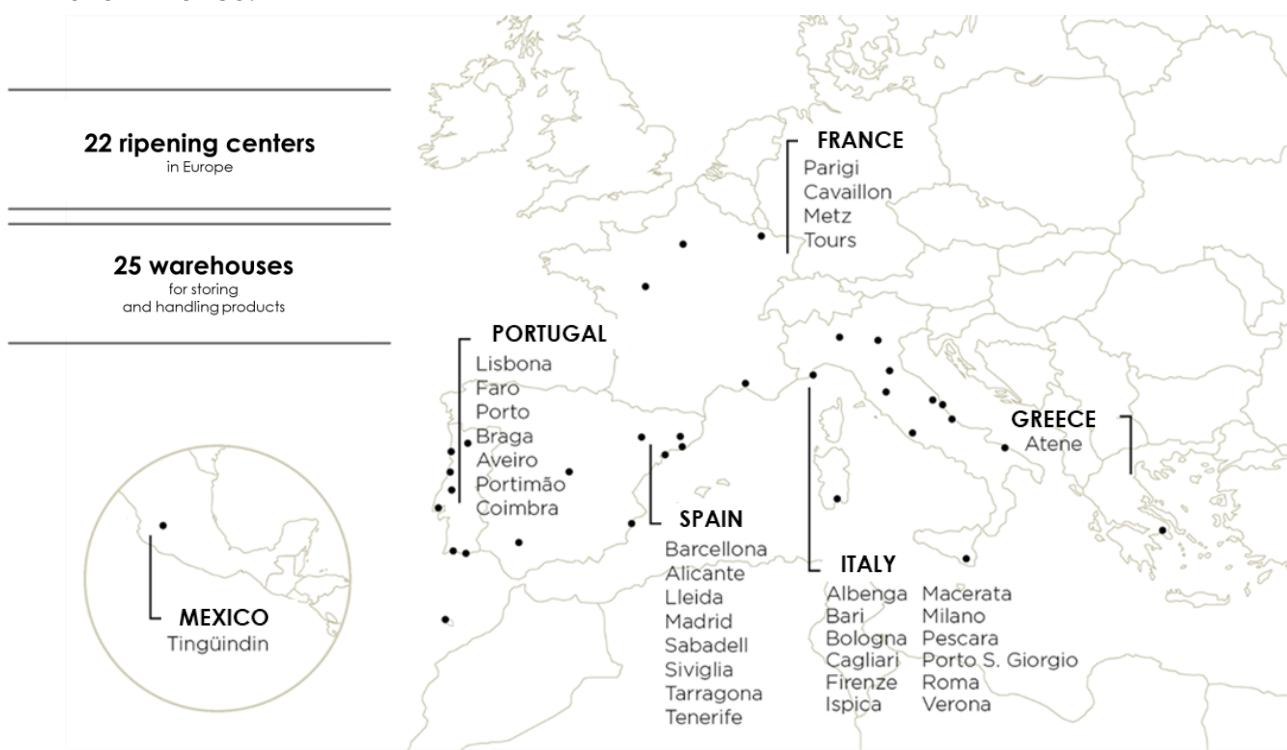
Over 7 thousand quality checks
carried-out on a daily basis in Europe

¹⁰The data relating to the quality controls carried out by the Group is the result of estimates made using the best available methods. The scope of the information is limited to the European companies of the Orsero Group.

Storage, maturation and processing

The Orsero Group uses state-of-the-art vehicles that allow transport by sea and by land, without ever interrupting the cold chain.

The products arriving from every corner of the planet reach the Group's warehouses and maturation centers, present all over the world: 22 are the Group's warehouses, 21 of which are in Southern Europe, between Italy, Spain, France, Portugal and Greece, and one in Mexico.



Product loads arrive from every corner of the world, from Europe, from Latin America, from Africa: except for the logistics managed directly by the owned fleet, the logistics of the products are managed by third-party companies, which transport the fresh fruit and vegetables at the warehouses managed by the Group.

The storage and maturation phase certainly represents one of the most important steps in the Group's supply chain, especially from a strategic point of view: the preservation and maturation of the products is what distinguishes Orsero in guaranteeing its customers the highest quality and for this reason it is necessary to manage the loads extremely efficiently. To meet this need, Orsero bases its strategy on two strategic pillars. On the one hand, the location of the warehouses: these are located in strategic positions, near urban

centers or more populated areas, so that the products are available for distribution quickly, to respect the needs of the customers, in terms of product quality and timing. The great strength of Orsero also lies in its storage capacity, and therefore in its ability and expertise gained through years of experience in managing product arrival cycles. It is essential - especially in the food sector - to have the ability to deal with any peaks in demand and supply: given the seasonal nature of fruit and vegetable products, this becomes a fundamental condition for the success and growth of the Group.

Orders are managed through a precise programming that aims at maximum efficiency, so that all products can then be appropriately selected, stored or processed. At each arrival, the products are taken in charge by the specialized staff, who, depending on the type, variety and destination, direct the load towards the appropriate warehouse area for the completion of the marketing preliminary stages. In particular, the products can be destined for maturation (which takes place in specially equipped plants and thanks to a natural ripening process), storage or processing. Usually, bananas and exotic fruits pass through the maturation process, while other products are stored, processed and prepared for commercialization.

Most of the products, after being selected and checked, are in fact directed towards the cold rooms: in the warehouses the cold chain is never interrupted, so that the quality of the product is not damaged.

Some specific product categories, in particular bananas and, even if to a lesser extent, avocado, pass through the maturation phase: these products are normally picked when still unripe, so that during transport the quality is not affected. In the warehouses, the ripening chambers are diversified and of different sizes in order to efficiently manage arrivals and any peaks. The maturation phase is managed and organized by specialized staff, who, in accordance with the customer's needs, and so that such demands can always be satisfied, establish the permanence of the fruits within the maturation cell, which varies from 4 to 6 days. The maturation process takes place thanks to the use of ethylene, a hormone naturally produced from fruit.

Once the maturation is over, the products proceed, like the others, to the packaging phase: according to the needs and preferences of the customer and so that it can be transported safely and maintaining its quality. For some product categories, a processing phase, through which fruit and vegetables are portioned and packaged, for example with regard to the IV Line products, might also be planned.

Once the maturation, processing and packaging phases have been completed, the products are ready to be marketed and distributed.

Warehouse certifications¹¹



5 warehouses certified ISO 9001

ISO 9001 certification is the internationally recognized standard for quality management: thanks to the analysis and evaluation of risks and opportunities, cost control and waste reduction are guaranteed, ensuring efficient management of the processes.



5 warehouses certified IFS

International Featured Standards are internationally recognized as a certification for the food sector. It meets the needs of food safety, traceability, quality and respect for the environment, considered today by the large-scale retail trade essential elements for a basic protocol in the selection and evaluation policies of suppliers.



5 warehouses certified BRC

It is one of the standards related to food safety recognized by the Global Food Safety Initiative (GFSI), whose main purpose is to strengthen and promote food security along the entire supply chain. The application of the BRC is therefore a necessary prerequisite for being able to export its products, and it is a recognized guarantee tool regarding corporate reliability.



5 warehouses certified FAIRTRADE

Fairtrade is the world's most recognized ethical certification brand in the world. Its objective is to support the most disadvantaged producers in developing countries, making them capable of entering the commercial system in conditions of transparency and fairness and thus improving their living standards.



8 warehouses are enabled to the storage of organic products.

In order for certified organic farming products to be sent and stored in the warehouse, it is necessary to have specific certifications, which certify food safety standards, and which ensure that any treatment is in line with the standards of the biological method.

¹¹ The perimeter of the information relates only to the warehouses present on the Italian territory.





Focus on:

Fruit maturation and the de-greening process

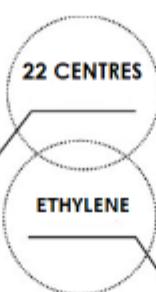
Not everyone knows that fruits and vegetables are still alive and breathe when we put them in the shopping cart: the cell walls continue to breathe to keep vital functions once cut. "Breathing" is influenced by a number of factors, such as temperature, light, humidity and others. In the transition to biological maturity the fruits undergo a series of transformations: they gain weight, accumulate water and sugars. In the final phase of maturation the skin changes color, causing the green - typical of the still unripe fruit - to fade to give space to the underlying colors. The fruit then begins to soften, becoming sugary and juicy.

The process of banana ripening, in some cases also known as de-greening, allows the fruits, which were harvested at the time of maximum development, but immediately before maturation starts and stored at a temperature of about 14 ° C, to start the natural maturation process uniformly and under control.

In specific refrigerated (or thermoregulated) cells, the enzymatic biological processes that transform complex sugars into simple sugars and which cause the de-greening of the peel are activated and controlled.

The process of de-greening of fruit is implemented in the warehouses managed by the Orsero Group by specialized personnel and is managed through the use of advanced computerized systems, which monitor the process accurately, in addition to continuous and regular checks carried out by technical personnel.

The ripening centres of the Group Orsero where the fruits ripening processes are implemented: over 250 cells of ripening are managed by specialised staff



Ethylene is a gas vegetable hormone that is produced by plants: such a tiny amount is needed for triggering the ripeness of fruits. Once triggered the products can be made in great quantity



The fruit pallets are placed in the maturation cell where there are some probes that measure the temperature of the air and of the fruit inside the pulp; the correct positioning of the pallets and a special system of inflatable cushions guarantees a forced air circulation inside the cell.



During the de-greening cycle the temperature is constantly controlled and regulated by means of electrical resistances, between 16.5 and 18 °C, depending on the duration of the chosen maturation program.

Through the forced circulation system a modest amount of azotene is introduced into the cell, a mixture composed of nitrogen and ethylene, which remains in contact with the fruit for 24 hours in order to reach all the fruits and trigger the ripening process.



Once this phase is completed, a series of aeration cycles are started, with the aim to continually replace the air inside of the cell which is always kept at a controlled temperature.



At the end of the cycle described above, the computerized system, through the signals received by the detection probes, returns the bananas to the correct temperature conditions for marketing the product of +13.5 and +14.5 °C . After a careful evaluation of the process by the technical personnel, the ripening cells are emptied to start a new cycle while the fruits are subjected to the following selection, packaging and shipping activities after a further check of the coloring parameters and consistency.

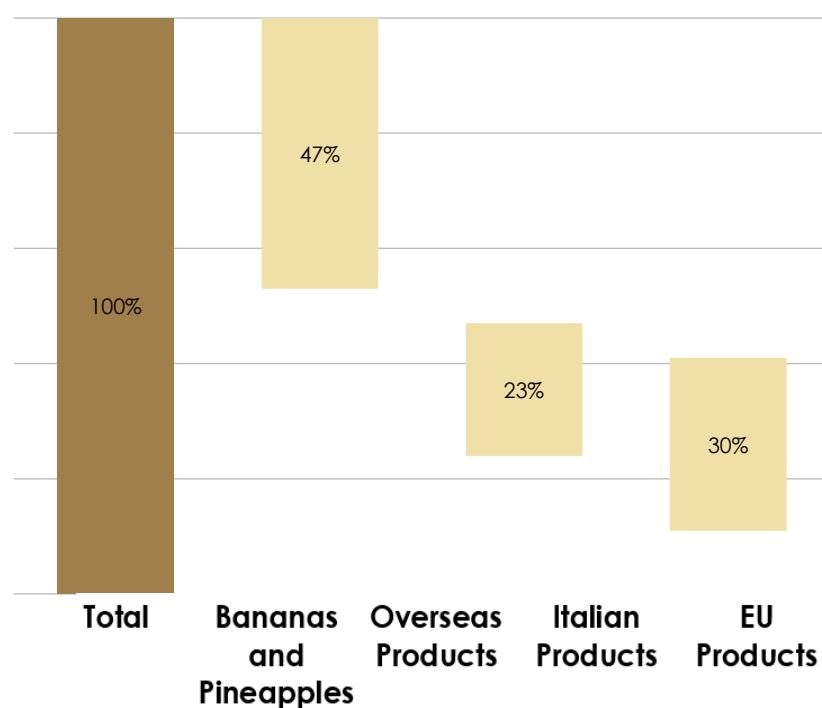
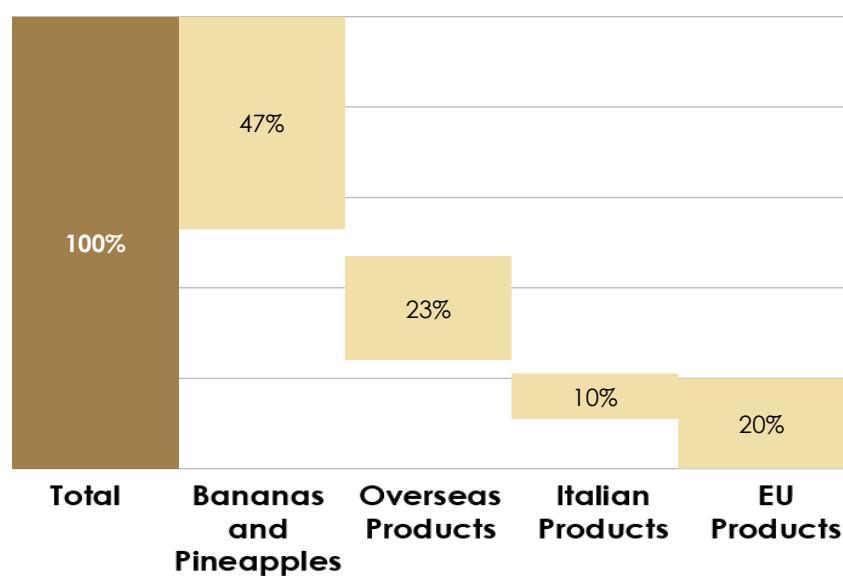
Trade and distribution

More than 100 fruit and vegetable trucks depart every day from the warehouses managed by the Orsero Group, destined for the main wholesalers and supermarkets of Southern Europe.



The Orsero Group distributes fruit and vegetable products throughout Southern Europe and, thanks to a widespread distribution throughout the territory, supplies the major supermarkets and wholesalers in Italy, Spain, France, Portugal and Greece.

As regards the product distribution sector, four main categories of product or supply channel can be defined. In particular, pineapples and bananas play an extremely important role, representing almost 45% of the distribution of the year (2019). Given the size of the market and the continuous demand from customers and consumers, the Orsero Group deals with part of the business thanks to the "Cale Rosse" fleet owned by the Group.

PERCENTAGE OF VOLUMES OF DISTRIBUTED PRODUCTS BY TYPE OR ORIGIN (2019)

PERCENTAGE OF VOLUMES OF DISTRIBUTED PRODUCTS BY TYPE OR ORIGIN (2019)


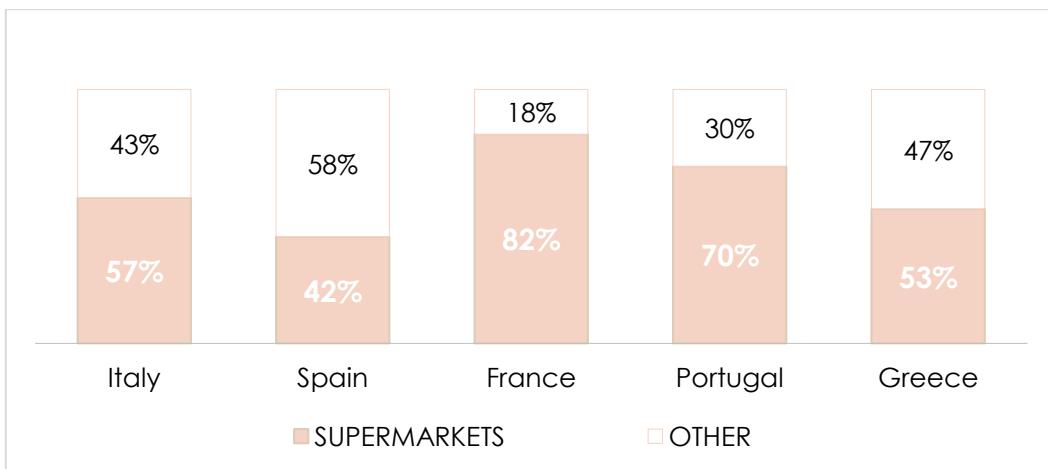
The second largest category of reference, representing 23% of the Orsero Group's distribution sector, is made up of all those fruit and vegetable products that come from overseas. Tropical fruit is a key player in the distribution operating segment: sourcing from Costa Rica, Cuba, Colombia, Mexico, Ecuador and Cameroon plays a fundamental role in creating the value of the Orsero Group.

Fruit and vegetables grown on the Italian territory are also particularly appreciated by the market and consumers: domestic products are distributed in a considerably lower percentage (10%) but are becoming more important. Orsero supports local agriculture and promotes the distribution of cultivated products on the Italian territory: in fact, there are many contracts stipulated with local farmers and retailers. Italian fruit and vegetable production also boasts a very wide range of varieties, depending on the seasonality and region of origin, as well as excellent quality.

In addition to overseas and domestic production, the distribution of products grown in Europe remains an important share, accounting for 20% of the volumes distributed by the Group in 2019.

As has already been pointed out, one of the Group's greatest strengths is the fact that most of the products marketed are available throughout the year: thanks to the Orsero strategy of diversification of supply sources, it is also possible to deal with any shortages or supply difficulties due to the seasonal nature of the products. By integrating different supply chains, the constant availability of products is guaranteed, which, also thanks to efficient storage and chain management, ensures that Orsero is always able to meet the needs of customers and consumers.

Finally, the Orsero Group's distribution business operates differently depending on the country of reference. In fact, the destination of the products direct to Large-Scale Distribution (GDO) or alternatively to wholesalers and traditional markets - depends on the characteristics of the local market: in particular, depending on whether there is a greater or lesser penetration of the large-scale distribution network in the local area. In some contexts, such as France or Portugal, Orsero products are mainly destined for supermarkets, while a smaller proportion is distributed to wholesalers or traditional markets. In other countries, such as Spain and Greece, where the "modern" market has penetrated in a less capillary way and the diffusion of traditional markets is still important, distribution sales are mainly destined to wholesalers/traditional markets. In Italy, distribution sales are equally divided between large-scale distribution/supermarkets and traditional wholesalers/traditional markets.

REVENUES CHANNEL MIX (2019)¹²


As far as sales to large-scale retailers and supermarkets are concerned, the Group supplies all the main retail chains in Southern Europe, and is present in the main fruit and vegetable stands of the major international players.



The products are sold to consumers under the brand name of the various retail chain customers of the Orsero Group. The distribution of Orsero is widespread throughout the covered area and is characterized by customized solutions for the customer. The Orsero Group is present in the major fruit and vegetable markets and supplies at the same time all the major supermarkets of Southern Europe.

¹²Source: internal statistics reports

Responsible communication

For Orsero, being socially responsible also means being close to the consumer at all times. It means having an open dialogue, which can support people in their choices, providing useful information, advice and adequate and correct information.

For these reasons, dialogue with stakeholders and especially with consumers is a fundamental value for Orsero. To ensure dialogue and listening, Orsero has developed numerous communication channels, especially on its social media. The most used is certainly the Facebook and Instagram pages, which collects all the most useful information, new initiatives and articles of interest.

Orsero is committed to answer each client's questions, analyzing the request and responding appropriately and accurately, so that any doubt or curiosity about products signed by Orsero can be answered. But above all, Orsero aims to guarantee a direct, immediate and transparent dialogue. The questions on the official pages of Orsero are numerous, mostly related to how to best taste the products. Also for this reason, a blog was created in the institutional website of Fratelli Orsero, where articles, news and recipes are periodically shared. On the blog it is possible to find all the information necessary to better enjoy fruit, new recipes, and discover all the benefits and properties of Orsero products.

Dragon fruit: nourishing and scenographic



With its shape similar to an artichoke, its bright magenta peel and its beautiful bright green flakes (called "bracts"), it is a fruit that certainly cannot be unnoticed in the stands of tropical countries. We are talking about the red pitaya, also called dragon fruit. The fruit of ..[Read more >>](#)

Mexican cuisine, a world heritage creation



Traditional Mexican cuisine is a complete cultural model that includes agriculture, ritual practices, ancient skills, culinary techniques and community ancestral customs. This was made possible by the comprehensive participation in the entire traditional food chain: from the sowing and harvesting, to cooking and consumption". it is with these words that ... [Read more >>](#)

Water and lemon in the morning: discover all the benefits



Drinking water and lemon while having an empty stomach is among the most recommended nutritional habits discovered in recent years, which mostly concern the moment of awakening. In fact, morning is a delicate and particular moment: our body has remained at rest, but also without the possibility of taking on nutrients. The foods and ... [Read more >>](#)

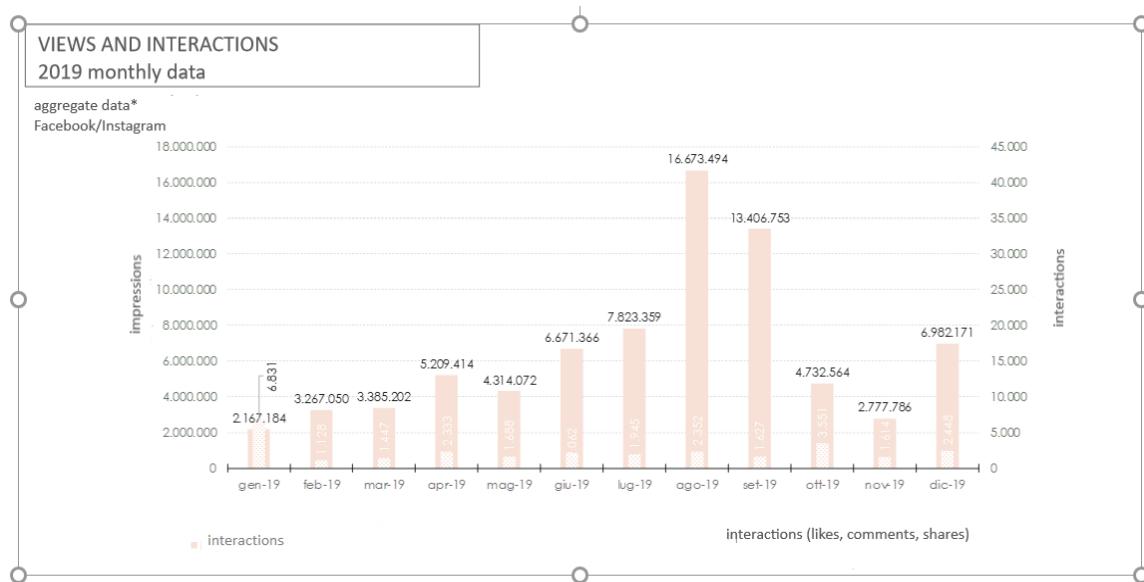

focus on:

Digital Communication

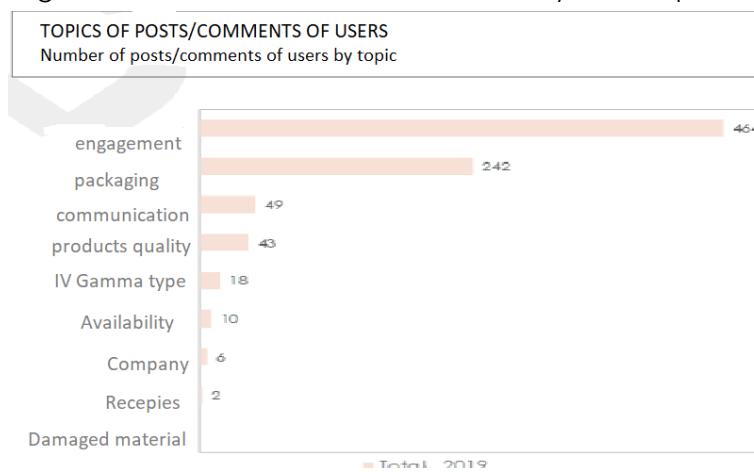
In 2019 our communication focused on activities that create an equal dialogue with the consumer, aimed at providing him with all the interesting and necessary information to discover the world of exotic fruits, and not only.

The contents created have generated:

- 900,000 sessions on our website, almost all of which (96%) also included the pages of our blog;
- Over 77 million views of our social platforms.



The interactions generated were almost 30,000 of which almost 2,000 comments and about 300 private messages. The sentiment of comments is mainly neutral-positive (81%).





focus on:

The presence of Orsero at the Jova Beach Party

F.lli Orsero in summer 2019 participated as a sponsor at the Jova Beach Party, the event of the year that was not just a concert, but a party, a traveling journey capable of revolutionizing the Italian summer promoting the culture of respect for the environment, with an entire project dedicated to waste recycling.

The brand accompanied all the dates of the tour with an iconic and fun fruit truck topped by a giant pineapple of about 5 meters, and its new line of fruit already cut and ready to taste sold in 100% recyclable paper cups.

With more than 8,000 kg of fruit sold, the partnership has been a great success both on the field and in terms of online results: more than 20,000 fruit cups have been sold and almost 16 million views of the content dedicated to the public tour on F.lli Orsero social profiles.

F.lli Orsero fruit was also enjoyed backstage by Lorenzo Jovanotti and all the artists who performed during the tour.



Responsible labeling

In line with the legislation in force in the main markets where the Group operates, on all packages a correct and transparent product information is provided.

In particular, on each package is reported:

- The place of origin
- The category and variety of the product
- The packaging place
- The weight
- Packaging method

Furthermore, all new products launched from 2017 will present on the packaging the indication for the correct recycling.

Management of complaints and significant non-conformities

Claims by customers and consumers are managed directly by the staff in charge, so that every request can be satisfied or clarified¹³. The Group prioritizes communication and for each message its compliance with the regulations in force is checked.

	Non compliance cases
Relative	0 to the labelling of products and services
Relative	0 to marketing communications
Relative	0 Substantiated complaints to data breaches and privacy violations

¹³ The data refers only to Fratelli Orsero brand products

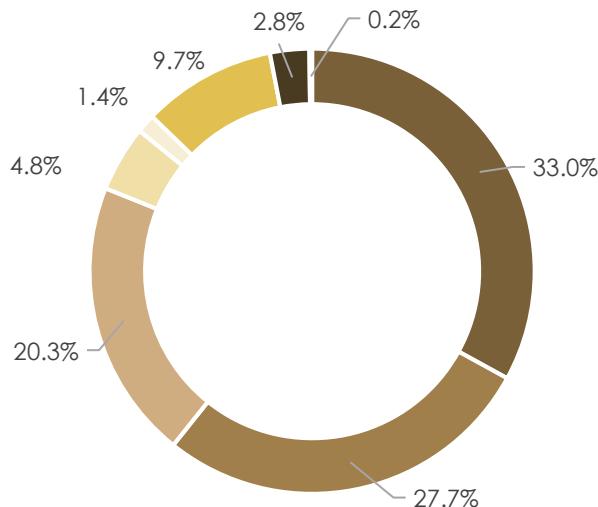
Social responsibility

Our employees

The professionalism of over 1,500 employees who work every day to bring the highest quality products to the tables throughout Europe.

The value of the Orsero Group employees is one of the most successful factors: people are at the center of work organization and the Group has the objective of enhancing the skills and attitudes of each employee to obtain the best results for the Group. The centrality of people becomes concrete through a solid work culture based on fairness, professionalism and merit.

PERCENTAGE OF EMPLOYEES, BY COUNTRY AS OF 31 DECEMBER 2019



▪ Italy ▪ Spain ▪ France ▪ Portugal ▪ Greece ▪ Mexico ▪ Costa Rica ▪ Colombia

As of December 31¹⁴ 2019, the Orsero Group had 1,545 employees in Italy, Spain, France, Portugal, Greece, Mexico, Costa Rica and Colombia.

More than 87% of employees work in Europe: 510 employees of the Group companies in Italy account for about 33%, while Spain and France employ 28% and 20% of total Group employees respectively.

The number of employees increased by 87% compared to 2018 (1,436).

Considering the peculiarity of the sector in which the Group operates, which is largely subject to the seasonal nature of its products, numerous external workers and collaborators also contribute to the Group's success, helping to meet market demands while maintaining the high standards required by the Group. As of 31 December 2019, 92 external collaborators represented more than 900 people, with significant variability between countries.

External workers are employed by the Orsero Group through social cooperatives and employment agencies. In particular, cooperatives are more commonly used in Italy, with most of which consolidated relationships have been established over the years.

Prior to the execution of the contract and at each renewal, the Orsero Group verifies compliance with the authorizations and requirements of the companies. The Group applies specific procedures to ensure that the agencies comply with national regulations, in compliance with labor laws, and that they comply with contractual obligations. Compliance with contracts and remuneration paid to workers, as well as social security contributions and the application of national collective agreements, are also periodically checked. The health and safety procedures and information on health and safety, the insurance policies taken out and in force are also checked.

An important role is also played by the maritime personnel of the "Cala Rossa" fleet, which ensures the effective and efficient management of logistics. Crewing - i.e. the recruitment of the crew and all related activities - is managed by a third party company, specialized in freight transport.

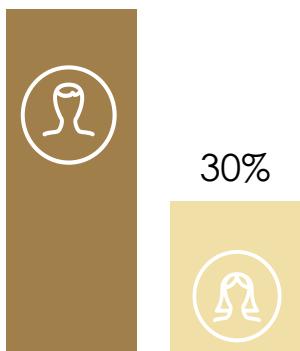
The crew, once recruited, is directly employed by Cosiarma according to the regulations of the maritime contract, through specific "enlistment contracts" provided for the sector. The total number of seafarers in 2019 was 88, equally divided among the four vessels owned by the Group.

NUMBER OF EMPLOYEES BY COUNTRY

¹⁴ The details of the data reported in this chapter relate to the headcount at 31 December of each year. The data reported do not include external workers and collaborators (e.g: interns, temporary employment contracts).

	AS OF 31.12.18	AS OF 31.12.19
Italy	500	510
EU countries	750	837
of which in Spain	351	428
of which in France	304	314
of which in Portugal	75	74
of which in Greece	20	21
Extra EU countries	186	198
of which in Mexico	142	151
of which in Costa Rica	41	44
of which in Colombia	3	3
Total	1,436	1,545

70%



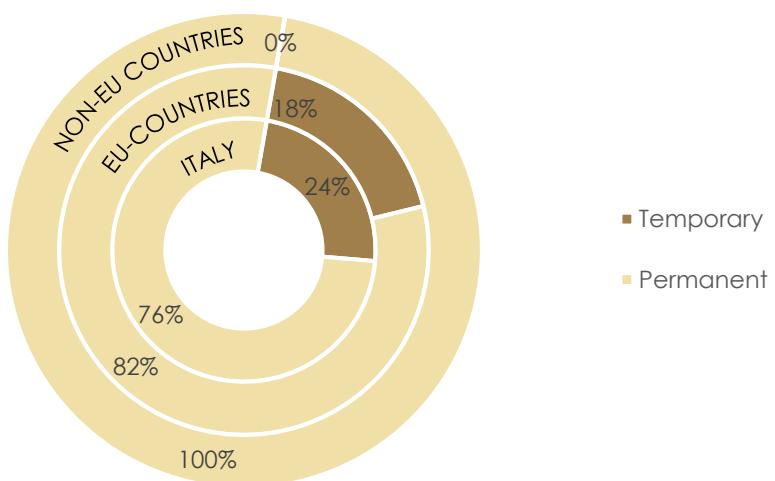
Gender diversity within the Orsero Group's employees is promoted and encouraged. The number of male employees at 31 December 2019 was 1,074 compared to 471 women, corresponding respectively to 69% and 31% of the workforce..

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT, BY GENDER AS of 31 DECEMBER

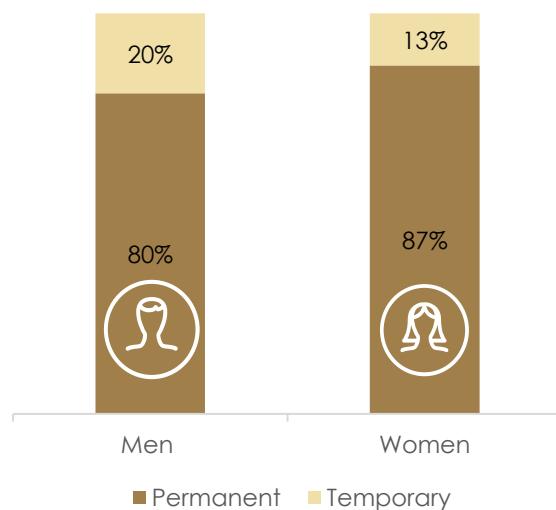
	2018			2019		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Men	804	204	1,008	859	215	1,074
Women	369	59	428	411	60	471
Total	1,173	263	1,436	1,270	275	1,545

The majority of Orsero employees are hired on permanent contracts (82% of total employees as at 31 December 2019). The chart below shows the ratio between temporary and permanent contracts by geographical area.

PERCENTAGE OF EMPLOYEES BY TYPE OF CONTRACT, BY GEOGRAPHICAL AREA AS OF 31 DECEMBER 2019.



The different type of contract, if analysed by gender, does not show significant differences between men and women: the temporary contract for men is 20% compared to 13% for women at 31 December 2019.



With regards to the different type of contract (permanent or temporary) in relation to the region to which the group's employees belong, the table below represents the data for 2019.

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND GEOGRAPHICAL AREA
AS OF 31.12.2018.

2018					
	Permanent		Temporary		Total
	Men	Women	Men	Women	
Italy	268	125	97	10	500
EU	437	169	106	38	750
Extra EU	99	75	1	11	186
Total	804	369	204	59	1,436

2019					
	Permanent		Temporary		Total
	Men	Women	Men	Women	
Italy	263	126	113	8	510
EU	493	190	102	52	837
Extra EU	103	95	0	0	198
Total	859	411	214	60	1,545

The region with the highest density of employees is Europe with 1,346 employees representing 87% of the total.

As far as the different professional types (full-time or part-time work) are concerned, the table below represents the data for the two-year period under examination.

NUMBER OF EMPLOYEES BY PROFESSIONAL TYPE (FULL-TIME AND PART-TIME),
BY GENDER AS OF 31 DECEMBER

2018			
	Full-time	Part-time	Total
Men	984	24	1,008
Women	385	43	428
Total	1,369	67	1,436

2019			
	Full-time	Part-time	Total
Men	1,052	22	1,074
Women	431	40	471
Total	1,483	62	1,545

The part-time contract, representing only 30.4% of contracts as of 31 December 2019, is more widespread among women (64.5%) than men (35.5%).

**PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER
AS OF 31 DECEMBER**

	2018			2019		
	Men	Women	Total	Men	Wo-men	Total
Executives	86%	14%	1%	86%	14%	1%
Managers	74%	26%	10%	72%	28%	12%
White-collars	52%	48%	36%	54%	46%	35%
Blue-collars	81%	19%	52%	79%	21%	52%
Total	70%	30%	100%	70%	30%	100%

**PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP AS OF
31 DECEMBER**

	2018			2019			Total	
	< 30	30 - 50	> 50	Total	< 30	30 - 50	> 50	
Executives	0%	29%	71%	1%	0%	27%	73%	1%
Managers	3%	54%	43%	10%	9%	60%	31%	10%
White-collars	15%	53%	32%	36%	14%	59%	26%	36%
Blue-collars	19%	53%	28%	52%	21%	54%	25%	52%
Total	16%	53%	32%	100%	17%	56%	27%	100%

The most populated age group is that between 30 and 50 years of age, which represents about 56% of the company's population. The youngest category (under 30) represents 17% of the Group's population at 31 December 2019.

Finally, in Italy, the national applicable collective bargaining agreement is used for all employees. In the countries of the EEC area, 99% of employees are covered by collective bargaining agreements. In non-EU countries (where, as at 31 December 2019, 198 employees were employed), employees are not covered by collective bargaining agreements, as this type of contract is not provided for.

Employee turnover

The tables reported below¹⁵ represent the number of employees who entered and left the Orsero Group during 2018, thus excluding seasonal workers, seafarers and external collaborators.

The Group is also committed to encouraging the entry of young talents into the company and offers tools to bring young people closer to their careers in the relevant sector, such as:

- ◆ Agreements with Italian schools for school-work alternation projects;
- ◆ Agreements with Italian universities for internship projects;
- ◆ Thesis projects in the company;
- ◆ Career Day and Lectures at the Italian university faculties.

TURNOVER BY AGE GROUP AND GENDER, ITALY AS OF 31 DECEMBER

2018

	New hires				Terminations			
	Men	Women	Total	%	Men	Women	Total	%
< 30	9	5	14	41.18%	5	1	6	23.08%
30 - 50	10	5	15	44.12%	4	4	8	30.77%
> 50	4	1	5	14.71%	8	4	12	46.15%
Total	23	11	34		17	9	26	
%	67.65%	32.35%		100%	65.38%	34.62%		100%

2019

	New hires				Terminations			
	Men	Women	Total	%	Men	Women	Total	%
< 30	10	11	21	35.0 %	8	9	17	30.4 %
30 - 50	26	6	32	53.3 %	14	6	20	35.7 %
> 50	6	1	7	11.7 %	14	5	19	33.9 %
Totals	42	18	60		36	20	56	
%	70.0 %	30.0 %		100%	64.3 %	35.7 %		100 %

¹⁵ Personnel turnover figures do not include the company Sevimpor.

TURNOVER BY AGE GROUP AND GENDER, EU AREA AS OF 31 DECEMBER

2018

	New hires				Terminations			
	Men	Women	Total	%	Men	Women	Total	%
< 30	33	21	54	32.34%	25	5	30	23.81%
30 - 50	76	30	106	63.47%	57	27	84	66.67%
> 50	3	4	7	4.19%	7	5	12	9.52%
Total	112	55	167		89	37	126	
%	67.07%	32.93%		100%	70.63%	29.37%		100%

2019

	New hires				Terminations			
	Men	Women	Total	%	Men	Women	Total	%
< 30	44	28	72	38.7%	44	18	62	32.3%
30 - 50	58	42	100	53.8%	47	43	90	46.9%
> 50	10	4	14	7.5%	17	23	40	20.8%
Total	112	74	186		108	84	192	
%	60.2%	39.8%		100%	56.3%	43.8%		100%

TURNOVER BY AGE GROUP AND GENDER, EXTRA EU AREA AS OF 31 DECEMBER

2018

	New hires				Termination			
	Men	Women	Total	%	Men	Women	Total	%
< 30	7	9	16	57.14%	7	6	13	50.00%
30 - 50	8	4	12	42.86%	7	2	9	34.62%
> 50	0	0	0	0,0%	2	2	4	15.38%
Total	15	13	28		16	10	26	
%	53.57%	46.43%		100%	61.54%	38.46%		100%

2019

	New hires				Terminations			
	Men	Women	Total	%	Men	Women	Total	%
< 30	7	9	16	42.1%	6	4	10	40.0%
30 - 50	10	11	21	55.3%	6	7	13	52.0%
> 50	0	1	1	2.6%	2	0	2	8.0%
Total	17	21	38		14	11	25	
%	44.7%	55.3%		100%	56.0%	44.0%		100%

Training and development of the Human capital¹⁶

Orsero enhances its human resources by promoting training initiatives aimed at enhancing the professional qualities of each employee: The Group believes in the strategic importance of continuous training, with the aim of improving individual performance as a necessary condition for competitive business performance. For this reason, Orsero ensures that its employees and collaborators have adequate skills and are professionally qualified and suitable to carry out the activities entrusted to them. In 2018, more than 10,000¹⁷ people were provided at Group level hours of training. A total of 5,216 hours were provided to male employees and 5,497 hours to female employees.

HOURS OF TRAINING

2019	
Totale training hours	8,276

AVERAGE NUMBER OF TRAINING HOURS PER CAPITA, BY PROFESSIONAL CATEGORY

2019	
Executives	6.09
Managers and white-collars	4.66
Blue collars	5.97
Total	5.36

AVERAGE NUMBER OF TRAINING HOURS PER CAPITA, BY GENDER

2019	
Men	4.47
Women	9.12
Total	5.36

¹⁶ The scope of the training data excludes the companies Sevimpol and Fruttica.

¹⁷ The breakdown of data relating to average hours of training by gender provided by the Group is partly the result of estimates made using the best available methods. The figures do not include the hours of training provided to seafarers.

Health and safety

Security is a key component of key process management.

The protection of workers' health and safety in the workplace is pursued through adequate supervision and control policies within the company, respecting the minimum requirements of the law.

As far as safety on board the Group's fleet is concerned, ship captains are required to comply with Legislative Decree no. 271 of 1999 "Adaptation of the regulations on the safety and health of seafarers on board national merchant fishing vessels, pursuant to Law no. 485 of 31 December 1998", providing that shipboard personnel are trained in the correct use of the indivisible work and safety protection devices with regard to the health and hygiene of the working environment.

HEALTH AND SAFETY INDICATORS OF ORSERO GROUP¹⁸ AS OF 31 DECEMBER¹⁹

	2018	2019
Total number of fatalities due to work-related injuries	0	0
Total number of serious injuries (excluding fatalities)	5	0
Total number of recorded work-related injuries	134	103
Hours worked²⁰	2,225,073	3,272,156
Multiplier	1,000,000	1,000,000
Fatalities rate due to work-related injuries	0	0
Rate of serious work-related injuries (excluding fatalities)	2.25	0.0
Rate of recorded work-related injuries	60.22	31.48

¹⁸ The company will deepen the analysis with respect to the significance of other non-employee workers, in order to assess the need to collect data from employers of external collaborators and suppliers operating at Group sites and/or under the Group's control, evaluating the quality and accuracy of such data over which it has no direct control.

¹⁹ The boundary of the data does not include Simbacol S.A.S.

²⁰ The figure for hours worked includes estimated object data

Work-life balance

The Group promotes and favors policies for reconciling work and personal life. Benefits are offered to all employees, regardless of the type of contract, in compliance with the requirements dictated by the applicable contractual regulations.

In Italy, the company Orsero S.p.A is implementing a new project: the "Welfare Program", which provides for the offer to employees of a benefit package.



Orsero social commitment

The Group collaborates with numerous charitable organizations, which, thanks to their commitment, contribute to improving the well-being of the local community and the most disadvantaged. The Orsero Group supports the community by promoting projects and initiatives, especially at national level. The initiatives therefore differ according to the country of reference, and differ by sector and type of intervention.

Italy



Support from the foundation that collaborates with non-profit organizations that deal with pediatric health care, providing a specialized service: Flying Angels takes care of the air transfer of children and adolescents by purchasing for them the necessary airline tickets to quickly reach the most appropriate hospital facilities not present in their country, or by sending specialized medical teams that can solve several cases together..

Spain



In Brazil, 30 thousand euros were donated for the construction of the Olindina elementary school.

Fruit donation for the annual AECC day (Associaciòn Espanola contra el Cancer) for children affected by diseases and a liberal donation for the solidarity dinner for cancer research..



For the promotion of a healthy lifestyle and a correct diet, Orsero supports the organization "5 al dia" (Five a day), which encourages the population to the consumption of fruit and vegetables, especially among children and young people. To support the "5 per day" program, Orsero's facilities opened their doors: the children were able to explore the warehouses and, at the end of the day, each child was given a bag of fruit and vegetable.



Members of the Red Cross for 19 years



focus on:

Initiatives against food waste

The Orsero Group is committed to fighting food waste: in addition to the adoption of practices consolidated over time to reduce waste during the transport and storage phases of the products, the Group, thanks to the implementation of initiatives for the benefit of the community, gives value to every single product.

To guarantee the minimization of food waste, during the different stages of the supply chain, the products are subjected to continuous quality controls: the timeliness of the controls allows for the continuous verification of product safety, guaranteeing freshness.

The warehouses have the possibility to make partnerships with local associations and organizations, to minimize waste and the loss of edible but non-commercial products.

Environmental responsibility

The Orsero Group carefully monitors its environmental impacts, so that a strategy can be implemented to minimize the use of resources. Orsero promotes a business activity that respects the environment and natural resources.

The main environmental impacts of Orsero refer to the energy consumption resulting from the operations carried out inside the warehouses where the Group operates and the environmental impact generated by the ships of Cosiarma's fleet. The environmental impacts of the fruit and vegetable trade in the traditional market stands and in the Group's commercial offices can be considered residual.

The Group also owns two small plantations, in the Canary Islands and Mexico, planted respectively with bananas and avocados, through which Orsero aims to implement and monitor the best agricultural practices in these areas. The quantities produced by these plantations are residual and even in this case the environmental impacts have been considered not relevant.

Any other limitation in the perimeter of the reported data is specified in the chapter.

Energy consumption

The energy consumption of Orsero is monitored so that a complete view of it is available for the planning of energy efficiency measures, with particular reference to the warehouses in which the Group operates. The Group's activities carried out in the warehouses include product processing and packaging as the main processes. For this reason, energy consumption is limited to refrigeration systems, the power supply of the machines in the warehouses and a few other functions, such as lighting or heating of the rooms. Finally, all the means inside the warehouses run on electricity: therefore, no other energy vectors are used, except to heat the office spaces.

GROUP ENERGY CONSUMPTION, IN GJ²¹

	2018	2019
Fuels from non-renewable sources	3,908,224	3,220,968
of which natural gas	221	288
of which diesel	69,752	130,039
of which petrol	2,258	2,270
of which HFO (Heavy Fuel Oil)	3,816,457	2,953,930
of which lubricating oil (Lubeoil)	19,566	23,164
Of which ULSFO ((Ultra low sulfur fuel oil 0,5%)	-	111,277
Total electric energy purchased	192,037	190,100
from renewable sources	0	0
Total consumption of energy from non-renewable sources	4,100,281	3,412,336
 Total self-produced electric energy	 7,773	 8,292
of which from renewables²²	1,214	8,292
Total self-produced and sold electricity	2,488	1,622
of which from renewable sources	2,488	1,622
 Total energy consumption	 4,099,007	 3,412,336

²¹ The source of the conversion factors used is DBEI, DEFRA, UK Government GHG Conversion Factors for Company Reporting (2018).

²² From photovoltaic panels.

The most impacting energy consumption is related to the fuel consumption of the owned naval fleet.

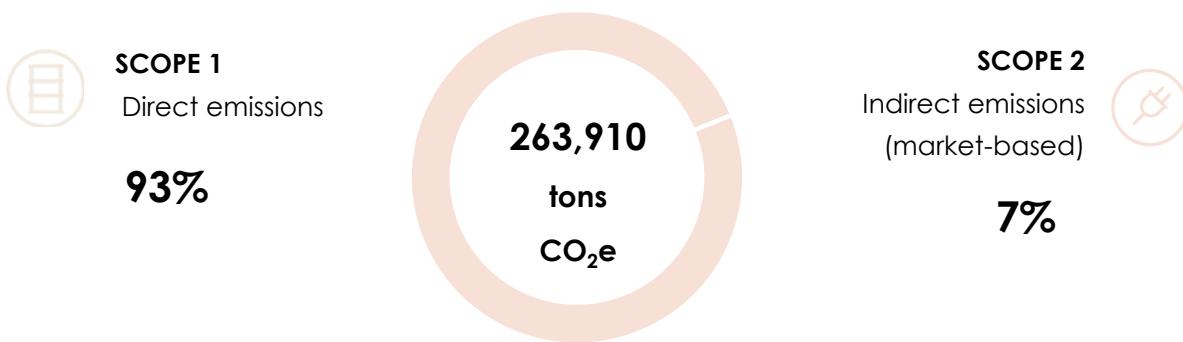
Emissions in the atmosphere

The emissions into the atmosphere of the Orsero Group, reported in this chapter, can be traced mainly to:

- ◆ **Direct emissions** (Scope 1) deriving mainly from the energy consumption of the "Cala Rossa" fleet and, to a lesser extent, from the use of refrigerant gases used to preserve the cold chain, from the use of energy carriers in warehouses and other Group offices and from the use of ethylene for product maturation.
- ◆ **Indirect emissions from electricity consumption** (Scope 2) deriving mainly from the activities carried out in the warehouses where the Group operates.

CO₂²³ direct emissions (Scope 1) and indirect ones deriving from energy consumption (Scope 2, calculated according to the market-based methodology) in 2018 have been equal to 314,429 tons of CO_{2e}²⁴.

GROUP'S GHG EMISSIONS IN TONS OF CO_{2E}



²³ The Group's direct and indirect atmospheric emissions were calculated in CO₂, as the difference with respect to the value calculated in CO_{2eq} was considered not relevant for a correct representation of the Group's actions.

²⁴ The source of emission factors related to Scope 1 is: DEFRA, UK Government GHG Conversion Factors for Company Reporting (2018); the source of emission factors related to electricity consumption (Scope 2) are Association of Issuing Bodies (AIB), 2018 European Residual Mixes, (2018) and Terna, International Comparisons (2016).

GROUP'S GHG EMISSIONS IN TONS OF CO_{2E}

	2018	2019
Direct emissions (Scope 1)	290,932	245,186²⁵
of which related to the activity of the fleet	99.8 %	96.6 %
Indirect emissions from electric energy (Scope 2)		
Market-based methodology	17,680	18,724
Location-based methodology	12,994	14,680

Other direct emissions relevant for the Group are those relating to the atmosphere emissions of other pollutants from the "Cala Rossa" fleet, amounting to 5,833 t of NOX and 3,678 t of SOX.

²⁵ The figure includes the consumption of refrigerant gases, net of ethylene

Waste management

The Orsero Group pays the utmost attention to the issue of waste, which plays a fundamental role considering the sector in which the Group operates.

Most of the waste generated by the Group derives from food products: along the supply chain, during transport as well as in the warehouse, fruit and vegetable products are checked to verify their quality. Non-edible or unmarketable products are discarded and destined for composting.

The data on Group waste reported below does not include the quantities relating to the waste generated by the ships of the "Cala Rossa" fleet.

WASTE BY TYPE AND METHOD OF DISPOSAL, IN TONS ²⁶

2018

	Hazardous	Non-hazardous	Total
Reuse	-	154.0	154.0
Recycling	-	6,588.4	6,588.4
Composting	-	2,356.1	2,356.1
Incineration	0.08	175.0	175.1
Reuse	-	1,773.1	1,773.1
Deep well injection	-	13.4	13.4
Discharge	0.03	256.8	256.8
On-site storage	0.03	2,839.7	2,839.8
Other	2.69	3.2	5.9
Total	2.83	14,159.8	14,162.6

2019

	Hazardous	Non-hazardous	Total
Reuse	-	453.5	453.5
Recycling	0.44	8,421.1	8,421.5
Composting	-	2,050.1	2,050.1
Incineration	0.05	636.1	636.1
Reuse	-	2,205.8	2,205.8
Deep well injection	-	2.1	2.1
Discharge	1.10	6.1	7.2
On-site storage	0.52	4,130.0	4,130.5
Other	-	6.0	6.00
Total	2.11	17,910.8	17,912.9

The trend with respect to the production of waste is increasing not only due to the expansion of the Group and its activities but also due to exceptional disposals during 2019.

²⁶ The perimeter of the data does not include waste produced by Cosarma S.p.A.'s "Cala Rossa" fleet.

The above figures do not include the quantities of waste generated by the ships of the "Cala Rossa" fleet since, due to the particular nature of the business, the data is collected in volumetric units: during 2019 the fleet produced 1,173.64 cubic meters of wastes.

The use of water resources

Water consumption is largely attributable to the use for civil purposes in the warehouses and offices of the Group and to the cleaning of warehouse work environments. In order to minimize the use of the water resource, in some warehouses cooling systems with water recirculation are installed (eg. evaporative towers).

WATER WITHDRAWAL BY SOURCE IN M³²⁷

	2018	2019
from well	560,128	671,961
from aquifer	92,994	99,069
from rainwater	14,500	14,500
from surface water²⁸	149,787	189,510
Totale	817,409	975,040

The volumes of water taken by the vessels of the "Cale Rosse" fleet are then discharged into the sea: these are used for the ballast, which is necessary for the stability of the vessels. In this regard, it should be noted that as early as 2018, in compliance with the regulatory obligation for the year 2019, water treatment systems (Ballast Water Treatment System) are installed on the ships of the fleet for the purification of ballast water.

²⁷ The data relating to water withdrawals carried out by the Group are partly the result of estimates made using the best available methods.

²⁸ Including levies relating to the use of water as ballast in ships in the Ballast Water fleet.

Logistics

The logistics phase of the Group is described in the chapter "Logistic import and efficiency: our ships", where the methods and times for transporting the goods are reported in greater detail. The management of further logistics flows is entirely entrusted to third-party companies, which operate mainly by road. The logistics phase is an important part of the Group's supply chain, as the safe and efficient transport of goods guarantees the freshness and quality of the products. For this reason, the Group aims to optimize logistics by entrusting to specialized and experienced companies the management of the transports arriving and leaving the buildings located throughout the territory.

Responsible packaging

In the warehouses managed by Orsero, recyclable materials are used and particular attention is paid to the responsible management of materials. In the warehouses managed by Orsero, more than 25 types of packaging are performed for 300 different product references.

Product packaging, especially in the food sector, plays an important role, because it has the task of protecting food, preserving it during its transport and guaranteeing its freshness and safe conservation.

Also from the consumers point of view, the attention to the use of responsible packaging and, in general, to the use of recyclable materials is growing, as greater care and responsibility is required with respect to the issues of materials management, optimization of the resources used and recyclability of packaging. In addition to the need to respond to customer needs, the need to use materials suitable for contact with food should also be considered.

The packaging used in the warehouses and in the distribution of Orsero products are purchased for their totality by external suppliers, most of whom, due to consolidated policies, use recycled material.

For the brand we use more and more packs with high percentages of recycled and recyclable material. In 2019 - where possible - we replaced non-recyclable polystyrene packaging with paper packs.

TONS OF PACKAGING MATERIALS PURCHASED BY THE GROUP IN ITALY BY SOURCE²⁹

2018				
	u.m	From non renewa-ble sources	Renewable sour-ces	Total
Cases and boxes	ton	69	19,748	19,817
Cases and boxes	m³	-	581,872	581,872
Film	ton	122	144	267
Trays	ton	311	211	523
Trays	m³	2,895,240	1,328,130	4,223,370
Labels	Ton	26	32	57
Labels	m³	-	15,039,535	15,039,535
Nets	Ton	54	16	70
Pallet	Ton	-	8,405	8,405
Other	Ton	184	97	282
Angular plastics	Ton	-	29	29

2019				
	u.m	From non renewa-ble sources	Renewable sources	Total
Cases and boxes	ton	306	19,902	20,208
Cases and boxes	m³	-	592,842	592,842
Film	ton	864	126	990
Trays	ton	373	2,514	2,887
Trays	m³	3,420,408	1,266,620	4,687,028
Labels	Ton	24	38	63
Labels	m³	-	15,203,525	15,203,525
Nets	Ton	91	18	109
Pallet	Ton	297	8,839	9,136
Other	Ton	413	81	494
Angular Plastics	Ton	-	33	33

²⁹ The data relating to packaging material purchased by the Group are partly the result of estimates made according to the best available method.

For the packing and packaging of fruit and vegetables, different types of material are used, necessary to transport and protect the product.



focus on:

Minimizing the impacts of logistics with pooling supplies

The Group has started various collaborations with companies active in the supply of pallets and fruit and vegetable boxes in pooling: thanks to the pooling supplies, the pallet and the boxes are collected from the large-scale retail trade and then redistributed to the warehouses, avoiding the disposal of material that can be re-used.

In Spain, for example, a partnership is active with the company CHEP - wooden pallet manufacturer - which has carried out an analysis relating to the environmental impacts of its product, carried out using the Life Cycle Assessment methodology, which measures raises of the environmental impacts during the entire life cycle of the product, from production to disposal. The study found that CHEP pallets have the least environmental impact compared to other packaging categories. In particular, each pallet is produced from renewable sources, certified to 100% FSC (Forest Stewardship Council) and PEFC (Program for Endorsement of Forest Certification).



focus on:

F.lli Orsero and the path to improve packaging sustainability

Since 2018, the F.lli Orsero brand has started a process to improve the sustainability of the packaging used for its products.

In 2018, for the flagship products of the Maturi line at the right point (mango, papaya and avocado), which need packaging in order to protect the fruit, a solution was studied that combines the convenience of the packaged product with the environmental impact of the bulk: the sticker for sale per piece.

In 2019 - where possible - plastic or polystyrene trays were converted into FSC-certified paper trays printed with vegetable-based inks.



Economic responsibility

Economic sustainability means operating in a responsible manner, to ensure the long-term stability of the company.

Orsero's turnover for the year 2019 amounted to 1.005 billion euros, compared with approximately 952¹⁸ million of turnover in 2018, marking an increase in turnover of 5.2%. The "Adjusted EBITDA", the main performance indicator used by the Group, is 2.86%, a very positive figure compared to other sector competitors.

During 2019, the Group focused on the consolidation of the results of the Distribution sector as well as on the operations of Fruttital Firenze, Galandi, Hermanos Fernández López S.A., from a managerial point of view acquired during 2017, with particular attention to the activities developed by Fruttital Firenze in the "fresh cut" sector, an area in which the Group sees concrete opportunities to grow in terms of turnover and margins in the various countries in which it operates, with particular focus on the Italian market, also taking advantage of clear synergies with the strategic location of its warehouses. In this regard, the Group is working on an expansion program that foresees the opening of three more production centres in the main Italian warehouses during 2019.

The consolidated income statement 2019, in its main indicators represented by turnover and Adjusted Ebitda, gives an account of the Orsero Group's economic performance in its current perimeter, focused on the activities of the two sectors of Distribution and Import & Shipping, the company's true core business. The 2019 financial year shows, compared to the same period of the previous year, a regular and constant trend in the Distribution sector, although with the normal variations from country to country due to the trends of the different fruit and vegetable campaigns, and a less performing trend in Import & Shipping where the increase in fuel costs and logistic problems related to the ports of embarkation in Central America prevailed compared to the better trend in banana imports.

2.86%
Adjusted
EBITDA

1.005
Billion in Gross
revenue

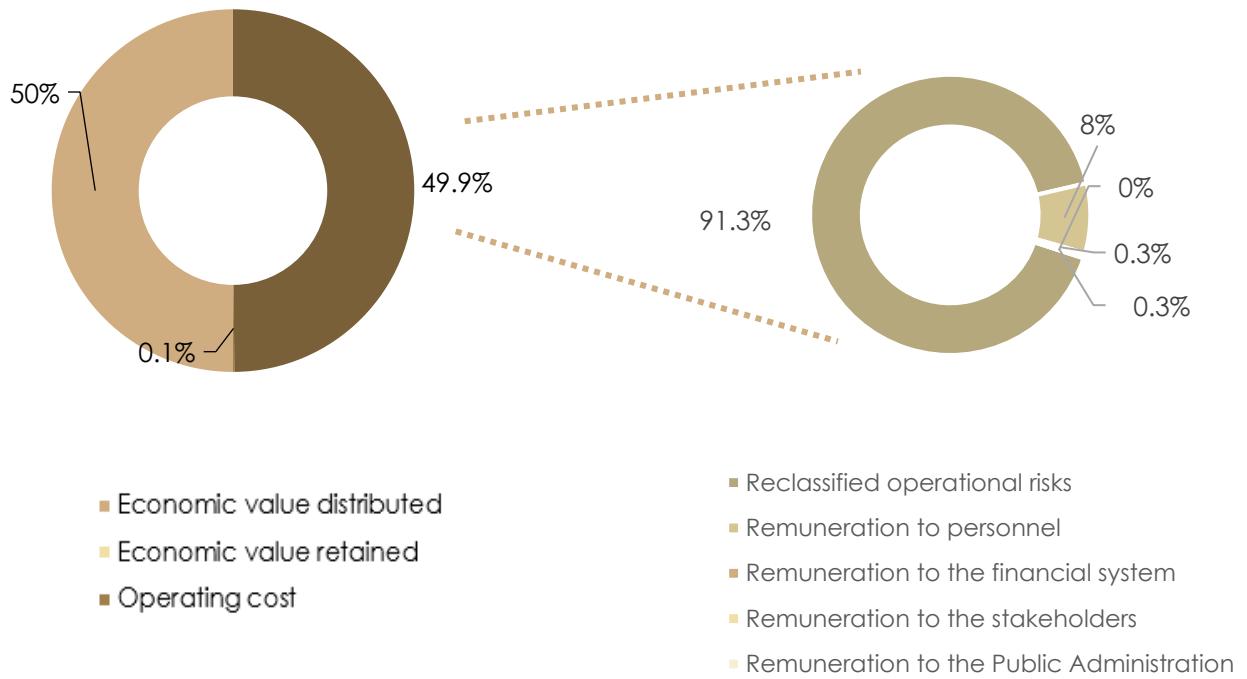
2.39
Milions of euro
in revenue

Added value distribution³⁰

The statement of distribution of directly attributed added value is based on a reclassification of the income statement format of the Group's consolidated financial statements. The economic value directly generated represents the economic wealth produced during the year by the Group and the analysis of the economic value distributed makes it possible to obtain an assessment of the economic and social impact created, measuring the wealth created for the benefit of all stakeholders.

As shown in the chart below, the value directly generated by the Group for the year under review in this report is distributed in various forms to the Group's various internal and external stakeholders.

DISTRIBUTION OF THE VALUE GENERATED, IN PERCENTAGE IN PERCENTAGE (2019)



³⁰ During 2019, a process of improving the reporting system with regard to economic data was completed.

	2019	2018
	euro	euro
Economic value generated by the group	1,011,571,595	960,903,059
Revenues from sales and services	1,005,718,385	952,756,185
Other revenues and income	4,495,317	5,750,736
Financial income	264,488	185,971
Exchange rate differences	-616,781	-140,085
Result of asset/financial management	1,710,187	2,350,252
Economic value distributed by the Group	1,009,178,014	954,961,083
Reclassified operating costs	921,806,488	872,703,947
Cost of sales (distributors + Simba)	790,442,460	737,563,371
Warehouse costs (distribution companies) and operating costs (Cosiarma)	94,102,401	99,060,771
General and administrative expenses	30,721,394	30,740,662
Other costs and charges	6,540,232	5,339,142
Staff remuneration	81,067,336	74,451,283
Personnel costs	81,067,336	74,451,283
Remuneration of the financial system	2,857,007	2,506,970
Interest expenses	2,857,007	2,506,970
Remuneration of shareholders	245,986	2,060,251
Profit distribution for the year	0	2,031,614
Net result for the year attributable to minority interests	245,986	28,637
Public Administration Remuneration	3,201,197	3,238,632
Taxes for the year	3,201,197	3,238,632
Community remuneration	0	0
Donations, sponsorships and collaborations	0	0
Economic value retained by the Group	2,393,581	5,941,975
Net result for the year attributable to the Group in reserve	2,393,581	5,941,975

The caption "Human Resources" includes all forms of remuneration and remuneration erogiven for the work carried out by employees, including social utility charges incurred by the Group. In 2019 the Orsero Group paid its employees human resources 8.0% of the economic value distributed during the year.

The item "Remuneration of the financial system" includes the payment of interest on capital, which in 2019 represented 0.3% of the value distributed.

The item "Remuneration of the Public Administration" represents the amount owed by the Group to Public Administration entities, by way of income taxes and other taxes directly attributable to the company's assets, excluding taxes and other charges incidental to operations (duties and customs charges), equal to 0.3% of the value distributed. Lastly, the item "Value withheld" represents the economic value withheld by the Group: for 2019, the value withheld by the Group was 2.39 million euros, or 0.1% of the total value generated.

The economic value withheld within the Group represents the portion of wealth that guarantees the economic sustainability of the business and is reinvested in innovation, services for customers to continue the path of continuous improvement.

Investor relations

Following the listing of the Orsero Group on the MTA market, STAR seed, organized and managed by Borsa Italiana, which took place on December 23, 2019, the figure of Investor Relator was officially confirmed as an obligatory requirement for the applicable regulations. This figure was already present in the Group since the beginning of trading of the Orsero share on the AIM Italia market, since it was not mandatory for AIM companies, as it was considered fundamental to implement the dialogue with shareholders and ensure complete and transparent disclosure to investors. The Group, as further confirmation of the attention that this issue holds, is also assisted by an external company for the support of institutional and investor communication activities.

As in previous years, the usual activities of meeting and discussion with shareholders and investors were carried out in 2019 to foster relations with the market and the widest possible communication and dissemination of information. These included the conference calls held with investors to present the 2018 annual results and the first six months of 2019, in March and September respectively, and the numerous roadshows in some important European financial centres, meetings or telephone conferences. In particular, the Group was present at some important conferences dedicated to the meeting between listed companies and investors: ESN Investor Conference Paris, April; AIM Conference Milan, May; ISMO Milan, October; AIM Conference London, October.

The Orsero Group has also undertaken to disseminate - initially on a voluntary basis with regard to the period of listing on AIM Italia and subsequently in compliance with the regulations applicable to companies listed on MTA, Star segment - the press releases containing regulated information also in English and to disseminate half-yearly and annual financial reports also translated into English.

Finally, the maintenance and continuous improvement of the corporate website, available in both Italian and English, allows the Group to open up to foreign investors and guarantees complete and transparent communication and information at all times. The Orsero share is also covered by 4 analysts, thus ensuring a plurality of financial research that is higher than the average for comparable companies.

Material topics Boundary

MATERIAL TOPICS	BOUNDARY OF THE MATERIAL TOPIC		STAKEHOLDERS INVOLVED	TOPIC-SPECIFIC STANDARDS LINKAGE
	Where the impact occurs	Type of impact		
Corporate Governance	Orsero S.p.A.	Caused by the Group	Shareholders and Financial Community, Institutions and Governments	N/A
Ethics and responsible business	Orsero Group	Caused by the Group	All	Anti-corruption Anti-competitive Behavior Socio-economic Compliance Environmental Compliance
Economic performance and value creation	Orsero Group	Caused by the Group	Shareholders and Financial Community	Economic Performance
Diversity and equal opportunities	Orsero Group employees	Caused by the Group	Employees and Labour Unions	Diversity and Equal Opportunity
Human capital development and corporate welfare	Orsero Group employees	Caused by the Group	Employees and Labour Unions	Occupation Training and education
Occupational health and safety	Orsero Group employees ³¹	Caused by the Group	Employees and Labour Unions	Occupational Health and Safety
Safety, traceability and product quality	Orsero Group, Suppliers	Caused by the Group and directly related through a business relationship	Customers, Consumers, Institutions and Governments, Media	Customers Health and Safety
Customer Satisfaction	Orsero Group	Caused by the Group	Customers, Consumers	N/A
Responsible marketing and product labelling	Orsero Group	Caused by the Group	Customers, Consumers	Marketing and labeling
Nutrition and well-being	Orsero Group	Caused by the Group	Customers, Consumers	N/A

³¹The company will deepen the analysis with respect to the significance of other non-employee workers, in order to assess the need to collect data from employers of external collaborators and suppliers operating at Group sites and/or under the Group's control, evaluating the quality and accuracy of such data over which it has no direct control.

Sustainable supply chain management	Orsero Group, Suppliers	Caused by the Group and directly related through a business rela- tionship	Suppliers, Custo- mers	Suppliers environmen- tal assessment Suppliers social assess- ment
Responsible consumption of raw materials	Orsero Group	Caused by the Group	Customers, Consumers	Materials
Management of energy and emissions into the atmosphere	Orsero Group	Caused by the Group and directly related through a business rela- tionship	All	Energy Emissions
Waste management	Orsero Group	Caused by the Group	All	Scarichi idrici e rifiuti
Responsible Packaging	Orsero Group	Caused by the Group	Customers, Con- sumers	Materials

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE	OMISSION
GRI 102: GENERAL DISCLOSURES (2016)			
Organizational profile			
102-1	Name of the organization	4	
102-2	Activities, brands, products, and services	7-11; 35-47	
102-3	Location of headquarters	117	
102-4	Location of operations	7-11	
102-5	Ownership and legal form	4; 8; 22-23	
102-6	Markets served	7-11; 35-40; 59	
102-7	Scale of the organization	7-11; 35-40; 66-66; 74-79; 98-101 Market cap 108,01412 mln euro fonte: Capital IQ	
102-8	Information on employees and other workers	74-79	
102-9	Supply chain	7-11; 48-69	
102-10	Significant changes to the organization and its supply chain	1-3; 4-6; 16-17	
102-11	Precautionary Principle or approach	24-28	
102-12	External initiatives	44; 45; 72; 85-86	
102-13	Membership of associations	44; 45; 52; 72; 85-86	
Strategy			
102-14	Statement from senior decision-maker	1-3	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	12-14	
Governance			

102-18	Governance structure	19-21
---------------	----------------------	-------

Stakeholder engagement

102-40	List of stakeholder gorups	30
102-41	Collective bargaining agreements	79
102-42	Identifying and selecting stakeholders	30
102-43	Approach to stakeholder engagement	30-32
102-44	Key topics and concerns raised	33

Reporting practice

102-45	Entities included in consolidated financial statements	4
102-46	Defining report content and topic Boundaries	4, 103-104
102-47	List of material topics	33; 103-104
102-48	Restatements of information	This is the first Sustainability Report of the Orsero Group.
102-49	Changes in reporting	This is the first Sustainability Report of the Orsero Group.
102-50	Reporting period	4
102-51	Date of most recent report	This is the first Sustainability Report of the Orsero Group.
102-52	Reporting cycle	4
102-53	Contact point for questions about the report	affarisocietari@orserogroup.it
102-54	Claims of reporting in accordance with GRI standards	4
102-55	GRI content index	105-113
102-56	External assurance	114-116

TOPIC-SPECIFIC STANDARDS

Material topic: Economic performance and value creation

GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	98-101
103-3	Evaluation of the management approach	98-101

GRI-201: Economic Performance (2016)

201-1	Direct economic value generated and distributed	99-101
-------	-------------------------------------------------	--------

Tema materiale: Ethics and responsible business
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	5; 22-23; 28
103-3	Evaluation of the management approach	5; 22-23; 28

GRI-205: Anticorruption (2016)

205-3	Confirmed incidents of corruption and actions taken	5; There were no cases of corruption during 2019. Orsero S.p.A. reports that the Deputy Chairman and Chief Executive Officer, Raffaella Orsero, had been investigated by the Public Prosecutor's Office of Genoa for facts for which, however, the company and its subsidiaries were not implicated as defendants. On the same date (19/2/2020), the Judge for Preliminary Investigations pronounced a decision not to proceed with the charge of embezzlement and, for other offences,
-------	-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Dr. Osero, in order to close the case without any admission of guilt, filed a plea bargain, with the consent of the Public Prosecutor, on which the Judge ruled in favour.

GRI-206: Anticompetitive behavior (2016)

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	During 2019 there were no legal actions related to anti-competitive behavior, anti-trust, and monopoly practices.
-------	----------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------

GRI-419: Socio-economic compliance(2016)

419-1	Non-compliance with laws and regulations in the social and economic area	During 2019 there were no cases of socio-economic non-compliance.
-------	--------------------------------------------------------------------------	-------------------------------------------------------------------

GRI-307: Environmental compliance (2016)

307-1	Non-compliance with environmental laws and regulations	The Captain of the ship Cala Pino of Cosirarma S.p.A. received in 2019 an administrative sanction of 30,000 Euros from the Port Authority of Vado Ligure following a spot check on the Marine Diesel Oil embarked. The laboratory test showed that the sulphur content was 0.8% instead of the expected 0.1%. The reason for this erroneous value was identified in a defective valve in the service tank. SEATRADE, with which the Captain is associated as Technical Director, carried out the counter-test on the sample and the defence memoranda.
-------	--------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Material topic: Diversity and equal opportunity
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	19-21; 74-79
103-3	Evaluation of the management approach	19-21; 74-79

GRI-405: Diversity and inclusion (2016)

405-1	Diversity of governance bodies and employees	19-21; 74-79
-------	----------------------------------------------	--------------

Material topic: Human capital development and business welfare
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	74-79; 82
103-3	Evaluation of the management approach	74-79; 82

GRI-401: Employment (2016)

401-1	New hires and employee turnover	80-81
-------	---------------------------------	-------

GRI-404: Education and training (2016)

404-1	Average hours per year per employee	82
-------	-------------------------------------	----

Material topic: Occupational health and safety
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	83
103-3	Evaluation of the management approach	83

GRI-403: Occupational health and safety (2018)

403-1	Occupational health and safety management system	56; 83
403-2	Hazard identification, risk assessment, incident investigation	24; 83
403-3	Occupational health services	83
403-4	Worker participation, consultation and communication on occupational health and safety	83



403-5	Worker training on occupational health and safety	83
403-6	Promotion of worker health	83
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	83
403-9	Work-related injuries	83

Material topic : Safety and traceability of products**GRI-103: Management approach (2016)**

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	52-54; 57-58
103-3	Evaluation of the management approach	52-54; 57-58

GRI-416: Consumer health and safety(2016)

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2019 there were no cases of non-compliance with regard to consumer health and safety.
-------	-----------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------

Material topic: Customer satisfaction**GRI-103: Management approach (2016)**

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	70-71; 73
103-3	Evaluation of the management approach	70-71; 73

Material topic: Responsible marketing and product labeling**GRI-103: Management approach (2016)**

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	70-71; 73
103-3	Evaluation of the management approach	70-71; 73

GRI-417: Marketing and labeling (2016)

417-2	Incidents of non-compliance concerning product and service information and labeling	73; During 2019 there were no cases of non-compliance with the labelling of products.
-------	-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------

Topic: Nutrition and wellbeing
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	39-40; 42
103-3	Evaluation of the management approach	39-40; 42

Material topic: Sustainable management of the supply chain
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	48-56
103-3	Evaluation of the management approach	48-56

GRI-308: Suppliers environmental assessment (2016)

308-1	New suppliers that were screened using environmental criteria	51-54 In 2019, the selection process for the new suppliers did not include environmental criteria.
-------	---------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

GRI-414: Supplier social assessment (2016)

414-1	New suppliers that were screened using social criteria	51-54 In 2019, the selection process for the new suppliers did not include social criteria.
-------	--------------------------------------------------------	------------------------------------------------------------------------------------------------

Material topic: responsible consumption of raw materials and responsible packaging
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	53-54; 94-95

103-3	Evaluation of the management approach	53-54; 94-95
-------	---------------------------------------	--------------

GRI-301: Materials (2016)

301-1	Materials used by weight and volume	94-95
-------	-------------------------------------	-------

Material topic: Energy management and emission in the atmosphere
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	87-90
103-3	Evaluation of the management approach	87-90

GRI-302: Energy (2016)

302-1	Energy consumption within the organization	87-90
-------	--------------------------------------------	-------

GRI-305: Emissions (2016)

305-1	Direct (Scope 1) GHG emissions	89-90
305-2	Indirect (Scope 2) GHG emissions	89-90

Material topic: Waste management
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	87; 91-92
103-3	Evaluation of the management approach	87; 91-92

GRI-306: Effluents and waste (2016)

306-2	Waste by type and disposal method	91-92
-------	-----------------------------------	-------

Topic: Corporate governance
GRI-103: Management approach (2016)

103-1	Explanation of material topic and its Boundary	33; 101-102
103-2	The management approach and its components	19-28
103-3	Evaluation of the management approach	19-28

Independent Auditor's Report

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
www.deloitte.it

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

**To the Board of Directors of
Orsero S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Orsero S.p.A. and its subsidiaries (hereinafter "Orsero Group" or "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 11, 2020 (hereinafter "NFS").

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

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established in 2016 by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

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

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

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

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

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

Sede Legale: Via Tortona, 25 – 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 – R.E.A. Milano n. 172039 | Partita IVA IT 03049560166

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

© Deloitte & Touche S.p.A.

Deloitte.

2

Auditor's Independence and quality control

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

Auditor's responsibility

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

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

Specifically we carried out the following procedures:

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

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

Deloitte.

3

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

In particular, we carried out interviews and discussions with the management of Orsero S.p.A. and with the employees of the subsidiary Cosiarma S.p.A., Simba S.p.A., Fruttital S.r.l. and Hermanos Fernández López S.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

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

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Orsero Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
March 30, 2020

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

Registered office:
Orsero S.p.A.
Via Gaudenzio Fantoli n.6/15,
20138 Milano
Representative office:
Corso Venezia 37,
20121 Milano
Administrative office:
Cime di Leca 30,
17031 Albenga (SV)