



**control
is our
QUALITY**



L'Insalata dell'Orto

Sustainability Report 2022

www.linsalatadellorto.it



**Sustainability
Report**

Sustainability Report

L'Insalata dell'Orto



Drafted by eAmbiente Srl

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1

Introduction

The Sustainability Report 2022 is the tool for communicating the annual results for 2021 of L'Insalata dell'Orto's sustainability journey to its stakeholders.

The aim of this report is to communicate the sustainability-related performance achieved by the company, while paying close attention to the expectations of all stakeholders.

The sustainability path undertaken is a process of combining financial, social and environmental objectives to increase the level of trust and security perceived by customers.

The document has been prepared using, as a technical-methodological reference, the 'Global Reporting Initiative Sustainability Reporting Standards' (hereinafter GRI Standards) issued by the 'Global Reporting Initiative' in 2016, supplemented with the Sustainable Development Goals (hereinafter also Sustainable Development Goals or SDGs) developed with the 2030 Agenda.

The reporting boundary of the Report includes the company headquarters located at Via Giare 144/A Mira (Venice).

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Letter to the Stakeholders



We have celebrated 20 years in business, a landmark that we are proud, increasingly aware of the great responsibility we have towards the people who have chosen us, towards the local area that is our home, and towards the environment.

Safeguarding the earth - which is the basis of our work - drives us to continue to grow sustainably, promoting initiatives and solutions that can bring prosperity to the society we live in.

We are pleased to present our first sustainability report and share with all of you our company's ongoing commitment to important issues such as worker health and safety, the use of the code of ethics for us and our suppliers, waste management, and the responsible use of consumables and energy.

Our commitment to the environment took the form of the investment of a 600 kW photovoltaic plant, to the decision in 2022 to undertake an environmental management system certification according to ISO 14001:2015.

We are convinced that the integration of ESG (Environmental, Social and Governance) issues into our business model necessarily requires an increasingly active involvement of our stakeholders on sustainability issues.

To this end, we have drawn up a code of ethics to which internal and external stakeholders must adhere, and a specific code of conduct for our suppliers.

We believe that, together, we can and must have increasingly ambitious goals in these areas.

The contribution of each and every one of you, members of the large supply chain-family, is indispensable and key for our work to build a better future.

Luigi Busana
President

Cinzia Busana
Managing Director and Senior Management Representative

Maurizio Busana

Raffaella Busana

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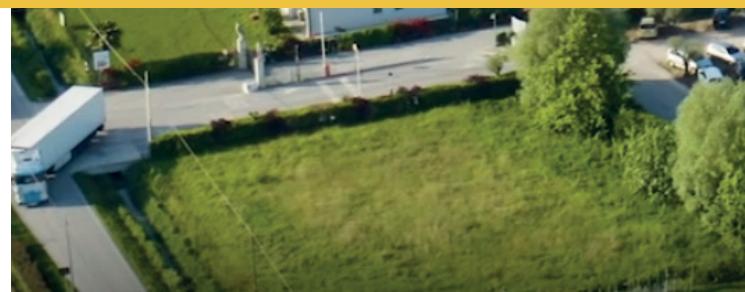
About us

22**40M****500K**EU AND NON-EU
COUNTRIES
SUPPLIEDVALUE
PRODUCED: 40
MILLION EURO500,000
PRODUCT PACKS
PER DAY**3rd****-20%****100%**GENERATION
FAMILYTONNES CO₂ EQ.
COMPARED TO
2020WASTE FOR
RECYCLING IN
2021

2021

Our figures

calculated on previous year's data





3.1

History

'A passion, an idea'

Insalata dell'Orto was born from the coming together of a passion and an idea. The passion is for the land, which has led our family to dedicate itself to growing salads and vegetables since the 1970s. The idea is the one that led us, in 1990, to expand production to greenhouse cultivation and then to the processing and packaging of horticultural products.

In 2000, as a natural evolution of the farm, L'Insalata dell'Orto Srl was established as an agro-industrial processing and distribution company where more than 500,000 packages of salad are packed daily and then distributed in 22 countries worldwide.

The link with the region to which it belongs has remained a cornerstone throughout all these years, and has been fully expressed in the production and processing of several products from the Veneto region that have been recognised at European level by the Protected Geographical Indication (PGI).



3.2

Our values

'Control is our quality'

The production, distribution and consumption activities in the food sector are not always focused on the concept of sustainability. The tendency is to focus on profit rather than acting to protect our planet which yields good-quality produce. To deal with this issue and have a common focus, the United Nations introduced the Sustainable Development Goals (Agenda 2030) in 2015 to raise awareness and promote human and environmental well-being. The issue of food and the quality of raw materials assumes relevance with a view to global sustainable management.

L'Insalata dell'Orto welcomes and embraces a Sustainable Development Policy involving the entire supply chain, from the production of raw materials to the table.

The Mission is to satisfy customers with a quality product that is produced through defined technologies and consciously managed with a view to continuous improvement.

L'Insalata dell'Orto develops each activity with passion, innovative solutions, trust and transparency with respect for people and the Planet.

SATISFACTION

of customers

INNOVATION

of products and the production process

ENHANCING THE VALUE

of high-quality Italian production

PROMOTING

in the short and long term

SUPPORTING

the local area

**passion,
innovative
solutions,
trust and
transparency**

4

Sustainability in agriculture

In recent decades, the concept of Sustainable Agriculture, also defined as Agroecology, has increasingly gained ground,

to which many international institutions (EU, FAO, and IFAD) are indeed assigning agroecology an increasing role and visibility, identifying it as a multidisciplinary model combining scientific, social and good practice aspects for the development of sustainable agri-food systems in line with the Millennium Development Goals (SDGs).

The agricultural world is showing a growing awareness of the need to combine satisfactory and profitable food production with the sustainable management of natural resources, the fight against climate change, human health, animal welfare and the social development of rural areas.

The situation in Italy and internationally has worsened in recent years due to the effects of climate change, which are mainly manifested through rising temperatures, greater unpredictability of the climate and an increase in extreme weather events. As these issues are essential to the smooth running of the sector, the aim is to improve agricultural systems by imitating and enhancing the natural processes of the ecosystem by promoting a sustainable use of local renewable resources and by encouraging an involvement of the relationships between production and consumption, agri-food education, transport, supply chains and distribution processes.

L'Insalata dell'Orto is aware that, in order to achieve its sustainability goals, it is paramount that the supply-chain management of the agricultural product is sustainable over time and that a daily commitment is therefore made to focus on the quality of the environment in which production takes place, the use of resources and the impact that the supply chain itself determines (potential run-off of nutrients and pesticides used, greenhouse gas emissions, inappropriate water use, and waste disposal).

In addition, to guarantee and protect the consumer, it requires as a further certification from its suppliers the adoption of the GLOBALG.A.P. and GRASP standard. GLOBALG.A.P. is the leading certification scheme guaranteeing agricultural production in the world, together with the GRASP module designed to assess good social practices on farms.



GLOBALG.A.P. and GRASP

GLOBALG.A.P.

5

Food quality and safety

Quality and food safety are two aspects that must be constantly monitored in the agri-food sector.

In order to ensure proper business management and complete consumer satisfaction. Food safety can only be ensured by appropriate food production and handling practices, which together constitute a series of risk prevention and control measures.

In this regard, every year L'Insalata dell'Orto invests resources and effort to strengthen the management system to guarantee food safety, involving the suppliers it refers to, with whom it favours long-term contracts. This time frame allows for the development of genuine partnerships, which go beyond technical-economic needs and evolve into a significant framework of expectation and feedback with respect to sustainability issues, where both the worker at L'Insalata dell'Orto and the entire supply chain are active participants.

Quality and food safety depend on the entire supply chain and, if the product is monitored in a timely manner at all stages of definition, this collaborative approach between the different involved parties is a guarantee of control and supervision to achieve proper performance to high standards.

L'Insalata dell'Orto gives preference to producers who supply vegetables from sustainable cultivation (Sustainable agriculture - also known as eco-friendly or integrated agriculture - means respecting the criteria of sustainability in agricultural and agri-food production by favouring those natural processes that allow for the preservation of the 'environmental resource'), and on arrival of the products at the premises carries out all the necessary checks to ensure high levels of safety and quality.



Organic Certification

L'Insalata dell'Orto observes all the necessary hygiene and health standards to ensure optimal handling of the fresh product, and submits its facilities and installations to continuous inspections. It is effective to subject the entire structure to audits, both internal and by accredited bodies, aimed at verifying the state of affairs and intercepting in good time, if necessary, potential deficits that could affect the continuous improvement of the system. In line with our collaborative approach, to ensure the verification of our stakeholders' good performance, second-party audits are carried out at the main raw material suppliers.

In 2021, there were 418 delivery-related complaints, which in relation to the number of product packs sold represents 0.69%. Regarding the product NCs for horticultural raw materials, these also stand at very low values of 0.001%.

These figures confirm the company's focus on maintaining high product quality both in procurement and delivery to its customers.

5.1

Products

L'Insalata dell'Orto processes and packages adult salads, munches and vegetables for consumption both raw and cooked, at home and away from home, to satisfy all customers' need for healthy eating.



Salad mix



Single variety salads



PGI products



Edible flowers

Vegetables



Sprouts

Herbs



Packaging

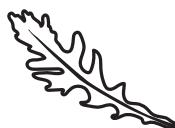
the company supplies a full assortment of I and IV range cut and adult salads, vegetables and edible flowers



5.2

Product processing

L'Insalata dell'Orto aims to satisfy consumers by working to ensure excellent product quality at all stages of the production chain.



Raw materials

Selected and harvested, are the basis of product quality.



Working time

The produce is packaged very quickly, helping to maintain the sensorial qualities in the process from the land to the plate.

Raw materials are guaranteed all year round thanks to the cooperation with producers all over the country. The 7,000 square-metre facility enables a continuous supply to Italian and international customers with a daily volume of more than 500,000 packages.



5.3

Suppliers

Aware of the importance of the agri-food chain and the strategic role it can play in improving the profitability of agricultural production, L'Insalata dell'Orto is committed to building commercial partnerships with its production chain based on dialogue, transparency and respect.

The relationship with suppliers is based on trust and mutual respect for the work and commitments made, to create decades-long ties that make us an extended supply chain-family.

Trust is one of the values that distinguishes L'Insalata dell'Orto and ensures that the products reach consumers' homes: a controlled and sustainable activity from raw material to enjoyment.

When entering into a partnership with suppliers, requisites related to the quality and social sphere are demanded.

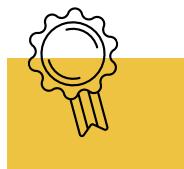
Suppliers are required to sign a code of conduct in which, special attention is given to the following certificates:



GLOBAL G.A.P. Certificate + GRASP



BIO-certified (if applicable)



Any additional company certifications

Social aspects

As far as social aspects are concerned, L'Insalata dell'Orto requires all its suppliers to respect key social rights all along the supply chain. In particular, we require:

- » avoidance of child and forced labour;

- » observance of safety requirements as defined in Legislative Decree;

- » not to adopt any discriminatory treatment towards foreign and non-foreign workers employed under any type of contract;

- » observance of the currently effective collective labour agreements, with reference to the assigning of salaries by job level, the hourly length of the working day, and the awarding of overtime;

- » to maintain pay slips recording all items relating to work performance;

- » to employ workers in the manner prescribed by current regulations;

- » to ensure workers have residency permits and identity documents related to foreign workers and not to withhold originals of the documents;

- » to foster trade union representation and relations.

Lastly, the supplier commits to activating and empowering its suppliers/farms so that they all acknowledge the required fulfilments.

Suppliers of packaging materials, instead, are requested to meet the following requirements:

- » data sheet;
- » declaration of suitability for food contact;
- » allergen form;
- » any company certifications;
- » any migration testing;
- » MOSH-MOAH statement.

In terms of the environment with the implementation of the environmental management system planned for 2022, the company plans to introduce a procedure for both qualifying and monitoring providers also on both environmental aspects.

The supply chain of L'Insalata dell'Orto also relies on OP La Maggiolina, a producer organization that currently compromises 17 farms.

Insalata dell'Orto and OP La Maggiolina were born from the meeting of a passion and an idea. The passion is for the land, which has driven the Busana and Bellina families for generations to concentrate on cultivating vegetables. The idea dates from 1990 and the expansion of production to greenhouse crops, and to focusing on the processing, transformation, and packaging of Fourth-Range Products.

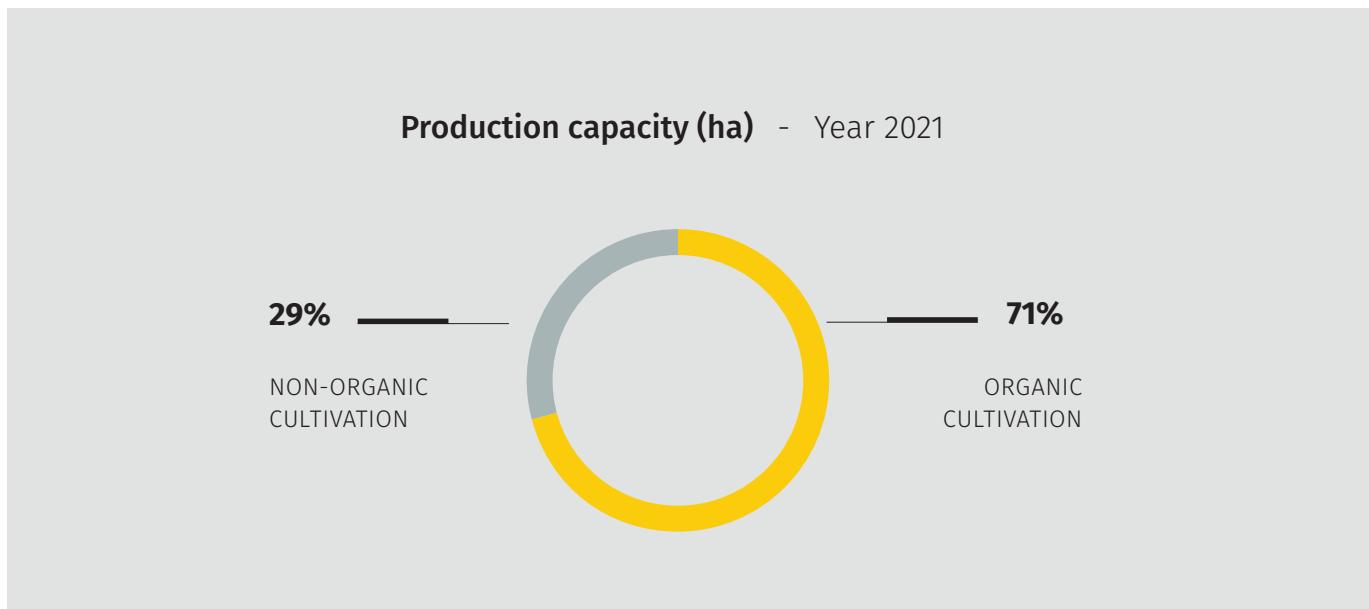
The producers' organization OP La Maggiolina

The producers' organization OP La Maggiolina is a company operating in organic and conventional farming with producers located in the regions of Lombardy, Veneto and Campania, thus guaranteeing continuity of production all year around.

The synergy between these two companies allows them to offer a broad of produce to meet customers' requirements.

Just like L'Insalata dell'Orto, the OP La Maggiolina group aims at quality in terms of produce and production processes, guaranteed by the several certifications obtained over the years. Indeed, the packaging sites are certified according to IFS and BRC, Naturland, and Chain of Custody standards, and follow the guidelines of the Organic Management Scheme, No. 848. The farms of this group collectively produce and cultivate according to the GLOBALG.A.P. standard. The majority also work under the Organic Management Scheme, No. 848. As well as these certifications, they also have Field to Fork, Tesco Nurture, and Naturland certification.

The total production capacity is 350 hectares, of which 250 under organic cultivation.



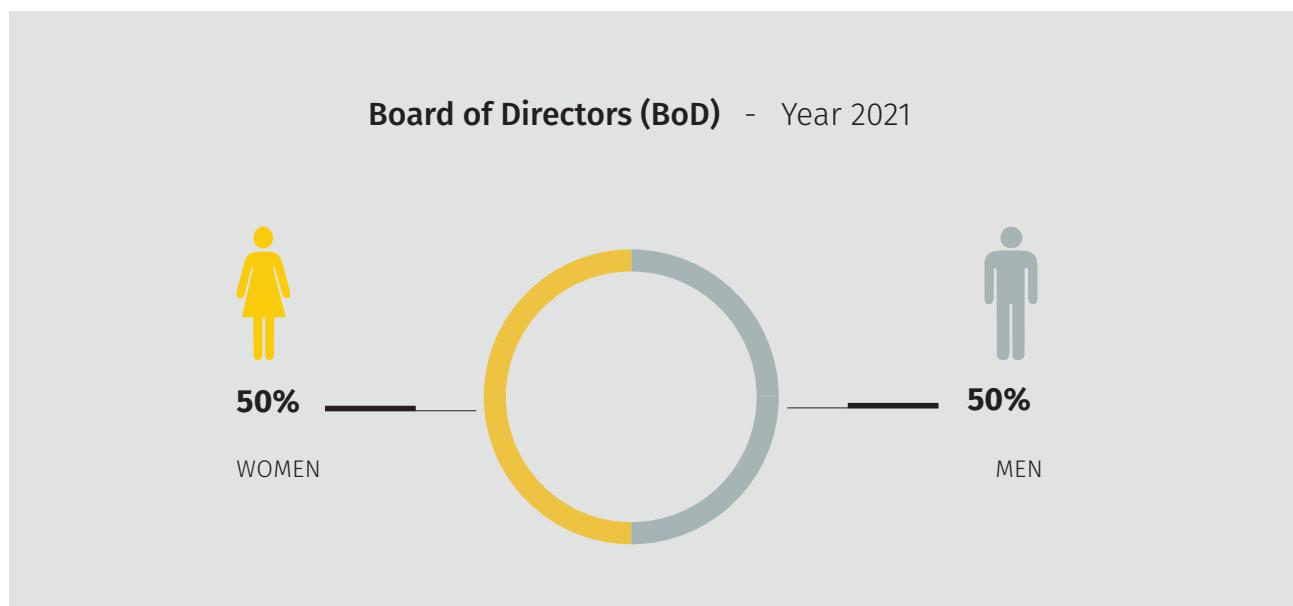
6

Governance

L'Insalata dell'Orto firmly believes that an efficient corporate governance structure contributes to increasing the competitiveness of the company and the sustainability of its development.

Corporate governance principles define the organization of functions and responsibilities, develop an appropriate control system, and ensure the adoption of conscious management choices, and effective monitoring and management of business risks. Simply put, they ensure greater income generation and value for all stakeholders.

L'Insalata dell'Orto is a family-run business. The Board of Directors compromises the four shareholders: Luigi Busana (Chair), Cinzia Busana (Managing Director and Management Representative), Maurizio Busana and Raffaella Busana.



6.1

Economic performance

The agri/food sector, which L'Insalata dell'Orto is part of, in the years 2020-2021 was globally affected by the closures forced by the pandemic both in Italy and abroad, limiting orders.

The tourism sector crisis and the closure of the catering sector have led to a decrease in consumption and a drop in the purchasing power of the end consumer struggling with employment difficulties.

Due to the gradual reopening, production has been realigned.

The year 2021 for L'Insalata dell'Orto was a confirmation that focusing on efficiency and quality pays off. The large-scale retail trade and the HoReCa sector reacted positively to the offer composed of many BIO products and new and innovative packaging.

Over the past five years, a strategy of substantial investment in both structure and production has been implemented to improve and intensify production capacity and product quality.

Machinery aimed towards reducing contaminants in the produce has been purchased, checks on incoming and outgoing products have been intensified, and special attention has been placed on the much-in-demand BIO products.

In view of the improvements continually, the company's prospects can be only positive.

The company consistently develops communication, including through social channels, to promote its products in the broadest way possible.



New products

a range consisting of many organic products and new and innovative packaging

6.2

Generated and redistributed value

Generated and Redistributed Value is the overall sum of the economic and financial benefits generated by L'Insalata dell'Orto to its stakeholders.

The latter can be considered the 'wealth' produced and distributed by the company throughout the territory: to suppliers, employees, local communities, and to municipal, regional, and national administrative levels.

Its breakdown objectively and quantitatively highlights the company's adherence to the ethical and corporate-social responsibility principles it has adopted.

We report below some figures on the distribution of the economic value generated and redistributed by the company to our main stakeholders:

Economic value generated and redistributed



	2019	2020	2021
--	-------------	-------------	-------------

REVENUE	39,242,942.00	36,944,628.00	40,760,762.00
RECLASSIFIED OPERATING COSTS	37,212,041.00	34,413,208.00	38,779,052.00
SALARIES AND EMPLOYEE BENEFITS	821,279.00	832,817.00	962,139.00

End of financial period | 2021

The company ended the 2021 business year with a satisfactory performance despite the ongoing COVID-19 epidemic and related uncertainties. During 2021, the loss of revenue recorded in the previous year due to the epidemic was recovered with revenue volumes in 2021 on a par with those of 2019, the year before the onset of the pandemic.

However, the general increase in raw material prices, recorded worldwide since September 2021 also affected

the Company's profit margins. Despite a careful cost-containment policy, costs increased, while it proved impossible to increase the retail prices accordingly.

Figures show the company's tendency to invest especially in human resources and indeed the total value between salaries and benefits increased by 16 percent compared to 2020 despite the number of employees remaining unchanged.

6.3

Risk management approach

The proper functioning and performance of the organization is guaranteed by a system of internal controls managed both independently and centrally by the operations-management staff. This system is currently being implemented in 2022 with the goal of certification to ISO 14001:2015.

The function of internal auditor (a person identified for the care and management of business processes and activities) reports to the Board of Directors, which monitors the auditor's independence, effectiveness, and efficiency, and to whom it may request the performance of audits of specific operational areas.

The annual audits foreseen in the audit plan cover all business processes. Critical issues noted during audits are discussed with management, which establishes a plan of actions to remove such issues.

The function of internal auditor is to monitor and control the proper and timely execution of the action plan through follow-up actions. Management is informed of the results of the activities implemented and the progress of action plans. The organization employs a conservative approach to controlling its risks to ensure they be managed in line with strategic objectives to guard against potential negative effects becoming real ones.

Awareness of undertaking a process of objective analysis of stakeholder influence and how the action of L'Insalata dell'Orto on the same affected parties may characterize their expectation has led to defining the company's growth opportunities with respect to the potential risks that emerge across the pillars of sustainability. The risk defined at an economic level cannot disregard social and environmental risk. Rather, it can reduce the risk through the safeguards implemented by the organization, which considers it in the first instance in its Integrated Management System.

Based on this reasoning, risks are examined, in detail, for each process, but reviewed in a broader context that also looks at opportunities for growth.



Goal for 2022:

Certification

ISO 14001:2015

The table below summarises the main sustainability risks considered by the company:

Main risks related to sustainability issues	Measures taken by the company to minimize risk
Environmental	Respect and protection of the environmental is a central aspect for L'Insalata dell'Orto. We are committed to mitigating our risks especially in terms of raw materials management, waste management, and CO ₂ eq emission reduction. To improve our performance and optimize the processes, we have also chosen to be certified to ISO 14001:2015 in 2022.
Ethical conduct	The company's Code of Ethics provides for human rights, rejection of all forms of discrimination, the encouragement of people and promotion of the dignity of all workers. This Code is signed by all stakeholders who encounter the company. The company has also set up a specific Code of Conduct for its suppliers.
Compliance with environmental and occupational-safety regulations	To mitigate risks related to non-compliance in the environmental field, L'Insalata dell'Orto, has chosen to take up a certification journey according to ISO 14001:2015. Concerning health and safety aspects in the workplace, we constantly conduct inspections to verify the outsourced packaging works performed by an external cooperative on the company's premises.
Customer satisfaction	The company's goal is to guarantee products and services of quality that are suitable to respecting the environment. The company adopts an internal management system to improve its processes. It is certified with the highest standards of food safety and production processes that guarantee strict cultivation, production, and processing quality assurance (IFS, BRC).
Supply-Chain Management	The supply chain and management of outsourced activities are important aspects of the company's work. Through audits and inspections, we monitor our strategic suppliers on both quality aspects, and environmental and occupational health-and-safety risks. Suppliers interacting with the company are also required to respect the contents of the Code of Ethics, and to ensure fullest compliance with the UN Human Rights Declarations and ILO Conventions.
Personnel	Human resources are managed without preclusion or discrimination on the basis of gender, race, nationality or religion, and in compliance with the law, employment contracts and the Code of Ethics. We are committed to creating a dynamic and productive work climate, while respecting everyone's needs.

6.4

Code of Ethics

L'Insalata dell'Orto has adopted a Code of Ethics (signed on 10/05/2021) that identifies the guidelines to all those who work in its name and on its behalf when managing relations with main stakeholders.

Having corporate departments that complement each other allows the expectations of all stakeholders (starting with employees, consumers, customers, the community where L'Insalata dell'Orto operates) to be best met.

The Code of Ethics sets out the ethical commitments and responsibilities in the conduct of the company's business and activities undertaken by the employees of L'Insalata dell'Orto, and is made up of:

- » the general principles on stakeholder relations, which define the reference values in the organization's activities;

- » the criteria of conduct towards all classes of stakeholder, which specifically provide the guidelines and standards to which L'Insalata dell'Orto and its collaborators are required to adhere to comply with the general principles, and to prevent the risk of unethical behaviour;

- » the implementation methods, which describe the control system aimed at compliance with the Code of Ethics and its improvement.

L'Insalata dell'Orto recognizes the importance of ethical-social responsibility and environmental protection in running its business. To this end, it promotes a management that balances the legitimate interests of its stakeholders and the community in which it operates. Thus, the Code of Ethics is marked by a principle of cooperation and respect for all the interests of the parties involved.

The commitment of the entire production chain to respect ethical principles and social responsibility has been undertaken. In addition to the company departments, it involves the entire supply chain, members and suppliers of all materials, ingredients, products and services.

A new journey

of enhancing the commitment and ethical principles
respected by the entire supply chain

6.5

Management systems and certifications



IFS (International Food standard) and BRC (British Retail Consortium): Specific standards for food safety systems

The company provides maximum product safety in the food sector, paying attention to the choice of suppliers, selecting only those that are GLOBALG.A.P. certified, thus supporting safe and sustainable agriculture. The IFS and BRC standards promote a management system focused on quality and product safety, taking the HACCP system as a reference.



PRODUCTS FROM BIOLOGICAL FARMING: Farm management and agrifood production

The company aims to meet consumer demands by promoting products obtained from natural substances and processes with a high level of biodiversity. In compliance with regulations, each production link in the chain undergoes an annual inspection and control to preserve the quality and origin of the product.



NATURLAND

Naturland is an association that operates worldwide to promote biological farming. This standard compared to the EU regulation on minimum standards for biological farming imposes higher requirements and standards that cover further areas and focuses special attention and interest on the social aspects related to it. A common starting point, sustainable management, active protection of nature and climate, protection and preservation of soil, water, and air as well as consumer protection are the basis of Naturland's standards.

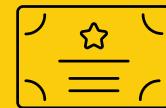


GLOBALG.A.P. CHAIN OF CUSTODY

Conformity to the GLOBALG.A.P. Chain of Custody (CoC) standard ensures the isolation, traceability and, consequently, the integrity of the GLOBAL G.A.P. certification status of products through their life cycle from farm to supermarket shelf or restaurant. Transparency along the supply chain ensures food integrity and reassures consumers. The standard guarantees that all products bearing the GGN label logo or sold as GLOBALG.A.P. certified products come from companies that are certified GLOBALG.A.P. The CoC standard identifies the certification status of a product throughout the entire process, from the company and retailer to the point of sale or restaurant.

Food safety management systems according to ISO 22005

The company aims to design a traceability system throughout the entire supply chain, setting out products, suppliers, production procedures, material flows and management methods.



The system of company certifications

Zero Residue Certification

Zero Residue certification is being implemented, through which, it is certified that in harvested fruit and vegetable products have a detectable residue of pesticides of less than 0.01 mg/kg.

Environmental management system according to ISO 14001:2015

In recent years, the company has shown an interest in ecologically significant topics with the aim of improving environmental protection in terms of emissions and resource use. Thus, from 2021, we have committed to introducing an environmental management system in accordance with UNI EN ISO 14001:2015.

7

Stakeholders and the Materiality Matrix

L'Insalata dell'Orto has defined its 'materiality matrix' through the active involvement of its stakeholders to create a sustainability journey in keeping with the expectations of its interlocutors.

'Materiality' is the principle that determines which relevant themes or areas are important enough as to make their reporting essential. The definition of these themes requires an analysis that allows us to clearly bring out the relationship between the company's interests and those of the stakeholders, thus highlighting the areas of sustainability. This is the departure point for identifying and defining the themes to report on in the sustainability report, and for the sustainability objectives we want to achieve.

The materiality matrix is a tool that summarises this analysis as it highlights the stakeholders' viewpoints ('stakeholder importance') as well as those of the company.

Stakeholders are both internal (the organization and its employees) and external (suppliers, customers, academics, and business partners).

A matrix summarizing the expectations and interaction tools adopted by the company to date towards its main stakeholders is presented below.





Stakeholders: Employees

EXPECTATIONS:

- » Equal opportunities;
- » Training and development;
- » Stimulating work environment;
- » Promotion of well-being, health, and safety.

DIALOGUE TOOLS:

- » Training programmes;
- » Immediate and informal dialogue with management.



Stakeholders: Suppliers

EXPECTATIONS:

- » Continuity of supply;
- » Compliance with contractual obligations.

TOOLS FOR DIALOGUE:

- » Daily Report;
- » Audits and inspections at strategic suppliers;
- » Suppliers Code of Conduct.



Stakeholders: Customers

EXPECTATIONS:

- » Product quality;
- » Sustainability aspects in packaging management;
- » Supply chain traceability.

TOOLS FOR DIALOGUE:

- » Daily report;
- » Platform.



Stakeholders: Community and local bodies

EXPECTATIONS:

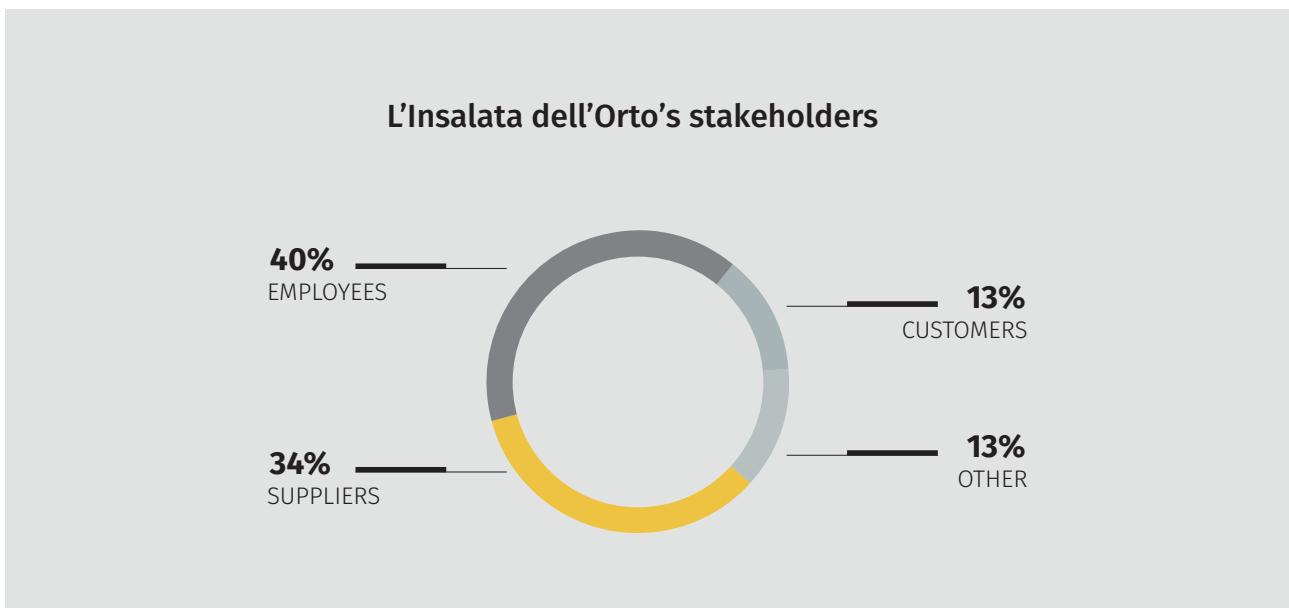
- » Support and development for the local area/community.

TOOLS FOR DIALOGUE:

- » Contributions and donations to the local area.

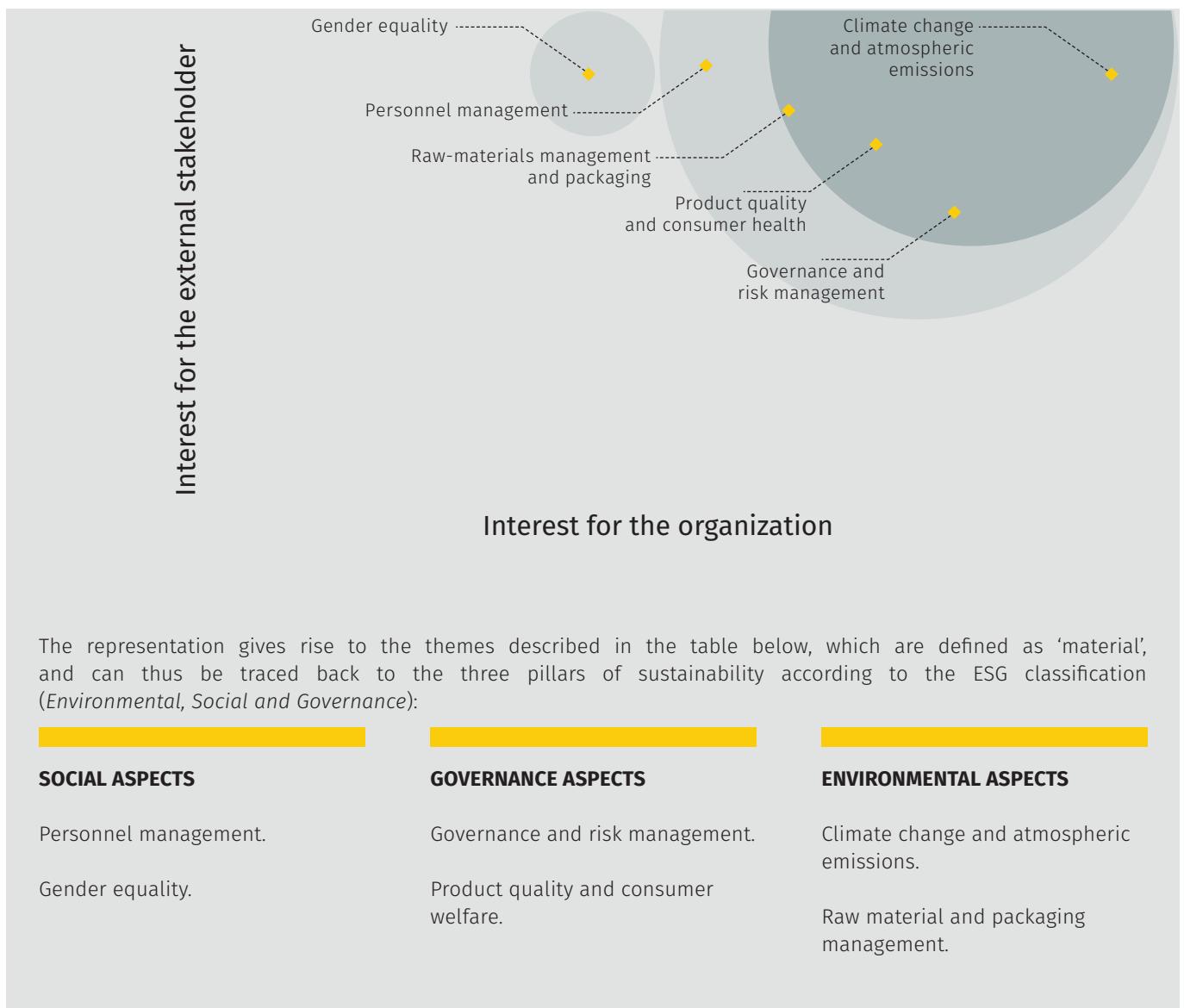
The stakeholder engagement phase in defining the priority issues to be covered in the report took the form of a questionnaire being administrated to a selected and representative sample of stakeholders consisting mainly of suppliers, employees, and customers.

The questionnaire asked to evaluate the importance of the issues related to the three pillars of sustainability: *Governance, Social, Environment* in relation to the company's activities.



The analysis of the results of the questionnaire takes the form of the 'materiality matrix', which allows us to appreciate which issues are of most interest to stakeholders to examine and report on with the aim of enhancing the activities of L'Insalata dell'Orto in terms of our economic, social, and environmental impact.

Materiality Matrix of L'Insalata dell'Orto



The representation gives rise to the themes described in the table below, which are defined as 'material', and can thus be traced back to the three pillars of sustainability according to the ESG classification (*Environmental, Social and Governance*):

The interest in identifying material issues is their reporting through the methods that are illustrated in the following section, which allow the return of a snapshot of the organization's state of affairs, the assessment of the opportunities that can be grasped, and the risks that can be managed to optimize our growth path, including with respect to our stakeholders.

7.1

SDGS

United Nations Agenda Goals

In September 2015, more than 150 international leaders defined the 2030 Agenda for Sustainable Development at the United Nations. The goal is to contribute to global development by giving attention to human welfare and environmental protection. The Agenda centres on 17 goals (SDGs, *Sustainable Development Goals*) to be achieved by 2030.

Aware of its value and positive contribution to sustainable development, L'Insalata dell'Orto has chosen to gear its activities to the United Nations Agenda, integrating SDGs principles and ESG issues (*Environmental, Social and Governance*) into its business model.

The Sustainable Development Goals the company contributes to are:



5 GENDER EQUALITY



13 CLIMATE ACTION



7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



3 GOOD HEALTH AND WELL-BEING



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

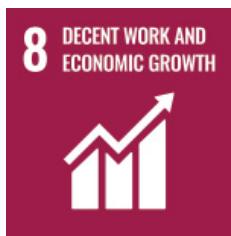


8 DECENT WORK AND ECONOMIC GROWTH



8

Responsibility towards people



Turnover **+8%**

In 2021, +8% turnover compared to 2020.

Injuries **0**

0 injuries in 2021.

Board of Directors **50%**

50% of the BoD is represented by female staff.

Investments **+16%**

In 2021, an increase of 16% in investment in wages and employee benefits compared to 2020.

Employees **33%**

33% of total employees are represented by female staff.

8.1

Human capital management

L'Insalata dell'Orto avoids and does not tolerate any form of discrimination concerning the age, sex, race, sexual orientation, state of health, political and trade union opinions, religion, culture, and nationality of those with whom it interacts.

Indeed, the relationship between the company and its employees is based on mutual respect and trust. While the latter are expected to work to further the company's interests, L'Insalata dell'Orto in turn is committed to making the work a safe opportunity for personal development, stimulating growth and continuous learning.

The company is firmly committed to opposing incidents of mobbing, stalking, psychological violence, and any behaviour that is discriminatory or detrimental to a person's dignity.

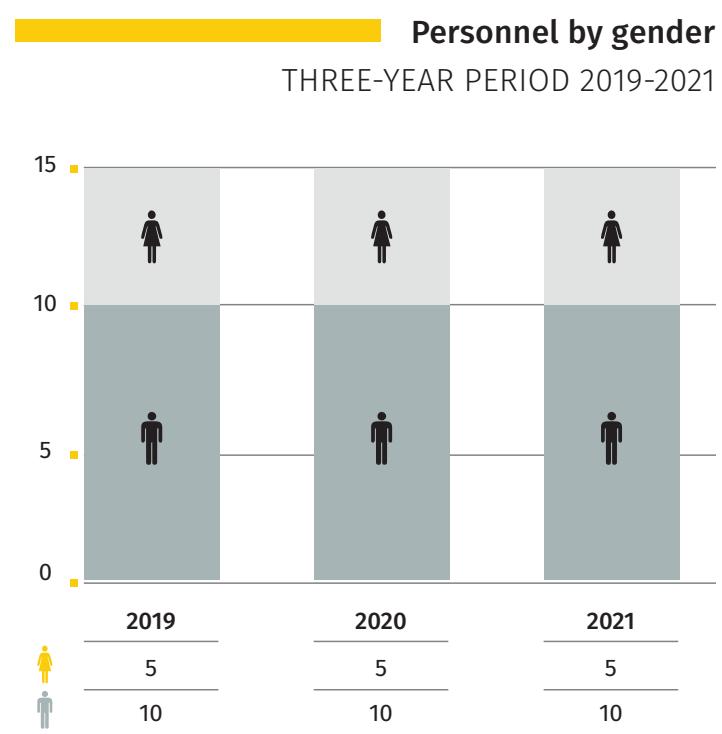
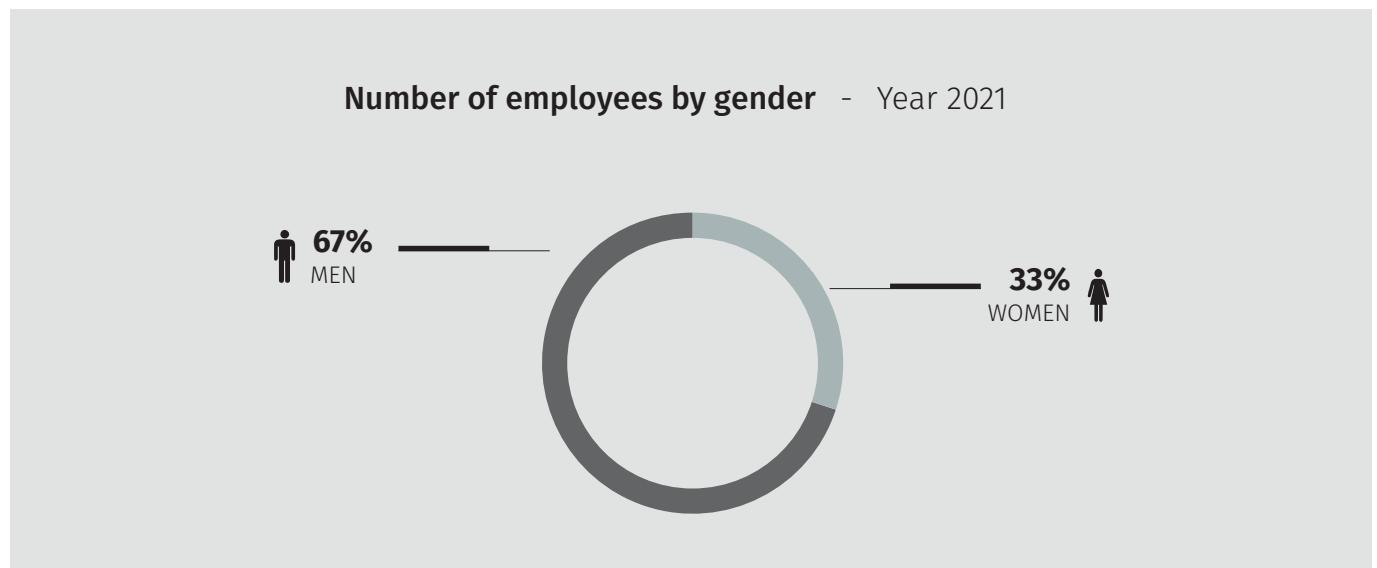
Relations among employees must be conducted with loyalty, fairness, and mutual respect, in observance of the values of civil coexistence and personal freedom.

The following are the statistics of the company's in-house personnel, 80% of whom are clerical workers while only 20% are blue-collar workers, who mainly handle maintenance activities.

Production is outsourced to a service cooperative that operates within the company's factory. The work of the latter is developed in full synergy with the personnel of L'Insalata dell'Orto Srl, who supervise their work and set their directives and objectives. In addition to daily surveillance, there are more in-depth monthly inspections geared towards continuous improvement in both production and quality, according to the company's mission and the focus of management system certification standards.

Employees by professional category, gender, and age group at 12/31/2021

CORPORATE CATEGORIES	<30			30 - 50			>50			TOTAL		
			TOT.			TOT.			TOT.			TOT.
No. of EMPLOYEES	4	1	5	3	3	6	0	1	1	7	5	12
No. of WORKERS	0	0	0	2	0	2	1	0	1	3	0	3
TOTAL	4	1	5	5	3	8	1	1	2	10	5	15



Employees by contract type and gender 2021

CONTRACT TYPE			TOT.	CONTRACT TYPE			TOT.
No. OPEN-ENDED	9	4	13	No. FULL-TIME	10	5	15
No. FIXED-TERM	1	1	2	No. PART-TIME	0	0	0
TOTAL	10	5	15	TOTAL	10	5	15

Personnel assessment and selection are carried out according to fairness and transparency, respecting equal opportunities to combine the needs of L'Insalata dell'Orto with the professional profiles, ambitions, and expectations of the candidates.

Over the past three years, the number of employees at L'Insalata dell'Orto has been stable both in overall terms and in terms of gender and distribution of tasks.

L'Insalata dell'Orto safeguards and enhances the value of its staff, striving to maintain necessary conditions for the professional growth, knowledge, and skills of each person, carrying out the appropriate training for professional updating and any initiatives aimed at pursuing this goal.

In 2021, 80 hours of training were provided, in particular to the two employees on apprenticeship contracts.

In 2021, occupational health and safety hours amounted to 112, of which 88 were provided for blue-collar workers and 40 for maintenance/other blue-collar workers.

8.2

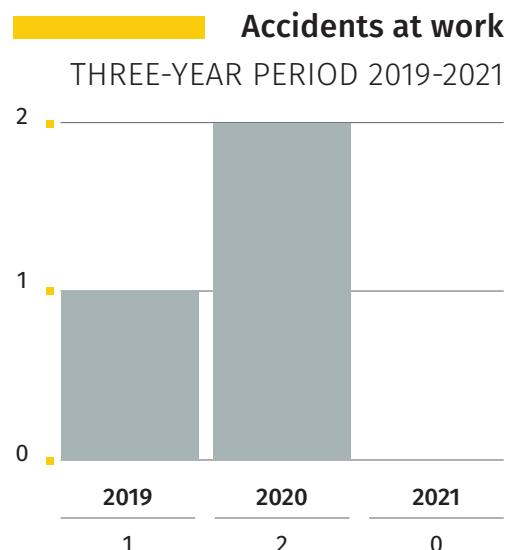
Health and Safety

L'Insalata dell'Orto is committed to providing its staff with a healthy, safe, and dignified working environment.

Safety in the workplace is ensured both by strictly implementing the provisions of the law in force and by actively promoting a safety culture through specific training programmes. Staff training is a central part of the management system adopted.

The company safeguards the health of its workers and ensures compliance with hygiene regulations. Injuries occurring over the past three years are shown in the graph to the right.

In the last year, as no accidents occurred, the frequency and severity indices are zero.



Frequency index

Number of injuries per million hours worked in each period.

$$\text{Frequency index} = \text{no. of accidents} \times 1,000,000 / \text{no. of hours worked}$$

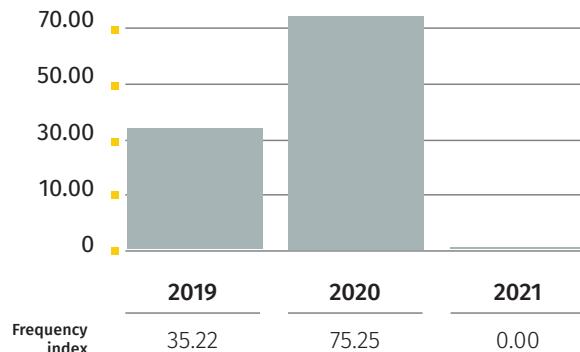
Severity index

Number of injury absence days occurring in a certain period.

$$\text{Severity index} = \text{total no. days injured} \times 1,000 / \text{no. hours worked}$$

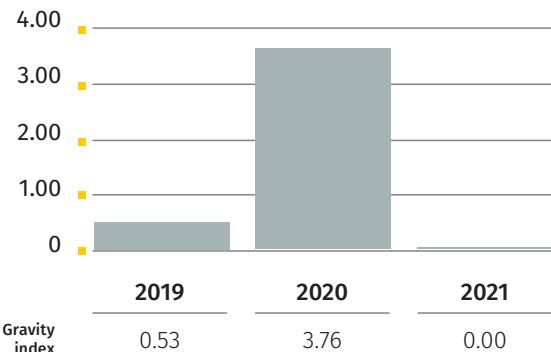
Frequency index

THREE-YEAR PERIOD 2019-2021



Severity index

THREE-YEAR PERIOD 2019-2021



L'Insalata dell'Orto has chosen to outsource the management of its production to a cooperative, which it monitors with appropriate inspections and audits, especially in food-safety aspects. The company also aims to implement controls on health and safety aspects in the workplace.

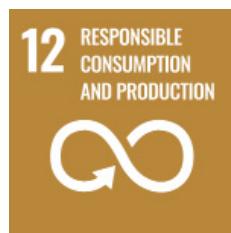
9

Environmental Responsibility

L'Insalata dell'Orto takes its responsibility towards the planet seriously, doing its best to limit the harmful effects on the environment by using resources efficiently.

The environment is a primary asset for the community, one which we want to help safeguard. To better manage the environmental impacts generated by our business, L'Insalata dell'Orto has embarked on an ISO 14001:2015 certification journey, which we intend to complete in the coming months.

The environmental-management system is a useful model for undertaking a virtuous dynamic that, in accordance with the Deming cycle (Plan Do Check Act), moves towards finding a balance between economic and environmental needs, while giving priority to respecting applicable laws and regulations.



Solar power produced **2410 GJ**

2410 GJ energy produced by solar power in 2021.

Investments

Investment in new machinery to modernize production lines.

Packaging **-3%**

-3% plastic packaging purchased in the last 3 years.

Solar power consumed **2346 GJ**

2346 GJ energy produced by solar power and consumed in 2021.

Certifications

ISO 14001:2015 certification journey.

Waste recycling **100%**

100% waste generated destined for recycling operations in 2021.

Photovoltaic re-emitted energy **63 GJ**

63 GJ photovoltaic energy fed back into the grid in 2021.



Non-hazardous waste **100%**

100% of waste generated non-hazardous in 2021.

CO₂eq. **194 t**

194 tonnes of CO₂eq. saved through PV energy production in 2021.

CO₂ **-20%**

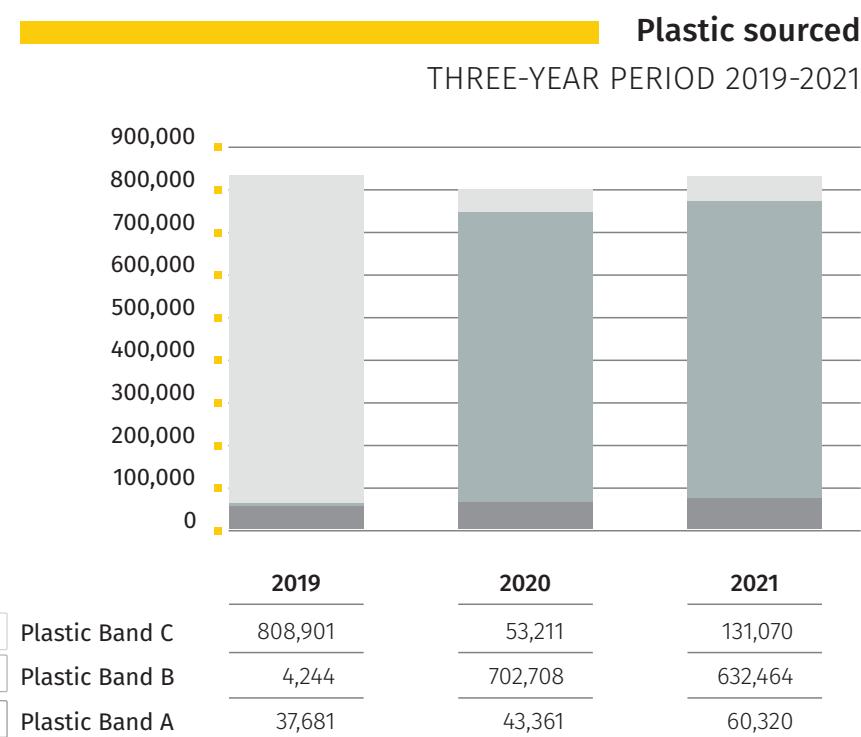
Tonnes of CO₂eq. reduced by 20% compared to 2020.

9.1

Raw-materials management

All materials used within the company are chosen based on compatibility and respect for health and the environment, both in terms of production, and reuse and disposal. In recent years, L'Insalata dell'Orto has committed itself to materials with an effective and consolidated industrial sorting and recycling chain.

Below are figures on the packaging used in the company's production cycle.

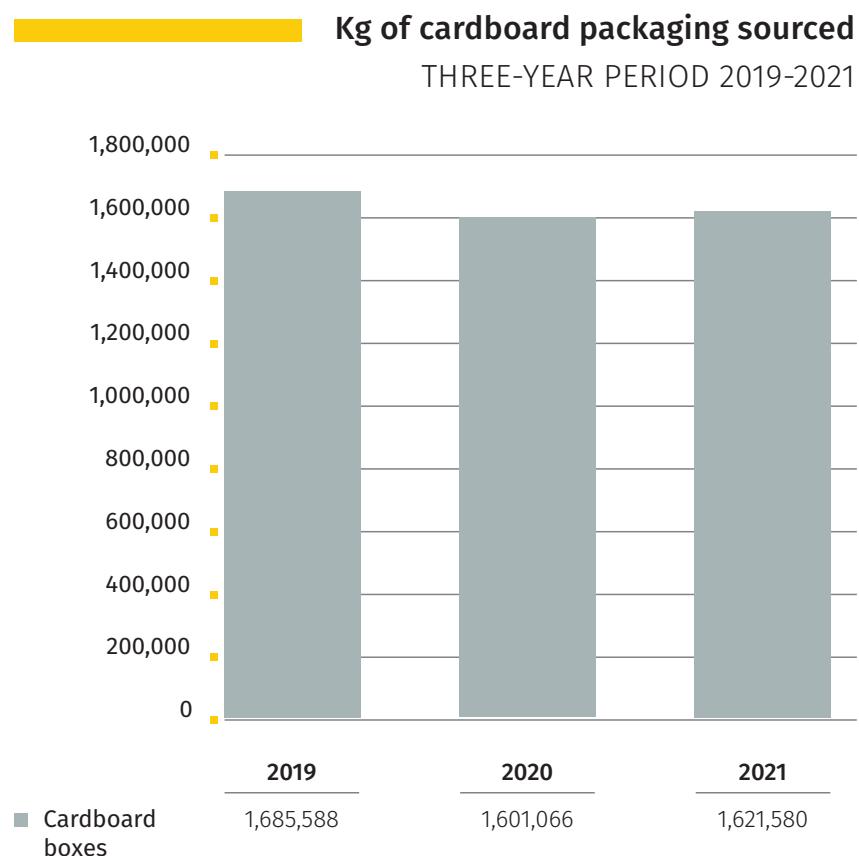


TYPES OF PLASTICS - CONAI

- Band A** Packaging with an effective and established industrial sorting and recycling chain.
- Band B** Packaging with an industrial sorting and recycling supply chain undergoing consolidation and development.
- Band C** Packaging with experimental sorting/recycling activities in progress or not selectable/recyclable at the current state of technology.

A- and especially B- grade plastics have rapidly supplanted C- grade plastics, as can be seen from the graph. This subdivision relates mainly to the fact that the contribution bands identified by CONAI were reformulated in 2020 to bring them into a diversification process that makes them more consistent with the actual selection and recyclability of packaging at the current state of technology.

As regards cardboard packaging, the graph shows that its use has been constant on average over the past 3 years.



9.2

Energy

Food production generally requires more energy use than other manufacturing sectors. In recent years, the company has invested in new technologies to seek energy efficiency and the production of renewable energy. An internal routine maintenance plan also allows us to uphold the efficiency of our production system while maintaining a high energy yield.

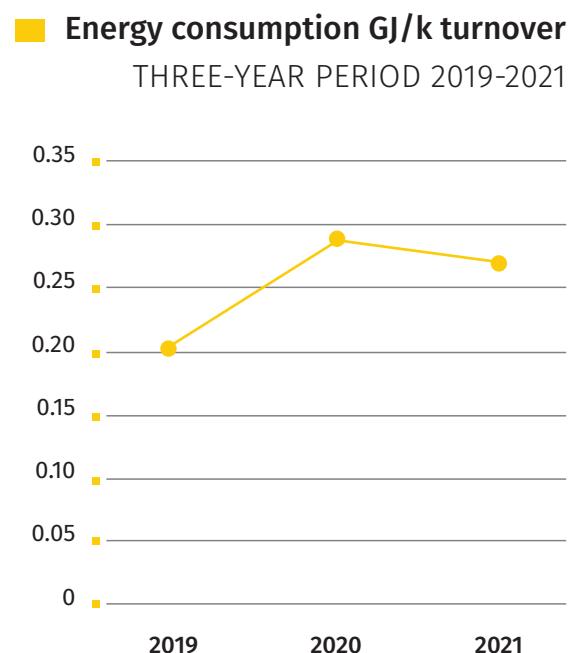
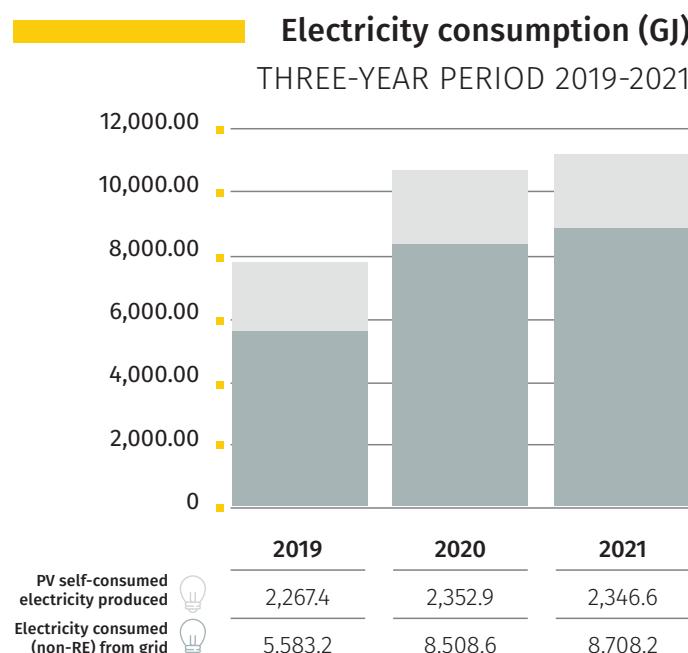
As to the production of energy from renewable sources, we have invested in two solar energy systems with a total capacity of 600 kWh covering approximately 21% of total energy demands.

Renewable energy production from solar energy (photovoltaics) is shown below.

Electricity produced by solar panels (GJ)

	2019	2020	2021
ENERGY PRODUCED BY SOLAR PANELS (Gj)	2,319.3	2,450.8	2,410.0
OF WHICH SELF-CONSUMED (Gj)	2,267.4	2,352.9	2,346.6
ELECTRICITY PRODUCED FED BACK INTO THE GRID (Gj)	51.8	86.4	63.4

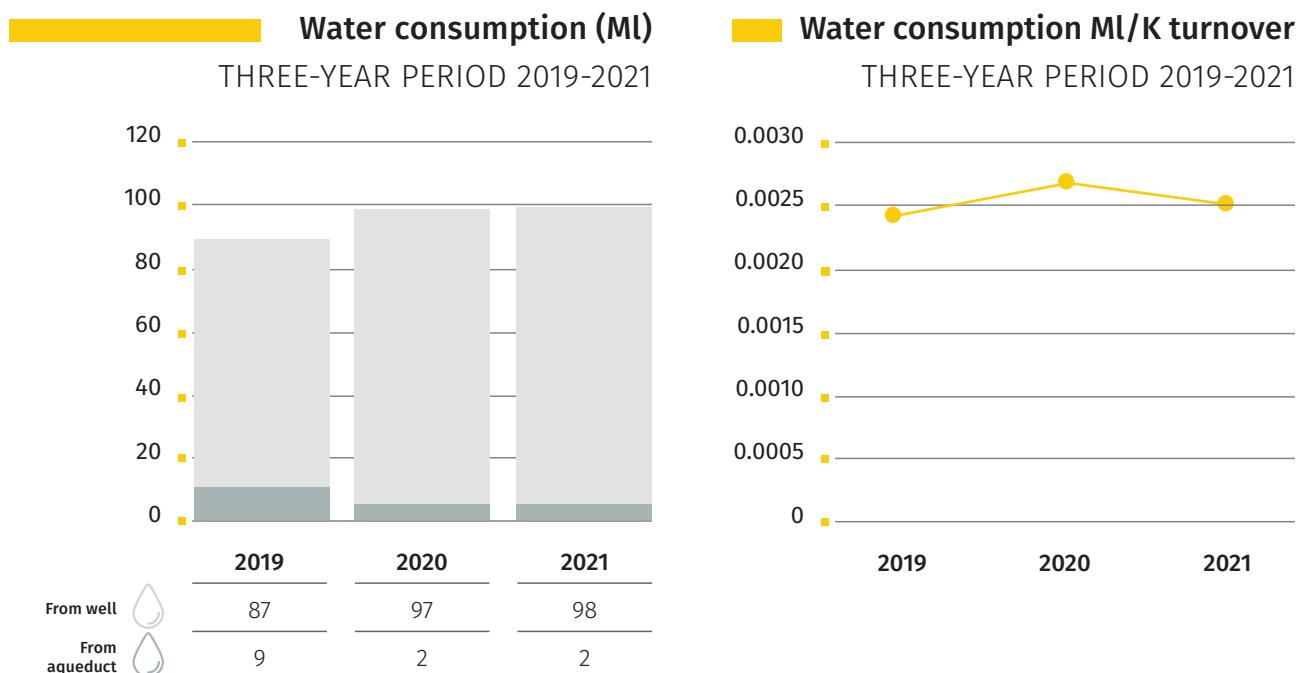
Electricity consumption figures given in the following graphs show how consumption increased in absolute terms between 2020 and 2021 but decreased in relation to turnover compared to the previous year.



9.3

Water consumption

Water consumption is a significant aspect of the production system of L'Insalata dell'Orto, due mainly to the rinsing of raw materials in production, and to general uses of the offices area. Approximately 98% of the company draws its water supply from wells and the municipal aqueduct for office services.



Over the past three years, the company's water consumption has been constant on average. Indeed, a decreasing trend can be noted when compared to turnover.

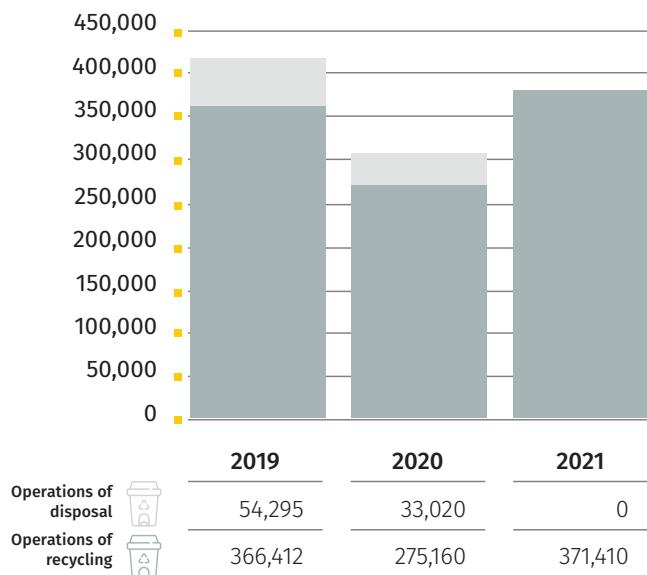
In addition, there are systems for recycling raw materials rinsing water whereby the water is recirculated automatically depending on production requirements.

9.4

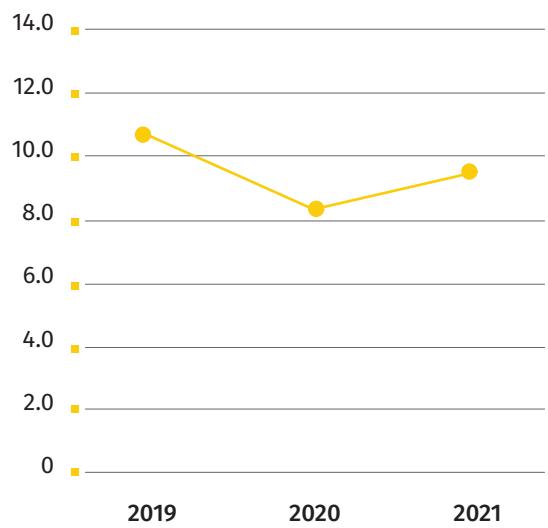
Waste Management

The company has always been committed to using production materials that are as recyclable as possible: the main waste produced is plastic, paper and cardboard, and wood packaging.

Waste sorted for operations of recycling and disposal
THREE-YEAR PERIOD 2019/2021



Tonnes of waste produced/k turnover
THREE-YEAR PERIOD 2019-2021



In absolute terms, waste produced has decreased by about 12% in the past three years. The trend is further confirmed when analysing the ratio of waste produced to turnover.

Vegetable waste from processing is conveyed through a chute to a shredder and then sent to a company that operates a bio-digestion system, to produce advanced bio-methane from agricultural biomass.

For some customers, L'Insalata dell'Orto Ltd. uses folding crates. There are several advantages of using this packaging with respect to environmental impact:

- » Foldable crates take up much less space for transportation during rental;
- » Decrease in waste as the crates are looped;
- » Decrease in CO₂ production;
- » Decrease in water and energy use.

Below are the percentages of goods delivered in cartons and crates, from 2019 to 2021:

Percentages of goods delivered in crates and cardboard three-year period 2019-2021

	IN CRATES	IN CARDBOARD
YEAR 2019	4%	96%
YEAR 2020	15%	85%
YEAR 2021	19%	81%

The increasing trend in the use of crates is closely linked to the increasing attention of the markets to sustainability, and the constant readiness of L'Insalata dell'Orto Srl to meet customers' demands.

9.5

Emissions

L'Insalata dell'Orto is constantly working to reduce CO₂eq.

This commitment has been reflected over the years in major investments in energy efficiency and the investment in the solar power system, which to date saves about 190 tonnes of CO₂eq each year.

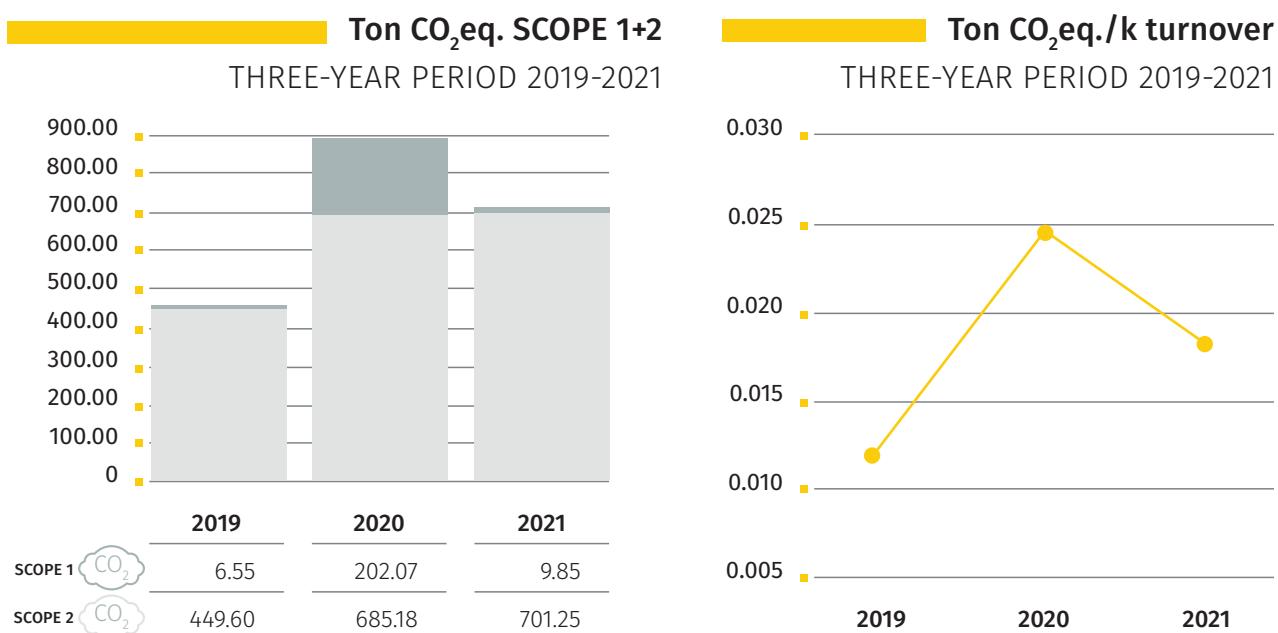
The company's direct and indirect CO₂ emissions for the year 2021 are given below.

Direct emissions (SCOPE 1) are direct GHG (greenhouse gas emissions from assets that the company either owns or operationally controls.

Indirect emissions (SCOPE 2) include indirect emissions from the generation of energy purchased or acquired as electricity, steam, heat or cold and used by the organization.

Therefore emissions related to the natural gas consumption of the location, refrigerant gas leaks from air-conditioning equipment and the consumption of the company fleet¹ were associated with SCOPE 1.

When calculating SCOPE 2 emissions, instead, emissions were reported from the supply of electricity calculated according to the location-based method.



The location-based approach, Scope 2 emissions are calculated using the average emission factor associated with the national energy mix (ISPRA 2020 Emission Factors).

Regarding the calculation of SCOPE 1, the emission factors considered refer to those published by the Italian Ministry of the Environment (Table of National Standard Coefficients 2021²).

¹. The GHG Conversion Factors for Company Reporting - UK Government 2020 were used

². <https://www.assolombarda.it/servizi/ambiente/informazioni/ets-tabella-parametri-standard-nazionali>

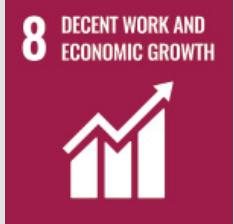
10

The ESG strategy of L'Insalata dell'Orto

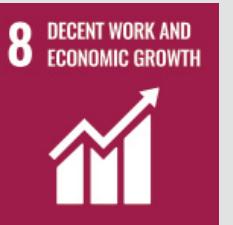
Environment

	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	7 AFFORDABLE AND CLEAN ENERGY 	13 CLIMATE ACTION 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
2022-2025	Energy efficiency and CO ₂ emission reduction.		» Solar power system expansion.	
2022-2025	Improvement of wastewater quality.		» Project to evaluate possible uses of purified wastewater in the company.	
2022-2025	Supplier monitoring on environmental aspects.		» Audit on environmental aspects related to suppliers' activities; » Supplier mapping on environmental aspects.	

Social

	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>5 GENDER EQUALITY</p>
2022-2025	Human capital management.		<ul style="list-style-type: none"> » Enhancement of corporate welfare tools.
2022-2025	Supplier monitoring on social aspects.		<ul style="list-style-type: none"> » Health and safety audits on suppliers; » Mapping of critical suppliers with reference to social aspects.
2022-2025	Relationships with the local community/entities/foundations.		<ul style="list-style-type: none"> » Participation in the 'Rinasce San Lazzaro dei Mendicanti' restoration project.

Governance

	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
2022-2025	<p>Organizational models/certifications.</p> <ul style="list-style-type: none"> » Code of Ethics revision with clarification of ESG aspects; » Adoption of organizational model pursuant to Legislative Decree No. 231/2001; » Zero Residue Certification; » ISO 14001:2015 Certification.

11

Methodological note

The Sustainability Report of L'Insalata dell'Orto has been prepared according to the GRI Standard.

The Global Reporting Initiative is the most important standard setter for non-financial reporting.

The GRI referenced option has been chosen for drawing up the financial statements.

The GRI index is attached to the document, with details of the contents reported in accordance with the standard.

This is the first edition of L'Insalata dell'Orto sustainability report, which will be updated annually.

In preparing the financial statements, the traceability and correctness of the data used is declared and guaranteed.

The document will be available on the company's website at www.linsalatadellorto.it

Further information on the report is available by contacting L'Insalata dell'Orto at the e-mail address: linsalatadellorto@legalmail.it

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GRI Index

INDEX OF GRI CONTENT				
GRI STANDARD	INFORMATION DISCLOSURE	DESCRIPTION	REFERENCE PAGE	OMISSIONS/NOTES
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GRI 102: General Disclosure 2016				
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	102-3	Location of headquarters	6	
	102-4	Location of activities	6	
	102-5	Ownership and legal form	20	
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	102-8	Information on employees and other workers	34-36	
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Ethics and integrity	102-16	Values, principles, standards, and norms of conduct	11	

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	102-46	Report content definition and topic perimeters	6	
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	102-49	Reporting changes		As this document is the first Sustainability Report, there are no revisions
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