



Sustainability
REPORT
2020





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Open letter

BY FILENI'S FAMILY



Dear partners and supporters,

we are really proud to present the **third edition of our Sustainability Report**: this document is more and more strategic for Fileni, since it channels **the Group's economic, environmental and social performance to our stakeholders. 2020 has been a very challenging year** due to Covid-19 outbreak, which put a strain on the personal and work resilience of all of us.

For this, **the most heartfelt "thank you" goes to Fileni's people along the whole supply chain** who, with their commitment, dedication and extraordinary courage, have shown a deep sense of responsibility towards their community and their country as a whole in order to bring forth an essential service.

In spite of all hardships we achieved major goals this year and our commitment has focused on keeping a **positive impact on the market, our land, our people and our communities..**

As a matter of fact, we think that a company like ours should promote core values, principles and virtuous initiatives when it comes to **corporate social responsibility**: everyday we are inspired by **"being a part, not everything"**; as stated in our **Sustainability Manifesto** we are part of the problem but we can also be the only viable solution to defend the future of our Planet and the new generations.

Our Report tells the whole story: by means of the **Arca Project** for soil regeneration and bio-conservative crops, we protect our land by making it more fertile than before; **for over twenty years we have been carrying out organic farming and cultivation activity** with a circular system ensuring **quality and control** as well as **environmental and human health**; we supply ourselves responsibly with **clean energy** and are committed to **offsetting our CO₂ emissions**; **we value our land** and its spearheads by means of integrated, cutting-edge supply chains; **we protect our workers** by promoting an inclusive, multicultural environment which is attentive to people's needs; **we do our part in the training of young people** by setting up collaborations with universities and research centers and we scout for talent through the **Marco Fileni foundation**. Our way allows to provide customers with genuine and sustainable products.

Our corporate aim is to promote strategic choices based on shared values and focused on **Transparency, Courage and Respect**: these values inspired us yesterday, they are guiding us now and they'll do the same in the future.

**Hope you enjoy reading,
Giovanni, Roberta and Massimo**

1

Fileni's WORLD

*An Italian, Organic and Sustainable
Family Food Company*

- 1.1** History, values and structure of Fileni Group
- 1.2** Our production cycle and supply chain
- 1.3** Our economic responsibility

1.1

History, VALUES AND STRUCTURES OF FILENI GROUP

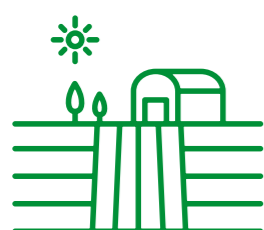
Being a market player since 1978, Fileni Alimentare S.p.A. has been operating for over 40 years in the

breeding and sale of poultry products while fostering the most sustainable industrial practices. Specifically:



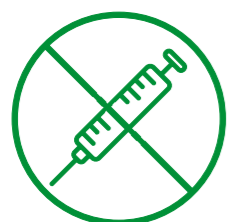
Our production plants have gone **carbon neutral** since 2020

BY PURCHASING RENEWABLE ELECTRICITY AND OFFSETTING OUR EMISSIONS



around **32%** of the **933,519** sqm

OF THE BREEDING SURFACE IS ASSIGNED TO ORGANIC REARING



in 2020, over **97%**

OF BOTH ORGANIC AND CONVENTIONAL RANGE WAS PRODUCED WITHOUT ANTIBIOTICS

Founded by Giovanni Fileni in Jesi, the company set its headquarters in Cingoli (province of Macerata) and its supply chain goes all through the Marche region and Italy as a whole. **Being one with our land** always stood for an essential part of our brand's success year after year: it's all about matching **the ancient traditions and craftsmanship** of the past with **product and process** innovation, research and development.

These cornerstones won over generations of consumers who love genuine, quality products and allowed Fileni to be currently recognized as **one of the main national players** in the poultry sector and Italy's top producer of organic agriculture meat.



Focus on **animal welfare**

USE OF MODELING BUILDINGS FOR VENTILATION AND LIGHTING



Focus on **packaging**

ALL FILENI BIO PRODUCTS ARE PACKED WITH CARD-BOARD ECO-TRAY



Controlled supply chain

THAT IS CIRCULAR FROM FIELD TO CONSUMERS' TABLE

1.1 Our History,

A PIONEERING CHOICE
OF SUSTAINABILITY

Fileni's history is the history of an Italian family-run food company, born from the pioneering choice of sustainability by its founder, Giovanni Fileni.

1965 | 1967 | The 80's | 1995 | 2008 | 2014 | 2021

In 1965 Giovanni Fileni took an interest in the poultry sector and thus began experimenting with the first farmyard animal husbandry system in the Monsano countryside.

Right from the start he understood that switching production from battery to barn-raised was good for the health and the well-being of animals. A year after this early experimental phase, he built the first breeding shed for 5,000 chickens to be sold door-to-door to the local families.

In 1967 he opened the first shop for the direct sale of chickens in Jesi. Within 8 years he was counting with 48 shops and 15 breeding sheds for a total of 21,000 square meters.

The expertise of having a first-hand contact with customers turned out to be the key of understanding the social changes which have been driving new consumer needs ever since. One of most relevant features of latter-day Fileni was born: the sale of ready-to-eat products.

When the Eighties were coming to a close, Giovanni Fileni envisioned and pioneered the transition from retail to large-scale distribution by shutting off his retail store chain and building a ready-to-eat product plant in 1989 in Cingoli.

In 1995 he decided to build a bigger slaughterhouse, rightfully assuming that he needed the complete meat processing supply chain.

At the end of the Nineties, Fileni began thinking out of the box with an unprecedented way to breeding: the organic one. While it was largely regarded as unattainable, to Fileni it looked like a true game-changer ridden with opportunities for animal health and welfare. It was the dawn of the organic supply chain.

In 2008 Fileni took another big step by starting production in the new Castelplanio plant where the new, ground-breaking fryer-free cooking system was launched.

Backed by long-standing expertise, the company is not just about chicken meat but also turkey, pork, beef, rabbit and other processed and prepared products, even gluten-free.

Being an organic production pioneer since the Nineties who carried it out on behalf of other brands, in 2014 Fileni launched the Fileni BIO line on the market, the first line of organic meat in Italy. The focus was on quality, respect for nature and attention to animal welfare.

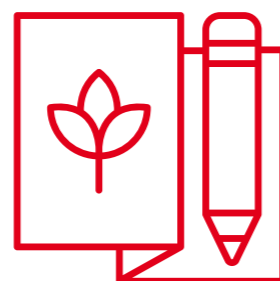
Year 2021 marks a moment of awareness in the path of being sustainable and supportive towards our land and local communities: we changed our legal status into a Benefit Corporation and took a commitment in offsetting all of our direct emissions. Regeneration is the keyword guiding our short- and long-term decisions, with the aim to bring forth a conscious economic growth in the best interest of everyone, and most of all of future generations. These values have been incorporated in our company purpose. Fileni looks ahead to have a positive impact on society and the biosphere.

1.1 OUR VISION, MISSION, AND *Values*

Fileni's vision is to provide consumers with much more than a hamburger or a beef slice: **our mission is to give a new experience in taste** and bring you back to the authentic flavors, those you can feel when you love your land and all of its gifts.

Transparency, respect and courage are yesterday's, today's and tomorrow's core values that guide our daily offer of good, genuine, raw material- and tradition-compliant meat: they are the stepping stones to build our here and now and our future as well. It means having the front seat in your journey on the road to excellence.

In 2021 Fileni released its own Sustainability Manifesto, which described the Group's commitment in defending stakeholders' future by generating a positive impact through its activities.



TRANSPARENCY

Fileni is a natural and reliable brand

We are committed to:

- **Choose** a more and more "transparent" pack;
- **Declare** our production and processing methods on our packaging;
- **Highlight** all nutritional values and product characteristics;
- **Create** a brand identity that can enhance our ranking.

RESPECT

Fileni is a genuine, strict and pure brand

We strive to respect raw materials, the environment and the land we work in and people alike:

- We define and channel a clear **Corporate Social Responsibility** strategy;
- Supporting actions aimed at **promoting our land**;
- We show consumers that **respecting raw materials** is an everyday top priority within the company;
- We allow consumers to **check each process** of our supply chain.

COURAGE

Fileni is a dynamic, innovative and independent brand

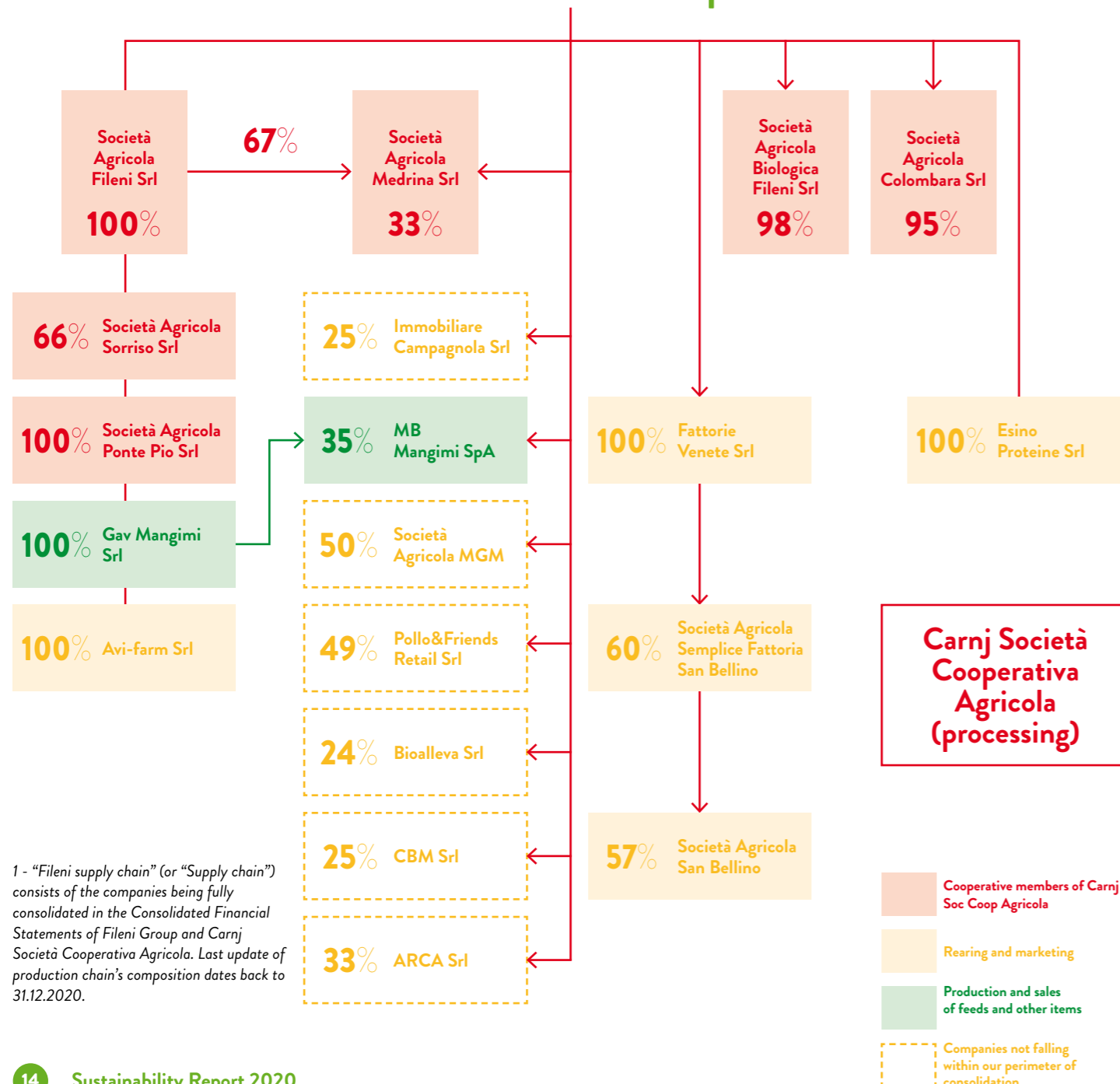
We are committed to implementing this value in order to achieve our vision and mission, so that the company can keep on growing and stand out from the competition. We expect to:

- **Innovate** our ways to production and packaging;
- Deploy different sale channel to **strengthen brand market positioning**.

1.1

The Structure OF OUR SUPPLY CHAIN AS OF DECEMBER 31, 2020¹

Fileni Alimentare SpA



1 - "Fileni supply chain" (or "Supply chain") consists of the companies being fully consolidated in the Consolidated Financial Statements of Fileni Group and Carnj Società Cooperativa Agricola. Last update of production chain's composition dates back to 31.12.2020.

Among its cooperative members, Carnj's corporate layout sees both Fileni Group's agricultural companies and cooperative members outside the Group. Fileni Alimentare S.p.A. is a cooperative's financing member.

In March 2020 the Fattorie Venete Srl newco was established, which acquired a 60% stake in the Società Agricola Semplice Fattoria San Bellino. The goal of this operation is to adopt a **diversification strategy on organic animal proteins** by expanding the red meat supply chain, from organic cattle breeding to marketing.

As of 1 May 2021 this commitment was further carried out through the acquisition of long-term partner Tedaldi Group's "Egg" business: Fileni thus

aims at further widening its animal protein-based product range with a **focus on eggs and high added-value egg products** such as organic and symbiotic eggs.

Fileni Group's Corporate Governance model is a traditional one: the company is managed by a Board of Directors (BoD) which is led by Chairman Giovanni Fileni, who acts as legal representative and is supported by relevant directors.

The Parent company (Fileni Alimentare SpA) hosts the Board of Statutory Auditors, consisting of the following chairman and auditors.



2 - All Board of Directors' members belong to the "older than 50" age group.

Board of Directors (BoD) ²	Board of Statutory Auditors
Chairman: Giovanni Fileni	Chairman: Iacopo Pettinari
Directors: Roberta Fileni Massimo Fileni Francesco Casoli Giovanni Frezzotti	Standing Auditors: Caterina Del Goabbo Daniele Capecci

The Structure

OF OUR SUPPLY CHAIN

The main companies of the Supply chain have implemented the Management and Organizational Model pursuant to Law Decree 231/2001 and the Code of Ethics in order to provide for a set of rules aimed at preventing any unlawful conduct by monitoring sensitive areas and activities and ensuring ethical business. Fileni supply chain’s affiliates and partners are:

Fileni Supply Chain

	• Unaitalia
	• Confindustria
	• Assobio
	• Confagricoltura
	• Associazione Generale Cooperative Italiane (AGCI)
	• Assoavi
	• Cluster Agrifood Marche
	• IFOAM Eu Group
	• Confederazione Italiana Agricoltori
	• Coldiretti
	• Confederazione Produttori Agricoli

Becoming partner with such associations perfectly matches **our strategy** of great attention to corporate sustainability, enhancement of our operation scenario and promotion of a proper organic farming model.

For this reason - and though reaffirming its long-time bond with Confagricoltura - in 2020 Fileni and some of its agricultural companies joined Coldiretti, CIA (the Italian Farmers Confederation) and Copagri.

To this purpose, **Fileni’s in-depth involvement with the representative and assistance associations of Italian agriculture is completed.** This stands as further evidence of the company's commitment to dialogue with the top players of Italian agriculture.

In addition, the long-time bond with Confagricoltura and the recently-acquired membership in Coldiretti, CIA and Copagri shall boost the organic world representation on the national scene within each association involved.

The company stays at the forefront of everything related to the **sustainable agri-food system** and therefore the *Farm-To-Fork Strategy* of the New European Green Deal.

Here is a detailed overview of the European, national and regional associations mostly committed to this mission:

- IFOAM: represents the movements for the **worldwide promotion of organic farming**. It has been awarded with advisory body status by the United Nations and provides a global platform for international cooperation and trade in this area. Ifoam carries out its action by promoting organic farming and production systems with a holistic approach including, among its goals, the protection of the environment and basic human needs in accordance with the principles of sustainable development. IFOAM activities speak for the worldwide organic movement in administrative and executive parliamentary seats. It defines and periodically reviews the international basic standards of organic farming and food preparation and is labelled with an international organic quality guarantee (IFOAM Accreditation Program ensures the equivalence of certification programs worldwide). Our company is an active member with voting rights in IFOAM Organics Europe for the European agricultural sector.

- ASSO BIO is the national association for **processing and distribution companies of organic and natural products**. AssoBio has about 90 members operating in the agri-food and cosmetics sector, is governed by a board of directors made up of entrepreneurs and counts with a dedicated team of professionals. Our company partakes in the board of directors of this Association.

- A.G.C.I.: the General Association of Italian cooperatives is actively engaged in **creating a synergy of companies** strategically linked to each other by means of an advanced organization, so that this movement can fully establish itself as a tangible, worthy player in the financial scenario with the aim of enhancing work and civil commitment. Our company is currently the member with the heaviest financial weight in Marche region.

- UNAITALIA is the trade association **for the safeguard and promotion of the Italian meat and egg agri-food supply chains**. It stands for over 90% of the entire national poultry and rabbit supply chain and for a very big slice of the pig one, always out promoting their cause. Our company has a seat in the association's board.

- CLUSTER AGRIFOOD MARCHE: is a **gathering made of the four Marche’s universities** (UNIVPM, UNICAM, UNIURB, UNIMC), research institutes, companies linked to the agricultural, food and fish world, trade associations and service companies that work together to meet the need for innovation along the whole agro-food supply chain of our region. Founded in March 2015, the association aims at making the regional agri-food sector more competitive by matching innovation and tradition while promoting cooperation and knowledge transfer among the players of the supply chain. The Agrifood Marche cluster complies with the CLAN (the National Agrifood Cluster), a powerful tool by which the Ministry of Education, University and Research (MIUR) is able to coordinate and manage national and international projects, embrace and convey the development policies of many companies, and keep in touch with local authorities. Our company is currently President-in-Office of the Agrifood Marche Cluster Association.

1.2 OUR PRODUCTION CYCLE AND SUPPLY

Chain

Our supply chain means quality, integrity and tradition, as well as safeguard of animals and final consumers alike.

Our goal is to achieve **total control on the whole cycle**: from feed production to product packaging through the use of the most advanced farming techniques.

Chemical and microbiological laboratories work side by side to provide consumers with all the **guarantees** they deserve. More specifically, in the organic production such commitments become stricter so as to **ensure top-notch, healthy, nature-compliant certified products**.

As a matter of fact, **organic farming** provides for animal well-being and safeguards people's health without jeopardizing the environmental balance.



FILENI'S POULTRY SUPPLY CHAIN IS MADE BY:



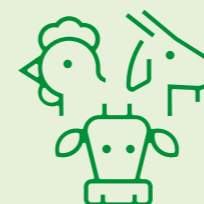
Breeders and incubation plants

Totally natural reproduction is guaranteed. Fertilized eggs are subsequently sent to incubation plants, where they stay for 21 days in a controlled environment to favor **correct embryo development**.



Feed Mills

All the food giving chickens a **proper nutritional intake** is produced and stored in two feed mills.



Breeding Farms

282 breeding farms mostly located in Central Italy but also in Veneto, Emilia-Romagna and Apulia.

The five animal freedoms are guaranteed:

- **Freedom from thirst, from hunger and from poor nutrition**
- **Freedom to live in a proper and comfortable environment**
- **Freedom from pain, injury or disease**
- **Freedom to express normal behavior**
- **Freedom from fear and distress**



Processing

Two slaughtering and processing plants are located in Cingoli and Castelplanio, Marche region, and they have UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 certifications.



Retailers

Our production is directly linked to incoming customer orders so as to **produce only the quantity of food that will actually be sold**. Production is addressed to large-scale distribution and retail butcher shops alike.

- Mass Retail
- Large-Scale Retail
- Discount
- Normal Trade
- Food Solution
- Foreign countries
- Online

The Organic Supply Chain

FOR POULTRY AND RED MEAT



Organic poultry supply chain is our own core business; for some years now the Group has taken the path of product diversification, including organic red meats in the offer.

More specifically, since 2018 the Group entered into a **partnership with Bioalleva**, a renowned leader in the organic meat market.

In 2020 this trend ramped up with the foundation of newco Fattorie Venete Srl and the takeover of Azienda Agricola Semplice Fattoria San Bellino, dealing with **organic cattle breeding**.

This is a relevant endeavor in guaranteeing supply chain traceability and control, which is still rather haphazard in the Italian red meat industry.

Our organic red meat is four times Italian: cattle and pigs are bred and raised in Italian organic farms, slaughtered in Italy and processed in a new Bioalleva plant which is entirely dedicated to organic red meat processing, with cutting-edge technology and organic-compliant method.

Our organic supply chain stands out for:

ORGANIC FEEDS

from field to feeders

Our animals are fed with **GMO-free**, organic plant-based feeds only coming from mostly Italian crops, directly or contract-farmed and supervised by Fileni since sowing. These crops often resort to **regenerative agriculture methods**, thus paying even greater attention to soil fertility protection and hydrogeological instability prevention compared to the organic method.

All feeds and originating raw materials undergo a **strict program of analyses** so as to rule out the presence of non-permitted chemicals as per regulations on organic. Inspections are carried out also *ex-ante*, even before foodstuffs hit the feed mills: in agriculture, the absence of chemical substances on the soil, on the plant and on the seed is actually verified. Organic means eco-friendly and GMO-free red meat as well: **no pesticides or chemicals are used in our animals' pasture lands**.

Besides raw material processing, Fileni oversees the cultivation of cereals and legumes as well in order to have **maximum control over animal nutrition**.



ORGANIC BREEDING FARMS

respecting animal welfare

Organic breeding farms should comply with stricter standards. Animals are raised according to their own ethology: they can roam in open spaces, graze and eat balanced feeds specifically developed for their diet.

As for the poultry supply chain:

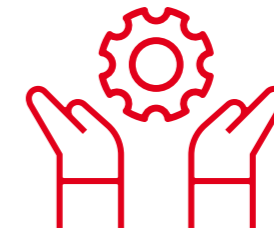
- Animal population density is controlled and not exceeding 21 kg of meat per square meter;
- 4 square meters of outdoor areas shall be available for each animal;
- A dark period of at least eight consecutive hours is ensured on a daily basis.

Our **strictly organic** farmlands are often surrounded by trees and plants sheltering the animals with their shade.

Organic animals use to stay longer in breeding farms: chickens, for instance, stay at least **81 days**.

Even if organic animals are commonly treated with antibiotics during their life cycle, Fileni cuts down their use to a minimum: in 2020, more than 97% of organic production was **without antibiotics**.

In order to provide for animal welfare, red meat production stables are equipped with a special **ventilation system**, always allowing for a dry litter, and additional stands compared to those envisioned by current legislation so that animals have more space to roam.



Dedicated PROCESSING

Organic meat is processed at given times and after a careful **cleaning of production lines** in order to avoid any possible contamination. Moreover, productions and all semi-finished products undergo periodic random checks in order to maintain the highest quality standards and **rule any taints out**.

The ultimate goal of organic supply chain is an animal- and environment-aware, distinctively genuine, **higher quality product**.



1.3 OUR *Economic* RESPONSIBILITY

Despite being affected by Covid-19 pandemic, 2020 trend marked **a slight increase in business volume** (+ 1%) providing for good - albeit lower if compared to 2019 - margins. 2020 net sales amounted to approximately € 431 million, with an increase of approximately € 5 million compared to the previous year; an ongoing improvement in the product range sold is confirmed in 2020 for high-value products such as the organic, barn-raised, third and fourth processing. **In a financial outlook such as the 2020 one, increasing turnover while keeping good margins is an major achievement.** The 2020 Gross Operating Margin amounts to approximately € 27 million, down by € 4 million compared to the previous year; such change comes in the aftermath of the well-known pandemic, EBITDA fell to

€ 27 million (-14% compared to 2019) and 2020 net result stands at € 10.5 million, with a reduction of € 0.8 million compared to 2019 result.

In 2020 **the Group kept its trend of expansion**, growth and market penetration by increasing processed product sales. Retail channel sales amounted to over € 115 million, with an increase of about 7% compared to the previous year. Sales to the Food Service channel customers decreased by almost 30% due to government restrictions in the wake of the pandemic, which significantly involved collective catering.

Group activities keeps on rolling along the path outlined by the strategic guidelines of its

2019-2026 business plan, in continuity with what has been planned in recent years. For the next few years, the forecast is to increase revenues in value-added products by investing about € 90 million in:

- **the organic market segment** (poultry and red meat);
- **processed products** (especially the branded ones);
- raising more **awareness in the Club dei Galli brand** (special products);
- **in the deli and precooked product segment.**

To this effect, Fileni has obtained substantial financial support from BNL Gruppo BNP Paribas in partnership with SACE. Funds will be used for major investments aimed at further strengthening sustainability and competitiveness in Italy and abroad. BNL has actually allocated to the Group a positive loan of € 15 million. This loan is 50% guaranteed by SACE and comes with a ground-breaking formula: its funding conditions are meant to become even more favorable to the achievement of specific environmental and social sustainability targets, which shall be monitored and measured on a regular basis. Pursuant to the agreement, Fileni undertakes to use the BNL Gruppo BNP Paribas loan for actions aimed at reducing greenhouse gas emissions (CO₂) in production processes and to apply the new sustainable packaging made of 100% biodegradable and compostable bioplastics to its entire product range.

In such a volatile and uncertain economic scenario, Fileni Group is set to up the ante in order to reaffirm its leadership in the field of organic poultry meat and in the national poultry market a a whole.

Furthermore, the choice not to postpone investments in production cycle sustainability bears witness of Fileni's true dedication to the cause of environmental sustainability and animal welfare. Since the organic certification award twenty years ago, Fileni never stopped to strengthen its supply chain, which today counts with a wide range of 100% "BIO" products.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The direct economic value generated and distributed is the result of an income statement reclassification showing how the generated value is being redistributed to stakeholders.

In order to provide a more comprehensive

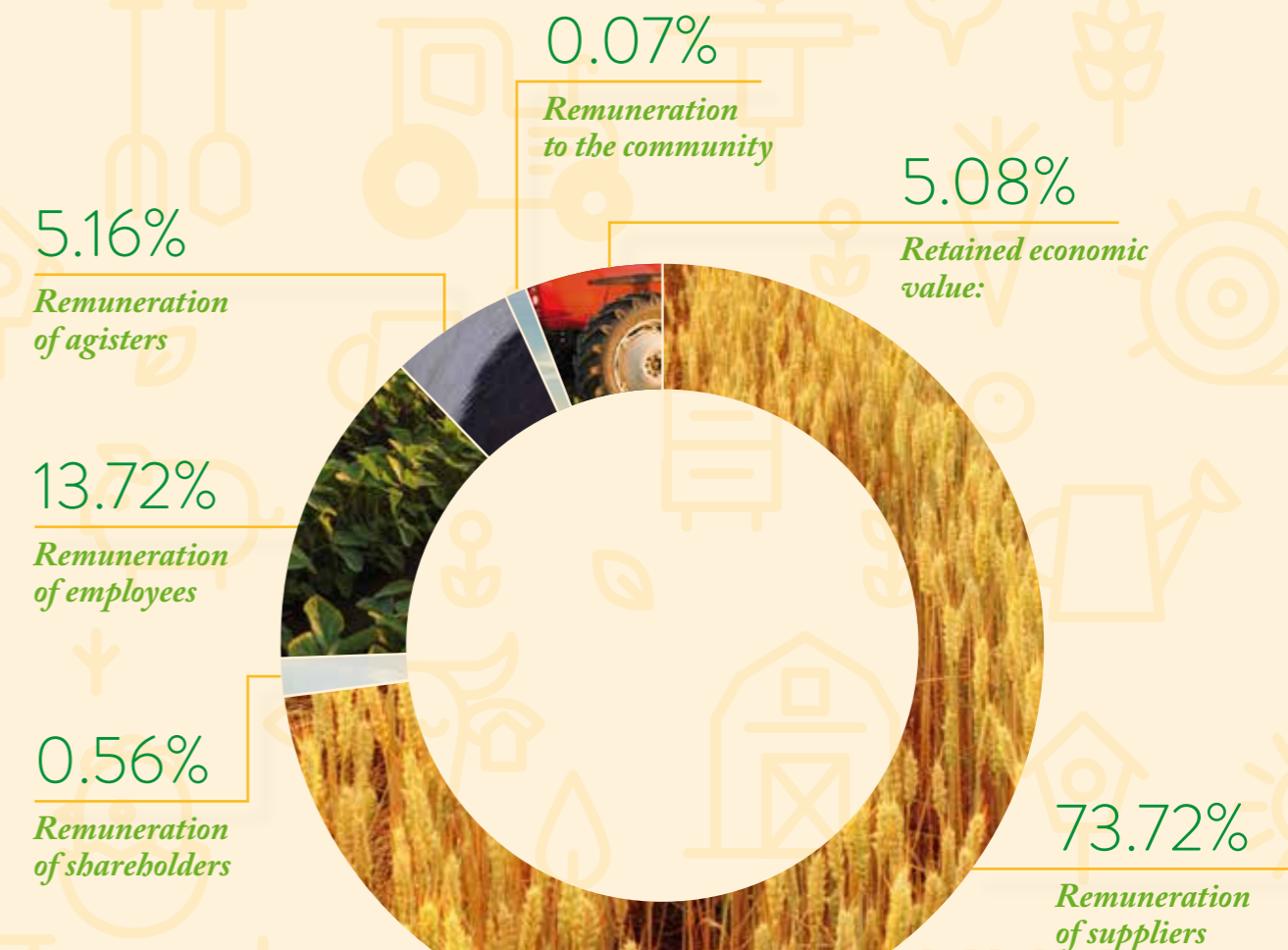
representation of Fileni supply chain, the economic value generated and distributed also takes into account the contribution of Carnj Società Cooperativa Agricola, which is responsible for the processing step.

	2020	2019
<i>Economic value generated by the Group</i>	449,829,165	451,561,396
<i>Economic value distributed by the Group</i>	426,982,821	426,274,845
of which Remuneration of suppliers	331,601,176	335,466,877
of which Remuneration of employees	61,714,477	59,329,028
of which Remuneration of agisters	23,226,802	22,580,851
of which Remuneration of lenders	4,412,680	4,323,318
of which Remuneration of shareholders	2,500,000	0
of which Remuneration of the Public Administration	3,209,715	4,358,655
of which Remuneration to the community	317,970	216,118
<i>Economic value retained by the Group</i>	22,846,344	25,286,551

Economic value generated in 2020 amounted to around €450 million, thus in line with the data for 2019. Most of this value (73.7%) has been transferred to the Supply chain's suppliers, mainly by purchasing raw materials. Remuneration of employees (considering also the employees of Carnj Società Cooperativa Agricola) stands for the 13.7% of the economic value generated. Value transferred to agisters amounted to 5.2%.

The share of economic value generated and retained by the company was equal to 5.6% and included all the profits allocated to reserves and depreciation.

DISTRIBUTION OF THE DIRECTLY-GENERATED ECONOMIC VALUE IN 2020 AMONG STAKEHOLDERS



A man in a light-colored shirt is seen from behind, walking through a field of tall, golden-brown grass or wheat. The sun is low on the horizon, creating a warm, golden glow and long shadows. A large white number '2' is overlaid on the left side of the image, and a large white number '3' is overlaid on the bottom left. A thick red curved line sweeps across the bottom right corner.

OUR APPROACH TO *Sustainability*

2.1 Reference context: the ambitions of the European Union for a green recovery

2.2 What sustainability means to us

2.3 Materiality analysis



In a worldwide scenario still shaken by Covid-19 pandemic, the leading nations are implementing **strong, sustainability-oriented recovery policies**. The **Recovery Plan** and the **Green Deal** recently launched by the European Union will bring about major investments in the coming years. Financial institutions and consumers are showing more and more attention to sustainability topics as well.

Against such a backdrop, Fileni finds itself at the forefront of these trends and its recently-published “**Sustainability Manifesto**”, where its approach to these topics is explained, is here to prove it. With its

operations Fileni also contributes to the achievement of the Sustainable Development Goals (SDGs), especially goals 2, 4, 7, 8, 12 and 13.

The materiality analysis, which is developed by taking into account Fileni’s reference context and peculiarities, is shaped by the **materiality matrix** offering a graphic representation of the various topics’ relevance to Fileni Group and its stakeholders.

2.1 REFERENCE CONTEXT: THE AMBITIONS OF THE EUROPEAN UNION FOR *a green recovery*

Following the outbreak of Covid-19 pandemic and the subsequent collapse of world economies, we wondered how all this would impact sustainability awareness by the side of governments, companies and people. About a year after the outbreak we can affirm that **sustainability**, just as well as other industry sectors, **has been boosted by the pandemic**. Not only have sustainability issues not been shelved or slowed down but, on the contrary, their importance has been further reiterated.

All the major governments in the world have set far-reaching goals to fight climate change and launched plans to foster an inclusive economic recovery attentive to the needs of people and the environment.

Financial market top players restated their will to **increasingly merge the Environmental, Social and Governance factors** within their investment policies and consumers confirmed their willingness to **choose more sustainable products**.

Currently, nearly half of global GDP depends on the **exploitation of natural resources**. Besides being a source of human prosperity, they are a great ally in mitigating climate change and the outbreak of epidemics. The unprecedented impact

of the Covid-19 pandemic shone a light on the **vulnerabilities of the world’s social and economic fabric**, especially with respect to supply chains and product traceability and safety. It therefore proved **the importance of restoring a balance in the way we use natural resources**.

The European Union Recovery Plan, together with NextGenerationEU temporary recovery tool, rely on a structured and integrated approach in order to stimulate recovery during and after the pandemic period. **The aim is to act, simultaneously and transversally, on financial, social, institutional and environmental challenges which nowadays are strongly interwoven**. Even before the pandemic, the European Green Deal had already laid the foundations to continue the transition towards a sustainable economy. The plan calls for zero greenhouse gas emissions from the European Union by 2050, protecting people, animals and ecosystems, and ensuring a fair and inclusive transition.

These policies are inherently also **addressed to the food sector** in order to make it more sustainable, safe and resilient - also in view of the fact that agricultural sector is one of the most affected today and so it will be in the future by climate change and environmental deterioration.

According to the European Union, it is essential

to support farmers in tackling climate change and **preserving biodiversity** by enhancing cultivation and farming methods that promote **circularity, biodiversity and the protection of the territory, people and animals**.

FARM TO FORK STRATEGY:

The main goals of this strategy are:

- *Providing people with healthy, sustainable and accessible food;*
- *Fighting climate change;*
- *Protecting biodiversity and the environment;*
- *Ensuring fair financial returns in the food supply chain;*
- *Boosting organic agriculture.*

Through these objectives the EU aims at **protecting the health and well-being of people and animals** by improving the balance between nature, food systems and biodiversity. A cornerstone of this strategy is the *Organic Action Plan*, setting forth the steps to achieve the 25% target of organically cultivated agricultural lands, in order to improve the environmental impact and supporting farmers.

These European Commission goals come to life, among the others, in two key strategies of the Green Deal: “**Farm-to-Fork Strategy**” and the “**Biodiversity Strategy**”.

BIODIVERSITY STRATEGY:

This strategy aims at restoring depleted ecosystems by means of:

- *Stepping up organic farming incidence and protecting biodiversity in agriculture and the territory;*
- *Stopping and reversing the decline of pollinators;*
- *Restoring natural flowing conditions for 25,000 km of rivers;*
- *Cut the use of pesticides by 50% by 2030 and their inherent risks;*
- *Plant 3 billion trees by 2030.*

Besides preserving and restoring biodiversity and ecosystems, these actions also aim to increase their resilience and their ability to **mitigate climate changes**.

Goals are to achieve a **neutral or positive environmental impact** on the whole food supply chain from cultivation to consumption, protecting the resources on which the industry depends, benefiting consumers in terms of health and accessibility and rewarding the most virtuous producers. At the same time this will increase EU’s resilience and competitiveness, even in the face of the post-pandemic crisis.

Attention to the environmental impact and product safety is constantly increasing as well among consumers. Another major stimulus is the growing awareness of **healthier diets and lifestyles**. It led to product innovations focused on **natural, healthy and organic ingredients**, especially plant-based ones. However, consumers are not merely interested in final product features such as packaging and nutritional aspects, but they increasingly focus on **the whole supply chain** by looking for more information on cultivation and farming methods, use of pesticides and product origin.

2.2 WHAT SUSTAINABILITY MEANS TO US

During 2021, Fileni changed its legal status to "Benefit Corporation". Company operations not only generate wealth and well-being, but they also have the enormous potential to positively affect the community and the surrounding environment. By taking this step we wanted to put on the same level once and for all environmentally-conscious goals and traditional financial targets.

Fileni identified three specific purposes of common benefit on which it undertakes to generate a positive impact.

Environment and territory

Fileni is committed to spreading **regenerative agriculture** as a common good and works to convey to new generations the **beauty of the agricultural vocation and the urgency to regenerate the earth**. We implement agricultural practices and ecological knowledge, and we choose to cultivate, breed and process the product in compliance with raw materials, the territory and biodiversity. **We value our land by choosing short supply chains that enhance regional specialties and local product quality.**



Model supply chain and product

We strive to create a model of **regenerative, open, connected and replicable supply chain** to inspire the development of responsible companies, local communities and their territory for the creation of a widespread value. Fileni promotes the development and consumption of organic and **nature-compliant products**.



People and community

Fileni believes that common interest comes before self interest: for this we are committed to safeguarding and promoting the **people's global right to well-being**, whether they are our employees, customers or other stakeholders. We provide for a **healthy, inclusive, multicultural and peaceful work environment** where young people stand out and the professional and human development of individuals is encouraged in order to fully convey one's potential and help generate a sense of satisfaction, pride and personal well-being for everyone.



WE HAVE CHOSEN TO DEFEND THE FUTURE



We have chosen
to regenerate
earth.



We have chosen
to respect
animals.



We have chosen
to enhance
workers.



We have chosen
to promote
our land.



We have chosen
to clean up
the atmosphere.



We have chosen
to develop
our community.



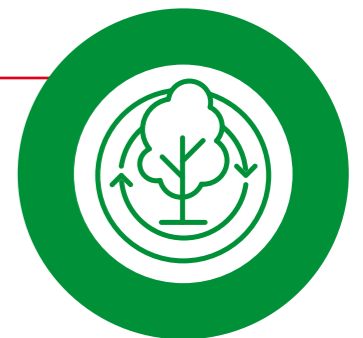
We have chosen
to protect
people.

As a further proof of our intentions, in 2021 we issued our Sustainability Manifesto. This document explains the cornerstones informing our everyday action: this is what we choose to do to defend the future.



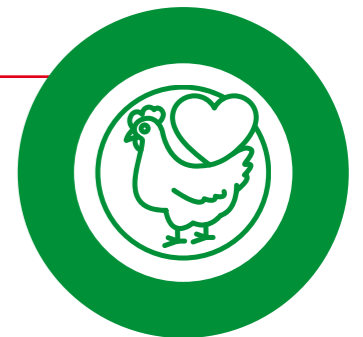
We have chosen to regenerate earth.

We leave the land we farm **more fertile than before**.
With the Arca project for the regeneration of soils and bio-conservative crops, we **revamped the good old rural tradition** by pairing it with the most sustainable innovations. Result?
We brought back to splendor many acres by means of **good practices** and now they are here for all to benefit.



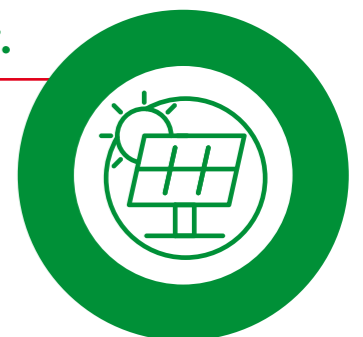
We have chosen to respect animals.

For over twenty years we have been breeding and cultivating, even in **the organic way**, by adopting a circular system that guarantees **control and quality**. Our animals eat **100% Italian feeds** only. We breed them in full compliance with their life cycle and with no antibiotics.
Our circular model **cuts down waste**.



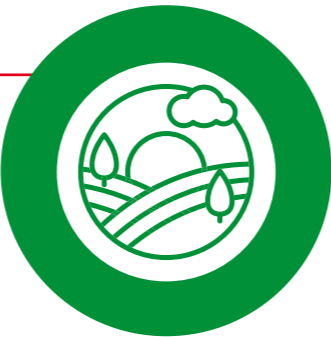
We have chosen to clean up the atmosphere.

We can affirm that our production plants and breeding centers are **carbon neutral**: we **purchase electricity from renewable sources only** and offset all our direct emissions through **reforestation projects** and the installation of plants for the production of **renewable electricity**.



We have chosen to promote our land.

We do our part in **giving our land a sustainable growth**. Arca school actually creates supply chains that enhance **regional excellence**. We keep on innovating our infrastructure and our headquarters in Cingoli, among the hills of Macerata. We convey the quality of our native chickens with a label **celebrating their origin**.



We have chosen to enhance workers.

We act for an **inclusive, multicultural and equitable work environment**. We hire directly, without using contracted seasonal workers. Our people have **53 different nationalities** and we seek gender balance even in management roles. We provide for **corporate welfare** including health and tax assistance.



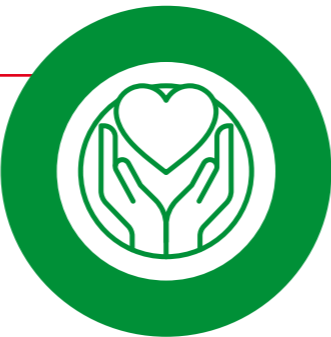
We have chosen to develop our community.

We support the **training of young people** and their access to work. **We cooperate with universities and research centers** on agronomy, biology and marketing. In addition, we invest in **scholarships** for workers' children all along the supply chain and we allocate 30 scholarships more to the most deserving high school and university students through **Fondazione Marco Fileni**.



We have chosen to protect people.

If we farm and breed also by the organic way, if **more than 97% of our products is antibiotic-free**, if our processed food is preservative-, GMO-, palm oil- and colorant-free, if we chose to respect land, plants and animals, is because **everyone's health and trust matter to us**.



FILENI SUPPORTS
the Sustainable Development Agenda

In September 2015, the United Nations General Assembly identified **17 challenging and inclusive targets** (Sustainable Development Goals, SDGs) aimed at improving human conditions as a whole, such as eradicating **extreme poverty, reducing inequality and safeguarding the environment**. Each goal is broken down into further specific targets acting as a guide for governments, businesses and

other institutions. Six years after SGD's release, Fileni is still committed to creating a positive impact through its business. In particular, 6 goals are acknowledged that most directly relate to Fileni's industry and to which we can best contribute both locally and globally¹.

Our commitment has been praised by Il Sole 24 Ore that, in 2021, ranked Fileni among the most sustainable Italian companies.



1 - The data and information on world trends are taken from "U.N. - The Sustainable Development Goals Report 2020", while national trends are taken from the "Italy and the Sustainable Development Goals" ASviS report drawn up in 2020 .

SDG 2:

End hunger, achieve food safety and better nutrition and promote sustainable agriculture



The 2030 United Nations' goal is to **end hunger and all forms of malnutrition** around the world by 2030. In view of the quick population growth - especially in developing countries - food production will have to undergo a strong increase in order to cope with growing food demand.

Food quality is just as important as quantity. Goal 2 actually aims to end to all forms of malnutrition, a very sensitive issue even for developed countries. A further target of Goal 2 is to develop sustainable forms of agriculture in order to protect and preserve the environment.



In the aftermath of health emergency, the positive trend achieved in recent years has unfortunately reversed. **690 million people in the world are still starving**, while 750 million people are not guaranteed access to a healthy and balanced diet. Besides being already at a disadvantage, small farmers are even further affected by the resulting crisis. They need more support - especially from the financial point of view - to ensure a transition to sustainable, resilient and profitable farming methods.



The Italian food shortage situation is not particularly relevant, but in 2018 **1.5% of families were still at risk of food insecurity**. Only 30% of children aged 3 to 5 are overweight and the percentage halves between ages 14 and 17. Speaking of **organic farming**, Italy already boasts **a fair 15.5% of its overall agricultural area**, almost double the European average. If we narrow down the focus, the percentage of Marche region goes up to approximately 22%.

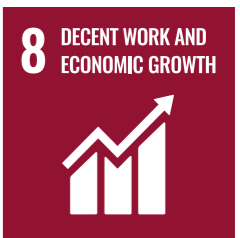


We are committed to offering our customers high-quality and high-nutritional value products, thus giving our contribution to a balanced diet. To this end, our farms and crops **follow the organic method** almost totally avoiding the use of antibiotics, GMOs, colorants and palm oil. (Paragraphs 3.4 "Product quality" and chapter 7 "Organic Agriculture").

Related material topics:
Sustainable agriculture,
Focus on nutrition
and consumer safety,
Product quality and safety.

SDG 8:

Promote long-lasting, inclusive and sustainable economic growth with full employment and fair job for all.



Goal 8 is aimed at **promoting a new pattern of economic development** that combines growth and environmental protection while ensuring **equity and inclusion in the allocation of economic resources and working conditions**. Economic growth monitoring refers to each economic performance and production capacity, to be supported and strengthened by stimulating **diversification, technological progress**

and innovation. Work topic is addressed with the aim of ensuring full employment and **a fair job for all**, including categories at the highest risk of exclusion (young people, women, people with disabilities, migrants), ensuring fair wages, improving workplace safety conditions and eradicating all forms of labor exploitation.



Worldwide unemployment has been trending positively in the last ten years, even against a backdrop of labor productivity on the rise. Already in 2019, however, world economy was slowing down and **global GDP dropped by 3.3% in 2020** in the wake of Covid-19 crisis. This backlashed mostly on informal employment, seasonal workers and freelancers, with the greatest **global unemployment crisis** since World War II looming at the horizon. Policies are urgently needed that support businesses and employment, especially for the most vulnerable categories, so as to **provide for employment and decent work conditions work for all**.



Italy, which was among the first European countries to cope with Covid-19 effects and to experience **unprecedented closures and lockdowns**, saw its **GDP drop down by 8.8% in 2020**. This had serious repercussions on employment, especially the female one. In the meantime, illegal work is unfortunately still a thing in the Italian territory, with 13.1% of illegal workers on the total employed. Also, there is still **a large occupational gap between men and women** (over 17 percentage points).

Our work environment has become more and more inclusive and multicultural, with employees of 53 different nationalities. We do not employ seasonal contractors and **continuously improve our health and safety standards**. We always strive to achieve gender balance within company population, also and mostly in management roles. (Chapter 6. "Our People").

Related material topics:
Economic performance,
Workers' rights and diversity.



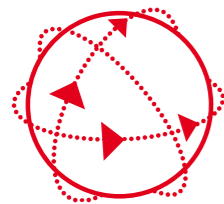
SDG 7:

Ensure widespread access to low-cost, reliable, sustainable and up-to-date energy systems.



Goal 7 is mostly important both for ensuring equity and inclusion in the use of energy resources and for the positive effects **that a more efficient and rational use of resources** can have on the economic and social development and in terms of energy and environmental sustainability. **The increase in energy consumption from renewable sources and the**

improvement of energy efficiency are hot topics even for the most developed economies, which are often among the most energy-consuming ones. The **fight against climate change** represents a global challenge that requires, first and foremost, a quick transition to a low-carbon economy.



Although the global energy market keeps on aiming higher at renewable energy and efficiency targets, **further efforts are still needed** to reach Goal 7 by 2030. Even though **electrification is on the rise**, 85% of the world's rural population still remains without this service. Again, the pandemic highlighted the imperative need to **ensure safe access to energy** in order to allow the operation of hospitals and other key services.



Speaking in terms of renewable energy, **Italy is among the few European countries achieving the goals set for 2020.** About 17.8% of the Italian energy consumption comes from renewable sources. In detail, **34.3%** of gross electricity consumption **is supported by renewable energy.**



For years we have been **stepping up the importance of renewables** among our energy inputs and today that share reaches 100%. **We have our own photovoltaic and cogeneration plants** contributing to the national energy grid. As of 2020 we activated two **biogas plants** using production waste and sludge. (Paragraph 5.2 “Energy Consumption and Emissions”).

Related material topics:
Circular economy and resource efficiency, Climate change.

SDG 12:

Guaranteeing sustainable models of production and consumption.



Goal 12 aims at **promoting sustainable production and consumption models** in order to reduce the ecological footprint of socio-economic systems (consumption of natural resources with respect to regeneration capacity), to **fight poverty**, to improve living standards and economic development. Sustainable production and consumption conditions can be achieved through the transition to a **circular economy model** “closing the cycle” of goods production through **reuse and recycling**, thus

ensuring economic growth while cutting down environmental impact. Sustainable management of natural resources in production and distribution activities, **conscious consumption**, and the implementation of an efficient waste cycle are the tools by means of which we can protect ecosystem services, fight the withdrawal of natural resources and their conversion in climate-altering gases and air, soil and water pollutants.



Although production and consumption are the engine of economy and well-being, they also **wreak havoc on the environment** in their current modalities. **Waste volume is always on the rise**, including electronic waste, which may pose a danger and are difficult to dispose of when they cannot be recycled. Pandemic has added to this phenomenon **with the increase in medical waste**. An even bigger concern is the huge amount of **food wasted or lost** in the several supply chain steps. In Western countries, more than 30% of food is lost or wasted.



Although the amount of waste is constantly increasing, **Italy has a good ranking when it comes to recycling.** With just over half of the waste meant for recycling, it stands above European average and exceeds the national targets set for 2020. Even if the share of waste sent to landfill is around 21.5%, the trend keeps on dwindling.



We are committed to applying circular economy principles throughout our supply chain: in farms chicken manure is reused as fertilizer or saved for energy recovery. With a **recovery mindset**, we confer our by-products to a company dedicated to the production of pet food or fertilizers. We are studying **innovative solutions** to produce our own packs and **eco-trays** with recycled or recyclable materials only. (Paragraphs 3.2 “Focus on sustainable packaging”, 5.4 “Waste” and chapter 7 “Organic Agriculture”).

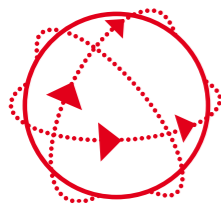
Related material topics:
circular economy and resource efficiency, sustainable packaging.

SDG 13:
Take urgent action against climate change and its consequences



Goal 13 is about promoting concrete global actions to **fight climate change**. Extreme climate events are happening more and more all around the world. The 2010-2019 decade recorded the highest average temperatures in history. **Climate change affects all nations** causing economic and social damage, especially in the most fragile parts of the world. If not

mitigated, climate change will lead to a significant temperature rise which will cause **irreversible changes to ecosystems**.



In 2020, the sharp slowdown in economic activity following the Covid-19 pandemic **caused a decrease by about 6% in greenhouse gas emissions**. However, such a decrease is still insubstantial compared to what is needed to achieve the climate goals of the Paris Agreement, according to which emissions should decrease by 7.6% every year starting from 2020.



Although Italy is supposed to reach the 20% greenhouse gas emission reduction target set by the Europe 2020 Strategy (compared to 1990 levels), **current reduction rate is still not in line with the 2050 decarbonisation target**: in fact, in order to achieve this result, current CO₂ emission reduction rate should more than triple.



We are increasingly committed to **reducing climate-altering gas emissions** associated with our products. In this regard, we have reached the 2020 goal of making **all our production activities carbon neutral** through the use of renewable sources and offsetting activities (Paragraph 5.2 "Energy consumption and emissions").

Related material topics:
Climate change.

SDG 4:
Quality education for all, provide for a high-profile, fair and inclusive education, and promote continuous learning opportunities for everyone.



Goal 4 deals with the issue of **quality education**, which is deemed to be essential in improving people's life conditions and **ensuring inclusive and sustainable development**.



Health emergency caused a **deterioration in education conditions, too**: lockdowns **negatively affected students' learning capabilities and mental health**, especially in developing countries where distance teaching is not a viable option for many people. Even before pandemic, however, progress and trends were not adequate to reach this goal by 2030. In 2018, 258 million children - mainly in the Global South - still don't have access to education, and this especially affects girls.



In Italy, 23.3% of students do not reach minimum proficiency level in reading and 23.8% do not reach it in mathematics. **The percentage of young people aged 18-24 who do not finish school is 13.5%**, even if it's trending down compared to previous years. There is also a **big gap between the North and the South** of the country.



We support the training of young people and their access to work. We cooperate with universities and research centers on agronomy, biology and marketing. Furthermore, **we invest in scholarships** for our workers' children and we scout for talent among the most deserving high school and university students through the Marco Fileni Foundation. (Paragraphs 6.2 "Talent management and career development" and 8.2 "Marco Fileni Foundation").

Related material topics: focus on local communities.

2.3 Materiality ANALYSIS

In 2020 we launched a materiality analysis process in order to ensure a **clear definition and representation of the Group's activities** and their impact in relation to social and environmental areas, the Group's performance and its results in the non-financial area. As part of the sustainability path that the Group has undertaken for some years now, **a mapping of its main stakeholders** has been carried out in order to spot the players who are directly and indirectly

affected by and, on the other hand, affect the activities and the decisions of the Group. We want to **foster ongoing listening, dialogue and involvement activities** through tailor-made stakeholder engagement initiatives, suitable for investigating the needs and expectations of each category with the aim of **integrating them into the Group's strategy**.

A recap pictures of the Group's main stakeholders is depicted below.

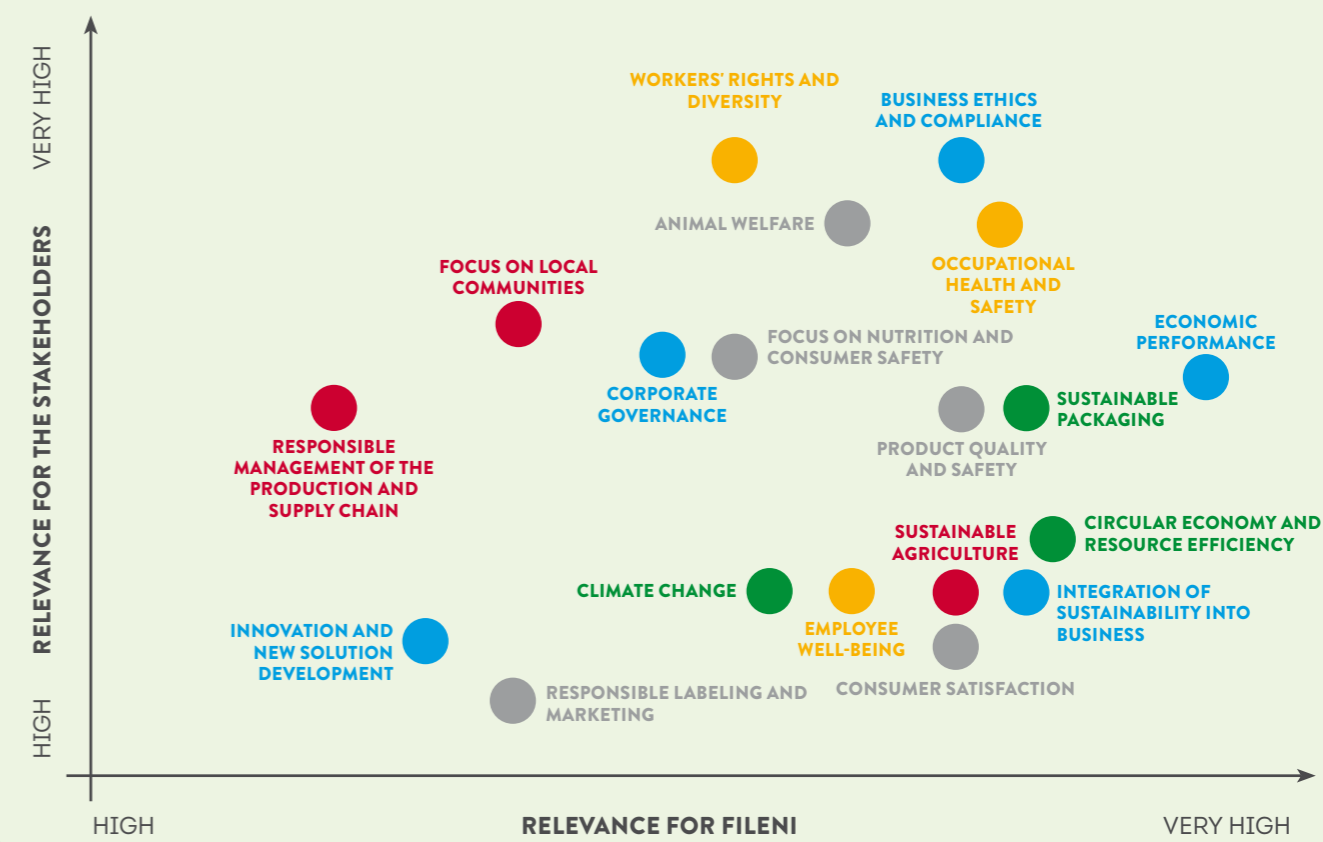


In order to develop a **materiality matrix** which provides a graphic and synthetic representation of **Fileni's top sustainability topics**, the Group carried out a preliminary analysis on the main internationally-recognized sustainability **frameworks** and a **benchmark analysis** of its main peers and comparables so as to identify the most relevant sustainability issues in relation to a given operational area.

Topics were then assessed by Group Management through an internal evaluation process. The outcome of this audit is then depicted in the materiality matrix.

In particular, issue relevance to the Group is reported along the x-axis whereas stakeholder prioritization is reported along the y-axis.

Materiality Matrix



Key

- ECONOMIC RESPONSIBILITY, GOVERNANCE AND COMPLIANCE
- RESPONSIBILITY TOWARDS THE COMMUNITY
- ENVIRONMENTAL RESPONSIBILITY
- RESPONSIBILITY TOWARDS THE PEOPLE
- RESPONSIBILITY TOWARDS THE CONSUMERS

3

Product SUSTAINABILITY

- 3.1 A product of excellence
- 3.2 Focus on sustainable packaging
- 3.3 Transparency and open communication
- 3.4 Product quality

Working to generate a positive impact is a conscious choice which guides our work, day after day.



We have chosen to protect people.

Our operations, from production to marketing to packaging, reflect our philosophy of working **with future generations in mind.**

Sustainable breeding, respecting our animals and caring for the environment are just some of the commitments we carry out with great responsibility so as to offer excellent, healthy and balanced market products.

3.1

A PRODUCT OF *Excellence*

Product quality is Fileni's commitment and responsibility towards consumers; to this purpose, we focus on the entire production process: **we carefully select the ingredients and match innovation with tradition to offer products that meets tastes and habits of our customers.**

genuine products: you can have them whole (as is), cut, raw processed, breaded, free-from, low-fat-content and high-added-value.

"We are what we eat" argued Feuerbach in 1800, therefore our goal is to guarantee and protect the health of those who choose the Fileni brand.

Besides producing palm-oil free, preservative-free, GMO-free, low-fat content meat with no mechanical separation, **we were the first to launch antibiotic-free products coming from farms that do not allow the use of antibiotics**, not even for healing purposes.

The result of these commitments is a product of excellence, born from sustainable choices in terms of breeding and production


We are one with our land's good old traditions that allow us to breed and produce meat responsibly, thus offering authentic flavors with a quality food experience through a wide range of top-notch,








*Our goal to produce
genuine and healthy food
takes many forms:*


Through breeding:


- 

All chickens are **BARN-RAISED**
- 

Animal nutrition **IS STRICTLY CONTROLLED**
- 

All chickens are **BORN, BRED AND SLAUGHTERED IN ITALY**
- 

All steps are carried out **WITHOUT ANTIBIOTICS** to protect the health and the environment
- 

Strong focus on **ANIMAL WELFARE**
- 

STATE-OF-THE-ART EQUIPMENT to constantly monitor animal parameters and ensure their well-being

Through delivering Fileni brand products
complying with the following guidelines:

- 
 - NO ANTIBIOTICS**
 - NO PRESERVATIVES**
 - NO CHEMICAL DYES**
 - NO GMO INGREDIENTS**
 - NO PALM OIL**
 - NO MECHANICALLY-SEPARATED MEAT**

Fileni BIO is our most popular product line, including both white and red meat.

ORGANIC PRODUCTS

Fileni BIO product line was created to guarantee each product’s genuineness. Our twenty-year organic know-how allows us to create **good and genuine products** by making healthy choices with the **utmost attention to the environment and respect for the animal welfare** that grow according to their own nature and live a healthy, active life while feeding on 100% plant-based feeds with plenty of antioxidants such as vitamins, minerals and essential fatty acids.

Fileni BIO line is a **comprehensive product range** going from first to fifth processing, that is from the whole bust chicken up to processed and gastronomy products, thus offering consumers a real service.

The high versatility of organic BIO products is dedicated both to consumers who like to try new things and spend time on preparation, and to those looking for an already processed, easy-to-cook product. The Group has an experimental kitchen where Fileni cooks work back-to-back with their R&D colleagues

Fileni BIO is the first all-Italian meat line born from a 20-year-long expertise in the organic field.



to constantly innovate the product range, in order to provide consumers with delicious, healthy, preservative-free recipes. Panel test are arranged on a regular basis, in order for our products to be tasted by a group of experts looking for the tiniest recipe improvements.

With its range of processed and ready-to-eat dishes, **the cooked product line by Fileni BIO** is the quick answer for those customer looking for a handy, go-to solution without giving up the taste of a healthy, proper meal.

ORGANIC RED MEAT

The bigger focus on organic consumer products led Fileni to widen its range with **chosen red meat**: from minced beef to first-cut, very thin slices, all 100% organic and complying with good old traditions.

Our red meat comes **from Oppeano’s plant** (in the province of Verona), where fileni Fileni built its own signature hub following the **partnership with Bioalleva**. This means Italian, organically-bred cattle coming from selected organic farms where it has been closely monitored during its entire life cycle.

In 2021 we revisited a great classic, organic-style: tender and tasty, **the beef burger** is portioned and ready to cook.



The “Fileni BIO” products are:



FOUR TIMES ITALIAN: OUR ANIMALS ARE BORN, RAISED, SLAUGHTERED, PROCESSED AND PACKAGED IN ITALY



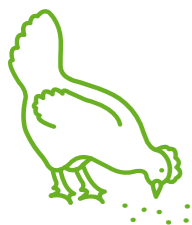
100% GMO-FREE



TASTY AND NATURAL, BECAUSE ANIMALS ARE RAISED WITH CARE AND ATTENTION



WITH ORGANOLEPTIC PROPERTIES PRESERVED BY THE MAP PACKAGING



RUSTICANELLO

Another spearhead of our product range is the “**Rusticanello**” chicken, holding all of our deepest knowledge.

This light chicken is **highly rustic and prone to roaming and scratching**. This allows for particularly firm and tasty meats with a more intense flavor, which are particularly suitable for use in traditional dishes as well as in more particular preparations.

The Rusticanello supply chain is 100% Italian and the whole 2020 production has been antibiotic-free, just like the first half of 2019.

On the farm, Rusticanello chicken scratches about outdoors, his natural day / night cycles are complied with and he eats **plant-based, GMO-free feeds only**.



3.2

FOCUS ON SUSTAINABLE Packaging

Caring about environmental sustainability has become an **increasingly important topic to consumers** who want to make conscious and responsible choices, also packaging-wise.

Fileni has always cared about sustainable consumption: that's why we took an increasingly virtuous path in the name of circularity when it comes to managing its product packaging.

Over the years we carefully listened to the market and our consumers without losing sight of the moment we live in, which is a really demanding one in terms of environmental protection and commitment.

With the launch of our red meat line to widen Fileni BIO's already comprehensive offer, we had chosen to try a **revolutionary eco-tray, capable of cutting plastic by 90% in favor of paper.**

Given its 2020 success, the eco-tray **has been extended to all Fileni BIO meat products** marketed as of February 2021, thus allowing us to match quality, innovation and sustainability. Such a decision leads to a further volume increase in our eco-friendly special-package products.

*Our commitment
has been
awarded with*

“BEST PACKAGING FOR A PRE-PACKAGED MEAL” award in the Meat category at the **CIBUS FORUM 2020**

“ECOPACKAGING AWARD” for Fileni BIO's eco-tray beef burger at the **B/OPEN**

CIRCULAR ECONOMY FoodCommunity award at **SAVE THE BRAND**



The eco-tray concept is all about sustainability:



The paper used in Fileni BIO's new cardboard eco-tray is double certified:

PEFC
Sustainable forest management certification ensures that forests are managed in compliance with strict environmental, social and economic standards.



ATICELCA
It is an evaluation system to assess paper recyclability. The presence of this logo on the packaging indicates that it can be disposed of in waste paper collection.



Research and innovation pushed us even further: **in 2020 Fileni created a packaging which is fully-compostable in all of its parts, from the tray to the film through to the label and the absorbent pad .**

Currently used in our antibiotic-free second processing, all tray parts are made of compostable plastic (pursuant to UNI EN 13432 standard provisions) and can therefore be completely disposed of in the wet waste collection.

The tray was made of Mater-Bi, a material discovered by leading bioplastics research international company Novamont thanks to an integrated supply chain offering compostable solutions based on vegetal raw materials that allow to reconcile product quality and performance with an eco-friendly and efficient resource use. More specifically, cultivations such as thistle and safflower are hosted even in our lands for the **production of these bioplastics.** These organic crops do not hinder food-oriented

crops as they are marginal, otherwise abandoned agricultural areas.

The protective film is made of Pla (polylactic acid), a cutting-edge bioplastic coming from the transformation of the sugars in corn, beet, sugar cane and other natural renewable materials. The label is made of **Vellum biodegradable paper**, a type of very fine, smooth and resistant parchment.

The transition to this new packaging will make it possible to avoid the release of about 1.5 million traditional plastic trays into the environment. It shall be a further step in a strategic path of packaging innovation leading Fileni to be a market sustainability leader in Italy and Europe as well.



3.3 Transparency AND OPEN COMMUNICATION

Labelling is Fileni's first communication lane to consumers, the place where we declare our commitment to quality with transparency and pride and describe our products' features and choices, especially with regard to breeding.

As a matter of fact, the Group complies with the **Poultry Meat Voluntary Labeling Guidelines** set forth by Unaitalia and approved by MIPAAF (the Ministry of Agricultural, Food, and Forestry Policies). The goal is to provide consumers with a range of information about farming system, diet type and animal well-being compliance in order to identify the quality of the product they purchase.

Moreover, **through ongoing inspections** by an accredited third party (the CSQA) and Unaitalia, **we certify that all label information is true.**

Hence, as per labeling regulation, Fileni is authorized to list on the label the distinguishing features of its own Supply chain, both conventional and organic: **barn-raising, non-GMO 100% plant-based feeding, no animal fats or flour of animal origin; a supply chain totally Italian and, in most cases, the banning of antibiotics.**

Fileni is also adhering to the new labeling regulations in order to provide consumers with increasingly punctual and timely information on marketed packaging as well as to facilitate packaging collection, reuse, recovery, recycling and proper destination.



*Label stands for a
consumer guide:
it's an awareness-raiser
on conscious purchase choices.*

All **antibiotic-free** line products come with a **ground-breaking, storytelling-oriented label** emphasizing some important product features: free-range farming, antibiotic-free farming and material novelty. This eco-friendly packaging is also highlighted by the **"Let's save the planet together"** blurb calling consumer to make a conscious, responsible and informed choice.

Packaging restyling currently involves six Fileni-branded products (Veline, Deliziose, sliced chicken breast, thin skinless escalope, chicken drumsticks and chicken outer thighs).



In 2021 we adopted a
new communication
 strategy
 by launching a new campaign with a new jingle
*“The true organic goodness
 of Le Marche”.*



The campaign by TBWA\Italia marks Fileni's new communication course: fresh, engaging and definitely catchy, **the target-audience to this commercial is attentive to a healthy lifestyle but also looking for a good, tasty and ready-to-eat product.** The goal is to develop and support the brand's core aspects: attention to both **quality of traditional products** and **company sustainability** with added value to **our land**.

The commercial was shot where we belong, Le Marche. By choosing **our most cherished, familiar places** we wanted to convey the genuineness and true nature of our products as well as the purposefulness of our organic projects, among which we would like to mention animals' right to scratch and roam free and the direct cultivation of the cereals with which they are fed.



Always a key feature to our communication, this time music takes the front seat. The new, completely rearranged jingle links all the characters featured in the commercial. Men and women sing along **passing lyrics to each other**, just as if **Fileni's taste was contagious**. The result is a song sung by many voices belonging to different generations and also situations: **a true depiction of the region where Fileni's organic goodness was born**.

The new paper packaging is another proof of our attention to sustainability. In addition to red meat, the eco-cardboard tray is now extended to the white meat range.

The campaign is meant for TV, radio and went digital as well. The online version has 3 pre-roll ads suggesting some **quick and fun recipes**. The protagonists are Fileni's organic spearhead

products (chicken burger, chicken thighs and nuggets) and each dish comes with its own target-generation and jingle (rock, 80s dance and hip hop).

We also enlisted **six influencers** to boost our new social strategy: Nutrition biologist **Manuela Mapelli**, swimmer **Filippo Magnini**, soccer player **Barbara Bonansea**, volleyball player **Miriam Sylla**, radio and tv host **Federico Quaranta** and chef **Filippo la Mantia** shall give their contribution in conveying our brand new digital image and core values on Instagram. Our goal is to upgrade communication in order to **reach out to a wider, younger and smarter audience** by engaging also those who are not Fileni customers.

Our main contents are:

Wellness

Advice on workouts and training programs, workout tips, fun facts on fitness in relation to nutrition.



Nutrition

Tips for a balanced diet and suggestions for healthy recipes.



Sustainability

Raising public awareness and conveying Fileni's commitment to a sustainable development.



3.4 *Product* QUALITY

To Fileni, product quality is a key guarantee for consumers.

Fileni strives to ensure and maintain **highest quality standards** throughout all production process steps. At the beginning of 2020, **the QHSE department**

was established specifically to coordinate and standardize quality, safety health and environmental management in all Group companies. Choosing such a new direction once again proves our desire to **go ahead on the way to sustainability, circularity, environmental protection, land preservation and workers' health.**

LAB ANALYSES

Every step of the supply chain is supervised also via laboratory checks and other verification activities, whose traceability is constantly ensured. To this end, Fileni relies on the **analysis by its own internal labs and accredited external laboratories.**

Feeds stored at the farms are analyzed on a regular basis to rule out any trace of antibiotics. All feeds (and originating raw materials) meant for the organic supply chain undergo a severe program of multiresidue analyses so as to rule out the presence of non-permitted chemicals. Furthermore, biomolecular analyses show the absence of genetically modified organisms in corn, soy and, more commonly, in the feeds of organic and non-GMO certified supply chain. In breeding farms, special chemical analyses are carried out on **drinking water** to verify the absence

of antibiotics, as well as bacteriological and chemical analyses, litter humidity and total nitrogen tests and coccidiosis control. Research is also carried out to test antibody levels in order to make animals immune to the most important diseases.

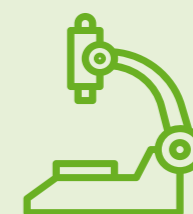
Bacteriological analyses on **product and work surfaces** are carried out to ensure compliance with hygiene standards so as to avoid health hazards; **chemical analyses show meat nutritional values**, thus determining the quantity of proteins, fats, carbohydrates and ruling out the presence of harmful substances.

Anatomo-pathological analyses identify any breeding-related problems. Finally, to verify the absence of antibiotics in freshly slaughtered products, analyses are carried out on several chicken parts (muscle, liver, feathers) both

with inhibitory substance determination and **high liquid chromatography performance (HPLC)** methods in accredited laboratories.

All farms are inspected at least once a year by carrying out research with an advanced immunoenzymatic method in our in-house lab.

Fileni means quality and traceability: no product leaves the company if we are not absolutely positive about its tastiness!



IN 2020, THE INTERNAL LAB ANALYZED

over
5,500
samples
WITH AT LEAST 10 DETERMINATIONS EACH

AUDIT

To ensure **product quality**, every year the entire supply chain **undergoes many audits, both internal and at suppliers' locations**, as well as inspections carried out by customers and third-party certification bodies:



INTERNAL AUDITS

Over these years Fileni has set up a strict schedule of internal audits in its two production plants, direct farms and feed mills.

To avoid any conflict of interests, a "manager exchange" takes place so that one person carries out inspections in the plant where they do not perform their duties.

EXTERNAL AUDITS BY CUSTOMERS AND THIRD-PARTY CERTIFICATION BODIES

Fileni top customers usually carry out *ad-hoc* audits in the Group's plants; sometimes these checks are scheduled, some other times they are unexpected. Furthermore, relevant certifying bodies carry out their verification activities according to the timetable provided for by reference standards.

FILENI'S AUDITS ON SUPPLIERS

Fileni carries out audits on breeding farms which are not directly managed and on suppliers of processing raw materials.

To do so, Fileni developed dedicated checklists encompassing several topics including hygiene requirements, regulation compliance, etc. Audited suppliers are selected based on their criticality, strategic nature or particular events.

Audit program in 2020:













- 109 audits for the organic supply chain
- 38 audits on standards and Production Technical Regulations
- 35 audits by customers

CERTIFICATIONS

Fileni was **the first Italian company to be awarded with the UNI EN ISO 9002:1994 system certification** concerning quality management system, for the entire supply chain. This achievement was only the first of a long series of awards and certifications that the Supply chain has obtained over the years. In particular, the 2021 certification process of Cannuccia and Falconara breeding farms was undertaken according to **ISO 14001:2015**

management system and the EPD (Environmental Product Declaration) certification is also underway for organic chicken breast, GMO-free and conventional products: this information tool allows you to know the environmental impact of our products. These certifications are listed below:

FIRST RELEASE	CERTIFICATION	DESCRIPTION	PERIMETER CERTIFICATION	
2020		ISO 14001: 2015	Environmental management system	Ripa Bianca breeding farm
2018		Standard DTP 126	Product certification for controlled poultry supply chain	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants
2017		ISO 14001: 2015	Environmental management system	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants
2013		Halal production line certification	Ritual slaughtering line for chicken cutting and deboning	Fileni Alimentari S.p.A. Castelplanio & Cingoli plants
2011		IFS International Food Standard	Product Quality and H&S safety	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants
2016		Poultry meat labeling regulation compliance Unaitalia	Poultry meat voluntary labeling	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants
2003		UNI EN ISO 22005:2008	Product certification, supply chain traceability agrifood	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants
2003		DTP 030 & 049 standard	Product certification	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants
2000		Certification of conformity Reg. 834/2007	Slaughtering, processing and marketization	GAV Mangimi – Jesi; CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants Fileni Alimentari S.p.A. more breeding farms & lands
1998		UNI EN ISO 9001:2015	Quality management system	CARNJ Soc. Coop Agr. Castelplanio & Cingoli plants Fileni Alimentari S.p.A.

4

ANIMAL *Welfare*

ANIMAL Welfare



We have chosen
to respect
animals.

Caring about life conditions
of breeding animals
is an increasingly hot topic for
consumers and lawmakers alike.

Within European Union's *farm-to-fork* strategy, there is a whole section focused on **animal welfare**, mostly in relation to **consumers' health** and **antimicrobial resistance**.

This phenomenon is due to the excessive and inappropriate use of antimicrobials in animal and human health, causing an estimated **33,000 human deaths per year** in the EU / EEA with considerable healthcare spending¹. The European Commission is therefore taking action to reduce by 50% overall sales of antimicrobials for farming and aquaculture animals in the EU by 2030.

New regulations on veterinary medicines and medicated feed provide for a wide range of measures to help achieve this goal.

1 - Source: European Commission, A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system, 2020



In 2020, we pursued our commitment to our antibiotic-free policy for the supply chain: 100% of Rusticanello chickens and over 97% of both organic and conventional ranges were produced without antibiotics

Ensuring greater well-being to the animal improves its health and consequently food quality, thus reducing the need for drugs and helping to preserve biodiversity.

The Commission will also review the regulation as long as **transport and slaughtering** are concerned, in order to adjust it to the latest scientific evidence, broaden its scope, make it easier to apply and, ultimately, **ensure a higher level of animal protection**.



ANIMAL *Welfare*

The safeguard of animal wellness and welfare is a top priority topic for Fileni Group and is complied with throughout the entire chicken's life cycle.

In particular, before a chick is born, eggs are kept for **21 days in an incubation plant**, where they are given the suitable conditions for **embryo development**. After that, animals are transferred to the **breeding centers**, where they are **barn-raised** under applicable laws, with **predefined spaces** depending on the farming method.

The Group also protects the **natural biorhythm** of animals and their **sleep/awake cycle** through the optimal use of sunlight and artificial light within the breeding farms. All plants are also equipped with **modern ventilation systems** to maintain **proper temperature, ventilation and oxygenation** within the facilities.

Animal feeds come exclusively from the two feed mills of the Group, where **foodstuffs are strictly controlled** in order to ensure a **proper nutrient intake** for the chickens.

Fileni's commitment is reflected in **training** breeding farm staff and supporting specialized technicians who are visiting all breeding centers at least once a week to provide **breeders with full assistance**.

Welfare parameters are constantly monitored in order to make for faster intervention in case of need. Dedicated veterinary inspections are guaranteed at breeder's request.

Use of antibiotics is extremely limited and, in case of animal disease, they are used only as a last resort, after all other solutions have been weighed. This policy is pivotal in curbing the growth of the reported antibiotic resistance phenomenon, that is the development of drug-resistant bacterial strains.

To encourage a very low use of antibiotics in the production cycle, **biosecurity measures**

are implemented on a regular basis. Therefore, unauthorized persons are not granted the access to the breeding farms, and authorized persons must always notify any access in order to allow for the proper conduction of a **comprehensive epidemiological investigation** at any time. The vehicles entering the breeding farms are **disinfected** and all staff members wear **special clothing and footwear**. **Cleaning** operations of the shelters as well as of the areas outside the breeding farm are carried out with care, in order to **reduce the presence of unwanted bacteria or viruses**. **Chick vaccination is already performed per group in the incubation plant** and is customized in the various centers according to their past or emerging conditions.

5

OUR *Environmental* RESPONSIBILITY

- 5.1 Our environmental commitment
- 5.2 Energy consumption and emissions
- 5.3 Water consumption
- 5.4 Waste

5.1 OUR *Environmental* COMMITMENT

In 2020, Fileni conducted a preliminary **Life Cycle Assessment** (LCA) to analyze the **environmental impacts related to the production of organic chicken meat** in the different stages of the product life cycle. The product assessed was **one kg of organic chicken**, and the life cycle stages considered ranged from feeding cereal crops to slaughtering.

Following this preliminary phase, a further study is underway for two aspects: the former focuses on the **life cycle impact assessment of three other products** and will be linked to the EPD product certification. The latter refers to an **in-depth study of the carbon sink effect** due to the application of bio-regenerative agricultural practices, such as those developed by the Arca project.

The focus on the **environmental impacts of the food industry** is constantly growing, even on the part of consumers.

Again, we are constantly committed to **reducing our environmental impact** and **protecting the territories we work in**, by implementing efficiency- and circularity-oriented measures. We conducted a **study on the product life-cycle of Organic Chicken** in order to measure our impact and implement projects to reduce them. We have installed **photovoltaic systems and biogas plants**, and thanks to the offsetting measures implemented we can now say that all our plants are **carbon neutral**.



We have chosen to clean up the atmosphere.

The food industry is responsible for around 28% of the global CO₂ emissions in the atmosphere¹.

1 - Source: IPCC, Climate Change and land

LCA results allow for the detailed impact assessment of each and every activity in order to assess their improvement when taking efficiency measures, such as:

- *Use of manure in the agrifood industry or with anaerobic digestion*
- *Impact of soybean production in Italy vs. foreign countries*
- *Consumption of renewable energy in production plants*
- *Use of two anaerobic digesters attached to the purifiers for sludge treatment*
- *Application of conservative organic farming vs. conventional farming.*



Cingoli and Castelplanio plants obtained the ISO 14001:2015 certification for their Environmental Management System. In recent years, actions have been taken to **reduce environmental impact** and improve efficiency throughout all supply chain steps. The new facilities of the Group's breeding centers are designed to minimize their energy and water needs, and many have been **supplied with solar panels**.

The ISO 14001:2015 certification process began in 2021 also for the breeding centers owned by the Group. By bringing the supply chain close to production plants we were able to **reduce the logistical impact caused by the transfer of eggs and animals**.

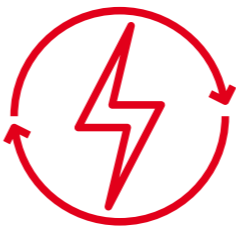


Our Environmental Management System is ISO 14001 certified for the Cingoli and Castelplanio plants

The GWP impact of organic chicken in different life cycle stages



5.2 ENERGY CONSUMPTION AND Emissions



482,279 GJ
OF ENERGY
CONSUMED IN 2020

Fileni Group's **total energy consumption** for the year 2020 amounted to **482,279 GJ**¹, in line with the previous year's figure and the production trend. In continuity with the previous year, the 2020 figure also includes the energy consumption of the breeding farms owned by the Group. During 2020, the **energy consumption monitoring system** was improved in order to track an increasingly accurate consumption figure and to have the possibility of implementing **targeted efficiency measures**. **Methane gas is the main energy source in use** (335,014 GJ in 2020), powering three high-efficiency cogenerators located in the two production plants of Cingoli and Castelplanio, and in the Longiano feed mill. All three cogenerators are equipped with a **heat recovery system** allowing the production of hot water for internal plant use.

¹ - This figure includes the energy consumption of the production plants in Cingoli and Castelplanio and the two feed mills of the Group, along with company breeding farms and vehicle fleet.



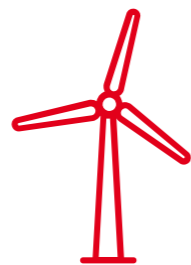


Our attention to **clean energy sources** is proved by the fact that the electricity purchased for both production plants, two feed mills, and company breeding farms, **comes 100% from renewable sources**, as certified by the guarantees of origin.

Furthermore, energy needs for the Cingoli and Castelplanio plants are partly met by **two photovoltaic systems**, with 441.6 kWp and 169.5 kWp of power, respectively.

In 2020, the start-up phase of an **anaerobic digestion plant** for biogas production in Castelplanio plant was completed. A similar plant is also in the start-up phase for the Cingoli plant. These plants are fed by the sludge from the on-site purification plants, and mainly made up of fats and proteins originating from the washing of the equipment used in the production phase.

These investments do represent an example of our commitment to greater energy efficiency and circular economy.



100%
ELECTRICITY PURCHASED FROM RENEWABLE SOURCES FOR ALL PLANTS OF THE GROUP.

By using sludge, as much value as possible is retained from production waste in the form of energy recovery. **Sludge transport and disposal costs are thus avoided**, and sludge is reused on site to feed the same plants. The resulting biogas will be used to feed a cogenerator **providing electricity and heat** for all plant utilities.

CO₂ atmospheric emissions caused by energy consumption in the Cingoli and Castelplanio production sites, the two feed mills and the breeding farms of the Group amounted to 21,196 tons of CO₂¹ (Scope 1 + Scope 2 Market-based)² **down by 9% compared to 2019**. The difference is mainly related to a reduced refrigerant gas refilling in the refrigeration system. **All emissions generated in 2020 by the Group's plants were offset through the purchase of offset certificates related to reforestation actions and wind farm setup.** Thanks to the purchase of electricity with guarantees of

origin, the emission into the atmosphere of 15,812 tons of CO₂ was also avoided in all production sites and breeding farms.

These two activities make the production plants, the company fleet consumption, and the Group's breeding centers carbon neutral.

1 - Scope 2 emissions are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents) as in the ISPRA report "Atmospheric CO₂ emission factors and other greenhouse gases in the electricity sector".
2 - Scope 1 emissions were calculated on the basis of ISPRA emission factors - Atmospheric emission factors for greenhouse gases in the national electricity sector and in the main European countries 2020 and the Ministry of Environment (Table of national standard parameters 2020). Scope 2 emissions were calculated on the basis of AIB - European Residual Mixes 2020 emission factors. Scope 1 and Scope 2 emissions are expressed in tons of CO₂, since the source used does not report the emission factors of other gases other than CO₂. For more details on the methods for calculating Scope 2 emissions, see section "Performance indicators".



21,196 t CO₂
EMISSIONS IN 2020, FULLY COVERED BY OFFSETTING MEASURES



+
15,812 t CO₂
AVOIDED THROUGH THE PURCHASE OF RENEWABLE ENERGY

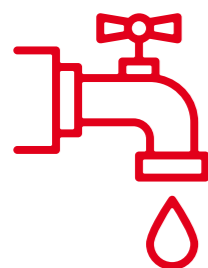


=
ZERO t CO₂
CARBON NEUTRAL PRODUCTION

5.3 Water CONSUMPTION

The attention to a **conscious consumption** of the water resources involves each and every single step of the supply chain. In both breeding and production plants, many actions have been taken to **cut down water consumption by reducing waste to a minimum**.

For 35% of the total, water withdrawals come from the **drainage of wells** located in the Group's plants, while the remaining part comes from **municipal waterworks**. Main water consumptions are linked to the slaughtering step and plant cooling.



1,384 ML⁵

WATER WITHDRAWAL IN 2020

Total water consumption for the year 2020 was 1,384 ML⁵, with a 6% increase compared to 2019.

This increase is partly due to disinfection and cleaning operations in response to the health emergency.

The production plant is equipped with a modern treatment system allowing for the re-entry of purified wastewater directly in surface waters.

5 - The figure for breeding farm water consumption, equal to 144ML, has been estimated on the basis of the figure for animal feed consumption.



5.4 Waste

The management and proper disposal of waste production comply with the current regulations and guidelines set forth by the **Environmental Management System**. During 2020, a waste characterization testing was carried out in order to allow for a better waste classification by identifying more EWC codes.

In 2020, the total waste produced by both production plants and by the two feed mills was **6.966 tons¹, with a reduction of 12.6% compared to the year 2019**. Almost all of the waste is **non-hazardous** (99.5%) and it is **destined to recycling** (98.3%).

Most of the waste is made up of **sludge** produced by the wastewater treatment process. From a circular economy perspective, despite being categorized as waste, sludge is **delivered to a specialized company** for either **composting** or **biogas production**. The biogas originating from sludge anaerobic digestion process can be considered a renewable energy source with lower CO₂ emissions compared to combustion than traditional natural gas. With the forthcoming full implementation of the new biogas plants at the Cingoli and Castelplanio plants, **the amount of sludge leaving the plants is estimated to be possibly reduced by around 80%**.

The remaining waste consists mainly of paper, cardboard and plastic packaging that is sent out for recycling.

1 - The data does not include the breeding farms producing a negligible waste amount.



Recovery of processing waste

Chicken processing waste is not disposed of as common waste, but is transferred to special **rendering plants**. Since 2009, Fileni has been a member of the **Gatteo Proteine consortium**, which processes the by-products of poultry slaughtering. Therefore, in a circular economy perspective, a waste product is given a new value by means of a **new processing**, thus reducing the amount of waste and the overall environmental impact. The final products of this new processing are then used by companies that produce pet food, protein flours or fertilizers.

5

6

7

OUR *People*

6.1 The Group, our numbers

6.2 Talent management and career development

6.3 Focus on well-being and health and safety

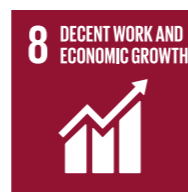


6.1

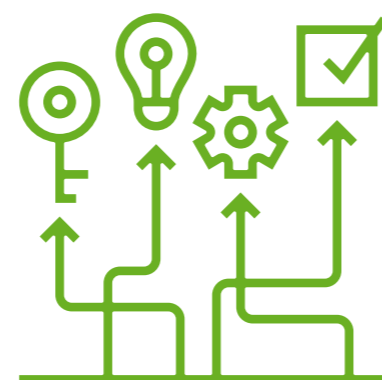
THE GROUP, *our numbers*

In Fileni, we choose every day to enhance workers: we are committed to ensuring that people can develop their potential,

by providing training courses and focus on **individual career development**. We provide for **corporate welfare** including health and tax assistance, and we follow strict standards to ensure the well-being, health and safety of our people. Finally, we act for an **inclusive, multicultural and equitable work environment**.



We have chosen to enhance workers.



The Covid-19 pandemic has never stopped Fileni. Despite some periods with significant absentee rates (with peaks up to 35% in some departments), over the last year we have worked harder than ever to avoid interruptions in our food supply chain, and thus guarantee the supply of our products to consumers.

Our priority was to guarantee workers a **safe working environment**. Therefore, we have implemented a set of procedures suitable for protecting their health against the risks from COVID-19, and made great efforts to **adjust their workplace** in order to guarantee adequate physical distancing as well as shift and break rescheduling. Some production lines have been adjusted accordingly, and we have **staggered workers' start and end times as well as breaks**; we have also guaranteed **constant and supplementary sanitization** for all working areas.

We are committed to protecting all our workforce, as we believe it truly is the added value of a reality that speaks as a real **community of employees, breeders and farmers**.

We have implemented **remote working** for some professional categories, and we plan to keep it as an instrument for us to ensure greater flexibility and allow for a **better work-life balance**, also from a future perspective.

To thank and show strong appreciation to all staff members, Fileni has invested in some **welfare & benefit initiatives** in support of its workforce and their families: a **supplementary health insurance policy** has been granted to all staff members beyond the compulsory workers' compensation insurance, in order to protect anyone who has contracted the Coronavirus and **cover their hospitalization costs and recovery expenses**. On top of that, we have granted our production personnel with a **+10% bonus** on daily wages for the whole emergency period (from March 16 to April 30), and a new App for internal expenses has been launched to let them access Fileni products at a discounted price. An initial €100 purchase bonus has been granted to all employees in the supply chain. The initiative was then renewed for Christmas, with a new €100 shopping voucher.

With everyone's commitment and the safety regulations implemented, we have **never faced any coronavirus outbreak** within our plants, nor have we ever applied for unemployment benefits or state allowances of any kind.



1,852 EMPLOYEES
AS OF DECEMBER 31, 2020



around
40% FEMALE



around
50% PERMANENT
CONTRACT EMPLOYEES



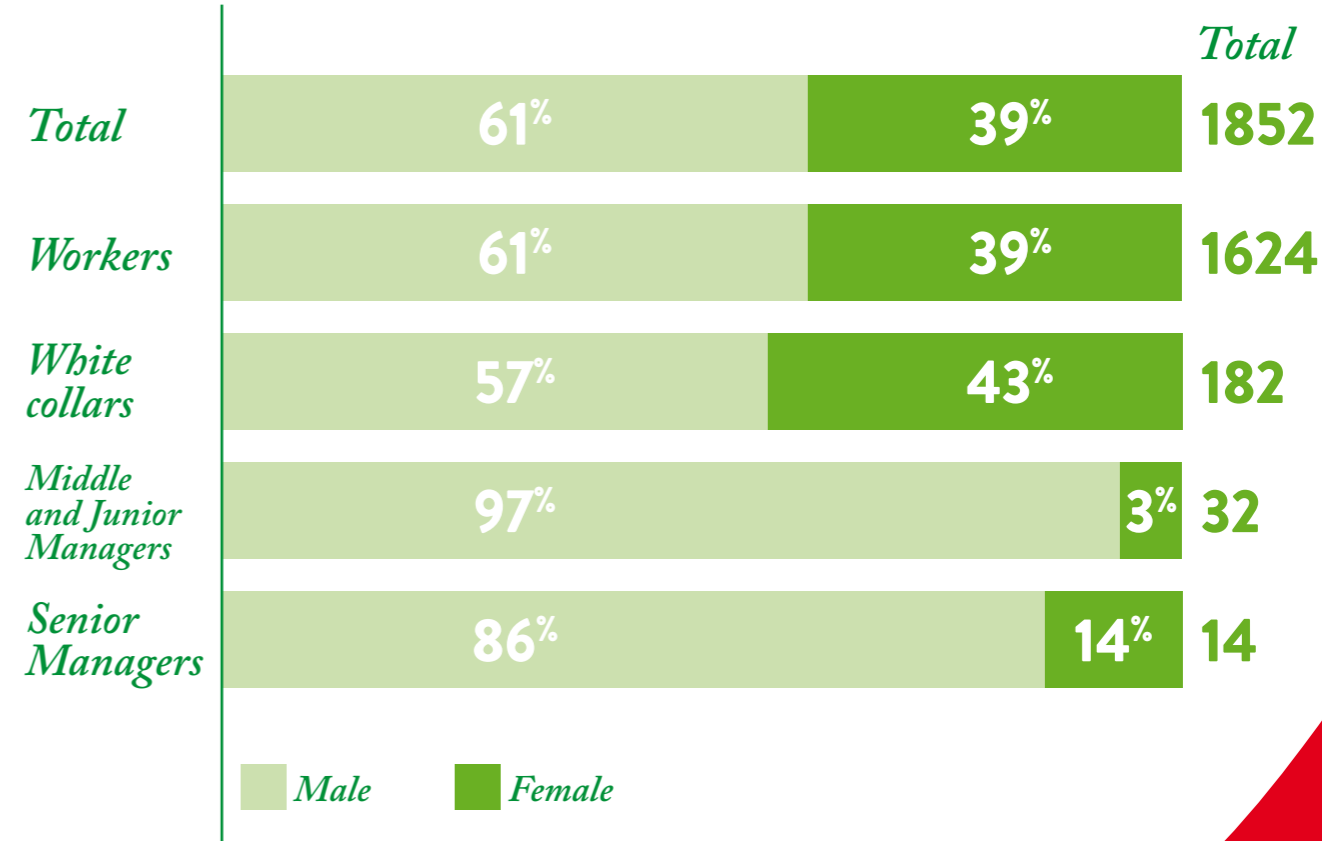
123 NEW HIRES
of whom
84 TEMPORARY WORKERS
HIRED AS EMPLOYEES



During the year, our Group has grown (+1%) and recorded a total of 1,852 employees¹ on December 31, 2020, with a female share equal to 40% of the total.

1 - 170 of the total 1,852 employees are hired in Fileni Group companies, and 1,682 are employees of the Carnj Società Cooperativa Agricola.

Workers by employee category and gender as of 31/12/20





6.2 TALENT MANAGEMENT AND CAREER *Development*

Fileni is not only a **production company of excellence**, but a workplace where we make daily efforts to let **people feel like home** in a healthy, inclusive, multicultural and harmonious working environment, which is oriented towards both career and human development.

The values of transparency, respect and courage driving our relationships with our employees and outsourced workers are set out in our **Policy Book** (company policies for employee benefits and business equipment).

The Policy Book also outlines the business conduct guidelines for preventing corruption: the relationships between the Company and customers, suppliers, Public Institutions and every Public Administration are inspired by the principles of fairness, transparency and collaboration.

Our **corporate code of conduct** displays which rights and moral duties each person in the Fileni Group must respect and disclose in order to avoid irresponsible or illegal behavior towards colleagues and the company.

In particular, Fileni rejects any form of child labor and forced labor, and is committed to operate in full compliance with applicable law.

Any form of mental or physical harassment or abuse violating a person's right to dignity and respect at the workplace, is also deemed unacceptable and is **not tolerated**.

Regardless of their position or type of activity within the Group, **all new hires represent an added value** for the company, and we believe the **onboarding process** should be carefully managed to facilitate them as much as possible in carrying out their role in all functions.

All new hires are given a **Welcome Pack** with the aim

to convey and tell the story of the Fileni organization to those who have just joined it. **The kit also includes a first “overview”** on some of the matters that are crucial for Fileni:



GUIDE TO
hygiene and safety practices
WITHIN THE COMPANY AND BASIC TRAINING



GUIDE TO
safety regulations
AT WORK AND BASIC TRAINING



GUIDE TO
environmental sustainability
WITHIN THE COMPANY



The hiring rate in 2020 was 7%, with an increase compared to the previous year (5%). Most of new hires are in the “30-50 years” age group (76 employees) and our hiring policy is part of the Fileni’s generational transition plan to **enrich workforce diversity**.

We are committed to enhancing our talents by providing for training and career development opportunities, as the growth of people is crucial in Fileni’s strategy to achieve a competitive supply chain.

For example, our interns undergo two individual assessments through coaching **conversations with their Tutor** (responsible for intern training, career development and assessment), held at the end of the third month and fifteen days before the end of their internship, so as to share their progress towards goals and make performance check-ins.

In 2021 Fileni started providing **performance evaluation tools** for employees, also with a view to adopting targeted remuneration policies and reward systems.

Actually, our goal is to become an increasingly attentive and evolved company being **socially responsible towards employees**.

Our commitment was also extended to training activities. In 2020 our social partners entered a **new strategic agreement** for the determination of the training courses to be implemented within the three-year period 2020-2023. The choice to provide such range of courses stems from a careful analysis by our Company Management and is based on the three training levels thereby envisaged as follows: **compulsory, career and manager training**. We provide a wide range of training activities

designed in view of the internal organization and external scenario evolution, to support the development of **skills increasingly in line with the current market situation**.

With particular regard to non-compulsory training activities, the senior managers of each department usually provide for employee specific training. This allows for **targeted and differentiated training, retraining and professional updating options** for each professional category.

At Fileni, about 90% of non-compulsory training activities provided is funded and therefore certified.



8,000
HOURS OF TRAINING
IN 2020 (+4% COMPARED TO 2019)

During 2020, given the emergency condition, **training courses were delivered remotely** where possible; in particular, all the training activities envisaged for the white collars were **delivered on-line** and this innovation led to an increased number of courses provided, as well as to cross-functional classes applied to different Fileni departments, from sales to technicians.

Fileni has also made some **tablets** available to employees in order to guarantee **remote learning** and facilitate course participation.

On the other hand, **in-person training** activities were mainly reserved to **production and logistics**, and provided with the utmost compliance with health and safety requirements.

Since 2020, we have also been committed to empowering our **corporate culture** and spreading our values and our mission through training and non-training initiatives and an **intense internal communication campaign dedicated** to our people, which was launched via email and on flyers and billboards with the aim of **strengthening the sense of belonging and our closeness to the workers**, so as to convey a certain sense of safety in a year made of challenges and great uncertainty.

Diversity and inclusion

The principles of diversity and inclusion have always been the key factors behind the multiculturalism of the Group, which is committed to creating an inclusive working environment free from discrimination. About **900** of the over 1,800 employees are of **foreign origin and belong to 53 different nationalities**. Most of them come from Romania, Bangladesh, India, and Nigeria and Morocco.

To date, at Fileni, integration and respect for all nationalities are ... the norm!

The Group's **multi-ethnic workforce** represents an **indisputable source of wealth**.

This is why Fileni has joined the Network for Quality Agricultural Labour established by the national social security institute (INPS) against illegal hiring (the gangmaster system), a form of labour exploitation in stark contrast to the core values and principles driving the Group's work. Therefore, Fileni preferably **opts for direct hiring** rather than relying on agricultural contractors for the provision of seasonal workers, in order to **achieve a 100% control over its supply chain**.

6.3 FOCUS ON *well-being* AND HEALTH AND SAFETY

Employee welfare is a key element of corporate success, which is why the Group is committed to offering a safe and healthy, but also comfortable and stimulating working environment.

SOME SIGNIFICANT WELFARE INITIATIVES IMPLEMENTED BY THE GROUP ARE LISTED BELOW:



• *Purchases and services*

- Agreements with shops (laundry, car wash, furniture)
- Agreements with Energia Solidale
- Discount coupons for supermarkets



• *Health*

- Agreement with Bioaesis laboratory



• *Company life*

- Scholarships for employees' children awarded by the Fondazione Marco Fileni
- Agreement with Confagricoltura Jesi, taxpayer assistance centers, and charitable institutions
- Staff help desk (support for administrative practices)



• *Mobility*

- Private shuttle for employees. The company transport service, the result of an agreement between Fileni and the local public transport company until a few years ago, has now become a scheduled public service.

HEALTH AND SAFETY

The Group's priority during the year was to possibly **guarantee the best health and safety standards to its workers**. Therefore, we have implemented from scratch a set of procedures suitable for protecting their health against the risks from COVID-19. Therefore, we have established in a very short time within the company: a **new Management protocol**; a **new Visitor Entry and Access Control Procedure**; a **new Worker Entry and Access Control Procedure**; **new additional Workplace Sanitizing, Disinfection and Cleaning Procedures**; new company's **health surveillance** and "special vulnerability" management.

Fileni has also made great efforts to **adjust working spaces** in order to guarantee **adequate social distancing** as well as **shift and break rescheduling**. Some production lines have been adjusted accordingly, and we have also guaranteed constant and supplementary sanitization of all working spaces, canteens, and changing rooms.

In particular, we decided to **monitor sick days** during the year in order to have people undergo a serological test or swab, which will be performed by our occupational health physician, before their return to the workplace. We also conducted a **sample screening** test, divided into departments and focus areas as needed in order to prevent any outbreaks.

Despite the emergency condition, it is still pivotal to **enhance the health and safety corporate culture** and improve employees' awareness. It is a commitment that Fileni has always pursued with determination and continuity, aiming to create workplaces with the best applicable standards in the industry.



Fileni has implemented a workplace health and safety management system, according to the **UNI-ENAIL guidelines and Legislative Decree 81/08**. The system provides indeed for the identification of business processes, the assignment of tasks, and the implementation of a functional and nominal organization chart as well as of the Operating Procedures and Instructions for compliance with binding laws and for objective/target monitoring and improvement, with the aim of removing or minimizing safety risks for employees during their work. With a view to ensuring the best standards in the industry, Fileni has started the **ISO 45001 certification process** for its plant health and safety management system, which is expected to be completed in 2022.



The core of this management system lays in the risk identification and assessment process, expressly stated in **the Risk Assessment Document (DVR)** and updated following an in-depth analysis of all the processing steps. The process detects and assesses the risks of each specific work activity carried out in the company, as well as the “transversal” risks including organizational risks (**psychosocial risks**) that can cause stress (**occupational stress**) and any other forms of damage in terms of safety and health as a result of the potential hazards identified.

On such basis, Fileni has identified and started implementing all necessary **preventive and protective measures** in order to remove or minimize task-related risks, and also outlined the necessary actions and procedures.

Managers can report work-related hazards and hazardous situations via e-mail, text message and WhatsApp, and can record potentially hazardous events in a file stored on the corporate Google Drive platform (G Suite). An **accident report** and a **root-cause analysis report** were also made available

to production departments. The HSE department along with the Head of the prevention and protection service (RSPP) will ensure that workers can express their concerns freely and encourage them to increasingly speak up.

The Group has also implemented a series of **actions aimed at identifying and removing hazards as well as at minimizing risks** by means of the “Safety” software, for the monitoring of the following data:

- **Health surveillance**, such as workers’ periodically scheduled medical exams, absence from work for more than sixty days, certificates of suitability, and restrictions/limitations;
- **PPEs assigned**: the software is managed daily and allows to address the needs of all workers in real time;
- A **near-accident file** has been created and shared with the production team and rearranged accordingly by the HSO;
- The **trend of accidents, injuries, and hours worked not worked due to illness is analyzed on a weekly basis** and compared with previous year, in order to implement improvement actions. All processing

data are always filed on servers as Power Point presentations;

- The continuous and additional **First-Aid** training allows the **Emergency Response Team** to be prepared to help colleagues in difficulty and/or contact the emergency services as per applicable procedure;
- **Medical visits for health suitability** are carried out within the company. This guarantees a constant weekly presence by the occupational health physician.

Fileni is willing to support the vaccination campaign and promote measures to contain the spread of Covid-19 by joining the vaccination project within the company, which will allow workers to be vaccinated, regardless of age and employment contract, on a strictly voluntary basis and subject to vaccine availability and completion of the vaccination campaign for the priority categories.

The compliance with workplace safety regulations cannot do without a proper and effective training provided to employees. Fileni is always committed to train and raise employees' awareness on health and safety, sharing information on general and specific risks associated with their tasks, the safety procedures to implement, and the prevention systems in use.

All new hires receive proper training and regular updates on those topics. Sometimes, these activities are performed more frequently than required by law (e.g. personnel of emergency response teams).

With regard to the personnel exposed to specific risks such as **contact with hazardous waste and chemicals**, the DVR analyzes in detail the regime and the procedures to implement, including training and ad-hoc equipment. This includes what follows:

- **A 16-hour course** (general and specific training) for high-risk categories as per the State-Regions Agreement
- **Work equipment instruction**
- **Work equipment training**
- **Specific training for plants at risk** (medium voltage substations, ammonia, use of toxic gases, work at height, AWP, forklift, welding, thermal

power stations, biogas, etc., ...);

- **Additional training on hoses and fire extinguishers**, additional training on breathing apparatus, and additional training for supervisors.

A **workplace safety and hygiene protection** and prevention service has been established and is managed by the employer, the executives, the Head of the prevention and protection service (RSPP), the workers' safety representatives (RLS), the persons in charge, the fire and first-aid teams, the company medical officer. The service also directs **health surveillance activities**, i.e. periodic and specific medical exams related to their task and type of risk.

The Health and Safety Observatory was established in 2014 to offer a continuous dialogue and discussion between the workers, the RLS and the company. A booklet **has been made available with clear and simple information on the safety procedures to follow in order to prevent injuries at work**. The Group also maps and analyzes the so-called **near misses** with the purpose of mitigating any current and potential risk.

Our company policy includes a detailed report on the relationship between the Trade Union, Company-Specific Union, and Workers' Health and Safety representatives having cross-interactions with all company people. RSPP and RLS have **4 meetings scheduled per year** along with an annual meeting to be held in the presence of the Occupational Health Physician, employer(s), managers, Company-Specific Union representatives, RSPP and RLS.

48 work-related injuries occurred in 2020 (54 in 2019) among the Group employees.

The injury rate is 16.3.

The most frequently occurred injuries are: **contusions, muscle trauma, break bones and wounds.**

Following an injury or an Occupational Illness, the HSO and HR Manager will analyze the causes with the help of relevant Area Managers, Supervisors and the workers themselves, interface with workers and entities such as INPS or INAIL, and file an **appropriate complaint.**



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WORK-RELATED INJURIES

IN 2020 (WITH A REDUCTION OF 11% COMPARED TO THE YEAR 2019) AMONG THE GROUP'S EMPLOYEES

0

7

8

Organic
AGRICULTURE



The European Union, within the aforementioned “Farm-to-fork” strategy, has recently developed the “Organic Action Plan” for the development of organic agriculture.

The Organic Action Plan aims to improve the quality and sustainability of food produced in the EU. To comply with the goal of reaching 25% of organic farming land, the action plan will be deployed along three axes:



We have chosen to regenerate earth.

AXIS 1

Prompt and grant consumer confidence.

European citizens **place their trust in organic farming**, as they believe it to be safer with regard to pesticides and antibiotics, more sustainable and animal welfare-friendly. **In the last ten years the organic market has seen a growth of 128%.**

For these trends to continue, the plan aims to:

- promote **organic farming** and the EU logo
- promote **organic-based canteens** and increase **green public procurement** projects
- prevent food fraud and strengthen **consumer confidence**
- improve **traceability**
- facilitate the contribution by **private companies**.



AXIS 2

Prompt the conversion to organic farming and strengthen the entire supply chain.

Over the last decade, **organic farming land** has grown by 66%, though it still represents only 8.5% of the agricultural land today. The process can now be extended and further **structural investments** are needed throughout the supply chain to **support farmers**.

Therefore, the plan aims to:

- encourage the conversion, investments, and the exchange of **best agronomic practices**
- development of industry rating analyses to improve **market transparency**
- support the **food chain** organization
- empower local and small business transformation in favor of a **short-range market circuit**
- improve animal nutrition according to **organic farming regulations**
- enhance **organic aquaculture**.



AXIS 3

Organic leads by example: improving the contribution of organic agriculture towards sustainability.

Organic farming land has **30% more biodiversity** and facilitates pollinator proliferation. Plan actions are so in line with the other objectives, like those included in the “**Biodiversity Strategy**”. However, innovation of farming methods must continue in order to **reduce environmental impacts**.

By developing organic farming, the plan aims to:

- reduce **climate and environment footprint**
- improve **genetic biodiversity** and increase meat yield
- develop alternatives to controversial production inputs and other **plant protection products**
- improve **animal welfare**
- achieve a **more efficient use of resources**.



Fileni was among the first companies in Italy to focus on organic farming, and it is now willing to further develop this practice in future years.

Fileni has implemented various strategies and principles to farming, by **combining modernity and innovation with ancient traditions**, helping to reduce the environmental impact, and **preserving soil health and value**.

No crop residue removal is among the traditional practices implemented. Their organic substance is actually increased by carefully burying the residues, thus ensuring their strength, value and wealth are preserved.

The Group's breeding farms have also implemented the practice of **recovering non-cultivated land** with particular preparatory non-income crops (cover crops). This improves soil structure and fertility and is alternated with green manures before olive trees are planted with non-intensive planting layouts. Doing so, the distance between plants remains such as to allow grassing and **possible grazing for organic chickens**.

As in ancient traditions, we have promoted and implemented the **associated cultivation of common wheat and grain leguminous crops** (faba bean or pea) in our own and our suppliers' land, to improve fertility, **weed control**, and **vegetation cover**.

To **improve biodiversity** and **help repopulate wildlife** migratory species, in Ripabianca plant we are planting either native tree species or perennial grasses, which are mowed only after local wildlife birds have laid their eggs. Fileni is also involved in **reforestation actions** in Masrola and Medrina areas, thus guaranteeing maintenance, vegetation cover and **soil stabilization**.

Eventually, with a view to a circular and efficient use of resources, the **yellow wastewater from organic breeding farms** is recovered after a suitable storage period, and **reused as an additional field irrigation and natural fertilization source**.



THE *Arca* PROJECT

Agriculture for the Controlled Regeneration of the Environment

Fileni has promoted the ARCA project, which is committed to **restoring the balance of the relationship between mankind and the earth, enhancing the role of farmers** as guardians, and making people aware that their purchasing decisions can transform them from consumers to regenerators. Each ARCA product is actually made with sustainable techniques favoring soil regeneration and circular economy.

The project aim is to:

- ***Regenerate soils*** by promoting the use of **organic fertilizer from animal sources** that allows for the enrichment of soil microbiota, microfauna and humus available to existing cultures.
- ***Establish solid and innovative agrifood supply chains*** able to recognize a proper market price for raw materials, thus enhancing the **territory of origin**.
- ***Check every step of the supply chain*** by **mapping** all soil parameters with specific measuring devices such as **humidity**, carbon dioxide and soil main parameter **electronic sensors**.



- ***Certify and guarantee*** the consumer with a **product that is healthy, of quality, good and produced with sustainable techniques**.
- ***Let*** the **Arca brand** products **enter** local and non-local markets through targeted distribution channels.
- ***Empower the dialogue*** between farmers and the agri-food industry in order to **promote a circular and local economy that is sustainable** from an environmental and economic point of view.
- ***Contaminate, that is, spread*** the principles for a **good regenerative and economically** sustainable agriculture in the territory.

Project ARCA is strongly rooted in Le Marche territory.

The farmers who joined the project actually belong to the district outlined by three valleys in the very heart of Marche, namely: Valle dell'Esino, Valle del Musone and Valle del Misa-Nevola.

ARCA is also intended as an **instrument of social innovation** aimed at establishing a network of farmers, agronomists, agricultural companies, technology suppliers, universities and research centers, which aims to get farmers (along with the soils being farmed) in contact with the final consumer.

8

THE BOND WITH *Our Land*

8.1 Our responsibility towards our land and community

8.2 Marco Fileni Foundation

8.3 Partnerships and cooperations

9



8.1

OUR RESPONSIBILITY TOWARDS *our land* AND COMMUNITY.

With regard to the **responsibility towards our land** we work in and the community we work with, Fileni is committed to creating a **model of regenerative, open, interdependent and replicable supply chain**, so as to prompt the development of responsible companies, local communities and its own territory, and the creation of widespread value.

With this in mind, we have set up the “Fileni’s Values” Development Agreement, a 44M€ worth project signed by the Ministry of Economic Development, Invitalia and Le Marche Region, and providing for two different types of actions involving Fileni’s Supply Chain.

the “**Industry 4.0**” standards that will further allow to both reduce CO₂ emissions and wastewater, and increase energy efficiency.

On the other hand, an **industrial research and experimental development project** outlines three implementation objectives, always respectful of **environmental sustainability** (bio-regenerative feed, LCA analysis, studies on pack design and on the enhancement of organic poultry supply chain by-products) and **4.0 technologies** (implementation of the farm-to-fork blockchain), as well as of **animal and human health and well-being** (new cooking methods, development of function foods and predictive models respectful of food quality).



Our bond with the land we work in is crucial; this is why we have chosen to contribute to the sustainable growth of our territory, Le Marche. We invest in young people through our Foundation, and we have partnerships with universities and research centers to stimulate progress in our industry.



We have chosen to promote our land.



We have chosen to develop our community.

This agreement is a **valuable stimulus for relaunching and developing** the whole project areas in terms of direct (about 80 additional units) and indirect (about 150 new employees in ancillary industries) employment impact. In addition, the investments fall within the Marche municipalities in the areas affected by the ex-Merloni crisis and the 2016 earthquake.

In particular, the first project, aimed at **investments favoring sustainable industrial processes**, with a high technological content, and typical of the circular economy, involves the **purchase of plants and machinery with high technological value**, in line with



As part of the Supply Chain and District Agreements financed by the Italian Ministry of Agriculture, Food and Forestry, the “**Fileni Bio**” project is an additional interesting initiative providing for approximately 37 million investments.



The “Fileni Bio” supply chain project aims to achieve a long-term and organic aggregation of the main operators in the Fileni’s private label organic and antibiotic-free poultry supply chain integrated system. This will allow to **build a synergistic integrated supply chain** with totally **low environmental impact**, and economically enhance the organic and antibiotic-free farming and livestock production with new solutions, agro-industrial processes and market destinations.

From July to September 2020, Fileni set out an **interview program in partnership with Consorzio A.A.ster** including about 40 players from Fileni, some players from the production communities making up our value network and the **productive intelligence** behind our corporate “circular” shift, and players from proximity stakeholder system such as social and institutional environment, culture, territory, and intermediate bodies.

The **purpose of the survey** was to **gain a first outlook of the Group’s dynamic positioning** so as to **strengthen Fileni’s territorial roots** and let the company **build more stable relationships with local and internal stakeholders**, in order to understand how much the corporate vision and mission are shared inside and outside the company.



Always **having an eye on the expectations and needs of the local communities**, and being aware of the centrality of its social role in the moment of the pandemic, Fileni wanted to show its solidarity by offering **concrete support to the territory** where it’s based and which the company identifies itself with, **through a donation of over € 500,000**. The amount of the donation was partly assigned to **support workers and their families**, an asset deemed essential by Fileni, and **partly donated to the Marche Region** as funds to be allocated for community and health care services, as well as to the Municipalities of Cingoli, Jesi and Castelplanio, in order to **face the Coronavirus emergency**.



We operate in the Marche region, a territory **worth over €42 billion of gross domestic product**, equal to approximately 2.4% of the national total value, with a production model based on **district economy and manufacturing**.

Fileni is willing and committed to contribute to the creation of a new economic and production model, characterized by the **enhancement of five key elements**¹:

- *A district manufacturing system, as the region ranks third for the number of districts and first for the share of employees in the manufacturing industry;*
- *Organic farming, as the Marche region is characterized by over a fifth of the total area allocated to organic farming;*
- *A training system oriented towards the most typical industries of the regional productive fabric;*
- *Circular economy: the region represents a best-practice in Italy both as regards the waste cycle management and in terms of recycling and reuse at entrepreneurial level;*
- *Tourist offer providing for a variety of experiences aimed at enhancing proximity tourism.*

¹ - For more information, please refer to the Focus Territori issue “The Marche’s economy - 5 areas of excellence for the restart” (April 2021) by Cdp Think Thank.

8.2 *Marco Fileni* FOUNDATION

In 2016, the Fileni family established the “Fondazione Marco Fileni” in memory of Marco, the third son of entrepreneur Giovanni Fileni and Rosina Martarelli.



Having **obtained the non-profit organization status** in 2018, the foundation exclusively pursues **scopes of social utility and solidarity** and promotes initiatives aimed at supporting the **right to education** for young people, and to perform **charitable / solidarity activities** for disadvantaged people or associations and organizations dealing with these social categories.

Particular attention is paid to **education**: as part of the “**We Believe in Youth**” project, the foundation annually **awards 30 scholarships** to the most

valuable high school and university students, in order to **encourage and financially support** dozens of kids to continue their studies for a future richer in opportunities.

In view of its success, the initiative was also extended to the world of breeders contributing to farms; **in 2021 we reached over 1000 registered applications.**

With the outbreak of the pandemic and the consequent restrictions, having a huge impact even on the youngest and their education, the Foundation has felt a stronger **vocation to support the most valuable students at local level.**

The “Fondazione Marco Fileni” has actively contributed to the campaign established by Jesi institutions to **provide home-bound students with computers for distance learning.**

Through the partnership with the Econom Italia Group, the foundation **donated 20 laptops** to the non-profit organization Onlus Padre Oscar Centro Servizi Caritas of Jesi and the Oikos of Jesi, an organization dealing with pathological addictions and victims of child maltreatment and abuse. **This project is aimed at boosting digital skill development in the youngest population.**

By awarding scholarships and donating computers, the Fileni family aims to **confirm its role as a company close to families** that in such an emergency condition are **in need of certainty and real help starting from the future of their children.**

8.3 Partnerships AND COOPERATIONS

Driven by a desire for innovation and constant improvement, Fileni has always believed in the potential of the territory as well as in the synergies between university and business world.

UNIVERSITÀ POLITECNICA DELLE MARCHE



For over ten years, Fileni has been working with the Marche Polytechnic University on two different fields of study: **strategic marketing, agronomy and biology**.

This partnership involves the company in supporting university students willing to **achieve a doctoral research** experience in these subjects, and in identifying subjects of study of mutual interest.

Fileni works with the world of universities every day: the company **believes in the value of research, invests in young people** and feels that studying and developing skills are the key words to achieve growth and improvement.

UNIVERSITÀ DEGLI STUDI DI CAMERINO



Since 2016, Fileni has also been supporting the **“Innovation Lab”**, an initiative by University of Camerino providing for the creation of a set of **R&D labs** hiring experts in different specialties, in order to reinforce the relationship between companies and universities. On such respect, Fileni has well contributed to the financing of this **lab, which will deal with the study of animal husbandry and agri-food industries**. Fileni is also committed to raising awareness among its customers. The packaging of the branded products being sold throughout Italy will display a logo drawing attention to its partnership with Unicam, and the **hashtag #ilfuturononcrolla** (futurewontcollapse), which was conceived and implemented by the University to tell reconstruction efforts and activities following the earthquake.

A CLUB OF STRATEGIC PARTNERS



Fileni is part of the **Strategic Partners' Club** of the University of Gastronomic Sciences of Pollenzo, a prestigious entity in the field of Food Culture and for the **dissemination of gastronomic knowledge**. This way, Fileni will be able to benefit from an ad-hoc channel to select students and attend club appointments with highly qualified guests.

FACULTY OF AGRICULTURE AND VETERINARY MEDICINE



Fileni has also a partnership with the **Faculty of Agriculture and Veterinary Medicine of the University of Perugia** aimed at **promoting research projects and academic dissertations**. The in-depth topics concern above all over issues related to **antibiotic resistance**. An agreement has been entered five years ago in order to allow students to **have internships within the company**.

CREA



For about 6 years, the Fileni Group has been working with **Crea**, a **research institute** supervised by Mipaft, for issues related to **agroecology** and **slow-growing breeds in organic poultry farming**; this type of relationship allowed for the enhancement of the company know-how with regard to agronomic and zootechnical management, thus introducing **innovative agronomic techniques**, new breed varieties with high protein content, and **new genotypes for organic farming**.

And then...

we also believe that **partnership projects are a great opportunity for companies**, as they can benefit from long-term business relationships with companies often operating in very different industries and research institutions of high cultural value.

This year and in the next few years, Fileni has strengthened and **will strengthen its trajectories of innovation** on the basis of 8 key words:

- *Our land*
- *Agroecology*
- *Animal Welfare*
- *Demanufacturing*
- *Reuse*
- *Nutraceutical food*
- *Health*
- *Wellness*



Performance

INDICATORS

ECONOMIC DATA

The economic value generated and distributed

For a more comprehensive overview of Fileni's supply chain, a representation of the economic value

generated and distributed including Carnj Società Cooperativa Agricola was deemed necessary.

ECONOMIC VALUE GENERATED AND DISTRIBUTED [THOUSANDS OF EUROS]	2020 FILENI SUPPLY CHAIN	2019 FILENI SUPPLY CHAIN
Economic value generated	449,829	451,561
Economic value distributed	424,483	426,275
Remuneration of suppliers	331,601	335,467
Remuneration of agisters	23,227	22,581
Remuneration of employees	61,714	59,329
Remuneration of lenders	4,413	4,323
Remuneration of shareholders	2,500	0
Remuneration of the Public Administration	3,210	4,359
Community	318	216
Economic value retained by the Group	25,346	25,287

ENVIRONMENTAL DATA

Energy and water consumption, emissions and waste have been indexed in regard to the kg amount of incoming meat processed by the production plants.

Any discrepancy between the totals shown in the following tables and the sum of their values is due to rounding.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Total emissions within the organization ENERGY	Unit of measure	2020	2019
Total non-renewable fuel consumption	GJ	358,462	356,458
Natural gas	GJ	335,014	324,148
Gasoline	GJ	2,629	2,362
LPG	GJ	14,257	16,902
Automotive gasoline	GJ	282	244
Automotive diesel	GJ	6,207	12,803
Automotive methane	GJ	73	-
Total purchased electricity	GJ	122,153	125,157
From renewable sources	GJ	122,153	125,157
Self-produced photovoltaic electricity	GJ	6,425	4,356
Energy imparted to the network	GJ	4,762	4,554
Total energy consumption	GJ	482,279	481,417
From renewable sources	GJ	128,578	129,512
Energy intensity	MJ/Kg	3.27	3.24

SCOPE 1 AND SCOPE 2 CO₂ EMISSIONS¹

tCO ₂	2020	2019
Scope 1	21,196	23,292
Scope 2 (market-based)	0	0
Scope 2 (location-based)	9,419	11,000
Total (Scope 1+Scope 2 market based)	21,196	23,292
Emission intensity (kgCO₂/kg)	0.14	0.16

WATER WITHDRAWAL BY SOURCE

ML	2020	2019
Subsurface water	480	457
Third-party water	760	854
Total water withdrawal	1,384	1,311
Water consumption intensity index (l/kg)	9.39	8.82

WASTE BY TYPE AND DISPOSAL METHOD

t	2020			2019		
	Hazardous	Non-Hazardous	Total	Hazardous	Non-Hazardous	Total
Reuse	-	2	2	-	1	1
Recycling	21	6,826	6,847	9	7,735	7,744
Composting	-	64	64	-	126	126
Energy recovery	-	8	8	-	73	73
Incineration	9	10	19	6	6	12
Landfill	1	13	14	1	1	2
On-site storage	-	-	-	-	-	-
Other	-	12	12	-	13	13
Total	32	6,934	6,966	16	7,955	7,971
Production waste index (kg/kg)			0.05			0.05

1 - The Scope 1 emissions were calculated on the basis of the ISPRA emission factors - Table of national standard parameters 2020. Scope 2 emissions, as envisaged by the GRI, were calculated according to two distinct methods: the "location-based method" and the "market-based method". The location-based method is based on average emission factors relating to regional, sub-national or national energy generation. This calculation was based on the ISPRA emission factors - Atmospheric emission factors for greenhouse gases in the national electricity sector and in the main European countries 2020. On the other hand, the market-based method is based on the CO₂ emissions by the energy suppliers the organization has entered an electricity purchase agreement with, or on the factors relating to the reference market. This calculation method allows for the evaluation of the purchased energy from renewable sources. In this case, the Guarantees of Origin were considered and the AIB - European Residual Mixes 2018 emission factors were used. The total is equal to the sum of the scope 1 emissions and the scope 2 emissions calculated with the market-based method.

EMPLOYEES DATA

Breakdown of the workforce

EMPLOYEES AND EXTERNAL WORKERS BY EMPLOYEE CATEGORY AND GENDER

NUMBER OF PERSONS	AS OF 31/12/2020			AS OF 31/12/2019		
	Male	Female	Total	Male	Female	Total
Employees	1,130	722	1,852	1,121	713	1,834
Senior Managers	12	2	14	12	1	13
Middle and Junior Managers	31	1	32	30	1	31
White collars	104	78	182	102	76	178
Workers	983	641	1,624	977	635	1,612
External workers ¹	167	36	203	140	36	176
Temporary workers	68	29	97	49	27	76
Interns	2	2	4	-	3	3
Agents	92	3	95	87	2	89
Term-contract workers	5	1	6	4	1	5
Scholarship recipients	-	1	1	-	3	3
Total workforce	1,297	758	2,055	1,261	749	2,010

EMPLOYEES BY EMPLOYMENT CONTRACT (TEMPORARY AND PERMANENT) AND GENDER

NUMBER OF PERSONS	AS OF 31/12/2020			AS OF 31/12/2019		
	Male	Female	Total	Male	Female	Total
Permanent	494	415	909	463	401	864
Temporary	636	307	943	658	312	970
Total	1,130	722	1,852	1,121	713	1,834

EMPLOYEES BY EMPLOYMENT TYPE CONTRACT (FULL-TIME AND PART-TIME) AND GENDER

NUMBER OF PERSONS	AS OF 31/12/2020			AS OF 31/12/2019		
	Male	Female	Total	Male	Female	Total
Full-time	1,116	685	1,801	1,111	684	1,795
Part-time	14	37	51	10	29	39
Total	1,130	722	1,852	1,121	713	1,834

EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP

NUMBER OF PERSONS	AS OF 31/12/2020				AS OF 31/12/2019			
	Age <30y	Age 30-50y	Age >50y	Total	Age <30y	Age 30-50y	Age >50y	Total
Senior Managers	0%	29%	71%	1%	0%	0%	100%	1%
Middle and Junior Managers	0%	53%	47%	2%	0%	48%	52%	2%
White collars	7%	57%	36%	10%	6%	57%	37%	10%
Workers	10%	61%	29%	88%	10%	61%	29%	88%
Total	9%	60%	31%	100%	10%	60%	30%	100%

1 - Following a refinement of the data collection process, the number of external workers has been restated with regard to the previous year's data presented in our 2019 Sustainability Report.

EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER

NUMBER OF PERSONS	AS OF 31/12/2020			AS OF 31/12/2019		
	Male	Female	Total	Male	Female	Total
Senior Managers	86%	14%	1%	92%	8%	1%
Middle and Junior Managers	97%	3%	2%	97%	3%	2%
White collars	57%	43%	10%	57%	43%	10%
Workers	61%	39%	88%	61%	39%	88%
Total	61%	39%	100%	61%	39%	100%

New employee hires and employee turnover

NEW EMPLOYEE HIRES

NUMBER OF PERSONS	AS OF 31/12/2020				AS OF 31/12/2019			
	Age <30y	Age 30-50y	Age >50y	Total	Age <30y	Age 30-50y	Age >50y	Total
Male	20	51	10	81	27	37	6	70
Female	17	25	-	42	4	8	2	14
Total	37	76	10	123	31	45	8	84

DEPARTURES

NUMBER OF PERSONS	AS OF 31/12/2020				AS OF 31/12/2019			
	Age <30y	Age 30-50y	Age >50y	Total	Age <30y	Age 30-50y	Age >50y	Total
Male	10	46	29	85	9	26	28	63
Female	5	13	14	32	5	14	13	32
Total	15	59	43	117	14	40	41	95

RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY GENDER

	AS OF 31/12/2020		AS OF 31/12/2019	
	New hires %	Departures %	New hires %	Departures %
Male	7%	8%	6%	6%
Female	6%	4%	2%	4%
Total	7%	6%	5%	5%

RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP

	AS OF 31/12/2020		AS OF 31/12/2019	
	New hires %	Departures %	New hires %	Departures %
Age < 30 y	21%	9%	17%	8%
Age 30 - 50 y	7%	5%	4%	4%
Age > 50 y	2%	8%	1%	7%
Total	7%	6%	5%	5%

Hours of training and hours per-capita by employee category and gender

HOURS OF TRAINING BY EMPLOYEE CATEGORY AND GENDER						
HOURS OF TRAINING	AS OF 31/12/2020					
	No. of Hours Male	No. of Hours Male Per-Capita	No. of Hours Female	No. of Hours Female Per-Capita	No. of Hours Total	No. of Hours Total Per-Capita
Senior Managers	138	12	9	5	147	11
Middle and Junior Managers	655	21	13	13	668	21
White collars	967	9	1,597	20	2,564	14
Workers	3,511	4	1,167	2	4,678	3
Total	5,271	5	2,786	4	8,057	4

HOURS OF TRAINING	AS OF 31/12/2019					
	No. of Hours Male	No. of Hours Male Per-Capita	No. of Hours Female	No. of Hours Female Per-Capita	No. of Hours Total	No. of Hours Total Per-Capita
Senior Managers	29	2.4	-	1	29	2.2
Middle and Junior Managers	271	9	11	11	282	9.1
White collars	1,297	12.7	1,518	20	2,815	15.8
Workers	3,349	3.4	1,161	1.8	4,510	2.8
Total	4,946	4.4	2,690	3.8	7,636	4.2

Health and Safety

EMPLOYEE HEALTH AND SAFETY INDICATORS		
NO. OF INJURIES	2020	2019
Total no. recordable work-related injuries	48	54
Total no. of high-consequence work-related injuries (excluding fatalities)	-	3
Total no. of fatalities as a result of work-related injury	-	-

NO. OF HOURS/DAYS	2020	2019
Multiplier	1,000,000	1,000,000
Hours worked	2,937,806	2,880,313

HEALTH AND SAFETY INDICATORS	2020	2019
Rate of recordable work-related injuries	16.3	18.8
Rate of high-consequence work-related injuries (excluding fatalities)	0	1.0
Rate of fatalities as a result of work-related injury	0	0

Methodology

MEMORANDUM

This document is the second edition of the Fileni Group's Sustainability Report and describes the results achieved in 2020 (from January 1 to December 31).

The Fileni Group’s Sustainability Report is prepared pursuant to the “Global Reporting Initiative Sustainability Reporting Standards” envisaged by the Global Reporting Initiative (GRI), according to the “in accordance - Core” option. In addition, the “Food Processing Sector Disclosures”, were also taken into account where appropriate. Both were published by the Global Reporting Initiative (GRI).

The perimeter of reporting company’s financial and economic data and information, corresponds to the perimeter of the companies fully consolidated in the Consolidated Financial Statements of Fileni Group as of December 31, 2020, which also took into account the contribution by Carnj Società Cooperativa Agricola.

The perimeter of social and environmental data and information ranges within the companies fully consolidated in the Consolidated Financial Statements of Fileni Group and Carnj Società Cooperativa Agricola (also referred to as “Fileni supply chain” or “Supply chain”). Any changes in the perimeter with respect to individual topics or indicators are explicitly explained in the text. No significant changes have been reported with regard to Group size, ownership structure and supply

chain; as regards the organizational structure, it should be noted that Fattorie Venete Srl newco was established in March 2020 to acquire a 60% stake in the Società Agricola Semplice Fattoria San Bellino.

Use of estimates has been limited as much as possible in order to grant data reliability. If any, estimates have been properly reported and based on the best available approaches.

In order to allow for data and information comparability over time and evaluate the Group’s performance trends, a comparison with the previous year has been recommended. The previously published comparative data have clearly been displayed again with such purpose.

The Sustainability Report is prepared on an annual basis. The Sustainability Report is subject to a limited review (“limited assurance engagement” according to the criteria envisaged by the ISAE 3000 Revised principle) by Deloitte & Touche S.p.A..

For information on this document please email: amministrazione@fileni.it

MATERIAL TOPICS BOUNDARIES AND IMPACTS

Macro area	Material topic	Impact boundary	Impact type
Economic responsibility, Governance and Compliance	Corporate Governance	Group	Caused by the Group
	Business ethics and compliance	Group	Caused by the Group
	Integrating sustainability into business practices	Group	Caused by the Group
	Economic performance	Group	Caused by the Group
	Innovation and development of new solutions	Group Universities and research centers	Caused and contributed to by the Group
Responsibility towards the community	Focus on local communities	Group	Caused by the Group
	Sustainable agriculture	Group and Suppliers	Caused by the Group and related to the Group through its business relationships
	Responsible management of the production and supply chain	Group and Suppliers	Caused by the Group and Group-related by business relationships
Responsibility towards the people	Occupational Health and Safety	Group Employees	Caused by the Group
	Workers' rights and diversity	Group Employees	Caused by the Group
	Employee Well-being	Group Employees	Caused by the Group
Environmental responsibility	Circular economy and resource efficiency	Group and Suppliers	Caused by the Group and related to the Group through its business relationships
	Climate change	Group and electricity suppliers	Caused by the Group and related to the Group through its business relationships
	Sustainable packaging	Group and Suppliers	Caused by the Group and related to the Group through its business relationships
Responsibility towards the consumers	Focus on nutrition and consumer safety	Group	Caused by the Group
	Consumer satisfaction	Group	Caused by the Group
	Product quality and safety	Group and Suppliers	Caused by the Group and related to the Group through its business relationships
	Responsible labeling and marketing	Group	Caused by the Group
	Animal welfare	Group and Breeders	Caused by the Group and related to the Group through its business relationships

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number	Omissions
GRI 102: GENERAL DISCLOSURES (2016)			
Organizational profile			
102-1	Name of the organization	8	
102-2	Activities, brands, products, and services	10-11; 18-21; 51-59	
102-3	Location of headquarters	10-11	
102-4	Location of operations	10-11	
102-5	Ownership and legal form	14-16	
102-6	Markets served	14-15; 22-23	
102-7	Scale of the organization	22-25; 88	
102-8	Information on employees and other workers	88-89; 120	
102-9	Supply chain	18-21	
102-10	Significant changes to the organization and its supply chain	123	
102-11	Precautionary principle or approach	14-16; 76-78	
102-12	External initiatives	37-43	
102-13	Membership of associations	16-17	
Strategy			
102-14	Statement from senior decision-maker	5	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	12-13	
Governance			
102-18	Governance structure	15	
Stakeholder engagement			
102-40	List of stakeholder groups	44-45	
102-41	Collective bargaining agreements	100% of employees under collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	44	
102-43	Approach to stakeholder engagement	44-46	
102-44	Key topics and concerns raised	44-46	
Reporting practice			
102-45	Entities included in the consolidated financial statements	123	
102-46	Defining report content and topic boundaries	44-47; 123-124	
102-47	List of material topics	124	
102-48	Restatements of information	123	
102-49	Reporting changes	120; 123	
102-50	Reporting period	123	
102-51	Date of most recent report	October 2020	
102-52	Reporting cycle	123	
102-53	Contact point for questions regarding the report	123	
102-54	Claims of reporting in accordance with the GRI Standards	123	
102-55	GRI content index	125-129	
102-56	External assurance	130-132	

Topic-Specific Standard

GRI Standard	Disclosure	Number Page	Omissions
GRI 200: ECONOMIC SERIES			
Topic: Economic performance			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	22-25; 124	
103-2	The management approach and its components	22-25	
103-3	Evaluation of the management approach	22-25	
GRI-201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	24; 118	
Topic: Anti-corruption			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	16; 124	
103-2	The management approach and its components	16	
103-3	Evaluation of the management approach	16	
GRI-205: Anti-corruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	No cases reported for incidents of corruption in 2020	
Topic: Anti-competitive Behavior			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	16; 124	
103-2	The management approach and its components	16	
103-3	Evaluation of the management approach	16	
GRI-206: Anti-competitive Behavior (2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No cases reported for legal actions for anti-competitive behavior, anti-trust and monopoly in 2020	
GRI 300: ENVIRONMENTAL SERIES			
Topic: Energy			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	79-81; 124	
103-2	The management approach and its components	79-81	
103-3	Evaluation of the management approach	79-81	
GRI-302: Energy (2016)			
302-1	Energy consumption within the organization	118	
302-3	Energy intensity	118	
Topic: Water			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	82; 124	
103-2	The management approach and its components	82	
103-3	Evaluation of the management approach	82	
GRI-303: Water and Effluents (2018)			
303-1	Interactions with water as a shared resource	82; 119	
303-2	Management of water discharge-related impacts	82; 119	
303-3	Water withdrawal	119	

GRI Standard	Disclosure	Number Page	Omissions
Topic: Emissions			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	79-81; 124	
103-2	The management approach and its components	79-81	
103-3	Evaluation of the management approach	79-81	
GRI-305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	119	
305-2	Energy indirect (Scope 2) GHG emissions	119	
305-4	GHG emissions intensity	119	
Topic: Effluents and Waste (2016)			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	83; 124	
103-2	The management approach and its components	83	
103-3	Evaluation of the management approach	83	
GRI-306: Discharge and Waste (2016)			
306-2	Waste by type and disposal method	119	
Topic: Environmental Compliance (2016)			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	76-78; 124	
103-2	The management approach and its components	76-78	
103-3	Evaluation of the management approach	76-78	
GRI-307: Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	No cases reported for non-compliance with environmental laws and regulations in 2020	
GRI 400: SOCIAL SERIES			
Topic: Employment			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	91-92; 124	
103-2	The management approach and its components	91-92	
103-3	Evaluation of the management approach	91-92	
GRI-401: Employment (2016)			
401-1	New employee hires and employee turnover	121	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	87; 94	
Topic: Labor Practices			
GRI-G4: Food Processing Sector Disclosures (category: social _ sub-category: labor practices and decent work)			
G4 FP3	Percentage of working time lost due to industrial disputes, strikes	No cases reported for industrial disputes, strikes or lock-outs in 2020	
Topic: Occupational Health and Safety			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	95-99; 124	
103-2	The management approach and its components	95-99	
103-3	Evaluation of the management approach	95-99	

GRI Standard	Disclosure	Number Page	Omissions
GRI-403: Management Approach (2018)			
403-1	Occupational health and safety management system	95	
403-2	Hazard identification, risk assessment, and incident investigation	96-97	
403-3	Occupational health services	97	
403-4	Worker participation, consultation, and communication on occupational health and safety	98	
403-5	Worker training on occupational health and safety	98	
403-6	Promotion of worker health	94-95	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	96; 98	
GRI-403: Occupational health and safety (2018)			
403-9	Work-related injuries	98-99; 122	
Topic: Training and education			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	90-93; 124	
103-2	The management approach and its components	90-93	
103-3	Evaluation of the management approach	90-93	
GRI-404: Training and education (2016)			
404-1	Average hours of training per year per employee	122	
Topic: Diversity and Equal Opportunity			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	90; 93; 124	
103-2	The management approach and its components	90; 93	
103-3	Evaluation of the management approach	90; 93	
GRI- 405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	15; 120-121	
Topic: Non Discrimination			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	90; 93; 124	
103-2	The management approach and its components	90; 93	
103-3	Evaluation of the management approach	90; 93	
GRI- 406: Non-Discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	No case reported for discrimination in 2020	
Topic: Customer Health and Safety			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	50-56; 64-67; 124	
103-2	The management approach and its components	50-56; 64-67	
103-3	Evaluation of the management approach	50-56; 64-67	
GRI-416: Customer Health and Safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No cases reported for non-compliance concerning the health and safety impacts of products and services in 2020	

GRI Standard	Disclosure	Number Page	Omissions
Topic: Marketing and Labeling			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	57-59; 60-61; 124	
103-2	The management approach and its components	57-59; 60-61	
103-3	Evaluation of the management approach	57-59; 60-61	
GRI-417: Marketing and Labeling (2016)			
417-1	Requirements for product and service information and labeling	No cases reported for non-compliance with product and service information and labeling in 2020	
Topic: Socioeconomic Compliance			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	14-16; 123; 124	
103-2	The management approach and its components	14-16; 123	
103-3	Evaluation of the management approach	14-16; 123	
GRI-419: Socioeconomic Compliance (2016)			
419-1	Non-compliance with environmental laws and regulations	No cases reported for non-compliance with social and economic laws in 2020	
Topic: Customer Health and Safety			
GRI-G4: Food Processing Sector Disclosures (category: social_sub-category: product responsibility)			
G4 FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	64-67	

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Fileni Alimentare S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of the Fileni Group (hereinafter also "Group") as of December 31, 2020.

Responsibility of the Directors for the Sustainability Report

The Directors of Fileni Alimentare S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Fileni Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

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

Specifically we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph "Our Economic Responsibility" of the Sustainability Report with those included in the Group's Financial Statements, taking into account also the contribution of Carnj Società Cooperativa Agricola, for the calculation of the economic value directly generated and distributed;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Fileni Alimentare S.p.A. and with the personnel of Carnj Società Cooperativa Agricola 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 Sustainability Report.

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 Sustainability Report, 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 headquarters and production site in Cingoli of Fileni Alimentare S.p.A. and Carnj Società Cooperativa Agricola, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits and remote meetings, during which we have met the management of the plant and have gathered supporting documentation on a sample basis 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 Sustainability Report of the Fileni Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological note” of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by

Jessica Lanari

Partner

Ancona, Italy

May 31, 2021



Fileni Alimentare S.p.A.

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