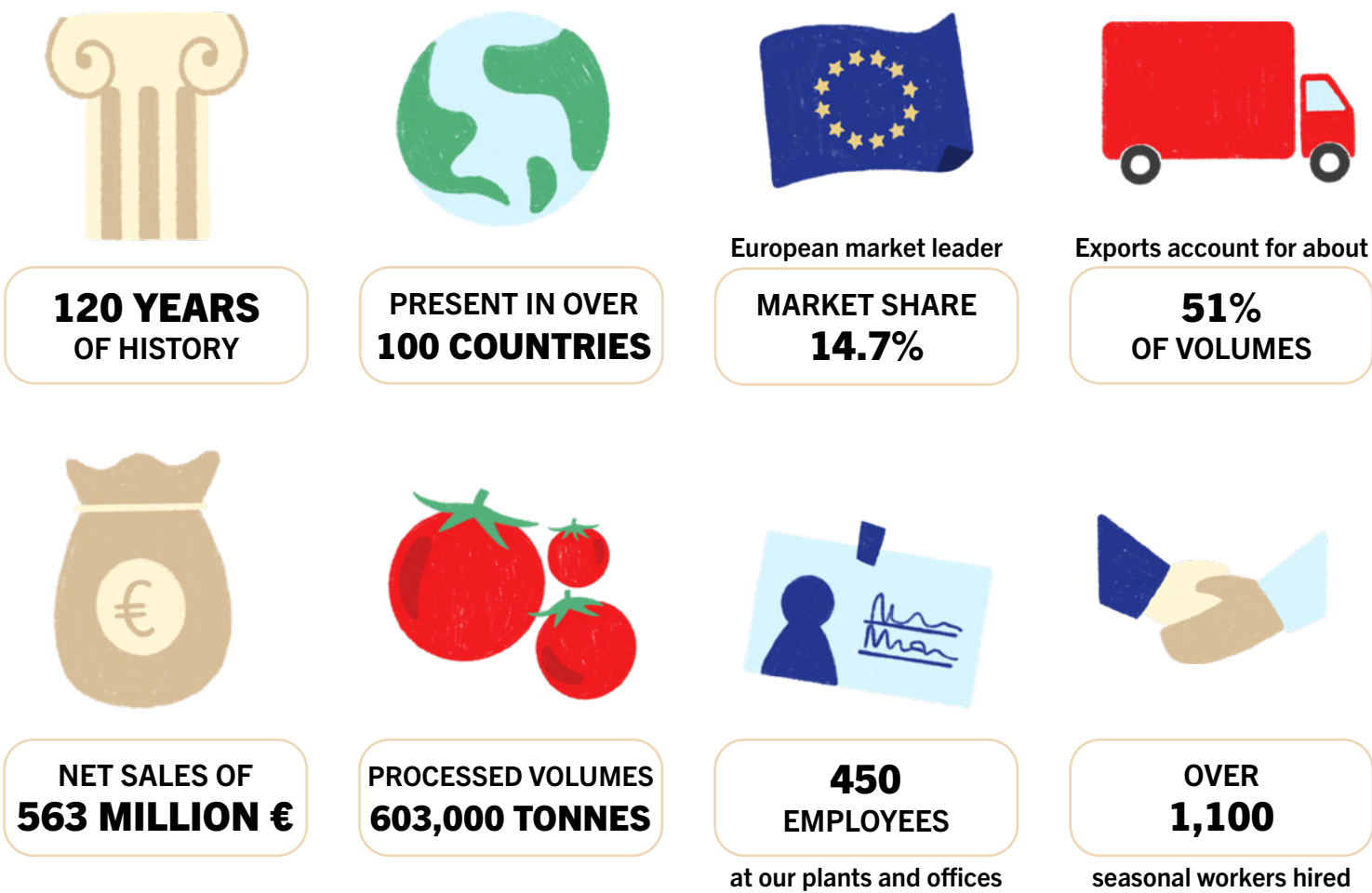

MUTTI

**Environmental
Report**

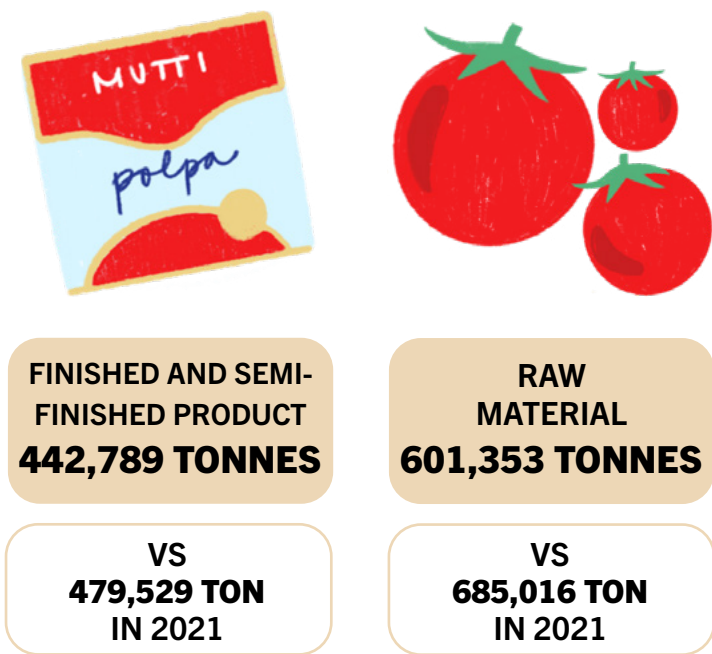
2022



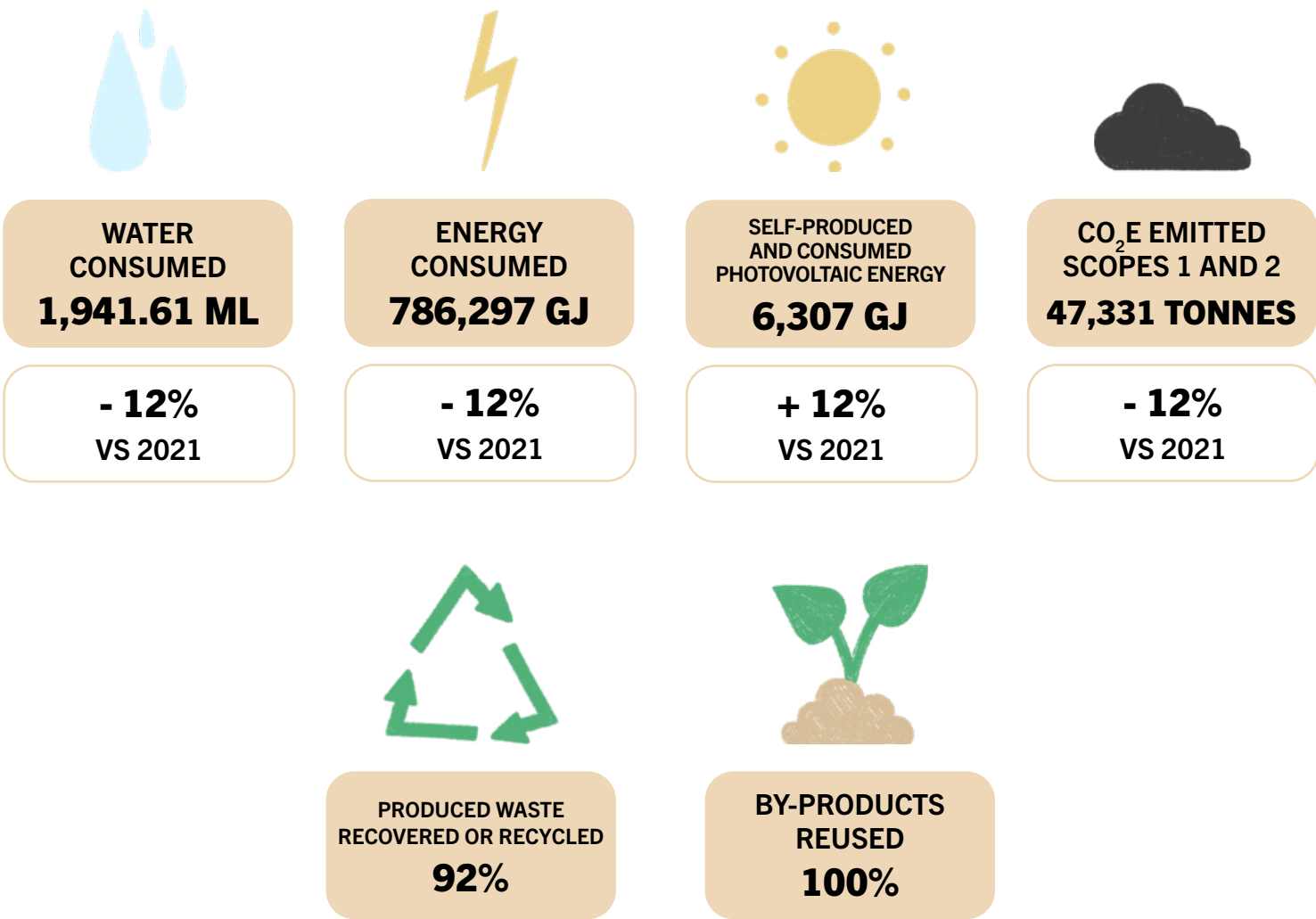
Company numbers in 2022



Environmental performances in 2022

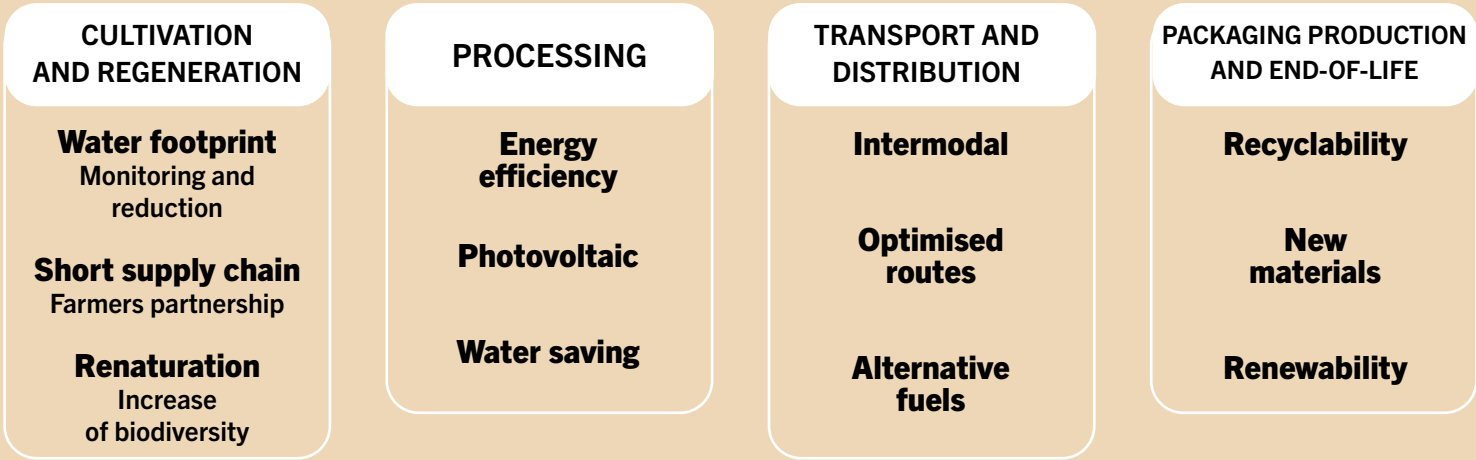


The data refers to the 3 production plants



The Green Strategy of Mutti

Mutti's Green Strategy develops across four areas of the value chain:



in compliance with four fundamental pillars, at the basis of European and international strategies: **fight against climate change, circular economy, protection of biodiversity, protection of water resources.**



Contents

Message to stakeholder	7
1. About Mutti	8
The company	9
Our history	10
Governance and shareholders	12
Sustainability governance	13
Our presence in Italy and around the world	14
Our offering	15
2. Our value chain	17
Values	17
Our penchant for process and product innovation	18
Our focus on the supply chain	19
Relationships with stakeholders	19
Partnership, the relationship model along the supply chain	21
Certifications	26
3. Mutti's approach to Environmental Sustainability	27
The Green Strategy	28
Mutti's environmental performance	29
Energy consumption and emissions	29
Water withdrawals and discharges	34
Waste management	37
Biodiversity and soil consumption	38
Logistics	40
Sustainable packaging	42
Appendix	44
Methodological Note	44
GRI Content Index	45



Message to stakeholder

Dear stakeholders,

We are delighted to present our third Environmental Sustainability Report, which gives a full account of our performance in 2022, a year filled with extraordinary challenges and opportunities for growth that we would like to share with you.

Energy costs rose dramatically in 2022, deeply influencing our operations and those of our sector. We are meeting this challenge by investing in more efficient energy solutions and looking for alternative energy sources. Furthermore, I must anticipate that in 2023, climate unpredictability reached unprecedented levels, delaying the campaign and affecting tomato harvest volumes in Italy. All this demonstrates the absolute need to consider environmental sustainability as a strategic business objective, precisely so we can mitigate the environmental risks that year by year are becoming increasingly widespread.

I am particularly proud of the fact that, despite the challenges we face, we have managed to achieve excellent results thanks to all the people involved at every stage of our value chain.

Bearing this in mind, 2022 was a year of transition for our Group, as on one hand, we endeavoured to make the best use of resources throughout the year and, on the other, we defined strategic actions in view of future challenges.

This complex context naturally had an impact on production as well, with a consequent decrease in the energy and water consumption of our operations. We are moving forward with our commitment to efficiency and expect to see additional results in forthcoming years. The cogeneration plant in Montechiarugolo has been fully up and running since 2022, and we have invested in a new photovoltaic system at the Oliveto Citra plant, enabling us to increase the amount of energy from renewable sources.

We are also steadfast in our commitment to keeping process and product innovation at the heart of the way we do business. We have continued with the

extraordinary expansion of our product range, and in 2022 we finally launched our vegetarian ragù, a symbol of our vision of the future.

Thanks to the work we have done in the field of sustainability over the past few years, which has made us more aware of our performance, we have formalised and implemented our Green Strategy. We will update you in future reports on the progress of our strategy and the results achieved through the projects that we are working to make possible and to pursue.

As part of our continuous improvement process, we have decided to make this our last Environmental Sustainability Report and to expand the scope of our sustainability reporting with the collection, monitoring and publishing of performance data on social and governance sustainability as well. Next year, we will publish our first Sustainability Report, which will give a clearer picture of what sustainability means to Mutti.

Enjoy!

Francesco Mutti
Chief Executive Officer of Mutti

1. About Mutti



The company

Our company was founded in Basilicanova, near Parma, in 1899 by the Mutti brothers, Marcellino and Callisto, and began **processing 100% Italian tomatoes**. Today it leads the tomato product market in Italy and Europe with operations in over **100 countries worldwide**, net turnover that has grown steadily over the past five years to **€563 million** in 2022, with **603,000 tonnes** of tomatoes processed in that year (including the tomatoes processed by Instafactory).



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

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

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

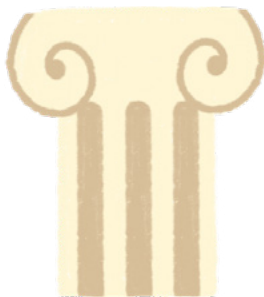
Over the past 20 years, our company’s turnover and market shares have grown steadily, in Italy and especially abroad. This reflects the extent to which consumers value and reward strategic choices in the pursuit of product quality, innovation and commitment in the field of environmental and social sustainability¹.

¹ Enrica Tiozzo, *Cosa i consumatori si aspettano oggi dai brand, Italia 2022 nella spirale dell’interregno, Un paese in transizione tra non più e non ancora* (2022), IPSOS

Our history

Our story begins in the heart of the Food Valley near Parma, an area made for tomato farming, where agricultural expertise and experience have deep roots.

Since the late 1800s, the Mutti family has been devoted to processing Italian tomatoes with a sound, honest business concept: changing the paradigms of the tomato value chain – the tomato being a pillar of Italian food culture – by steadfastly upholding a strict quality policy and meticulously caring for each and every detail.



Ugo Mutti, Marcellino's son, suggests his father establish a small factory to produce tomato extract

1909

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

1925

The company is the first to launch *Finely Chopped Tomatoes*, a product that is still an Italian and global leader

1971

The *Pomodoro D'Oro* is created, a prize we give our best farmers every year.

2000

Together with the University of Piacenza, Mutti begins working on a methodology to identify the geographical origin of raw materials starting from the analysis of semi-finished products. The project will be presented the following year at the Senate of the Italian Republic

2011

Mutti France is founded to develop business on the French market and the Fiordagosto project begins for the production of typical southern Italian specialities, culminating with the definitive acquisition of the plant

2013

Mutti Nordics is founded

2018

Mutti presents *Sul Campo*, the first tomato purée produced directly on the harvested field using InstaFactory, a mobile factory

2020

Mutti presents the short film *Ugo: storia di una piccola grande idea*

2022

1899

The brothers Marcellino and Callisto Mutti begin processing tomatoes

1911

The *Due leoni* trademark is registered and Mutti wins the gold medal at the Rome Exhibition

1951

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

1994

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

2010

Mutti partners with WWF Italy in a project to study and analyse the impact that the tomato supply chain and processing have on energy and water consumption

2012

Mutti enters the ready-made sauces market with the launch of its first proposal made with the best 100% Italian datterini tomatoes

2017

Mutti USA Inc. opens and the Collecchio plant is acquired

2019

Mutti Australia is founded

2021

Mutti presents its first Environmental Sustainability Report

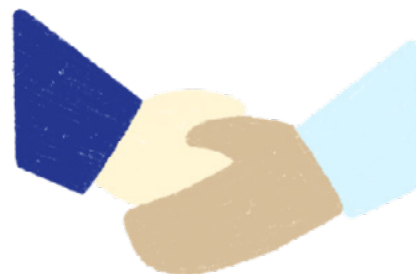
2023

Mutti's Green Strategy² is approved.

²Mutti's Green Strategy was approved in May 2023.

Governance and shareholders

Mutti has a **traditional management system** in which the corporate bodies are the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, while the audit of the accounts is entrusted to an external auditing firm. In addition, as required by Italian Legislative Decree 231/2001, the Company has set up a Supervisory Board with three members.



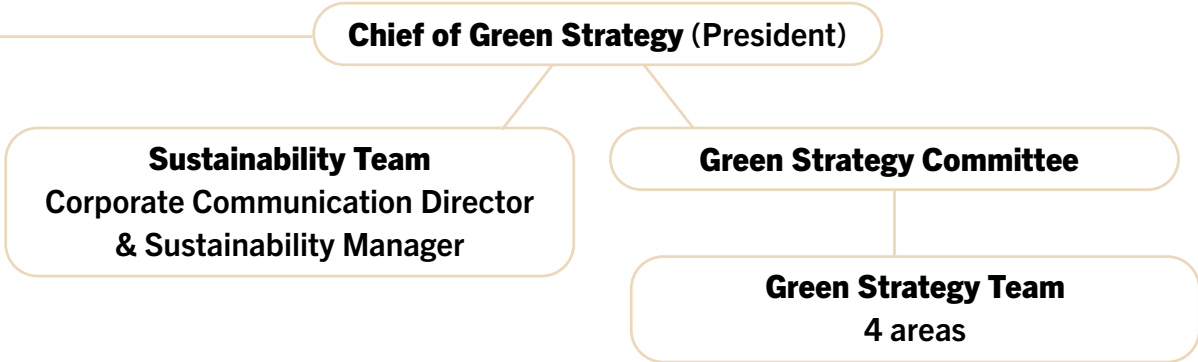
Chairman of the Board of Directors	Mauro Fontana
Chief Executive Officer	Francesco Mutti
Director	Eric Joseph Melloul
Director	Andreas Urs Pfluger
Director	Lorenzo Vittorio Eugenio Astolfi
Director	Silvia Beraldo
Director	Luca Mignini

- The **Board of Directors** is responsible for managing the company. It has 7 members, including the Chairman of the Board of Directors and the Chief Executive Officer, to whom the Board has delegated some of its duties and who, in turn, has delegated specific powers under special power-of-attorneys.
- The **Chairman** of the Board of Directors and the **Chief Executive Officer** are the Company's legal representatives within the limits of their powers.
- The **Shareholders' Meeting** is responsible for making the most important decisions for the life of the Company, including the appointment of the corporate bodies, the approval of the financial statements and amendments to the Articles of Association.

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

Sustainability governance

As sustainability becomes an increasingly crucial issue, we have endeavoured to create a comprehensive governance structure. Our sustainability governance is organised to ensure that it has significant strategic weight in the Company, ensuring that strategies are continuously transposed in an effective implementation and development model. The governance model that we propose, which was approved in May 2023, therefore enables the achievement of strategic objectives, adequate risk control and a high level of stakeholder engagement.



Our presence in Italy and around the world

Historically based in **Montechiarugolo**, in the province of Parma, the Group has grown over time through a series of **acquisitions**:

- **Fiordagosto**, the acquisition of which was completed in 2016. The company has a plant in Oliveto Citra (province of Salerno) for the production of various southern Italian varieties, such as the plum tomato and the cherry tomato.
- The CO.PAD.OR plant in **Collecchio**, acquired in 2017 with production capacity of over 300,000 tonnes, and since merged into Mutti S.p.A.

In 2013, we began expanding internationally and now have **sales offices** in **France**, the **United States**, **Sweden** - to cover the Nordic market - **Australia** and **Germany**, where we most recently set up a sales office, which opened in January 2022.

Headquarter

Montechiarugolo
Mutti SPA

Production

Oliveto Citra
Fiordagosto SRL

Montechiarugolo
Mutti SPA

Collecchio
Mutti SPA

Global branches

Mutti France SAS
Branch based in Paris,
focusing on business
development in the
French market (2013)

Mutti USA INC.
Branch based in Danbury,
focusing on business
development in the
American market (2017)

Mutti Nordics AB
Branch based in Stockholm,
focusing on business
development in the Nordic
market (2018)

Mutti Australia PTY LTD
Branch based in Rosebery,
focusing on business
development in the
Australian market (2019)

Mutti Deutschland
Branch based in Hamburg,
focusing on business
development in the
German market (2022)



Our offering

We specialise in the processing of tomatoes, which we buy exclusively from farmers who uphold the principles of integrated production and are certified by independent bodies and supervised by Mutti, which also requires compliance with the principles of Mutti's Sustainable Agricultural Product Specifications. These principles include protecting the environment, safeguarding the properties of the soil and respecting workers.

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

One of our most distinctive and symbolic products is our **tube of tomato paste**, created in 1951 to offer our customers a package that would preserve the quality and taste of our tomato paste better and longer and also be more practical to use. What made this product all the more iconic was that it came with a small gift. The cap doubled as a red Bakelite thimble to be used for sewing at home. It was our first example of a circular economy! To celebrate the innovation behind our iconic tube of tomato paste, a short film was made in 2022 about the creative genius of Ugo Mutti who invented it. The short film, directed by Stefano Lodovichi, is available on our website.



Ugo: storia di una piccola grande idea

“Ugo: the story of a little big idea” is dedicated to Ugo Mutti, inventor of the inimitable tube with its thimble-cap. In today's world, where almost everything is within anyone's reach, this film reminds us that it is from the simplest ideas that great things are born. It is the story of an invention that teaches us how innovation is like love: those who never give up get their happy ending.

Our offering

These are our products:

The indispensables

- Triple tomato paste
- Double tomato paste
- Tomato paste
- Peeled tomatoes
- Tomato purée
- Finely chopped tomatoes

Our specialities

- PDO San Marzano tomatoes
- Tomato fillets
- Cherry tomatoes
- Datterino tomatoes
- Peeled datterino tomatoes

Chopped datterino tomatoes

- Cubed tomatoes

Regional/special tomato purées

- Emilian purée
- Apulian purée
- Sicilian purée
- Tuscan purée
- Sul Campo tomato purée

Ready sauces

- Datterino tomatoes
- Classic
- Pizzutello
- Cherry tomatoes
- Inventasugo
- Ready to Use Pasta Sauce (Food Service)

Sauces

- Sauce with Calabrian chilli pepper
- Sauce with PDO Genovese basil
- Sauce with extra virgin olive oil
- Sauce with PDO Parmesan cheese (Foreign)
- Sauce with grilled vegetables and PGI Calabrian Tropea onion
- Marinara sauce (US) in a variety of versions (with basil, with chilli pepper, with Parmesan)
- Mutti-style vegetarian ragù

Tomato pesto

- Orange pesto
- Red pesto
- Green pesto
- Yellow pesto

Fresh soups

- Pappa al pomodoro
- Tomato soup with spelt and lentils
- Minestrone with yellow and red tomatoes
- Creamy red tomato soup
- Creamy orange tomato soup
- Creamy green tomato soup
- Gazpacho
- Bean soup with tomato and black cabbage (2023)
- Tomato and vegetable fregola (2023)

Other condiments

- Ketchup
- Datterino tomato ketchup
- Salsì ready tomato sauce
- Ready vegetable sauce



2. La nostra catena del valore I valori

Quality, transparency and reliability are the values on which our business is based.

Times change and circumstances evolve, but continuity and respect for the values that have defined us for over 120 years and in which we firmly believe are, and will remain, one of our Company’s strengths.

The Mutti family has run the Company for over a century, and integrity, respect for people and an interest in the community and local area have always been a genuine commitment.

In our Code of Conduct and Code of Ethics, we have developed our code of business values, which we are committed to upholding and sharing with our stakeholders.

1. Strive for the highest quality

Our number one goal is to deliver the best possible products to our consumers, which means we work every day to achieve higher and higher standards of production, distribution and innovation.

2. Long-term vision

Without long-term vision, we would not have come this far. This spirit drives us to create new products, bring new personnel on board, continuously collaborate with our suppliers and constantly implement company procedures.

3. Work culture

At Mutti we believe that the unwavering dedication of everyone in every position helps our business grow continuously and exponentially.

4. Respect people and help them grow

Our success is the result of the energy and enthusiasm of our people. We contribute to their professional training and do not tolerate any form of discrimination, harassment or bullying.

“That’s my mission:
to enhance a symbolic fruit
of our country and of Made in Italy
in the world, the tomato”.

– Francesco Mutti, CEO of Mutti SPA



5. Safeguard the environment

We started out as a family-run farm and are convinced that our future success will always be linked with the environment. Our values and identity are directly connected to the nature around us. We have made protecting the environment a commitment with no room for compromise.

6. Simplicity and honesty

Since the company was founded, we have maintained an honest, straightforward approach and will continue to do so in the future.

Our penchant for process and product innovation

The tomato transformation process is **decisive in our products’ value added**, which is why we have always supported processing method research and development.

The processing of tomatoes benefits from the **continuous improvement of the production process**, which features some of the most innovative technologies in the sector and several pieces of equipment that the company has patented. One virtuous example of process innovation is the in-house development of the machine that processes Mutti finely chopped tomatoes, for the only production process of its kind in the industry.



InstaFactory is the most recent example of our forward-looking approach. Developed and patented by the company, InstaFactory is a mobile factory that processes tomatoes in the field, which is the best way to capture their organoleptic qualities and produce an unparalleled tomato purée, which we have named Sul Campo tomato purée. 2022 was the third year running in which our mobile system was in use, and it has proved to be one of the most significant examples of the innovation that has always distinguished our Group.

Demonstrating our commitment to continuous improvement, in 2022, as in 2021, we allocated over €30 million in investments to innovate production and further improve the Group’s quality, efficiency and safety performance.

In addition to process innovation, we are focused on bringing our products into the future as well. **In recent years, our offering has expanded extraordinarily, resulting in an unprecedented differentiation:** since 2018, we have launched chopped datterino tomatoes, regional tomato purées, pesto sauces, Sul Campo purée, Mutti soups and vegetarian ragù.

What drives us to launch these new products is our desire to exalt all the qualities of the tomatoes that we process, which are sourced from different Italian regions, and to satisfy our consumers’ widely ranging tastes for every occasion, while always maintaining the highest quality standards.

In particular, when it comes to innovation, our **vegetarian ragù** is worthy of special mention. Representing our vision of the future and reflecting the choice we made several years ago to never use meat or fish in our products, our vegetarian ragù has been on the market since 2022.

Our focus on the supply chain *Relationships with stakeholders*

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

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

Our stakeholders

Consumers and customers
existing and potential

Employees and shareholders

Farmers and business partners

Communities

Industry and markets

Consumers and customers

We act responsibly, offering consumers and customers products that stand out for their superior quality. Over time, we have expanded our range of products to guarantee an increasingly varied and comprehensive customer experience. We strive to grow the brand by leveraging its focus on environmental sustainability, attracting potential customers who are sensitive to this issue, safeguarding our brand’s image and tangibly enhancing our commitment.

Employees and shareholders

We offer a healthy and safe working environment where our people can reach their full potential. We improve the skills of our employees through individual and group coaching programs. We offer new employees hired under permanent contracts an onboarding program with various company departments and with the CEO Francesco Mutti. We support whistleblowing by any employee reporting irregular conduct and alleged or actual violations of the Code of Ethics or the regulations in force using the whistleblowing system available on the company’s website and open to all our stakeholders. We monitor the company climate through internationally-recognised surveys and we analyse the results in order to achieve continuous improvement.

Farmers and business partners

We maintain relationships with our farmers and business partners based on trust and respect, often consolidated over time through long-term partnerships. We support them in the development of increasingly responsible businesses, offering incentives to adopt practices that consider environmental and social aspects, with a specific focus on respect for human rights and workers. This is in addition to the company’s regular monitoring of compliance with the code of ethics and conduct in the spirit of providing even more comprehensive guarantees. In southern Italy, we offer financial support to suppliers for inspections conducted by independent third parties to certify work practices. We provide our farmers with increasingly user-friendly IT tools that help them manage adverse events and farming practices based on weather trends recorded by weather stations and other significant parameters detected.

Communities

We have been collaborating since 2020 with **Le Village**, a benefit corporation that supports the growth of start-ups and accelerates business innovation. In 2023, we organised an Open Innovation Morning where our company met with several start-ups to gather insights and news from the outside world. With other global leaders and Italian entrepreneurs, we co-founded the **Regenerative Society Foundation**, whose mission is to promote the transition to a regenerative socio-economic model. We have also joined **CO2alizione** to fight climate change by including an explicit reference to this commitment in our articles of association. We are members of **Consorzio Forestale KilometroverdeParma**, a forestry consortium in which we are jointly pursuing the ambitious project of creating green areas and permanent forests in Parma and its province. As we strive for greater social inclusion, since 2020, we have collaborated with **Associazione Next**, an association that again in 2022 provided free, specialised training to groups of disadvantaged, unemployed trainees who were then placed in jobs at our plants in Montechiarugolo and Collecchio during the tomato campaign. In particular, together with Associazione Next we reached out to **UNHCR** (United Nations High Commissioner for Refugees, a United Nations agency), hiring asylum seekers and refugees at our plants. In recognition of this commitment, for the second year in a row, we received the **Welcome 2022 Award** for having placed **13 refugees** in jobs during the year. Our goal is to continue this initiative in the years ahead, helping more and more groups of people who face barriers to employment. For years we have partnered with **Banco Alimentare Onlus** and **Emporio Solidale Parma**, donating our products to the needy. And we have also started collaborating with **Too good to go** to help cultivate a culture that prevents waste. Since 2017, our CEO has also been President of **Centromarca**.

Industry and markets

We work to enhance the tomato sector and create a system of transparent, fair and balanced relationships that will continue to grow for **institutions** and the country.

Our focus on the supply chain

Partnership, the relationship model along the supply chain

Our supply chain is made up of consolidated, long-standing relationships with our tomato suppliers based on mutual trust and respect. We have worked with a large number of farmers continuously for many years but without ever requiring that they supply exclusively to us. Because the success of a harvest is vulnerable to unpredictable weather conditions, we strive to balance and mitigate the procurement risks inherent to our business by relying on a vast network of farmers (around 800 in 2022) from whom we purchase our raw material.

The fields where the tomatoes we process grow are close enough to our plants that our entire production cycle can be governed by the “law of freshness”, which respects the rhythms of nature and preserves the natural properties of the tomatoes.

We use our **Product Specifications** to establish the requirements and characteristics of the product and the technical-agronomic aspects that tomato suppliers must respect, in addition to current legislation on integrated production.





The Mutti Pomodorino d'Oro award

Launched in 2000, Pomodorino d'Oro is a financial award that we give our best farmers each year to recognise the quality of the tomatoes they grow: 100% Italian products, lovingly looked after from seed to fruit.

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

Over the past 20 years, we've awarded over 800 farmers (more than 60 in 2022 alone) with an amount to be invested in improving their operations. In this way, we've created a virtuous circle which ultimately ensures that we bring our consumers a product with superior quality and unique flavour.

In 2022, the Mutti Group awarded €375,000, slightly more than in 2021, distributed among the winning suppliers of the three Mutti plants: two in the Province of Parma where round tomatoes are processed and one in Oliveto Citra (SA) where the southern Italian specialities are made. This is part of the €7 million (an absolute record) in incentives that the Group provided to its farmers in 2022 to reward a superior raw material, and this amount is on top of the premium price we pay for our quality tomatoes. This is how we generate a premium over the average market price, which in 2022 was 11.5%. These incentives allow our farmers to reinvest so they can innovate their businesses and aim for even loftier goals. These are important numbers that underscore the attention the Group focuses on its farmers, capable of continuously innovating and improving.

In addition to requiring the necessary compliance with quality and technical-agronomic standards, although we do not have direct control over our tomato suppliers, we endeavour to encourage good **social and environmental practices** as much as possible. In particular, when entering into contracts with them, we require our suppliers to adhere to the principles of the SA8000 standard. From the standpoint of human and workers' rights, it is important to us that our farmers uphold the principles at the core of our way of doing business:

1. to not use forced or compulsory labour;
2. to protect freedom of association and trade union representation;
3. to ensure a safe and healthy workplace;
4. to not use child labour;
5. to ensure fair remuneration for work in accordance with the national collective bargaining agreement;
6. to align working hours with the applicable laws and national and local agreements;
7. to not engage in any kind of discrimination in the workplace;
8. to respect the right to collective bargaining and ensure compliant employment conditions;
9. to treat all employees with dignity and respect by properly managing disciplinary procedures.

According to a number of surveys³ conducted in the Italian tomato chain, risks are frequently identified in connection with work conditions, both in terms of exploitation and violations of human rights. Research has shown that these issues of worker exploitation share at least three common elements:

- availability of vulnerable workers;
- significant need for seasonal labourers;
- weak controls by the authorities.

To prevent any kind of worker exploitation in the tomato chain, Mutti has adopted specific policies:

- a contractual commitment to have 100% of the tomato harvest performed mechanically, therefore reducing the need for less skilled seasonal workers in both northern and southern Italy;
- full transparency and visibility across the entire chain, including: producer organisations, cooperatives, farms and fields. This transparency is confirmed by our tomato traceability certification (ISO 22005);
- implementation of the Code of Ethics and Legislative Decree 231 on the liability of legal entities; agreement of shared rules with suppliers and an arbitration process to ensure fair and just practices within the supply chain;
- premium price paid for the tomatoes. Mutti pays a premium on the market price, rewarding farmers for higher quality tomatoes.

As a result of the above, in southern Italy, the most critical region, Mutti assesses the working conditions of 100% of its farmers through various means: membership in the Rete Lavoro Agricolo di Qualità (quality farm work network), GRASP module of the Global Gap certification and ethics compliance audits at farmers' premises. Specifically, more than 95% of the volumes supplied are certified with the Global Gap GRASP module.

Mutti promotes membership in the quality farm work network in northern Italy as well. One example of its efforts is the event organised in January 2022 with representatives of the agricultural sector and trade associations, with the aim of promoting and publicising the importance of ethics for our supply chain.



³ OXFAM-Terra! case study "Sfruttati. Povertà e disuguaglianza nelle filiere agricole in Italia"; Ethical Trading Initiative "Due diligence in agricultural supply chains: Counteracting exploitation of migrant workers in Italian tomato production"

Experimental No Trace of Pesticide Integrated Production Project

The no trace of pesticide integrated production project is an advancement in the integrated production that promotes the sustainable use of pesticides.

With our No Trace of Pesticide project, we make full use of the findings of scientific research and technical assistance in the field of integrated production to offer a product with traces of pesticide that are not only well within the safety threshold but even below the limit of detection, which the law sets at 0.01 mg/kg.

The integrated production at the heart of this project is **intended to mitigate impacts on the environment and the health of farmers.**

The purpose of the rules set out in the farming protocol is to minimise the use of pesticides and fertilizers, proposing and developing agronomic techniques that we now call **science-based solutions**, such as crop rotation, making the best use of the organic matter in the soil and monitoring diseases.

The experimental **No Trace of Pesticide** project was kicked off in 2019 with the first testing of the Mutti No Trace of Pesticide Production farming protocol for informational purposes. It enabled us to produce over 12,000,000 kg of raw material in accordance with this new standard at pilot companies scattered across the various farming areas of northern Italy. **In 2022, 670 farmers with at least one plot in northern Italy participated in this project (93% of the Montechiarugolo and Collecchio farmers) and 201 in southern Italy (100% of the Oliveto Citra farmers).**

In 2022, 1,396 plots were monitored in 2022 (compared to 479 in 2020 and 1,202 in 2021) for the three plants. Over 4,000 analytical calculations on the raw material alone were performed in the field and at tomato intake.

Based on the tests conducted, the volumes of raw material with traces of pesticide under the limit of detectability went from 250,000,000 kg in 2021 to 347,800,000 in 2022 in northern Italy, respectively accounting for 62% and 72% of the product supplied by the farmers participating in this project. Over 22,000,000 kg of tomatoes with no trace of pesticide were produced at the Oliveto Citra plant.

With the support of DNV, we have certified progressively larger production quantities, with outstanding results in 2022. According to our analyses of the finished product, 98% of finely chopped tomatoes, 97% of purée, 95% of double paste and 94% of triple paste met this standard.

We believe that this is another step forward in the sustainable use of the unavoidable natural or synthetic substances used to contain disease and parasites. It will also be our responsibility to explore aspects with a lower environmental impact in the integrated tomato production model, searching for active ingredients that are more biodegradable and therefore leave fewer traces in the environment.

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

Pomodoro.net is an information system that acts as an “agronomic compass” for farmers. In other words, it suggests ways to manage adversities or what farming practices to use based on climactic trends recorded by weather stations and other parameters recorded by the user. For example, it assesses the risk of disease so farmers can optimise the use of agropharmaceuticals. It also suggests when and how to irrigate to save water and improve the quality and quantity of the harvest.

This tool gives farmers access to the most advanced agronomic practices while improving efficiency and safeguarding the environment.



Certifications

Ensuring that our customers enjoy the highest standards of innovation and safety is a priority for us, and this is why we have always implemented additional measures so our products are of the highest quality.

The main certifications awarded to the company and its products guarantee Mutti's commitment to nature and the land:



- Integrated production certification in accordance with the **UNI 11233** standard as a strategy to promote good farming practices in terms of the use of pesticides, fertilisers and water for irrigation, drawing on the best solutions offered by modern science;
- Supply chain traceability certification in accordance with the international **ISO 22005** standard for total transparency of the supply chain of only 100% Italian tomatoes grown on a network of plots chosen by producers specially selected according to stringent quality and reliability standards;
- Certification in accordance with the international **BRC** and **IFS** standards (since 2016) guaranteeing legal and safe food practices throughout the entire production process;
- Corporate social responsibility with workers in accordance with the **SA8000** standard, guaranteeing fair treatment and respect for human rights in addition to compliance with all relevant legislation;
- **ISO 14001** certification, which sets the requirements for establishing and implementing an environmental management system;
- **ISO 45001** certification, which specifies the requirements for an occupational health and safety system;
- An **FSSC 22000** certification system, which focuses on improving food safety for manufacturing organisations in the sector.

3. Mutti's approach to Environmental Sustainability

Over the years, we have undertaken several distinctive projects, including the experimental **No Trace of Pesticide Integrated Production** project, the monitoring of **water consumption** across the supply chain, which began in 2010 in collaboration with WWF Italy, **reforestation projects** like the Mille Querce campaign as part of the KilometroVerdeParma initiative and, last but not least, the installation of **photovoltaic systems** at our production plants.

In addition, for 2022-2024, we have planned investments of €1.5 million entirely dedicated to starting environmental projects.

We have also consolidated several partnerships over time, such as our participation in the **Regenerative Society Foundation**, **CO2alizione** and the Sustainable Development Foundation, recognising the value of a collective commitment to meet the challenges of more sustainable development.

2022 was a year of consolidation within this process: we published our second Environmental Sustainability Report, continuing and significantly building upon our environmental performance and initiatives, and even analysing the section on our actions and policies with respect to the supply chain.

Based on the results that we have already achieved and in line with our vision of sustainable business, we have decided to make our commitment to sustainability even more transparent and well-structured, considering the impacts along the value chain and identifying actions to continuously improve our sustainability performance through the **definition and implementation of our Green Strategy⁴**.

Crafting an environmental strategy has been a key step forward in our sustainability journey, which entails ongoing progress with a long-term view. As time goes by we will further improve our performance through actions that are increasingly apt and effective, adjusting our commitments to meet the needs of the Group's internal and external context and considering our stakeholders' expectations.



⁴Mutti's Green Strategy was approved in May 2023.

The Green Strategy

In the development of our **Green Strategy**, we considered the **European and international legislative and policy context**, always in the context of the European Green Deal and drawing inspiration from the “**Farm to Fork**” strategy promoted by the European Commission, which aims to steer the ecological transition towards a sustainable food system with a low environmental impact in order to protect the ecosystem, while combating climate change.

Our Green Strategy involves all stages of the production chain and is therefore divided into the following **four action areas**:

- **cultivation and regeneration**: this includes the production of tomato plants in nurseries, transplanting plants in the field, treatment activities during cultivation, the production and use of pesticides, fertilisers and other soil conditioners, tomato harvesting and biodiversity protection activities;
- **processing**: this includes tomato sorting, washing and the pulping process (peeling and cold dicing) for diced tomatoes, and sieving, filtering and concentration for purée and paste, followed by pasteurisation and packaging;
- **transport and distribution**: this refers to the transport of the tomatoes from the fields to the processing plants and the distribution of the finished product by road, sea, rail and intermodal transport;
- **packaging production and end-of-life**: this is the production of the packaging used (glass, boxes, tins, drums, cardboard boxes, etc.), its transport to the processing plant and its end-of-life (landfill, incineration or recycling).

The Green Strategy is implemented through these four areas of the value chain, in accordance with our **strategic objectives**:

- protection and promotion of **biodiversity**, to protect the land and ecosystems;
- calculation and reduction of the carbon footprint, to contribute to mitigating the effects of **climate change**;
- promotion of the **circular economy**, to optimise resource consumption, reducing waste;
- protection and management of **water resources**, with a focus on reducing the footprint through efficient water management and facilitating water reuse.



Mutti's environmental performance

We strive to minimise our environmental impact throughout our products' life cycle and we try to take an increasingly responsible and knowledgeable approach to the use of natural resources.

In 2022, we consolidated the monitoring of our environmental performance as we created an even more comprehensive picture of our impacts on the environment and its resources. Starting from this picture, we decided to structure a path of improvement with a strategy whose main objective is to increasingly mitigate our environmental impact.

The performance we describe below is therefore the result of our work up to 2022, and was the starting point for the creation of our environmental strategy, the **Green Strategy**.



Energy consumption and emissions

Our products have an intrinsic energy component, due to the consumption associated with the concentration and pasteurisation processes, which are typical of preserving tomatoes. This is why we are so focused on continuously monitoring energy consumption and improving energy efficiency. We first partnered with WWF Italy in 2010 and it was as early as 2010 that we started calculating the carbon footprint of our production operations, adopting the GHG Protocol. Over the years, monitoring our emissions, we have been able to achieve significant reductions, thanks to optimisation measures like the use of renewable energy and the installation of mechanical vapour recompression (MVR) falling film evaporators, which are considerably more efficient than traditional evaporators.

More specifically, economizers have been installed at the **Montechiarugolo plant**, some for recovering energy from the exhaust of the boilers and, in 2020, another for reusing the energy in the steam generated from the concentration of tomatoes. In particular, the condensed steam, i.e., water that is still hot, is used to heat the tomatoes entering the plants. In 2020, a cogeneration system powered by natural gas and used to self-produce energy was installed at the plant. The benefits of the cogenerator are further enhanced by the economizers, which recover hot water that can be used to heat both the tomatoes before processing and the water that feeds the thermal power plants.

Equipped with a photovoltaic system in 2011, the **Collecchio site** has undergone energy efficiency projects in recent years, including the replacement of the existing lights and transformers with more efficient models. In addition, an MVR falling film evaporator was installed in 2022. Powered by electricity, it has led to a sharp reduction in CO₂ emissions.

The **Oliveto Citra plant** has also undertaken several initiatives, including, again in 2016, the installation of an MVR evaporator. In addition, LED lighting fixtures were installed between 2018 and 2020, and energy efficiency was further optimised with the elimination of a passage from the evaporator during the reprocessing of tomato purée from the vat to the bottle, therefore saving electricity and natural gas. Most recently, **a new photovoltaic system** was installed at the Fiordagosto plant in 2022, and began operating in July.

With new energy efficiency initiatives at the three plants and the drafting of the Green Strategy, we decided to structure our **environmental governance** even more by bringing qualified professionals on board and reorganising roles and responsibilities. This new organisation will help us achieve our ambitious sustainability goals for the future.

Looking at our performance in 2022, we see a significant decrease in the amount of electricity purchased, with a corresponding increase in self-generated electricity. In particular, 22,733 GJ of the energy produced by the Montechiarugolo plant's cogenerator was self-consumed in 2022, up 22% on 2021 (18,701 GJ), decreasing the need to purchase electricity from outside sources. Furthermore, in July 2022, our third photovoltaic system at Oliveto Citra began operating, increasing the share of self-produced and consumed energy from renewable sources.

The reduction in total energy consumption (absolute value) between 2022 and 2021 was mainly due to the smaller volumes processed. Indeed, the ratio between consumption and the finished and semi-finished product or the raw material shows a more moderate decrease.

However, in addition to the lower energy consumed, the improvement in 2022 is also partly due to the new evaporator at the Collecchio plant and the greater yield of the Montechiarugolo cogeneration plant, which together increased energy efficiency.

Overall, compared to 2021, the Group recorded a reduction of about 5% in energy consumption relating to finished and semi-finished product⁶.



Energy consumption	unit	2020	2021	2022
Total combustible fuel energy consumption	GJ	658,728	766,418	661,060
Natural gas	GJ	657,477	764,959	659,774
Diesel fuel*	GJ	1,251	1,459	1,286
Total electricity consumption	GJ	133,542	129,277	125,237
Purchased electricity**	GJ	128,631	123,649	118,930
Self-produced and consumed photovoltaic electricity ⁵	GJ	4,911	5,628	6,307
Photovoltaic electricity sold	GJ	348	559	410
Total energy consumption	GJ	792,270	895,695	786,297

* Diesel consumption does not include the company car fleet, whose environmental impact is immaterial due to the small number of vehicles.
** All purchased electricity is from non-renewable sources.

Plant	KPI	unit.	2020	2021	2022
Montechiarugolo	Total energy consumption / finished + semi-finished product	GJ/tonnes	2.47	1.62	1.63
Collecchio	Total energy consumption / finished + semi-finished product	GJ/tonnes	2.61	2.24	1.92
Fiordagosto	Total energy consumption / finished + semi-finished product	GJ/tonnes	1.90	1.85	1.92
Group	Total energy consumption / finished + semi-finished product	GJ/tonnes	2.45	1.87	1.78

⁵ The three-year data on self-produced and consumed photovoltaic energy have been restated following an improvement in the reporting process for comparability purposes. Please refer to the 2021 Environmental Sustainability Report published in the Sustainability section of <https://multi-parma.com/it/> for the previously published data.
⁶ The 2021 figures have been restated following an improvement in the reporting process for comparability purposes. Please refer to the 2021 Environmental Sustainability Report published in the Sustainability section of <https://multi-parma.com/it/> for the previously published data.

Plant	KPI	unit	2020	2021	2022
Montechiarugolo	Total energy consumption / raw material	GJ/tonnes	1.29	1.19	1.19
Collecchio	Total energy consumption / raw material	GJ/tonnes	1.58	1.41	1.36
Fiordagosto	Total energy consumption / raw material	GJ/tonnes	1.65	1.51	1.68
Group	Total energy consumption / raw material	GJ/tonnes	1.44	1.31	1.31

Fiordagosto was the only plant showing an increase in specific consumption. The consumption of natural gas and electricity was in line with the previous year, but the lower production efficiency meant there was a slight increase in the plant-specific indicator, both in terms of energy and CO₂e emissions.

In 2022, 34 kg of refrigerant gases (R410A and R507) were refilled due to normal plant maintenance, resulting in emissions of 122 tonnes of CO₂.



Refrigerant gases	unit	2020	2021	2022
R449A	Kg	0	108.00	0
R507	Kg	0	0	27.00
R410A	Kg	78.50	10.00	7.00
R407C	Kg	1.00	0	0
R452A	Kg	15.00	0	0
R134A	Kg	0	4.00	0
R-4222D	Kg	0	0	0
Total refrigerant gas leaks	Kg	94.50	122.00	134.00

These are, therefore, the Group’s total Scope 1 and Scope 2 emissions:

CO ₂ e emissions	unit	2020	2021 ⁷	2022
Direct emissions (Scope 1)				
Natural gas	CO ₂ e tonnes	38,031	44,342	38,531
Diesel fuel	CO ₂ e tonnes	93	109	95
Refrigerant gas leaks	CO ₂ e tonnes	198	177	122
Indirect emissions (Scope 2)				
Electricity purchased from non-renewable sources (location based)	CO ₂ e tonnes	9,862	8,923	8,583
Electricity purchased from non-renewable sources (market based)	CO ₂ e tonnes	16,651	15,765	15,098
Total CO₂e emissions (location based)	CO₂e tonnes	48,284	53,552	47,331
Total CO₂e emissions (market based)	CO₂e tonnes	54,973	60,394	53,846

Note: the methodology used to calculate Scope 1 emissions entails the use of the emission factors published in 2022 by ISPRA for combustible fuels and the use of the emission factors published in 2022 by the UK Government – GHG Conversion Factors for Company Reporting for refrigerant gases. Both calculation methodologies were used to calculate Scope 2 emissions, in line with the GRI Sustainability Reporting Standards. The market-based emissions are based on the CO₂ emissions of the energy suppliers from which the organisation purchases electricity under a contract and may be calculated considering: Guarantees of Origin and direct contracts with suppliers, the suppliers’ specific emission factors, residual mix emission factors (the energy and emissions that are not monitored or tracked) (source: AIB - European Residual Mixes 2021 (Ver. 1.0, 2021-05-31). The location-based method considers the average emission factors for the generation of energy within well-defined geographical areas, including local, sub-national or national borders (source: ISPRA - Atmospheric GHG emission factors in Italy’s national electricity sector and in the main European countries (2022).

The decrease in consumption is reflected in a consequent decrease in CO₂e emissions, especially direct Scope 1 emissions. Indirect Scope 2 emissions, i.e. electricity, show a downwards trend over the three-year period, thanks to the greater consumption of self-generated photovoltaic and cogeneration electricity. If, as with energy consumption, we consider the ratio of emissions to finished and semi-finished product or raw material, we see that the ratio is stable between 2021 and 2022 (0.11 for both years considering finished and semi-finished product, and 0.08 in both years considering the raw material). This shows how the reduction in emissions is largely explained by the reduction in the group’s production.

⁷ The 2021 figures for total Scope 1 emissions have been restated following an improvement in the reporting process for comparability purposes. Please refer to the 2021 Environmental Sustainability Report published in the Sustainability section of <https://mutti-parma.com/it/> for the previously published data.

Water withdrawals and discharges

We understand that water is an asset we all share and a resource to be protected as it is limited. Thanks to the long-standing partnership with WWF Italy, which has been active for over a decade, and through the monitoring of our water footprint, we were one of the first in our industry to have calculated, starting in 2010, how much water is used in our chain to reduce our water footprint, from tomato growing to the finished product. This partnership is ongoing and encourages us, year after year, to develop new projects to reduce our water footprint. The water footprint analysis entails analysing the stages of the chain that are the most significant for us: tomato growing and processing in our production lines.

At our production plants, water is used during tomato processing, for transport and washing and to cool the equipment. The water we use is taken mainly from wells and, once used, is purified and returned to the water grid once clean.

At all plants, we strive to **reuse** water several times before it is released into the surface network, so that less and less water is withdrawn. Confirming our commitment to managing water responsibly, today about 20% of the purified water (100 m3/h) at the Montechiarugolo plant is reused for plant operations like transporting tomato waste. In order to continuously improve water management, we are currently working to kick off a project for the improvement of the purification plant. Work was carried out in recent years to reduce water consumption during the tomato campaign at the Collecchio plant as well: a tomato peeling plant was eliminated and the use of water to convey discarded tomatoes was optimised, going from the use of well water to the use of purified water. Moreover, at the Fiordagosto plant, in 2019 and 2020, work was carried out to recirculate water in the peeling room, involving the reuse of water that had previously been sent directly to the purifiers,

with a consequent reduction in consumption. Most of the water used is withdrawn from wells (1,754.69 ML), while water from the public aqueduct has a marginal impact (51.92 ML). In 2022, there was a 12% decrease in water withdrawals compared to the previous year, which was also perfectly in line with the decrease in finished and semi-finished product or the raw material.



Water withdrawal by source	unit	2020		2021		2022	
		From all areas	From water stressed areas	From all areas	From water stressed areas	From all areas	From water stressed areas
Groundwater (irrigation wells)							
of which freshwater (≤1,000 mg/l total dissolved solids)	ML	1,570.98	0	2,000.73	107.00	1,754.69	104.80
of which other types of water (>1,000 mg/l total dissolved solids)	ML	0	0	0	0	0	0
Rete idrica							
of which freshwater (≤1,000 mg/l total dissolved solids)	ML	160.52	124.51	63.86	29.63	51.92	30.23
of which other types of water (>1,000 mg/l total dissolved solids)	ML	0	0	0	0	0	0
Totale		1,731.51	124.51	2,064.59	136.63	1,806.61	135.04

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

Water discharges by destination	unit	2020		2021		2022	
		From all areas	From water stressed areas	From all areas	From water stressed areas	From all areas	From water stressed areas
Surface waters							
of which freshwater (≤1,000 mg/l total dissolved solids)	ML	1,862.25	140.62	2,126.77	157.54	1,673.23	152.13
of which other types of water (>1,000 mg/l total dissolved solids)	ML	0	0	0	0	0	0
Total		1,862.25	140.62	2,126.77	157.54	1,673.23	152.13

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

The energy consumption KPIs highlight how the ratio of water withdrawals to the finished and semi-finished product presents a downwards trend of 5% compared to 2021⁸, whereas the ratio of water withdrawals to the raw material is stable. Similarly, the water discharge ratios decreased by 15% and 10% respectively.

⁸ The 2021 figures have been restated following an improvement in the reporting process for comparability purposes. Please refer to the 2021 Environmental Sustainability Report published in the Sustainability section of <https://mutti-parma.com/it/> for the previously published data.

Plant	KPI	unit	2020	2021	2022
Montechiarugolo	Water withdrawals / finished + semi-finished product	m³/tonnes	5.60	3.56	3.99
Collecchio	Water withdrawals / finished + semi-finished product	m³/tonnes	5.96	5.96	4.62
Fiordagosto	Water withdrawals / finished + semi-finished product	m³/tonnes	2.79	2.52	2.66
Group	Water withdrawals / finished + semi-finished product	m³/tonnes	5.36	4.31	4.08

Plant	KPI	unit	2020	2021	2022
Montechiarugolo	Water discharges / finished + semi-finished product	m³/tonnes	5.02	3.19	3.59
Collecchio	Water discharges / finished + semi-finished product	m³/tonnes	7.53	6.74	4.26
Fiordagosto	Water discharges / finished + semi-finished product	m³/tonnes	3.15	2.91	2.99
Group	Water discharges / finished + semi-finished product	m³/tonnes	5.76	4.44	3.78

Plant	KPI	unit	2020	2021	2022
Montechiarugolo	Water withdrawal / raw material	m³/tonnes	2.92	2.61	2.91
Collecchio	Water withdrawal / raw material	m³/tonnes	3.60	3.76	3.28
Fiordagosto	Water withdrawal / raw material	m³/tonnes	2.43	2.05	2.32
Group	Water withdrawal / raw material	m³/tonnes	3.14	3.01	3.00

Plant	KPI	unit	2020	2021	2022
Montechiarugolo	Water discharges / raw material	m³/tonnes	2.62	2.34	2.62
Collecchio	Water discharges / raw material	m³/tonnes	4.55	4.26	3.03
Fiordagosto	Water discharges / raw material	m³/tonnes	2.74	2.37	2.61
Group	Water discharges / raw material	m³/tonnes	3.38	3.10	2.78

As with energy, Fiordagosto’s water consumption, while down in absolute terms, presents a slightly worsened ratio.

Waste management

Our production plants are committed to constantly reducing the amount of waste produced and to directing most of it, where feasible, to recovery or recycling operations, in accordance with current regulations and with the aim of protecting the environment.

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

Of all waste produced, only 0.15% is hazardous waste, showing an increase on the previous year due to extraordinary maintenance at the Montechiarugolo plant.

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

Waste generated by type and disposal method	unit	2020	2021	2022
Total waste generated	tonnes	10,205	15,522	15,770
Non-Hazardous	tonnes	10,196	15,502	15,746
Hazardous	tonnes	9	20	24
of which directed to disposal/treatment	tonnes	1,128	1,183	1,335
Non-Hazardous	tonnes	1,127	1,181	1,334
Hazardous	tonnes	1	2	1
of which directed to recovery/recycling	tonnes	9,077	14,339	14,435
Non-Hazardous	tonnes	9,069	14,321	14,412
Hazardous	tonnes	8	14	23
of which directed to landfill	tonnes	0	0	0
Non-Hazardous	tonnes	0	0	0
Hazardous	tonnes	0	0	0

The information in the table refers to the parent company Mutti S.p.A. and the production company Fiordagosto S.r.l.

In particular, we maintained the same level of **recovered and recycled waste out of total waste produced (92%)** as last year.

Moreover, the production process generates by-products like peels, seeds and unsuitable tomatoes, which are completely reused as part of a circular approach. In 2022, 50% was used for biogas production and 50% for animal feed.

By-products by type of reuse	unit	2020	2021	2022
Total by-products	tonnes	17,233	24,355	23,204
Biogas production	tonnes	7,210	9,246	11,620
Animal feed	tonnes	10,013	15,109	11,584

The protection and promotion of biodiversity, to protect the land and ecosystems, form an integral part of our environmental strategy.

We launched a renaturalisation initiative called Mille Querce – One Thousand Oaks – in 2020. To date, 1,100 trees have been planted as part of this project, including 130 oaks, over 50,000 square metres in state-owned zones in the municipalities of Montechiarugolo, Traversetolo and Sissa Tre Casali.

In addition, as part of our Green Strategy, we plan to develop a **long-term ecosystem restoration and redevelopment program**, with incentives for projects to rebuild habitats and preserve biodiversity. This program will consist of three different types of action:

- ecological redevelopment projects in areas owned by Mutti near our plants;
- ecological redevelopment projects in state-owned areas in areas of interest to the Company;
- support for ecological redevelopment projects by public and private entities.

The next initiative targets the property in Montechiarugolo (Parma). The aim of the project will be to create an area of high ecological quality with significant environmental diversity. Specific attention will be devoted to recreating suitable ecological conditions for species of fauna that are typical of currently rare or threatened agro-ecosystems in Italy. This is why the project entails the creation of both meadowland ecosystems and woodland and forest habitats, which once dominated the plains landscape and are now extremely rare as the land has been significantly anthropized.

The first step of the project was building a home for swallows.

In 2023, a large piece of farmland spanning about 15 hectares will undergo agroecological redevelopment to render it arable. Located immediately to the east of the plant, it will be planted with more than 1,100 trees and over 6,500 shrubs and sprouting stumps.



A home for swallows

This project was carried out in 2022 with the construction of a small building near the Montechiarugolo plant, designed as a **nesting place for swallows and house martins**, which are protected species. Over time it has become a haven for many other animal species as well. Built of wood, it has a pitched roof and attic in which 16 artificial nests were installed. The artificial nests for the house martins were arranged on the wall facing south, while those for swallows were placed inside the structure, along the rafters. On the north wall there are special boxes for bats to rest and hives for solitary bees. **Wildlife shelters** for animals like toads, hedgehogs and lizards, have been created all around the area. Animals may even use the attic, and on the east wall, access has been created for nocturnal birds of prey, while on the west wall, there are slits where bats may enter and find shelter for the winter. The **natural habitat in the surrounding areas** was also **restored** by planting 572 native shrubs. From a strictly ecological standpoint, the hedges protect the soil from erosion and provide shade on sunny days during the summer as well as protection from the intense cold of continental winters. They also offer shelter and food supplies for birds and small animals in general, and are a haven for beneficial organisms, which prey on many insects that infest crops. The purpose of planting shrubs and bushes was to attract birds, hedgehogs, lizards and other small animal species that once populated the countryside in large numbers. The ultimate goal stems from our desire to recreate a safe shelter for local animal species. We hope to make a place of preservation and shelter for wild species, where biodiversity can take root and then spread to the surrounding areas.



Although logistics are not completely under our direct control because we do not have our own transport fleet and because about half of the warehouses in our logistics network are managed by third-party operators, we are aware that the transport sector also has a very large impact on CO₂e emissions, so we carefully monitor how our finished products are transported.

Our main distribution warehouses are located at an average distance of about 10 km from our production plants and this allows us to considerably limit the environmental impacts generated in the warehousing process.

Our products are moved from the warehouses only after they are sold, which means we do not introduce extra goods into the logistics flow.

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

In recent years we have managed to limit the distance travelled by road per tonne of product shipped by using intermodal routes (road/rail, road/water), which have also been introduced in Poland, Belgium, Luxembourg and the Netherlands. The benefits of this solution can also be seen in terms of an increase in the capacity of transported goods: in the same number of trips, a train carries four or five tonnes more products than a lorry. In addition, in 2022 we started using a new rail route connecting the Parma intermodal terminal to the South of France and converted distribution in Poland with 100% of volumes now transported by rail.

In 2022, a project was kicked off to **accurately monitor logistics data in a structured manner**, a process we will perfect over time, given the difficulties created by the fact that we use different logistics providers with different tracking methods. This project will give us a complete understanding of the impacts and enable us to set effective objectives that make a difference.



The continuous improvement of the efficiency of shipping methods for our products will go hand in hand with a very important objective that we have set for the near future – **the optimisation of loads** by filling vehicles to capacity.

With an eye on the future, in addition to optimising full loads on distribution vehicles as mentioned earlier, we are analysing possible areas for improvement, such as:

- a project involving the electrification of road transport, which it may be necessary to implement on the last mile only;
- the use of renewable sources for long-haul road transport using Bio-LNG vehicles;
- the development of an information base for the calculation of emissions, which will be continuously updated.

In addition to transport-related initiatives, during the year, we developed a project to reduce CO₂e emissions through a pallet pooling project developed with **Nolpal**. We won the 2022 logistics award in the Circular Economy category from Assologistica for our tomato hub project named L'Hub del pomodoro. Unlike a traditional pallet exchange process between supply chain operators, this pooling project creates greater efficiency in the management of the used pallets because it avoids empty trips, with Nolpal retrieving the pallets directly and taking them to its site for the selection of pallets that are still suitable and delivery to the plant. This reduces the flow of vehicles and, consequently, the amount of CO₂ emitted into the atmosphere (the provider estimated savings of around 25 tonnes in 2022 thanks to approximately 22,000 fewer kilometres travelled).

Over the years, we have become increasingly committed to creating incentives for circular economy initiatives. This has put us at the forefront of promoting **sustainable packaging**, i.e. packaging that is:

- completely or easily recyclable;
- made of recycled materials where possible;
- produced from sustainable raw material sources (e.g. paper from responsibly managed forests);
- compostable, provided that the materials are compatible with the Company’s production processes, which involve temperatures and humidity levels that are high for currently available compostable packaging;
- plastic-free, where possible considering the available alternative materials.

Metal packaging - such as tins and tubes - and **glass** packaging are made of materials that can be recycled almost eternally as long as they are sorted.

The amount of **plastic** used in primary and secondary packaging is modest and represents a very small part (a few percentage points) of all packaging used. We are considering alternative solutions for the small number of plastic packages or those with plastic components that we currently use (caps, labels and soup containers). We are also trying to reduce the amount of plastic used wherever possible. In this respect, in 2022 we began using NOPP (Natural Oriented PolyPropylene) film labels, which are 100% recyclable and made from 79% ISCC-certified renewable material, derived from plant-based organic raw materials (mass balance method). In the same vein, although our fresh soup containers are made of plastic, the plastic we use is 75% ISCC-certified bio-based organic plastic (mass balance method), obtained from the recovery of plant residue. As we look to the future, we have set a target of switching all the trays that hold our tubes of tomato paste from PET to REPET plastic (100% recycled plastic) by 2023.



Other sustainable procurement

Our commitment to making responsible procurement choices for our packaging materials also extends to other types of purchases, for which we are increasingly focused on sustainability.

When choosing office stationery products, since 2023, we are prioritising the purchase of products made from recycled materials that meet the following criteria:

- they are made of at least 50% recycled and/or recyclable material;
- if they are paper products, they are composed of at least 50% certified paper from responsibly managed forests and/or unbleached and chlorine-free;
- inks that are soy-based or other inks containing a minimal amount of volatile organic compounds.

We are also considering adopting on a preferential basis, for the cleaning of our plants, products with type 1 eco-labels according to the international ISO 14024 standard (Ecolabel, Blauer Engel, White Swan or other equivalent certificates).

Furthermore, our long-term car rental policy for employees is to use cars with a CO₂ emission threshold of less than 150g/km and to choose predominantly hybrid and/or electric models.



Appendix

Methodological Note

This is the third edition of the Mutti Group’s Environmental Sustainability Report (the “Report”) prepared on a voluntary basis. The purpose of this document is to report and disseminate our environmental sustainability performance for 2022 (1 January to 31 December).

The Environmental Sustainability Report was prepared by reporting on a selection of the “GRI Sustainability Reporting Standards” (GRI Referenced option) published by the Global Reporting Initiative (GRI), as indicated in the “GRI Content Index”.

Unless otherwise specified, the reporting boundary for the data and information contained in the Report refers to the parent company Mutti S.p.A. and to the production company Fiodagosto S.r.l.: The reporting boundary does not include the data and information of the Red Store warehouse located in Montechiarugolo.

To provide a complete and comprehensive view of the Group’s performance, where possible, the published data are presented comparatively, showing the Group’s performance in 2020 and 2021.

The content of this Report has not been subject to external assurance and is published on the Group’s website <https://mutti-parma.com/it/>

If you would like any information or have a question regarding the Environmental Sustainability Report, please write to sustainability@muttispa.it

GRI Content Index

Statement of use	The Mutti S.P.A Group has reported the information in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.	
Standard used: GRI 1	GRI 1 - Foundation 2021	
GRI standard	Disclosure	Location
GRI 2: General Disclosures (2021)	2-1 – Organisational details 2-2 – Entities included in the organisation’s sustainability reporting 2-3 – Reporting period, frequency and contact point 2-4 – Restatements of information 2-5 – External assurance 2-22 – Statement on sustainable development strategy	
GRI 302: Energy (2016)	302-1 – Energy consumption within the organisation	
GRI 303: Water and effluents (2018)	303-1 – Interaction with water as a shared resource 303-2 – Management of water discharge-related impacts 303-3 – Water withdrawal 303-4 – Water discharge	
GRI 305: Emissions (2016)	305-1 – Direct (Scope 1) GHG emissions 305-2 – Energy indirect (Scope 2) GHG emissions	
GRI 306: Waste (2020)	306-1 – Waste generation and significant waste-related impacts 306-2 – Management of significant waste-related impacts 306-3 – Waste generated	



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