

MARR
Consolidated Non-Financial Statement
as at 31 December 2019
in accordance with Legislative Decree 254/2016

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Methodological Note

MARR's Consolidated Non-Financial Statement has been drawn up pursuant to Legislative Decree no. 254 of 30 December 2016, taking as reference the "Sustainability Reporting Standards" published in October 2016 by the GRI (Global Reporting Initiative) and adopting the "GRI-Referenced" approach. The list of the selected indicators is given in the annex of this document, in the "Table of relationship with Legislative Decree 254/16". In accordance with the GRI standards, the Statement contains information relative to the aspects that are deemed material and which indicates the impacts that have significance for the Organisation from the economic, environmental and social viewpoints and which can substantially influence the stakeholders' assessments and decisions.

The data and information acquisition process, for the drafting of this Statement, was managed in collaboration with the various Company departments, in order to clearly and precisely communicate the information deemed significant for the stakeholders according to the principles of balance, comparability, accuracy, timeliness, clarity and reliability expressed by the GRI standards. The process involved the preparation of a Reporting Package containing the disclosure elements identified, together with the Key Users, within the Group. The information acquired has been checked and consolidated by the Head Office, specifically by the department responsible.

Unless otherwise stated, the figures and information in this Declaration refer to the MARR Group, this being considered as all of the operating companies entirely consolidated within the scope of the Annual Financial Report as at 31 December 2019. Marr Foodservice Iberica, a non-operational company, Si'Frutta S.r.l. and Jolanda de Colò S.p.A., non-consolidated associated companies, are excluded from the scope of consolidation.

Lastly, it should be noted that, as all of the companies operate in the distribution of food products to operators in out of home catering, the risks and opportunities with regard to the activities of MARR S.p.A. are the same as those for the entire Group.

For the assessment of the trend of the Group's activities and for purposes of comparison, the data relative to the 2019 financial period also show the data relative to the previous two financial periods.

Lastly, any estimates used for the quantitative information represented in this document have been opportunely pointed out in the various chapters.

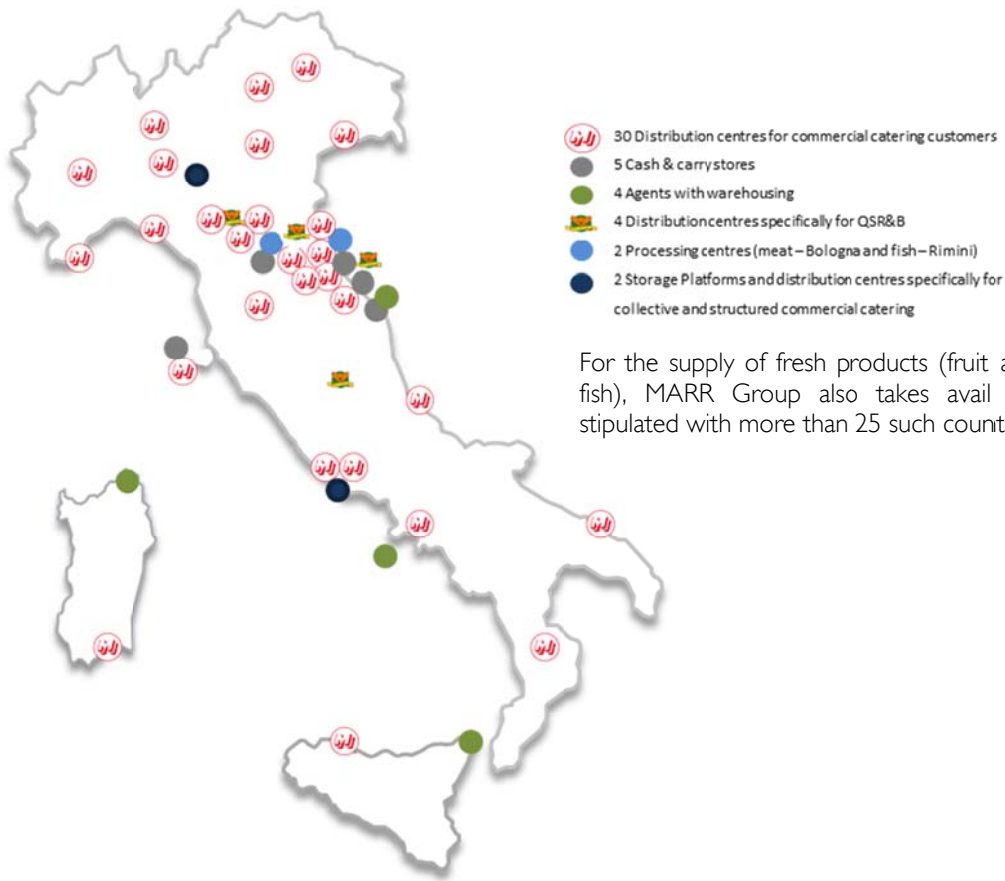
The Company Identity

MARR operates in a reference market of which features opportunities induced both by the development of restaurant and catering services (foodservice) and by the growing request for a complete and organized distribution service.

Within the foodservice in Italy, MARR is an intermediary between foodstuffs producers and processors and the commercial catering and canteens operators.

Founded in 1972 and listed in the STAR segment of the Italian Stock Exchange since June 2005, with an organization comprising a sales staff of over 850 people, considering both sales technicians personnel and sales managers, MARR serves over 45,000 customers composed of "Street Market" operators (restaurants and hotels not belonging to groups or chains), "National Account" operators (structured commercial catering operators - groups and chains - and canteens) and "Wholesale" operators. The range of product offered includes over 15,000 food products, including fish, meat, varied foodstuffs and fruit and vegetables, at the different conservation temperatures, and 8,000 instrumental articles (including equipment, kitchenware and table linen).

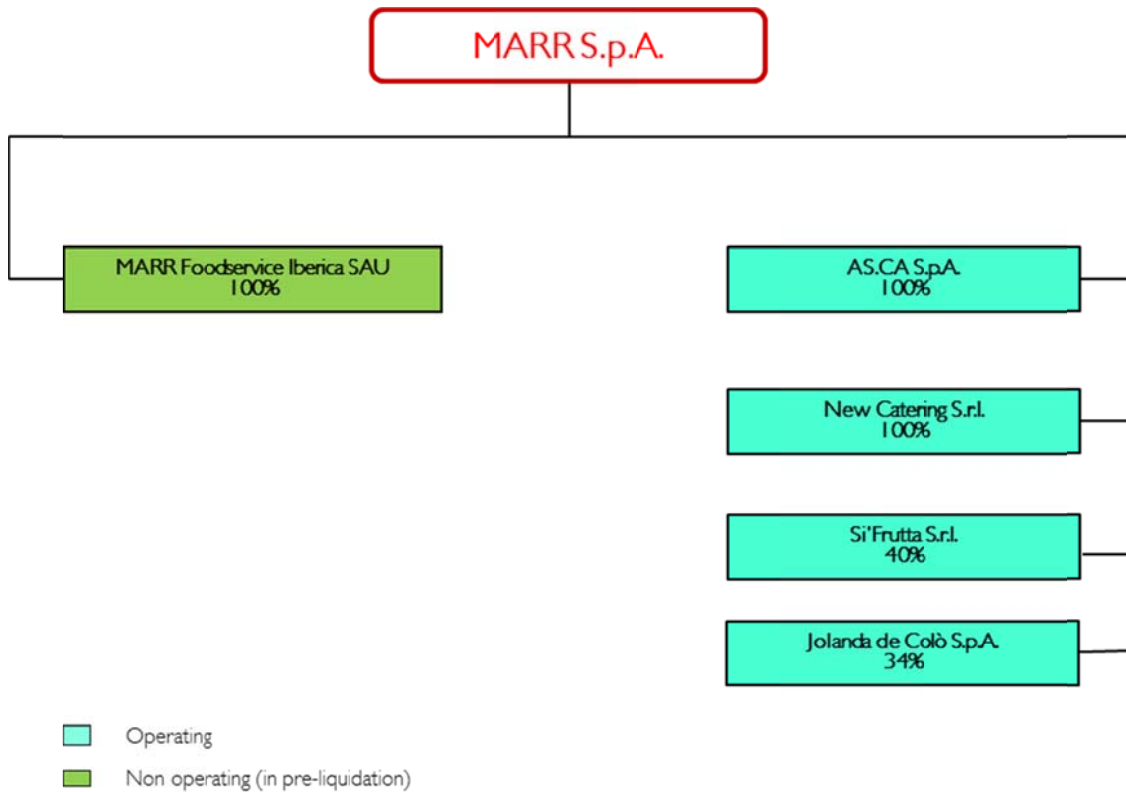
With over 45 years of experience, MARR is a point of reference for foodservice operators who can consider it a sole supplier at national level of a wide range of products: the Group procures its products from selected suppliers (over 2,200) throughout the world, and it operates throughout the country by means of a logistics-distribution network comprising over 30 distribution centers, 5 cash & carry stores, 4 agents with warehousing and 750 delivery vehicles of third-party carriers.



For the supply of fresh products (fruit and vegetables *in primis* and fish), MARR Group also takes avail of distribution agreements stipulated with more than 25 such counterparties in Italy.

The main features that represent the bases for MARR's competitive advantage are: a wide assortment, the competence of the sales structure, the efficiency of the logistics system and its marketing innovation capacity.

The structure of the MARR Group (hereinafter “the Group”) as at 31 December 2019 can be defined as follows:



To this regard, we point out that:

- AS.CA S.p.A. sells and distributes fresh, non-perishable and frozen foodstuffs to the foodservice mainly in the Bologna area and, effective as of 1 February 2020, has leased its business to the Parent Company, which has integrated the activities with those of the MARR Bologna and MARR Romagna distribution centres;
- New Catering S.p.A. sells and distributes products to bars and fast food restaurants;
- Si'Frutta S.r.l., supplies fresh fruit and vegetables to customers in the channel of hotels, restaurants, organised catering and industrial processing.

In addition, on 13 November, MARR S.p.A. acquired 34% of the shares of Jolanda de Colò S.p.A from Intrapresa S.r.l.. Jolanda de Colò is one of the main national operators in the premium (high range) segment, with more than 21 million Euros in sales in 2018 and about 5,000 customers served with more than 2,000 products of culinary excellence. Founded in 1976 by the Pessot – de Colò family, it operates through a distribution and production centre with a surface area of more than 6,000 square metres located in Palmanova (Udine). It began operating in the production of meat, but over the years, the company has expanded its activities to include the distribution of food specialties. In particular, the sale of unprocessed products has increased progressively and now represents more than 70% of sales, about 90% of which are concentrated in the Ho.re.ca channel and 93% in Italy.

It must be noted, as pointed out in the above methodological note, that the associates Si'Frutta and Jolanda de Colò are not consolidated and are not included in the sphere of reporting.

The Group's stakeholders are represented by the following subjects:

- Customers: with over 30 structures including both operational units and storage facilities, spread over the entire country, the Group assures its customers immediate and precise service to answer the various, changing needs that are typical of the segment of customers served, with personalised, fast service and constant attention paid to respecting the qualitative standards requested by consumers. In addition, thanks to its experience gained over the many years of collaboration with both small and large customers, the Company has in-depth knowledge of the needs of the diverse types of customers. In particular, thanks to its specialists whose main duty is to assist the

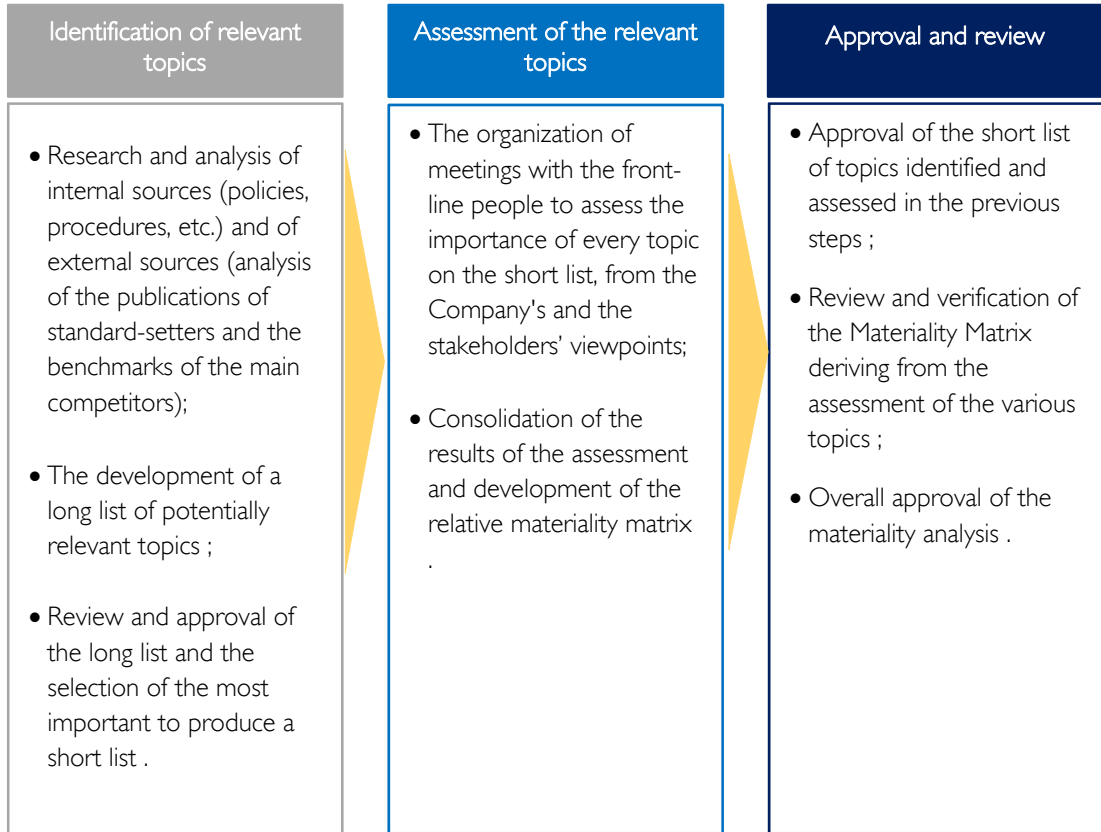
customers that are national chains and other important public and private customers, the Company can identify ad-hoc marketing solutions to satisfy special needs, in order to offer an extremely efficient all-round service.

- Employees and collaborators: the Group has over 800 employees and a sales staff of over 800; special training courses are organized every year in new sales techniques, health and safety at work and food safety, as well as specific training meetings for branch managers, sales managers, sales technicians, operating managers, sector specialists and local credit managers. The Company's employees are also aware of its main values thanks to the fact that the Code of Ethics is distributed to each one. MARR has also created the *MARR Academy*, a Company "workshop" conceived to foster the development of knowledge - knowledge of what to do and of how to get it done - addressed to everyone that collaborates with the Company, to invest in talent and skills and to increase the value of the organization. Lastly, a *house organ* is periodically circulated to all collaborators to inform them of the Company's trend, its results, national and local initiatives and the life of the Company in general.
- Suppliers of products and services: the Company promotes the creation of stable, long-term relationships with its suppliers in order to always ensure that the entire supply chain respects the Company's principles. The suppliers are selected, assessed and qualified according to methods and criteria defined by specific Company procedures and they are directly involved in quality control and the sustainability of their products. This involvement is also achieved by the use of tools such as the online catalogue and by encouraging them to obtain specific certifications, as described in more detail in the successive paragraphs.
- Control institutions and bodies: the Group is subject to many controls on the part of the official control institutions and bodies. Said controls involve the official analysis of samples of the products distributed and inspections carried out by the veterinary authorities and the food hygiene and nutrition control services of the competent local National Health departments. Controls and inspections are also carried out by other bodies, such as the Anti-Adulteration and Health Protection Police Corps, the Forestry Police Corps and the Coast Guards, as well as bodies appointed to control the measures adopted for the protection of workers and their health. MARR strictly respects the legislation applicable to its sector and collaborates with the authorities appointed to perform the controls when inspections are carried out. As a listed company, MARR is also subject to the control of the supervisory body (the Italian Securities and Exchange Commission - CONSOB) and it must respect the reporting obligations imposed by the segment of reference.
- Category associations: the Company fosters open dialogue with the category associations, paying attention to the requests put forward. Said associations are also a tool used by MARR for keeping updated and for complying with the law, considering the activity that they perform by advising their member companies in real time of new provisions that discipline the activities of the sector.
- Shareholders and the financial community: MARR, listed in the STAR segment ("*Segmento Titoli ad Alti Requisiti*") of the Italian stock exchange since June 2005, has a capitalization of about Euro 1,351 thousand (annual average of 2019) and about 4 thousand shareholders (who cashed in the 15th dividend coupon on 27 May 2019). Over 40% of its capital is held by institutional investment funds, 90% of which are based abroad. The Company entrusts to its Investor Relations department the management of prompt and transparent reporting to the financial community, in line with the provisions of the legislation in force.
- Local community: the local community plays an important role inasmuch as linked to the activities of other stakeholders, such as the customers, the suppliers, the employees and the collaborators. Proximity to the community is not only indispensable but also strategic for the Company and is expressed, on one hand, by the dialogue with the local bodies and, on the other, by participation in social and cultural events held on the territory.

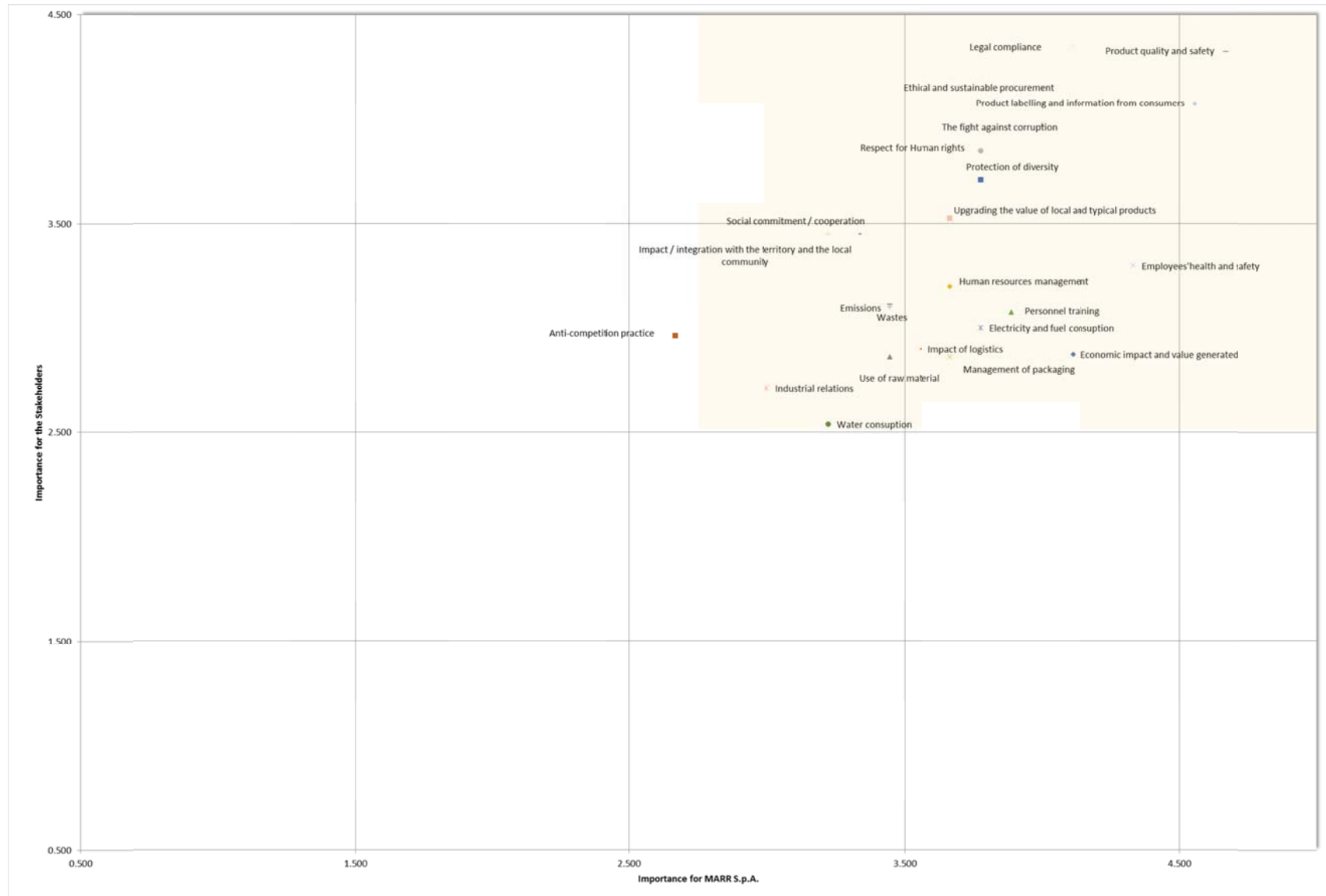
MARR's non-financial reporting focuses on the importance or material nature of the various aspects relative to its activities. For this purpose, the Company has implemented a materiality analysis, carried out according to the sustainability reporting guidelines issued by the GRI (Global Reporting Initiative), aimed at identifying the topics that could have a considerable influence on the Company's capacity to create value in the short, medium and

long term, and which have more relevance for the Company and for its stakeholders. Reference is made to such subjects in this document since, in view of their relevance, they can influence the stakeholders' decisions and reflect the economic, environmental and social impact of the Company.

The materiality analysis process is structured as follows:



The results of the materiality analysis are illustrated in the materiality matrix presented below. The materiality matrix consists of a graphic representation of the importance attributed to each of the topics from the viewpoint of the Management (the X axis) and of the stakeholders (the Y axis); the higher and the more to the right the topic is situated on the graph, the greater its relevance for both parties. The material topics that result during the analysis conducted are considered key elements to guide the Company in terms of its constantly increasing commitment towards non-financial matters. In fact, this non-financial statement focuses on the topics that are relevant for the Company and its stakeholders.



MARR's governance structure is described in the Rules of self-discipline and its activities are represented in the Corporate Governance Report. More specifically, the Rules of self-discipline explains that the Company's Board of Directors defines the nature and level of risk that is compatible with the Company's strategic aims, including in its assessments all the risks that can have relevance as regards the sustainability of the activity performed in the medium-long term. No single subject has yet been placed in charge of sustainability governance, since this responsibility has been divided according to the responsibilities of the following managements and their respective responsibilities: Quality Assurance and Control, the Product Divisions, the Human Resources Management, Legal and Corporate Affairs, Investor Relations and Internal Auditing-Management Control; all subjects involved in the process are coordinated by the Chief Executive Officer.

The Company, to assure the correctness and transparency of Company transactions, has deemed it opportune to adopt an Organizational, Management and Control Model, in accordance with Legislative Decree 231/01. The purpose of said Model is to create a structured and organic system of procedures and control activities, aimed at preventing the various types of offence contemplated by said Legislative Decree from being committed. The Board of Directors periodically updates and integrates said Model in order to adapt the content to the provisions of law introduced after the adoption of the Model.

The Board of Directors of MARR S.p.A., on 14 November 2014, appointed a Collegial Supervisory Board, replacing the previous body composed of a single member.

The Supervisory Board is composed of the lawyer Mr Marcello Elia, Chairman and external member, Mrs. Paola Simonelli, external member and representative of the Board of Statutory Auditors, and the lawyer Mr Cristiano Cambria, internal member also acting as Secretary.

During 2019, the Board of Directors of MARR S.p.A., on proposal by the Supervisory Board, approved the updating of the Organizational Model, with the inclusion of new criminal circumstances: traffic of illegal influences – fraud in sporting competition and illegal exercise of gaming and betting – protection of the cybernetic security perimeter – tax-related crimes.

Fight against corruption

Risks and opportunities

The Company in the context of the anti-corruption policy, adopted its own Code of Ethics from 2005, last revised on 14 May 2018, available to all the (internal and external) stakeholders interested at MARR's website and also circulated to all Company departments. The document defines professional practices and the behaviour to which all employees and collaborators must adhere. Furthermore, the cases of risk to which the Company is exposed (the so-called predicate offences) are identified in the 231/01 Organizational Model. Their assessment and the identification of the relative preventive protocols are described in the Organizational Model's Special Part. As well as in the internal document "mapping of risks areas".

With regard to the corruption risks deriving from the supply chain, MARR has adopted a series of preventive procedures for the approval and qualification of suppliers and management of product non-compliances.

Considering the corporate framework, the main sphere in which the risk of corruption could exist MARR's participation in public tender procedures, disciplined by a specific procedure of the Quality Management System entitled "Contract Review" and entrusted to a special office at the Company's registered office (the Public Bodies and Contracts Office).

Within this sphere, it must be noted that should the offence of corruption be committed by a director and/or Company representative, the Company, under Art. 80 of Legislative Decree no. 50/2016 (the so-called Public Contracts Code), could be excluded from participating in tender procedures.

The risk of corruption is considered as recurrent inasmuch as linked to the Company's ordinary activity; the relative impact could regard the Company's reputation and/or it could be of an economic nature (ban on participating in tender procedures of the sector with loss of the earnings related to said sale channel).

Policies implemented by MARR

The Code of Ethics aims to assure that the Company's governance system attains increasingly higher levels of transparency and efficiency. In fact, it includes the rules of conduct and the principles of legality, transparency

and correctness to be applied in relations both within and outside the Company. MARR itself circulates the Code of Ethics to the stakeholders and, in the case of recruitment, to new employees. The observance and adequacy of said document are verified annually by the Risk Control Committee to which the Supervisory Board reports. MARR has also adopted a reporting mechanism both through specific e-mail box and through a specific telephone number (which management is reserved to the Secretary of the Supervisory Board) by which employees can contribute to the application of the Code of Ethics and the 231/01 Organizational Model. Only the Supervisory Board can consult said e-mail box.

In 2019, the Company adopted an Anti-Corruption Policy aimed at outlining the general principles and rules of conduct to be followed in performing working activities, forbidden conduct, the systems for protecting from the risk of corruption and the relevant sanctions.

MARR's Anti-Corruption Policy is based on the principles recalled in the national and international laws for preventing corruption, the Code of Ethics and the Legislative Decree 231/01 Organizational Model adopted and is aimed at continuously increasing the awareness of everyone working in MARR in recognising corruption and any other type of fraud, and also their reactivity in becoming an active part of preventing, suppressing and reporting possible breaches of the anti-corruption laws.

The beneficiaries of the Anti-Corruption Policy are the corporate bodies, employees, collaborators, customers and suppliers and in general all those who directly or indirectly, permanently or temporarily, work with or for the Company, each in the sphere of their own duties and responsibilities.

In terms of uniformity of intent and objectives, the Anti-Corruption Policy is applied to all companies in the MARR Group and is available to the public and all those interested on the Company website.

The beneficiaries of the Anti-Corruption Policy must report any eventual breach, presumed or proven, of the Policy or any regulation whatever concerning corruption, by the Company, a colleague, a collaborator or a third party, including requests or offers of undue payments received from them (so-called Whistleblowing). Failure to report a known or presumed illegality of which they become aware shall in itself imply that the individual in question will incur possible and consequent sanctions. The whistle-blowers are guaranteed protection against any form of revenge, discrimination or penalisation, the obligations of the law and protection of the rights of the Company or individuals in the event of whistleblowing being used instrumentally or in bad faith holding firm.

Reports may also be received through the e-mail inbox anticorruzione@marr.it set up for this purpose.

In addition to the Anti-Corruption Policy, the Company has adopted a series of precautionary measures for greater control over activities that may be subjected to the risk of corruption. The following procedures have been formalised:

- the "Credit Procedure" which disciplines the aspects relative to the collection of the sums from customers for supplies;
- the "Public Tender Procedure" which disciplines the correct management and participation of tender contract procedures to assure compliance with the obligations to be assumed in the case of the award of the contract.

Non-financial performance

The Company has not registered any cases of corruption during the year and no cases arose which made legal action necessary due to anti-competitive conduct, anti-trust and monopoly.

All employees have been notified of the adoption of the Policy through notifications on noticeboards in the workplace; also, all newly hired staff are informed that they can obtain copies of the Policy and are asked to sign a declaration undertaking to respect the principles contained therein.

No reports were received during the year from the beneficiaries of the Anti-Corruption Policy.

Environment

Risks and opportunities

For MARR, protection of the environment is a topic of considerable relevance. In fact, the manner in which the Company operates on the territory pursues a balance between its activities and the surrounding environment, without harming the same and minimising the use of the resources but favouring the use of sustainable products. To this latter regard, see also the contents of the next paragraph, “*Supply Chain – Ethical and sustainable procurement and the promotion of local products*”.

In the practice of its business, the Group takes avail of about 170 carriers which, using over 750 vehicles, renders necessary the adoption of suitable procedures for the optimization of the logistics processes, aimed at reducing emissions into the atmosphere, through the actions and initiatives described in the following paragraph “Policies implemented by MARR”.

It also sells a wide range of products subject to various types of conservation (frozen, fresh, non-perishable) with impact not only in terms of the use of energy resources and waste production but also, especially for fish products, in terms of sustainable fishing.

The potential risks linked to the Group's activities are: excessive consumption of water and/or energy with consequences on carbon dioxide emissions, the emission of noxious substances caused by the carriers of which the Group takes avail for the distribution of the products, the emission of polluting substances deriving from the water or gas discharged from the refrigerating systems, as well as risks linked to the impoverishment of marine resources subsequent to unregulated provisioning.

MARR assesses such recurrent risks inasmuch as inherent to the Group's core business and, to promote environmental (as well as social) sustainability, seeks to direct the internal stakeholders towards programmes for water and energy saving and for the reduction of emissions into the atmosphere, as well as constructing stable relationships with suppliers that guarantee adherence to MARR's principles.

Policies implemented by MARR

With reference to environmental aspects, MARR adopts the Quality System procedure entitled “Control and Management of Environmental Aspects”, which describes the methods for the management of operations and activities linked to environmental aspects deemed important, including the activities for the supervision and management of environment emergencies. MARR also promotes the prevention of pollution and a minimum use of the available resources, adopting preventive measures. In particular, with reference to the specific question of waste, it makes all efforts in order:

- to reduce the quantities of packaging, using recycled materials when possible;
- to promote the use of packaging and materials of certified cellulose from sources managed in a responsible manner (“FSC”);
- to improve the differentiated collection of waste and the management of special wastes and of the by-products of animal origin such as, for example, the waste produced by the processing of meats and fish products.

MARR also pays attention to other aspects linked to consumption and the consequent emission of substances that are noxious for the environment. More specifically, it spares no efforts in order:

- to reduce the number of vehicles on the road that have a strong environmental impact. In this regard, the process of renewing the fleet of vehicles is continuing; currently, nearly all of the vehicles used by MARR are in classes Euro 5 and Euro 6, and the last remaining vehicles in other classes will be decommissioned in 2020. For the fleet of vehicles for transporting foodstuffs, as part of a project started in past years, 5 liquid methane powered (LNG) vehicles were also made roadworthy – these vehicles emit 20% less CO₂ into the atmosphere than Euro 6 vehicles – for *primary distribution* from the distribution platforms to the branches and also for *last mile – national account* distribution from the Marzano platform. Furthermore, the insertion of 100% electrical vehicles is planned for next year for deliveries in the city of Florence (in addition to that already in operation for deliveries in the centre of Rome). Lastly, it is important to highlight that an exclusive TMS (*Transport Management System*) has been implemented, composed of a

- tracking module for real time monitoring of the distribution service, and a planning module which enables us to plan delivery routes while pursuing the objective of service quality with more efficient vehicles. In 2019, the average deliveries per journey in last mile – street market distribution increased by approximately 2%, and the average saturation of vehicles increased by over 5%.
- to reduce the environmental impact of production processes, promoting the prevention of environmental pollution also by monitoring the quality of the waste waters by means of laboratory analyses to check that they conform to the provisions of Legislative Decree 152/06;
 - to reduce the consumption of electricity (especially by correct management of the cold chain), potable water and gas;
 - to limit the destruction of food products when this represents a waste of food and of Company resources and, indirectly, environmental resources;
 - to rationalise the consumption of detergents and disinfectants which have a direct impact on the waste water discharged, scrupulously respecting the methods and concentrations indicated in the sanitisation procedures;
 - to optimise the procedures for the management of deliveries to customers and the logistics for the transfer of the products between the Group's various platforms, maximising loads as far as compatible with the limits imposed by the Highway Code;
 - to promote conduct that respects the environment and the correct use of the natural resources, involving the suppliers of fish products and requesting them to adhere to the standards of ethical, social and environmental responsibility defined in the contractual agreements;
 - to accurately manage the products, the rotations and the stocks in order to decrease waste and the destruction of stocks, avoiding the waste of food products and of Company resources.

The environmental aspects include the controls carried out on the process of supplying the fish production line, having obtained the "Certificate of the Control Service of the Sustainable MARR Fish Production Line", issued by an internationally recognised control authority. In terms of sustainable fishing and fish farming, MARR has also obtained MSC and ASC certification for the line of custody.

Non-financial performance

The Group's energy consumptions are illustrated below. The indices in bold type are deemed explanatory of the result of the policies mentioned in the preceding paragraph and, taking into account the Group's growth over the years analysed, they show the constant commitment on the part of the Management to efficient energy consumption, mainly in the goods conservation, storage and handling processes which are the Group's core business.

The results confirm an improving trend notwithstanding the increase in the volumes handled.

Direct energy consumption

Energy consumption	UM	2019	2018	2017
Methane gas for heating	m3	274,204.25	316,527.00	279,397.58
Diesel oil for heating offices and for processing	l	118,807.00	124,399.00	120,000.00
Petrol for generators	l	-	30.00	30.00
Diesel oil for generators and sundry services	l	6,566.00	7,225.00	6,228.00
Electricity from the mains supply	KWh	59,889,309.00	58,916,697.00	58,011,181.00
In-house produced electricity	KWh	368,898.00	373,869.00	389,014.00

Energy consumptions expressed in GJ	UM	2019	2018	2017
Total consumptions	GJ	231,111.29	229,280.26	224,545.30
of which:				
Methane gas for heating	GJ	9,666.52	11,120.86	9,784.42
Diesel oil for heating offices and for processing	GJ	4,279.03	4,453.77	4,296.28
Petrol for generators	GJ	-	0.92	0.92
Diesel oil for generators and sundry services	GJ	236.49	258.67	222.98
Electricity from the mains supply	GJ	215,601.51	212,100.11	208,840.25
In-house produced electricity	GJ	1,328.03	1,345.93	1,400.45

There has been a slight reduction in the consumption of methane gas and diesel oil for heating and for generators; contrarily, consumptions of electricity show an increase, mainly due to the realisation of new plants or the enhancement of existing plants (for example those at the MARR Puglia distribution centre and the facility in Santarcangelo di Romagna).

Electricity consumption	UM	2019	2018	2017
Total electricity consumption	KWh	60,258,207.00	59,290,566.00	58,400,195.00
of which:				
from renewable sources	KWh	368,898.00	373,869.00	389,014.00
from non-renewable sources	KWh	59,889,309.00	58,916,697.00	58,011,181.00

We point out that the energy consumption from renewable sources indicated in the table regards only the photovoltaic systems of the MARR distribution centres in Sicily and Bologna, since the figure representing the quantity of energy provided by the supplier which is from non-renewable sources is unknown.

Considering all the above energy consumption data, it is worth noting the relative unit indices deemed most significant, which are indicated below.

- Electricity consumption: the total consumption of electricity acquired from the mains supply is given as a ratio to the tons of fresh and frozen product handled¹ (and therefore conserved) by MARR and its subsidiaries inasmuch as mainly used for the cooling and freezing systems.

	UM	2019	2018	2017
Electricity consumption (from the mains supply)	Gj	215,601.51	212,100.11	208,840.25
Tons of fresh and frozen product handled	t	287,915.26	281,677.62	246,728.69
Unit index of energy consumption	Gj/t	0.75	0.75	0.85

Despite the consumption of electricity increasing in 2019 in terms of absolute value compared to previous years, the unit consumption index shown in the table appears to be unchanged compared to last year.

- Consumption of diesel oil for heating offices and for processing: total consumption of diesel oil is shown in relation to the tons of fresh and frozen product handled¹⁻² (and therefore conserved) at the branches which use said energy resources (MARR Turin, MARR Venice, MARR Dolomites and Camemilia) considering that a prevalent part of the diesel oil used is linked to the production of the hot water necessary for meat processing.

	UM	2019	2018	2017
Diesel oil consumption	Gj	4,279.03	4,453.77	4,296.28
Tons of fresh and frozen product handled	t	30,552.80	29,922.76	29,958.79
Unit index of diesel oil consumption	Gj/t	0.14	0.15	0.14

Use of water resources³

Water withdrawal per source	UM	2019	2018	2017
Total volume, of which:	m3	212,092.00	226,334.00	209,163.80
- from aqueducts (for civil and industrial use)	m3	156,185.00	146,727.00	132,285.96
- from wells (industrial use)	m3	55,907.00	79,607.00	76,877.84

The reduction recorded in 2019 as regards water drawn from wells should be noted, and is due to the optimisation works carried out by the owners of the purification plant for the well at the Marzano distribution centre.

¹ To identify the kg of product handled, reference is made to the kg of product that leaves the Group's storage structures (sold and transferred from the platforms to the branches and by these to the customers, except in the case of goods delivered to our customers directly by the suppliers).

² The use of diesel oil is limited to the branches of Turin, Venice, the Dolomites and the Camemilia platform, where it is used for both heating the offices and product processing (mainly for the production of hot water required for the meat processing activities).

³ As regards 2017, the volume of water discharged was estimated as being equal to the volume of water withdrawn, as there are no devices that measure water discharged; however, a part of the water is discharged by "evaporation" from the refrigeration systems fitted with evaporation towers, therefore it is deemed that the values indicated for the water discharged are, in fact, higher than the amount actually discharged. For 2018, a measurement system was installed in 2017 on the evaporation tower of the MARR Milan branch, and thus the difference highlighted in 2018 and 2019 between the volumes of water withdrawn and the volumes of water discharged is given by the portion of water discharged by "evaporation" at this branch. In consideration of the above, the Company and the Group are taking steps to be able to monitor said dispersion in the forthcoming years.

Water discharged	UM	2019	2018	2017
Total volume, of which:	m3	209,538.00	222,886.00	209,163.80
- discharged into sewer systems	m3	168,847.00	162,749.00	151,512.60
- discharged into surface waters	m3	40,691.00	60,137.00	57,651.20

Considering the use of the water resources, which are used both for processing and handling and for the maintenance and management of the premises being in line with the necessary standards of hygiene, we maintain that the ratio of water consumption to the total tons of product handled per year is reasonable.

	UM	2019	2018	2017
Total volume of water withdrawal	m3	212,092.00	226,334.00	209,163.80
Tons of product handled	t	498,842.10	492,853.84	448,499.97
Index of the use of water resources	m3/t	0.43	0.46	0.47

The figures show a reduction in the consumption of water, despite the opposite trend for the subsidiary New Catering, mainly as a result of the increased number of warehouses in the Rimini area.

Emissions of GHG and of polluting substances into the atmosphere

- Direct Emissions coming from sources owned and controlled by the Company:⁴

Direct emissions – Scope 1	UM	2019	2018	2017
Total emissions	t CO2e	872.93	968.42	878.92
of which:				
Methane gas	t CO2e	540.69	621.62	546.33
Diesel oil for heating	t CO2e	314.84	327.70	316.11
Petrol	t CO2e	-	0.07	0.07
Diesel oil for generators and sundry services	t CO2e	17.40	19.03	16.41

- Indirect emissions not materially produced by the Company and not directly under its control⁴:

Emissions – Scope 2	UM	2019	2018	2017
Total emissions	t CO2e	21,500.26	21,151.09	20,826.01
Electricity from the mains supply	t CO2e	21,500.26	21,151.09	20,826.01

- Indirect emissions consequent to the Group's activity, from sources that are not controlled sources or owned by the Company⁵

Emissions – Scope 3	UM	2019	2018	2017
Total emissions	t CO2e	22,365.39	23,401.44	21,779.07
Road transport by logistics suppliers	t CO2e	22,365.39	23,401.44	21,779.07

The indirect emissions of Scope 3 taken into consideration are the emissions generated by the carriers, the service companies of which MARR takes avail for the distribution of its products and do not include the AS.CA and New Catering data. We specify that the impact indicated above is relative to the km covered by the carriers both for the transport from the centralized storage structures to the large customers and the MARR distribution centres and from the latter to their own customers.⁶

⁴ The source of the coefficients used for the conversion into tCO₂e is the ISPRA 2018 figure (for 2019), ISPRA 2017 (for 2018) and the ISPRA 2016 figure (for 2017).

⁵ The emissions were estimated taking as benchmark a standard journey with average mileage and average weight transported for the year in question, multiplied by the total number of journeys made, assuming that all of the vehicles are powered by diesel fuel. The source of the coefficients used for conversion into tCO₂e is the GHG Protocol (2015).

⁶ Stretches by sea for the branches on the islands, the kilometres covered by the carriers of our agents with warehouses and transfers between branches have not been taken into account.

Ozone damaging substances:⁷

Ozone damaging substances	UM	2019	2018	2017
HFC - HFC/HFO	Kg.	6,401.40	4,956.50	7,673.40

The emissions of ozone damaging substances derive from anomalies in the functioning of plant and the relative repairs to maintain the cold chain for the conservation of the foodstuffs.

Despite the reduction in quantity of ozone damaging substances in the refrigeration plants of the Group, also thanks to the continuation of the policy of multi-annual investment for the conversion of refrigeration gas consistently with that required by EU environmental law, the increase in emissions in 2019 was due to technical faults linked to the everyday use of the plants, generating leakages of refrigeration gas at the MARR distribution centres in Turin, Milan and Bologna. These faults were speedily identified and resolved.

For a best understanding please see the following index ⁸ which reflects the above trends:

Intensity of the greenhouse gas emissions	UM	2019	2018	2017
Emissions of ozone damaging substances (HFC-HFC/CFO)	t CO2e	23,726.27	18,351.68	30,101.12
Tons of fresh and frozen product handled	t	233,305.15	227,370.26	201,412.25
Unit index of greenhouse gas emissions	t CO2e/t	0.10	0.08	0.15

- Waste produced (hazardous - non-hazardous) destined for recovery and for disposal

Wastes produced (Kg)	2019	2018	2017
Total wastes produced	3,267,830.00	3,298,981.10	2,307,050.00
- of which, hazardous	62,500.00	78,128.60	24,934.00
- of which, non-hazardous	3,205,330.00	3,220,852.50	2,282,116.00

Wastes destined for recovery (Kg)	2019	2018	2017
Total wastes produced	2,493,669.00	2,480,273.60	2,013,931.00
- of which, hazardous	59,249.00	75,488.60	21,703.00
- of which, non-hazardous	2,434,420.00	2,404,785.00	1,992,228.00

Wastes destined for disposal (Kg)	2019	2018	2017
Total wastes produced	774,161.00	818,707.50	293,119.00
- of which, hazardous	3,251.00	2,640.00	3,231.00
- of which, non-hazardous	770,910.00	816,067.50	289,888.00

As already described in the previous year, it is maintained that the increase trend of waste produced is directly linked to the increased turnover and the quantities of product handled by the Group, as shown in the following index comparison:

	UM	2019	2018	2017
Total wastes produced	t	3,267.83	3,298.98	2,307.05
Tons of product handled	t	498,842.10	492,853.84	448,499.97
Waste per ton of product handled	t/t	0.007	0.007	0.005

⁷ Annual data communicated within the month of May by ISPRA (National Institute for Environmental Protection and Research).

⁸ As an indicator for calculating the carbon intensity, we have deemed it reasonable to consider the tons of fresh and frozen product handled² (and therefore conserved) by the MARR branches and by the subsidiary New Catering, excluding the systems of the subsidiary AS.CA and of the three MARR branches inasmuch as they use ammoniac systems that do not produce CO2e.

The unit index of waste per tonne of product handled is constant compared to last year, when new contracts were finalised and implemented for the disposal of packaging.

Materials used by weight and volumes	UM	2019	2018	2017
Total packaging, of which:	t	2,575.63	2,405.54	2,281.91
Paper and cardboard	t	1,995.92	1,855.00	1,812.21
Plastic and polystyrene	t	518.95	497.38	469.70
Labels	t	60.77	53.16	n.a.

The packaging used mainly comprises wrappings and is recyclable.

For the calculation of Labels⁹ tons (value not available for 2017) please note that we considered a conventional weight as 1 gram for each label.

Furthermore, the increase, as mentioned above in reference to waste, is strictly linked to the increased turnover and quantities of product handled by the Group in the three years. For greater details, see the unit¹⁰ consumption index given below:

	UM	2019	2018	2017
Total packaging consumed	t	2,575.63	2,405.54	2,281.91
Tons of product handled	t	498,842.10	492,853.84	448,500.00
Packaging per ton of product handled	t/t	0.005	0.005	0.005

We lastly represent below the information relative to the chemical¹¹ substances used by the Company for the functioning and management of the refrigeration systems. We point out that the data of the subsidiaries are not available; however, it is maintained that their impact on the total is not significant.

Chemical substances	UM	2019	2018	2017
Ammonia for refrigeration	Kg	-	300	740
"Antifreeze" chemical products for the refrigeration circuits	Kg	66	660	942
Chemical products for water treatment	Kg	25,285	21,661	22,428

It should be noted that the data for ammonia in 2019 is zero, confirming the proper functioning of the plants which do not need to be refilled.

The Group has no operating sites within or near protected areas or areas of high value for biodiversity.

During the year there were no reports of cases of non-compliance with environmental standards that triggered off proceedings for harm caused to the environment.

A short key of the units of measurement used in this chapter is given below.

Unit of Measurement	Symbol
Cubic metre	m ³
Litre	l
Kilowatt per hour	KWh
Gigajoule	Gj
Carbon dioxide equivalent	CO ₂ e
Kilogram	Kg
Ton	t

⁹ It should be noted that the figures only included MARR S.p.a. as AS.CA. and New Catering data were not available.

¹⁰ The unit consumption index is calculated also including the tons of labels, which was not available for 2017; in this regard, given the non-significance of this type of product compared to other packaging, the impact on the unit consumption index is not significant.

¹¹ Please note that for the years 2018 and 2019 the figures also included AS.CA and New Catering, not available for the year 2017.

Food health and safety

Risks and opportunities

The many food emergencies and the growing attention to people's health and well-being have placed in the limelight the safety and quality of the products sold by MARR, as fundamental aspects. MARR's activity is not limited to the distribution of foodstuffs, nor can it be considered solely in terms of economy, profit and earnings, inasmuch as the Company is also inspired by ethics and duty in the practice of its business and therefore adopts precise policies for safety and quality. Food safety must not be understood only as respect for a pre-requisite of the product which testifies to its suitability for consumption, but it must be considered from a wider and more modern viewpoint which involves many additional factors such as origin, traceability, the exclusion of organisms and substances considered suspect, and correct information given to the consumer on the label and by other communication means.

The risk factors with a potential effect on the community and the consumer mainly regard the hygiene and safety of the products. These vary according to the category of merchandise considered, but they are substantially represented by contaminants that can accidentally end up in the foodstuffs subsequent to the production processes or subsequent to environmental contamination. Contaminants can be divided into two types: those from natural sources and those resulting from the action of man.

The occurrence of any one of the above-indicted risks can harm the Company's reputation and lead to a loss of confidence on the part of consumers, with a negative impact on MARR's economic results.

Policies implemented by MARR

To guarantee food safety in the production and distribution processes, MARR has introduced the analysis of the dangers and risks linked to the various categories of merchandise, as well as the production processes that are carried out at its own operating units. The danger analyses and risk assessments are carried out on the basis of the experience of the organisation's HACCP Team, a multi-disciplinary group with specific knowledge and skills vested with the authority necessary to intervene in the Company's processes. The risk assessment is carried out according to the HACCP (Hazard Analysis and Critical Control Points) criteria, with specific procedures defined to control critical points.

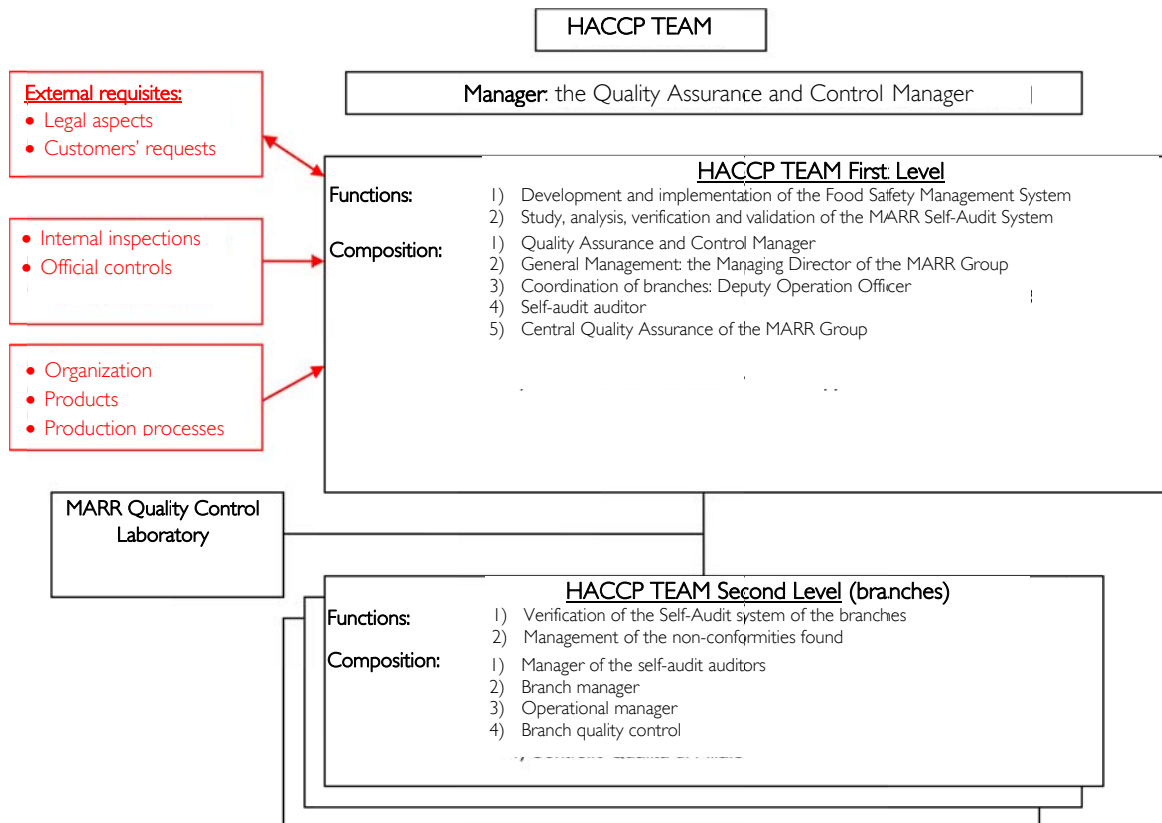
The analysis of the risk factors is carried out according to the information obtained on the products distributed and processed, especially taking into consideration the features of the products, their origin and the national and Community reference standards. The Company also analyses past data on the control and verification activity carried out by MARR's Quality Assurance and Control Management, as well as information circulated by the category associations and by the EFSA (European Food Safety Authority).

The Self-Audit System is structured according to the HACCP method, in accordance with the Codex Alimentarius and the imperative laws and regulations. The HACCP system, with UNI 10854 and ISO 22000 certification, is carried out as an integral and complementary part of the Quality System, with ISO 9001 certification, and it has been drawn up and validated by the Group's own multi-disciplinary team (the first level HACCP Team), with specific knowledge and skills of the processes and the hazards associated with the activity. The implementation and verification of the trend of the HACCP plan at every single MARR structure involves the branches' managements and the Self-Audit and Quality System auditors (the second level HACCP Team), who are members of the Central Quality Assurance and Control staff and who all have degrees in Alimentary Sciences and Technologies and/or Biological Sciences. To control the risks linked to food quality and safety, process management procedures have been developed and control programmes have been started up which include both analytical tests on samples of the products distributed and inspections of the Group's premises and platforms. The analyses carried out on products are performed by the main accredited external laboratories of reference and by the MARR Quality Control Laboratory, whereas the inspections are carried out by qualified internal auditors or external personnel of companies specialised in controlling operators of the food sector. MARR has also set up a Food Safety Committee, an internal team appointed to manage crises, which intervenes in the case of an accidental event or any situation which could imply non-observance of product safety or serious non-compliance with the provisions of law and/or the internal provisions on quality. The main duties performed by the Committee are the following:

- to immediately put into practice the procedures for the withdrawal and/or recall of a product when necessary;
- to inform the competent health authorities;

- to inform consumers of the reason for the withdrawal, when contemplated and necessary;
- to transmit to the competent authorities all information useful for tracing the product;
- to collaborate with the authorities and with other operators of the food supply chain to prevent, mitigate and/or eliminate the risks.

The Company's Management System for guaranteeing product traceability, certified according to the requisites of the ISO 22005 standard, contributes to reinforcing and guaranteeing food safety throughout the entire supply chain.



Within the sphere of the Food Safety Management System, the management promotes:

- process control, from the procurement, logistics and service provision processes to the sale processes, monitoring specific indicators (non-compliance, returned goods, complaints and destruction of goods) and intervening in the case of discrepancies in pursuit of continuous improvement;
- the layout of the structures and periodic action to maintain the structural features necessary to ensure respect for the safety requisites;
- the procurement, through the product divisions, of genuine, good quality products that can guarantee high safety standards;
- continuous training at all levels, promoting the initiatives aimed at increasing a pro-food safety mentality;
- the application of self-audit procedures at the Group's operating units, in respect of the applicable requisites.

The main system and product certifications obtained by MARR are reported below.



With regard to the social impact of the articles sold, the information on the features of the products is given to the operators by means of the labelling, the packaging, the technical information sheets and the communications drawn up by the Marketing department. The labelling of the products sold under suppliers' trademarks is subjected to sample controls, during the goods reception phase, according to a specific Quality System procedure.¹² For products imported from third countries and MARR trademark products¹³ the information on the labels and any claims (regarding health and nutrition) must be approved by the Quality Control department. The technical information sheets, which contain the main information on the products, are checked before publication and can be consulted at the "MARR Multimedia Catalogue" at the organisation's website. The advertising and promotional communications prepared by the Marketing Management, which contain information on the features of the products, must be checked and approved by Quality Control before being published.

The "Quality, Safety and Environment Policy", among other things, defines specific objectives of the period regarding:

- the maintenance of the certifications obtained by the Organisation, the extension to new sites and the attainment of possible new schemes of interest;

¹² The Quality System procedure is drawn up according to the provisions of EU Reg. 1169/2011 and they comply with the Community provisions that discipline the indication of the origin and the traceability of specific categories of goods (such as, for example, bovine meats, pork meats, fish products, dairy products, etc.).

¹³ For which the Company is responsible under the aforementioned EU Reg. 1169/2011.

- the application of Self-Regulation according to the HACCP system at the operating sites and platforms, on the basis of specific performance indicators, for the purpose of assessing the conformity of the structures and equipment, the management of the goods and the behaviour of the personnel;
- the analysis, management and containment of returns from customers, as an important activity to protect the quality perceived;
- the management of the products, the rotations and the stocks in order to decrease waste and the destruction of stocks, avoiding the waste of food products and of Company resources;
- the functioning and effectiveness of the Company's traceability system¹⁴, to guarantee the traceability of the products at every step of the process;
- the level of skill and training of the personnel, promoting training courses to guarantee the correct application of the Quality, Safety and Environment Management System procedures and to increase each person's awareness of his/her role to guarantee effective answers to customers and the institutions.

Non-financial performance¹⁵

Controls and analyses	2019	2018	2017
Total analyses	7,894	7,873	7,126
of which:			
Internal laboratory analyses	1,693	1,528	1,468
External analyses	6,201	6,345	5,658

Self-Regulation Inspections	2019	2018	2017
Total self-regulation inspections	113	112	111

Comparing the data for the three-year period shows for 2019 a number of verifications basically in line with the previous reporting period, with a net prevalence of those carried out under outsourcing agreements by external laboratories compared to those carried out at the MARR laboratory.

Health and Safety at Work

Risks and opportunities

The workers' safety

The Company considers the mental and physical health of its employees a primary objective and therefore it undertakes to guarantee work environments that respect the applicable standards in force and which are as healthy and safe as possible, simultaneously fostering a responsible approach to safety on the part of its collaborators.

The potential risks to which the Company's and Group's workers are exposed in the performance of their activities are the following: i) video-terminal risks; ii) work-connected stress; iii) noise, vibrations, chemicals, explosive atmospheres and micro-climates; iv) manual handling of loads and repetitive movements.

These potential risks are identified by periodic inspections of the Prevention and Protection Service Manager of every unit, and they are formalised in the Risk Assessment Document of each operating unit, in accordance with Legislative Decree 81/08 as subsequently amended. Each of the specific above-mentioned risks is assessed by specialised technicians who collaborate with Servizi Industriali S.r.l. of the Confindustria chapter of the Romagna Region which MARR has mandated to provide advisory services in the field of safety at work.

¹⁴ In accordance with EC Reg. 178/2002.

¹⁵ The data of total analyses refers to the number of matrices selected and including several analyses.

MARR considers such risks to be recurrent; the existence of one of the above-identified risk factors can involve complications of a legal nature and in relations with the appointed supervisory authorities, with impact not only of an economic nature but also on its reputation.

Policies implemented by MARR

The workers' safety

In addition to specific, targeted assessments of the risks referred to in the preceding paragraph, the Company, for all the operating units and the companies of the Group, also provides for the drafting of a "Workers' Health and Safety Risk Assessment Document" ("DVR") and for its updating on the part of the Prevention and Protection Service Manager.

To guarantee constant monitoring and immediate action in all the Company's structures, the authority to take action has been vested on the managers of the MARR branches and the managers of certain specific areas, aimed at fostering involvement and the assumption of responsibility for matters of safety.

Obligatory medical check-ups are carried out periodically to verify that workers appointed to perform duties involving particular risks (e.g. elevator truck drivers and heavy lorry drivers) are not addicted to alcohol or drugs, and alcohol tests are carried out on workers who perform transport activities with company cars and light lorries; these are in addition to the periodic checks on all workers, carried out according to the protocols indicated by the Company's physician.

Considerable investments are also constantly made in the training of personnel with specific duties, in matters of: i) the safety of elevator truck drivers; ii) fire prevention/fighting; iii) first aid; iv) training in the use of raised vertical platforms; v) suitability and registration of the maintenance staff and operators of refrigeration and cooling systems. The above are in addition to the general training for all workers and managers (pursuant to Art. 37, paragraph 2, of Legislative Decree 81/08) carried out according to the criteria of the State-Regions Agreement of 21 December 2011.

With reference to the services outsourced to third companies, with which potential interference with the Group's activities may be generated (e.g. logistics and handling services, and processes carried out within the units), specific agreements are drawn up (and updated) to define the parties' duties, obligations and responsibilities relative to the outsourced activities, as well as the "Interference Risk Assessment Document" ("DUVRI"). However, in the case of the performance of "on-call" services or, in any case, access on the part of third parties to branch/unit premises, specific ad-hoc procedures are drawn up.

Legal non-compliances regarding workers' health and safety

With regard to non-compliance with the law within the Company, MARR carries out a series of specific checks on the safety of the workplaces, analysing the following areas:

- work contracts for goods handling in the storage facilities of the MARR units, with the drafting and verification of a DUVRI;
- routine and non-routine maintenance of the buildings owned or rented;
- procedures relative to damages caused at branches by service companies;
- the updating of standards;
- relations with the Prevention and Protection Service Manager and with the Company's physician.

The appointment of the Prevention and Protection Service Manager is entrusted to an external consultant, who also has the task of pointing out possible improvements in the management of health and safety at work. The following departments liaise with the Prevention and Protection Service Manager: Human Resources (training, relations with the Company's physician, disputes accidents at work), Legal Affairs (assistance regarding laws and documents) and the Technical Services (structural aspects). The position of Company Physician is entrusted to doctors coordinated by the San Gaudenzo hospital.

Management of the 2020 "Covid-19" health emergency

Since the initial instructions given by the Government and health authorities, MARR has respected them, defining a procedure relating to the health and safety dispositions for preventing COVID 19, which has been continuously updated on the basis of the instructions that have followed since then. Through the distribution of this procedure, all of the workers have been given the information necessary (with regard to the methods of

transmission, prevention measures, the use of Individual Protection Devices, the conduct to be implemented in the event of symptoms arising or if has come into close contact with a person who is suspected of being or has been infected) and the measures taken by the Company, including:

- ban on mass gatherings and obligation to keep at a minimum distance of more than one metre (more than 1.5 metres in the province of Rimini);
 - incentives to use leave and permits;
 - organising working activities in such a manner as to further favour rarefaction, creating working groups/shifts and providing for the possibility of alternate presence, thereby avoiding passage from one group/shift to another;
 - limiting the movements of workers within the company facilities to the bare minimum;
 - ban on access to outdoors;
 - meetings held by conference call;
 - annulment of business travel and in-hall training, even if already organised;
 - specific IPD for workers working in spaces open to the public (*cash & carry*);
 - ban on drivers of transport vehicles entering the facilities of the MARR Group and in any event keeping at a distance of more than one metre and ban on using sanitary services for the employees of the MARR Group (if possible, a dedicated sanitary facility should be allocated);
 - use in all departments of a disinfectant such as VF6 or in any event chlorine-based approved by Quality Control, ensuring cleaning and sanitisation after each shift;
 - daily cleaning of all surfaces in other rooms/environments/offices, or in the event of shifts at the end of each shift, using chlorine or alcohol-based disinfectants; cleaning must also include door handles, handrails, points of contact and workstations, including keyboards, mouse, etc.;
 - adoption of extraordinary sanitisation procedures according to that established by the Ministry of Health if a positive case of COVID-19 is found in a worker who has accessed any workplaces in the previous 15 days.
- The service companies working under contract in our Units and our transporters have also been asked to respect this procedure.

Non-financial performance

Accidents	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total accidents	2	7	9	3	6	9	5	8	13
of which:									
accidents while travelling	1	2	3	0	2	2	4	2	6
serious accidents	0	0	0	0	0	0	0	0	0

It must be noted, with regard to the 2017 data (shown in compliance with that indicated in the Consolidated non-financial declaration as at 31 December 2017), that in 2018, INAIL recognised, on request by INPS, and injury that was initially considered to be illness in 2017, and the total number of injuries in 2017 is therefore 14.

The following indices are shown:¹⁶

Accident indices	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Frequency index	2.336	4.600	3.960	7.191	3.671	4.646	2.520	5.358	4.616
Severity index	0.019	0.066	0.053	0.350	0.528	0.478	0.015	0.110	0.085

After the increase in the Severity Index in 2018 due to absences relating to injuries in 2017 continuing into that year, the index reduced in 2019, also compared to 2017.

No fatal accidents occurred in the three-year period.

In addition to full respect for the provisions established by the National Collective Labour Agreement of reference relative to health and safety, information on the Company's attention to safety at work is also communicated to the local Trade Unions with which the Company liaises as well as the complementary agreement in force for

¹⁶ Said indices are calculated as follows:

$$\text{Severity index} = (\text{number of accident days} \times 1,000) / (\text{number of hours worked in the year})$$

$$\text{Frequency index} = (\text{number of accidents} \times 1,000,000) / (\text{number of hours worked in the year})$$

For the calculation of the indices, accidents while travelling are not considered; however, the total number of accident days of periods off work due to accident that start in one year and end in another are entirely included in the year in which the actual accident occurred.

Lastly, the calculation of the severity index takes into account calendar days, not working days.

employees of the Cesenatico branch under which the Parties, among other things, agree on the need to continue to guarantee the present level of safety and to maintain high attention on this subject. The periodical meeting on safety is held on an annual basis, and, in addition to the Company, is also attended by the Company physician, the Prevention and Protection Service Manager and the workers' safety representatives.

Hours of training on Health and Safety at Work, at 31 December	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and category									
Managers	0	0	0	0	0	0	16	0	16
Middle managers	10	86	96	23	82	105	16	86	102
White collars	318	1068	1386	955	1660	2615	446	1213	1659
Blue collars	38	809	847	89	1543	1632	24	966	990
Total	366	1963	2329	1067	3285	4352	502	2265	2767

The hours of training on health and safety in the workplace in 2019 were less than those in 2018, as there had been a consistent programme for repeat training in 2018, concerning both the general training of workers and fire-prevention training.

Human resources

Risks and opportunities

MARR is strongly convinced of the importance of human resources for the Company's development: collaborators adequately trained, strongly motivated and involved in the Company's "spirit" are a necessary condition for reaching the Company's objectives and, at the same time, to increase the value of the Organisation and of the People who belong to the same represents one of the Company's main aims.

The management of human resources focuses on professional growth, guided only by the criterion of merit, aimed at developing both the professional attitude and ambition of each collaborator. In fact, the Company promotes wise management of its personnel aimed at preventing any discrimination whatsoever on the basis of the gender, race, religion, civil status, sexual orientation, age, disability or political convictions of its collaborators. Decisions on the assignment of duties, roles or promotion are taken solely on the basis of the professional profile and the effective skills of each single employee and his/her capacity to contribute to attaining the Company's objectives

Therefore, the Company, adhering to criteria of equity and impartiality, wishes to guarantee adequate professional training for its employees, and for this reason MARR has established its own Academy (the "MARR Academy") which is a virtual and physical environment for learning, for training and for attaining both technical and transversal skills, with distance training alternated with formal "classroom" training, involving the sharing of knowledge, skills and values, to increase the worth and worthiness of the Organisation.

Lastly, the Company also plans to launch initiatives in order to enter into contact with a high number of potential candidates and to favour the search for candidates now and in the future (thanks to a more widespread knowledge of the Company), facilitating recruitment activities and reducing the time required, as soon as coherent needs arise, by participation in events which allow for candidates and the Company to meet (e.g. Career Days held in February 2018 and again in February 2020).

All the above-mentioned activities will also reduce the potential risk of personnel redundancies and favour the Group's capacity to attract suitable candidates to cover the various roles, as well as having adequately trained and motivated personnel.

Policies implemented by MARR

Within its Code of Ethics, MARR confirms its awareness of the fundamental importance of its human resources and, in addition to guaranteeing compliance with the laws in force on labour, it also pursues a policy for the development and appreciation of its employees based on the following rules:

Recruitment and selection

In the “*Lavora con noi*” section of the www.marr.it website, MARR reaches out to skilled, dynamic, motivated individuals oriented towards teamwork, who want to contribute with commitment and passion to the future of the Company, and receives numerous candidatures daily in response.

Participation in events such as Career Day (an annual event held at the University of Bologna and created with the aim of enabling undergraduates and new graduates to meet with companies) enables MARR to come into contact with a high number of young candidates for employment opportunities and to carry out employer branding activities.

The Group also organises internships with the universities, involving undergraduates and new graduates, also thanks to an active collaboration with the University of Bologna in particular, which notifies possible candidates for any internships within the Company. These internships are an opportunity for professional training which provides the students and new graduates with an initial point of contact with working world and gives MARR the chance to increase its know-how with youngsters with a view to subsequently offering them employment opportunities.

MARR ensures that everyone has the same opportunities from the selection phase, which is based solely on the profiles of the candidates in terms of skills, experience, expectations, aspirations, potential, personal characteristics consistent with the principles of rectitude, loyalty and correctness, in relation to the company's requirements in terms of vacant positions and the profiles required to fill such positions, with the utmost transparency and in respect of the principle of equal opportunity, avoiding any form of favouritism and any form of discrimination.

From the recruitment and selection process onwards, and also throughout the working relations with its collaborators, MARR implements a management system based on equal opportunities and does not make choices based on gender, ethnicity, language, religion, political opinion or personal and social conditions, as it is convinced that differences represent a source of richness, as they facilitate the creation of new ideas and innovation.

MARR believes these presuppositions are vital also to guarantee gender equality, and the Board of Directors of MARR S.p.A. is composed of 9 members, 3 of them female and 6 of them male; also, in 2015, the Marisa Bellisario Foundation conferred upon MARR S.p.A. the “Mela Rosa” award for valorising female talent in the top management team.

The Code of Ethics and Procedure for the management of insider and confidential information are distributed to all newly hired staff, who undertake to respect the principles and codes of conduct provided therein.

Training

Training, which for MARR means a continuous and constant pathway, is one of our fundamental values.

Always abiding by criteria of equality and impartiality, MARR guarantees adequate professional training for its collaborators which takes into account both their professional attitude and human characteristics, consistently with the strategy and on the basis of the company's objectives.

This is one of the reasons why MARR has formed its own Academy (the “MARR Academy”) as a virtual and physical “environment” for learning, training and developing technical skills, and also transversal skills through distance training alternating with traditional “classroom” training, in which knowledge, skills, experiences and values are shared in order to favour the growth of individuals and of the Organization.

Furthermore, because MARR considers the protection of the mental and physical health of its employees as a primary objective, it is not only committed towards guaranteeing working environments in respect of the laws in force and healthy and safe, but also promoted a responsible approach to safety by its collaborators.

To make this possible, MARR makes continuous and significant investments in training, not only with regard to general training for all of its workers and managers (according to Legislative Decree 81/08) but also with regard to safety, such as, for example, safety courses for employees who use elevator lifts, courses for fire-prevention personnel and for first aid personnel, training for those who work on vertical aerial platforms, and courses for operators involved in the maintenance and management of the refrigeration and cooling plants.

Professional growth

MARR is deeply convinced of the importance of the professional growth of its human resources as a vital presupposition for company growth (“Grow to generate growth” – MARR spa).

Through the “Let's take care of our future” programme, aimed at enhancing motivation and a sense of belonging, identifying, through increasing personal knowledge and skills and evaluations, the resources with a consistent potential and background (educational and professional) required to assume increasing responsibilities, also through the support of specific development programmes, MARR has implemented opportunities for the valorisation and growth of its Human Resources.

Although being aware that hiring new human resources with previous professional experience in other companies is necessary in order to further enrich the organization and contribute ideas and innovation, MARR believes that it

is very important to offer to the resources already working in the Company the possibility of expressing their own potential and orienting their professional development towards increasing personal satisfaction and motivation on one hand and the contribution that they make to the Company on the other.

Performance evaluation

MARR evaluates the performance of its human resources by assigning them objectives and verifying the results achieved (“management by objectives”), involving in this process the resources with managerial responsibilities and those who, although not having managerial responsibilities, fill roles and positions deemed to be in direct and specific support for the achievement of the main company objectives.

This form of management starts with the assignment of objectives (mainly on an annual basis, clear, well defined, absolutely quantitative in nature and therefore easily measurable and verifiable, challenging but achievable, and shared during the initial part of the reference period) and ends with a summarising of the results achieved, with periodical verification and comparison.

In addition to a system of incentivisation, performance evaluation is also linked to an objective of professional growth through the improvement of personal performance levels through an initial moment of clarification of the expectations and the objectives and one or more subsequent moments of feedback on that achieved, in order to identify any corrective action that may be necessary and therefore the possibility of improving performance levels.

Remuneration system

The main basis of Personnel management in terms of professional development and growth are impartiality, the absence of any sort of discrimination and merit, which thus become a guarantee of the fact that management responds to the requirements of equity.

MARR guarantees that neither gender nor political opinion, religious faith, race or language have any relevant whatever in determining the remuneration of its collaborators, being deeply convinced of the right to equal remuneration for equal duties and results.

To this end, the remuneration policy is based on the responsibilities attributed, professional skills and capabilities and performance evaluation, so as to recognise the responsibilities, the results achieved and development potential.

In addition to an annual evaluation of interventions increasing the fixed component of remuneration in order to advance careers with the undertaking of increasingly responsible roles, MARR has also adopted a system of variable incentives linked to MBO (Management By Objectives) for the resources with managerial responsibilities or who fill roles directly and specifically supporting the achievement of the main company objectives. Much attention is given to this system, with the assigning of annual objectives, both individual and corporate, prevalently of a quantitative nature, periodical verifications and final reporting, with payment of the incentive in the measure exactly corresponding to the extent to which the objectives have been achieved.

Internal communication

The involvement of people as regards the company objectives and all that concerning the Company is pursued through internal communication as well, with the objective of stimulating participation, developing an increasing sense of belonging and improving motivation and sharing.

In addition to “internal communications” on specific topics that are sent to all the department and branch managers (and are also displayed on the noticeboards for company communications in all MARR Facilities, depending on the topic in question), and are then shared by them with their own collaborators, MARR periodically prepares and distributes a *house organ* (InforMARR), which is available to all workers as an opportunity to share the company objectives, initiatives, activities, projects and results.

Periodical meetings are also held, such as the following for example:

- trade convention (with the involvement of all of the members of the trade branch and the managers of the main departments),
- operating and trade meeting (with the involvement of the Branch managers, sales management and the managers of the main departments),
- meetings known as “Fucina delle Stelle” (involving the Branch managers),
- specific thematic meetings involving the resources involved from time to time on the basis of the main theme of the meeting.

Trade Union relations

MARR guarantees that all of its workers have the right to elect their own representatives in the methods provided by the laws in force and the National Collective Labour Agreement (CCNL), ensuring that these representatives are not subject to any form of discrimination and can freely communicate with the workers in the workplace.

MARR has meetings with the Trade Unions several times every year, and a specific meeting is scheduled at after the first four months of each year to share relevant information concerning any eventual reorganizations, externalisation, restructuring, etc.

MARR is also involved with the Trade Unions in the province of Rimini in the event of outsourcing departments or services, informing the workers involved and their representatives with 30 days' notice.

The Trade Unions are also given the possibility of displaying their communications in the spaces allocated for the purpose.

For its activities with Trade Unions, MARR also makes available meeting rooms and gives permission for the workers and their representatives to attend, who are free to carry out their duties according to the methods provided in the CCNL.

The policies adopted which tend to respect and give value to human resources also include the following.

Measures to assure respect for human rights: since 2009 the Company has had an e-mail box for reporting any behaviour contrary to the Code of Ethics adopted by MARR. Only the Supervisory Board can consult said e-mail box.

National Collective Labour Agreement: MARR applies the National Collective Labour Agreement for the Third Sector, the Distribution and Services field (Commerce). In some units (Capena and Cesenatico), for "historic" reasons, a local collective agreement is also applied. Under the National Collective Labour Agreement, the companies and the trade unions meet, normally within the first four months of each year, for the communication of information on relevant processes of reorganization, outsourcing, restructuring, etc. With the trade unions of the province of Rimini, where the Company has its registered office, an agreement has been in force since 2017 according to which, in the case of operational changes that involve the outsourcing of activities, MARR must inform the workers with 30 day's advance notice.

Trainees and apprentices: MARR remunerates trainees and apprentices according to the limits established by the collective labour agreements. To a limited extent the Group organizes traineeships in collaboration with the universities, involving undergraduates and new graduates, and it also collaborates with Bologna University which indicates possible candidates for traineeships available in the Company.

A training project was also started during participation in the Beer Attraction event held in Rimini in February 2019, and also during participation in the Beer & Food Attraction 2020 event, with the involvement of about twenty students of the "Sigismondo Malatesta" Institute for Food and Wine Services and Hotel Hospitality and Catering in Rimini, which saw them operate in the catering sector of the MARR stand, with the possibility of serving tables and interacting with a major professional operator.

Welfare: the Company has put into practice the measures contemplated by the collective labour agreement regarding welfare within the Company. In addition, in the case of requests for changing the work timetable submitted by employees in the "post maternity" period, the Company carefully seeks organisational solutions to grant such requests as far as possible.

It must be noted that in the period 2016-2019, the Group received requests for part-time work on the part of twenty-one female employees (three in 2016, six in 2017, four in 2018 and eight in 2019), in some cases for family reasons and in others linked to the "post maternity" period. With a view to favouring equal opportunities, the Company has managed to create the organizational conditions required to give a positive response to nineteen of these requests.

The Company has not defined objectives or targets to be reached with reference to the human resources aspects.

Non-financial performance

The following tables give numeric information on the composition of the Group's human resources.

The figures highlighted show a slight decrease in units in 2019 compared to 2018, as a result mainly of the closure of the Valdagno unit and the completion of the outsourcing of the operating activities in the MARR Venice Branch. This reduction is partly compensated by the hiring of new staff to enhance some of the Company departments, especially in the procurement section. This is confirmed by the increase in the number of white-collar staff employed and the decrease in the number of blue-collar staff employed. The maintenance of a workforce with more than 50% of employees under the age of 50 has been confirmed again.

Consistency of personnel at 31 December	2019			2018			2017		
Breakdown by gender and age	Women	Men	Total	Women	Men	Total	Women	Men	Total
<= 29 years of age	15	49	64	21	42	63	13	37	50
30 - 50 years of age	140	280	420	140	283	423	131	289	420
>= 51 years of age	92	247	339	91	251	342	89	257	346
Total	247	576	823	252	576	828	233	583	816

Consistenza del personale al 31.12	2019			2018			2017		
Breakdown by gender, age and category	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers									
<= 29 years of age	0	0	0	0	0	0	0	0	0
30 - 50 years of age	0	2	2	0	2	2	0	3	3
>= 51 years of age	1	5	6	1	5	6	1	4	5
Total managers	1	7	8	1	7	8	1	7	8
Middle managers									
<= 29 years of age	0	0	0	0	0	0	0	0	0
30 - 50 years of age	1	11	12	2	10	12	1	9	10
>= 51 years of age	4	21	25	3	19	22	3	19	22
Total middle managers	5	32	37	5	29	34	4	28	32
White collars									
<= 29 years of age	14	30	44	20	22	42	13	21	34
30 - 50 years of age	134	194	328	132	194	326	126	179	305
>= 51 years of age	80	112	192	78	107	185	77	102	179
Total white collars	228	336	564	230	323	553	216	302	518
Blue collars									
<= 29 years of age	1	19	20	1	20	21	0	16	16
30 - 50 years of age	5	73	78	6	77	83	4	98	102
>= 51 years of age	7	109	116	9	120	129	8	132	140
Total blue collars	13	201	214	16	217	233	12	246	258
Total	247	576	823	252	576	828	233	583	816

Recruitments	2019			2018			2017		
Breakdown by gender and age	Women	Men	Total	Women	Men	Total	Women	Men	Total
<= 29 years of age	16	53	69	19	34	53	8	28	36
30 - 50 years of age	52	73	125	37	58	95	39	51	90
>= 51 years of age	12	11	23	13	8	21	12	28	40
Total	80	137	217	69	100	169	59	107	166

Outgoing personnel	2019			2018			2017		
Breakdown by gender and age	Women	Men	Total	Women	Men	Total	Women	Men	Total
<= 29 years of age	15	37	52	10	21	31	6	19	25
30 - 50 years of age	58	70	128	26	57	83	37	47	84
>= 51 years of age	23	36	59	17	32	49	18	65	83
Total	96	143	239	53	110	163	61	131	192
Reason for leaving the Company:									
Voluntary resignation (excluding retirement)	15	37	52	12	38	50	16	45	61
Retirement	0	0	0	0	0	0	0	3	3
Dismissal	15	22	37	2	13	15	7	33	40
Other	66	84	150	39	59	98	38	50	88

The movements exposed in the previous table generated the following turnover:¹⁷

Turnover	2019			2018			2017		
%	Women	Men	Total	Women	Men	Total	Women	Men	Total
Turnover rate	26.7%	16.3%	19.4%	16.3%	14.9%	15.3%	26.2%	22.5%	23.5%

¹⁷ It should be noted that to calculate the index, the terminations does not include employees with fixed-term contracts who were re-employed under continuing contracts. These employees are included among the figures in the respective tables "Recruitments" and "Outgoing personnel".

As in previous years, the turnover rate is strongly influenced by recruitments and employment terminations during the year to deal with peaks in activity (during highly seasonal periods) and recruitment for limited periods aimed at replacing absent workers. In 2019, it was also affected by the closure of the unit in Valdagno and the completion of the outsourcing of the operating activities in the MARR Venice branch.

Maternity/parental leave	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Return to work rate									
Number of employees who have taken avail of the leave	3	0	3	2	0	2	2	2	4
Number of employees who have returned to work after taking avail of the leave	0	0	0	1	0	1	2	1	3
Number of employees in service in MARR 12 months after having taken avail of the leave	0	0	0	0	0	0	2	1	3
Return rate after maternity/parental leave	n.a.	n.a.	0%	50%	n.a.	50%	100%	50%	75%
Rate of maintenance of work position after maternity/parental leave	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100%	100%	100%

The table shows the leave trend, including both the early and obligatory maternity leave and parental leave. The data relative to employees that return after the leave and the number of employees in service after 12 months are indicated in the year in which the period of leave began. It should therefore be noted that 1 female employee returned to work in 2019 whose period of leave started in 2018 (the figures for previous years were thus updated); similarly, the figures for previous years were updated to take into account the number of employees still in service twelve months after returning from a period of leave.

It must be noted that the employees that have not returned from the leave are those for whom the period of leave has not yet terminated, whereas, for several of those who have returned, twelve months have not yet passed since the date of their return to work; therefore the return to work rate after the leave cannot be accurately determined although we point out that all employees that have returned are currently working within the Group.

Seniority of service	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and category									
Managers	33.91	16.40	18.59	32.91	15.64	17.80	31.91	20.75	22.14
Middle managers	17.67	14.48	14.91	16.67	14.90	15.16	15.47	15.16	15.20
White collars	12.11	11.20	11.57	11.80	11.45	11.60	12.45	11.72	12.03
Blue collars	7.49	13.30	12.95	7.83	13.03	12.67	9.26	12.89	12.72

Breakdown by term of contract	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender									
Permanent contract	226	536	762	210	505	715	210	525	735
Temporary contract	21	40	61	42	71	113	23	58	81

Breakdown by part-time/full-time work	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender									
Number of full time employees	200	567	767	199	570	769	184	579	763
Number of part-time employees	47	9	56	53	6	59	49	4	53

Breakdown by academic qualification	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender									
University degree	41	76	117	38	71	109	27	61	88
High school diploma	161	250	411	169	247	416	155	243	398
Junior high school diploma	22	203	225	23	213	236	22	220	242
Other	23	47	70	22	45	67	29	59	88

Breakdown of governance bodies	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and age									
<= 29 years of age	0	0	0	0	0	0	0	0	0
30 - 50 years of age	0	1	1	0	1	1	0	1	1
>= 51 years of age	3	5	8	3	5	8	3	5	8
Total members of the governance bodies	3	6	9	3	6	9	3	6	9

The number of members of the governance bodies includes only the members of the Board of Directors of the parent company MARR S.p.A. The position of sole director of As.ca. S.p.A. and of New Catering S.r.l. is covered by the Chief Executive Officer of MARR.

Breakdown of personnel at 31 December	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and category									
Managers	1	7	8	1	7	8	1	7	8
Middle managers	5	32	37	5	29	34	4	28	32
White collars	228	336	564	230	323	553	216	302	518
Blue collars	13	201	214	16	217	233	12	246	258
Total	247	576	823	252	576	828	233	583	816

The ratio between the basic salaries (according to the National Collective Labour Agreement) and the total remuneration of women / men is given below. For managers, the salaries of Chief Executive Officers have not been taken into account (for this calculation):

Ratio between women's / men's basic salaries	2019	2018	2017
Breakdown by category			
Managers	100.0%	100.0%	100.0%
Middle managers	100.0%	100.0%	100.0%
White collars	92.9%	92.5%	92.7%
Blue collars	95.4%	95.0%	93.0%

Ratio between women's / men's remuneration	2019	2018	2017
Breakdown by category			
Managers	71.5%	81.0%	79.7%
Middle managers	83.0%	84.1%	84.2%
White collars	83.0%	82.3%	83.1%
Blue collars	94.6%	95.3%	90.9%

As contemplated by the National Collective Labour Agreement of reference, the Company meets the Trade Unions of reference normally within the first four months of the year, to communicate relevant information on possible reorganisations, outsourcing, restructuring, etc. A company transfer involving more than fifteen workers must be communicated to the trade union representatives in writing at least twenty-five days in advance.

In addition to National Collective Labour Agreement for the distribution and services sector applied to all MARR employees (100%), for the facility in Cesenatico, a complementary agreement is in force for some employees, as indicated in the following table:

Employees covered by local complementary agreements	2019	2018	2017
% of employees covered by complementary agreements	2.07%	4.47%	4.78%

The details relative to the total hours of training (professional training and training on health and safety at work) provided in the three-year term are given below.

Training (hours) at 31 December	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and category									
Managers	8	109	117	3	194	197	32	4	36
Middle managers	39	260	299	122	734	856	23	173	196
White collars	513	1,879	2,392	1,262	2,843	4,105	925	2,648	3,573
Blue collars	45	918	963	111	2,054	2,165	68	2,316	2,384
Total	605	3,166	3,771	1,498	5,825	7,323	1,048	5,141	6,189

Average hours of training at 31 December	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and category									
Managers	8.0	15.6	14.6	3.0	27.7	24.6	32.0	0.6	4.5
Middle managers	7.8	8.1	8.1	24.4	25.3	25.2	5.8	6.2	6.1
White collars	2.3	5.6	4.2	5.5	8.8	7.4	4.3	8.8	6.9
Blue collars	3.5	4.6	4.5	6.9	9.5	9.3	5.7	9.4	9.2
Total	2.4	5.5	4.6	5.9	10.1	8.8	4.5	8.8	7.6

In 2019, the hours of training reduced compared to last year, mainly as a result of the fact that in 2018, there had been a significant amount of repeat periodical training as regards both the general training of workers and fire-prevention training. The training opportunities implemented in the trade and management segments increased.

Professional training (hours) at 31 December	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender and category									
Managers	8	109	117	3	194	197	16	4	20
Middle managers	29	174	203	99	652	751	7	287	294
White collars	195	811	1,006	307	1,183	1,490	479	1,435	1,914
Blue collars	7	109	116	22	511	533	44	1,350	1,394
Total	239	1,203	1,442	431	2,540	2,971	546	3,076	3,622

It should also be noted that the above figures concern training carried out in the "traditional" manner in hall and that, in addition to this, another twenty-one training courses have been started using e-learning methods, mainly on product topics, each of them made available for about one thousand people and aimed at further increasing product awareness and specialisation in the commercial organization and on the laws concerning privacy.

The Group's absenteeism¹⁸ data are given below:

Absenteeism indices	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Breakdown by gender									
Absences	4.09	2.76	3.15	4.53	3.20	3.58	4.90	2.98	3.51
Illness	2.22	2.06	2.11	2.16	1.84	1.93	2.43	1.98	2.10

It should be noted that during 2019 the total number of absences days¹⁹ amounted to 6,176 (1,789 for women and 4,395 for men), of which, 203 days due to accidents at work or professional illness.

The Company does not contemplate specific benefits for the workers in general apart from what is provided by the contractual welfare defined by the applicable National Collective Labour Agreement. In this sphere, subscription to the complementary health assistance (Fondo Est) is reserved to employees with a permanent contract.

Within the Company and the Group, there have been no incidents based on discrimination.

Supply chain

Risks and opportunities

The Group purchases products from over 2,200 suppliers throughout the world, in order to guarantee its customers a complete assortment of food products and equipment.

The Company has decided to undertake action aimed at an increasingly more accurate and aware control of respect for its own principles, in addition to the law, also on the part of the entire supply chain.

For this reason, suppliers are subjected to accurate vetting, to guarantee respect for the safety and quality features required of the products, both those of MARR's own trademarks and those of third parties' trademarks.

MARR is a leading company in the sale of fresh and frozen fish products, with procurement channels involving suppliers operating in various countries of the world. The fish segment is subject to risks linked to illegal fishing practices (illegal, undeclared and unregulated fishing) and, in some countries, the risk of the violation of human

¹⁸ These indices are calculated as follows:

total hours of absence / maximum hours that could have been worked

total hours of absence for illness / maximum hours that could have been worked

The total number of absences is calculated taking into account all the hours of absence excluding holidays and leave.

¹⁹ The absence from work of a worker is intended as being due to incapacity of any nature and not only related to illness or injury in the workplace. Authorised permits and leave due to maternity/paternity and for family reasons are excluded.

rights and failure to respect dignified labour conditions for the workers. In this context MARR has developed its own management regulations to control the “Sustainable Fish Supply Chain”. The control system adopted on a voluntary basis aims to mitigate the direct and indirect risks linked to procurement from suppliers operating in this sector. Intervening at the supply chain level, in terms of the selection and monitoring of the suppliers, the Management System for controlling the “Sustainable Fish Supply Chain” pursues the promotion of the sustainable development of the fish sector, respect for the human rights of the people involved in the countries of origin and the procurement of fish products that can satisfy the quality, safety and labelling requisites according to the applicable laws and regulations. As indicated in the paragraph on “Environment”, the control system adopted by MARR obtained certification by a third-party organisation recognised at international level.

The implementation of the Quality, Safety and Environment Management System adopted by MARR requires continuous and accurate planning of the activities and the involvement of all the personnel that operate within the organization. In terms of impact, with reference to the end consumer, the communication of information on the foodstuffs is also managed according to specific internal rules and involves various Managements of the Company, in the same way as food safety.

With specific reference to the fish sector, the Company has procurement channels that involve suppliers operating in third countries that can be disadvantaged for the social-economic conditions and that can present a higher risk level as regards respect for human rights. In this context MARR expressly requests its suppliers to respect the laws of each country and to conform to the international guidelines intended to guarantee respect for human rights and labour (the “Universal Declaration of Human Rights” and the “International Labour Organization Convention”). Said suppliers are required to sign specific supply agreements that include respect for said requisites. To check on suppliers’ observance of the requisites of the supply agreements, MARR carries out programmed inspections at the production establishments located in third countries. Said inspections are carried out by MARR’s internal auditors and by external inspectors of private certification bodies, and they are defined in specific control plans.

Policies implemented by MARR

The product suppliers of the MARR procurement chain and the service providers are selected, assessed and qualified according to methods and criteria defined in specific procedures of the Quality System, in accordance with the ISO 9001 standard. The Company has decided to take action aimed at increasingly more efficient control of respect for its own principles, as well as the law, also on the part of the entire supply chain.

The “Suppliers Assessment and Qualification” procedure of MARR’s Quality System includes verification of system and product certifications held by suppliers, including the SA 8000 certificate regarding the Social Responsibility sphere. The SA 8000 standard integrates the aspects of the protection of workers’ rights with those regarding safety at work and respect for rights, and it extends to the entire supply chain. Within the supply agreements, suppliers are also required to sign a specific “Declaration of Commitment to Social Responsibility” under which the supplier guarantees respect for all the principles of the SA 8000 standard, and in particular:

- not to use or sustain the use of child labour;
- not to use or sustain the use of forced labour;
- to guarantee a safe and healthy workplace, to adopt adequate measures to prevent accidents and damage to health by minimising the causes of danger ascribable to the work environment, and to respect everything contemplated by the laws in force on Health and Safety at Work;
- to respect laws and regulations on freedom of association and on the right to collective contracting;
- not to adopt or sustain discrimination in recruitment, remuneration, access to training, promotion, dismissal and retirement, based on race, class, national origin, religion, invalidity, gender, sexual orientation, trade union membership or political affiliation;
- not to use or sustain or tolerate the use of physical punishment, mental or physical coercion or verbal abuse;
- to conform to the work timetable contemplated by the laws in force and by the collective contracting of the category;
- to respect the National Collective Labour Agreement of reference also as regards the salaries paid.

The suppliers’ performances are periodically assessed, in order to verify that the requested quality and service standards are maintained. Many elements are considered for said assessment, including: direct checks on the products purchased, data regarding the correct and regular delivery of the goods, and reports of customers’ complaints and returns ascribable to the suppliers. During the supply period, the products purchased are checked on arrival and during processing/storage at the MARR establishments and platforms. The controls on

arrival are carried out by skilled personnel trained in the test procedures and the specific control plans for the execution of the verifications. The main controls involve:

- 1) visual inspection to verify the state of conservation, the packaging of the product and the hygienic state of the vehicle;
- 2) labelling checks carried out on samples of packaged products to verify the presence of the information required for the consumer;
- 3) temperature controls on perishable and frozen products; the temperatures of reference and the tolerance limits are indicated in specific self-regulatory instructions;
- 4) check on conformity to the order and on the correctness of the accompanying documents;
- 5) analytical, microbiological and chemical checks on the basis of specific samples for each type of product.

The complete assessment of the suppliers also includes the analysis of reports of any complaints and/or returns from customers, in order to understand the causes of the non-conformities found and to identify the responsibilities.

The data of the "Suppliers' Assessment Questionnaires", the non-conformities of supplies and the reports of customers are used to draft the "List of Qualified MARR Suppliers". Said list is periodically updated. Any suppliers that obtain a less than completely positive assessment are requested by MARR to adopt provisions and corrective action to remedy the shortcomings found. If seriously critical situations occur relative to supplies, the appointed departments take immediate action towards the supplier (letters of warning, audits at the production establishments, sampling and analytic testing of the products, up to the suspension of the purchases), in order to eliminate the problems that have been discovered and to ensure the conformity of the products purchased.

Ethical and sustainable procurement, recognising the value of local products

Within the sphere of its activity of the distribution of foodstuffs and non-food to restaurants and catering establishments, MARR has put into practice several methods to guarantee its customers an extremely wide range of products conforming to minimum environmental criteria, as contemplated by Annex I of the Italian Ministerial Decree of 25 July 2011 (NAP GPP - "Minimum environmental criteria for the service of collective catering and the supply of food commodities"). MARR has a products portfolio of over 15,000 food articles including organic products, PGI and DPO products, traditional agro-food products, certified biologically grown products and fair trade products.

To promote environmental and social sustainability, MARR, with adequate programming, can also supply products with special production features, such as, for example: short chain products (Km 0) and fruit and vegetable products of green care farming.

These products allow the collective catering operators (refectories, schools, hospitals) to adopt a Green Public Procurement policy consistent with the National Action Plan on GPP (NAP GPP) and they allow the professionals of commercial catering (restaurants, hotels, tourist resorts) to promote ecological catering measures and sustainable tourism.

Green Product Categories



GPP conforming products

Products which allow for implementing a Green Public Procurement policy, consistent with the National Action Plan on GPP (NAP GPP) and which satisfy one or more environmental sustainability requisites contemplated by Annex I of the Ministerial Decree of 25 July 2011.



DPO products

The Denomination of Protected Origin (DPO) mark indicates the legal protection attributed by the European Union to agricultural products and foodstuffs whose production process is carried out in a limited geographic area and which conforms to certain production rules. The entire production, the transformation and the processing of such products must take place within the limited area. The features of DPO products are essentially or exclusively due to the geographic environment, including natural and human factors.



PGI products

The Protected Geographical Indication (PGI) mark indicates the legal protection attributed by the European Union to agricultural products and foodstuffs that are native to a region or country whose qualities, reputation and features depend on the geographic origin, and of which at least one step of the production, transformation and processing takes place within the limited area.

Green Product Categories



Organic products

Organic agriculture is a type of agriculture which considers the entire agricultural ecosystem, exploits the natural fertility of the soil favouring this with limited action, promotes the biodiversity of the environment in which it is practised and excludes the use of synthetic products (except those specifically allowed by Community regulations) and genetically modified organisms. The European organic agriculture mark gives consumers the assurance of the origin and quality of what they eat and drink. The presence of the mark on the products guarantees conformity to the EU regulation on ecological farming. The European ecological mark is placed on packaged and labelled food products of which at least 95% of the ingredients come from organic farming.



Fair Trade products

Fair Trade products are a concrete and sustainable alternative to international trade and represent a tangible economy carried out by people for people, in which work offers dignity and a future for millions of workers, especially in the southern countries of the world. Fair Trade is a primary objective for re-balancing relations with the economically less developed countries, improving their access to the market through fair earnings and dignified work conditions. In this way, the producers receive a fair and stable remuneration and an additional margin to invest in the growth of the community.



Ecological aqua-culture products

Ecological aqua-culture promotes fresh and salt water fish farming, including shrimps and other molluscs, clams, oysters and also algae, by means of certified ecological techniques. The fundamental aspects of ecological aqua-culture are: to guarantee that the organism completes its entire life cycle in the breeding plant, to maintain breeding stress equal to or near zero also thanks to the reduced impact of man on the animal's life, and to refrain from administering hormonal additives to the fish or fish feed based on fish oils or flours or GMOs.

 <p>Sustainable fishing products</p>	<p>Sustainable fishing products answer certain environment sustainability criteria; the fishing areas are, in fact, managed in a manner that guarantees respect for the existing fish resources, considering their reproductive capacity and the biodiversity. The products that are awarded this certification (such as, for example, the MSC – Marine Stewardship Council - certification) come from fishing areas governed by advanced management programmes. The MSC mark is the most common and internationally well-known system that guarantees sustainable fishing.</p>
Non-food (detergents, ecological paper, table napkins, table cloths, etc.)	
 <p>Ecolabel product</p>	<p>The EU Ecolabel (EC Regulation no. 66/2010) is the European Union mark of ecological quality awarded to the best products from an environmental viewpoint, which can thus be distinguished from those of the competitors on the market, and which, in any case, maintain high performance standards. In fact, the label testifies to the fact that the product has reduced environmental impact throughout its entire life cycle.</p>
 <p>Sustainable forest management</p> <p>FSC and PEFC Products</p>	<p>The purpose of the FSC (Forest Stewardship Council) and PEFC (Pan-European Forest Certification Project) certifications, two of the internationally most common certification schemes, is to identify the management of ecosystems based on sustainability principles. Wood-based products (paper, packaging, etc.) bearing these marks are certified independently and come from forests managed in a manner that respects the social, economic and environmental needs of today's generations and those of the future. In this way the management and traceability of products derived from wood processing are certified, with the aim of protecting the biodiversity of the forests and woods, respecting their normal rhythm of growth.</p>

We lastly point out that, consistently with its business methodology, animal welfare is also an area of interest for MARR, in line with the growing sensitivity of consumers towards this subject. Attention in this sense is directed towards the goal of making available, in the MARR assortment, of products of animal origin which come from production chains that respect the dignity and well-being of the animals. In this context, MARR has prepared its own policy which describes the medium-term objectives and commitments (<http://www.marr.it/sostenibilita/benessere-animale>).

Non-financial performance

The total number of suppliers with which the Company has operated in the years of reference is given below, with indication of those selected according to social and/or environmental criteria, i.e. suppliers that deal in certified products as indicated in the table attached to the preceding paragraph or suppliers with ISO14001 and/or SA8000 certification:

Selected suppliers that satisfy social/environmental criteria	2019	2018	2017
Total Suppliers	2,212	2,211	2,498
- of which, selected according to social/environmental criteria	536	357	267
% of the total	24%	16%	11%

Of the above-indicated suppliers, with characteristics that answer social/environmental criteria, with which MARR has worked in 2019, 17 new suppliers were included during the year (5 in the 2018). It should be noted that this year, the suppliers selected using social/environmental criteria includes 107 suppliers in the Sustainable Fishing Chain, which involves Environmental and Social criteria.

We point out that the data indicated in the table regard only MARR S.p.A. inasmuch as the subsidiaries, did not have a reporting system which monitored this aspect; in the future, the Group will organise itself in order to create a consolidated reporting system.

In support of the national socio-economic framework and support of the local communities where the Group carried out its main activities (approximately 94% of the Group returns are realised within Italian territory), the 2019 figures confirm the trend in the triennium, highlighted by a value of purchases²⁰ made by the MARR Group from local suppliers (Italy) amounting to 60% of the total supplies.

Local suppliers (€ thousand)	2019	2018	2017
Total expenditure for procurement	1,341,699	1,325,825	1,211,291
- of which, from national suppliers	811,339	795,258	725,713
% of the total	60%	60%	60%

²⁰ The figure for total procurement expenditure represents the cost for the purchase of merchandise without taking into account connected charges or other purchase adjustments, therefore it does not actually coincide with the cost for the purchase of merchandise indicated in the Explanatory Notes to the MARR Consolidated Financial Statements for the period.

Table of relationship with Legislative Decree 254/16

Legislative Decree 254/2016 Topic	Material topic	Risks identified	Policies adopted and methods of risks management		Topic specific standard/disclosure	Reference chapter/paragraph	Scope of reporting	Notes	
Environmental	Consumption of electricity and fuel	Environment	<p>The Group refers to the "Quality, safety and environment policy". In addition, it also complies with the Policies implemented, for which see that stated in the Code of Ethics and the ISO 14001 management model, as also explained on the MARR website in the section "Sustainability – Environmental protection" (http://www.marr.it/sostenibilita-ambientale/tutela-ambiente).</p> <p>See the paragraph on "Environment – Policies implemented by MARR" regarding the risks management methods.</p>	<p>102-15 Risks, impacts and opportunities 2016</p> <p>103 Management approach 2016</p>	302-1 2016	Energy consumption within the Group	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
					302-3 2016	Energy intensity	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
	Consumption of water	Environment			303-1 2016	Water withdrawn by source	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note except, for 2016 only, New Catering (the impact of which is not significant on the Group total). However, the Group is committed to covering the entire perimeter in 2019.	The company is not able to accurately calculate the volume of water discharged; as there are no measurement devices for the discharges, the volume of water withdrawn has been considered, assuming that the reported volume of water discharged is more than the actual volume discharged. An exception to this is the MARR Milan distribution centre, where a measurement device was activated in 2018; in this case, it was possible to accurately determine the volume of water discharged by "evaporation". The Group will assess whether it is possible to adopt technical solutions to make these measurements or a reasonable estimate of overall consumption in coming years.
	Use of raw materials Management of packaging	Environment			301-1 2016	Materials used by weight and volume	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note. However, the Group is committed to covering the entire perimeter in 2019.	
	Regulatory compliance	Environment			307-1 2016	Non compliance with environmental laws and regulations	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
	Waste	Environment			306-2 2016	Waste by type and method of disposal	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	In respect of the laws and regulations on waste and the local regulations applicable to the areas of the individual units/branches, the Group confers part of waste through the service offered by the companies assigned by the individual local councils, in respect of the law and for payment of the relevant Waste Tariff (T.A.R.). This method does not enable proof to be given as regards the quantities conferred to the company assigned by the local council and the figure provided thus represents the amount of waste disposed of by the Group through private waste disposal companies in respect of Legislative Decree 152/06.
	Ethical and sustainable procurement	Environment			308-1 2016	New suppliers selected using environmental criteria	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note, except ASCA and New Catering.	
	Emissions	Environment			305-4 2016	Intensity of greenhouse gas emissions	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
		Environment			304-1 2016	Operating sites owned, leased or managed within or close to protected areas or highly biodiverse areas	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
		Environment			305-1 2016	Direct GHG emissions (Scope 1)	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
		Environment			305-2 2016	Indirect GHG emissions from energy sources (Scope 2)	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note	
	Emissions Impacts of logistics	Environment			305-3 2016	Indirect GHG emissions from other sources (Scope 3)	Environment	The MARR Group, all consolidated companies as defined in the Methodological Note, except ASCA and New Catering.	The Group only includes emissions due to fuel used for road transport by third parties in Scope 3, excluding the Agents with warehouses and transfers between distribution centres. The Group is bound to assess the implementation of a reporting system such as to ensure the completeness and accuracy of the information concerning transport of goods in coming years.

Table of relationship with Legislative Decree 254/16

Legislative Decree 254/2016 Topic	Material topic	Risks identified	Policies adopted and methods of risks management		Topic specific standard/disclosure	Reference chapter/paragraph	Scope of reporting	Notes	
Social	Valorisation of local and typical products	Supply Chain	<p>The Group refers to the "Quality, safety and environment policy" and the "Animal welfare policy". In addition, the Policies implemented on this basis refer to that stated in the following documents: - Code of Ethics; - Supply agreements. Also see that stated on the Company website in the sections on "Quality" (http://www.marr.it/gruppo/qualita), "Sustainability – green products" ("http://www.marr.it/prodotti-verdi") and "Sustainability – sustainable fishing" ("http://www.marr.it/sostenibilita/pesca-sostenibile"). See the paragraph on "Supply Chain – Policies implemented by MARR" regarding the risk management methods.</p>	<p>102-15 Risks, impacts and opportunities 2016 103 Management approach 2016</p>	204-1 2016	Percentage of expenditure concentrated on local suppliers	Supply Chain	The MARR Group, all consolidated companies as defined in the Methodological Note, except ASCA and New Catering. However, the Group is committed to covering the entire perimeter in 2019.	
	Social commitment/cooperation	Supply Chain			414-2 2016	Negative impact on the supply chain and action taken	Supply Chain	The MARR Group, all consolidated companies as defined in the Methodological Note, except ASCA and New Catering.	Despite the Group not reporting specific indicators concerning this topic, the topic has been considered material and the Group has the objective in coming years of implementing a monitoring system capable of formalising the current practice and making this information available.
	Product quality and safety	Food health and safety			416-1 2016	Assessment of categories of products and services impacting health and safety	Food health and safety	The MARR Group, all consolidated companies as defined in the Methodological Note	The Group considers this topic material; given that the information is sensitive, it has opted for qualitative rather than quantitative disclosure.
	Product labelling and consumer information				417-1 2016	Type of information necessary for labelling products and services		The MARR Group, all consolidated companies as defined in the Methodological Note	Given that the product labels are compiled by our supplier (producer), the Group does not report these numbers, as it only carries out compliance verifications and quality checks on the products, reporting any anomalies to the supplier. See the chapter entitled "Food health and safety".
	Impacts/integration with regard to the local territory and community	Supply Chain			414-1 2016	New suppliers selected using social and environmental criteria	Human Resources	The MARR Group, all consolidated companies as defined in the Methodological Note, except ASCA and New Catering. However, the Group is committed to covering the entire perimeter in 2019.	

Table of relationship with Legislative Decree 254/16

Legislative Decree 254/2016 Topic	Material topic	Risks identified	Policies adopted and methods of risks management		Topic specific standard/disclosure	Reference chapter/paragraph	Scope of reporting	Notes	
Personnel related	Human resource management	Human Resources	The Group refers to the "Human Resource Management Policy", in addition, it also refers to that stated in the Human Resource Department procedures and in the Code of Ethics. See the paragraph on "Human Resources – Policies implemented by MARR" regarding the risk management methods.	102-15 Risks, impacts and opportunities 2016 103 Management approach 2016	401-1 2016	Total turnover numbers and rate by age group, gender and region	Human Resources	The MARR Group, all consolidated companies as defined in the Methodological Note	
					401-2 2016	Benefits for continuing workers not provided for fixed-term or part-time workers			
					401-3 2016	Parental Leave			
					102-8 2016	Personnel information			
	402-1 2016				Minimum notice period in the event of organizational changes	The CCNL provides that, by law within the first four months of the year, companies and Trade Unions must meet to share information on the relevant reorganization, outsourcing, restructuring procedures, etc. In the event of business transfers (pursuant to article 2112 of the Civil Code) involving more than fifteen workers, notification is given to the Trade Union representations in writing at least twenty-five days beforehand.			
	102-41 2016				Presence of collective contracts				
	405-1 2016				Diversity within the governance bodies and workforce	Human Resources	Considering the composition of the governance bodies, the Group has opted to report the number of members rather than their percentage incidence as required by the GRI.		
	405-2 2016				Ratio between male and female basic salary and remuneration by category and operating qualification				
	404-1 2016				Average training hours per employee per year				
	412-2 2016				Personnel training on human rights policies and procedures				
403-2 2016	Injuries and injury prevention, professional illness, days lost, absenteeism and number of fatal work-related accidents	Health and Safety in the workplace	The indices are calculated using the number of hours worked as the denominator rather than the number of hours workable as required by the GRI, so that the figures are consistent with those in other reports.						
Respect of human rights	Respect of human rights	Human Resources	The Group refers to the "Quality, safety and environment policy", in addition, the policies implemented on the basis of this refer to that stated in the Code of Ethics and in the Supply Agreements. See the paragraph on "Human Resources – Policies implemented by MARR" regarding the risk management methods.	102-15 Risks, impacts and opportunities 2016 103 Management approach 2016	406-1 2016	Discriminatory incidents and action taken	Human Resources	The MARR Group, all consolidated companies as defined in the Methodological Note	
					412-1 2016	Total number of activities subject to human rights review or impact assessment	The company has not subjected any activities to human rights review or impact assessment during the year.		
Fight against corruption	Fight against corruption	Fight against corruption	The Group refers to the "Anti-Corruption Policy", in addition, it also refers to that stated in the Organisational Model, in the Code of Self-Governance and in the Code of Ethics. See the paragraph on "Fight against corruption – Policies implemented by MARR" regarding the risk management methods.	102-15 Risks, impacts and opportunities 2016 103 Management approach 2016	205-1 2016	Activities exposed to corruption risks	Fight against corruption	The MARR Group, all consolidated companies as defined in the Methodological Note	On the basis of the risk assessment carried out, the Group identifies the activities most at risk, but is not able to provide specific figures. The Group objective is to implement a monitoring system in 2020 that is capable of formalising the current practice and making available information on the number of activities subject to corruption related risks.
					205-2 2016	Communication and training on anti-corruption policies and procedures			
	205-3 2016				Confirmed corruption incidents and measures taken				
	419-1 2016				Non-compliances with the economic and social laws and regulations	No cases of non-compliance with the laws and regulations were recorded during the year			
Regulatory compliance									
206-1 2016	Legal action taken for anti-competitive and anti-trust conduct and monopoly practices	Fight against corruption							
Auto-competitive practices									



MARR SPA

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

YEAR ENDED 31 DECEMBER 2019



***Independent auditor's report on the consolidated non-financial statement
pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB
Regulation 20267 of January 2018***

To the Board of Directors of Marr SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Marr SpA and its subsidiaries (hereafter the "Group" or "Marr Group") for the year ended 31 December 2019, in accordance with article 4 of the Decree, presented in the specific section of the Management Report and approved by the Board of Directors on 13 March 2020 ("NFS").

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

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative - Sustainability Reporting Standards", defined in 2016 by the GRI - Global Reporting Initiative (the "GRI Standards"), described in paragraph "Methodological Note" of the NFS, identified by them as the reporting standards, with reference to a selection of GRI Standards therein included.

The Directors are responsible, in the terms prescribed by law, for such internal control they deem to be necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

The Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and features of the Marr Group and, to the extent necessary to ensure an understanding of the Marr Group activities, performance, results and its related impacts.

The Directors are responsible for defining the business and organisational model of the Marr Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Marr Group and for the identification and management of risks generated and/or faced.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board ("IAASB") for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures aimed at obtaining evidence as appropriate.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and features of the Marr Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standards adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. understanding of the following matters:
 - business and organisational model of the Marr Group, with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the Marr Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - main risks, generated or faced, with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and we performed the procedures described under point 4 a) below.

4. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.



In particular, we held meetings and interviews with management of Marr SpA, and we performed limited documentary validation procedures, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and features of the Group:

- at a group level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures and limited testing, in order to assess, on a sample basis, the accuracy of the consolidation process;
- with reference to Marr SpA, which was selected on the basis of its activities and its contribution to the performance indicators at a consolidated level, we carried out site visits and we discussed with management and gathered supporting documentation regarding the appropriate application of the procedures and of calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Marr Group as of 31 December 2019 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards, with reference to a selection of GRI Standards therein contained.

Parma, 30 March 2020

PricewaterhouseCoopers SpA

Signed by

Christian Sartori
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers. We have not performed any verification procedures on the English translation of the NFS of Marr Group as of 31 December 2019.