

The background of the entire page is a dense, repeating pattern of various tropical leaves. The leaves are rendered in shades of vibrant green and teal, with detailed vein structures. The pattern is layered, creating a sense of depth and texture. The overall aesthetic is lush and natural.

# *la Molisana*

**Sustainability Report**

2020



**EACH YEAR**  
**less**  
**230'000**  
**Kilos**  
**PLASTIC**

Thanks to the scientific expertise of ALTIS

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# Letter to our Stakeholders

*A fighting spirit since the beginning* .....

*Fernand Braudel, the French historian, used to say that to have been is a condition of being.*

If we are here, it is because someone came before us and built things, made sacrifices, fought to give us a heritage that we must now protect and grow. If we are here, it is because there is no future without a past, and the story of that past must be told because it has everything: failures, teachings, insights and warnings. Our story, despite being 100 years old, is a simple one, like the three words that have guided us thus far.

**Courage** It is a pulse that runs through us and makes us fight to overcome our limits. It is how far we are willing to go to defend what we believe in. Courage is a tidal wave that takes over our bodies and makes us stand up straight again.

It makes us think of our great-grandfather **Domenico Ferro** who tested his courage in the early 1900s when he chose to leave his small town in Campania and his already established business to start over in Molise, a land of nature and laws. Just a few years later, in 1910, he inaugurated his first stone grinding mill.

Courage makes us think of our grandfather **Giuseppe Ferro** who was incredibly intuitive. He created, transformed and diversified the business. He steered the company into the boom of the 1980s after having bravely faced the disaster of WWII, which saw his dreams shattered and his mill destroyed by the bombs of the retreating Germans on 13 October 1943. Despite it all, he carried on.

**Roots** Having roots means having a deep love and sense of responsibility for your community. **Roots are the solid foundations on which to build something** of absolute value, something that resonates with the community, something it will fight to keep.

There are two types of emperors: those that conquer and those that defend their borders. If the first two generations were the geniuses that built something from nothing, then the third generation is destined to work to build credibility, solid technical skills, trust outside and inside the company, and shared wealth.

The two brothers, **Domenico** and **Vincenzo Ferro** took the helm in 1972 and, thanks to their father's legacy, were able to plan the transfer and expansion of the milling plant to its new headquarters, where they established **F.Ili Ferro - Semolerie Molisane snc**, eventually incorporating, becoming the pioneers of a modern ecological plant. The facility is trusted and respected by the entire milling industry, in Italy and abroad.

**Madness** Madness is having the tenacity to chase a dream, even when the path ahead is full of obstacles, because you believe that integrity, innovation and merit will prove you right in the end. In 2011, **Giuseppe Ferro Jr**, dreamed of acquiring La Molisana, the historic pasta factory, a complex project which he shared with the rest of the family, **Flavio**, **Rossella** and **Francesco**. We grew up believing that what makes us great is not the success we achieve but the courage that lets us



### *The Ferro Family*

get back on our feet every time we fall attempting to launch ourselves wholeheartedly past obstacles.

Motivations and challenges have reached a new level: **directly managing the entire integrated pasta supply chain**, being the drivers behind the **relaunch of an historic brand**, creating new jobs. The profound reason our family accepted the challenge was the desire to give Molise a chance at redemption. In 10 years, we have got the pasta factory back on its feet, allowing a dynamic energy to take shape and transform **La Molisana into a company that is always in motion**, that never

stops investing and innovating. Over time, we built the team we wanted, to face market challenges and to make a difference, creating **passion, company loyalty and a sense of belonging**.

No miracle here, just dedication, risk taking and a healthy dose of madness. **This is who we are at heart**. The fighting spirit of those who face challenges head on.

# Our sustainability mission

*Looking towards the future since 1912* .....

For those of us who work in the food industry, the obvious importance of offering high-quality products is accompanied by a need to be transparent about what goes on behind the scenes to create a quality product. We call this the value chain. Topics such as our impact on the environment and biodiversity, employment and economic development, anti-corruption and respect for workers' rights or the importance of the link with the local community have always been our

top priorities here at La Molisana. Since 2011, we have introduced several initiatives to guarantee the **continuation of our high-quality production** and the **consolidation of a sustainable approach**, proving that it is possible to combine business with social and environmental responsibility. Our **sustainability strategy** revolves around **4 pillars** and can be broken down into clear targets and actions.

## La Molisana's strategic pillars for sustainability

- Promote sustainable agricultural practices
- Guarantee the traceability of the integrated supply chain from field to fork
- Select suppliers based on social and environmental criteria
- Collaborate with farmers for high-quality wheat with a high protein content at a fair price



- Reduce the use of raw materials for products and packaging additives
  - Energy efficiency initiatives
- Manage and reduce greenhouse gas emissions
- Recover waste materials and water used in production processes to promote the circular economy

- Search for innovative products to meet new dietary requirements and trends
- Guarantee the highest food quality and safety standards
- Business development

- Care for our employees' health, safety and well-being in the way we handle the pandemic
  - Promote skills development
- Promote local economic and social development
- Promote food education in schools and fight food waste

Initiatives and values recognised by stakeholders and the community, earning La Molisana the **Leonardo Prize for Business Excellence** in the

growth and sustainability category in 2019, for our deep commitment to:



### CULTIVATING A CONNECTION WITH THE REGION

by promoting the engagement of wheat producers to promote **sustainable agricultural practices** and obtain a high-quality ingredient with a high protein content, **ensuring that farmers receive a fair price.**



### PROMOTING THE WELL-BEING OF OUR EMPLOYEES

by guaranteeing **respect for workers' rights** throughout the supply chain, adopting the SMETA (Sedex Member Ethical Trade Audit) approach that promotes **ethical practices towards employees and suppliers.**

### REDUCING OUR ENVIRONMENTAL FOOTPRINT

by investing in **highly energy efficient technologies that increase output and productivity** and promoting the recovery of production waste as part of the **circular economy.**

### PROMOTING TECHNICAL SKILLS AND EMPLOYMENT

by **chairing a Technical Training Institute** to create a hub of **qualified candidates** to be hired in the local industry through long-term training programmes.

### COMMITTED TO PROMOTING FOOD EDUCATION

and healthy lifestyles to **combat** rising rates of **obesity.**

### DEVELOPING INNOVATIVE PRODUCTS

that **meet the new dietary requirements** and guaranteeing the highest food safety standards.

Today, ten years on, we are ready to "certify" our results, **reporting our improvement margins transparently and objectively** and voluntarily

adopting a **globally recognised reporting system** based on the GRI Standards.



# The criteria for preparing the Report

## *Environmental, corporate and economic sustainability* .....

La Molisana's first Sustainability Report describes the initiatives we have implemented, our **ESG (environmental, social and governance) performance indicators** and our future projects, providing complete and transparent information to our stakeholders. In order to provide a full understanding of our business activities, the do-

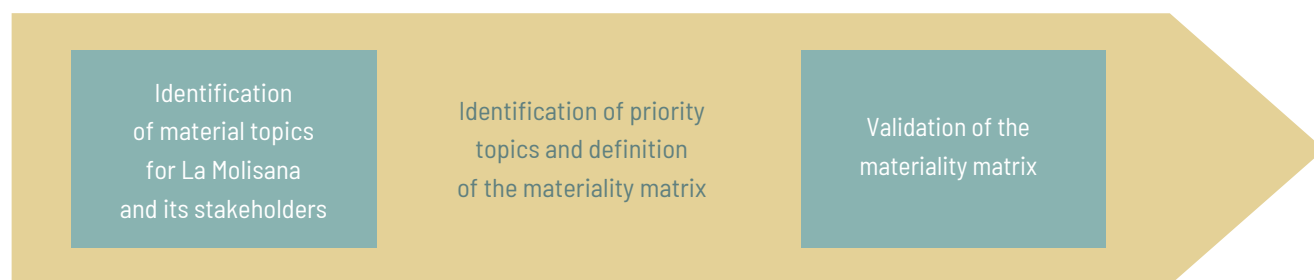
document describes our performance and impact regarding the topics that are most relevant to the company and its stakeholders based on the Global Standards for Sustainability Reporting defined in 2020 by the Global Reporting Initiative.

## MATERIALITY ANALYSIS

This report refers to the 2020 financial year, and the information it contains has been selected based on the results of the materiality analysis which identified the material topics for La Molisana and its stakeholders.

The scope of the data presented in this report regards the pasta factory operated by La Molisana S.p.A. In order to correctly represent the company's performance and ensure the reliability of

the data, estimates have been used very sparingly, with any estimated data duly indicated. **The materiality analysis on which this Sustainability Report is based was conducted according to the methods provided by the GRI Standards.** The analysis was carried out in collaboration with senior management and the support of an external consultancy firm and developed in three clear phases:



The **identification of material topics** was a preliminary activity aimed at pinpointing potentially important topics for La Molisana in terms of objectives and strategies and the external context in terms of the main sector-specific concerns and topics of interest for the company's main stakeholders. This phase involved an initial

analysis of internal and external documentation. The list of **potential material topics was refined and certified** in collaboration with the managers of all of the Group's departments and business areas, and information was collected on **the priorities of the company's business strategies**, its current management approach, the main ri-

<sup>1</sup> E.g., the Confindustria 2020 Sustainability Report, "Sustainable development in the agro-food sector" by Federalimentari, "What do Stakeholders want to know?" by the GRI, the Sustainability Accounting Standards Board's Materiality Map, Sustainability Reports and Non-financial Statements from comparable businesses.

isks and impacts, and any drivers emerging from changes to regulations. eventuali stimoli normativi emergenti.

The **prioritisation phase** aimed to establish a scale of priorities for each topic, considering the interests of La Molisana in relation to its goals and business strategies and those of its stakeholders. In both cases, the topics were evaluated on a scale from 1 to 5, with 1 indicating the lowest relevance to the company's business strategies or to stakeholders and 5 indicating the highest. This

evaluation was conducted through the distribution of online questionnaires to members of La Molisana's senior management team and to a select panel of the Group's stakeholders. All topics that received an above-average score for either the company or its stakeholders were considered significant, or "material", and were therefore included for consideration in this document.

In the **validation phase**, the Materiality Matrix was shared with the internal team at La Molisana.

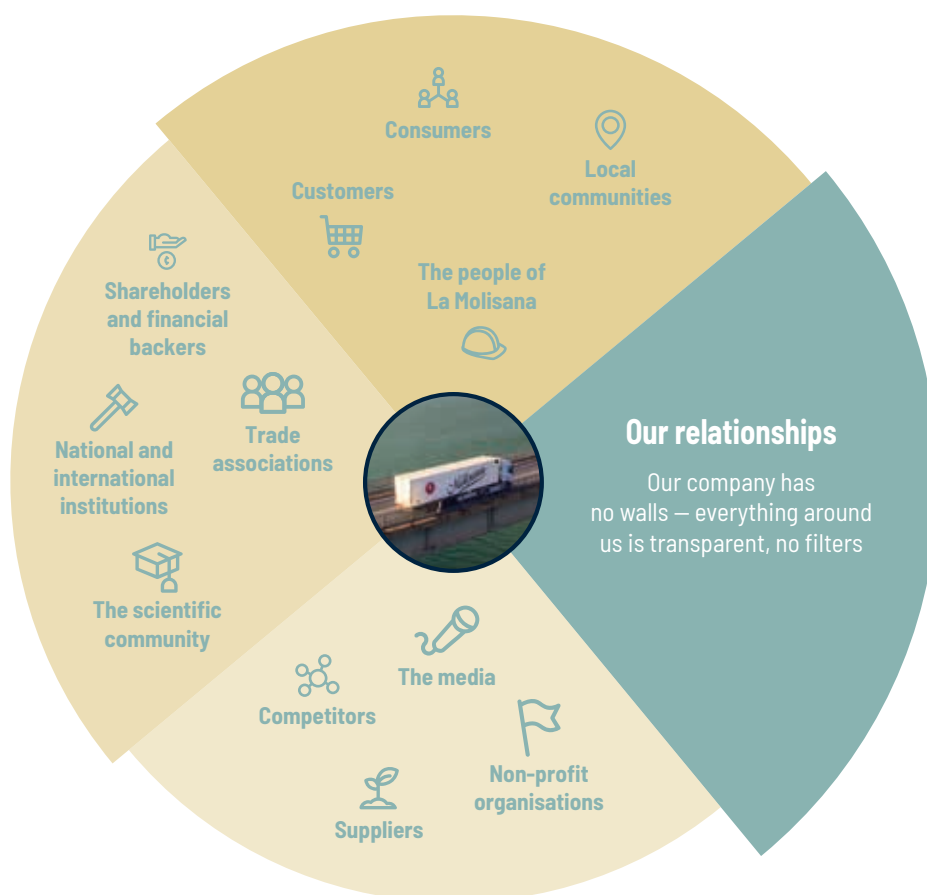
## OUR STAKEHOLDERS

We believe that a **trusting relationship with our stakeholders** is essential to our sustainable development, and therefore engaging with our stakeholders is a key element of La Molisana's approach.

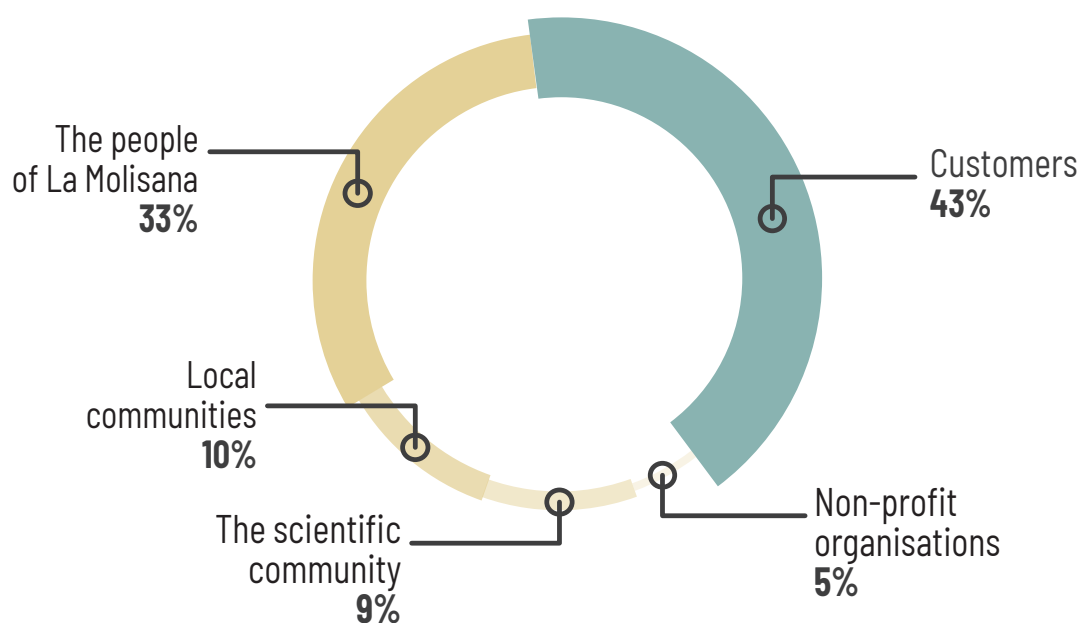
This relationship is fuelled by continuous dialogue, allowing stakeholders to get to know our business and helping us understand their needs.

Because this dialogue is ongoing, it is important to **identify the key figures involved in promoting regular feedback and engagement initiatives**.

Through internal surveys of the company departments responsible for the day-to-day management of stakeholder relations, we have identified the following stakeholder map:



# Stakeholders involved



In 2019, La Molisana began a Stakeholder Engagement process, sending questionnaires to a representative sample of our stakeholders and asking them to voice their expectations, focusing on the mainly on social, environmental and governance impact. The results of this process provided us with a clear overview of how La Molisana's stakeholders perceive

sustainability and were compared with the company's activities.

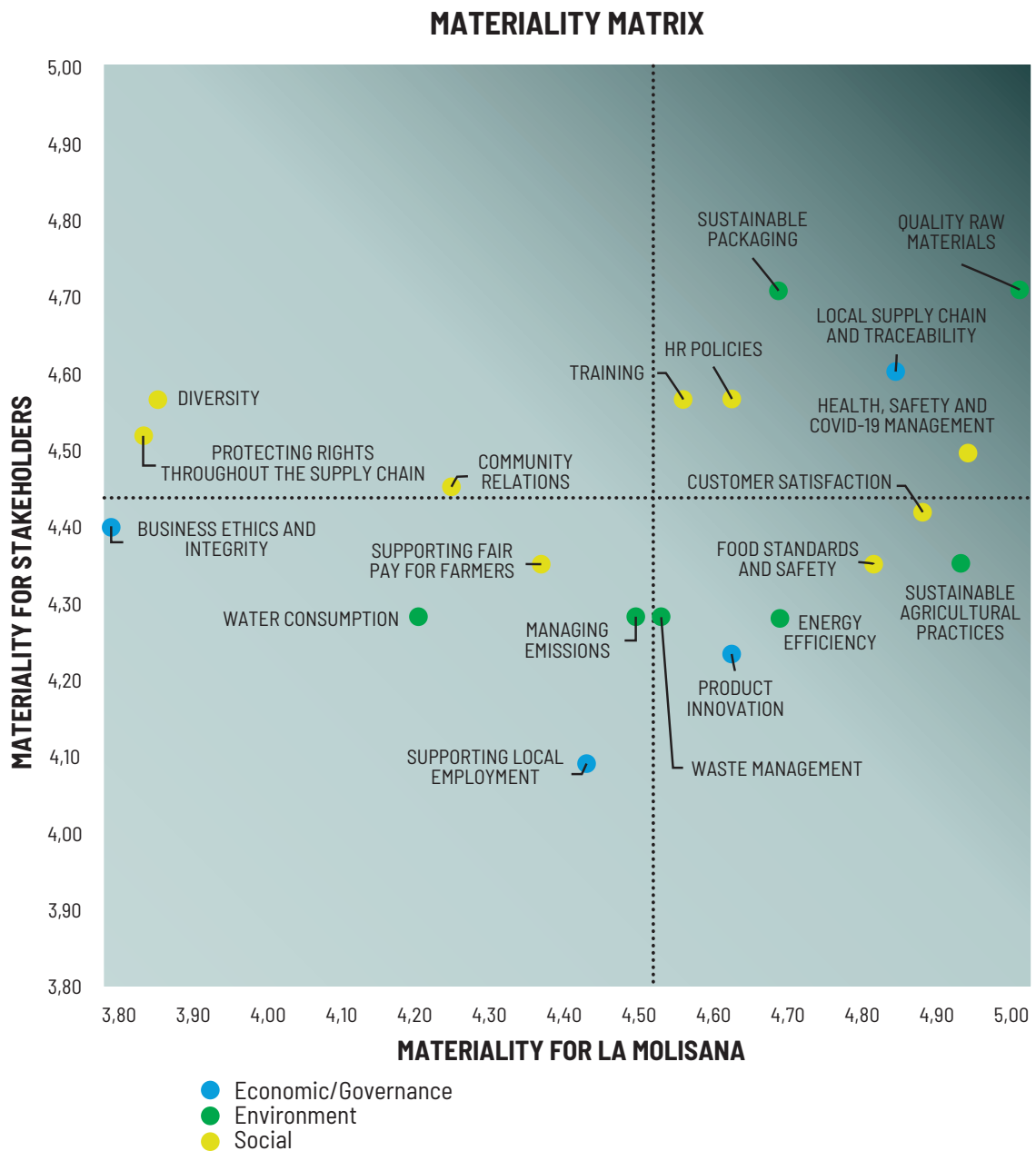
This tool is a valuable opportunity to establish a two-way conversation, listening to our stakeholders and enabling them to develop a clear picture of the business and the community in which we operate.














# MATERIALITY MATRIX












Non-financial reporting focuses on **material topics**, or rather **the topics with the greatest positive or negative impacts** on La Molisana's activities with regard the economic, environmental and social context in which it operates. Specifically, the analysis was conducted considering the strategic aspects for the company and its stakeholders. We adopted an internationally recognised methodological approach in line with the

industry best practices and the GRI Sustainability Reporting Standards, while the process itself followed the AccountAbility 1000 - Stakeholder Engagement Standard (2015).

The results of the materiality analysis conducted in 2020 are presented in the **Materiality Matrix**. For each topic, the x-axis shows the **materiality for La Molisana**, while the y-axis shows the **materiality for its stakeholders**.



SCOPE OF IMPACT					
MATERIAL TOPIC	DESCRIPTION	GRI TOPIC	WHERE IT TAKES PLACE	LA MOLISANA'S INVOLVEMENT	SDGs
Quality raw materials	We only use the highest quality grains cultivated using practices in line with developing a sustainable agricultural system.	GRI 301 Materials	Company and suppliers	Generated by the company and directly related through business agreements	 
Sustainable packaging	Our packaging solutions are designed to reduce the quantity of materials used and obtain 100% certified recyclable packaging.	GRI 301 Materials	Company and suppliers	Generated by the company and directly related through business agreements	
Local supply chain and traceability	Since 2018, all of our pasta intended for the Italian market is produced using 100% Italian wheat, promoting Italian crops. We clearly disclose product traceability and the origins of our ingredients to help consumers understand the production process.	GRI 417 Marketing and labelling	Company	Generated by the company	
HR policies	We promote employee well-being, nurturing the value of each person in a cohesive working environment based on openness and trust.	GRI 401 Employment	Company	Generated by the company	
Diversity	We promote inclusion, diversity and equal opportunities in our recruitment policies and career development opportunities.	GRI 405 Diversity and Equal Opportunity	Company	Generated by the company	
Training	We offer continuous training programmes to our employees and support emerging talent in our region.	GRI 404 Training and education	Company	Generated by the company	
Health, safety and COVID-19 management	Safeguarding our employees' health and safety is extremely important in how we manage the COVID-19 pandemic.	GRI 403 Occupational health and safety	Company	Generated by the company	 
Tutela dei diritti lungo la filiera	We respect the individual rights and freedoms of everyone in doing their jobs and throughout the supply chain, respecting physical, cultural and moral integrity and conducting specific supplier audits.	GRI 409 Forced or compulsory labour	Company and suppliers	Generated by the company and directly related through business agreements	 
Product innovation	We invest considerable resources into promoting innovation throughout the production process, studying new and exciting formats with excellent performance.	N/A	Company and business partners	Generated by the company and directly related through business agreements	
Customer satisfaction	We guarantee that our customers receive high-quality products that meet their needs. We have established dedicated channels to provide support services to consumers, manage reports of product defects and encourage sincere and ongoing dialogue with our customers.	GRI 417 Marketing and labelling	Company	Generated by the company	
Energy efficiency	We invest in advanced technology to improve the energy efficiency of our production facilities, in line with industry best practices, progressively lowering our environmental impact.	GRI 301 Energy	Company	Generated by the company	   

SCOPE OF IMPACT					
MATERIAL TOPIC	DESCRIPTION	GRI TOPIC	WHERE IT TAKESPLACE	LA MOLISANA'S INVOLVEMENT	SDGs
Sustainable agricultural practices	We invest in advanced technology to improve the energy efficiency of our production facilities, in line with industry best practices, progressively lowering our environmental impact.	GRI 301 Materials	Company	Generated by the company	   
Sustainable agricultural practices	We promote sustainable and environmentally friendly agricultural practices to protect the environment and local communities, guaranteeing a minimum price to farmers and offering bonuses to encourage the production of high-quality wheat.	GRI 308 Supplier environmental assessment  GRI 414 Supplier social assessment	Company and suppliers	Generated by the company and directly related through business agreements	 
Product quality and food safety	We invest significant resources to continually increase the nutritional quality and safety of our ingredients and finished products.	GRI 416 Customer health and safety	Company	Generated by the company	
Community relations	We promote Molise's reputation worldwide, also supporting local employment and contributing to development and the generation of wealth in our region.	GRI 203 Indirect economic impacts	Company	Generated by the company	   

# OUR CONTRIBUTION TO THE 2030 AGENDA

In 2015, the 193 Member States of the United Nations signed the **2030 Agenda for Sustainable Development**, a plan of 17 Sustainable Development Goals (SDGs) supported by 169 targets to confront the main global economic, social and environmental challenges.

The **2030 Agenda** is not only a UN-approved do-

cument that proposes new and effective strategies for a sustainable future, but above all, it is a global project that **binds member states to their commitments** and calls upon everyone – institutions, businesses, society, associations – to contribute **through a conscious and shared approach**.

## SUSTAINABLE DEVELOPMENT GOALS



**La Molisana has always supported an approach to business that balances profit with an ethical and cultural commitment**, understanding that entrepreneurs now play a decisive and crucial societal role as observers and receivers of urgent calls to action that extends far beyond the production of consumer goods.

Our **approach to the SDGs** has been to **implement** a series of **actions in the ten years** since the company was acquired by the Ferro Group in 2011. During this decade, La Molisana has worked hard to **restore the centrality of the connection that always united the company to the region,**

creating shared value for employees and the community and contributing to 11 of the SDGs. In our approach to the Sustainable Development Goals, after having identified the material topics and initiatives implemented to support the SDGs, La Molisana was able to **define 16 specific targets relating to the 11 SDGs** supported by the company's activities.

The individual actions implemented by La Molisana to help achieve the various SDGs identified and **integrated into the company's business strategy** are described below.



### Target 2.4

By 2030, ensure sustainable food production systems and implement resilient agricultural practices that **increase productivity and production**, that help maintain ecosystems, that **strengthen capacity for adaptation to climate change**, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality.

#### Our projects and actions

- After years of research conducted by a pool of agronomists, La Molisana has selected the **best seeds** to cultivate in the central-south region of Italy to produce **pasta made from 100% Italian wheat**.
- La Molisana's commitment to sustainable agriculture begins with the supply chain agreements signed in 2016, establishing a guaranteed minimum price and bonuses that encourage the production of protein-rich wheat, involving over **1,500 farmers in Molise, Apulia, Marche, Lazio and Abruzzo**.
- We are committed to quadrupling the amount of durum wheat we purchase, promoting specific programmes to **increase farmers' skills** and promote environmentally friendly agricultural practices.
- Thanks to CGS Sementi and Horta, the farmers in our supply chain have access to [www.grano.net](http://www.grano.net), an online support tool dedicated to the production of all varieties of wheat.



### Target 3.4

By 2030, **reduce by one third premature mortality from non-communicable diseases** through prevention and treatment and promote mental health and well-being.

### Target 3.9

By 2030, **substantially reduce the number of deaths and illnesses from hazardous chemicals** and air, water, and soil pollution and contamination.

#### Our projects and actions

- La Molisana produces 15 different shapes of high-fibre whole wheat pasta, 3 shapes of gluten-free pasta and 5 shapes of organic pasta.
- We have created a **food education programme based on the Mediterranean Diet** – a healthy and balanced diet typically followed in Mediterranean countries in which grains, particularly whole grains, play a central role.
- We have adopted Thermopest, an alternative ecological system to traditional chemical systems (gases and fumigants) to eliminate invasive insects.
- Over the next three years, we have committed to **developing a "Zero Residue"** product with chemical crop protection product residue of 0.01 mg/kg or less, guaranteed by a voluntary certification. This threshold is the current analytical quantification limit provided by highly certified laboratories.





#### Target 4.4

By 2030, **substantially increase the number of youth and adults who have relevant skills**, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

#### Target 4.7

By 2030, **ensure all learners acquire knowledge and skills needed to promote sustainable development**, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.

#### Our projects and actions

- Since 2014, La Molisana has chaired the **Istituto Tecnico Superiore Demos advanced technical training institute** on a non-remunerated basis. The institute has become a **leading academy in Molise and an incubator for highly qualified candidates** hired by local businesses, with an employment rate of 80%.
- Since 2011, the company has run its Talent Scout programme to provide financial support to young candidates.
- The **Piccole Mani in Pasta** programme opens the doors of the factory to young people, creating a trove of information to help consumers make fully informed buying choices.



#### Target 5.5

**Ensure women's full and effective participation and equal opportunities for leadership** at all levels of decision-making in political, economic, and public life.

#### Our projects and actions

- We promote inclusion and equal opportunities in professional development – **33% of Department Heads at La Molisana are women.**



### Target 6.4

By 2030, **substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater** to address water scarcity and substantially reduce the number of people suffering from water scarcity.

#### Our projects and actions

- In 2014, La Molisana supported the Molise Region to establish a self-certification protocol for the uncontaminated water from the Matese mountains and **create a Quality Charter**.
- Our production lines use a closed cooling water system, **reducing the amount of water used for production processes by 40% in the last three years**. The company has also been planning to adopt additional measures which will enable water abstraction to be reduced by a third of its current level.



### Target 7.2

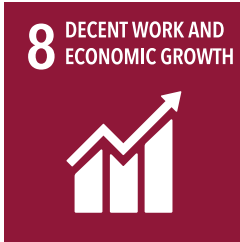
By 2030, increase substantially the share of renewable energy in the global energy mix.

### Target 7.3

By 2030, **double the global rate of improvement in energy efficiency**.

#### Our projects and actions

- The **two trigeneration systems** installed at the factory in 2013 and 2020 meet up to **90% of the electricity demand**, 100% of cooling energy demand and 20% of thermal energy demand.
- **For the outstanding amounts** not met by the trigeneration systems, La Molisana has decided to optimise its **self-production of renewable energy** by installing an 8,600-m<sup>2</sup> photovoltaic plant which will produce 1.7 GWh of clean energy each year.
- The diesel boiler was replaced with a **steam boiler**, reducing methane gas consumption by 20%.



### Target 8.4

**Improve progressively**, through 2030, **global resource efficiency in consumption and production** and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.

### Target 8.8

**Protect labour rights and promote safe and secure working environments** for all workers, including migrant workers, particularly women migrants, and those in precarious employment.

### Our projects and actions

- Our employee-centred approach has led to the creation of the ***Cura et Labora*** programme, in collaboration with ***Fondazione Giovanni Paolo II***, to promote employee health through **prevention and screening programmes**, as well as initiatives to promote food education and physical activity.
- Our commitment to our employees has earned us the **SMETA4PILLARS certification** in recognition of our ethical treatment of our staff.
- In 2014, **we created Molise Calling, a network that aims to raise awareness of Molise's archaeological, oenological and gastronomical heritage and its unique landscape** among national and international stakeholders through actions to promote and enhance the region's assets.



### Target 9.4

By 2030, **upgrade infrastructure and retrofit industries to make them sustainable**, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

### Our projects and actions

- **In the last four years, La Molisana has invested over €32 million** to increase efficiency and quality, implementing advanced and sustainable technologies that place us among the best practices of the sector.



### Target 11.4

Strengthen **efforts to protect and safeguard the world's cultural and natural heritage**.

#### Our projects and actions

- **La Molisana supports an ambitious project** that promotes sport as a leading driver of growth for young people and the region. Founded in 2017, **Magnolia** is not only a **women's basketball club**, but also represents the desire to promote basketball culture, from mini-basketball to the youth team, throughout the education system.
- In two years, the company has organised around **50 charity cookery courses**, with all profits – currently in the region of €20,000 – going to charity.



### Target 12.2

By 2030, achieve **sustainable management** and efficient use of natural resources.

### Target 12.3

By 2030, halve per capita global food waste at the retail and consumer level and **reduce food losses** along production and supply chains, including post-harvest losses.

### Target 12.5

By 2030, **substantially reduce waste generation** through prevention, reduction, recycling, and reuse.

#### Our projects and actions

- Our new paper packaging is sourced from **FSC-certified renewable sources** and certified by Atilcelca as 100% recyclable.
- All of our production waste is recovered. **Paper and plastic are sent for recycling**, and food waste is recovered for the production of animal feed.



### Target 13.1

**Strengthen resilience** and adaptive capacity to climate-related hazards and natural disasters in all countries.

#### Our projects and actions

- Our investments to increase energy efficiency through trigeneration have enabled us to **decrease energy consumption** and increase production from renewable sources through the photovoltaic system we installed in 2020.
- We have adopted the Pallet Pooling system, which helps us increase the efficiency of our logistics and significantly improve our environmental impact: **12,000 shipments** in one year, **42% reduction in distance travelled** and around **2,600 tonnes of CO2 equivalent saved**.

# A hundred years of quality, innovation and love for our homeland

## 1.1 *The history of our pasta factory from 1912 to today* .....

### 1912 **Foundation of the La Molisana Pasta Factory**

Pastificio La Molisana opens as an artisanal pasta factory in the unspoilt heart of Molise. In just a few decades, it becomes an industry leader in the production of semolina pasta.

### 1917 **Grand Palm of Honour and Gold Medal for the production of pasta products (Rome Trade Fair)**

At the Rome Trade Fair, La Molisana is awarded the *Grand Palm of Honour First Prize and the Gold Medal* for producing quality pasta products.

### 1966 **The first brand**

The name La Molisana against a backdrop of four interwoven ears of wheat creates a simple yet evocative logo.

### 1987 **The updated logo**

The logo is redesigned to include a feudal emblem, combining the symbols of the province and city of Campobasso. The red and blue colour scheme derives from the two oldest brotherhoods in Molise: the Crusaders and the Trinita-

rians. The six towers represent the gates of the ancient medieval town of the region's capital.

### 1991 **The missing Mill**

La Molisana begins construction of the mill a short distance from the factory to complete its production chain. The importance of the mill would become even clearer in 2011 when the factory was acquired by the Ferro Group, which had been milling for over a century.

### 2011 **A new chapter. The Ferro era**

Having earned an excellent reputation and financial stability in over a hundred years of operation, the Ferro family of millers acquire the historic pasta factory. To relaunch the business, they focus on taking care of the entire pasta supply chain, from field to fork. The mill and the pasta factory provide the stimulus for a strategic synergy to monitor the entire production cycle. A new path is charted, and La Molisana decides to highlight the moment by relaunching the traditional and much-loved brand, symbolising continuity with the past. The company returns to represent the region with pride and looks towards the future with hope.

### 2012 **Sartoria della Pasta**

La Molisana describes the quality of its products using the term “Sartoria della Pasta” (Pasta Couturier), a metaphor that associates the excellence of the agro-food industry with Italy's proud sartorial tradition. The global reputation of Made in Italy products revolves around these two sectors: food and fashion. Sartorial style is adopted as the emblem of La Molisana, entrusting the company's rebranding campaign to the German photographer Dirk Vogel to give the company a fresh but sophisticated new image.

### 2013 **Launch of Square Spaghetti**

La Molisana launches Square Spaghetti onto the market, replacing traditional spaghetti. The new shape is a success.

### 2015 **Food Service. La Molisana creates a new line for the catering industry**

In 2015, La Molisana launches two new lines aimed at the restaurant and catering sector: Collezione da Chef (for smaller operations) and Grandi Cucine (for large-scale catering).

### 2015-16 **Square Spaghetti wins awards**

La Molisana is awarded the 2015 Food Award by a panel of experts for its newest product, Whole Wheat Square Spaghetti, an innovative product that combines the flavour of consumers' favourite spaghetti with the constant focus on a simple and healthy diet.

In 2016, La Molisana Whole Wheat Square Spaghetti is also awarded the SIAL Paris 2016 award in the Innovation category.

### 2018 **Conversion to 100% Italian wheat**

After nearly 10 years of collaboration with a group of agronomists, we successfully researched and identified the best seeds that will ensure extraordinary quality. We cultivated these crops in the fields of central-southern Italy, distinguished for its mild, dry climate and soil suited to the cultivation of durum wheat, and signed close supply chain agreements with over 600 farmers, increasing the number to 1,500 by 2021. Furthermore, we have followed each and every step of the cultivation process, achieving extremely high quality and going from 10,000 to 60,000 tonnes of 100% Italian wheat. Today — **exclusively for the Italian market** — thanks to our supply chain and traceability system, our packaging proudly proclaims **“100% ITALIAN WHEAT”**.

### 2019 **Leonardo Prize for Italian Quality**

In 2019, at a ceremony attended by the Italian President Sergio Mattarella, the Italian Minister of Economic Development, the Chairman of the Leonardo Committee and other top institutional representatives, La Molisana received the **2019 Italian Quality Award** as a mark of national excellence and an expression of Made in Italy quality on the global markets.

### 2020 **Trighetto, La Molisana's triangular spaghetti, wins at the Parma Food Awards for best packaging**

Trighetto wins the award for best packaging at the 2020 Parma Food Awards. The triangular spaghetti came first in the pasta and rice category. Organised by Tespi Mediagroup, the 2020 Food Awards are a B2B initiative designed to highlight the work of food sector businesses that have shown innovation and excellence in the design and launch of marketing and communications activities.

### 1.2 *The Ferro Family and a new beginning for the pasta factory*

Acquired in 2011 by the Ferro Family, the historic **La Molisana brand began to climb the ranks of Italian industrial pasta factories**, and in just ten years earned fourth place on the dried semolina pasta market and became co-leader on the whole grain pasta market. Naturally, **this was the result of the work of many people** who, united through a shared passion, worked to reach a common goal. Yet above all, it was thanks to the combined strength of four different yet complementary personalities who sought to guide their teams through courage and self-sacrifice. Alongside them, **Vincenzo Ferro, third-generation ancestor, bearer of memories and conduit between the past and future.**

The growth of La Molisana is the result of a strategy centred on three levers: **our integrated supply chain, our connection to the region**, and above all **product and process innovation.**

**Innovating is a frame of mind:** In the last ten years, we have invested over €90 million to **support technological and product innovation**, aware that new technology can **enhance the centuries-old milling tradition** passed down through four generations and raise food quality and safety standards through increasingly sustainable processes, while **investments aimed at researching and developing new products are a priority** if we are to continue to develop and grow in our sector.

This commitment to innovation, as well as being confirmed by our financial performance in recent years, has also earned us recognition, including the **Leonardo Italian Quality Prize** in 2019 and the **Food Award** in 2020 in the best packaging category for our Trighetto triangular pasta.

“ *A century of knowledge refined and passed down, 100 years of decisions always driven by the same guidelines, by the integrity of one who sees no other way than to be utterly professional and committed to quality. These are the solid foundations that have brought us to where we are today.* ”



 *Giuseppe Ferro*

**Chief Executive Officer** of the Pasta Factory, a **man focused on the future**, with an aptitude for finance and a life committed to durum wheat. He has travelled throughout Italy to secure contracts and give the brand the positioning it deserves.

 *Flavio Ferro*

**Group Plant Manager**, with a strong personality, **a tireless worker** never afraid of a challenge and prepared to make sacrifices.



 *Rossella Ferro*

The public face of La Molisana is a **passionate woman, loving mother and award-winning entrepreneur**: a skilled multitasker, Rossella Ferro is **Head of Marketing** and instils her young team with passion and vision.

 *Francesco Ferro*

**Mill Plant Manager**, responsible for managing and operating the Mill. He distils the reliability and know-how of four generations to steer the family business.





## 1.3 Our values

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### OUR ROOTS

Ours is more than mere pasta. It is the **story of a family of millers** over four generations and a **region, Molise**, a place with unique characteristics that make it ideal for producing a superior product.

**It is a small region with a strong grain growing tradition**, fed by the freshwater springs of the Matese National Park and the mountain air, which help to preserve the wheat and dry the pasta.

**These are the unique characteristics of a productive region that forever seal the gratitude and attachment that La Molisana has for its homeland.**

**These natural assets are complemented by the knowledge passed down through the generations**, the preservation of traditional skills and **investments in cutting-edge technologies** that optimise know-how as well as raw materials.



### OUR INTEGRATED SUPPLY CHAIN

The ability to offer a product whose **entire production process is managed and monitored by us** is one of the unique strengths of La Molisana.

The care we take in our products begins with the grain of wheat and ends at the table, **providing consumers with a guarantee of traceability and consistent quality.**

Every link of the supply chain boasts the **highest food safety standards**, from the new optical grain selectors and stone decorticators **at the mill**, to the next-generation production lines equipped with precision sensors to detect the smallest defect **at the pasta factory.**



### OUR PEOPLE

*History and companies are made by people*, especially those whose work connects different fields and thus generates innovation. *Ours is absolutely a team effort*, drawing on the work of the countless people who have worked to *achieve a common goal* through courage and self-sacrifice.

We can rely on human resources who have inherited the experience of their ancestors to become the custodians of knowledge passed down through the generations. *We firmly believe in the human value of teamwork*. This is something we have built over time, creating a team of specialised, passionate and motivated personnel with complementary professional backgrounds and a *shared enthusiasm for the company and its projects*.



### INNOVATION

Our investments in innovation in every field, from production to communication, stem from our profound desire to *bridge the gap between the limitations of a small region lacking in infrastructure and the industry-rich central-south region of Italy* to become the technologically and ecologically advanced company we want to be.

Consequently, since 2011 we have invested over *€90 million in innovation, with the aim of reaching modern consumers who prioritise food safety*, well-being and, above all, Italian pride. These are the foundations that guide new purchasing trends and the three commandments that businesses must adopt in order to grow and prosper in the future.

# Domenico Ferro's vision



1

La Molisana has always been a pioneer of **Made in Italy quality**. In 1927, only a few years since its foundation, La Molisana received awards for its quality at the Rome trade fair, and the **Gold Medal and the Grand Palm** gave credence to our production of excellent pasta.

This vocation has remained constant over the years and has been certified on numerous occasions since the acquisition by the Ferro Group. A **tradition of wheat** encompassing four generations, **meticulous attention to detail** throughout the production process, the **constant search for high-quality raw materials and sustainable technologies**, this heritage is condensed into a product that combines artisanship with the safety provided by industrial production processes.



2

Our **passion for raw materials stems from the company's founder, Domenico Ferro**, whose knowledge and deep love for durum wheat has been passed down to today's generation, guaranteeing high-quality finished products year after year. **This focus extends beyond raw materials to the entire supply chain** — from farming practices, to packaging, to production, to supplier selection — with the aim of continuing to **enhance a centuries-old heritage and tradition**.



3

Keeping the link with the region alive has always been a determining aspect of our founder's vision and continues today in the **Group's business strategy through the cultivation of a strong local supply chain ecosystem**. Our trusted and certified suppliers are selected according to rigorous technical, quality, economic and financial criteria and must hold certain certifications in order to partner with us.

“ *A unique mix of people and values, knowledge and technologies, together with the functional restyling of the brand and the design of new and informative packaging, these are the credentials on which La Molisana has based its relationship of trust with the market, guaranteeing a high-quality product.* ”

# Product innovation

## 2.1 Our products



### CLASSIC

Today, the company produces over 100 different shapes of pasta which can be divided into a number of product categories. The basic range includes some 60 products – some short, some long – produced using only **stone-ground Italian wheat with a minimum protein content of 14%**. As well as the familiar classics, the range also includes new shapes which have helped the brand to earn the distinction of **pasta innovator**: square spaghetti, pasta cubes, triangular spaghetti, squared-shaped pasta tubes, hollow square spaghetti, ridged farfalle and heart-shaped rigatoni.

Moreover, for over two years **eight shapes** have been **audited** by an external third party, DNVGL - Business Assurance, one of the leading international certification bodies, to **certify their firmness**. Firm, consistently compact and elastic when chewed, these shapes retain their shape and consistency even under stress.



### WHOLE GRAIN

La Molisana has also entered the health food market with the relaunch of the Whole Grain Line, ensuring a **high-quality product produced using 100% stone-ground Italian wheat**.

An extensive range of long and short pasta shapes, produced according to a **unique recipe that guarantees well-being without compromising taste, high in fibre**, with a **delicate flavour**, our whole grain pasta is **extruded through bronze dies** to better absorb sauces.



## SPECIAL

A line of large pasta shapes and pasta nests, with around 30 products distinguished by a slightly textured surface that holds sauces well **in the unique shapes crafted in the great pasta-making tradition.**

Attractive shapes in a **delicate amber-yellow colour with a minimum protein content of 14%**, which guarantees extraordinary firmness and hold when cooked.



## SEMOLINA

With the Stone-Ground line, **La Molisana has put over 100 years of milling tradition into practice.** For four generations, we have selected the best wheat – accompanied by a passport certifying its food hygiene and safety standard in compliance with REGS. (EC) 852/2004, 178/2002, 466/2011 as amended– and processed it in our mill.

Thanks to our **stone decortication process**, which uses modern technology based on a traditional method, the **bacterial load of the wheat is purified**, and the grain is gently ground several times to leave only the heart of the grain itself. **Expanding on our “core” business, we began to work with semolina**, which is ideal for making pasta and can be used in different ways.

## Our products



### GLUTEN FREE

**Ideal for people with coeliac disease** thanks to its blend of naturally gluten-free ingredients.

**Flavourful and original with a delicate taste and bronze-extruded process**, this pasta is the perfect base for any recipe.

**Perfect for those who like to push their culinary boundaries** thanks to its perfect balance of flavour, consistency and texture.



### ROSSI

In 2019, La Molisana expanded its range and launched the Rossi line of products, produced using **100% Italian tomatoes** selected to guarantee **reliable quality and unmistakable flavour**.

Harvested only when in season, **the tomatoes are processed within six hours of being unloaded**, in which time they are selected using scanning cameras and manual sorting, cooked and prepared for bottling. Thanks to this rapid processing, **we are able to offer a product that preserves the flavour of a freshly picked tomato**.

## 2.2 Innovation

For many years, innovation and continuous research into pasta shapes has distinguished La Molisana. The first big leap forward was the launch of **Square Spaghetti** in 2013, which became an instant best-seller and a stalwart of La Molisana. This small but profound revolution broke the classic spaghetti out of its traditional cylindrical form. With an even thickness of 2 x 2mm, it is substantial, full bodied and satisfyingly chewy, offering a pleasantly palatable experience that seems to last forever. Thanks to this unusual thickness, it is beloved by home cooks and chefs alike because **it virtually never overcooks and is perfect cooked slowly in butter**. The **Product of the Year award is just one of the many recognitions** that confirm the need for innovation in the sector. La Molisana became synonymous with in-

novation and soon after launched two more new products: **Ridged Farfalle** and **Ridged Orecchiette**. In 2019, we launched four new and unusual pasta shapes designed for superior firmness, to retain their shape and texture when cooked and to provide inspiration for exciting new recipes: **Trighetto** (Triangular Spaghetti), **Spaghetti Quadrato Bucato** (Hollow Square Spaghetti), **Quadrotto** (Square Pasta Tubes) and **Cubetto** (Pasta Cubes). An exciting range designed to revolutionise everyday home-cooked pasta dishes and bring a unique element to restaurant menus. The **Associazione Professionale Cuochi Italiani** (Professional Association of Italian Chefs) has collaborated with La Molisana for many years, offering the experience of its chefs to test and develop a product designed for use in restaurants.

# Love at first sight

## LOVE AT FIRST SIGHT

On Valentine's Day 2021, La Molisana ran an advert that depicted two pasta hearts next to each other with the quote **"FALL IN LOVE EVERY DAY"**, prompting many to ask **whether the shape existed and if it were possible to make it**. So, with truly grass-roots inspiration, La Molisana decided to create a new heart-shaped pasta extruder. The engineering process focused on delivering a harmonious shape and the right proportions, and before long **the heart took shape and the time came to give the new product a name**. Once again, La Molisana turned to the social media community and thus **Rigacuore was created**, and was officially launched in June 2021.





## Focus. New Paper Packaging

As well as creating new pasta shapes, **La Molisana is committed to innovating the very substance of its products.** Since 2016, the company has focused on the well-being line and engaging with the growing market of consumers who wish to lead healthy lifestyles, starting with what they eat and choosing high-quality Italian products. With this in mind, the company **completely overhauled its Whole Grain Line**, creating a pasta with a warm and inviting colour **processed using bronze extruders for a textured surface** that holds sauces well.

As well as having a high vitamin and mineral content, La Molisana's whole grain pasta has a high protein content of over 14% and is **high in fibre**

(approximately 8 g per 100 g of product), a feature that helps the body to absorb nutrients, **makes you feel full for longer**, and **supports a low glycaemic index.** Before long, the brand became co-leader in the whole grain dried pasta segment and set a benchmark as a flavourful yet healthy product.

Conscious of the emerging needs of consumers who are showing a growing interest in **food that promotes health and well-being**, since 2019 La Molisana has been working on its **Fibra Plus** project aimed at developing new technologies to produce dried pasta enriched with **plant fibres, bioactive and active ingredients, and nutrients.**

# Paper packaging inspired by our love for the environment

Food-safe packaging that adapts to the principles of sustainability must be **designed to reduce environmental impact** and to be reused in new ways after the initial use, while **preserving food and meeting safety standards** to prevent food waste.

Conscious that consumers are becoming increasingly concerned about plastic pollution in the environment, La Molisana opted to give its products a makeover with entirely new and **100% recyclable paper packaging.** In fact, our packaging has been certified as fully recyclable with the **501/19 Certification awarded by the impartial third-party body Aticelca.** The paper used to produce the packaging **originates from renewable sources and is sustainably managed according to the FSC.**





*La Molisana has partnered with the Impatto Zero® programme to certify its commitment to measuring, reducing and offsetting the CO2 associated with its packaging.*

To highlight the efforts made by the company to reduce its plastic use and further limit its negative environmental impact, La Molisana is part of the **Impatto Zero project in partnership with Lifegate, a carbon offsetting programme for the packaging and paper goods** the company produces company.

# 360° food responsibility. Monitoring our supply chain from field to fork

The first link in the supply chain is selecting wheat based on its nutritional qualities.

- For products aimed at the Italian market, we use 100% Italian wheat grown in the central-south regions of Italy: **Molise, Marche, Apulia, Lazio and Abruzzo.**

- We have selected certain varieties including Maestà, Don Matteo and Marco Aurelio for their quality and high yield.

- Grain quality can be divided into **four key areas:** yield, protein content, resistance to disease and environmental stresses (resilient agricultural systems) and the technical and nutritional quality of the grain.

We only accept wheat that meets the most rigorous standards and is accompanied by a certified grain passport. After a lengthy process to analyse and classify the wheat in our laboratory, the grinding process begins. The grain is sifted, purified and husked. The stone-ground flour is usually obtained using a cylinder which continuously grinds the wheat **until only the semolina remains.** This is then mixed with pure water to **make the dough.** During **extrusion,** the dough is forced through a perforated Teflon or bronze cylinder to create the final shape. The pasta is then **dried** using warm air cycles and cooled to reach the ideal temperature for packaging. Finally, the pasta is stored in silos before **final packaging.**

## WHAT MAKES OUR INTEGRATED SUPPLY CHAIN SO SPECIAL?

**La Molisana is one of the few businesses in the sector to benefit from a fully integrated supply chain.** This means that we are able to monitor the entire production process from field to fork. **Our responsibility became even more evident in 2011 when the factory was acquired by the Ferro Group,** a family of millers with over a hundred years of experience and owners of a milling plant (Semolerie F.lli Ferro Srl) which today produces around 180,000 tonnes of durum wheat each year, with a daily production capacity of approximately 600 tonnes and a storage capacity of around 200,000 tonnes.

**The integrated supply chain offers important competitive advantages.** The synergy between our mill and our pasta factory **set us apart from most of our competitors,** providing consumers with a **guarantee of traceability, safety and consistent quality.** It also affords us significant economic benefits thanks to economies of scale and production synergies.

## What do we mean by the pasta supply chain?

### WHEAT FIELDS

For many years we have worked to **source high-quality Italian durum wheat in the central-south regions of Italy**, following every step of the cultivation process in order to support Italian agriculture and raise quality standards.

### MILL

For over 100 years, we have only accepted wheat certified by a grain passport to confirm compliance with the food hygiene and safety standards under REGS. (EC) 852/2004, 178/2002, 466/2011, as amended. Using the best technologies available, such as optical selectors, stone decorticators and soft grinding techniques, **we obtain safe and healthy semolina** that is delivered fresh to the factory every day.

### SILOS

We operate one of **Europe's leading storage facilities** in the middle of the Tavoliere delle Puglie plain. This state-of-the-art facility is equipped with advanced technology to preserve and monitor durum wheat.

### FACTORY

**Located at 730 metres above sea level**, our pasta factory is one of the highest in Central-Southern Italy. A cutting-edge facility optimised by continuous investments, it has **10 production lines, 18 packaging lines, a storage capacity of 45,000 pallets and trigeneration systems** to produce sustainable energy.



### 3.1 The Wheat

To produce high-quality pasta, it is important to rigorously monitor our suppliers and the raw material to ensure that the high standards set by the company are met. La Molisana has established direct, long-lasting business arrangements that support the pursuit of shared values and common goals. Thanks to our integrated supply chain

and the longevity of our brand, **La Molisana has established a reliable and sustainable supply chain based on solid foundations: the quality of the raw material, the proximity of our operators, ethical conduct and sustainable agricultural practices.**

Over one hundred years of **history**, our **integrated supply chain** and the **unspoilt land** on which we operate – Molise, blessed with the perfect conditions for making pasta – are just some of the elements that make La Molisana's pasta so special. **Pasta is a simple product made from water and semolina.** For a truly excellent final product, the raw materials must be of the **highest quality**. At La Molisana, where we manage the entire supply chain, this is an essential prerequisite. The first element – the **pure spring water from the Matese National Park**, flowing at 1850 metres above sea level – is provided by

mother nature and is perfect for making pasta, while the second element – the **wheat** used to derive the semolina – is guaranteed by us here at La Molisana and is a true passion.

Procuring the best raw materials is not something that can be left to chance. **It means understanding your market and building relationships with reliable suppliers.** Over four generations, the Ferro Family has gained knowledge and credibility in selecting the best varieties of certified and traceable durum wheat.

MATERIALS (tonnes)	2019	2020	% CHANGE
<b>PASTA PRODUCED</b>	<b>124.792</b>	<b>147.518</b>	<b>18,2%</b>
<b>SEMOLINA</b>	<b>130.188</b>	<b>154.252</b>	<b>18,5%</b>
<b>FILM PACKAGING</b>	<b>1.486</b>	<b>1.898</b>	<b>27,7%</b>
<b>CARDBOARD PACKAGING<sup>2</sup></b>	<b>12.984.444</b>	<b>16.747.486</b>	<b>29%</b>

In 2020, La Molisana processed 154,252 tonnes of semolina obtained from 100% Italian wheat grown in Molise, Marche, Apulia, Lazio and Abruzzo, generating 147,518 tonnes of pasta (+18.2% compared to 2019).

<sup>2</sup> For future sustainability reports, the company is committed to converting the packaging data – currently expressed as pieces purchased – into tonnes.

**The company bases its relationship to the supply chain on the principles of ethics, integrity and corporate responsibility**, verifying that its suppliers, sub-suppliers and contractors are committed to protecting human and workers' rights, including the fight against child labour, the fight against forced labour, the guarantee of a healthy and safe working environment, freedom of association to trade unions, non-discrimination, the rejection of any form of physical or verbal violence, employment hours in line with national or specific agreements, and fair pay in line with national or specific agreements.

We are committed to engaging openly with all relevant internal and external parties, **promoting the adoption and spread of the principles of corporate responsibility among our suppliers, con-**

**tractors and sub-suppliers** and rewarding their commitment to continuously improve the principles established by the **Ethical Trading Initiative (ETI) Code of Ethics** founded on the conventions of the **International Labour Organisation (ILO)**.

For high-risk suppliers who do not hold SMETA certifications or memberships, **the company conducts an approval audit at least every three years**. In general terms, in 2019, La Molisana interacted with 1,068 suppliers, focusing primarily on those based in the local area. **In 2020, the company welcomed four new suppliers**, and 50% were assessed according to **environmental and social criteria and their adoption of the Code of Ethics**.



## SUPPLY CONTRACTS FOR HIGH-QUALITY ITALIAN WHEAT

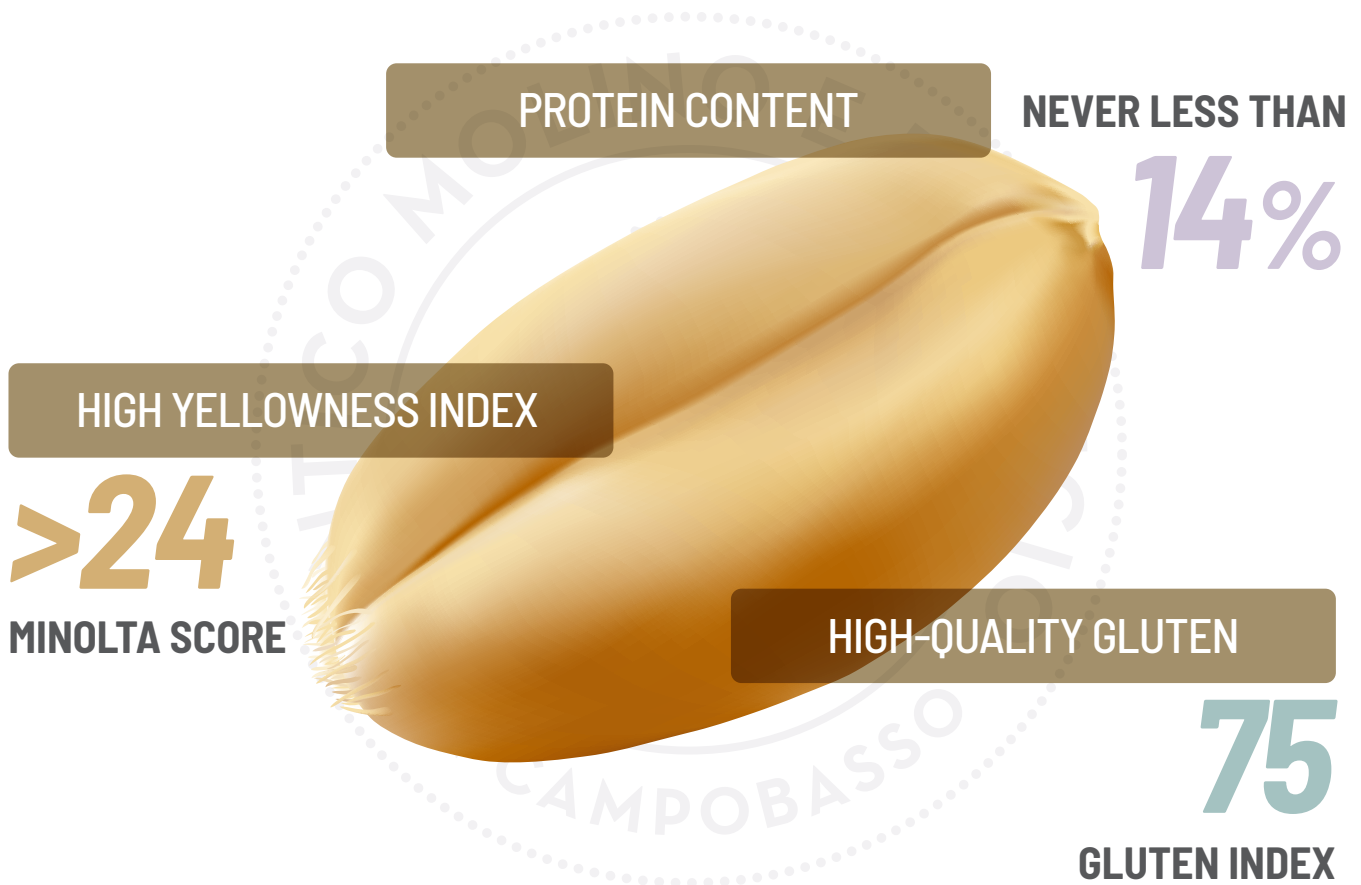
The principles of sustainability to which La Molisana aspires in its relationships with wheat suppliers are put into practice through **supply contracts, an important tool to support Italian agriculture.**

Thanks to these agreements, La Molisana guarantees that the **high quality and sustainability standards** it requires are met, while producers see their efforts recognised through the stability of an established agreement, a guaranteed minimum price and a bonus based on the sale price. Specifically, this is between €15 and €30 per tonne, depending on the protein content (>15%).

These contracts enable La Molisana to express its commitment to **promoting the development of the local economy and protection small Italian producers.**

In fact, in 2018, we signed agreements with 600 farmers in the central-southern regions of Italy (Molise, Apulia, Marche, Lazio and Abruzzo), and we now work with around 1,500, **increasing the volume of wheat purchased from 8,500 to 42,500 tonnes in just four years.** Today, we are extremely proud to be able to offer our customers **pasta made from 100% Italian wheat.**





## SUPPLY CONTRACTS: THE SOCIAL, ECONOMIC AND ENVIRONMENTAL ADVANTAGES

### GUARANTEED MINIMUM PRICE

Supply contracts guarantee that farmers receive a **guaranteed minimum price** for their produce and benefit from long-term employment prospects through a project aimed at constantly increasing production.

### TRAINING FOR FARMERS

Programmes are promoted to help farmers **improve their skills**.

### BONUSES

Bonuses are introduced to reward the cultivation of **high-quality** durum wheat.

### TRACEABILITY OF INFORMATION

**Traceability of information** is optimised at the various stages of the supply chain.

### CO2 REDUCTION

Our supply contracts **optimise transport logistics** and lower CO2 emissions.

### SUSTAINABLE PRACTICES

Supply contracts promote and introduce **more sustainable agricultural practices**.



# Sua Maestà il Grano



**Improving the competitiveness** and economic sustainability of our growers, **rewarding the development of domestic production** to reduce imports, **developing innovation in farming**, promoting better product quality and **higher environmental sustainability standards** thanks to the use of technology that supports conscious and informed decision-making.

These are the main goals of the **Sua Maestà il Grano** project supported by La Molisana. Together with **Cassa Depositi e Prestiti** and **Intesa Sanpaolo**, **La Molisana** has signed a new supply chain con-

tract established by the **Italian Ministry of Architectural Policy** worth over **€9 million** to support the growth and development of four companies in La Molisana's supply chain operating in Molise and Apulia.

The Sua Maestà il Grano project centres on **creating a specific supply chain for high-grade durum wheat** with superior quality standards and high yields in a highly traceable context with certified food safety standards, guaranteeing specific and nutritional characteristics and protein content.

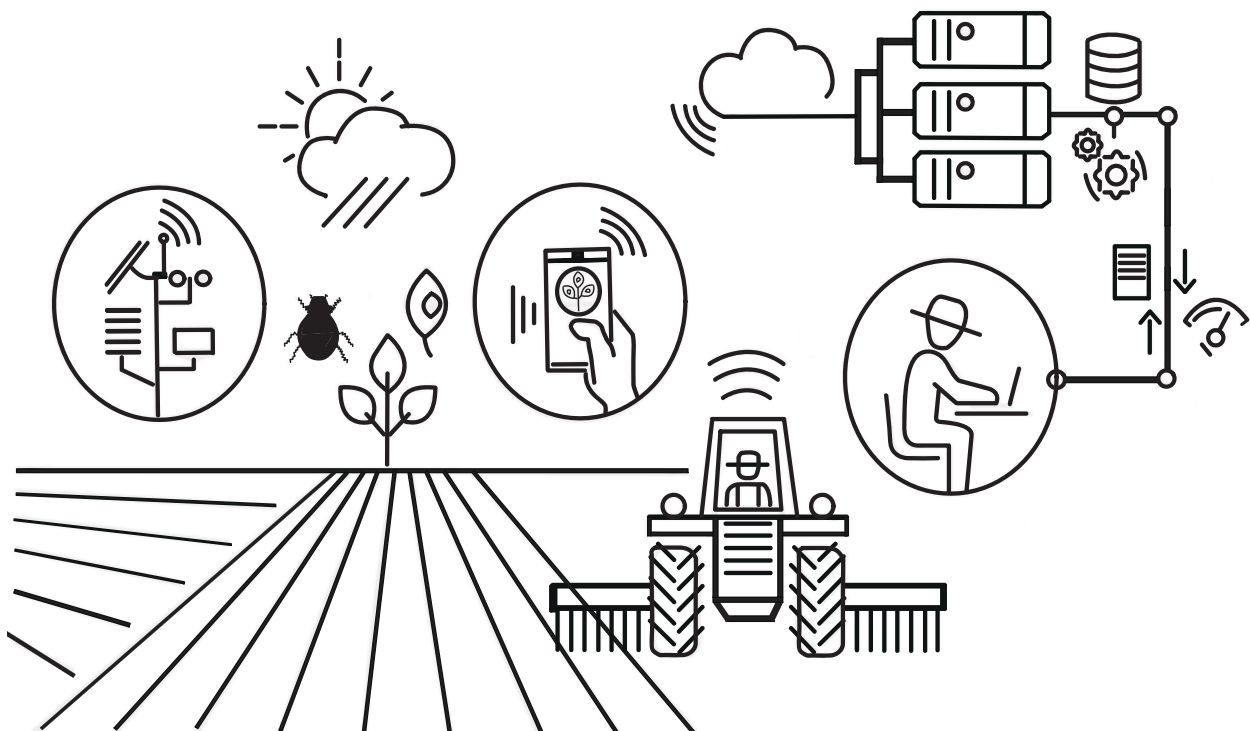
To promote an increasingly innovative and sustainable approach to farming, Horta has developed grano.net®, a decision support system (DSS) designed to enable the cultivation of durum wheat in a dynamic way, adapting it to the specific agricultural and climatic conditions in which growers operate.

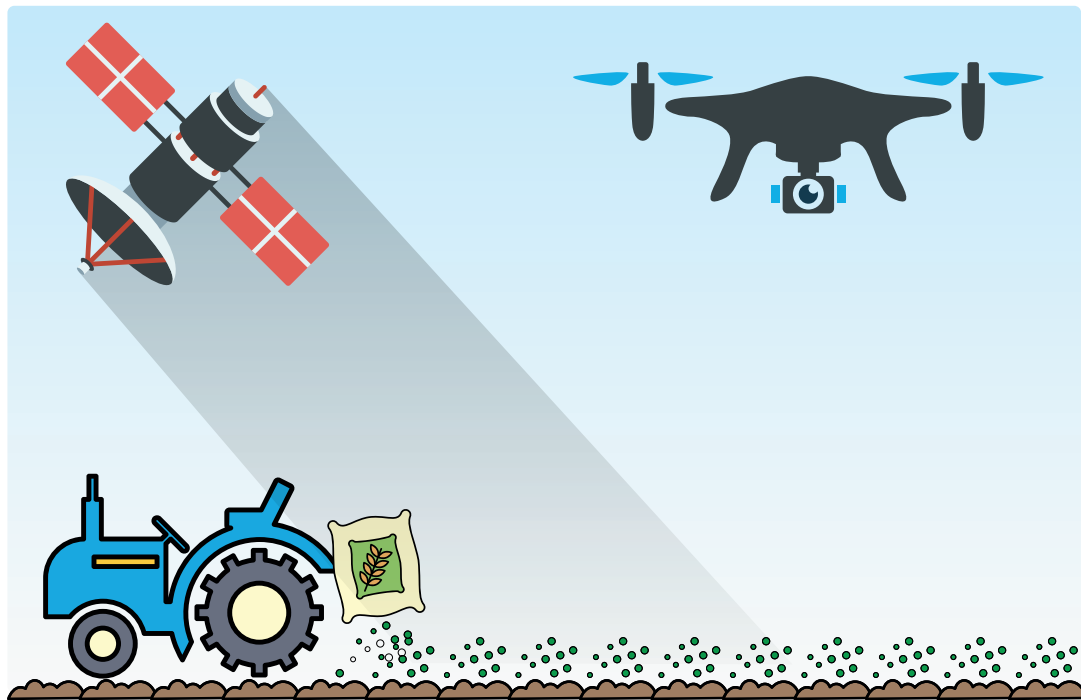
The system has been made available to farmers who produce durum wheat for La Molisana by CGS Sementi, supporting them in the **decision-making process and enabling them to implement precise agricultural practices**. This method collects and analyses the climate and crop data in order to **model the development of the soil, the crop and any diseases**, recommending the right amount of seed, water, fertilizer and crop protection products to use. This enables growers to **obtain consistent quality and quantities over time while also optimising production costs** and increasing the **focus on environmental sustainability**. **Information about the crop and climate**

**conditions are continuously fed to the DSS** through agrometeorological sensors and rapid crop monitoring measures. Weather data is uploaded to the server in real time, supplying a series of mathematical models that can develop **reliable simulations of the current and future condition of the soil, the crops and the pathogens**.

Agricultural support systems like grano.net®, combined with continuous training provided to farmers, contributes to the achievement of **environmental, social and economic sustainability targets by:**

- preserving **soil fertility**, water resources and non-renewable energy sources;
- protecting **public health** by developing products free from mycotoxins and contaminants;
- **guaranteeing the fair distribution** of value throughout the supply chain (including farmers);
- **ensuring appropriate production** in terms of quality and quantity.





PRECISION

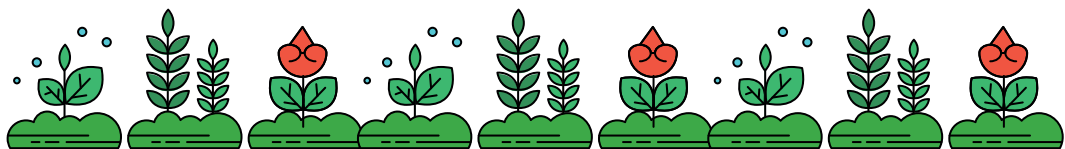
**Direct sowing or minimum tillage**

(direct sowing/zero tillage; minimum tillage and fewer steps in other agricultural operations, including harvest)



**Permanent use of the soil surface**

(Residual crops, arable stubble, cover crops and filler crops)



**Crop diversification**

(Rotation and/or sequencing, and/or associations adapted to economic, environmental or time-related conditions including annual and/or perennial plants, such as legumes, cover crops and filler crops)

PRUDENCE

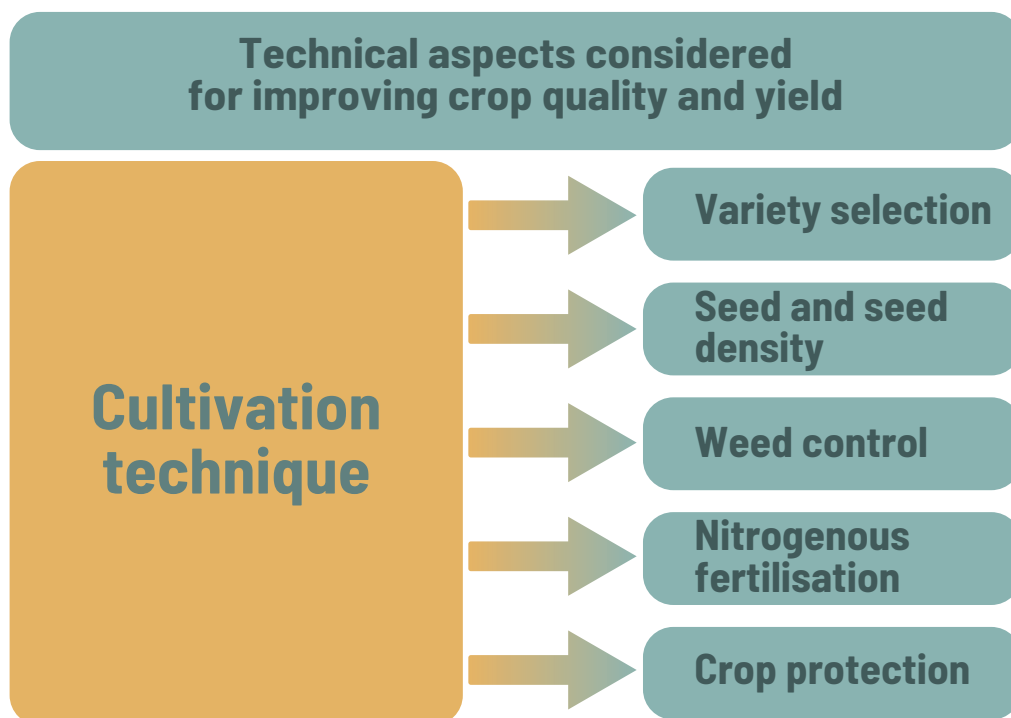
## INNOVATION IN THE FIELD. SMART AGRICULTURE AND GENETIC IMPROVEMENTS

Having analysed and assessed the contribution that the introduction of new Precision Farming technologies can make towards the development of sustainable practices, and in particular in the context of **Integrated Pest Control** (see the “Integrated Pest Control” box), **La Molisana aspires to promote the development and use of these innovations throughout its supply chain.**

For La Molisana, responding to the challenges facing the industry requires making **genetic improvements to seeds in order to obtain higher quality wheat** and improve resistance to disease and environmental stresses. It has long since been understood that **characteristics such as productivity, protein content, resistance to pre-germination** and even the height of the plant are **controlled by a group of genes known collectively as QTL (Quantitative Trait Loci).**

These genes can be identified and selected using gene markers, enabling the **development of genetic improvement (breeding) programmes.**

**Nanotechnology** will also play a key role in this regard. In fact, they will enable us to create **sensors, solar energy accumulators, engines and tools of molecular proportions** which we can then use, for example, to **instantly detect pathogens, toxins or heavy metals** in food products, to make diagnoses at the cellular level, to administer crop protection products to specific targets within the crop, and to modulate photosynthesis, redesigning the **entire agricultural development model to produce healthier, more sustainable and nutritionally balanced grains** that can make an efficient contribution to the circular economy.



# Integrated Pest Control



“**Integrated Pest Control**” refers to a series of **principles introduced by European Directive 2009/128** aimed at **encouraging a crop protection system that uses pesticides sustainably**, promoting the adoption of active practices and principles that present less risk to health and the environment. The principles of the integrated pest control system are:

- **implementing sound agricultural practices** (crop rotation, selection of more resistant or less sensitive varieties, balanced fertilisation, correct period and density of seed sowing, maintaining good soil fertility, etc.) that help to limit the presence and prevent the increase of harmful organisms that are damaging to crops, thus enabling a reduction in the use of pesticides;
- **monitoring adverse conditions** using appropriate methods and tools;
- **placing the onus on professional users** to choose if, when and how to intervene in

response to adverse conditions, including taking advice from qualified consultants;

- **assessing the use of alternatives to chemicals**, if available;
- **choosing products with fewer negative implications** for human health and the environment;
- **reducing the dosage**: the per-hectare dosage of herbicides considers the species present, their development and the environmental conditions.

Providing adequate **training to grain growers** is essential to equip them with the information regarding the adverse conditions that require defensive control, their cycle, the conditions that can favour attacks, and the monitoring systems and prevention and control tools available.

# "Zero Residue" Project



In 2020, La Molisana began to work in collaboration with various companies along its supply chain **to produce wheat certified to contain zero pesticide residues by 2023.**

The **Zero Residue** label means that any **residual chemical pesticides are under 0.01 mg/kg (10 ppb).** To obtain this certification, the wheat must comply with **strict regulations that significantly restrict the use of pesticides,** especially those that are harmful to the environment or to **human health,** through targeted integra-

ted pest management measures and the use of rapidly degrading composts.

The voluntary certification must be able to guarantee **full engagement during agricultural phase, a conscious and prudent assessment of decisions made in the field,** and appropriate farm system planning able to evaluate the risks and related impacts and establish cultivation protocols to analytically monitor the products.

### 3.2 The semolina

One of the most important characteristics of La Molisana is the **strength of its integrated supply chain and our many years of experience in the art of milling**. For over one hundred years, the Ferro Family has selected the best wheat varieties and ground them at the family mill using **skills passed down for five generations to produce only**

**the finest semolina**. Because no single variety of wheat is able to meet all of the requirements that make the perfect pasta, **the ancient knowledge of master millers is essential to select and combine the finest grains** with diverse yet complementary chemical and physical properties to create the perfect blend.

## OUR MILL. A GUARANTEE OF EXCELLENCE

**Connecting past and future, knowledge unites with innovation:** The Mill is **operated by highly specialised personnel** and is equipped with continuously updated **next-generation technology**, such as the new optical selectors which use optical recognition and advanced algorithms to classify every single grain and quickly remove impurities. The cleaning machines include nine dedicated to selecting grains that don't conform in terms of weight, shape and colour, and two that monitor for small traces of soy. **It is an investment that offers considerable advantages, guaranteeing high levels of grain hygiene and the purity of the semolina produced** while considerably reducing the risks of allergens. Over the years, grain unloading has been improved with, among other things, the introduction of **centrifugal fans for a 95% reduction in grain dust**, which, rather than being emitted into the atmosphere, is collected into suitable cone-shaped containers for recovery and disposal.

**The milling department is also highly innovative and efficient.** In 2006, we began using the **pre-grinding stone decortication process**. Stone decortication takes place at the start of the traditional milling process and can be considered as a preventive treatment before the full grinding process begins. Stone decortication removes the **bacterial load contained between the outer layers of the husk with a superficial abrasive action made by two millstones**.

The decortication machine guarantees:

- **superior hygiene and sanitation** by lowering the

total bacterial load and substantially reducing residues from any crop protection products, heavy metals, pesticides and mycotoxins that may be present;

- **a more ecologically sustainable production process** which reduces the amount of grain that can't be processed due to its size or structure and therefore reduces waste.

Once stripped of bacteria, mycotoxins and mould through the stone decortication process, our wheat not only guarantees pasta that meets the highest food safety standards but also offers a distinctive, high-quality taste. **The end result is a purified semolina that retains all of its natural properties and is high in protein**, highly nutritious and straw-yellow in colour.



NEVER LESS THAN

PROTEIN CONTENT

14%

LOW ASH CONTENT

HIGH YELLOWNESS INDEX

0,82

SS

>27

MINOLTA SCALE

HIGH-QUALITY GLUTEN

85

ON THE GLUTEN INDEX

### KEYWORDS FOR THE FINEST SEMOLINA

#### HIGH PROTEIN CONTENT

Enhances the pasta-making qualities of durum wheat.

#### HIGH-QUALITY PROTEIN

Determines firmness, elasticity and the capacity of the pasta to retain its original shape during and after cooking.

#### HIGH YELLOWNESS INDEX

Indicates the presence of carotenoids that determine the colour of the pasta.

#### LOW ASH CONTENT

Guarantees a balanced flavour without a bitter aftertaste and enhances the yellow colour.



## THE WATER OF MOLISE

**Pasta is a simple product made from just two ingredients: water and wheat.** The properties of these two elements give the final product its intrinsic quality.

In 1995, **Legambiente established that the best water sources in Italy were located in Molise**, and in 1998 the scientific journal Newton defined Molise's water as the best in Italy. **Rich in mineral oils – with an extremely low fixed residue, which lends a consistent lightness – and low in sodium** (less than 20 mg/litre) **and nitrates**, the water of the Matese mountains is suitable and recommended for children and people on a low sodium diet. **This microbiologically pure water origina-**

**tes in the Matese National Park** amid mountains than reach 2,050 metres high and is **collected in the heart of the land** itself at Riofreddo, via a window cut into the rock at 506 metres above sea level, from where it is diverted into the water distribution network. **From here, the water is sent directly to our pasta factory, where it is mixed with the semolina to make the dough** for the finest pasta.

Since 2017, thanks to a project promoted by the Molise Region, **this precious natural heritage has been certified by a stamp** which attests to the quality of the water and of the production activities that use it.



CAPTURED IN THE HEART OF THE  
MATESE MOUNTAINS

EXTREMELY LOW IN NITRATES

VERY LOW FIXED RESIDUES AND  
CONSISTENTLY LIGHT

HIGH IN MINERAL OILS AND EXTREMELY  
LOW SODIUM CONCENTRATION

Focus. The Water of Molise



QUALITÀ DEL MATESE  
*Sorgente di Riofreddo*

### 3.3 The pasta

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When it arrives at the factory, just a few metres from the Mill, **the fresh semolina is stored in different silos** according to type. After the initial **sifting**, the process to make the pasta begins in earnest, starting with **working the dough** composed of 70% semolina and 30% water. After around 15 minutes, the dough is pressed and **extruded through bronze dies**, the moulds that give the pasta its distinctive shape. The bronze extrusion process is more onerous and offers a higher quality than its Teflon equivalent, giving the pasta a porous and textured surface, perfect for holding sauces.

The pasta is pushed through the dies and is **cut to the right size** for each shape using special bla-

des, after which it is transferred to large ovens to begin drying, which can last three hours for short shapes and ten hours for long shapes.

La Molisana uses a moderate temperature for **drying** to preserve the natural properties of the semolina. The pasta is brought out of the oven warm and is then **stabilised, humidified and cooled before being sent to be packaged**.

This delicately balanced series of processes is what creates La Molisana pasta every day, distinctive for its **unmistakeable warm, golden-yellow colour**, an **intense aroma of wheat**, a **high protein content** never less than 14%, and superior **firmness** when cooked.

## CERTIFIED QUALITY AND SAFETY

From classic pasta to special shapes, from fibre-rich whole grain pastas to organic products, **our philosophy has always been the same – high quality and food safety**, certified by **rigorous controls and internal and external audits** conducted

at various phases of the production process (to monitor impurities, weight or defects) and the **adoption of the leading international standards**. La Molisana analyses the risks to define a strict monitoring programme that considers:

## THE RAW MATERIALS

## THE FINISHED PRODUCTS

## THE MARKETED PRODUCTS

Product analyses are conducted in-house following a methodology defined in the relevant procedure and, thanks to our internal laboratory, include a **close analysis of the protein content, moisture, size and sensory characteristics** and a control of any defects in the finished and packaged products. As an additional control measure, we request confirmation of our internal analyses from external laboratories to verify the **microbiological analyses**, the mycotoxin and allergen content and the hygiene quality of the product, among other things. **Food safety analyses** are conducted exclusively by external laboratories accredited according to ISO/IEC 17025:2018. The **analyses and controls conducted in the 2019-2020 two-year period did not detect any instances of non-compliance** with regulations or self-governance codes regarding the impact of our products on human health and safety. La Molisana holds certifications that guarantee the quality of its management processes, including **ISO 9001**, the most well-known and recognised

quality improvement standard, and **ISO 22005** on the traceability of agro-food businesses.

In addition, La Molisana is **IFS** (International Food Standard) certified and holds the **BRC** certification, both of which aim to promote the effective selection of mass distribution food suppliers based on their capacity to provide safe products that conform to specific contractual and legal obligations. These are the leading food safety standards recognised by the Global Food Safety Initiative (GFSI), **an international project** that focuses on **strengthening and promoting food safety** throughout the supply chain.

Our organic range of products has also obtained the European certification and has the right to display the **VEGAN OK** logo. Furthermore, most of our products are certified **KOSHER AND HALAL**.

## CERTIFIED "FIRMNESS"














To **celebrate the firmness that distinguishes its pasta**, in 2018, La Molisana decided to give scientific meaning to the term and obtain DNVGL certification not only for its products, but also for the firmness of its pasta.



This process, which involved all key players in the production chain, not only **aimed to standardise production processes** and guarantee the achievement of **pre-established quality targets**, but also to capture the strength of our personality and the firmness of our pasta. To this end,

**a specific technical document** was drawn up, describing the composition and quality characteristics of the products subjected to certain tests (characteristics of the semolina, certain production technologies and post-cooking tests).

## OUR CERTIFICATIONS

OUR CERTIFICATIONS	DESCRIPTION	SCOPE
<b>BRC – FSMA</b> (standard for the US market) 	Certification in accordance with the food quality and safety standard developed by the British Retail Consortium and recognised by GFSI. First established to certify British mass producers, it is now internationally recognised and applied.	
<b>IFS</b> 	Certification in accordance with the food quality and safety standard recognised by GFSI. First established to certify German, French and Belgian suppliers, it is now internationally recognised and applied.	Production and packaging in plastic or paper for dried durum wheat semolina pasta, egg pasta and special pasta.
<b>KOSHER</b> 	Certification of compliance with Jewish dietary restrictions	
<b>HALAL</b> 	Certification of compliance with Islamic dietary restrictions	
<b>ISO 22005</b> 	Leading international standard for the certification of agro-food traceability systems. The standard can be applied by any organisation that operates in any phase of the agro-food industry.	Durum wheat semolina pasta. Traceability in agro-food supply chains “General principles and basic requirements for the design and implementation of systems”
<b>ISO 9001:2015</b> 	Globally recognised certification which defines the requirements of quality management systems in workplaces or the standards that organisations must adopt to achieve the results promised to end customers	Development and production of dried durum wheat semolina pasta, egg pasta, pasta enriched with vitamins, spinach pasta and tomato pasta. Commercialisation of special pastas and other semolina-based products.
<b>DNVGL product certification</b> 	Certification of the “firmness” of durum wheat pasta.	Dry pasta – Product Specifications – “Durum wheat semolina pasta produced with high quality semolina and DEFINED technologies”
<b>Organic certification</b>  	The organic certification is issued by the relevant body and recognises the achievement of certain standards set by the European Union. It is awarded to companies operating in various fields (e.g. production, preparation, commercialisation and import of organic agricultural and food products, livestock and animal products and more).	Production and sale of organic pasta
<b>Vegan ok</b> 	Ethical certification created to denote all of the vegan products sold and released in Italy.	Products that meet the guidelines may display the Vegan OK logo.
<b>Crossed grain</b> 	The Crossed Grain logo is the symbol of the Italian Coeliac Association used to help people with coeliac disease to choose safe and suitable food products that meet the specific requirements of a gluten-free diet.	Use of the logo on all gluten-free products.
<b>GFCO</b> 	Certification promoted by the Gluten-Free Certification Organization (GFCO). This certification is particularly common in North America and is a voluntary indication for products aimed at people on a gluten-free diet.	Use of the logo on all gluten-free products for the US market.
<b>SMETA 4-pillar protocol</b> 	This confirms the adoption of SMETA (Sedex Members Ethical Trade Audit), a social auditing protocol under which members conduct audits of their suppliers. The protocol promotes best practices with regard to ethical and social aspects and is based around four pillars: working conditions, health and safety, working environment and business practices.	



# Environmental responsibility. Reducing our impact

La Molisana is committed to ensuring that the technologies used at its production sites are constantly up to date, reducing the impact of our activities on the environment as much as possible. **Over the years, we have continued to invest in innovation at our sites** to improve the

efficiency of our production process and reduce the use of natural resources. **Respect and care for the environment are a must for La Molisana** and translate into concrete actions to provide a better environment for future generations.

## 4.1 Our production sites

### OUR ENVIRONMENTAL PERFORMANCE COMPARED TO TONNES OF PASTA PRODUCED

2020 VS 2019

**-5,4%** Energy consumption (GJ) and greenhouse gas emissions (t CO<sub>2</sub>eq)

**-23%** water withdrawal (m<sup>3</sup>)

### ENERGY EFFICIENCY AND EMISSIONS

La Molisana has always been conscious of the need to streamline its energy consumption. For this reason, the company has installed **two tri-generation systems**, the second one in 2020, **with a total installed power of 3.3 MW, capable of supplying around 90% of the electricity** the factory uses.

In April 2020, the **new steam boiler** became operational, replacing the old diathermal oil boilers. The new boiler **uses an innovative system to re-**

**cover thermal energy from combustion fumes** through three air/water heat exchangers. This means that the fumes are released into the atmosphere at temperatures below 90°C, **guaranteeing thermal efficiency of over 97%**. The system is entirely automated and can be adjusted according to workload based on the production calculations carried out at the factory. Consequently, the **hot water system is effectively part of the Industry 4.0 revolution.**

## 4.1 Our Production Sites. Energy Efficiency

La Molisana's investments in energy efficiency have been supported by the granting of **white certificates**, one of the principal **tools to promote energy efficiency in Italy**. In fact, thanks to the savings of Tonnes of Oil Equivalent (TOE) achieved with our trigeneration systems, **the company now receives several energy efficiency certificates from GSE, Italy's Energy Service Operator**, which are processed through a trading

mechanism. **La Molisana has set itself the ambitious goal of becoming self-sufficient, using only self-produced sustainable energy**. Consequently, a **photovoltaic system** with a capacity of 1.5 MW and a total surface area of 8,600 square metres is currently under construction, **generating approximately 1.7 GWh of renewable energy** per year and further lowering CO2 emissions.

La Molisana's energy consumption		u.m.	2019	2020	% change
Natural gas	Total gas consumption	m <sup>3</sup>	8.014.707	8.877.770	10,8%
		GJ	287.234	317.895	
	Gas / pasta produced	m <sup>3</sup> /t	64	60	- 6,3%
Electricity	Total electricity purchased and consumed	kWh	8.653.659	10.570.511	22,2%
		GJ	31.153	38.054	
	Electricity purchased / pasta produced	kWh/t	69	72	3,3%
	Total electricity self-produced by trigeneration and consumed	kWh	15.871.173	16.476.062	3,8%
		GJ	57.136	59.314	
	Electricity purchased / pasta produced	kWh/t	127	112	-12,2%
Total electricity self-produced by trigeneration and sold	kWh	1.272	664	-47,8%	
	GJ	5	2		
Total	Purchased from external sources	GJ	318.387	355.949	11,8%
	Electricity purchased / pasta produced	GJ/t	2,55	2,41	-5,4%

While total energy consumption increased by 11%, when comparing consumption to production (GJ/t of pasta produced), in 2020 energy consumption fell by 5.4% compared to 2019. CO2 emissions were closely linked to energy consumption.

Specifically, the La Molisana's actions in 2020 resulted in the production of approximately 22,883 tonnes of CO2 equivalent, which, when compared to production volumes, is a 5% decrease on the previous year.



CO <sub>2</sub> EMISSIONS <sup>3</sup>	ANNO 2019 T (CO <sub>2</sub> EQ)	ANNO 2020 T (CO <sub>2</sub> EQ)	% CHANGE
SCOPE 1	16.274	17.957	10,3%
SCOPE 2 (market based)	4.182	4.926	17,8%
SCOPE 2 (location based)	3.107	3.552	14,3%
TOTAL EMISSIONS SCOPES 1+2 (market based)	20.456	22.883	11,9%
TOTAL EMISSIONS SCOPES 1+2 (location based)	19.381	21.508	11,0%
TOTAL EMISSIONS SCOPES 1+2 (MARKET BASED) / PRODUCTION (t)	0,164	0,155	-5,4%

### EMISSIONI SCOPE 1

**Greenhouse gas emissions generated directly** by La Molisana relating to fossil fuel combustion systems used for operating company sites.

### SCOPE 2 EMISSIONS

**Indirect greenhouse gas emissions** deriving from the generation of electricity purchased by La Molisana. **Market Based: This reflects the average strength of emissions generated by electricity that the organisation has specifically chosen.** It may be calculated using default emission factors that represent the residual mix, or rather the energy and emissions that are not monitored or reported. **Location Based: This reflects the average strength of emissions generated by the total production of electricity in Italy.**

The steps taken by La Molisana to limit air pollutant emissions as much as possible include **adopting the Thermopest technology, an ecological alternative to traditional chemical systems** (gas and fumigants) **to eliminate insects** in agro-industrial and community buildings and infrastructures (modes of transport, accommodation, etc.). **Thermo ventilators, with tempera-**

**tures of at least 50–55°C**, were distributed to all of the company’s production sites for 48 hours to **suppress all insect life stages**. The main advantage of this system over its predecessor is that **does not use methyl, a highly toxic and stable substance** that remains in the atmosphere for more than 300 years.

<sup>3</sup> Emissions were calculated using the following emissions factors:

Scope 1: The Table of National Standard Parameters published by the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA);

Scope 2 - Market-Based: The Association of Issuing Bodies - Residual Mixes and European Attribute Mix 2018 for Italy. Data expressed in tonnes of CO<sub>2</sub> equivalent;

Scope 2 - Location Based: 2017 and 2018 International Comparison published by Terna. Data expressed in tonnes of CO<sub>2</sub>. However, the percentages of methane and nitrous oxide have a negligible impact on total greenhouse gas emissions (CO<sub>2</sub> equivalent), as inferred by the relative technical literature.

# The Benefits of Trigeneration



## What is a trigeneration system?

It is a system that makes it possible to self-produce electricity, thermal energy and cooling energy.

## How does it work?

The methane-powered endothermic engine produces electricity using a generator. Thanks to a heat exchanger, the thermal energy dispersed during the electricity generation process is recovered and used in the pasta-making process and in a refrigeration cycle to produce cooling energy.

## What are the benefits?

The system is able to meet 90% of the pasta factory's electricity demand, 100% of its cooling energy demand and 20% of its thermal energy demand. It also offers the following environmental benefits:

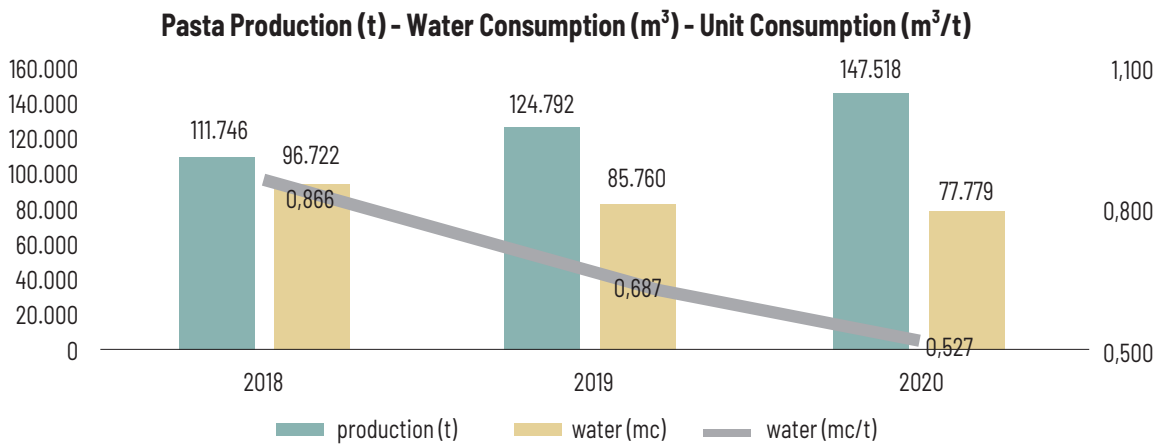
- Lower energy transmission losses. Thanks to the proximity of the electricity, thermal energy and cooling energy production system to the point of use;
- Reduced fossil fuel use. Thanks to the improved overall efficiency of the system, the same quantity of primary energy can simultaneously produce electricity, heat and cooling energy;
- Lower CO<sub>2</sub> emissions. Lower fuel consumptions means up to 30% lower CO<sub>2</sub> emissions.

## MANAGING WATER RESOURCES

As highlighted in the World Water Development Report 2018 published by UNESCO and the United Nations Water Programme, **approximately 5 billion people could lack regular access to water in 2050**. In this context, **the pasta industry has a relatively high water consumption**. It takes 1,700 to 1,900 litres of water to produce 1 kilogram of pasta, while the water footprint of other foods such as bread, for example, is around 1,300 litres/kg. It seems clear that all businesses operating in the pasta sector must pay considerable attention to managing water resources. Consequently,

**La Molisana is highly conscious its production cycle's water consumption** and promotes the responsible use of water through process optimisation and water recovery practices in its facilities.

The company's commitment in this regard is evidenced by the numbers. Compared to a significant increase in production in 2018 and 2020, **water use fell considerably**, with a consequent reduction in unit consumption and the achievement of increasingly ambitious efficiency targets.



**In 2020 water abstracted from the public water network totalled 77,779 m<sup>3</sup>, down 9% compared**

**to 2019**, and when compared to production (m<sup>3</sup>/t) represents a reduction in water withdrawal of 23%.

WATER SUPPLY BY SOURCE (m <sup>3</sup> )	2019	2020	% CHANGE
<b>FRESH WATER SUPPLIED BY THIRD PARTIES</b> (<1,000 mg/l total dissolved solids)	<b>85.760</b>	<b>77.779</b>	<b>-9%</b>
<b>WATER SUPPLY (m<sup>3</sup>) / PRODUCTION (t)</b>	<b>0,687</b>	<b>0,527</b>	<b>-23%</b>
WATER DISCHARGE ((m <sup>3</sup> )	2019	2020	% CHANGE
<b>OF FRESH WATER (&lt;1,000 mg/l total dissolved solids) MANAGED BY THIRD PARTIES</b>	<b>47.452</b>	<b>41.658</b>	<b>-6%</b>
<b>WATER DISCHARGE (m<sup>3</sup>) / PRODUCTION (t)</b>	<b>0,3703</b>	<b>0,2824</b>	<b>-24%</b>

## 4.1 Our Production Sites. Water resources and Waste

With the goal of improving how it manages water resources, **La Molisana is currently developing new water recovery projects for the trigeration system** which will enable the recovery of 34,000

cubic metres of water each year and purify the water through a reverse osmosis treatment system, **facilitating the recovery of a further 30% of total water withdrawn.**

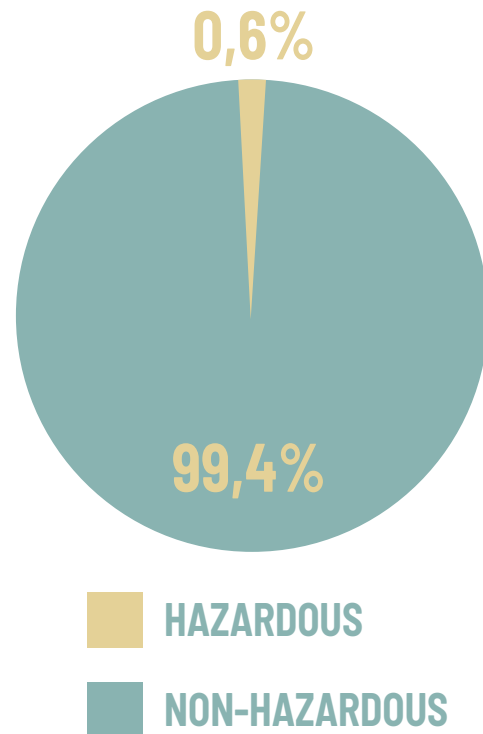
### MANAGING WASTE AND BY-PRODUCTS

The investments made by La Molisana to improve the efficiency of its production process also have positive implications for circular waste management. **Using lower amounts of raw materials means less waste generated, resulting in benefits for the environment.** Furthermore, La Molisana implements projects to encourage the recovery of almost all of its production waste, preventing it from going into landfills.

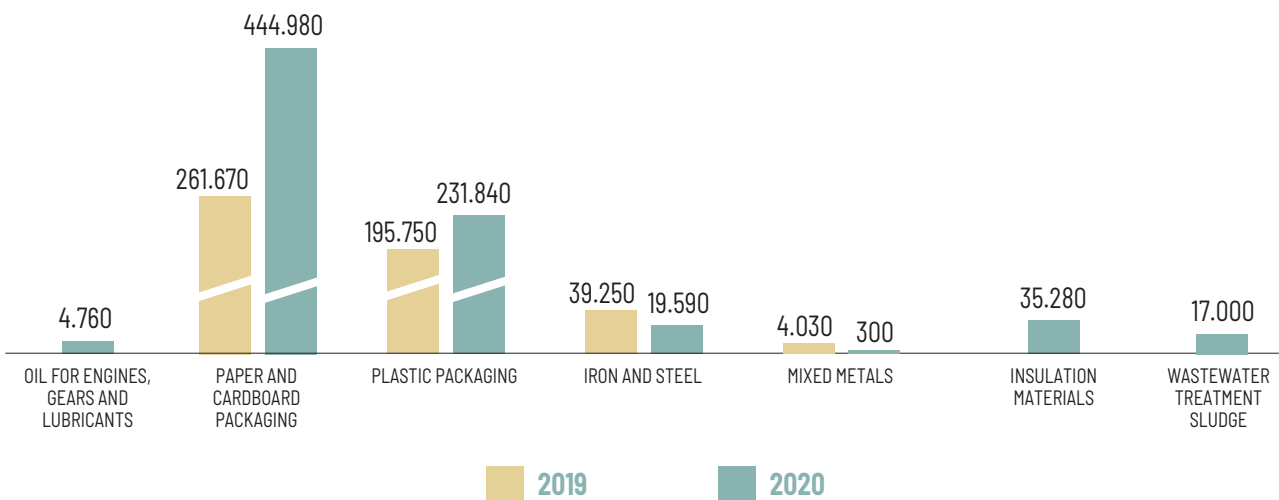
**La Molisana has entered into partnerships with various suppliers working to “close the circle”, recovering and recycling production waste.**

**No raw materials are wasted – 75% of the grain is used** to obtain the semolina. The remainder is composed of **wheat middlings and durum wheat shorts.** These by-products are used for animal feed and are therefore sold to feed manufacturers as simple feed. All of La Molisana's production facilities carry out **separated waste collection**, and the practice was extended to all of the factory offices in 2020.

### 100% OF LA MOLISANA'S WASTE IS SENT FOR RECOVERY



Waste (kg) by category, 2019-2020



## 4.2 Efficient logistics: Pallet Pooling .....

La Molisana also shows its commitment to reducing its environmental impact with its logistics by **optimising transport management systems** and, in particular, the **Pallet Pooling** system.

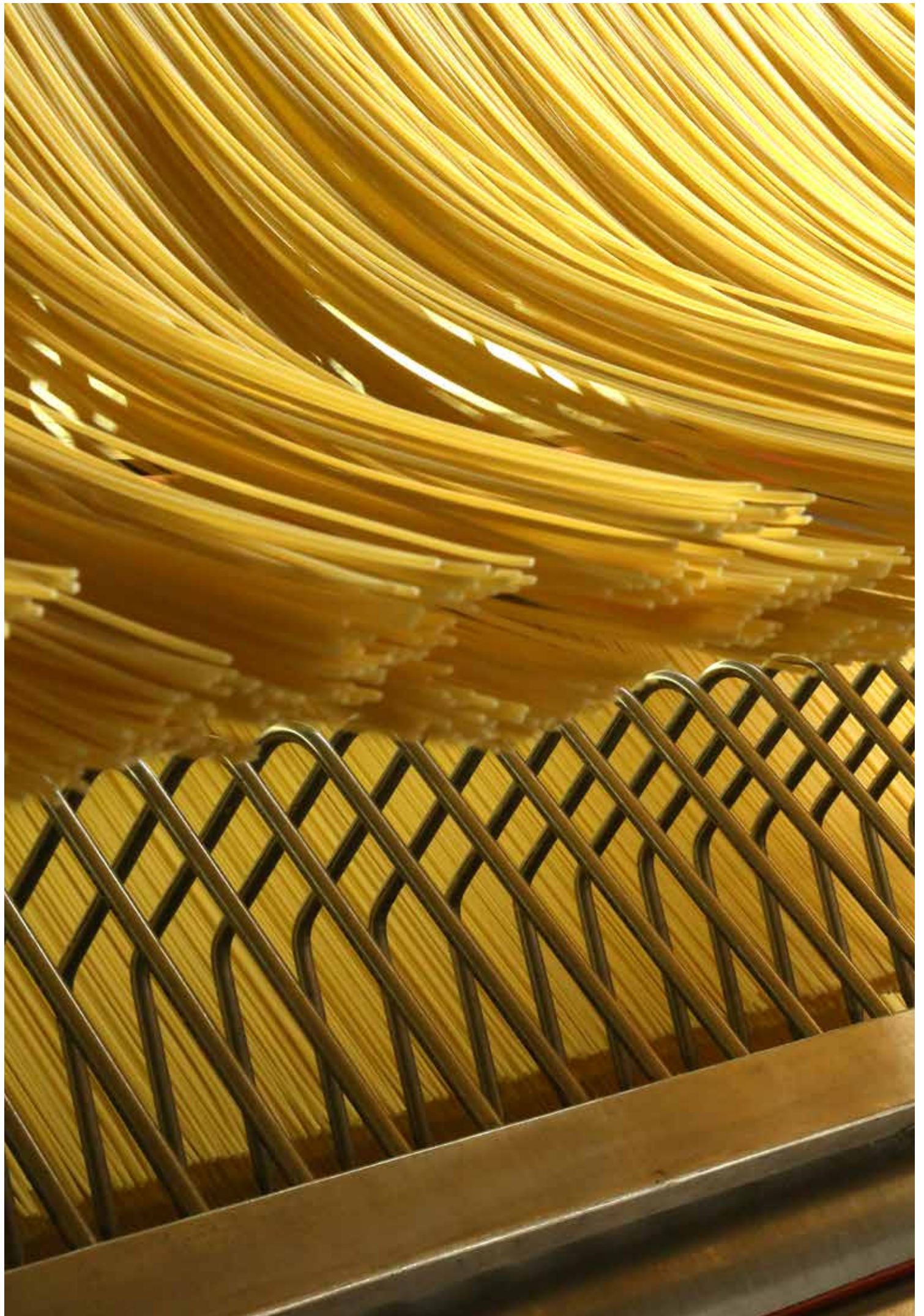
Under traditional pallet logistics systems, distribution companies are responsible for managing the pallets used to transport the goods and products packaged by suppliers and, therefore, must return them to the client.

The distribution companies unload the laden pallets at their destination and collect an equal number of empty pallets in return. The companies must therefore move things around on their platforms to free up space before being able to collect pallets from other clients and must periodically collect the pallets that have accumulated on the platforms and return them to the clients.

Under the **Pallet Pooling system**, however, **pallets are leased by a third party**, which makes them available and handles **delivery and collection**, freeing the distribution companies from any pallet management-related activities.

Compared to the traditional exchange system, **Pallet Pooling drastically reduces the number of empty miles travelled by the hauliers**. In fact, under the previous system distribution companies had to continually move small numbers of pallets and deposit them on intermediate platforms. Under the new system, distribution companies are no longer responsible for collecting and returning the pallets, **preventing the need for pointless journeys** to offload them before being able to collect a new load.





# Corporate responsibility. Our employees

## 5.1 The La Molisana community

Here at La Molisana, our employees are a key strategic asset and a source of **expertise, passion, dedication indispensable** not only **to the success of the business**, but also its very existence.

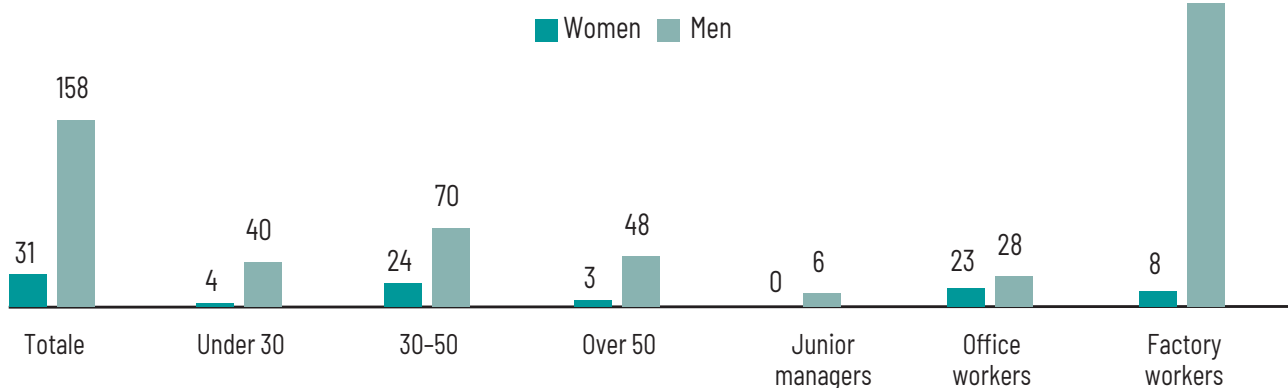
We believe that promoting the professional growth of our employees and providing them with stable employment and security is of fundamental importance.

We respect **the rights of our workers**, offering them equal opportunities and protecting their physical, cultural and moral integrity. We believe in **meritocracy and the value of training as the foundation for skills and professional development**. Training is a particularly important aspect for us as it motivates new generations born here in Molise to stay here thanks to the opportunity to engage in exciting and fairly paid work. We also encourage a culture based on merit. This

value stimulates intergenerational integration within the company, **enabling young people to express their potential while encouraging more senior colleagues to guide them** with the experience they have gained over the years. As at 31 December 2020, the company had 189 employees, **23% of which are under 30 and 16% women**, mainly of-fice workers.



**189 employees in 2020  
by professional category, age and gender**



## 5.1 The La Molisana community

### PERMANENT AND TEMPORARY EMPLOYEES BY CATEGORY, AGE AND GENDER

JUNIOR MANAGERS	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
	UNDER 30	0	0	0	0	0
30-50	0	5	5	0	3	3
OVER 50	0	3	3	0	3	3
	0	8	8	0	6	6

OFFICE WORKERS	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
	UNDER 30	2	4	6	2	6
30-50	14	14	28	18	10	28
OVER 50	2	10	12	3	12	15
	18	28	46	23	28	51

FACTORY WORKERS	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
	UNDER 30	1	29	30	2	34
30-50	4	47	51	6	57	63
OVER 50	0	30	30	0	33	33
	5	106	111	8	124	132

TOTAL	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
	UNDER 30	3	33	36	4	40
30-50	18	66	84	24	70	94
OVER 50	2	43	45	3	48	51
	23	142	165	31	158	189



La Molisana is committed to guaranteeing employment stability for its employees. Consequently, 87.8% of company employees have per-

manent contracts. The percentage of full-time contracts stands at 98.4%.

### TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER

CONTRACT TYPE	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
	PERMANENT	138	20	158	145	21
FIXED TERM	3	4	7	13	10	23
TOTAL	141	24	165	31	158	189

## CURA ET LABORA

Another step towards Corporate Responsibility – a principle that takes a comprehensive view of employee well-being – is the ***Cura et Labora initiative launched in collaboration with Fondazione Giovanni Paolo II***, with the aim of promoting employee health at the workplace and preventing chronic illnesses. Cura et Labora is a ***prevention and screening programme*** that begins with simple blood tests followed by further ***investigations***

***and initiatives that focus on food education*** and physical activity as the essential ingredients of a healthy lifestyle. Understanding that, for many, the pace of modern life can be a deterrent that discourages standard health screenings, ***the project has a programme that provides regular health checks for employees at their place of work*** in order to:

- ***Promote perception of the work place*** as a place to take care of personal well-being;
- ***Raise awareness among employees*** about the culture of prevention;
- ***Enable employees to access routine screening services*** carried out at their place of work and establish routines;
- ***Raise awareness about healthy lifestyles*** through events to promote healthy diets and physical exercise.

## IN VIAGGIO VERSO LE AZIENDE

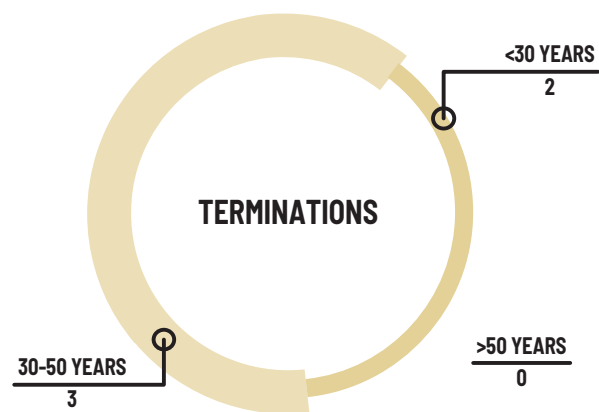
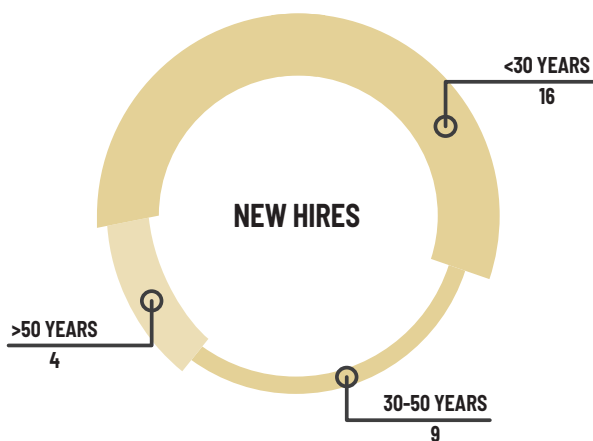
**La Molisana supports the INPS initiative** In *Viaggio Verso le Aziende* promoted by the Italian Public Retirement Body with the aim of offering Italian businesses a **free tax advice delivered on site**. Thanks to the presence of trained INPS personnel in a mobile office located at the entrance to the factory, **La Molisana employees can receive advice**

**about their pensions and taxes**, particularly with regard to topics such as EPAs, specific measures for people who entered the workforce before the age of 19, future pension forecasts and mandatory contributions, helping them to navigate the complexities of the legal system.

### 5.2 Talent development, training and bonuses .....

**We have always been committed to finding the most talented candidates** in our region able to make a concrete contribution to the company's growth. We are committed to creating a stimulating and healthy working environment where every person can use their assets to their full potential. In 2020, **35 people joined the La Molisana community**, which is **an intake rate of approxi-**

**mately 15.3%**. In terms of outbound turnover, or rather the percentage of employees leaving the company out of total employees, the rate as at 31 December was 2.6%, a clear demonstration of how **La Molisana supports the professional growth of its employees from within**, through career development pathways that increase skills and responsibilities over time.



Number of new hires										
From 1 January to 31 December 2019						From 1 January to 31 December 2019				
Number of new hires	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	8	10	7	25	13,2%	12	6	3	21	4,2%
Women	3	2	0	5	2,6%	4	3	1	8	11,1%
<b>Total</b>	<b>11</b>	<b>12</b>	<b>7</b>	<b>30</b>	<b>18,2%</b>	<b>16</b>	<b>9</b>	<b>4</b>	<b>29</b>	<b>15,3%</b>
<b>Rate</b>	<b>6,7%</b>	<b>14,3%</b>	<b>15,6%</b>	<b>18,2%</b>		<b>8,5%</b>	<b>9,6%</b>	<b>7,8%</b>	<b>15,3%</b>	

Number of new hires										
From 1 January to 31 December 2019						From 1 January to 31 December 2019				
Number of new hires	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	1	4	1	6	4,2%	2	2	0	4	2,5%
Women	0	3	0	3	13,0%	0	1	0	1	3,2%
<b>Total</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>9</b>	<b>5,5%</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>2,6%</b>
<b>Rate</b>	<b>2,8%</b>	<b>8,3%</b>	<b>2,2%</b>	<b>5,5%</b>		<b>4,5%</b>	<b>3,2%</b>	<b>0,0%</b>	<b>2,6%</b>	

For La Molisana, the **Employee Performance Appraisal System** plays a valuable role in **optimising and developing the professional growth of its people**. The tool forms the basis of career pathway and skills development programmes and enables recognition of the contributions each person makes to the company's objectives. In particular, the Performance Appraisal System consists of **dialogue and feedback between employees and their managers in order to set annual targets** and the associated performance levels. Collaborators are then assessed based on those targets and the advancement of their skills, especially in

leadership. The Performance Appraisal System is part of a **broader global talent development programme** through which the Group monitors and evaluates the potential for professional growth among its teams.

**La Molisana has also established performance-based incentive schemes and bonuses** defined in collaboration with department and sector managers. Each December, vouchers worth between €250 and €1,000 are awarded.

## 5.2 Talent Development, Training and Bonuses

To complete its strategy to promote the personal and professional growth of its people, **La Molisana has established specific training programmes to enhance the potential** and broaden the skills of its employees in line with the Group's values and strategy. In particular, the programmes of-

ferred in 2019-2020 included a course focused on Italian Legislative Decree 231/2001 concerning **corporate criminal liability** and the organisation and management model designed to safeguard businesses from crime.

# 504 HOURS OF TRAINING PROVIDED BY LA MOLISANA IN 2020

FROM 1 JANUARY TO 31 DECEMBER 2019						
GROUP TOTAL	HOURS (MEN)	AVERAGE HOURS (MEN)	HOURS (WOMEN)	AVERAGE HOURS (WOMEN)	HOURS	AVERAGE HOURS CATEGORY
JUNIOR MANAGERS	55	6,9	-	-	55	6,9
OFFICE WORKERS	60	2,1	60	3,3	120	2,6
FACTORY WORKERS	300	2,8	300	60,0	600	5,4
TOTAL	415	2,9	360	15,7	775	4,7

FROM 1 JANUARY TO 31 DECEMBER 2020						
GROUP TOTAL	HOURS (MEN)	AVERAGE HOURS (MEN)	HOURS (WOMEN)	AVERAGE HOURS (WOMEN)	HOURS	AVERAGE HOURS CATEGORY
JUNIOR MANAGERS	40	6,7	-	-	40	6,7
OFFICE WORKERS	22	0,8	22	1,0	44	0,9
FACTORY WORKERS	210	1,7	210	26,3	420	3,2
TOTAL	272	1,7	232	7,5	504	2,7

## Occupational health and safety



We are committed to **providing a clean and safe working environment to everyone who works in our offices, production sites and sales network**. La Molisana has conducted a detailed risk assessment and identified the duties that expose workers to hazards that require recognised professional skills, specific experience and appropriate training and instruction. **The company has also adopted internal procedures to indicate the prevention measures** to be adopted and a programme of continuous improvement focused on risk mitiga-

tion. We are particularly focused on fire risks and conduct regular fire prevention audits.

Furthermore, each year we offer training courses on the reference legislation to all employees and especially new hires, focusing in particular on the risk areas associated with the duties carried out. Finally, we have a trained emergency team able to respond in the event of a fire or explosion and to administer first aid.

## How we are handling the COVID-19 pandemic

**In light of the pandemic caused by the COVID-19 virus, the topic of occupational health and safety has never been more important.** Since the start of the pandemic, La Molisana has studied, designed and implemented a strict safety protocol to protect the company, its employees and the community, with the aim of establishing regulations, rules and duties to minimise the risk of infection. The first protection measure was to **raise awareness among workers and promote and sense of responsibility** to ensure that the guidelines issued by the Italian Ministry of Health were correctly implemented. Where the nature of the activities

involved allowed, the company offered employees the option to work remotely. Furthermore, **we established screening procedures from the very beginning, equipping ourselves to be able to offer serology and/or antigen tests to all employees every two weeks** in order to check for antibodies and identify those who may have come into contact with the virus. This tool enabled our workers and their families to face this challenging period with greater peace of mind.

ACCIDENT RATE	2019	2020
<b>TOTAL RECORDABLE ACCIDENTS</b>	<b>3</b>	<b>1</b>
<b>WITH SEVERE CONSEQUENCES (more than 6 weeks of absence)</b>	<b>1</b>	<b>0</b>
<b>ACCIDENT RATE<sup>5</sup></b>	<b>10,54%</b>	<b>2,89%</b>
<b>ACCIDENT RATE<sup>6</sup> WITH SEVERE CONSEQUENCES</b>	<b>3,51%</b>	<b>0%</b>

Thanks to the attention afforded by La Molisana to issues of health and safety, there have been **no accidents with severe consequences** (over six months of absence from work) **or accidents at work with fatal consequences or resulting in professional illnesses** recorded. The accident rate

recorded in 2020 (2.89%) was considerably lower than the rate in 2019 (10.54%). The only recorded incident concerned a permanent injury to the fingers due to the incorrect use of production machinery.

<sup>5</sup> Ratio between accidents at work (excluding accidents during travel) and hours worked, multiplied by 1,000,000.

<sup>6</sup> Ratio between serious accidents at work (excluding accidents during travel) and hours worked, multiplied by 1,000,000.

# Transparent communications

**There are no barriers between our communication channels.** Our online and offline channels are two parts of the same whole, adopting different mechanics, language styles and metrics and reaching diverse target audiences.

**This philosophy has enabled us to implement strategies that reach different markets while conveying a single, coherent message,** from television commercials to the digital competition linked to product purchases, from labelling on traditional and virtual shelves to visibility at cinemas.

**Confident in the knowledge that our most authori-**

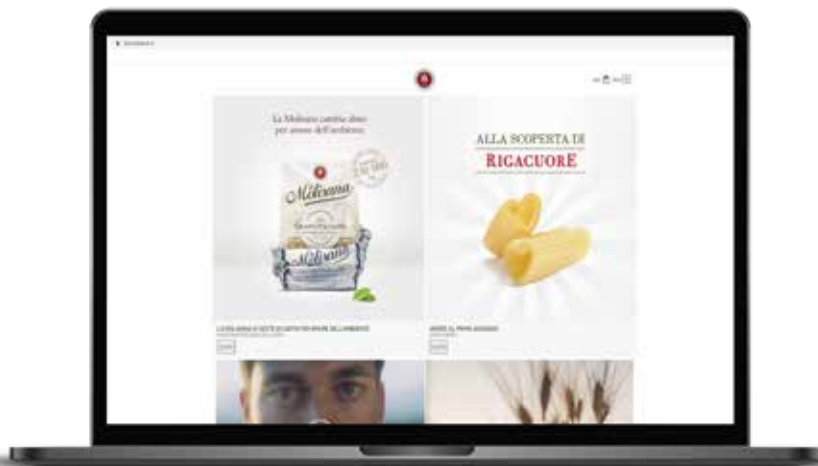
**tative ambassadors are our employees themselves** and that providing them with correct information is essential to generating a sense of belonging and engagement, **La Molisana has established the House Organ**, a monthly in-house magazine that updates employees about our planned activities, news and targets. **In much the same way, La Molisana engages in active communication with its external stakeholders**, particularly consumers, interfacing with them through several different channels.

## 6.1 Online communications

### WEBSITE

**Websites continue to be irreplaceable online calling cards** and are essential tools to communicate and develop relationships with stakeholders. With this in mind, La Molisana has transformed its website into a powerful ally to **bolster its identity**. In fact, the website now follows the entire

story of the pasta factory, presenting itself not only as a shop window for advertisements and product sales, but above all **a space to describe the roots, values, people and commitment** on which the company's business is based.



## SOCIAL STRATEGY

As well as the website, **La Molisana is also active on social media and is open to collaborations with bloggers and talented chefs** with the aim of promoting organic and authentic growth and enabling the messages, content and promises of the brand to take root. **We consider the digital sphere to be a special place where we can engage with our audience with no filters** and express the true “spirit” of the brand: playful, commit-

ted, contemporary but proud of its traditions, interweaving different voices and tones to show the human side of our historic pasta factory. **We like to encourage dialogue and debate in these virtual spaces and listen to our consumers** to gain an understanding of their feelings and needs. Only through this kind of engagement can we play an active and socially valid role in the community.

## 6.2 Offline Communications

### INFORMATIVE PACKAGING

**The packaging is the brand's most important calling card.** It is a visual cheerleader that gets the values and messages over the finish line at the moment of purchase. **La Molisana has invested heavily** to create packaging that uses a contem-

porary design to **express its valuable heritage:** over a century of history, the selection of 100% Italian wheat, the provenance of the raw material, and the control of the integrated supply chain of the Mill and Pasta Factory.





## COMPANY TOURS

We believe that the **role of food businesses** is not simply to produce consumable goods, but to **educate stakeholders to adopt a critical approach when choosing which products to buy**, encouraging them to ask questions about the ethics of the brand, to demand comprehensive information and to **check that the product they are buying meets certifiable and traceable quality standards**. For this reason, a major part of our company communications strategy revolves around **guided tours of our sites**. La Molisana firmly believes in the philosophy of an “open door factory” be-

cause it **offers a possibility to demonstrate what we do with no filters and explain our processes and decisions**. Opening up our company spaces to display the work and passion behind **the quality of our products also has an ethical value**. It helps to build a healthy product culture and encourage consumers to develop a critical conscience. Furthermore, **it forges a special relationship of trust with our consumers**, because every single person who falls in love with the quality we offer is more valuable than a thousand advertising campaigns which may focus on the image but not the truth.



## BUSINESS

**We devote particular attention to engaging with our business stakeholders**. In fact, we are conscious that one of the current challenges facing Italian agro-food businesses is **how to grow on international markets**. While the demand for Italian products remains undiminished, businesses now have to learn to **strengthen their identities to overcome the threats posed by imitation** and counterfeit products. The ability to tell a **unique and**

**captivating story** that demonstrates the profound heritage of regional specialities is becoming increasingly important for Italian companies. Indeed, it is now clear that buyers on the major foreign markets want to buy not only the product but above all the story of the region and the supply chains, which represent **a distinctive element that express a special kind of value**.

## SCHOOLS

La Molisana has always welcomed young people to its facilities through the organisation of **increasingly engaging and informative guided tours** for schools delivered by a dedicated team. The tour is divided into several phases, focusing in particular on the history of the company, a visit to the production facility and a meeting with a nutritionist. **We tailor the tour to the age groups and curricula of the participants**, prioritising technical aspects over communications and marketing. We are also involved in several projects for scho-

olchildren aged between 6 and 10, including the "Mani di Pasta workshop, a fun event where children can experience the process of working the dough. **We also provide healthy eating tips through our mascot, Spighetto**, which our young participants take home with enthusiasm. Our contribution is a small one but **expresses our desire to understand and support our consumers**, bolstered by our belief that a discerning consumer is an informed citizen and, therefore, a valuable resource for the community.



## PRESS

**Between 2013 and 2016, we organised several press tours that also involved other leading businesses in the region.** The initiative was hugely successful. By looking through the eyes of our guests **we rediscovered the magic of our places and our people, and were able to showcase worthy businesses** that were largely unknown to the ge-

neral public. The most recent events are described below. To mark World Pasta Day, organised by Unionfood, La Molisana opened its factories to two important Italian influencers in October 2018 and to the general public the following year, transforming all of our visitors into ambassadors of our values and brand.

### MASS DISTRIBUTION

In October 2019, the **Grande Viaggio organised by the Italian supermarket chain Conad** visited Campobasso. The event involved a **roundtable discussion held at Teatro Savoia**, during which

**CEO Giuseppe Ferro** was among the speakers involved in an interesting and lively **debate on the importance of the durum wheat supply chain**.

### SUPPLY CHAIN OPERATORS

La Molisana has signed **supply chain agreements to consolidate trusting relations** with partners with a view to establishing long-term and increasingly fruitful partnerships, and organises a con-

vention at Campobasso with supply chain operators from Molise, Abruzzo, Marche, Lazio and Apulia.

### FAIRS AND EVENTS

In order to consolidate its relations with external stakeholders, from 2011 to 2019 La Molisana took

part in some of the leading trade fairs and events in the food and beverage sector, including:

#### TUTTOFOOD



**International agro-food show** hosted every two years at the Fiera Milano arena which welcomes Italian food businesses. In 2019, La Molisana had a **stand devoted to sustainability** and promoted pasta in collaboration with **award-winning chefs**.

#### VINOFORUM



**Wine and food show aimed at B2B and B2C audiences**. Held in mid-June, it is an important appointment on Rome's calendar of events. In 2019, La Molisana attended the fair for the **sixth consecutive year**, collaborating with **two APCI chefs** to introduce the brand's **new products** to the public and suggest **new recipes** that celebrate tradition and promote **pasta as a key ingredient of a healthy diet**.

## 6.3 Customer care

We place consumers at the very heart of our company policies and have created a customised platform to receive positive and negative feedback, provide information about our pasta, **quickly address any issues** and suggest tips on how to use our products. **It is a virtuous and circular two-way learning platform**, but above all, an essential tool to generate dialogue and loyal-

ty between consumers and understand their needs. As such, **we have entrusted the management of our customer care services to qualified personnel** in the marketing department who know our products well and are able to assist our consumers with professionalism at any stage.

Since 2013, we have offered the following services:

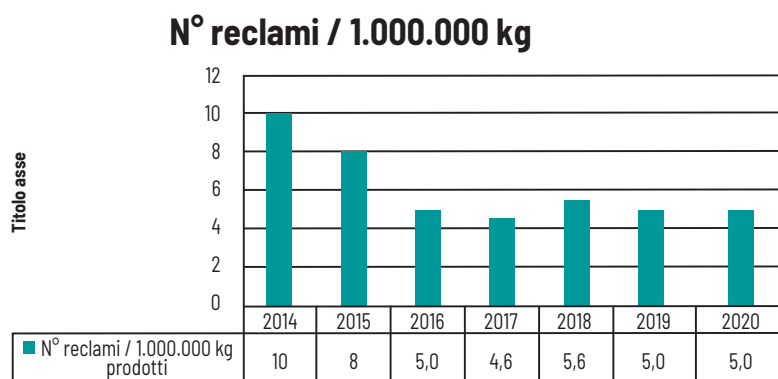
- A **Freephone helpline** open every day from 3 pm to 5 pm;
- An **email account** monitored 12 hours a day;
- A **WhatsApp number** monitored 12 hours a day;

**These channels enable our operators to respond to users about any issues.** Each report is managed according to an **established procedure** that involves the quality control, logistics and marketing departments who each intervene in line with their expertise. **All reports are documented, processed and archived.**

The main strength of our customer care service lies in the speed with which we respond. Complaints received on our WhatsApp service are handled in under an hour and in real time via our

Freephone service. Complaints sent to our email account are monitored on a daily basis. Finally, we send a small gift to the consumer to thank them for taking the time to contact us.

**The complaints registration system is divided into two areas:**



- **Complaints by end consumers** received via our Freephone number: These complaints are received by our marketing department and handled by the Quality Assurance department. Compared to 2014, the number of complaints per kilogrammes produced has almost halved, falling from 10 to 5.

- **Complaints by business operators** forwarded by Mass Distribution clients: These complaints are received, handled and analysed by the Quality department.

# Our campaigns



## TIFIAMO IL GUSTO | 2019

For many Italians, regardless of their age, gender or religion, **pasta and football are two cornerstones of everyday life**. These two important milestones ignite passions and bring people together. Unfortunately however, the national team doesn't always qualify, and **football**, while representing an incredible spectacle, is currently a **battleground** between opposing clubs and fans.

**La Molisana has always had close relationship with sport. We believe that every sport has an ethical heritage** and that being involved in sport allows people to share a universal language that promotes **integration and respect for friends as well as adversaries**.

**Tifiamo il gusto** (We support flavour) means that away from the pitch **there is a place where we can come together regardless of the result: around the dinner table after the final whistle!**



## SPIRITO TENACE | 2020

“Spirito Tenace” (A Fighting Spirit) is La Molisana's 2020 advertising campaign. **It is an emotional story of Italy's production history and an ode to merit** that encompasses the modus operandi of Italian businesses: strong roots, ambitious vision and just a pinch of madness. In a nutshell, it is summary of ethical values that distinguish our craft.

**The advert, released against the backdrop of the dramatic explosion of COVID-19, hit many different universal messages.** It expressed the fighting spirit of the Italian people: **the wisdom of staying united, the courage of those who don't give up** and don't pass the buck, and **the sacrifice of those called upon to act.**

**The cross-channel campaign ran at all of our contact points** and reached consumers across all of our traditional and digital channels to reinforce its positive messages.



#PENSIAMOALFUTURO | 2020

**La Molisana illustrated the main actions it has implemented to continue its path towards sustainable growth** and reduce its environmental impact through a 5-minute clip featuring our employees and posted on social media.

In under a minute, Beatrice, Francesca, Matteo and Renato, with the help of a transparent chalkboard, described the benefits of **Pallet Pooling**, the **Trigeneration System**, **Thermopest®** and the future **Solar Plant** project.





# We believe in our region

## 7.1 We support young talent .....

Conscious of the role that it plays in its local area and the discord between the need for employment and the number of jobs, **in 2014 La Molisana accepted the position of president of the Istituto Tecnico Superiore Demos technical institute**. In just a short time, **the institute has become a reference point for young people and businesses in Molise**, creating an incubator for

highly qualified candidates **hired by local businesses, with an employment success rate of 80%**.

Furthermore, since 2011, we have organised several initiatives to support promising but disadvantaged young people prepared to work hard to achieve their dreams.



## 2011 GIOVANE NUOTATORE MOLISANO

La Molisana sponsors a promising young swimmer from Molise, **donating vouchers** to help them cover their expenses and compete in national and international competitions.

## 2012 TALENT SCOUT

*La Molisana has signed an agreement with Centro di Salute Mentale di Campobasso*, the mental health centre, commissioning a cooperative of young people with mental health problems to make bracelets out of cotton and pasta.

## 2013 PARTNERSHIP WITH UNIMOL

La Molisana has signed a partnership agreement with UNIMOL - Università degli Studi del Molise and **donates 40% of the profits of Talent Scout sales to deserving students with financial difficulties**. Three training vouchers were given in one year alone.

## 2014 FOOD FOR ART

La Molisana has established the Food For Art award to recognise **emerging artists** who have distinguished themselves in the field of **artistic research and innovation**.

## 2017 ADOTTA UN TALENTO

The Adotta un Talento competition is aimed at **10 to 18-year-olds born in Molise** who have distinguished themselves and achieved successes in the world of sport. Under the programme, the successful young athletes are awarded **scholarships**.



## 7.2 We promote our region

### *7.2 We promote the local community through sponsorships and charitable donations* .....

Molise: the region that doesn't exist Of course it exists! Molise is Italy's best kept secret – a natural paradise with a strong grain growing tradition, with mineral-rich waters and fresh mountain air which offer the perfect conditions for making

pasta and to which La Molisana owes so much. For this reason, the company has always engaged in a range of diverse initiatives to promote the region, its people and its cultural and sports associations.

## MOLISE CALLING



Molise Calling is a strategic regional marketing project organised by La Molisana and supported by the Region and Municipality of Campobasso. The idea stemmed from the wish to create a “shop window” to increase the visibility of the regions small and medium businesses. Between

2013 and 2017, tours of the pasta factory were offered to bloggers, the press and buyers to present not only our business, but also the wealth of exceptional producers in the region.

# Festa del Grano

La Molisana also supports the region by sponsoring regional events linked to popular culture, such as the Festa del Grano wheat festival held in Jelsi on the 26 July each year. According to tradition, the festival was launched as a tribute to Saint Anne in thanks for her protection during the earthquake in 1805 that shook all of Molise but spared the village of Jelsi.

The patron saint is celebrated with a spectacular parade of “traglie” (traditional agricultural machinery used to transport sheafs of wheat) and floats pulled by animals or tractors, created from straw and grain in innovative artistic arrangements. La Molisana has been supporting the event since 2011.



# Jazz in Campo

We support cultural events such as Jazz in Campo (Jazz in the Field), a festival founded in 2005 in Campodipietra and now a key cultural event that reaches beyond the local area. The term “Campo” is used to mean “opportunity” but also a space for openness and dialogue between different musical cultures that interweave to create unique artistic and social combinations.

Jazz in Campo is the result of a project that begins with jazz in its most traditional forms and arrives at a new and contemporary genre that openly draws on complementary musical universes. La Molisana has sponsored the organisation of the event since 2011.



# Solidarity during the pandemic

We launched several initiatives throughout the pandemic to support the fight against COVID-19.

**La Molisana donated pasta to the Intensive Care Unit of Ospedale “A. Cardarelli” in Campobasso on a continuous basis.**

Once the worst phase of the crisis had passed, having recognised the challenges to hospitality industries caused by the pandemic, La Molisana decided to take concrete action to support the sector and **bought approximately 300 dinner or lunch vouchers** from eighty establishments, including restaurants, pubs and pizzerias in the provinces of Campobasso and Isernia. The vouchers were **donated**

**to all employees and external collaborators** with the dual aim of kickstarting the local hospitality business and thanking people for their work and commitment during the difficult months of the pandemic.

Thanks to partnerships with **FC Inter, AC Milan, AS Roma, Unione Calcio Sampdoria, Atalanta Bergamasca Calcio and A.N.S.Me.S.** - Associazione Nazionale Stelle e Palme al Merito Sportivo, La Molisana donated more than **25,000 kg of pasta to charities** across Italy.



## LA MOLISANA MAGNOLIA BASKET CAMPOBASSO

In 2017, *La Molisana* invested in a women's basketball team in Serie A2, creating Magnolia, a non-profit basketball association founded through the economic and social support of La Molisana and other generous local businesses. **The goal was to bring two of Molise's dreams back to life: to restore pride to the region's basketball tradition and to create a sports centre that would stimulate the development of talented athletes.**

This decision soon took on a special meaning for Molise, where there have been growing concerns about the **problems related to marginalisation, bullying, obesity and dependency** that have an increasing impact on young people and the most vulnerable areas of society most affected

by unemployment and social and cultural decline. **Sport plays an extraordinary role in combating youth disfranchisement in all of its forms**, because it relies on sacrifice and commitment, **generates passion, supports a culture of merit** and teaches that success is achieved by overcoming obstacles and by never giving up, and that challenges must first be fought from within.

As well as the Magnolia project, *La Molisana* supports regional sport through several other initiatives: these include sponsorship of the entire youth Campobasso Football sector, the Cus Molise men's volleyball team and the San Nicola mini-salom team for the 2021-2022 season.



## 7.3 Promoting the Mediterranean Diet

### *Promoting the Mediterranean diet* .....

*La Molisana has always invested in food education* because we believe that **producing food is, first and foremost, an ethical question** that companies in the agro-food businesses cannot avoid. The **worrying trend of rising obesity** - especially

among children - has prompted La Molisana to promote a **food education programme based on the Mediterranean Diet**, which received UNESCO World Heritage status in 2010.



#### RECIPE BOOKS FOR CHILDREN AND ATHLETES

To promote and put these importance principles into practice, La Molisana has designed a food education programme. The first step was to create a collection of **recipe books of main meals**. The first book, **aimed at children between the ages of 6 and 13**, was developed through a collaboration with nutritionists at UNIMOL (Università degli Studi del Molise, Faculty of Medicine, Department of Nutrition), while the second was produced in partnership with nutritional expert **Dr. Evelina Flachi** and focused on the **dietary needs of athletes**.



#### CHARITY COOKERY COURSES

Based around the idea of promoting the culture of eating well to support health, sustainability and solidarity and motivated by our desire to fund social and cultural projects in diverse fields, we have designed and launched **charity cookery courses** to bring people together to learn and have fun while engaging in active dialogue with local businesses. In an open and friendly atmosphere, **we welcomed representatives from charitable organisations** who described their projects, using the opportunity to highlight the problems they work to solve. For our part here at La Molisana, **we donated all of the profits generated by the event to help them pursue their worthwhile causes**.



### PROGETTO SMART FOOD (IEO)

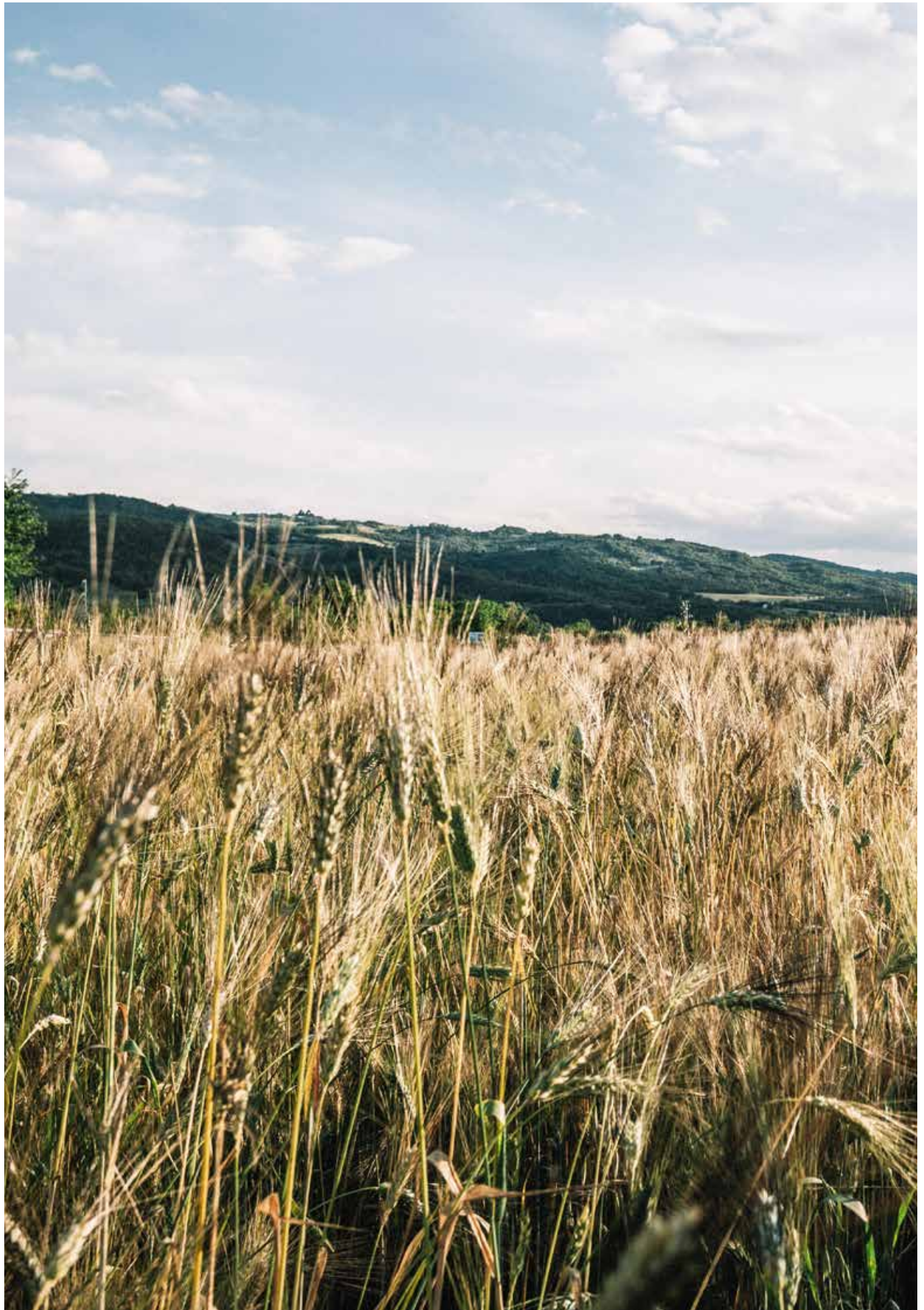
In 2014 *La Molisana signed a partnership agreement with the European Institute of Oncology (IEO)* and the Smart Food team of researchers, nutritionists and doctors to identify healthy foods and promote good eating habits. ***Together, we ran a series of seminars in Milan***, with 50% of the proceeds donated to research in nutrigenetics and nutrigenomics.



### CUCINA LA SALUTE CON GUSTO

Since 2015 La Molisana has supported the ***“Cucina la salute con gusto”*** project together with **ANDID** (Associazione Nazionale Dietisti Italiani), **APCI** (Associazione Professionale Chef Italiani), **LIFEGATE** and top Italian businesses including the leader Ballarini, ***creating a pool of integrated skills with the aim of promoting the revolution of Italy's food heritage*** towards health and sustainability without compromising on flavour. ***Taste, health and sustainability*** are the key words of this partnership, which began by collecting traditional recipes of regional Italian dishes and redesigning them according to the principles of the ***Mediterranean Diet***. Their environmental impact was also considered. In 2016, ***the project was expanded to cookery schools and academies*** to promote our message on multiple levels, from home kitchens to restaurants, focusing ***on training young people with the aim of guiding the choices of consumers and future chefs upstream.***





## GRI Content Index

GRI Standard	INDICATORS	Reference in document	Comments/omissions
<b>GRI 101 – GENERAL PRINCIPLES 2016</b>			
<b>GRI 102 – GENERAL DISCLOSURES 2016</b>			
<b>PROFILE OF THE ORGANISATION</b>			
102-1	Name of the organisation	Chapter 1, paragraph 1.	
102-2	Activities, brands, products and services	Chapter 1, p. 1.1, 1.2 • Chapter 2, p. 2.1	
102-3	Location of headquarters		Contrada Colle delle Api, 100/A, 86100 Campobasso CB
102-4	Location of operations	Chapter 1, p. 1.1 • Chapter 3, p. 3.1	
102-5	Ownership and legal form	Chapter 1, 1.2	
102-6	Markets served	Chapter 2, paragraph 2.1	
102-7	Scale of the organization	Chapter 5, paragraph 5.1	
102-8	Information about employees and other workers	Chapter 5, paragraph 5.1	
102-9	Supply chain	Chapter 3, paragraphs 3.1, 3.2	
102-10	Significant changes to the organization and its supply chain		In the reporting period there were no significant changes to the organization and its supply chain.
102-11	Precautionary principle or approach	The criteria for preparing the Report	
102-12	External initiatives	The criteria for preparing the Report	
102-13	Membership of associations	Chapter 7, paragraphs 7.1,7.2,7.3	
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	Our Sustainability Mission	
102-15	Key impacts, risks and opportunities	The criteria for preparing the Report	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards and rules of conduct	The criteria for the preparation of the Report, Chapter 1, paragraph 1.3	
<b>GOVERNANCE</b>			
102-18	Governance structure	Chapter 1, paragraph 1.2	
102-22	Composition of the highest governance body and its committees	Chapter 1, paragraph 1.2	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	The criteria for preparing the Report	
102-41	Collective bargaining agreements		All of La Molisana's employees are covered by collective agreements.
102-42	Identifying and selecting stakeholders	The criteria for preparing the Report	
102-43	Stakeholder engagement	The criteria for preparing the Report	
102-44	Key topics and concerns raised	The criteria for preparing the Report	
<b>REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	The criteria for preparing the Report	
102-46	Defining report content and topic boundaries	The criteria for preparing the Report	
102-47	List of material topics	The criteria for preparing the Report	
102-48	Restatements of information	The criteria for preparing the Report	
102-49	Changes in reporting		First Sustainability Report

102-50	Reporting period	Year 2020
102-51	Date of most recent report	First Sustainability Report
102-52	Reporting cycle	Annual
102-53	Contact point for questions in accordance with the GRI Standards	Annual
102-54	Claims of reporting in accordance with the GRI Standards	The criteria for preparing the Report
102-55	GRI content index	GRI Content Index
102-56	External assurance	Not subject to assurance
<b>GRI 203 – INDIRECT ECONOMIC IMPACTS 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 7, paragraph 7.2
103-2	The management approach and its components	Chapter 7, paragraph 7.2
103-3	Evaluation of the management approach	Chapter 7, paragraph 7.2
<b>GRI 201: Topic-specific disclosures</b>		
203-2	Significant indirect economic impacts	Chapter 7, paragraphs 7.2, 7.3
<b>GRI 205 – ANTI-CORRUPTION 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 1, paragraph 1.3
103-2	The management approach and its components	Chapter 1, paragraph 1.3
103-3	Evaluation of the management approach	Chapter 1, paragraph 1.3
<b>GRI 205: Topic-specific disclosures</b>		
205-3	Confirmed incidents of corruption and actions taken	In 2020 there were no confirmed incidents of corruption.
<b>GRI 301 – MATERIALS 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 3, paragraph 3.1
103-2	The management approach and its components	Chapter 3, paragraph 3.1
103-3	Evaluation of the management approach	Chapter 3, paragraph 3.1
<b>GRI 301: Topic-specific disclosures</b>		
301-1	Materials used by weight or volume	Chapter 3, paragraph 3.1
<b>GRI 302 – ENERGY 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 4, paragraph 4.1
103-2	The management approach and its components	Chapter 4, paragraph 4.1
103-3	Evaluation of the management approach	Chapter 4, paragraph 4.1
<b>GRI 302: Topic-specific disclosures</b>		
302-1	Energy consumption within the organization	Chapter 4, paragraph 4.1

<b>GRI 303 – WATER AND EFFLUENTS 2018</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 4, paragraph 4.1
103-2	The management approach and its components	Chapter 4, paragraph 4.1
103-3	Evaluation of the management approach	Chapter 4, paragraph 4.1
<b>GRI 303: Topic-specific disclosures 2018</b>		
303-1	Interactions with water as a shared resource	Chapter 4, paragraph 4.1
303-2	Management of water discharge related impacts	Chapter 4, paragraph 4.1
303-3	Water withdrawal	Chapter 4, paragraph 4.1
303-4	Water discharge	Chapter 4, paragraph 4.1
<b>GRI 305 – EMISSIONS 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 4, paragraphs 4.1, 4.2
103-2	The management approach and its components	Chapter 4, paragraphs 4.1, 4.2
103-3	Evaluation of the management approach	Chapter 4, paragraphs 4.1, 4.2
<b>GRI 305: Topic-specific disclosures</b>		
305-1	Direct (Scope 1) GHG emissions	Chapter 4, paragraph 4.1
305-2	Energy indirect (Scope 2) GHG emissions	Chapter 4, paragraph 4.1
<b>GRI 306 – WASTE 2020</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 4, paragraph 4.1
103-2	The management approach and its components	Chapter 4, paragraph 4.1
103-3	Evaluation of the management approach	Chapter 4, paragraph 4.1
<b>GRI 306: Topic-specific disclosures</b>		
306-2	Waste by type and disposal method	Chapter 4, paragraph 4.1
<b>GRI 308 – SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 3, paragraph 3.1
103-2	The management approach and its components	Chapter 3, paragraph 3.1
103-3	Evaluation of the management approach	Chapter 3, paragraph 3.1
<b>GRI 308: Topic-specific disclosures</b>		
308-1	New suppliers that were screened using environmental criteria	Chapter 3, paragraph 3.1
<b>GRI 401 – EMPLOYMENT 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 5, paragraph 5.2
103-2	The management approach and its components	Chapter 5, paragraph 5.2
103-3	Evaluation of the management approach	Chapter 5, paragraph 5.2

<b>GRI 401: Topic-specific disclosures</b>		
401-1	New employee hires and employee turnover	Chapter 5, paragraph 5.2
<b>GRI 403 – OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 5, paragraph 5.3
103-2	The management approach and its components	Chapter 5, paragraph 5.3
103-3	Evaluation of the management approach	Chapter 5, paragraph 5.3
<b>GRI 403: Topic-specific disclosures 2018</b>		
403-5	Worker training on occupational health and safety	Chapter 5, paragraph 5.3
403-9	Work-related injuries	Chapter 5, paragraph 5.3
<b>GRI 404 – TRAINING AND EDUCATION 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 5, paragraph 5.3
103-2	The management approach and its components	Chapter 5, paragraph 5.3
103-3	Evaluation of the management approach	Chapter 5, paragraph 5.3
<b>GRI 404: Topic-specific disclosures</b>		
404-1	Average hours of training per year per employee	Chapter 5, paragraph 5.3
<b>GRI 405 – DIVERSITY AND EQUAL OPPORTUNITY 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 5, paragraph 5.1
103-2	The management approach and its components	Chapter 5, paragraph 5.1
103-3	Evaluation of the management approach	Chapter 5, paragraph 5.1
<b>GRI 405: Topic-specific disclosures</b>		
405-1	Diversity of governance bodies and employees	Chapter 5, paragraph 5.1
<b>GRI 409 – FORCED OR COMPULSORY LABOUR 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 3, paragraph 3.1
103-2	The management approach and its components	Chapter 3, paragraph 3.1
103-3	Evaluation of the management approach	Chapter 3, paragraph 3.1
<b>GRI 409: Topic-specific disclosures</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Chapter 3, paragraph 3.1
<b>GRI 414 – SUPPLIER SOCIAL ASSESSMENT 2016</b>		
<b>GRI 103: Management approach 2016</b>		
103-1	Explanation of the material topic and its boundary	Chapter 3, paragraph 3.1
103-2	The management approach and its components	Chapter 3, paragraph 3.1
103-3	Evaluation of the management approach	Chapter 3, paragraph 3.1

GRI 414: Topic-specific disclosures		
414-1	New suppliers that were screened using social criteria	Chapter 3, paragraph 3.1
GRI 416 – CUSTOMER HEALTH AND SAFETY 2016		
GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	Chapter 3, paragraph 3.3
103-2	The management approach and its components	Chapter 3, paragraph 3.3
103-3	Evaluation of the management approach	Chapter 3, paragraph 3.3
GRI 416: Topic-specific disclosures		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 3, paragraph 3.3
GRI 417 – MARKETING AND LABELLING 2016		
GRI 103: Topic-specific disclosures		
103-1	Explanation of the material topic and its boundary	Chapter 6, paragraphs 6.1, 6.2
103-2	The management approach and its components	Chapter 6, paragraphs 6.1, 6.2
103-3	Evaluation of the management approach	Chapter 6, paragraphs 6.1, 6.2
GRI 417: Topic-specific disclosures		
417-2	Incidents of non-compliance concerning product and service information and labelling	In 2020 there were no incidents of non-compliance
PRODUCT INNOVATION		
GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary	Chapter 2, paragraph 2.2
103-2	The management approach and its components	Chapter 2, paragraph 2.2
103-3	Evaluation of the management approach	Chapter 2, paragraph 2.2
Topic-specific disclosures		
	Product innovation, new formats, investments aimed at innovating production processes	Chapter 2, paragraph 2.2

ITALIAN EXCELLENCE  
ON THE GLOBAL STAGE

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## GRANO ITALIANO

DECORTICATO A PIETRA

Aria pura di montagna, Acqua cristallina di sorgente  
Mugnai da quattro generazioni

**FARFALLE RIGATE N°66**



TRAFILATA AL BRONZO







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