

# SUSTAINABILITY REPORT 2020

# OUR CONTINUOUS COMMITMENT TO REPORTING ON VALAGRO'S SUSTAINABILITY

For 40 years, Valagro has been helping farmers get the best out of their production by optimising the use of resources and production inputs with one goal: to create a sustainable future for people and nature. This objective can only be achieved with a basic coherence that characterises not only the solutions offered to the global market, but also the production processes and corporate culture.

The Social and Environmental Report (or Sustainability Report) is a useful tool that helps us describe, year after year, our consistent and constant commitment to sustainability. It is an act of responsibility towards the wider community we operate in, and with which we hope to cultivate a culture that is ever more respectful of the environment and attentive to the community's needs.

The data shown below refer to Valagro Spa's environmental, economic and corporate results.

## THE VALAGRO GROUP IN NUMBERS

80

**Countries** where we are present with our distribution and sales network.

8

**Key manufacturing facilities**

in Italy, Norway, India and Brasil.

13

**Subsidiaries** around the world.

€

**148 million**

Total revenue

VALAGRO  
**728**

Employees worldwide

19

PhD candidates

# OUR ACTIVITIES MAINLY CONTRIBUTE TO THESE SUSTAINABLE DEVELOPMENT GOALS

(UN SUSTAINABLE DEVELOPMENT GOALS):



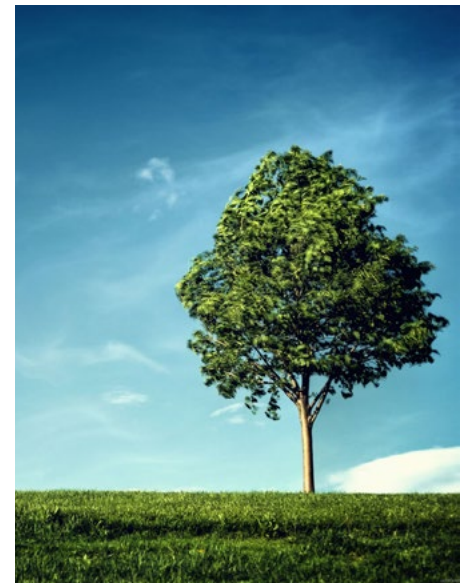
# OUR ENVIRONMENTAL IMPACT

## Introduction

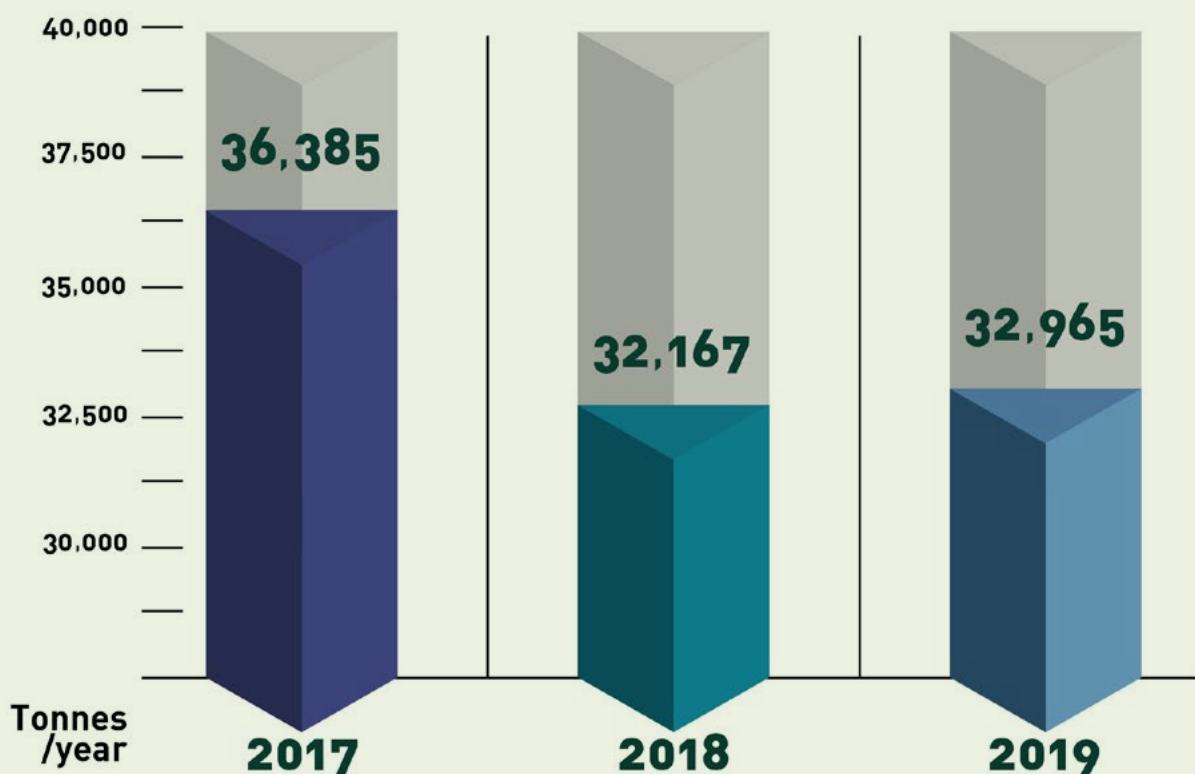
As indicated in the previous versions of the Sustainability Report, we need to consider the relationship between these indicators and the **value of production** in order to correctly interpret the indicators relating to the environmental impact of Valagro SpA's activities.

In the transition from 2017 to the next two-year period, the latter recorded a decrease

se mainly due to operation of the production plants located abroad, in Brazil, India and Norway. Given that the goal pursued by Valagro is to improve the transparency and accessibility of information relating to its environmental, economic and social impact, the company's commitment is to integrate monitoring of the performance of sustainability of its production branches overseas. As for the indicators of Valagro SpA, it should be noted that a more



detailed analysis is available in the EMAS – **Eco-Management and Audit Scheme** declaration available on the Valagro website on the Certifications page.



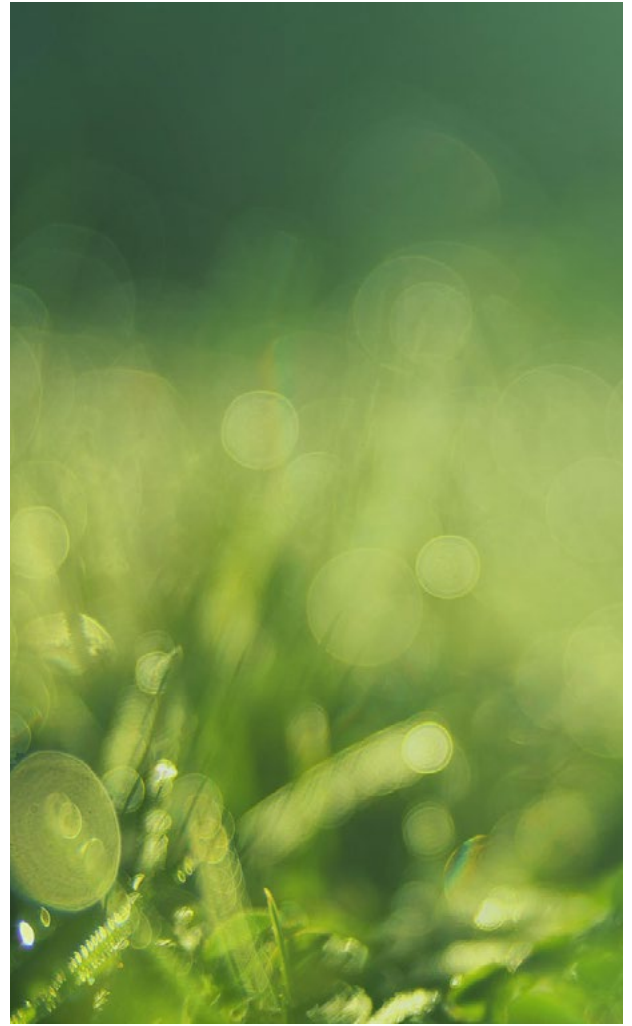


# I FEATURED

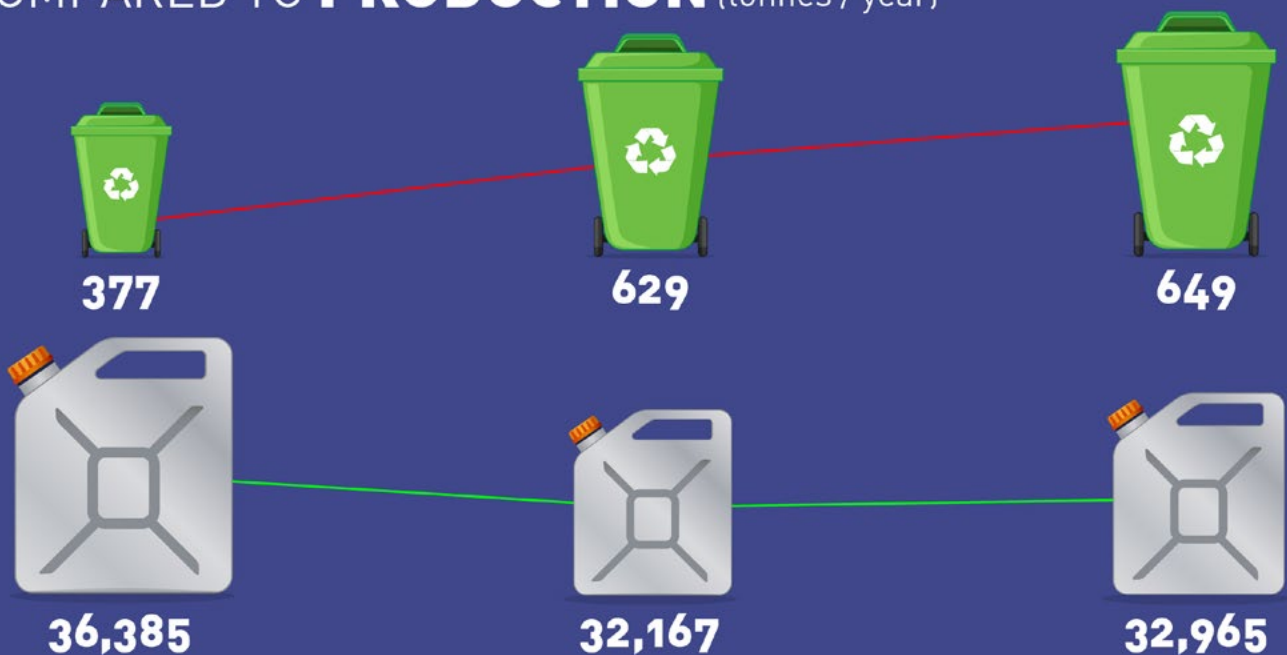


# WASTE

Compared with the quantity of waste produced – which includes all the waste fractions generated at the Atessa plant – it is noted that in relation to the increase in production in the two-year period 2018 and 2019, the trend of the indicator is rather stable. In order to further contain the production of waste, a rationalisation of purchases is under way, in order to select suppliers able to ensure packaging-free supplies (in silos, tanks, or with packaging that can be made totally reusable).



## TOTAL WASTE COMPARED TO PRODUCTION (tonnes / year)



# METALS EMISSIONS

As for emissions into the atmosphere, in 2019 the total quantities of metals emitted remained stable compared with previous years, although there was a variation in the mix of products produced (increase in the productivity of the chelate plant) which in the past would have led to an increase in emission levels. This was avoided by improving emission filtration systems. In fact, Valagro pursues the goal of continuously improving the bag filters

of plants. Triboelectric detectors were installed at all the chimneys where dust is present to improve checks on any leaks from the filtering bags. The use of selected raw materials and the continuous search for higher environmental performance aim to reduce emissions into the atmosphere as much as possible. In this case, the emission of metals represents a significant target that the company will also try to reduce in the future.



## METAL EMISSIONS COMPARED TO PRODUCTION

(tonnes / year)

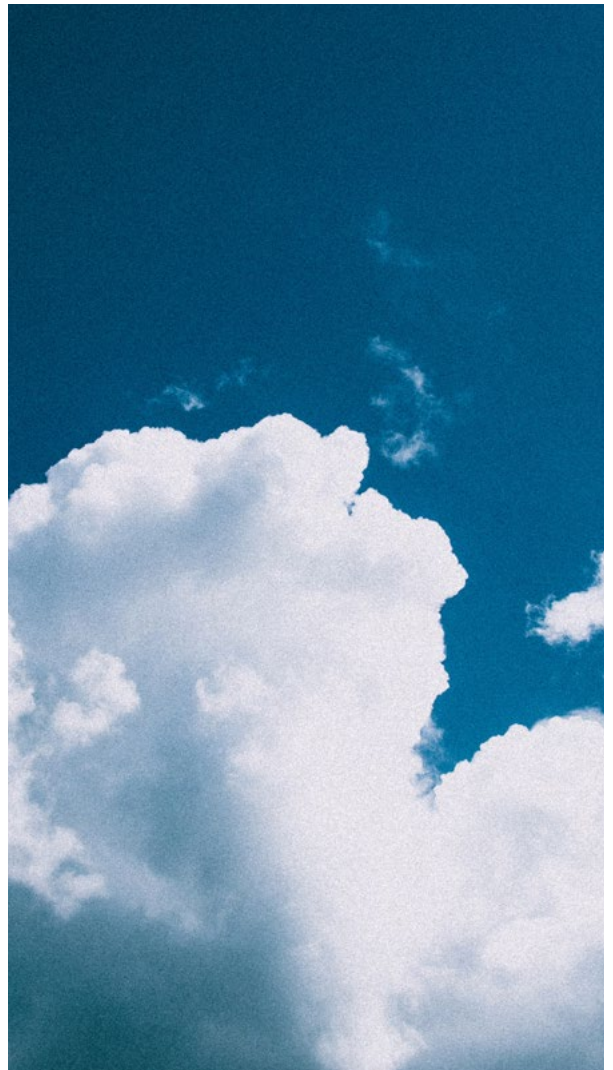


# VOS-VOLATILE ORGANIC SUBSTANCES

(II - III - IV)

From the point of view of the emissions of volatile organic substances (phenol, isobutyl alcohol and isobutyl acetate), it is important to note that their value is influenced by the production mix. In 2019 it can be noted that while VOS in class III and IV recorded a decrease, those in class II recorded a slight increase, due to an increase in the production of some formulations that contain VOS II.

In any case, the multi-year downward trend is confirmed and it is believed that also in the next few years it will be possible to reach even lower thresholds of these values.



## EMISSIONS OF VOLATILE ORGANIC SUBSTANCES COMPARED TO PRODUCTION

(tonnes / year)

2017 

VOC II 0.169  
VOC III 0.035  
VOC IV 0.476

2018 

VOC II 0.139  
VOC III 0.128  
VOC IV 0.147

2019 

VOC II 0.166  
VOC III 0.056  
VOC IV 0.071



36,385



32,167

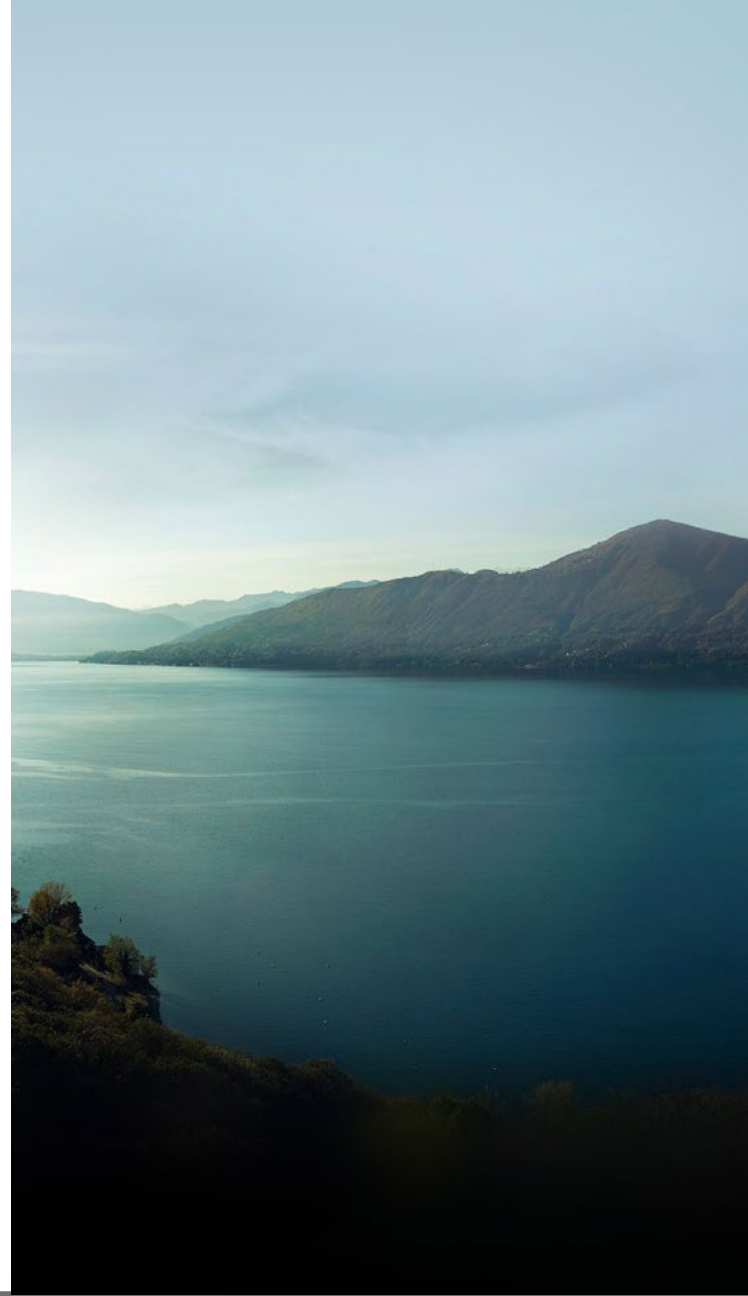


32,965



# THERMAL ENERGY

Thermal energy represents one of the main critical factors within company production processes. In 2019 there was an increase in the thermal energy indicator (TOE/Ton PF) and this is due to a shift in the production mix in favour of more energy-intensive products. In any case, the use of a co-generator within the production process has made it possible to increase the efficiency of processes in which the thermal sources are present. The growing value is mainly due to the fact that almost 50% of the electricity used in the plants is produced through cogeneration and this consequently leads to an increase in thermal consumption.

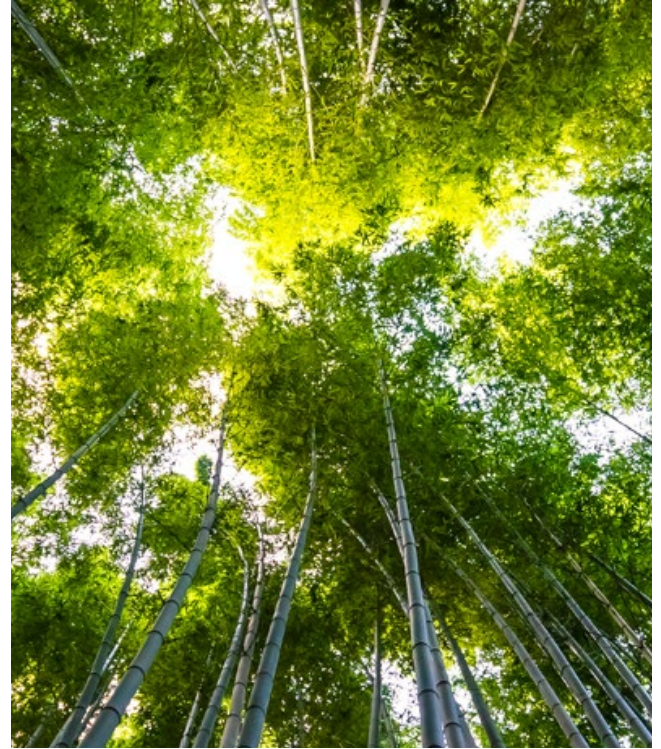


## THERMAL ENERGY CONSUMPTION

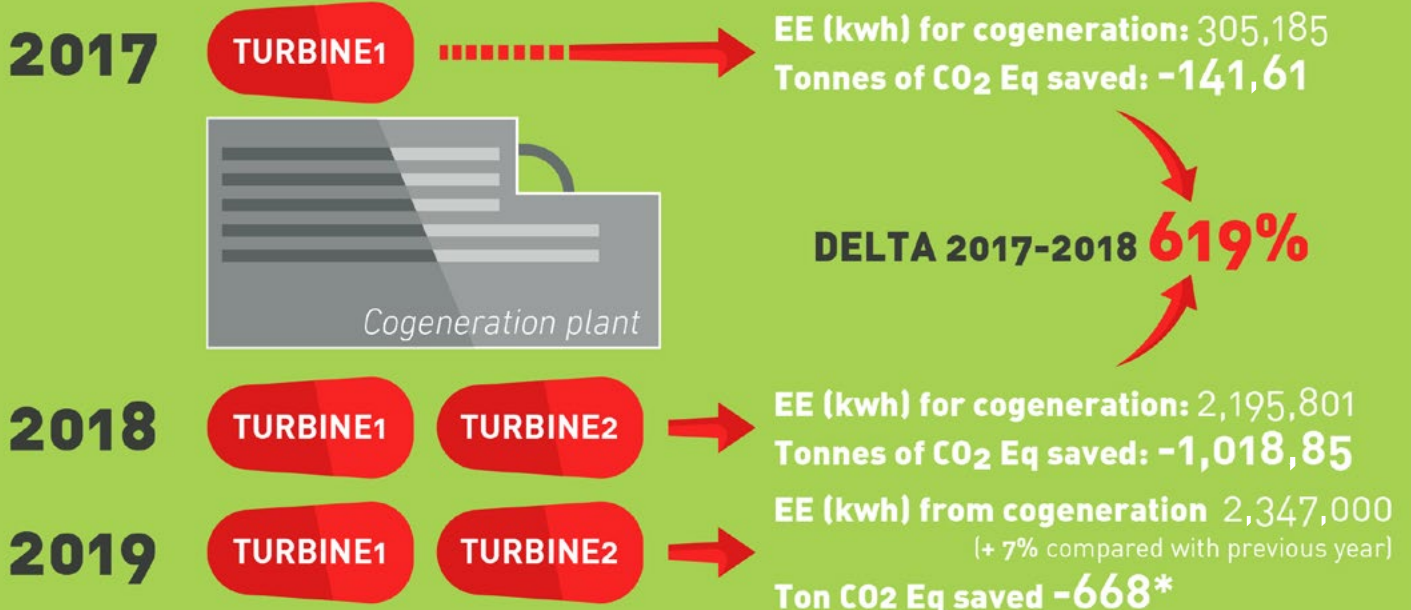


# ENERGY AND CO<sub>2</sub> EMISSIONS

Currently the cogeneration plant represents a fundamental pillar for optimization of Valagro SpA's energy consumption: its installation has made it possible to increase the productivity of the plants, especially during the drying phase, exploiting the capacity to treat all the semi-finished products coming from the reactors, and thus ensuring high production standards. In addition to the thermal capacity, the plant ensures approximately 400 KW of electrical power: this has made it possible to reduce the share of electricity purchased from the grid and to obtain an overall process efficiency (electrical and thermal) of over 85%.



## COGENERATION PLANT

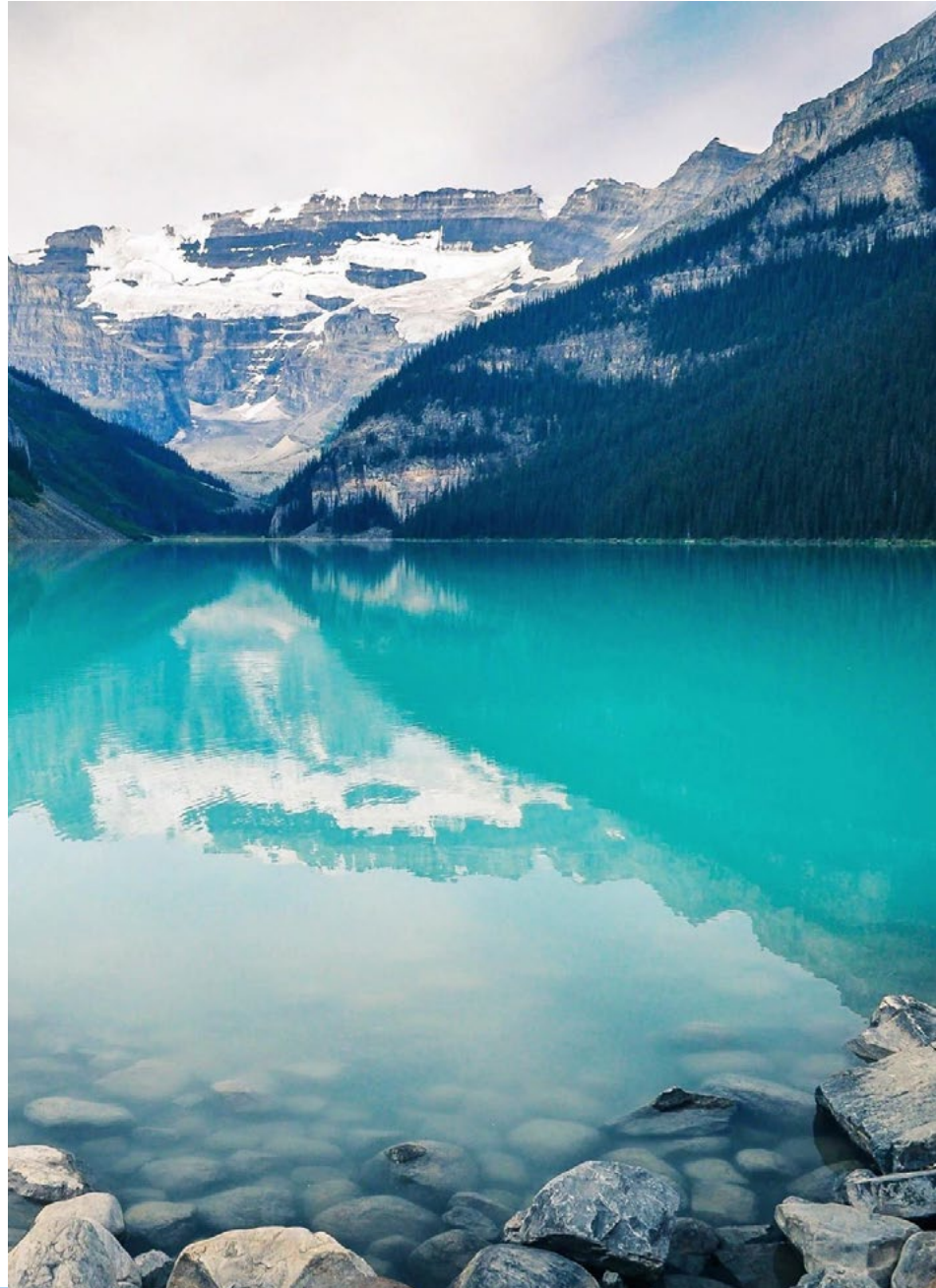


\* value calculated on the basis of IISPR data (Emission factors for the production and consumption of electricity in Italy - updated to 2018 and preliminary estimates for 2019)

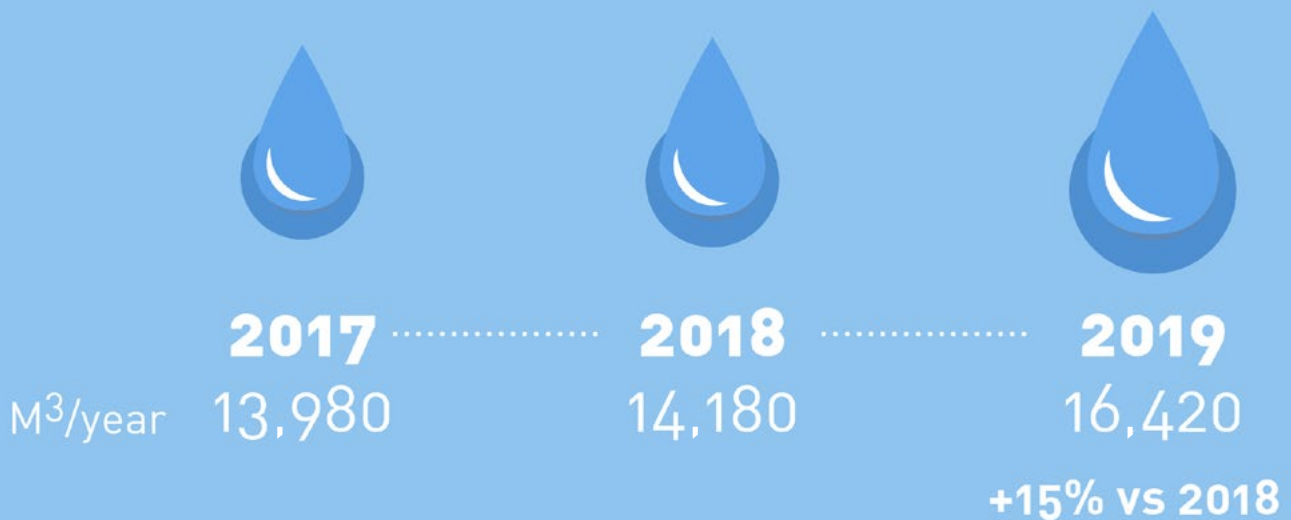


# Water with-drawals

Valagro believes that water is an indispensable and precious primary good. In 2019 there was an increase in water withdrawals, mainly due to the increase in the production of products in liquid form (in particular biostimulants), and also to the use of water for the cleaning of production lines, which re-enters circulation in these products.



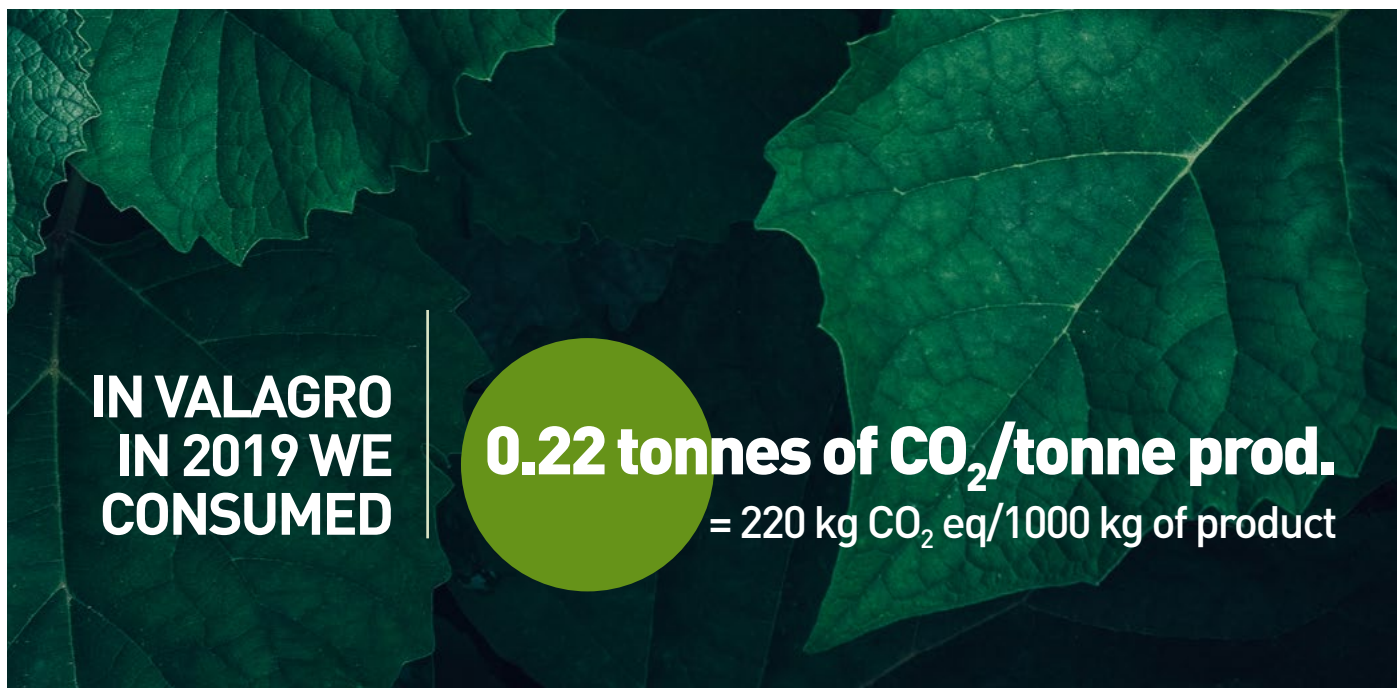
## TOTAL OF WATER WITHDRAWAL



# HIGHLIGHTS



# OUR FOOTPRINT IN AGRICULTURE



For Valagro, monitoring CO<sub>2</sub> emissions associated with the production of its solutions – a goal driven by initiatives such as EPD certification – is a concrete commitment that allows the company to limit the environmental impact by making agricultural production more sustainable and of a higher quality.

The production of healthy food for a healthy world is a challenge that Valagro strongly believes in, and

today this commitment takes on renewed value thanks to the Farm to Fork (F2F) strategy, the cornerstone of the European Green Deal. In line with the United Nations Sustainable Development Goals mentioned at the beginning of this report, and thanks to specific actions that affect the entire supply chain, from agriculture to the way food is labelled, the F2F strategy intends to promote the transition towards a fair, healthy

and environmentally friendly food system on a global level, through trade policies and international cooperation between Europe and third countries.

# OUR FOOTPRINT IN AGRICULTURE

Valagro solutions compared with standard management systems, with reference only to fertilisation plans, have lower values of CO<sub>2</sub> emissions. This is to be related both to the lower quantities of product used, and to the effectiveness of Valagro products. In general, from the tests carried out, it can be stated that for the same production, the crops managed with Valagro solutions have a considerably lower impact than those managed with standard products.



CROP	VALAGRO SOLUTIONS	VS.	STANDARD SOLUTIONS	KgCO <sub>2</sub> /ha reduction with VALAGRO SOLUTIONS
 DURUM WHEAT	MICRONP 25kg Plantafol 2,5kg Megafol 3lit Opifol 2,5kg Yeldon 2lit		Sowing Diammonium phosphate 150kg Ammonium Nitrate 200kg	<b>- 8%</b>
 CORN	MICRONP 25kg Megafol 3lit Opifol 2,5kg Yeldon 2lit		Ammonium Nitrate 250 UREA 200kg	<b>- 9%</b>
 SOY	MICRONP 25kg Megafol 3lit Opifol 2,5kg Yeldon 2lit		Diammonium phosphate 150kg Potassium nitrate 150kg	<b>- 18%</b>
 RAPE	MICRONP 25kg Megafol 3lit Opifol 2,5kg Yeldon 2lit		Urea 250kg Ammonium sulphate 250kg	<b>- 11%</b>
 RICE	MICRONP 25kg Megafol 3lit Opifol 2,5kg Yeldon 2lit		Urea 200kg + 250kg	<b>- 10%</b>

\* Values calculated on the basis of internal tests and on the basis of Ecoinvent V3 coefficients



# FOCUS ON SOLUTIONS

## TALETE THE VALUE DROP OF EVERY SINGLE DROP



**In** 2019 Valagro launched its innovative biostimulant Talete. Born from the exclusive GeaPower technology platform to increase Crop Water Productivity, Talete promotes sustainable production in conditions of adequate water availability and in conditions of permanent or temporary scarcity.

“Talete concretely represents Valagro’s mission to create a sustainable future for people and nature; thanks to Talete, Valagro is able to provide a viable solution to farmers around the world to get the most out of their crops by optimising the use of an increasingly precious resource, water. To meet the growing needs of the world population we must radically change the way in which water is used, managed and shared, especially in agriculture, which alone is responsible for 70% of global freshwater consumption. In line with our mission, and in response to the appeal of international organisations such as FAO on creating innovative technical means for sustainable food production, we have put the best of our research and innovation, the result of the GeaPower technology platform, at the service of agriculture, with the aim of making it increasingly productive and at the same time increasingly efficient” (CEO G. Natale, 4th World Congress on the Use of Biostimulants in Agriculture, Barcelona).

# FOCUS ON SOLUTIONS

## SOLUTIONS BASED ON MICROORGANISMS



For Valagro, 2019 marked the beginning of the adventure with microbial formulations. Indeed, in May 2019, Valagro BioSciences (the Indian branch of the group) promoted a tour that crossed 6 Indian states - Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala and Maharashtra - to present a new line of innovative solutions based on microorganisms that include biostimulants, biofertilisers and the first Valagro branded biocontrol product for the Indian market. The distinctive feature of this new line of

microorganism-based products can be summarised with the word sustainability. This goal is mainly supported by improvement in the efficiency of use of nutrients, because the microorganisms underlying these innovative solutions are indeed capable of releasing precious, otherwise unavailable, nutrients into the soil, and can increase the ability of crops to assimilate water and nutrition.



# OUR MANUFACTURING FACILITIES ABROAD



# UNITED STATES

In 2019, Valagro formalised construction of the Orangeburg plant, in the United States, with a groundbreaking ceremony, which was attended by members of the local community, esteemed guests, state representatives, as well as members of federal government. Consistent with Valagro's commitment to innovation, the plant will introduce cutting-edge technologies for the production of plant biostimulants and chelated micronutrients in the United States.

The opening of the production site will also involve the creation of nearly 50 new advanced manufacturing jobs. Thanks to the Orangeburg production plant, Valagro will be able to better meet current and future American demand for innovative sustainable agriculture solutions, better serve North American customers, and advance the use of biological products in agriculture.





# INDIA

Among the main interventions completed in 2019 at the Pashamylaram plant, it is worth noting biological facility revamp, done with fully automatized mechanization, which can use to produce the world class microbial cultures with fully controlled environment by SCADA system. Highlights of the project have been the fermentation unit modernization, as well as the new lyophilization unit, a high efficiency technology for better preserve the microbial vitality and ensure an outstanding quality to pour customer. biological facility revamp, done with fully automatized mechanization, which can use to produce the world class microbial cultures with fully controlled environment by SCADA system. Highlights of the project have been the fermentation unit modernization, as well as the new lyophilization unit, a high efficiency technology for better preserve the microbial vitality and ensure an outstanding quality to pour customer. This technology is used to produce micro-



bial-based products useful to control the soil deterioration, convert insoluble nutrients to soluble forms, improve the utilization of the same and promote overall plant development.

## Further interventions concerned:

- Hazardous waste material segregations sheds, that were built to avoid cross-contamination and to decrease some other seivour issues to the environment.
- Distribution of dustbins to nearby villages to collect household waste.
- The introduction of a solid packing machine improves the production efficiency to arrive at a required goal by limiting energy consumption and manpower hours.
- Control of water consumption to lower the use of water to clean the required equipment. This allowed more water savings compared with the manual process.



# NORWAY



## Main interventions carried out in 2019 at the Kristiansund site:

- Installation of safer stairs to access the main offices.
- Installation of a fire surveillance system to reduce the risk of fire.
- Improvement of air quality in the offices.
- Improve the lightening efficiency using LED technology. Reduce the energy consumption.
- Increased the height of the chimney of the wet side to lower the impact of the smell on the closest neighbors.
- installation of safer stairs to access the main offices.
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- Improve the lightening efficiency using LED technology. Reduce the energy consumption.
- Increased the height of the chimney of the wet side to lower the impact of the smell on the closest neighbors.

## Main interventions carried out in 2019 at the Brønnøysund site:

- Lateral cladding of the warehouse to limit the emission of the noise and lower the impact on the closest houses.
- New warehouse closer to the production site to guarantee the sustainability of the business and manage the stock of semi-finished and finished products. Drastic reduction of the logistic impact and lower consumption of CO<sub>2</sub> deriving from the logistic of semi-finished and finished products.
- Replacement of a rotten wooden structure with a stainless steel to temporary stock the fresh seaweed before being treated. Increase the safety of the products to be sold as FEED.
- Start of the realization (completed in 2020) of a new harvester suitable to harvest in a sustainable manner: the cutting system is designed to avoid the damage of the root of the seaweed making the process sustainable.





# BRAZIL

In 2019 the following interventions were completed at the Pirassununga plant:

- Acquisition for safety and protection in order to walk on the cargo in a safety condition.
- Safety adequation for Cobalt Sulphate and Boric acid dosing in order to avoid contact and exposure with the dust of this raw materials.
- Construction of gutter around Water Soluble Fertilizers unit in order to collect water spillage and waste of water around the plant.
- Installation of hot water pipeline in order to reduce the consumption of water during the washing in Water Soluble Fertilizers unit.
- Other investments for the plant security such as the installation of guard rail in the warehouse to improve the occupational safety.





# OUR ADDED VALUE

ECONOMIC VALUE  
DISTRIBUTED  
**88,938,566.96**  
MILLIONS

Added Value summarises the company's ability to produce wealth to then distribute it to the various stakeholders. Its fundamental components are the Economic Value Generated from ordinary company management and then the distribution in terms of Economic Value

Distributed and Economic Value Retained. The portion of Economic Value Distributed is divided among the main stakeholders: Suppliers, Employees, Partners - Shareholders, Central Administration, Community and the environment. On the other hand, the Economic Value

Retained relates to value adjustments, anticipated and deferred taxes, provisions to reserves and profit for the year.

## Economic Value of Valagro Spa in Millions of euros

	2017	2018	2019
Generated	99,179,769	96,703,770	<b>95,855,515</b>
Distributed	93,275,647	84,528,279	<b>88,938,566.96</b>
Retained	5,904,121	12,175,491	<b>6,916,947.71</b>

## Revenues by geographical area

	2019	Vs 2018
EMEA	40,449	- 7%
AMERICAS	21,225	- 6%
ASIA PACIFIC	19,727	10%



# COMMITMENT TO OUR PEOPLE

## Our Company Culture

The 25th July marks a crucial date for Valagro: the company launched its new distinctive corporate vision, mission, values and culture. Celebrating the company story, the story of a dream started forty years ago with its founders and then come true, Valagro People has shared the willingness to follow the lead of a higher perspective, to create a greater value, a sustainable future for people and nature, and ultimately to embrace what we define to be the “Living by the Third way”. It is the mindset that allows Valagro people to deliver innovation in agricultural for producing more with the sustainability at heart, nurturing the ability to do extraordinary things, capitalizing the diversity, working with excellence in order to achieve ambitious goals, turning the impossible into reality.

To act with integrity, to be passionate, trustworthy and able to create connections and innovation with courage, curiosity and determination, making change happen. All this belongs to the Company identity since always and everywhere in the world: they are the Valagro values, the best synthesis of what leads the Valagro People' daily actions.





# THE GROWTH OF VALAGRO CORPORATE UNIVERSITY GLOBALLY

Learning to learn is the way to excellence. And excellence is a core value of Valagro in its future path to greater success. Valagro is committed to become a 'learning organization' by a constant and pervasive learning. That's why in 2019 the Company boosted its investment in learning, providing tools for the employees to improve their professional and managerial skills. The Valagro Corporate University (VCU) has been developed at global level for guiding and supporting the people growth by enabling continual, digital tech and multi-modal learning, requiring a personal responsibility and engagement in make learning part of the job. The spreading of the digital learning to people of

Valagro Group has increased the opportunities to learn: by self-paced courses, internal and external webinars, learning is not anymore something to do alternatively to work, but the space, in the flow of the work, for building competencies while impacting results and faster building connections across the whole organization.

One of the main programs that VCU has launched in 2019, was a development path oriented to foster the Sales people, who are recognized as trustworthy referents, fully engaged in 'serving Nature through Science'. Working synergistically, they deliver the acumen and scientific expertise that Valagro matured in the agribusi-

ness to each of its business partners globally. The path supports Valagro Sales teams in sharing the same language and the same attitude 'to create a sustainable future', practicing a reliable standard of work to sustain customer satisfaction and long-term partnerships.





## Best Performance Award 2019

In 2019 Valagro was awarded the Best Performance Award 2019, in the “Best Performer of the Year” category. Together with JP Morgan Private Bank, PwC, Refinitiv and Gruppo 24 ORE, the SDA Bocconi School of Management is among the promoters of this initiative. Established three years ago, it aims to promote the best Italian companies that stand out for their excellence in sustainable development understood in a broad sense, i.e. the ability to do business

while ensuring corporate continuity with respect for the human and environmental aspect (Green & Social), innovation (Innovation & Technology) and economic management (Value Added). The prize awarded to Valagro in the “Best Performer of the Year” category recognises

the company’s commitment to making the issue of sustainability central within everyday life, and to investing in human capital to foster the potential of each person with respect to their skills, competences and needs.



## Welfare & Wellbeing

There are many initiatives that Valagro has taken for making the Company a ‘good place to

work’. The important renewing of buildings, the internal canteen, the new spaces for facilitating relax and business meetings: all of them have been done with a special attention in creating an great

and pleasant environment, choosing sustainable materials and with people wellbeing at heart. Other initiatives, in terms of work flexibility and agile working have been started and Valagro will continue to boost them, focusing on results and consistently with one of its core value: people trust. In 2019, the welfare package has been enriched of an initiative for supporting the family wellbeing of employees and their kids: a very funny and successful summer camp!



# VALAGRO PEOPLE

in summary

**7682**  
total training  
hours

**450**  
Subsidiary  
Employees

**278**  
Valagro SpA  
Employees

**27,63**  
Average training hours  
for employees



# COMMITMENT TO OUR CUSTOMERS: **VALAGRO ACADEMY**

**V**alagro Academy is a programme dedicated to Valagro customers, who have always been at the centre of company activities. Founded in 2016, Valagro Academy is designed to promote Valagro's expertise in the field of crop nutrition and biostimulants, and to illustrate how Valagro solutions can improve crop performance for the benefit of efficiency and sustainability in agriculture.

Coordinated by the Marketing team and Market Development Managers, Valagro Academy provides highly qualified assistance and training sessions to the sales team of Valagro customers in order to share information and updates on the world of plant nutrition and biostimulants, together with specific sessions on products, local needs and the most effective solutions to be applied in the field.

## TOTAL WASTE COMPARED TO PRODUCTION (tonnes / year)



# COMMITMENT TO THE COMMUNITY: ORTIAMO

**O**rtiamo is the educational project promoted by Valagro in the two-year period 2018-2019 to raise awareness among young people of the value of sustainability in agriculture. The project involved almost 400 elementary school students in the provinces of Chieti and Pescara (Italy), with the aim of promoting the role of sustainable agriculture in ensuring increasing quality and efficiency in agricultural production as the basis of a healthy and safe diet. This educational project was based on the active involvement of children, who closely observed the life cycle of a salad plant which they took care of until the moment of harvesting.

The participation of parents and the wider community was made possible by the creation of a dedicated website, and also in 2019 by an online web series on the Ortiamo.net website which, in line with the aims of the project, saw children become protagonists in narrating their own experience.





# OUR RESEARCH

In 2019, the activity of the Global Research team saw, on the one hand, a culmination of the research activity with the publication of scientific articles that have as their object the contribution of biostimulants to the productivity and sustainability of agriculture, and, on the other hand, the commitment and active participation in projects aimed at pursuing sustainability goals. Among these, in particular, two projects entered into full swing in the two-years period 2018-2019: participation in the POR FESR Abruzzo project called "RECOVER" for the recovery and enhancement of absorbent hygiene products, with the aim of producing nutritional solutions for agriculture; and participation and coordi-

nation of the POR FESR Abruzzo project called "INNOPAQ - Sustainable innovation for high-quality agri-food production" aimed at the study and development of biostimulants for agronomic applications, in order to improve the characteristics of some typical crops of the area and develop agri-food products with high health and nutritional value.

Another important collaboration is the one started with the University of Bari to support an industrial Ph.D. Research project for the exploitation of the potential of some aquatic plants present on the Mediterranean coasts.

But 2019 was mainly marked by the definition of research and planning

strategies in the field of microorganisms, essentially aimed at promoting nutrient use efficiency and uptake, soil health, and biocontrol solutions.

The strategic activity of the "Scientific Advisory Committee", composed of a team of international experts in various fields, such as plant physiology, the study of micro and macroalgae, soil science, microbiology and nanotechnologies, was also pursued in 2019. On 20 June 2019, the Scientific Committee met with the Valagro research team to discuss relevant scientific topics for the company's research strategies and support the Valagro team in identifying new technological applications, innovative solutions, and opportunities for networking and collaboration on a global level.



# MAIN TECHNICAL AND SCIENTIFIC INNOVATION

In the Quality Unit, we can mention the implementation of the new ICP -AES (Inductively Coupled Plasma Atomic Emission Spectroscopy) tool, one of the most advanced tools currently available, capable of “simultaneously” analysing more than 70 elements. This tool is used for the analysis of microelements and heavy metals in complex matrices such as those of biostimulants and fertilising products. Thanks to this new tool, the Global Research team is able to perform faster, more reliable analyses at a lower cost than in the past.

The “Fast Scan Spectroscopy” technology is also used for the characterisation and verification of incoming raw materials and finished products. Through this technique it is possible to acquire a fingerprint that enables recognition of the substance being analysed with a high degree of precision. This is faster, cheaper and safer for operators than traditional means of analysis.

The reduction in the use of dangerous organic solvents through the use of “green” analytical technologies that involve the use of water, or spectroscopic techniques that generate zero impact, contribute to realising positive externalities from an economic and environmental point of view.





# OUR RESEARCH

In summary

4

scientific papers presented at the  
**4<sup>th</sup> International Conference  
on the Use of Biostimulants in  
Agriculture** (November 2019)

2  
patents  
filed

3

scientific publications  
in international  
“peer-reviewed” journals

3

Research studies presented at  
international scientific  
events

# THE G4 GRI GUIDELINES

Starting with the 2016 edition of the Sustainability Report, we have embarked on a path of progressive adaptation to the **international standards dictated by the Global Reporting Initiative – GRI**. This innovation is an integral part of our commitment to sharing and transparency, because it provides us with an objectively valid basis to better relate to the whole community, as is the aim of this report: the G4 GRI guidelines help us to communicate the impact of company activities from a social, environmental and economic point of view.



# GRI INDICATORS

## CATEGORY

## ENVIRONMENTAL

CATEGORY: ENVIRONMENTAL  
ASPECT: MATERIALS

### MATERIALS USED BY WEIGHT OR VOLUME



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	2017	2018	2019
External Source (Kg)	35,968,893	40,334,706	38,738,554
Internal Source (Kg)	886,965	1,609,620	2,021,625
Non-renewable materials used (Kg)	33,131,610	39,044,706	35,120,579

CATEGORY: ENVIRONMENTAL  
ASPECT: MATERIALS

### RECYCLED INPUT MATERIALS USED



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Where science serves nature

Identify the total weight or volume of materials used as reported under G4-EN1	2017	2018	2019
Total weight (tonnes)	3,724	2,899	3,617

CATEGORY: ENVIRONMENTAL  
ASPECT: ENERGY

## ENERGY CONSUMPTION WITHIN THE ORGANIZATION



**Valagro** SUSTAINABILITY REPORT 2020  
Where science serves nature

	2017	2018	2019
Identify the types of energy (fuel, electricity, heating, cooling, and steam) consumed within the organization (TJ)	2,250	2,331	2,950
Report fuel consumption for renewable fuel source (TJ)	0.00	0.00	0.00

CATEGORY: ENVIRONMENTAL  
ASPECT: ENERGY

## ENERGY INTENSITY



**Valagro** SUSTAINABILITY REPORT 2020  
Where science serves nature

	2017	2018	2019
Report the energy intensity ratio (MWh/Ton)	0.63	0.81	0.94
Report the types of energy included in the intensity ratio	All	All	All
Report whether the ratio uses energy consumed within the organization, outside of it or both	Within	Within	Within



CATEGORY: ENVIRONMENTAL

ASPECT: WATER

### WATER WITHDRAWAL BY SOURCE



**Valagro** SUSTAINABILITY REPORT 2020  
Where science serves nature

Identify the total volume of water withdrawn from any water source	2017	2018	2019
Report the total volume of water withdrawn	29,961	28,597	35,944

CATEGORY: ENVIRONMENTAL

ASPECT: WATER

### WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER



**Valagro** SUSTAINABILITY REPORT 2020  
Where science serves nature

Identify water sources significantly affected by water withdrawal by the organization	2017	2018	2019
Report the total number of water sources significantly affected by withdrawal	2	2	2

CATEGORY: ENVIRONMENTAL  
ASPECT: WATER

## WATER RECYCLED AND REUSED



**Valagro** SUSTAINABILITY REPORT 2020  
Where science serves nature

	2017	2018	2019
Report the total volume of water recycled and reused as a percentage of the total water withdrawal reported under Indicator G4-EN8.	4.429	5.245	4.870

CATEGORY: ENVIRONMENTAL  
ASPECT: EMISSIONS

## DIRECT (SCOPE 1) GHG EMISSIONS



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Identify direct emissions of GHGs from sources owned or controlled by the organization	2017	2018	2019
Report gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent	3,918.9	4,891.12	5,484.46
Report gases included in the calculation	All	All	All
Report biogenic CO2 emissions	0	0	0



CATEGORY: ENVIRONMENTAL  
ASPECT: EMISSIONS

**ENERGY INDIRECT (SCOPE 2)  
GHG EMISSIONS**



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	2017	2018	2019
Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent	1,354.33	984.64	774.88
Report gases included in the calculation	All	All	All

CATEGORY: ENVIRONMENTAL  
ASPECT: EMISSIONS

**OTHER INDIRECT (SCOPE 3)  
GHG EMISSIONS**



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	2017	2018	2019
Report gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent, excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization	922.36	878.19	878.06

CATEGORY: ENVIRONMENTAL

ASPECT: EMISSIONS

**GREENHOUSE GAS (GHG)  
EMISSIONS INTENSITY**



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	2017	2018	2019
Indirect emissions (tonnes)	1,354	984	774.88
Other indirect (tonnes)	301	301	301
Flights (tonnes)	621,34	577	577
Total scope 1,2 and 3 (tonnes)	6,258	6,753	7,137
Turnover M€	86.14	83.64	81.83
Tonnes CO2 /M€	72.60	81.36	87.21
Production	36,385	32,167	32,965
Tonnes CO2/Kg Product	0.17	0.20	0.22
Employees	274	279	282
Tonnes CO2/ Employees	22.84	24.20	25.30



CATEGORY: ENVIRONMENTAL  
ASPECT: EMISSIONS

**NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), AND OTHER SIGNIFICANT AIR EMISSIONS**



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	2017	2018	2019
NOX	NA	NA	NA
SOX	NA	NA	NA
POP	NA	NA	NA
VOC (UNI EN 13649:2002 UNI EN 13649:2002)	681.04	415	297
PM (UNI EN 13284-1:2003)	249.5	483.1	93.74
Metals	1.56	1.43	1.59

CATEGORY: ENVIRONMENTAL  
ASPECT: EFFLUENTS AND WASTE

## WATER DISCHARGE BY QUALITY AND DESTINATION



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Rainwater	2017	2018	2019
Destination	0	0	0
Quality of the water including treatment method (kg/year)	COD: 0 Nitrogen: 0 Phosphorus: 0 Metals: 0	COD: 0 Nitrogen: 0 Phosphorus: 0 Metals: 0	COD: 0 Nitrogen: 0 Phosphorus: 0 Metals: 0
Whether it was reused by another organization	No	No	No

Black waters	2016	2017	2018
Destination	Sewerage	Sewerage	Sewerage
Whether it was reused by another organization	No	No	No



CATEGORY: ENVIRONMENTAL  
ASPECT: EFFLUENTS AND WASTE

## WASTE BY TYPE AND DISPOSAL METHOD



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Identify the weight of waste created by the organization's operations	2017	2018	2019
Hazardous	49,157	90,143	215,843
Non-hazardous	328,397	539,057	433,309

Report the total weight of hazardous and non-hazardous waste, by the following disposal methods:

Recycling	379,517	543,063	264,746
Composting	7,420	1,400	1,500
Landfill	46,978	84,737	191,571

CATEGORY: ENVIRONMENTAL  
ASPECT: EFFLUENTS AND WASTE

## TRANSPORT OF HAZARDOUS WASTE



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Total weight of hazardous waste transported by destination	2017	2018	2019
Total weight (kg)	49,157	90,143	215,843

CATEGORY: ENVIRONMENTAL  
ASPECT: COMPLIANCE

### NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS



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	2017	2018	2019
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations			
Report significant fines and non-monetary sanctions	0	0	0

CATEGORY: ENVIRONMENTAL  
ASPECT: OVERALL

### TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE



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	2017	2018	2019
Report total environmental protection (€)	240,000	610,000	400,000



# GRI INDICATORS

## CATEGORY SOCIAL - LABOR PRACTICES AND DECENT WORK

CATEGORY: LABOR PRACTICES AND DECENT WORK  
ASPECT: EMPLOYMENT

### NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER



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TOTAL NEW RECRUITS BY AGE GROUP W/M	2017	2018	2019
Under 30 years old	7/14	5/14	6/11
30-50 years old	27/31	14/23	17/21
Over 50 years old	2/0	1/19	0/12

STAFF TURNOVER BY AGE GROUP W/M	2017	2018	2019
Under 30 years old	4/15	5/15	4/11
30-50 years old	12/31	12/28	13/13
Over 50 years old	1/17	0/15	0/13

CATEGORY: LABOR PRACTICES AND DECENT WORK  
ASPECT: OCCUPATIONAL HEALTH AND SAFETY

**WORKERS REPRESENTATION IN FORMAL  
JOINT MANAGEMENT-WORKER HEALTH  
AND SAFETY COMMITTEES**



**Valagro** SUSTAINABILITY REPORT 2020  
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	2017	2018	2019
Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs			
Report the level at which each formal joint management-worker health and safety committee typically operates within the organization.	1	1	1
Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.	100	100	100

CATEGORY: LABOR PRACTICES AND DECENT WORK  
ASPECT: OCCUPATIONAL HEALTH AND SAFETY

**TYPES OF INJURY AND RATES OF INJURY,  
OCCUPATIONAL DISEASES, LOST DAYS,  
AND ABSENTEEISM, AND NUMBER OF  
WORK-RELATED FATALITIES**



**Valagro** SUSTAINABILITY REPORT 2020  
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	2017	2018	2019
Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities			
Injury	1.34	1.32	0
Occupational diseases	0	0	0
Severity Index	0.08	0.21	0



CATEGORY: FAIR WORK PRACTICES AND CONDITIONS  
ASPECT: TRAINING

## AVERAGE HOURS OF TRAINING PER YEAR FOR EMPLOYEE



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<b>TOTAL EMPLOYEE BY GROUP W/M AND CATEGORY</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total</b>	<b>269</b>	<b>269</b>	<b>278</b>
Gender (W/M)	80/189	82/187	86/192
Directors	12	13	15
Executives	32	29	33
Desk Employees	120	121	127
Technicians	105	106	103

<b>TRAINING TOTAL HOURS</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total</b>	<b>10911</b>	<b>11683</b>	<b>7682*</b>
Directors	780	713	656
Executives	1038	1327	730
Desk Employees	6414	7808	3129
Technicians	2679	1835	3167

<b>AVERAGE TRAINING HOURS PER EMPLOYEE</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total</b>	<b>40,56</b>	<b>43,43</b>	<b>27,63</b>
Gender (W/M)	28% / 72%	31% / 69%	28% / 72%
Directors	65	55	44
Executives	32	46	22
Desk Employees	53	65	25
Technicians	26	17	31

Data revised in October 2022

\* VCU launch impacted learning hours with the introduction of digital learning.

CATEGORY: LABOR PRACTICES AND DECENT WORK  
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES



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TOTAL GROUP EMPLOYEES (AS OF DECEMBER 31, 2019)	by gender W/M	by age Under 30 years old	by age 30-50 years old	by age Over 50 years old
Governance bodies	0/7	0	1	6
Directors	2/13	0	7	8
Executives	12/21	0	21	12
Desk Employees	54/72	8	92	24

# GRI INDICATORS

## CATEGORY ECONOMIC

CATEGORY: ECONOMIC  
ASPECT: ECONOMIC PERFORMANCE

### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED



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DIRECT ECONOMIC VALUE GENERATED (€)	2017	2018	2019
Cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets	99,179,769	96,703,770	95,855,515

REVENUE DETAIL FOR REGIONS (€)	2017	2018	2019
Center and South America	14,885	12,134	13,772
Europe	51,074	43,699	40,449
Far East	6,865	5,894	4,961
Middle East and Africa	12,165	9,509	11,598
North America	6,090	10,354	7,453
Oceania	1,863	2,546	3,168
<b>Total revenues</b>	<b>92,941</b>	<b>84,136</b>	<b>81,401</b>
Dividends from subsidiaries	6,058	2,386	6,786
Interest income from subsidiaries	181	7,423	570
<b>Total Economic value directly generated</b>	<b>99,180</b>	<b>93,945</b>	<b>88,757</b>



CATEGORY: ECONOMIC  
ASPECT: ECONOMIC PERFORMANCE

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED



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DIRECT ECONOMIC VALUE DISTRIBUTED (€)	2017	2018	2019
Operating costs: property rental, license fees, facilitation payments, royalties, payments for contract workers, employee training costs	61,899,530	60,612,478	54,818,501
Employee wages and benefits: regular contributions as well as other employee	19,213,000	18,794,124	19,250,208
Payments to providers of capital: interest payments made to providers of loans	9,389,252	3,990,963	12,699,145
Payments to government: all organization taxes and related penalties paid at the international, national, and local levels	2,612,346	947,126	1,983,693
Community investments: Voluntary donations and investment of funds in the broader community	161,520	183,587	174,928
Total	93,275,647	84,528,278	88,926,475

ECONOMIC VALUE RETAINED	2017	2018	2019
Direct economic value generated' less 'Economic value distributed	5,904,122	12,175,491	6,929,040

CATEGORY: ECONOMIC  
ASPECT: ECONOMIC PERFORMANCE

## DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS



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## COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

### Defined contribution plans offered to employees

A defined contribution plan is a retirement plan under which the Company pays fixed contributions to a separate organisation. The Company has no legal or other obligation regarding the payment of additional contributions if the fund is not sufficient to pay benefits for the working period to all employees. Contribution obligations of employees for pensions and other types of payments are charged to the income statement when incurred.

### Defined benefit plans offered to employees

Net obligations related to defined benefit plans mainly consist of employee severance indemnities (TFR) and end director's mandate indemnities (TFM), and are calculated by estimating the actuarial amount of the future benefit that the employees and the directors concerned have accrued in the current financial year and in previous years. The resulting benefit is discounted and is net of the fair value of any related assets. The calculation is carried out by an independent actuary, using the projected unit credit method. Actuarial gains and losses are recognised in the statement of comprehensive income for the year in which they occur.

Following the introduction of new legislation on supplementary pensions, as provided for by Legislative Decree 252/2005 implemented by the Financial Act 2007, the possibility has been given of providing the supplementary pension with the accruing severance indemnity. Consequently, in the actuarial valuation of the employee severance indemnity fund as of December 31, 2008, the effects of these new provisions have been taken into account, by evaluating for IAS/IFRS purposes only the liability relating to the termination indemnity accrued in the company since the further portions accruing are paid to a separate entity (supplementary pension scheme or INPS funds).

### Long-Term Incentive Plan

The company adopted a loyalty plan for the 2014-2017 period addressed to the Core Team Member which, subject to certain conditions, provides for the provision of an incentive. According to the provisions of IAS 19 Revised, loyalty plans are classified as "other long-term employee benefits" and the valuation is to be carried out by adopting the "Projected Unit Credit Method" as well as "post-employment benefits".

Contribution rates of supplementary pension fund for FONCHIM category (extract CCNL CHEMICAL INDUSTRY - Part V) – at the expense of the worker and the company as of 1 January 2001, the contribution rate is set at 1.2% of the payable benefit for the calculation of the TFR;

– at the expense of the company:

- as of 1 July 2011, the contribution rate is set at 1.65% of the payable benefit for the calculation of the severance indemnity (TFR);
- as of 1 July 2011, the contribution rate is set at 1.65% of the payable benefit for the calculation of the severance indemnity (TFR);
- as of 1 March 2017, the contribution rate is set at 2.1% of the payable benefit for the calculation of the severance indemnity (TFR);

As of 1 January 2007, the company must make a further payment for each employee who is registered with FONCHIM, exclusively for the fixed category FUND set at 0.20% of the payable benefit for the calculation of the severance indemnity (TFR), which will be provided to the FUND for insurance coverage in the case of predecease or permanent invalidity, sanctioned by the competent institutions, which determines the termination of the employment relationship.

No contribution is payable by the company if the employee decides to enter a pension scheme other than the contractual scheme.

CATEGORY: ECONOMIC  
ASPECT: ECONOMIC PERFORMANCE

**FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT**



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	2017	2018	2019
Report the total monetary value of financial assistance received by the organization from governments during the reporting period, including, as a minimum:	471,276	176,853	233,177

CATEGORY: ECONOMIC  
ASPECT: PROCUREMENT PRACTICES

**PROPORTION OF SPENDING ON LOCAL SUPPLIERS**



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	2017	2018	2019
Calculate the percentages based on invoices or commitments made during the reporting period	41%	39%	45%

CATEGORY: SOCIAL - PRODUCT RESPONSIBILITY  
ASPECT: PRODUCT AND SERVICE LABELING

**INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING**



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	2017	2018	2019
Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	12	10	6



# GRI INDICATORS

## CATEGORY SOCIETY

CATEGORY: SOCIAL - SOCIETY  
ASPECT: PUBLIC POLICY

### POLITICAL CONTRIBUTIONS



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	2017	2018	2019
Total value of political contributions by country and recipient/beneficiary	0	0	0

The Company did not provide contributions to political parties, political individuals and related institutions during the periods considered.

CATEGORY: SOCIAL - SOCIETY  
ASPECT: COMPLIANCE

### NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA



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Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	2017	2018	2019
Highway Code administrative sanctions	7,104	4,311	2,132
Voluntary tax deduction correction	0	0	24
Chamber of Commerce administrative sanctions	0	559	0
Motor vehicle stamp duty	662	311	0
INPS + ENASARCO contributions	0	0	6
Stamp duty	1	30	0

Active repentance	0	0	829
AVIS commercial leases	50	0	0
Equitalia payment folder on the CCIAA Annual Law	31	0	0
LEROY Penal	1,494	0	0
Telepass stolen	56	0	0
Total	9,398	5,231	2,985

