



MUTTI SPA NOTE

About the news that appeared on the press on October 23rd, 2017

For over 100 years, Mutti's business policy has been characterized by a long-term vision, aimed at investing effectively on the territory and supply chain, in the interests of present and future sustainability.

Mutti actually builds its entrepreneurial purpose on three principles: distinctive product quality, attention to people and to the environment, transparency and loyalty in supply chain cooperation.

This passion for excellence has enhanced the Italian product over time, and built a long-lasting partnership model with the agricultural actors, which guarantees consumers the highest standards of both product and responsible management along the whole value chain.

The Company's headquarter is in Montechiarugolo (Parma), where Mutti collaborates with over 400 families of tomato suppliers, with whom it has been able to establish a relationship of trust and respect: sharing with them quality standards, fostering process innovation and supporting knowhow development. A Mutti disciplinary has been shared for years with farms for the implementation of good practices that includes, amongst others, the application of Integrated Production Procedures and 100% mechanical harvesting.

In 2013, Mutti started a collaboration with Fiordagosto, a production plant based in Oliveto Citra (Salerno), which has been acquired in 2016. The intention of the project was dual: begin to transform the typical specialties of tomatoes from Southern Italy, such as peeled and cherry tomatoes, and create a supply chain as an accurate reflection of the virtuous model established in Parma, through the selection of farms to develop solid and reliable collaborations.

In these few years, the Company has worked hard to improve the quality of tomato cultivation, while at the same time promoting producers' entrepreneurship.

The incentive system implemented by Mutti, in support of product quality and of the enhancement of farmers' expertise and talent, has exactly this purpose: in addition to paying the contract price, the Company grants extra economic rewards to the farmers who acted in terms of good practices. The "*Targa d'Oro Mutti*" award, set up in 2015, is the most tangible example of this policy focused on product quality and fair redistribution of value.

Wherever it has operated, the Company has applied its conditions and adopted an internal protocol of very restrictive controls - even before the Italian Law on *caporalato* (gang-master) came into force (October, 18th 2016).

Already in 2015, all tomato suppliers were indeed required to:

- submit the DURC, the Document of Uniformity, which certifies the Company's compliance with the legal and contractual obligations with regard to INPS (the National Social Welfare Institution), INAIL (National Institute for Insurance against Accidents at Work) and Cassa Edile (Special Construction Worker's Fund);
- provide the list of hired employees, followed by a verification of the congruity of the number;
- guarantee that the harvest took place through mechanical means, which - thanks to our commitment - from 2015 to 2017 has increased from 76% to 88% for the overall production and from 8% to 50% for cherry tomato.

Mutti is continuing to responsibly promote mechanical harvesting - with the aim of reaching 100% as in the North-based industry. In the meanwhile, selects its suppliers using all available tools such as the requirement to join the "*Rete di lavoro agricolo di qualità*" (a network of regular agricultural firms), proposed by the Italian Ministry of Agriculture, and fighting all forms of exploitation.

The news spread by the newspapers these days naming Mutti - together with other two producers - in relation to the death of a worker in Nardò in 2015, has affected us also emotionally. We hasten to add that we do not have any responsibilities, yet we continue with our commitment.

Mutti firmly strives working alongside the Institutions and other actors in the agricultural chain, to make our checks even more effective, relying on the full and comprehensive activation of a control system by the competent Authorities.

Francesco Mutti
CEO MUTTI SPA