

Sustainability Report 2021



DELTAFINA S.r.l.





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Dear Stakeholder,

This year represented an important testing ground for the country and our organization. COVID-19 pandemic proved that companies that can adapt and respond quickly to change stand a better chance of success and survival. With no doubt, the adaptability to the new scenario and the resilience of the organization, together with the dedication and sense of responsibility of our employees, are the most valuable result that 2021 has brought to Deltafina.

Faced with the challenges posed by the pandemic, Deltafina was able to quickly reorganize our activities, to reconcile the most appropriate safety measures with the need to continue operations. For this reason, in addition to applying rigid COVID-19 prevention procedures, we decided to suspend activities from mid-March, starting the Fiscal Year with the factory closed. The shutdown did not significantly impact annual production and profits, as the lost working weeks were recovered as soon as the plants reopened at full capacity.

In our plants and offices, the health and safety of workers remained the priority. The measures taken to prevent contagion at work included, among others, the adoption of smart working habits, the distribution of personal protection equipment and the conduction of COVID-19 testing. Moreover, we strived to ensure that the unusual circumstances did not hamper the development of our employees' skills and talents, and therefore provided online training sessions focusing on Compliance and Integrity, Health and Safety, Privacy, and IT.

Farmers represent the majority of our supply chain activities, and we believe our role is essential to ensure their stability from a business perspective. Despite the challenges faced this year, we did not stop our support and collaboration, providing continuous technical assistance and support throughout the growing season. During the pandemic period, we supplied all farmers with personal protective equipment for themselves and for their employees, and we distributed informative materials to make growers aware of the most appropriate protection measures to take.

We view our suppliers as partners as we set out on a path characterized by increasing levels of research into innovation and sustainability in every aspect of our operations and supply chain, so we apply sustainability-based thinking starting from the farms where tobacco is bought. Deltafina adopted the new version of the Sustainable Tobacco Program (STP) and continued to set and comply with the principles of Good Agricultural Practices (GAP) and Agricultural Labor Practices (ALP), to monitor the implementation of good cultivation practices and to ensure fair working conditions for all stakeholders in the supply chain.

We strive to guarantee quality and integrity at the highest levels by enforcing agronomic practices which include, chemical management best practices while pursuing total traceability of tobacco from the seed to the final product.



This sustainability report does not only portray past events but also provides insight to Deltafina's future. With help from our stakeholders, we can follow a sustainable road that will make our company and surrounding communities more prosperous, inclusive, sustainable, and resilient. This report is also intended to communicate our sustainability expectations to our supply chain, bringing our partners closer and closer to sustainable behaviors. Although cultural changes require time, we are strongly convinced that once activated, they can really change the fate of our planet.

Domenico Cardinali
President



98 €
million
turnover



More than
60%
tobacco is of
Italian origin



+30
Export Countries



Over 430
Permanent
and seasonal
employees



Over 380
Farmers



20,6 mill kg
of tobacco
purchased



98%
Recycled
Waste



26,483
tCO₂e of GHG
emissions

Deltafina's Business Model

Deltafina is a company owned by the multinational Universal Leaf Tobacco, a leading global leaf tobacco supplier that sources, processes, and supplies agri-products. Deltafina is located in Italy with a corporate office in Rome and two factories, one in Bastia Umbra (PG) and one in Francolise (CE).

Deltafina's primary business consists of purchasing high quality raw tobacco and processing it for sale to manufacturers of consumer tobacco products. The Bastia Umbra factory also houses the **Blended Strip Operation**,

created to store, and blend tobacco. In addition to processing tobacco purchased directly, Deltafina also processes tobacco for third parties.

Two of the main tobacco varieties processed by the organization: the Flue-cured or Virginia Bright (FCV) and the Light air-cured or Burley (BLY). To a lesser extent, the Dark air-cured or Havana (DAC) and Dark fire-cured or Kentucky (DFC) varieties are also processed.

Deltafina exports tobacco to more than 30 countries and has kept, through this challenging year, a strategic position in the European tobacco market, ensuring to clients sales volumes and processing services.

Deltafina mainly buys raw product from farmers' associations in Italy, where it operates in all the regions with a vocation for tobacco production, especially Umbria, Toscana, Campania, and Veneto, where over 90% of the national production is grown.

The cultivation of tobacco in Italy, although not favored by climatic conditions, is made possible by the skills that Deltafina develops and shares with farmers and by the intense work of the latter. Therefore, Deltafina's operations are guided by two fundamental values:

The commitment to support farmers by sharing experience, skills and technologies: Deltafina's Agronomy Department works in close collaboration with the field technicians of the farmers' associations, to train and support farmers during all production phases.

The commitment to provide sustainable working conditions for all: Deltafina goes beyond respecting Italian legal requirements and applies stricter rules and standards to respect labor conditions and protect all workers in the tobacco chain, from field to factory. Deltafina also consistently engages with farmers to maintain the most efficient labor practices, by offering training courses and applying the best practices to sustain good working conditions.



1. **Tobacco farmers:** farmers are in charge of growing tobacco and harvesting and curing the leaves.
2. **Tobacco Producers Groups:** farmers join in associations that support their agribusiness activities; monitoring through appointed technicians, that specific criteria and production standards are observed; and acting as an intermediary between farmers and Deltafina during the sale phase.
3. **Deltafina:** Deltafina purchases cured tobacco from farmers and takes care of the industrial processing phase, to thresh the dried leaves, converting them, into strips and other tobacco products that will be sold to manufacturers.
4. **Tobacco products' manufacturers:** Manufacturers use Deltafina's tobacco to make consumer tobacco products.



DELTAFINA'S PROCESSES

In Deltafina's factories, the main activity is the threshing of tobacco leaves, an industrial process that mechanically separates the stems from the leaves by sorting, threshing and re-drying raw tobacco. This is an essential process that occurs with the addition of only water and steam, thus preparing the product for further industrial processing by manufacturers of consumer tobacco products. Without these preliminary processes, the raw tobacco would quickly degrade due to the moisture content of the leaves and stems.

Every year, tobacco plants have different color, quality, moisture and dimensions depending on the weather conditions. Deltafina buys the tobacco leaves once cured by the farmers, and then combines and processes the tobacco to meet customers' requirements. Deltafina has highly specialized expertise to fulfill its customers' needs and to guarantee the product meets their expectations. This allows the tobacco product manufacturers to ensure consistency in their consumer products year after year. The tobacco processed by Deltafina is sold and exported to more than 30 countries.

Stakeholders

Deltafina's stakeholders include all people, organizations, cooperatives and institutions that are engaged and impacted by the company's business activities or that may affect the company's business. Deltafina firmly believes that the development of long-term, positive relationships with our stakeholders is at the base of its success. Only through close cooperation and collaboration with all stakeholders it is possible to achieve sustainable tobacco production.



Several issues disclosed in this Sustainability Report emerged as particularly important to the various stakeholder groups of Deltafina during the stakeholder engagement initiatives described in the Background Note. The company is working to offer solutions to these topics, especially those identified as material to Deltafina in the materiality analysis (see the Background note).

Governance

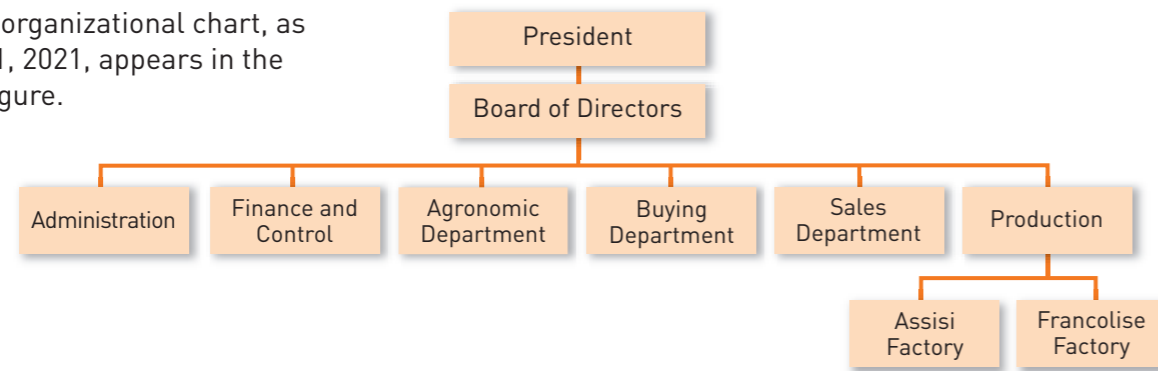
Deltafina is a limited liability company owned by the multinational Universal Leaf Tobacco Company. The governance structure is based on the Board of Directors. The Board is comprised of up to five members, according to the Ordinary Assembly, and it is entrusted with the management of the Company. Directors can be elected among non-members as well, and remain in place until revocation or resignation, or through the term established by the Assembly.

Directors also represent the company, while the President of the Board of Directors has the power of attorney to represent the shareholders. The current Board of Directors is composed as follows.

President	Domenico Cardinali
Vice President	Enrique del Campo Ros
Member	Giorgio Marchetti
Member	Donatella Pontarollo

An independent Auditor is named by the Assembly according to law and oversees controlling activities and assistance to the Board of Directors in fulfilling our corporate governance and management role. The Ordinary Assembly also determines the legal auditor.

Deltafina's organizational chart, as of March 31, 2021, appears in the following figure.



Deltafina is officially recognized as a primary processor of tobacco by the Agenzia per le Erogazioni in Agricoltura (AGEA), which registers the producer group contracts in Italy.

Deltafina operates according to a governance system based on the values of responsibility, integrity, organizational efficiency, and

transparency. The Company follows behavioral standards, abiding by responsibility principles towards our stakeholders and the Universal Corporation Global Compliance Program requirements, which provide a framework to keep the business moving forward with integrity, honesty, and impartiality.

Associations of which Deltafina is a member:

- Italian Association of Tobacco Producers (APTI), the national association that represents the primary processing tobacco companies and tobacco exporters operating in Italy;
- Tobacco Italia (OIT), a professional network composed of national organizations growing and processing tobacco;
- the European Federation of Tobacco Processors (FETRATAB), which represents the interests of European companies and workers operating in the primary processing of raw tobacco; and
- the European Leaf Tobacco Organization (ELTI), an officially recognized transnational interbranch organization in the raw tobacco sector in the European Union, founded by FETRATAB and UNITAB.

The integrated policy on Health, Safety, Environment and Quality

Deltafina is firmly committed to measuring, monitoring, and continuously improving our management systems with respect to quality, environmental and health and safety aspects. Therefore, the Company has adopted an integrated Quality, Environment and Safety management system to manage the most significant areas of business effectively and efficiently. The system is certified according to the standards of UNI EN ISO 9001:2015 (Quality Management System), of UNI EN ISO 14001:2015 (Environmental Management System) and UNI EN ISO 45001:2018 (Occupational health and safety management systems).

Compliance with these certification requirements demonstrates the search for continual improvement, which guarantees consistency with the commitments reported in the **Universal Leaf Code of Ethics** and in the corporate policies.

The Integrated system covers 100% of Deltafina's activities, both in our factories and offices.

To promote and encourage sustainability practices across the entire organization, Deltafina maintains organizational objectives based on the following values:



Focus on interested parties: Deltafina is committed to guiding farmers through the changing market context; to promote good agricultural practices; to process tobacco according to the highest industry standards; to provide our customers with a sustainably sourced product respecting standards and requirements; to ensure all processes have a positive socio-economic impact; and to support the sustainable growth of the sector and of the supply chain.



Compliance to applicable laws and regulations and to the Universal Code of Conduct regarding business integrity, the environment, health and safety, and other related topics.



Pollution prevention and environmental stewardship through the identification and monitoring of environmental impacts, the control of pollution sources and resource consumption, and investments in the research and development of new methods and technologies.



Prevention of accidents and work-related illnesses through the optimization of the work environment and the continuous monitoring of risk factors that could influence health and safety.



Employee personal and professional development through training and knowledge transfer of individual roles to integrate personal targets in the Company's global objectives.



Supplier relationships: Deltafina cooperates with Tobacco Producer Groups to develop and transfer skills for the responsible use of agrochemicals, control of nitrosamines, and establishment of Good Agricultural Practices, as well as to promote product traceability and mandatory use of non-genetically modified seeds.



Social responsibility in the communities where Deltafina operates: Deltafina actively promotes a positive relationship between our business and our stakeholders by respecting environmental laws, safety, and human resources regulations.



Development of a culture of continuous improvement to satisfy customer requirements, reduce environmental impacts and ensure health and safety of workers using the best available technologies.

Compliance Program

Within the Universal family, the commitment to integrity, ethics and transparency permeates all operations at every level, every day.

Deltafina purchases and processes tobacco in compliance with applicable local, national and EU regulations, as well as in compliance with the stringent company and Universal Group policies and practices. In fact, while it is true that everyone is required to comply with the law, the Board of Directors of Universal Corporation adopted a Code of Conduct and Anti-Corruption Compliance Manual, that go beyond the law, to:

- promote ethical behavior.
- encourage compliance with ethical standards.
- facilitate the reporting of unethical and illegal behavior; and
- address violations of ethical standards, Universal policies, and applicable laws.

The Code and Manual apply directly to all employees, officers, and directors in the Universal family of companies, including Deltafina.



The Universal's Global Compliance Program has defined three organizational levels with specific functions and responsibilities:

- the Corporate Compliance Committee (CCC), composed of Universal management members.
- the Regional Compliance Team (RCT), in the form of seven regional teams, which support the Compliance Function by carrying out the activities assigned (the European regional compliance team is composed of four members from Deltafina's management); and
- the Local Compliance Team (LCT), composed of specialized local members at the company level.

The Universal Anti-Corruption Compliance Manual describes Universal's anticorruption compliance policies and practices and provides guidance on how to address corruption risks (Universal Corporation - Compliance). This document is distributed to all Universal employees along with guidelines on how to report illegal behavior.



FIGHTING CORRUPTION AND UNFAIR COMPETITION UNDER THE UNIVERSAL ANTI-CORRUPTION COMPLIANCE MANUAL

The Manual defines a "bribe" as anything that has a value and is offered, promised, or given to influence a business decision. This includes obtaining new business, retaining existing business, or gaining any other improper advantage. At Deltafina, we do not allow the payment of bribes to anyone. Universal's employees, officers, directors and any third parties acting on our behalf, are strictly forbidden from providing anyone with anything that can be considered a bribe. Moreover, we do not conduct business by means of unfair competition, corruption or other unlawful or unethical acts. We proudly stand behind our products and services, and we offer them to our customers knowing that we compete fairly and honestly. We do not engage in agreements or arrangements with our competition that have not been pre-cleared by our Legal Department. In no case we will have any agreement or understanding with a competitor regarding pricing, customers, markets, or other competitive subjects.

ETHICS AND INTEGRITY PRINCIPLES
Doing business with integrity, conducting business in an ethical way and in compliance with policies and laws, is a must for our company. We pursue this objective by following three main principles:

- 🌿 **working with integrity:** freedom from discrimination and harassment, following environmental, safety and health rules, social responsibility;
- 🌿 **conducting business with integrity:** competition and fair dealing, rejection of all forms of corruption, gifts and entertainment expenses, trade restrictions and boycotts); and
- 🌿 **handling information and assets with integrity:** no insider trading, no conflicts of interest, protecting corporate information and assets.

Any employee in Deltafina is encouraged to report any suspicion of a violation of the Manual or other activity that may be unlawful, lead to incorrect financial reporting, or raise questions about the integrity of management, without any fear of retaliation. Employees, officers, directors, and representatives are encouraged to report suspected or known violations by filing an anonymous report or requesting information from the Corporate Compliance Committee by:

- calling the Compliance Hot Line, available in several languages 24 hours a day, 7 days a week;
- using the web platform www.ethicspoint.com; or
- sending an e-mail to the Chief Compliance Officer at compliance@universalleaf.com.

Training and communication are key elements of the global Anti-Corruption Compliance program as they help drive company culture. Deltafina delivers tailored training programs on corporate compliance and ethical behavior that are mandatory every year for administrative, technical, senior, and selected authority positions. The trainings are designed to help employees and third parties learn the principles of the program, comprehend the rules, and create a common corporate compliance culture. In FY 2021, Deltafina offered 153 courses on Business integrity and Compliance, summarized in the table below by type (online or face-to-face) and topics covered.

Training on Business Integrity and Compliance topics			
Fiscal Year	FY19	FY20	FY21
Total courses ¹	147	139	153
Online courses ¹	140	132	143
Face to face courses ¹	7	7	10
Increase/Decrease vs previous year	-9%	-5%	+10%
Topics	<ul style="list-style-type: none"> Avoiding Corruption and Observing the FCPA Anti-Bribery: It Helps Us Both Working Together: Promoting Mutual Respect Conflicts of Interest 	<ul style="list-style-type: none"> Avoiding Corruption and Observing the FCPA Conflicts of Interest Raising Concerns: A Few Modifications Reporting Concerns: Making the Call Reporting Incidents: No Harm Done? 	<ul style="list-style-type: none"> Anti-Bribery: Making the Right Decisions Blindspot: Bribery and Corruption Trivia Preventing bribery and corruption

¹ The total refers to the total number of compliance course completions.

In addition to traditional training, Deltafina also communicates about the program during "town hall" meetings: compliance training events every two years that require the attendance of all employees. Although this event used to take place in person, this year, due to COVID19 pandemic, all courses were delivered remotely.

Training programs do not only involve employees, in fact training is also an essential component of Deltafina's procedures aimed at forming third parties. Besides due diligence and research on legal compliance of all our suppliers, anyone of them that might represent the company before a government official or institution is duly trained on anti-corruption rules. Only after this training may the supplier be registered as a third party and authorized to conduct business with the company. Attendance of the training sessions is regularly checked and recorded in a system which is maintained throughout the entire Universal Group, while effectiveness of training is verified through final tests for all employees.

Economic results

The core aim of Deltafina's corporate governance is to maximize economic profits while ensuring long-term economic sustainability for the company as well as the sector. Deltafina's corporate view of economic sustainability is to generate stable economic value for all stakeholders, including employees, unions, suppliers and local communities.

During FY 2021, company net sales were 98 million € with a total capitalization of 108 million € (99 million € of debt and 9million € of equity). Deltafina understands there is more to business than profit, and believes it has a fundamental responsibility to share value generated with all stakeholders. Therefore, through investments, the creation of employment, and

the work of suppliers, Deltafina adds value to the local communities where the factories are located. Moreover, the company regularly contributes with donations to charities and to communities and organizations that hold local events.

Value distributed to stakeholders	FY19	FY20	FY21
Value distributed for salaries and benefits	13.1%	12.3%	13.8%
Value distributed for operational costs	85.3%	83.6%	82.3%
Value distributed for other payments (capital suppliers, PA, local communities...)	1.6%	4.1%	3.9%



DELTAFINA'S CHARITABLE CONTRIBUTIONS (FY 2021)

Deltafina contributed € 7,000 to support one of the Solidarity Projects organized by the Municipality of Legnago, aimed at helping its hospital purchasing medical equipment and material to fight the COVID-19 emergency.

Deltafina contributed € 7,000 to help the Caserta Local Health Authority (ASL) to purchase medical equipment, consumables and materials during the COVID-19 emergency.

Deltafina contributed € 10,000 to support the work carried out in the Perugia Hospital during the pandemic emergency.

Deltafina contributed € 1,250, through the company Eventi Italiani Srl, to support the purchase of a vehicle that will be given on loan for use to the Italian Red Cross and used to transport people with different physical and mental disabilities. Deltafina will give this contribution to Eventi Italiani Srl for four years to collaborate in the purchase of the vehicle

Deltafina donated € 5,000 to "La Piccola Casetta di Nazareth - S. Maria a Castello" for the Christmas holidays. This non-profit organization assists orphans and children in need in the Caserta area.

In February 2021, Deltafina Francolise donated 1,600 surgical masks to the Civil Defense of Francolise to help in this difficult pandemic situation.

Deltafina's personnel

The COVID-19 pandemic further reinforced Deltafina's conviction that people are the foundation of the organization. People represent the heart of the company's growth and are the driver for the evolution of business development processes. Deltafina places our employees at the center of our strategy and strives to provide an inclusive working environment, in which collaboration, dialogue and respect represent the main characteristics.

In addition to respecting the Universal Code of Conduct, that bans any form of discrimination and harassment, Deltafina also adopted a specific Fair Labor Practices Policy that reaffirms our commitment to human rights, diversity and inclusion and equal opportunities, to ensure a fair and equitable working environment for our employees.

The FAIR LABOR PRACTICES POLICY reaffirms the following principles:

- Deltafina works to grant equal treatment and equal opportunities to women and men.
- Deltafina grants and respects the right to freedom of association for the formation of unions and bargaining collectively.
- Deltafina does not allow child labor or forced labor.

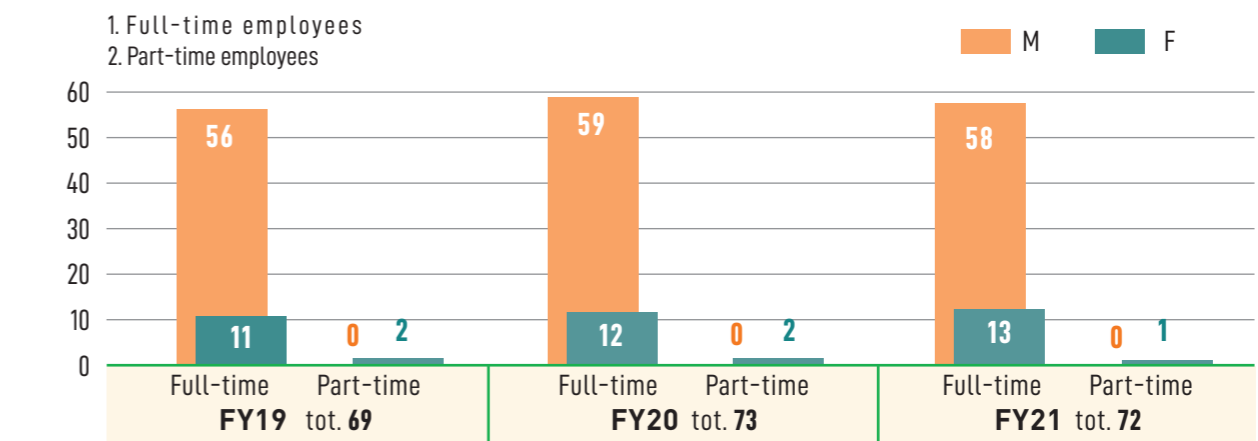
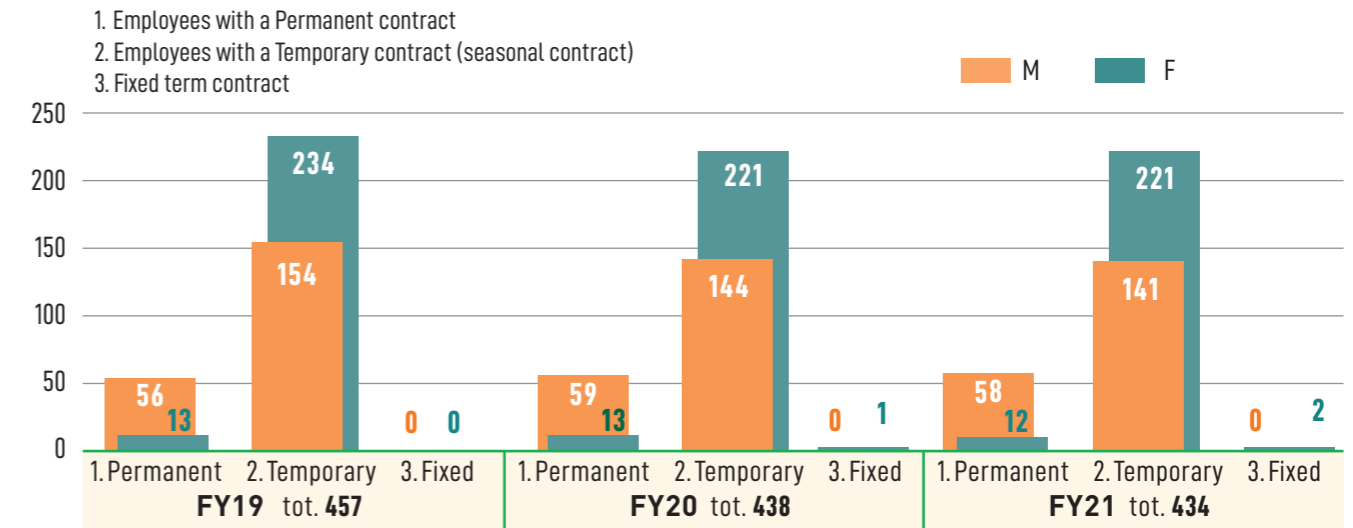
These principles are followed by all Deltafina direct personnel, and the Company also encourages its tobacco suppliers and other collaborators to adopt the same principles in order to have a safe and respectful working environment for all.



As of the end of Fiscal Year 2021, Deltafina has an efficient organizational structure composed of 434 directly employed people: 70 permanent and 364 temporary employees

(of which 362 seasonal and 2 fixed term contract employees). Employees are distributed between the fields (leaf technicians and agronomists), the factories (permanent and seasonal employees) and the corporate offices (administration and general services).

Deltafina employees by gender and type of contract



The company hires seasonal employees every year because the factories' activities are linked to the seasonality of the tobacco crop. The number of such employees depends on the manufacturer's demand, which determines the size of the harvest, and, in turn, the volume of the tobacco processed, and the workforce needed.

Deltafina plays an important role in providing employment for the communities where it operates and, through seasonal employment, it gives workers the opportunity to develop skills and build careers in the tobacco industry. High employment standards are applied to both direct employees, farmers, and their employees. All our employees, seasonal and permanent, are paid above the minimum wage and are contracted under a collective bargaining agreement discussed and signed with the Italian primary processor association (APTI) and three national labor unions.

Employee training and benefits

Enhancing the value of human resources is a key element of our strategy: it represents a partnership in the growth of all individuals, and a means to ensure business continuity while increasing the Company's competitiveness and innovation. In this context, training plays a fundamental role in supporting

management and the whole corporate population towards the development of managerial and technical know-how. To this end, Deltafina provides staff with training programs aimed at the acquisition of workplace skills and knowledge. Furthermore, via our training activities, the organization

spreads knowledge of behavioral and leadership models consistent with the Company's vision and mission.

Most of the training concerned Health and Safety, Privacy, and IT.



At Deltafina, permanent and seasonal workers receive the same treatment and have the same rights and benefits.

During 2020, the Deltafina Board of Directors surveyed employees' opinions regarding the most important aspects of the Company's organization.

152 employees participated in the survey, which revealed the need for more effective internal communication and more accessible information.

Based on these results, in FY2021, an internal cloud portal was created containing a section for each department to be used for sharing useful information and documents.

Health and Safety

Deltafina is firmly committed to measuring, monitoring, and continuously improving our management systems with respect to Health & Safety. Both Deltafina's factories and offices are certified under the UNI EN ISO 45001:2018 Health and Safety at Work Management System, covering all employees and third-party workers operating in factories and offices. This integrated management system allows Deltafina to systematically support the relevant aspects of occupational Health and Safety.

Deltafina pays the utmost attention to the Health and Safety of employees and workers in our facilities. The goal is to achieve zero harm, and there are programs in place to maintain high safety standards. Each employee is responsible for complying with Environment, Health, and Safety (EHS) policies, standards, and guidelines.

The Universal Group is strongly committed to Health and Safety standards and has established the Health & Safety Regional Committee, which monitors the performance of all subsidiaries and shares best practices on a global level. Deltafina is a contributing member of this committee.

In line with the parent company, Deltafina established our own Health and Safety Committee, composed of the Factory Manager, a third-party Health and Safety Officer (HSO), the occupational medical doctor and a worker representative. The committee meets at least once a month or ad hoc to discuss Deltafina's Health and Safety topics. Once a year the committee analyzes the health and safety performance of the factories.

Workers are encouraged to actively participate and contribute to the development and improvement of the occupational health and safety management system and to share experiences, communicate their own mistakes and report near misses and accidents. During training sessions, the HSO updates employees on the development of the most relevant concerns regarding health and safety at work.

Deltafina promotes a safety culture by seeking to reduce risks and providing personal protection equipment (PPE) where needed.

A cloud-based software application has been implemented worldwide by the Universal Group to collect and report Health and Safety data, including accidents, near misses and corrective actions. An occupational doctor performs regular health checks of all employees and conducts drug and alcohol tests for workers in charge of specific tasks, such as drivers. Through those checks, the company can evaluate the workplace and protect the safety conditions of employees.


The company organizes health and safety training sessions for employees, and the doctor trains and prepares a first aid team. All workplaces are equipped with first aid supplies and automated external defibrillators (AEDs), which personnel have been trained to use. In Italy, access to non-occupational medical and healthcare services is granted by the national welfare system. In addition to this, the current labor contract includes the possibility for Deltafina's employees (both permanent and temporary) to access additional medical services through a health fund.

Deltafina strives to keep the number of injuries to zero and to minimize the consequences of those that do occur by applying appropriate procedures and corrective actions as well as conducting risk assessments.

The following data show work-related injuries in our factories. The percentage is calculated using a reference of 200,000 hours worked.

Work-related injuries (data referred to all employees)

	Unit of measurement	FY19	FY20	FY21
Fatalities as a result of work-related injury	n.	0	0	0
	%	0%	0%	0%
Recordable work-related injuries	n.	2	3	3
	%	0.70	1.3	1.2
Of which high consequence work-related injuries	n.	0	0	0
	%	0%	0%	0%
The number of hours worked	n.	572,050	448,620	506,510



HEALTH AND SAFETY POLICY

The health and safety of every member of the Deltafina community is of utmost importance to the company. Therefore, Deltafina has developed a specific Health and Safety policy that states:

- All employees, officers and directors are responsible for creating a healthy and safe working environment.
- All employees, officers and directors must comply with applicable government health and safety laws and regulations.
- All members must report any condition that poses a risk to health or safety.
- No form of violence or intimidation will be tolerated


Moreover, Deltafina encourages farmers and other actors in the tobacco value chain to build healthy and safe working environments, in conformity with all applicable health and safety norms.

COVID-19 defense strategy within the company

We strive to take care of our people, protect the health and the safety of the communities where we operate and secure an economic and substantial continuity of our activity to help people and partners prevail during COVID-19. The pandemic has created significant concerns and disruptions in the factory environment: Deltafina decided to suspend activities in our factories, therefore at the beginning of the Fiscal Year there was no processing of tobacco. Thanks to the prompt strategy adopted by the organization, the closure did not significantly impact annual production and the lost working weeks were made up as soon as the plants were reopened at full capacity.

From the outset of the pandemic, the Company promptly adopted measures to protect our people according to guidelines set by authorities, which included the immediate application of the safety protocol shared by the government in March 2020. The Company also implemented additional technical and organizational measures to contain the contagion, to reconcile the most appropriate safety measures with the need to continue operations.





In the offices the main measures have been:

- Adoption of smart working for all offices.
- Relocation of staff in larger offices and introduction of partitions for desks.
- Daily distribution of personal protection equipment (masks) and placement of disinfectant dispensers at all office locations and plants.
- Triage and temperature measurement at workers' entrance.
- Strict provisions on the use of and access to public places.
- Regular sanitization of all working spaces.

And in the plants the main measures have been:

- Temperature measurement.
- Personal distancing: division of operational staff into separate work shifts, and assignment of supervisors to each shift to monitor entry and exit activities.
- Prohibition to use the showers.
- Screening sessions: at the beginning of 2021, Deltafina conducted three screening sessions with antigenic tests to all employees in the production plants.
- Regular sanitation of the factories.

Last, Deltafina offered different types of compensation to our employees:

- COVID-19 positive employees, as provided by law, could stay on sick leave, and receive the indemnity from the National Social Insurance Agency (INPS). Plus, Deltafina joined an insurance fund to allow those on sick leave to receive additional insurance covering both the employee and any family member who eventually tested positive for COVID-19.
- Employees who had close contact with a positive person had to be in quarantine by national regulations. When, at the beginning of the pandemic, this condition was not eligible for compensation by the INPS, Deltafina awarded employees in this situation with monetary compensation, to mitigate the effects of the missed salary. Also, independently from the local health authority (ASL) service, all employees had the opportunity to take antigen swab tests at company expense.

The Sustainable Tobacco Programme (STP)

The Sustainable Tobacco Programme (STP) is a due diligence initiative, born out of an industry-wide initiative aimed at co-creating positive, sustainable development in the global tobacco supply chain. STP embodies the industry vision to become leaders in driving sustainable agriculture and was updated during 2020 and aims to apply a risk-based approach to due diligence. Through this new approach, the STP Companies² want to encourage their suppliers to be aware of their sustainability related impacts and risks in the supply chain and to show what they are doing to address them.

Participation in STP is voluntary and is composed of three main steps:

- 1. Self-assessment:** the company is asked to complete a self-assessment consisting of several questionnaires per each theme. Answers will be validated based on follow up questionnaires and the company may be encouraged to create action plans to minimize impacts.
- 2. In-depth assessment:** in-depth assessments focused on possible improvements and on the creation of positive impact conducted in order of priority, based on the overall risk across themes and countries.
- 3. Continuous improvement:** the due diligence cycle is subsequently repeated, and action plans are reviewed in the process, in order to constantly improve.



STP 2.0 specifically focuses on eight sustainability themes. Each theme has a specific aim and requires the completion of topic-specific questionnaires that investigate the company's commitments to these themes. The table below summarizes the aims and main topics monitored for each theme.

Theme	Aim	Topics monitored
Climate Change	To encourage companies to address greenhouse gas emissions in the agricultural supply chain and to increase the adaptation and resilience of agricultural business practices to climate change impacts.	Commitment, Measures, Targets, Adaptation, Resilience
Crop	To enhance the understanding of the possible negative impacts of Crop Protection Agents to farmers, farm workers, product users and the environment.	Commitment, Measures, IPM, CPA residues, HHPs, BaP levels, Heavy metals, GMO, NTRM, Seed certification, approval and registration, Taints and contaminants, TSNA and Traceability
Governance	To encourage companies to create a management structure that supports new commitments to sustainability and govern sustainability challenges and efforts efficiently.	Commitment, Farm Monitoring, Training and Building awareness, Stakeholder Engagement and dialogue, Validation, Traceability
Human and Labor rights	To encourage companies to strive to respect the human and labor rights of people involved in the production of tobacco, and to facilitate the industry's corporate responsibility to respect human rights by aligning supply chain due diligence with the United Nations Guiding Principles on Business and Human Rights (UNGPs).	Commitment, Measures, Extreme breaches, Prompt Action Issues, Child Labor, Fair treatment, Freedom of association, Income, working hours and benefits, Modern Slavery, Safe Working Environment, Other impacts
Livelihoods	To encourage companies to support farmers in the tobacco supply chain to achieve, or improve, a decent standard of living.	Commitment, Living Income
Natural Habitat	To encourage companies and their farmers to promote the sustainable use of ecosystems by protecting, conserving and/or restoring biodiversity related to tobacco production and minimizing the impacts on forests caused by unsustainable wood use.	Commitment, Biodiversity, Forestry
Soil health	To encourage companies and their farmers to protect soils and to improve crop conditions to develop.	Commitment, Protection, Degradation
Water	To encourage companies and their farmers to manage water as a shared resource in their communities by enhancing water-use efficiency and conservation, respect communities' rights to access safe drinking water, basic sanitation and hygiene and avoiding adverse impacts on water quality.	Commitment, Measures, Quantity, WASH, Quality, Other challenges, other measures



² The STP Companies are Altria Client Services, British American Tobacco, Imperial Tobacco, JT International, Philip Morris International, RJ Reynolds Tobacco and Swedish Match.

Deltafina, within the Universal Group, has the responsibility of collecting and consolidating STP performance data of Italy, Hungary, Spain, and Poland.

In the past, Deltafina has used STP to identify areas of improvement within our operations and value chain, draft specific action plans and timelines and define specific improvement targets.

Based on STP guidance, Deltafina created an STP Steering Committee in 2017, composed of Deltafina's Board of Directors, two STP Coordinators (Agronomy and Processing Coordinator) and the STP Country Team, to define roles and responsibilities for the effective implementation of the STP.



THE RESPONSIBILITIES OF THE STP COMMITTEE

The STP Steering Committee is responsible for:

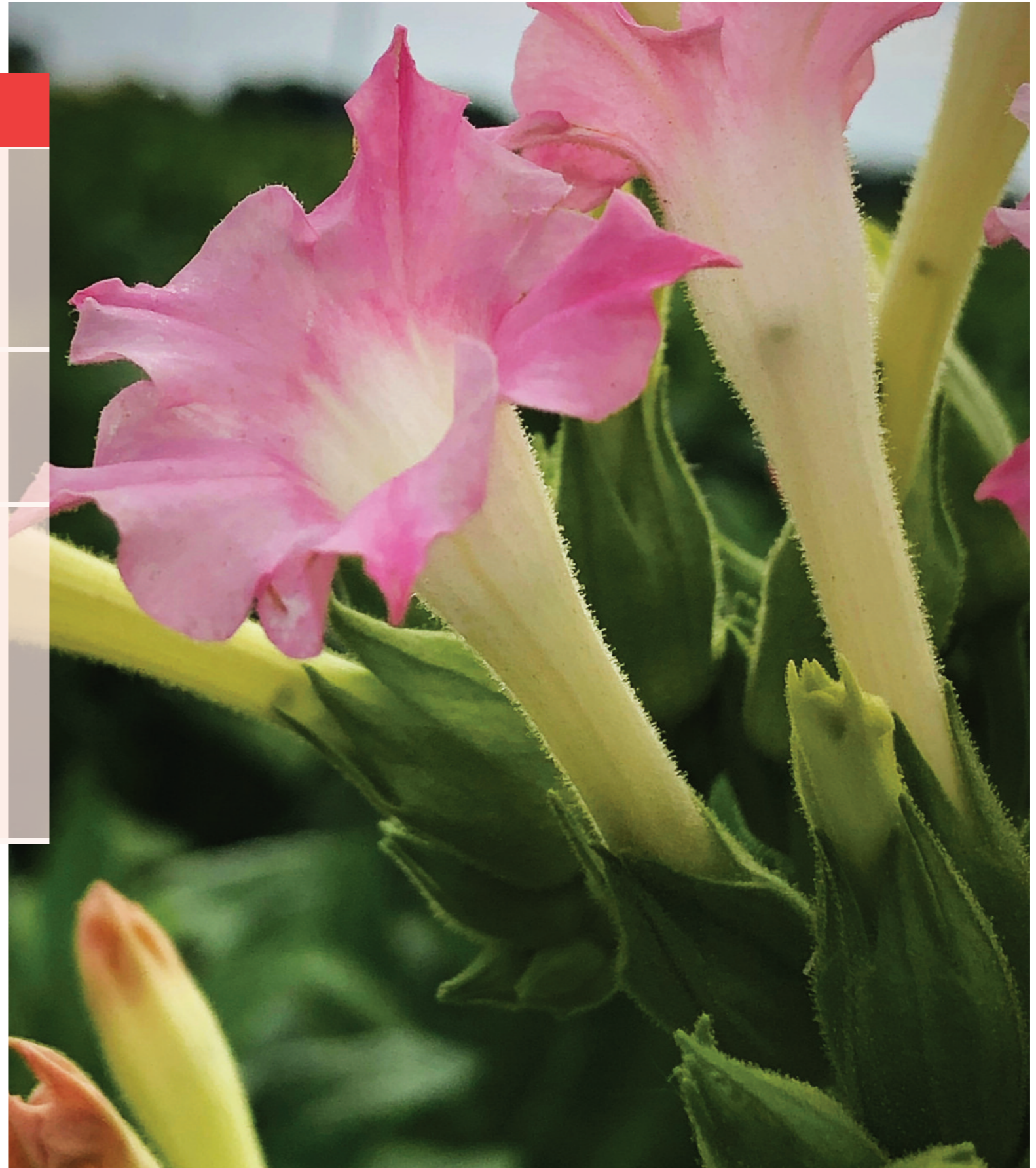
- providing guidance;
- allocating human resources;
- verifying the right order of priorities; and
- engaging with external stakeholders.

The STP Coordinators are responsible for:

- coordinating with the STP Country Team; and
- driving the implementation of the STP and continuous improvement.

The STP Country Team communicates regularly to plan, coordinate and manage all activities relating to the STP, including:

- reviewing and approving the STP online self-assessment;
- ensuring that issues are correctly recorded and addressed;
- monitoring the implementation of recommended actions; and
- passing any issues that it cannot resolve to the STP Steering Committee.

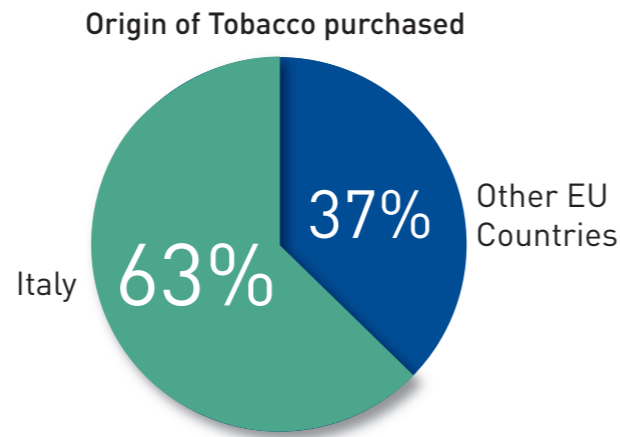




Origins and types of Deltafina's tobacco

Deltafina mainly buys tobacco from farmers' associations, except for some varieties, such as Havana and Kentucky, which are bought from other tobacco companies.

While most of the tobacco is purchased in Italy, Deltafina also buys tobacco from other European locations, primarily Hungary, France, Spain, Poland, and Germany.



ITALY	Contracted Growers	Contracted Hectares	Delivered Tons
FCV	347	8,910	25,808
BLY	938	2,791	10,964
DAC	238	386	935
DFC	196	1,290	1,757
Total	1,719	13,377	39,464



In Italy, France and Spain, tobacco is purchased directly from local farmers' associations and then shipped to Italy for processing in Deltafina's factories. Just a portion of the Spanish tobacco is processed at origin by a third party. In Poland and Hungary, Deltafina purchases tobacco (packed or green) from other companies of the Universal Group, which in turn buy tobacco from the local producer associations.

In Deltafina's factories, besides processing the volume bought from the market, Deltafina also provides processing services to third parties.



In Italy, tobacco is mainly grown on small or medium-size farms, primarily in the Campania, Umbria, Veneto, and Tuscany regions. Italy is the largest producer of tobacco in Europe: this year, the total harvest amounted to 39,000 tons, split by variety as in the table below³.

Deltafina processes four different varieties of tobacco leaves, which mainly differ by curing process and, consequently, by the aroma and organoleptic characteristics that define their best final use:

- Flue-cured or Virginia Bright (FCV)**
 This type is dried in special bulk-curing barns, using controlled heat and regulated air flows that allow farmers to carefully control temperature and humidity.
- Light air-cured or Burley (BLY)**
 This type is cured by a natural process, hanging the leaves inside green houses. The drying process is determined by the changing environmental conditions and the curing activities carried out by farmers.
- Dark air-cured or Havana (DAC)**
 This type is cured similarly to Light air-cured. Due to variety differences and cultural practices, these leaves are darker and have a different flavor profile than Burley. Usually, the Dark air-cured also requires a fermentation process to obtain products for cigars or fine-cut tobacco for pipes.
- Dark fire-cured or Kentucky (DFC)**
 This variety is cured in spaces with controlled fire. Tobacco is therefore dried by the fire heat and its leaves acquire a specific aroma through the action of smoke. The Dark fire-cured is typically a cigar tobacco.

³ Source: Associazione Produttori Tabacchi Italiani (APTII)

The Burley and Flue-cured varieties constitute the majority of the tobacco processed. Besides the curing process, they also differ in terms of the duration and periods in which the cultivation and processing stages take place:

Virginia Activity	2020									2021		
	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Seeding and plant breeding	■											■
Plant transplanting	■											
Harvesting				■								
Curing				■								
Contracting	■											
Delivery						■						
Processing	■							■				

Burley Activity	2020									2021		
	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Seeding and plant breeding	■											■
Plant transplanting	■											
Harvesting				■								
Curing				■								
Contracting	■											
Delivery						■						
Processing	■									■		



GAP: Good Agricultural Practices

Sustainable agriculture is based on best practices that allow for efficient and competitive production while limiting the impact on the environment, conserving soil and water, protecting natural resources, minimizing physical, chemical, and microbiological risks and improving the well-being of those involved in the production of the final product.

All these topics are set and collected in the Good Agricultural Practices (GAP). At the beginning of each season, each territory or region publishes specific guidelines

and the relative methods of implementation. On the basis of these guidelines and, in particular, of the requirements of the STP, Deltafina has developed a list of GAP that were reviewed and discussed with field technicians, growers' associations and farmers to ensure their feasibility and measurability.

These practices are set every crop year and their implementation is continuously monitored and evaluated by Deltafina through key indicators.

Good practices related to tobacco cultivation have been identified for all agronomic stages, from seed production to harvesting and cure.

Examples of Good Agricultural Practices per agronomic phase are reported below and marked with the GAP symbol.



Seed production and variety selection

Tobacco seed production is the initial phase of the tobacco leaf cultivation cycle. The selection of a quality seed variety, our traceability and our cultivation practices are very important. The selection of seed varieties is made with the technician who recommends the most appropriate variety to the grower based on a careful analysis of agronomic and business factors.



In accordance with GAP, Producers' associations provide to farmers a list of seed varieties grown which must include, in addition to the agronomic information, the characteristics of resistance, tolerance and sensitivity to the plant's main diseases. The list is also shared with Deltafina before being sent to farmers.



Greenhouse sowing and breeding

The production process begins with sowing, which takes place in February, when the appropriate seeds and varieties are selected and grown in seedbeds. The seeds are first placed in polystyrene trays with peat, and then moved to impermeable tanks with water enriched with nutrient solutions inside well-aired greenhouses (float-system). Before being transplanted into the field, the seedlings are mown several times with a special machine to strengthen them. Once the leaves reach the right size the seedlings are taken from the greenhouse to the fields.

Soil fertility protection and management

Soil cultivation should reduce environmental impacts, ensure adequate use of natural resources, and minimize the risks linked to soil degradation and low fertility. Deltafina's Agronomy Department encourages farmers and association technicians to undertake soil analyses and activities in the farms, including:

1. Soil analysis at least every three years, conducted according to official soil chemistry analysis methods published by the Italian Society of Soil Science (S.I.S.S.).
2. Soil nutrient management using appropriate types and amounts of manure and fertilizers, applied according to soil analysis results with attention to water pollution risk.
3. Use of rotation sequences: tobacco followed by two other non-solanaceous crops; tobacco followed by a 3-month no-till period plus one month of non-solanaceous crops (GAP).
4. Respect for current laws and regulations on soil and water management.



In accordance with GAP, Deltafina recommends periodically checking the soil pH to provide corrections in case of acidity.

Moreover, Deltafina implements a soil and water preservation plan to minimize water pollution.

Soil preparation and tobacco transplanting

Farmers prepare the soil and transplant tobacco plants to maximize growth and obtain a uniform crop. This practice optimizes usage of agrochemicals and minimizes crop diseases.



According to GAP, Deltafina encourages tobacco farmers to complete this phase within the end of June for FCV and within the end of May for BLY and DAC.

The correct usage of plant protection products

Deltafina's efforts to minimize the use of agrochemicals while maximizing plant protection are guided by continual research by the Agronomy Department and constant communication with growers to ensure alignment with national guidelines related to biodiversity and to operator health. Deltafina rules are more stringent than regulations regarding maximum residue limits (MRLs) of plant protection products and residue levels. All growers are required to use only agrochemical products registered in Italy for tobacco and must strictly follow the product labels. All operators handling agrochemical products must have a license and utilize the proper personal protection equipment (PPE) provided by Deltafina. The products must be stored in a suitable space with an appropriate container and correct labeling, to which only authorized trained personnel have access. Waste products from usage are designated as special waste and must be disposed according to regulation.



When agrochemicals are necessary, growers are encouraged, in line with GAP, to adopt the use of those with the lowest toxicological class and declared not harmful for beneficial insects such as bees or ladybugs.

This interaction between Deltafina and farmers and continuous monitoring activities ensure compliance with applicable laws and regulations and with GAP recommendations, thus playing an important role in environmental protection and on workers' health and safety.

Spain: collective cure centers and use of biomass. Deltafina's role

The headquarter of the cooperative "Ibertabaco" is located in Rosalejo, a small town in Campo Arañuelo County. It is precisely in this area of Extremadura, between the Tiétar River Valley and the County of Vera, that the cooperative's farmers have been growing the tobacco that Deltafina buys in Spain for decades. The combination of the experience brought by tradition together with the use of the most innovative, modern, and sustainable cultivation techniques make this tobacco unique in Europe.

Deltafina and Ibertabaco have created a management model that aims to achieve an excellent, high-quality product and at the same time promote responsible environmental management throughout the tobacco growing and production process. Only an integrated system that respects the environment can ensure well-being, and support a stable and sustainable life for farmers and their families.

Deltafina, together with Ibertabaco and Cetaex, collaborates with the Fundación Global Nature forming the operational group called "Tabacco Ambiente", and participates in an innovative environmental project to implement environmental parameters and improve the sustainability of tobacco lands.

The aim of the project is to increase the competitiveness and sustainability of tobacco production, respecting the environment, by spreading suitable practices to tobacco growers to improve the quality of the soil, air, water and biodiversity. The project reduces the environmental impact and affects the economic improvement of the production of over 4,000,000 kg of tobacco, directly purchased by Deltafina and grown in an area of over 1,000 hectares.



Attention to the environment does not end in the cultivation fields. After the tobacco harvest, the growers bring the green leaf to the cooperative's curing centers, where the drying phase takes place. This step is fundamental to obtain a homogeneous product and is carried out under the supervision of the cooperative's technicians, obtaining high quality tobacco, a more competitive leaf and full guarantee of traceability.

The concentration of the drying activity in collective ovens produces an important cost reduction, saving on labor, use of water and energy. A centralized curing center makes the process more efficient, serves to unify the criteria and technical parameters, and obtains a tobacco with more uniform characteristics, and gives more free time to the grower, thus improving the quality of his life.

Unlike traditional ovens, which use fossil fuel, the collective ovens used to cure the tobacco that Deltafina buys in Spain are powered exclusively by biomass. Therefore, 100% residues from the food industry are used to power the boilers, such as olive pits (90%) and dried fruit by-products (10%).

Curing 4,000,000 kilograms of tobacco with biofuel saves over 2,700,000 liters of diesel and minimizes CO2 emissions to the atmosphere, in particular avoiding emissions of over 5300 tons. Electricity savings are estimated at more than 5.5 million Kw.

The opening of collective curing centers has also brought a significant benefit due to the elimination of the use of direct fire in the dryers and therefore also the consequent elimination of nitrosamines.

Finally, Deltafina and Ibertabaco decided to create a tobacco purchasing center inside the cooperatives, where the quality and the price of the product are determined transparently. Purchasing in this center avoids the fractional transport to traditional purchasing centers and produces efficiency both in warehousing and in logistics prior to processing.

Promoting a culture of sustainability

Biodiversity is among the many initiatives pursued by Deltafina to reinforce the culture of sustainability, in line with STP principles. Biodiversity is a fundamental element that guarantees the sustainability of agriculture over time.

Deltafina collaborated with Fundación Global Nature and Ibertabaco (the Spanish farmers' association) to produce a video comparing two farms: one adopting conventional agriculture practices and one using an integrated pest management approach that safeguards biodiversity around the field. The video explains to farmers and stakeholders that the farm using integrated pest management practices gains productivity and vitality in the long term.

The video is available at:

https://www.youtube.com/watch?v=_dpM66HNZsg&feature=youtu.be

ALP: Agricultural Labor Practices

Our commitment to workers goes beyond our direct employees. Since most workers in the tobacco supply chain are concentrated in the farms and fields, we use significant resources to ensure that safe, ethical, and sustainable labor practices are applied throughout our entire supply chain.

Hence, Deltafina has implemented the Agricultural Labor Practices Programme (ALP), which consists of seven principles and 32 measurable standards (illustrated in the table below) that must be observed and respected by all the members in the tobacco supply chain, including all farms where Deltafina buys tobacco.

All agreements established between Deltafina, and the Producers Group or Italian Third Parties include human rights clauses according to the ALP principles. The implementation of ALP on the farms is a significant cultural challenge since the tobacco cultivation is a sector with long lasting traditions. Therefore, Deltafina has implemented a training program that includes meetings with technicians and growers, to explain rules and laws regarding labor practices according to ALP standards. Field technicians, during their field visits, are responsible for monitoring and reporting any non-conformities with ALP principles.

All Universal Group companies apply the ALP program to their contracted farmer base.

Agricultural Labor Practices: 7 principles and 32 measurable standards		
	Child Labor: there shall be no child labor	<ol style="list-style-type: none"> There is no employment or recruitment of child labor (under 16 years of age). No person below 18 is involved in any type of hazardous work. On family farms, minors between 14 and 16 years of age are only permitted to perform light work.
	Income and Work Hours: workers shall not work excessive or illegal work hours	<ol style="list-style-type: none"> Wages of all workers meet minimum, national legal standards or agricultural benchmark standards. Wages of all workers are paid regularly, at a minimum, in accordance with the country's laws. Work hours are in compliance with the country's laws. Overtime work hours are voluntary. Overtime wages are paid as required by the country's laws or by any applicable collective agreement. Workers are provided with benefits, holidays and leave according to law.
	Fair Treatment: farmers shall ensure fair treatment of workers	<ol style="list-style-type: none"> No physical abuse or threat of physical abuse No sexual abuse or harassment No verbal abuse or harassment No discrimination Workers have access to a fair, transparent and anonymous grievance mechanism
	Forced Labor: there shall be no forced labor	<ol style="list-style-type: none"> Workers do not work under bond, debt or threat and must receive wages directly from the employer. Workers are free to leave their employment at any time with reasonable notice. Workers are not required to make financial deposits with employers. Wages or income from crops and work done are not withheld beyond the legal and agreed payment conditions. Farmers do not retain the original identity documents of any worker. The farmer does not employ prison or compulsory labor.
	Safe Environment: farmers shall provide a safe work environment to prevent accidents and injury and to minimize health risks	<ol style="list-style-type: none"> The farmer provides a safe and sanitary working environment. Worker are to be trained on avoidance of green tobacco sickness. No worker is permitted to use, handle or apply crop protection agents (CPA) or other hazardous substances without adequate training and without required personal protection equipment. Workers do not enter a field where CPA have been applied unless and until it is safe to do so. Workers have access to clean drinking and washing water close to where they work and live. Accommodation, where provided, is clean, safe, meets the basic needs of workers,
	Freedom of Association: farmers shall recognize and respect workers' rights to freedom of association and to bargain collectively	<ol style="list-style-type: none"> The farmer does not interfere with the workers' right to freedom of association. Workers are free to join or form organizations and unions of their own choosing and to bargain collectively. Worker representatives are not discriminated against and have access to carry out their representative functions in the workplace.
	Compliance with the law: farmers shall comply with all laws of their country relating to employment	<ol style="list-style-type: none"> All workers are informed of their legal rights and the conditions of their employment when they start to work. Farmers and workers enter into written employment contracts when required by a country's laws, and workers receive a copy of the contract. Terms and conditions of employment contracts do not contravene the country's laws.

Deltafina and the farmers: a common goal

The efficiency of Deltafina's supply chain is strongly based on the close relationship it has with our suppliers. Farmers, in fact, have a direct relationship with the tobacco associations with whom, in turn, Deltafina establishes commercial relations. Although the commercial relationships are formally established with the associations of tobacco growers, Deltafina has close contacts with each individual grower, as well.

Tobacco production is a strategic resource for many farmers and rural communities in the areas where Deltafina operates. Knowing that, as a part of our sustainability efforts, Deltafina provides support and stability to farmers in different ways:

- stabilizing the volumes bought year by year.
- supporting growers through prepayments, continuous assistance, and technical training; and
- offering contracts that define quantities, qualities, and prices at the beginning of every crop season.

During crop year 2020, it was not possible to provide farmers with in-person training due to the COVID-19 pandemic. Therefore, training sessions were provided, monthly and online.

The main topics discussed during training sessions are:

- active ingredients recommended.
- tobacco quality and yields.
- how to utilize with crop insurance.
- economic evaluation and production cost management.
- purchase programs.
- introduction to any significant innovations or changes to existing programs.

Deltafina also works in collaboration with farmers' associations and manufacturers in all countries to reach common long-term goals, and through the close cooperation with our suppliers, Deltafina constantly evaluates new business opportunities that may bring advantages and profits to all stakeholders in the value chain.

As part of this close collaboration with the growers, Deltafina ensures that the farmers are constantly sided and supported during all stages of tobacco cultivation. In fact, both the Field Technicians of the Producers' Groups and the Agronomic Department of Deltafina regularly visit the farms, according to different schedules and scope. Specifically, the visits of local associations technicians are generally performed on a weekly basis. During each visit, the association technician, along with a Deltafina agronomist, gathers specific information on the farm, the crop

period and the observed agricultural and social practices and inputs it on the MobiLeaf™ platform. MobiLeaf™ is a Universal-developed mobile software application used to track farm data related to the life cycle of crops - from plant cultivation and curing to compliance with national and local laws, STP and customer requirements.

In FY2021, the technicians performed 1,524 announced visits to the farmers. The decreasing number of field visits [-45% with respect to the previous year] observed in Crop Year 2020 is due to the COVID19 pandemic. Despite this decrease, farmers were provided with alternative ways to stay in touch with Deltafina and their Field Technicians and in the second half of the season, Deltafina Agronomic Department and the Field Technicians started again to perform their regular visits and activities.

Visits to farmers

Crop Year	Crop 2018 (FY 2019)	Crop 2019 (FY 2020)	Crop 2020 (FY 2021)
Number of visits FCV	1,106	730	416
Number of visits BLY	2,663	2,024	1,108
Total number of visits	3,669	2,754	1,524
Average number of visits per farmer	7.9	6.7	4.0

While visits to the farms are usually announced and planned with the field technicians, Deltafina Agronomic Department also carries out unannounced visits (e.g., audits) and worker interviews to determine the level of accuracy of the information collected as well as to accurately monitor compliance with GAP, ALP and STP principles, using an internal check list. Each question of the interview checklist is part of one of the four macro areas: crop, environment, people, and training. All information gathered about farmer's performance per macro area is traced on the Mobileleaf™ Software.

Any anomaly found during the audit process is communicated to the association and to the farmer for corrective action. If a Prompt Action Issue⁴ (PAI) is detected, it must be immediately remediated, and an Action Plan developed with the farmer to allow him to resolve the non-conformity in a timely manner. By the end of the crop season any detected anomaly must be resolved and communicated to the STP Committee.

In FY2021, Deltafina conducted 113 unannounced visits on the farms (29,5% of total farms). Eleven non-conformities were detected, related to farm safety, prevention of Green Tobacco Sickness (GTS), Crop Protection Agent (CPA) management and machinery and hand tools. Moreover, Deltafina conducted 73 interviews with farms workers (19,1% of total farms), to ensure compliance with the principles of the ALP programme.

Any non-compliance was followed by an action plan aimed at achieving a timely resolution of the problem and communicated to the STP Committee.

COVID19 DEFENSE STRATEGY ON FARM

To deal with the COVID-19 pandemic, Deltafina is committed not only to protect the health of its employees but also the health of its farmers' employees and families. For this reason, a guidebook was developed by the Agronomic Department and distributed, starting from May 2020, to the farmers. The guidebook contained, in addition to recommendations on good agricultural practices, some preventive measures to limit contagion at work:

- avoid physical contact and sharing of bottles and glasses;
- use hand sanitizer as needed;
- do not touch eyes, nose, and mouth;
- do not sneeze on your hands;
- use disinfectants;
- keep one meter distance from others; and
- use masks correctly.

⁴ A PAI is a specific nonconformity related to the STP Program and guidelines and which requires immediate resolution.

Traceability of tobacco

To meet the high expectations of our customers Deltafina only sells blends composed of traceable tobacco.

A rigorous tracking system allows Deltafina to trace purchased tobacco throughout the entire supply chain and to provide customers with detailed information about the composition of each blend. The tracking system starts in the fields, where farmers are provided with unique labels to place on each lot of packed tobacco, so that Deltafina can trace the product back to the specific field and farmer.



MOBILEAF™ SOFTWARE

MobiLeaf™ software represents a fully integrated system that captures data related to agricultural and farmer activities and is therefore the foundation of Deltafina's traceability system. On the Mobileaf™ platform, both association technicians and Deltafina's agronomists register all tobacco related information gathered during regular visits and audits.

The software combines GPS technology with an operating system compatible with mobile and computer technology, allowing real-time data tracking, increasing data accuracy and efficiency.

The software allows the tracking of Cultivation & Harvesting Data and of Compliance Data (including information on plot sizes and dimensions; plot soil analyses; plant spacing; crop, irrigation and rainfall; crop maturity; crop yields; ALP, etc).

In addition to tracking cases of non-compliance with anti-corruption laws such as the Foreign Corrupt Practices Act (FCPA), local government regulations, and other social responsibility programs, the MobiLeaf™ software was also improved in 2020 to track social and labor issues data related to Agricultural Labor Practices (ALP) and Good Agricultural Practices (GAP).

All data is collected, stored and transferred in full respect of GDPR.

Quality controls

Deltafina considers the quality of our products of the utmost importance, to select the best tobacco for our blends and to meet the high expectations of our customers. Quality control represents an important part of the company culture, for this reason, the Company implemented a Quality Management System certified according to the UNI ISO 9001:2015 standard, which covers all activities.

Thanks to the close collaboration with farmers, the company collects detailed information from each farm, monitoring tobacco quality at all stages, from the farms to the customer. The company collects specific data and tests in different stages:

■ **On the farms:** samples of dry tobacco are sent to an external laboratory to test CPA residues and Nitrosamines.

■ **On the buying line:** the level of moisture, the presence of non-tobacco related materials (NTRM), Crop Protection Agents (CPAs) and, according to the needs, Nitrosamines (TSNA) content, are tested.

■ **During processing:** tobacco blends are analyzed by testing for CPAs, Chemical Analysis, Heavy Metals and GMO.

Each stage of control is regulated by dedicated procedures which describe the processes in detail.



“ We start taking care of tobacco leaves from the seeds, before the plant even sprouts. We believe that each and every aspect of the tobacco value chain – from the cultivation to the transportation to customers – contributes to the quality of the final product. ”

FOCUS: A day on the farm

A tobacco agronomist is an expert in all stages of tobacco production, from seeds, greenhouse cultivation, transplanting, topping, harvesting to the final stage of curing. However, being a tobacco agronomist in the Deltafina value chain also means understanding and meeting the needs of growers, providing them with valuable technical assistance, and a constant support network.

The typical working season of an agronomist starts with meeting the grower at the seedbed, where the tobacco seed is sown in trays in greenhouses. Even at this early stage, the contribution of the agronomist is essential, as he supports the grower in choosing the appropriate tobacco seed.

In this phase, the agronomist establishes a program with the grower, defining the fertilizers and CPAs to be used according to the type of tobacco, the water analysis, and the soil quality.

Next, the farmer and agronomist head to the farm. The agronomist typically lives locally to the farmer so to be available and ready to help the grower.

These hours spent in the farm along with the agronomist's experience, the knowledge of the good agricultural practices and technology, provide full technical support to the farmer.



At the crack of dawn, after a walk in the fields to check the crop, both agronomist and farmer are satisfied with the results of the crop. The knowledge of GAP allows them to achieve a productive, sustainable, and resilient tobacco crop.

They spend the rest of the day discussing what needs to be done and what improvements can be made in the coming months. Both are aware that the production of quality tobacco requires adequate monitoring of both agronomic aspects and worker safety at all stages.



“To have a sustainable farm, activities in all crop stages must respect the environment and the ecosystem.”



Finally, they return to the farm where the farmer and family lives. They thank all workers who contributed to the growth of the tobacco, while respecting all procedures to arrive at a high-quality crop. As the day draws to a close, they say goodbye, knowing that hard work pays off and that success is not only about growing excellent quality tobacco, but also about investing in the land and supporting the people who work there, respecting sustainability and future generations.



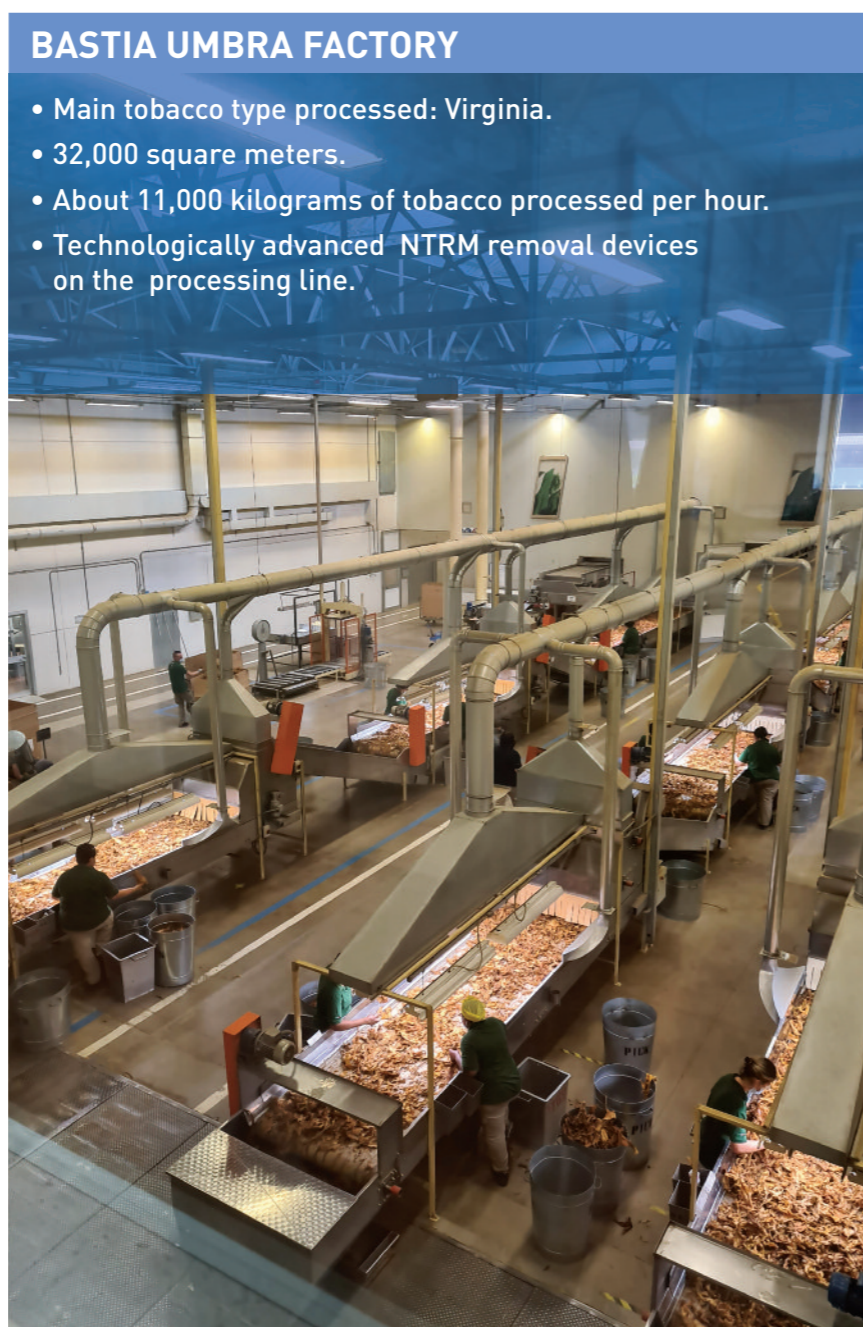


Bastia Umbra and Francolise Processing Plants

Deltafina's history dates to the construction, between 1936 and 1939, of the Bastia Umbra plant, where a cigar tobacco variety (Kentucky) was produced. After suffering considerable damages during the Second World War, the factory was rebuilt and enlarged. In the early 1960s, the plant was first sold to the Dutch company Deli Maatschappij and then sold again, in 1964, to the American Universal Leaf Tobacco Company with the name of Deltafina.

In 1982, after years of investments in research and new tobacco-processing systems, processing was moved to the new factory in Ospedalicchio, which has since been one of the biggest and most innovative in Europe.

Close to the factory is also the Blended Strips Operation processing line, where different flavorings may be added to the blends according to client request.



BASTIA UMBRA FACTORY

- Main tobacco type processed: Virginia.
- 32,000 square meters.
- About 11,000 kilograms of tobacco processed per hour.
- Technologically advanced NTRM removal devices on the processing line.

At the end of the 1960s, Deltafina opened a factory in Presenzano (Caserta). Following the increase of tobacco cultivation in the area and the need to increase processing activities, Deltafina invested in a new plant in Francolise (Caserta) in 1971.

Since 1974, the factory has performed basic tobacco processing, consisting of blending, drying, and packing. In the same years, a threshing line was incorporated in order to provide complete processing services.

FRANCOLISE FACTORY

- Main tobacco type processed: Burley.
- 24,000 square meters.
- About 8,500 kilograms of tobacco processed per hour.
- First tobacco factory in Europe to use innovative technological systems.
- Strategic positioning with respect to burley production area and main ports.
- NTRM removal devices and customized projects to eliminate NTRM.



The main activity in Deltafina's factories is the threshing of tobacco leaves, an industrial process that mechanically separates the stems from the leaves. The processing line can be described as follows:

Once processed, tobacco blends are delivered to manufacturers, which produce cigars, cigarettes, and other similar consumer tobacco products.

1. Feeding line
2. Direct conditioning cylinder (DCC)
3. Blending silos
4. Picking: Visual evaluation and control of the tobacco leaves
5. Ordering cylinder prior to threshing
6. Threshing line
7. Re-dryer
8. Packing
9. Quality control
10. Storage and shipping



Climate Change

GHG emissions

Deltafina's production activities are constantly monitored to minimize risks and impacts on the environment. To facilitate the management of the most relevant environmental aspects – including GHG emissions, soil and subsoil safeguards, waste management and disposal, and the use of natural resources – the Company implemented and validated an environmental management system at our two factories and Rome office, certified under the ISO 14001 international standard. Moreover, to ensure respect for the environment in all company operations, Deltafina has adopted two policies: The Environmental Policy and the Climate Change Policy.

Deltafina constantly monitors its environmental impacts through the collection of data regarding energy consumption, greenhouse gases (GHG) emissions and waste production and disposal. These data are collected, stored, and internally shared through the Ecometrica Universal worldwide platform.

Deltafina monitors greenhouse gas emissions associated with the activity of its factories, according to ISO 14001. During FY2021, CO2 equivalent (CO2e) emissions (direct and indirect) amounted to 26,483 tons in 2021, reflecting an increase of 13.2% with respect to the previous year. As far as Scope 1 and 2 emissions are concerned (see the table below), the increase is due to a growth of about 10% in processed volumes with respect to FY2020. On the other side, the increase in Scope 3 emissions is due to a more accurate definition of the calculation methodology, that resulted in having more precise reporting. Net of this change, that included new items in calculation, a reduction was observed (-4%) in Scope 3 emissions, mainly due to the lower volumes of tobacco purchased.

	CO ₂ Unit Emissions								
	2019			2020			2021		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Assisi	2,987	1,579	21,461	2,282	1,232	14,787	2,438	1,411	16,671
Francolise	1,399	834	2,709	1,144	695	3,228	1,170	734	4,048
Total	4,386	2,413	24,170	3,426	1,927	18,015	3,608	2,145	20,719

CONTINUOUS MONITORING OF ENVIRONMENTAL DATA: ECOMETRICA

Deltafina uses the Ecometrica software to collect, store and internally share its global environmental data. The Ecometrica software is an end-to-end environmental accounting and sustainability management solution that is used by Universal and its subsidiaries to collect several data points related to energy consumption, water consumption, waste management and GHG emissions.



The following table shows the list of emission sources considered by scope. Scope 3 emissions are due to the activities carried out by the farmers and to the transportation from farmers to Deltafina's factories and from Deltafina's factories to clients.

Scope 1	Scope 2	Scope 3
All Direct Emissions <ul style="list-style-type: none"> Diesel and gasoline for company cars. Diesel for forklifts. Natural gas and electricity for Industrial/Commercial equipment. 	Energy Indirect Emissions <ul style="list-style-type: none"> Emissions created during the production of the energy used by the organization. Electricity for electric forklifts. 	Indirect Emissions related to the production of tobacco <ul style="list-style-type: none"> Electricity used by farmers to cure tobacco (*). Fuels used by farmers to cure tobacco (Natural gas, diesel, biomasses and others) (*). Diesel for irrigation (**). Indirect Emissions related to Deltafina operations <ul style="list-style-type: none"> Diesel for road freight, whole vehicle (km factors) (**). Fuels for ship transportation (**). Travel flights. Diesel and petrol for upstream transportation.

(*) data subject to source estimation: emissions related to electricity and fuels used for tobacco curing are estimated based on consumption per dry tobacco.

(**) data subject to source estimation: the estimate of emissions from transport is based on liters of diesel per km and is outsourced because Deltafina relies on a transport company.

THE ENVIRONMENTAL & CLIMATE CHANGE POLICIES

Deltafina's Environmental Policy:

- states the commitment to adhere to environmental laws regulations;
- considers ways to reduce the environmental impact of all its processes;
- promotes energy efficiency, protects biodiversity, and preserves natural resources and forests; and
- encourages all actors to reduce the environmental impact of all processes.

Deltafina's Climate Change Policy reaffirms the importance of climate change mitigation and recommends the following behaviors:

- complying with environmental laws;
- limiting the potential impact of climate change;
- developing and applying cultivation methods in favor of biodiversity and the conservation of resources;
- periodically assessing opportunities and risks related to climate change;
- monitoring greenhouse gas emissions; and
- improving the energy efficiency of plants and processes and collaborating

Recyclable Waste Program

The commitment of Deltafina to our waste program, is expressed through initiatives aimed to move to a circular economy throughout the whole production cycle.

As a part of this effort, Deltafina strives to control and manage waste resulting from production and related activities.

The program's targets include:

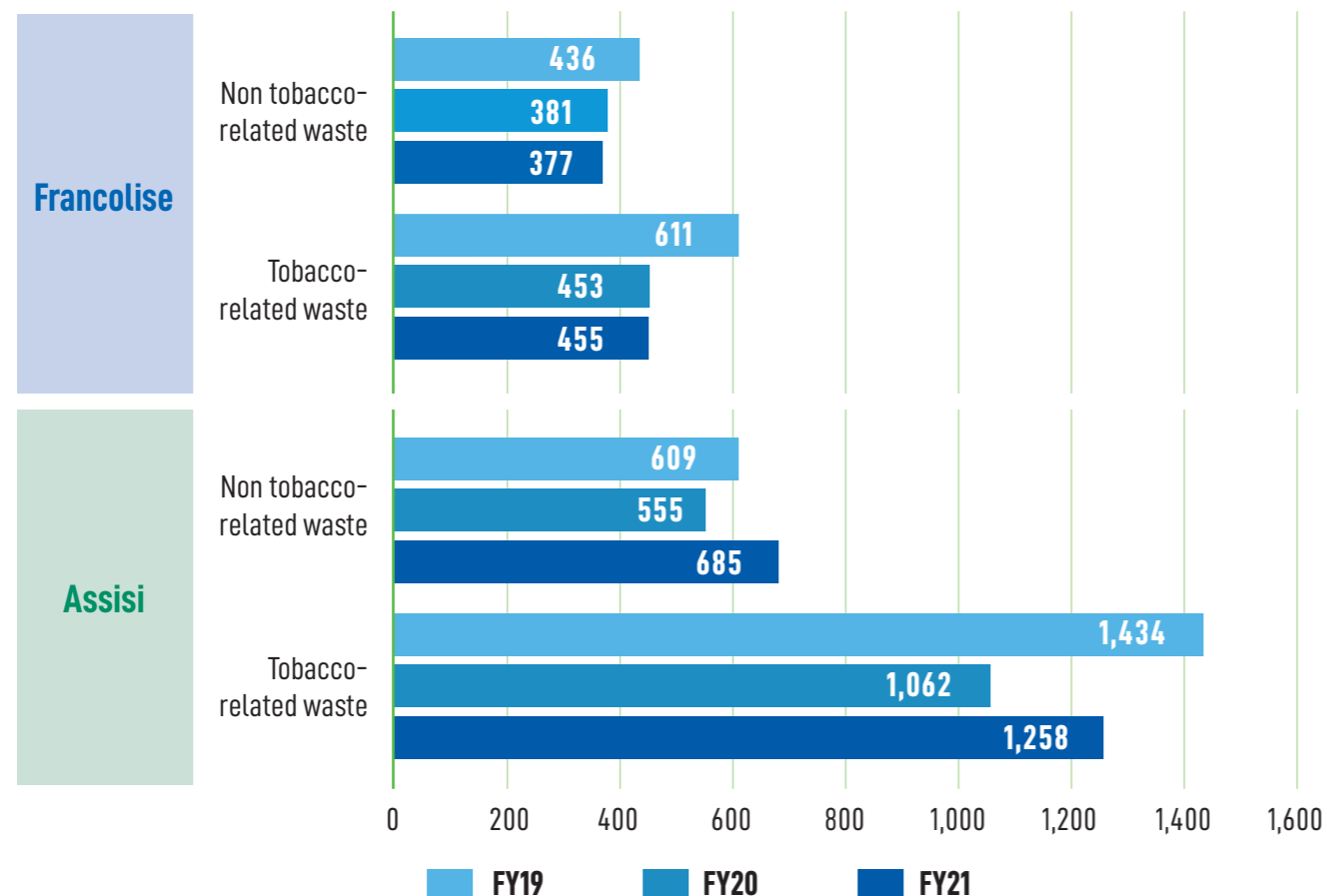
- ensuring legal compliance;
- controlling environmental impacts;
- verifying authorization of transport and waste disposal providers; and
- governing the operational and administrative aspects of the environmental policy.

Deltafina produces a minimum amount of hazardous waste and we do not use chemicals to process our tobacco. Specific attention is paid to reduce the production of hazardous waste.

Deltafina reviews and collects the waste data to minimize its production and looks for opportunities to maximize recycling and reuse. Waste is categorized according to the European Waste Catalogue (E.W.C.) and is stored in temporary deposit locations to await certified transporters. In 2021, 2,774 tons of waste were produced, 98% of which were destined for recycle or reuse. Most of the waste produced of Deltafina, in fact, is composed of recyclable materials like tobacco residues and paper. Moreover, only 4.3 tons of such waste constitute hazardous waste (0,2% of total waste).

The disposal of recyclable waste involves both composting and reuse of organic materials: most of the tobacco dust is destined for reuse through the collaboration of a company that transforms agri-food industry waste into renewable energy through biodigesters, while paper boxes usually have a life cycle of two to three seasons and are then destined for recycling.

Waste produced by type (tons)



RESULTS OF DELTAFINA'S WASTE DISPOSAL PRACTICES

The portion of tobacco-related waste (1,066 tons) from the Assisi plant that was destined for reuse has been used to produce⁵:

- 981 tons of the “ecopower” product sent to biodigesters plants;
- 307,127 m³ of methane;
- 1,228,508 kWh of electric power.



Moreover, the 525 tons of paper and cardboard waste from Assisi that were destined for recycling were destined to save the felling of 7,875 trees and the usage of 16,684,500 liters of water⁶.

Regarding Francolise factory waste, 550 tons of paper and tobacco-related waste were destined for recovery and reused or regenerated in paper mills, plastics industries, compost production and biogas production.

⁵ The estimate is made by a company that reuses Deltafina's tobacco-related waste.

⁶ The estimate is made by the company that takes care of Deltafina's recovery of recyclable materials, according to which recycling 1,000 kg of paper saves 15 trees and 31,780 liters of water.



Background note

The fifth annual edition of Deltafina’s Sustainability Report is intended to transparently communicate the company’s performance from an economic, social, and environmental point of view, as well as to disclose the main activities and annual results. Data in this document refers to fiscal year 2021 (1 April 2020 - 31 March 2021), according to the financial cycle of the company.

This document has been created with the collaboration of Deltafina’s personnel, who provided the information and data disclosed. To assure the quality of the content, the principles of balance, comparability, accuracy, timeliness, clarity, and reliability have been applied.

The Sustainability Report was drafted in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI “Core” option). Published data from previous years were not changed and data limitations are clearly indicated in the document where applicable. The document was not subject to external review. The Sustainability Report was approved by the Deltafina Board of Directors before external publication.

The 2021 Sustainability Report is structured according to material topics identified by Deltafina. For the 2021 Report, in absence of significant changes related to the business, stakeholders and context in which the company operates, Deltafina has decided to confirm the material topics identified in the previous year. These topics reflect the most substantial economic, environmental, and social impacts of Deltafina which also influence stakeholder evaluations and decisions.

When applicable, each material topic was associated to GRI Standards and a specific United Nations’ Sustainable Development Goal (SDG). The SDGs are 17 global goals adopted by the U.N. Member States as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. By acknowledging the SDGs, we want to communicate our commitment to conducting a sustainable business.



Material Topic	Boundaries (where the impact occurs)	SDG	GRI Standard
Employment	Farmers and Deltafina workers	SDG 8	GRI 102: General Disclosures GRI 401: Employment 2016 GRI 404: Training and Education 2016
Economic value generated and distributed	All stakeholders	SDG 8	GRI 201: Economic performance 2016
Business integrity	Community	SDG 16	GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive Behavior 2016
Compliance with legal requirements	Community	SDG 12 SDG 16	GRI 307: Environmental Compliance 2016
Employee health and safety	Deltafina employees	SDG 3 SDG 8	GRI 403: Occupational Health and Safety 2018
Farm health and safety	Farmers	SDG 3 SDG 2 SDG 8	Non GRI
Farm workers' rights	Farmers	SDG 8 SDG 10	412: Human Rights Assessment 2016
Crop health (air, water, soil)	Farmers' environment, Local communities	SDG 15 SDG 2 SDG 6	Non GRI
Voluntary Compliance		SDG 12 SDG 16	Non GRI
Tobacco quality and traceability	Universal Group, tobacco product manufacturers	SDG 12	Non GRI

The material topics are the result of the stakeholder engagement activities below described.

Stakeholder	Involvement	Stakeholder expectations
Universal Group	Deltafina is owned by the multinational Universal Leaf Tobacco Company, which is part of Universal Corporation. The company complies with the Universal Code of Conduct and all Universal policies.	<ul style="list-style-type: none"> • Respect of Universal policies, programs and guidelines • Compliance with applicable laws • Attention to direct and indirect environmental impacts • Cost containment and productivity improvement • Human resource development and employee well-being • Corruption prevention
Suppliers	Supplier management targets sustainable and quality tobacco production. Deltafina, with particular reference to suppliers, contributes to keep relationships based on loyalty and mutual trust and trains tobacco farmers to apply good agricultural practices.	<ul style="list-style-type: none"> • Respect of contract and payment terms • Long-term supply relationships • Good agricultural practices training • Technical support for sustainable tobacco growing • Clear and on-time communications
Environment	Deltafina pays utmost attention to the environmental aspects of our business, especially during crop production and processing. The company promotes and trains growers on good agricultural practices, many of which address the environmental impact of crop production.	<ul style="list-style-type: none"> • Compliance with environmental laws and regulations • Attention to direct and indirect environmental impacts
Regulatory Organizations and Institutions	Deltafina believes in the importance of building long-term and quality relationships with all regulatory bodies, in order to achieve long-term, growing and sustainable development targets within local communities. The company engages with representatives to find the proper balance between business, market trends and local community needs.	<ul style="list-style-type: none"> • Compliance with applicable laws • Respect for agreements • Illicit behavior prevention • Support of local communities
Trade Unions	Union relationships are positive and constructive, and are oriented to share information about respect for workers' rights and other relevant subjects important for the company and employees.	<ul style="list-style-type: none"> • Cooperation regarding negotiations about «CCNL» (National contract) renewal • Respect for workers' rights
Local Communities	Deltafina respects regions and local communities where operates and maximizes the positive socio-economic and environmental impacts.	<ul style="list-style-type: none"> • Maximizing positive impacts • Minimizing negative impacts • Clear and transparent communication • Relationships based on trust

Tobacco Product Manufacturers	Tobacco product manufacturer relationships to target the commercialization of sustainable and quality tobacco; Deltafina engages customers to discuss the volumes and qualities required in order to organize its work with growers during the crop cycle.	<ul style="list-style-type: none"> • Compliance to standards and requirements • Production cost control • Supply chain monitoring and improvement • Clear and transparent communications
Employees	People are the center of all activities performed by Deltafina, from the technicians helping the farmers implement sustainable tobacco production to processing operators preparing lots for sale to customers. Thanks to their engagement and devotion, Deltafina best realizes our mission to sell tobacco.	<ul style="list-style-type: none"> • Job protection • Respect for workers' rights • Health and safety protection • Ability to listen • Skills training and development

Further information and questions about this document can be requested to:

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GRI Content Index

GRI 101: Foundation 2016				
General Disclosures				
Standard GRI	Disclosure GRI	References and notes	Page	Omissions
GRI 102: General Disclosures 2016	Organizational profile			
	102-1 Name of the organization	• "Backgorund note"	50	–
	102-2 Activities, brands, products, and services	• "Deltafina's Business Model"	8	–
	102-3 Location of headquarters	• "Deltafina's Business Model"	8	–
	102-4 Location of operations	• "Bastia Umbra and Francolise Processing Plants"	44	–
	102-5 Ownership and legal form	• "Deltafina's Business Model"	8	–
	102-6 Markets served	• "Deltafina's Business Model"	8	–
	102-7 Scale of the organization	• "Deltafina's Business Model"	8	–
	102-8 Information on employees and other workers	• "Deltafina's personnel"	18	–
	102-9 Supply chain	• "Growing with our supply chain"	28	–
	102-10 Significant changes to the organization and its supply chain	• "Growing with our supply chain"	28	–
	102-11 Precautionary Principle or approach	• The precautionary principle is included in the Good Agricultural Practices that Deltafina shares with ourtobacco suppliers	31	–
	102-12 External initiatives	• "The Sustainable Tobacco Programme (STP)"	24	–
	102-13 Membership of associations	• "Governance"	12	–
	Strategy			
	102-14 Statement from senior decision-maker	• "Letter of the President"	4	–
Ethics and integrity				
102-16 Values, principles, standards, and norms of behavior	• "Deltafina's Business Model" • "Compliance Program"	8 14	– –	
Governance				
102-18 Governance structure	• "Governance"	12	–	

Standard GRI	Disclosure GRI	References and notes	Page	Omissions
GRI 102: General Disclosures 2016	Stakeholder engagement			
	102-40 List of stakeholder groups	• "Stakeholders"	11	–
	102-41 Collective bargaining agreements	• "Deltafina's personnel"	18	–
	102-42 Identifying and selecting stakeholders	• "Backgorund note"	50	–
	102-43 Approach to stakeholder engagement	• "Backgorund note"	50	–
	102-44 Key topics and concerns raised	• "Backgorund note"	50	–
	Reporting practice			
	102-45 Entities included in the consolidated financial statements	• "Backgorund note"	50	–
	102-46 Defining report content and topic Boundaries	• "Backgorund note"	50	–
	102-47 List of material topics	• "Backgorund note"	50	–
	102-48 Restatements of information	• "Backgorund note"	50	–
	102-49 Changes in reporting	• "Backgorund note"	50	–
	102-50 Reporting period	• "Backgorund note"	50	–
	102-51 Date of most recent report	• "Backgorund note"	50	–
	102-52 Reporting cycle	• "Backgorund note"	50	–
	102-53 Contact point for questions regarding the report	• "Backgorund note"	50	–
	102-54 Claims of reporting in accordance with the GRI Standards	• "Backgorund note"	50	–
	102-55 GRI content index	• "GRI Content Index"	54	–
	102-56 External assurance	• "Backgorund note"	50	–

Economic value generated and distributed			
Disclosure GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	• "Backgorund note"	50	–
103-2 The management approach and its components	• "Economic results"	17	–
103-3 Evaluation of the management approach			
201-1 Direct economic value generated and distributed	• "Economic results"	17	Direct economic value generated is omitted and direct economic value distributed is disclosed partially for confidentiality constraints set by the parent company

Business integrity			
Disclosure GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	• "Compliance Program"	14	–
103-2 The management approach and its components	• "Backgorund note"	50	–
103-3 Evaluation of the management approach			
205-3 Confirmed incidents of corruption and actions taken	• In the last three years there have been no confirmed incidents of corruption	56	–
206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	• In the last three years the Company has not been the subject of legal actions relating to unfair competition, anti-trust and monopolistic practices.	56	–

Compliance with legal requirements			
Disclosure GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	• "Compliance Program"	14	–
103-2 The management approach and its components	• "Backgorund note"	50	–
103-3 Evaluation of the management approach			
307-1 Non-compliance with environmental laws and regulations	• In the last three years no sanctions for non-compliance with laws or environmental regulations have been reported	56	–

Employment			
Disclosure GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	• "Deltafina's personnel"	18	–
103-2 The management approach and its components	• "Backgorund note"	50	–
103-3 Evaluation of the management approach			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• "Employee training and benefits"	20	–

Employees Health and Safety			
Disclosure GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	• "Health and Safety"	21	–
103-2 The management approach and its components	• "Backgorund note"	50	–
103-3 Evaluation of the management approach			
403-1 Occupational health and safety management system	• "Health and Safety"	21	–
403-2 Hazard identification, risk assessment, and incident investigation	• "Health and Safety"	21	–
403-3 Occupational health services	• "Health and Safety"	21	–
403-4 Worker participation, consultation, and communication on occupational health and safety	• "Health and Safety"	21	–
403-5 Worker training on occupational health and safety	• "Employee training and benefits"	20	–
403-6 Promotion of worker health	• "Health and Safety" • "COVID-19 defense strategy within the company"	21 23	–
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• "ALP: Agricultural Labor Practices Programme"	36	–
403-8 Workers covered by an occupational health and safety management system	• "Health and Safety"	21	–
403-9 Work-related injuries	• "Health and Safety"	21	–

Farm workers' rights			
Disclosure GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	• ALP: Agricultural Labour Practices	36	–
103-2 The management approach and its components	• "Backgorund note"	50	–
103-3 Evaluation of the management approach			
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	• ALP: Agricultural Labour Practices	36	–

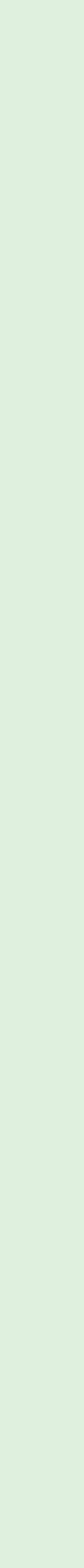
Farm health and safety			
Non-GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • ALP: Agricultural Labour Practices 	36	–
103-2 The management approach and its components	<ul style="list-style-type: none"> • "Backgorund note" 	50	–
103-3 Evaluation of the management approach			

Crop health (air, water, soil)			
Non-GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • GAP: Good Agricultural Practices 	31	–
103-2 The management approach and its components	<ul style="list-style-type: none"> • "Backgorund note" 	50	–
103-3 Evaluation of the management approach			

Voluntary Compliance			
Non-GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • The integrated policy on H&S, Environment and Quality 	13	–
103-2 The management approach and its components	<ul style="list-style-type: none"> • "Backgorund note" 	50	–
103-3 Evaluation of the management approach			

Tobacco Quality and Traceability			
Non-GRI	References and notes	Page	Omissions
103-1 Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> • Traceability of Tobacco 	40	–
103-2 The management approach and its components	<ul style="list-style-type: none"> • Quality Controls 	41	–
103-3 Evaluation of the management approach	<ul style="list-style-type: none"> • "Backgorund note" 	50	–







DELTAFINA S.r.l.