2014/15 ENVIRONMENTAL REPORT











LETTER FROM THE CHAIRMAN	2
THE ISAGRO GROUP TODAY	3
OUR PRODUCTS	8
OUR PLANTS	11
ENVIRONMENTAL COMMITMENT Environmental management Environmental impact factors	15 16 18
Adria plant Aprilia plant	20 24
Bussi sul Tirino plant	27 29
Novara plant Panoli plant	31
2015/2016 forecast programs	33
COMMITMENT TO HEALTH AND SAFETY Training Investments	34 35 36
Management systems Accident data	37 38
GROUP OFFICES AND ACTIVITIES	39
GLOSSARY	40



LETTER FROM THE CHAIRMAN

Sustainability is not just an ethical imperative, but also a key factor in the success of a business. In fact, sustainability implies a reduction in costs and numerous competitive advantages that open up new markets to the business and increase its profitability.

Fully aware of this, at Isagro we have always considered environmental management to be of strategic importance, a standard feature in the entire life of the company. Environmental protection forms an integral part of our activities and of our production growth process.

The Environmental Report, now in its thirteenth edition, provides a set of useful information, which is shared with our stakeholders, about the methods Isagro has adopted and applies to its business operations, while assessing the impact of the company processes and products on the environment.

Sustainability ultimately implies constant and preferably increasing well-being (environmental, social and economic) and the prospect of leaving a quality of life to future generations that is not worse than the quality of life now. Consequently, sustainability should be pursued through a synergy between the industrial system, the institutional sphere and the trade unions to implement an agreed proactive and responsible commitment that creates a virtuous circle of mutual emulation.

But how can we evaluate the sustainability of a company? The key values that define Isagro's actions and that stand out above all are *transparency, managerial skills* and *responsibility*. Transparency reflects our commitment to clearly and promptly communicate facts and events of the company. Managerial skills reflect the ability of our managers to operate on the basis of a strong organisational, distributive, functional and efficient vision that enables them to adapt to constantly changing market scenarios.

Last, but not least, responsibility reflects an uncompromising commitment to create safe, unique, effective and economically viable products.

This philosophy is epitomised by Isagro's earnest and continued participation in Federchimica's Responsible Care programme, which formalises the companies' intention to consistently respect the shared parameters of environmental safety and protection, and to maximise the commitment through a constant adaptation of the industrial production.

The indicators of chemical companies that have adopted Responsible Care are the best in every area involved.

Last year, Isagro has also made significant progresses? in the area of non-compliance risk management by promoting and consolidating its ethical principles, improving customer relations, protecting its officers from possible personal liabilities and harmonising the conduct of its employees.

Over the years all this has led to prestigious awards for Isagro, such as the 2013 ASSITECA AWARD in the Large Corporate category. This award is the first and only one in Italy whose aim is to report on companies that have proved to be most sensitive to the issue of risk management.

Giorgio Basile

THE ISAGRO GROUP TODAY

Isagro S.p.A. is the leading company of a Group that, over a period of twenty years, has become a highly respected operator in the agropharmaceutical (crop protection products) sector, with a turnover of € 140 million and more than 600 employees worldwide, 100 of whom are dedicated to research and development activities.

Isagro was established in 1993 from the acquisition of Montedison's spin-off of its crop protection products business, even if later - through a process of disposals and acquisitions - its features changed greatly.

Listed in the STAR segment of Borsa Italiana since 2003, Isagro actively takes part in the entire value-added chain, from innovative research to development, production and marketing at a global level, and to the distribution of products for crop protection at a local level, in selected markets.

Isagro operates through the Group distribution network and through local distributors in 70 countries worldwide. Production is concentrated in four Italian plants - in Adria (Rovigo), Aprilia (Latina), Bussi sul Tirino (Pescara) and Novara - and at the Panoli plant in India. Isagro also offers direct product distribution in India, the United States, Spain and Colombia, whilst it also has a presence in other countries thanks to local partners.





The strategic partnership and acquisitions policy implemented over the years has helped to make Isagro a small global player in its business field: small in reference to its compact size compared to the main competitors operating worldwide and global in terms of its business model, based on the need for global development of products generated from innovative research. At the end of 2013 the agreement with the US company Gowan was finalised, and led to addition of the American group to Isagro S.p.A.'s chain of control.

In recent years, the "small global player" model has been further strengthened by the development of a new business area focused on the promotion and exploitation of the Group's intellectual properties: to this end, along with its core activities for the production and sale of proprietary products to third party distributors, Isagro pursues the optimisation of proprietary active ingredients and has positioned itself in the market as a provider to third parties of active ingredients to be combined with third parties' products.

Therefore, the company's main strength is its capacity to identify and patent new agropharmaceutical products, together with the know-how and experience in performing the assessments that are required for defining their toxicology and efficacy profile.

The research and development investments planned for the next five years amount to around € 40 million.



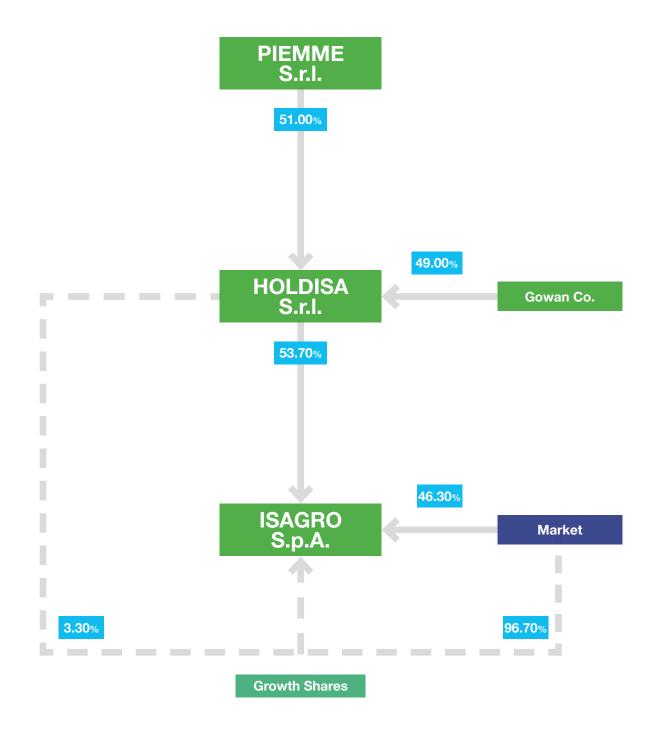
 Development Shares - created by the Group's Chairman and Chief Executive Officer and listed on the Milan Stock Exchange.

The purpose of the "Development Shares" is to create a new category of special shares intended primarily for companies under the control of an entrepreneur, which, while operating in global markets and with development projects to be financed, succeed in reconciling the need to find financial resources with the continuity of a controlling shareholding and industrial project development.

Therefore they offer the market a means by which to invest in medium/long term industrial projects, focusing on the "vision" and on the "way of doing business" of the entrepreneur.

Isagro is ready to meet the new challenges of the market by responding to the evolution of the crop protection sector with a development model focused on the research and development of active ingredients and formulated products that are more efficient and with a lower impact on the environment, as well as in full respect of the land, the farmers and the consumers of agricultural products.

ISAGRO S.P.A. CONTROL STRUCTURE







Isagro is also present in Argentina, Australia, Chile and South Africa with Companies for the ownership of Group registrations



FUNGICIDES INSECTICIDES PHEROMONES MICROORGANISMS FUMIGANTS















THE GROUP ALSO SELLS BIOSTIMULANTS IN THE NUTRITIONAL PRODUCT CATEGORY.

FUNGICIDES

Fungicides are chemical products used to combat the fungi that cause specific diseases in cultivated plants. According to the method of interaction between the fungicide and the fungus, a distinction can be made between products with a preventive action, which stop the pathogen from getting into the plant and spreading, and products with a curative action, capable of controlling infestation after the pathogen has attacked the host plant.

Fungicides represent a strategic segment for the Group, which has invested and continues to invest a large part of its resources in their development in order to broaden its range of products and thus increase its market shares.

The principal markets on which they are sold are Brazil, Italy, the United States of America, France and Spain.

The table below contains a description of the fungicides based on the Group's principal proprietary active substances.

Active substance	Organic activity	Main proprietary brands	Main markets	Main target crops
Copper- based	Downy mildew and other fungal parasites, bacterial diseases.	Airone®, Badge®, Neoram®, Cuprocaffaro® Cuproflow®, Pasta Caffaro®.	Italy, United States, France, Thailand and Spain.	Vines, olives, fruit- bearing plants/ trees, vegetables.
Tetraconazole	Control of oidium, and leaf spot.	Brek®, Domark®, Eminent®, Emerald®, Concorde®, Lospel®, Galileo®, Lidal®, Maino®.	Brazil, Italy, Poland United States of America and India.	Maize, soya bean, cotton, beet, cereals, fruit and vegetables.
Kiralaxyl	Control of downy mildew.	Kiralaxyl®, Fantic®, Sidecar®, Capri®, Stadio®, Eucrit®.	France, Italy, Spain, Czech Republic and Hungary.	Grapevine, potato and vegetables.

INSECTICIDES

Insecticides are used to control the insects that damage plants and are usually classified by their mode of action, which may be through inhalation, contact, absorption by the cuticle or ingestion, while the insect feeds on the treated parts of the plant.

The principal markets on which they are sold are; Europe, India, South Africa and Cuba.

The table below contains a description of the insecticides based on the Group's proprietary active substances.

Active substance	Organic activity	Main proprietary brands	Main markets	Main target crops
Pyrethroids	Control of phytophagous insects.	Scatto®, Antal®, Mitigate®, Forward®.	Europe, India, Uganda, Indonesia, Taiwan and Nigeria.	Grapevine, cotton, cereals, fruit and vegetables.

PHEROMONES

The Pheromones are synthesized chemical agents that reproduce those released by female insects during the mating season - as a means of communication between individuals of the same species - and are used in two different ways: in traps to monitor insect presence and in the dispensers used to prevent mating.

The table below contains a description of the pheromone products based on the Group's proprietary active substances.

Active substance	Organic activity	Main proprietary brands	Main markets	Main target crops
Various	Monitoring	Traptest®, Mastrap®.	Italy.	Various
Various	Disorientation	Ecodian®.	Italy, Austria.	Apple trees, peach trees.

MICROORGANISMS

This category includes crop protection products based on microorganisms (fungi) used to control harmful fungi, insects and nematodes present in the soil. The microorganisms are used principally on vegetables, ornamental plants and grass carpets.

The Group's principal markets for this product are Italy and Spain.

The product that the Group sells contains the strains Trichoderma gamsii + Trichoderma asperellum and is produced exclusively at the Novara plant.

The table below contains a description of the crop protection products based on the Group's proprietary strains of microorganisms.

Active substance	Organic activity	Main proprietary brands	Main markets	Main target crops
Trichoderma gamsii + Trichoderma asperellum	Control of fungi in the soil.	Tenet®, Bioten®.	Italy and Spain.	Vegetables, ornamental and grass carpets.
Trichoderma gamsii + Trichoderma asperellum	Bait desease control.	Remedier®.	Italy.	Grapevine.

FUMIGANTS

Fumigants are a category of crop protection products that perform their function by removing many pathogens, such as weeds, fungi and nematodes from the soil so that agricultural crops may subsequently be sown.

The table below contains a description of the fumigants based on the Group's proprietary active substance *Allyl isothiocyanate*.

Active substance	Organic activity	Main proprietary brands	Main markets	Main target crops
Allyl isothiocyanate	Control of nematodes, weeds, and fungi in the soil.	Dominus®.	United States of America and Mediterranean countries.	Strawberry, vegetables, ornamental plants, nursery plants.

BIOSTIMULANTS

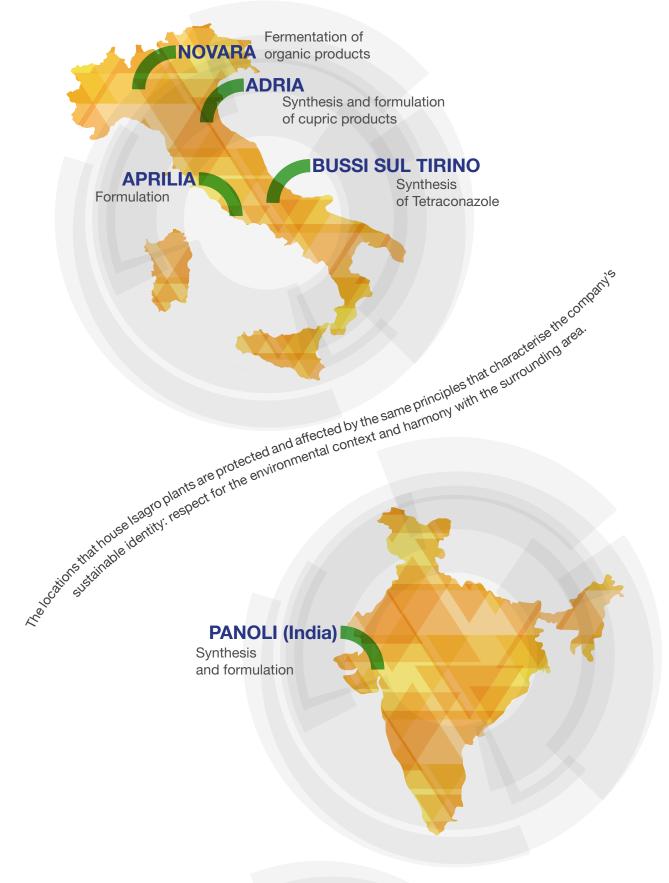
The Biostimulants are products used on all crops, able to act on the plants' metabolic and enzymatic processes to improve production levels and crop quality.

The table below contains a description of the biostimulants based on the Group's proprietary active substances.

Principal proprietary trademarks	Biological activity	Main markets	Main target crops
Siapton®, Humozon®, Aminoplant®.	 Increased production. Inducing resistance to abiotic factors such as salinity, drought, low temperatures, transplant shock. Increased micronutrient intake by the plants and improved pollen germination. 	Spain, India, Italy, China, Central America and USA.	All crops.
Ergostim®, Benefit®.	 Stimulation of the metabolic reactions of the plants, leading to an increase in the quality and quantity of the products. Induction of resistance to various forms of abiotic stress. 	Spain, India, Italy, China and Colombia.	All crops.

Innovative research and the development, production and sale of proprietary products, which constitute the Group's core business, are based on a continuous renewal of the Group's proprietary range of crop protection products and nutritional products.





ADRIA PLANT

The plant covers a total surface area of 73,000 sqm of which roughly 13,000 sqm are covered, around 26,000 sqm developed and 34,000 sqm left green, and can produce up to 22,000 tonnes per year of copper-based fungicides, which are sold as technical active ingredients or formulated powder products, water-dispersible granules and flow product (paste).

The plant is equipped with a tested ISO 14001 certified environmental management system and is further validated by the EMAS Registration: in 2009, the site obtained EMAS registration Reg. No. IT001113 with accreditation of the first Environmental Statement.

Since that year the organisation annually discloses the data relating to the plant's environmental performance through the publication of the Environmental Declaration, validated by Certiquality, available to the public on the website www.isagro.com.

On a three-yearly basis, the plant's management sets out specific improvement objectives for important environmental issues in a plan included in the EMAS Environmental Statement for 2014-2016 and which involves personnel training on environmental management, the reduction of atmospheric emissions of greenhouse gases, a reduction in electricity consumption and communication to the outside world. It should be underlined

that the parameters defined in the authorisations granted by the authorities were accurately kept under strict control, which show values well below the limits authorised for 2013 too.





APRILIA PLANT

The plant handles the formulation and packaging of powders, liquids, pastes and especially water-dispersible granules via a technology that enables very high quality products with low environmental impact.

The plant covers a total surface area of 140,000 sqm of which roughly 33,500 sqm are covered, and is able to produce up to 300 different types of formulated products.

The parameters defined in the authorisations granted by the authorities were also accurately kept under strict control in this site too, with values well within the authorised limits. Also in 2014. major installations of plant components were carried out to decrease odours, and a systematic and specific training implemented programme was employees, regarding the reduction of risks affecting the surrounding environment.

BUSSI SUL TIRINO PLANT

The plant (opened in 2006) is dedicated to the production of Tetraconazole. Its specificity technology allows you to minimise the cost of production and the environmental impacts associated with it. Production capacity is 600 tonnes per year.

The parameters set out in the authorisations granted by the authorities were accurately kept under strict control in this production site too, with values well within the authorised limits.





PANOLI PLANT (INDIA)

Isagro Asia has a plant in Panoli, in the state of Gujarat (India), engaging in the synthesis of the main active proprietary ingredients of the Group and their intermediate products and formulation and packaging of different products bound for the local market.

The site covers a total surface area of 130,000 sqm, of which around 8,500 sqm are covered.

The company currently has 142 employees Since 2003, it has produced increasing volumes, and recorded a gradual improvement in efficiency, of intermediate product M-Alcohol used by the Group for the production of Tetraconazole. The improvement of the environmental management of liquid, solid and gaseous effluents of the plant was achieved due to the implementation of numerous projects, in particular the "Zero waste project" that provides for the complete overhaul of the liquid effluent treatment systems. In 2005 Isagro Asia obtained the ISO 14001:2004 certification, the environmental management that oversees companies' compliance with the legislative requirements and environmental laws. The Panoli plant is also ISO 9001:2000 certified and managed by highly qualified personnel with considerable experience.

NOVARA PLANT

The Novara biological products facility was created in 2006 for the development and production of formulated products based on natural microorganisms.

Composed of liquid fermenters (with a capacity of 4000 litres) and a thermostatic room for solid substrate fermentation, the plant can produce liquid and solid formulated products for use in both farming (fungicides, herbicides, insecticides) and environmental treatments (starters and additives for biological waste treatment plants). The plant puts no gaseous emissions into the atmosphere.

Washing effluent is neutralised or disposed of like waste. Since 2006, the site (which includes greenhouses for the biological evaluations) has used almost exclusively (98%) groundwater drawn from a private well for industrial requirements.







AND NOT RUINING IT IS THE MOST BEAUTIFUL ART THAT ANYBODY COULD EVER WANT TO OWN

Andy Warhol

ENVIRONMENTAL MANAGEMENT

As with all production activities, nature provides Isagro plants with their water resources (groundwater, rivers, etc.) and energy resources (fuel, electricity) for the transformation of raw materials into finished products.

For industrial activity to be considered sustainable from the environmental point of view, it must not compromise the ability of future generations to meet their own needs. The resources used must therefore remain available for the future exactly as they were and are today. It is therefore essential to take the greatest possible care to preserve them, understanding this as a real investment for industrial development.

This is why in carrying out its production activities, Isagro S.p.A. exercises the utmost control of environmental aspects, ensuring the proper respect for nature.

The environmental aspects concern any type of impact, from the consumption of natural resources to effects on the surrounding environment.

To achieve the expected results, we apply a strict management protocol consisting of the following activities:

- Periodic monitoring of consumption of natural resources (water, energy), continuously seeking to optimise and, where possible, reduce them;
- precise control of the output parameters of pollutants (on emissions into the atmosphere, in water bodies, etc.), so as to prevent any exceedance of the emission thresholds;
- ordinary and extraordinary maintenance of lowering/purification systems;
- research for the application of innovative environmental impact lowering / containment systems;
- definition of long-term investment programmes in order to ensure the continuous improvement of the environmental performance of the production sites;
- · management and control of the type of effluent entering lowering/purification systems;
- periodic analysis of production flows targeted at minimising the environmental impact (emissions, water and energy consumption);
- participation in fairs, conventions and thematic meetings aimed at gaining knowledge of the best technologies available on the market for reducing emissions and saving energy;
- voluntary adherence to the organisational model provided by Legislative Decree 231/2001;
- appointment of an energy manager, even if not strictly necessary given that the energy consumption of the group is below threshold set by the law 10 of 9 January 1991;

 evaluation of environmental indicators in accordance with the GRI Guidelines, defined for the preparation of the Sustainability Report;

The implementation of these objectives is guaranteed by the **Environment Policy**, which each Isagro plant establishes and periodically renews, and by the **Management**Systems implemented by each site.

The <u>Environmental Policy</u> document sets out the objectives of reducing impacts, and the guidelines to follow to achieve them.

The <u>Management Systems</u> include a series of operating procedures and operating instructions that enable all environmental effects to be kept under control, providing a detailed description of:

- the methods of identification of significant environmental aspects;
- the operations, controls and analyses to be performed on liquid and gaseous emissions and waste;
- the monitoring and optimisation of energy consumption;
- the evaluation of performance in obtaining the objectives;
- the evolution of these objectives in the light of changing technologies and contingent necessities.

Compliance with the requirements and limitations set forth in the various environmental authorisations is thereby ensured, in that the internal objectives are more stringent and undergo continuous improvement.

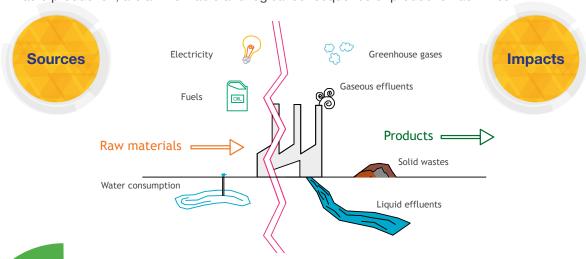


ENVIRONMENTAL IMPACT FACTORS

The production flow of Isagro's manufacturing facilities provides for the transformation of raw materials into finished products.

This transformation involves the use of natural resources such as fuel (used directly or transformed into electricity or steam), water resources (pumping of groundwater, water from rivers, from aqueducts) and, not least, Isagro's workforce of 400 employees.

The environmental effects of processing, meaning atmospheric emissions, water discharge and waste production, are an inevitable and logical consequence of production activities.



SIGNIFICANT ENVIRONMENTAL IMPACT FACTORS SPECIFIC FOR EACH SITE

The significant environmental impacts of each resource used in production activities have been identified, plant-by-plant.

From the following tables we see the links between consumption of resources and environmental impact.

The quantification, monitoring and optimisation of these factors summarise Isagro's care for the environment in which it operates.

- Liquid impacts
- Atmospheric impacts
- Energetic impacts
- Wastes

Adria

Liquid effluents	Gaseous effluents	Carbon dioxide equivalent	TOE	Solid wastes	Liquid wastes
•					
	•	•	•		
		•	•		
				•	
		•		•	
		effluents effluents	effluents equivalent	effluents equivalent	effluents equivalent wastes

Aprilia

Impacts Sources	Liquid effluents	Gaseous effluents	Carbon dioxide equivalent	TOE	Solid wastes	Liquid wastes
Well water	•					
River water						
Water from aqueduct						
Gaseous fuels		•	•	•		
Liquid fuels		•	•	•		
Electricity			•	•		
Steam						
Raw materials					•	•
Transport			•		•	

Bussi

Impacts Sources	Liquid effluents	Gaseous effluents	Carbon dioxide equivalent	TOE	Solid wastes	Liquid wastes
Well water						
River water	•					•
Water from aqueduct						
Gaseous fuels						
Liquid fuels						
Electricity			•	•		
Steam			•			
Raw materials					•	•
Transport			•			

Novara

Impacts Sources	Liquid effluents	Gaseous effluents	Carbon dioxide equivalent	TOE	Solid wastes	Liquid wastes
Well water	•					
River water						
Water from aqueduct	•					
Gaseous fuels			•			
Liquid fuels						
Electricity			•	•		
Steam						
Raw materials					•	
Transport						

Panoli

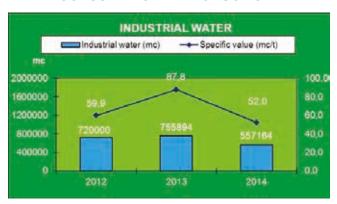
Impacts Sources	Liquid effluents	Gaseous effluents	Carbon dioxide equivalent	TOE	Solid wastes	Liquid wastes
Well water	•					
River water						
Water from aqueduct						
Gaseous fuels		•	•	•		
Liquid fuels		•	•	•		
Electricity			•	•		
Steam						
Raw materials					•	
Transport			•		•	

Before examining the environmental performance of the various sites, it should be emphasised that the values reported are the result of sampling and analyses carried out in partnership with external certified laboratories, and that the quantities measured are detected by calibrated and certified equipment. Each figure reported is therefore accredited by the measurements taken, a necessary condition for credible environmental management.

Adria plant

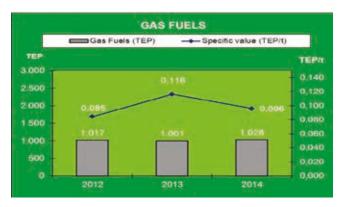
IMPACT OF CONSUMPTION OF NATURAL RESOURCES

WATER CONSUMPTION IN PRODUCTION



The Adria plant only uses river water for production. The chart below shows power consumption in 2014 compared with that of the previous two years. The consumption of river water is not much related to production, so years with lower volumes of manufacturing have a higher specific consumption of the resource.

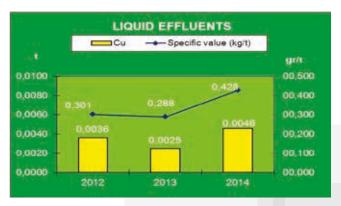
GASEOUS FUELS

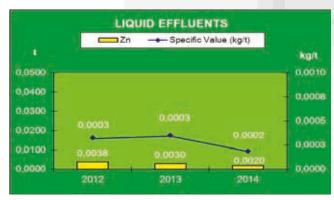


There were no great changes in fuel consumption compared to previous years, despite a level of lower production in 2013. The slight decline in consumption due to the decrease in production volumes was offset by the different production mix (increased need for drying products).

This factor has led to an increase in specific consumption in 2013, decreased in 2014.

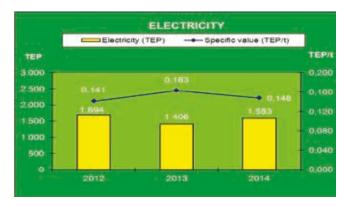
WATER DISCHARGE





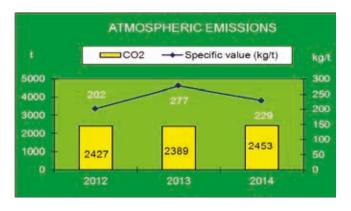
The graphs above show the total and specific quantities of pollutants considered significant for the purposes of environmental impact on surface waters for the year 2014 compared with the previous two years. The quantities of copper and zinc released in the plant are kept under control using the best technologies available. The amount of copper discharged into surface waters is greatly below the threshold prescribed in the permits and the threshold value defined by the IPPC Guidelines. The environmental impact of heavy metals revealed here shows a positive trend due to the careful selection of high quality raw materials in recent years.

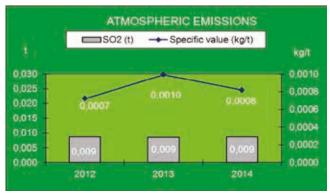
ELECTRICITY

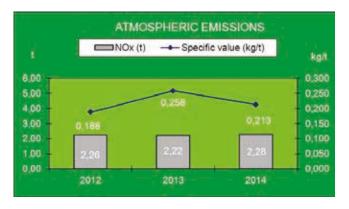


Since 2010, the increase in the production of WG granules (and the associated drying) has led to an increase in energy consumption. In 2013, the drop in consumption due to decreases in production volumes was offset by the different production mix (increased need for drying products). This factor has led to an increase in the specific consumption of electricity.

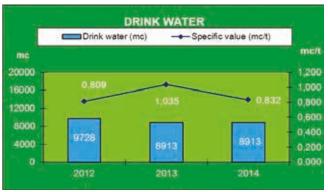
GASEOUS EMISSIONS







DRINKING WATER

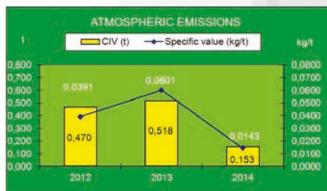


The consumption of drinking water from the aqueduct comes to about 10,000 cubic metres per year. Fifty percent of this is for civil use and 50% to power the boiler used to produce steam. This figure has been largely stable over the years.

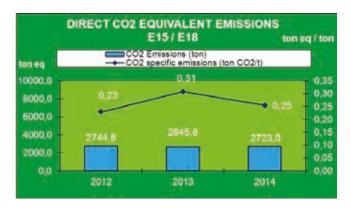
The increase in the specific consumption of this resource observed in 2013 was due to a drop in annual production and a different production mix, as shown above.

No significant variations in NOx emissions were recorded when compared to the values registered in previous years. The decrease in absolute value was due to a decline in production in 2013. Therefore there were no significant changes to the environmental impact factors on the atmosphere, although the value was badly affected in terms of NOx emission.

Note in particular the significant improvement in inorganic volatile compound emissions achieved in 2014 as a result of optimised exhaust scrubber management.



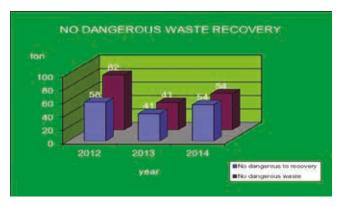
The following table shows the values of CO2 emissions directly and indirectly, defined according to GRI guidelines for the definition of Sustainability. (parameters G4-E15, G4-E16, and G4-E18).





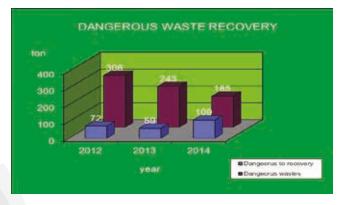
IMPACT OF RAW MATERIAL USAGE



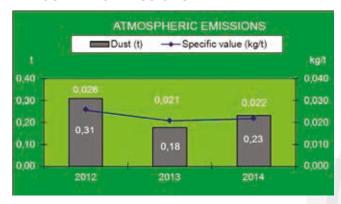


As is now standard practice, maximum effort was applied to recover the hazardous and non-hazardous waste (both onsite and in external plants).

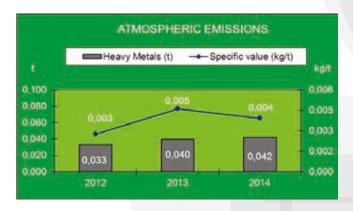




ATMOSPHERIC EMISSIONS



Annual concentrations of dust are well within the authorised limits, due to the use of two-stage filtration: the first installed on each machine and a second, as a safety precaution, before emission into the atmosphere. Given the system's high level of efficiency, no plans have been made for further improvement.





Here below is the G4-EN29 sustainability parameter defined by the 2012-2014 GRI Reporting Framework for the Adria plant:

COMPLIANCE - G4 EN29	2012	2013	2014
Fines due to environmental non-compliance	0	0	0
Number of non-monetary sanctions - NC Environmental Certification Authority	0	0	0
Number of non-monetary sanctions - Requests for technology upgrades from the Authorities for authorisation purposes	0	0	0
Number of dispute settlement claims	0	0	0

Aprilia plant

IMPACT OF CONSUMPTION OF NATURAL RESOURCES

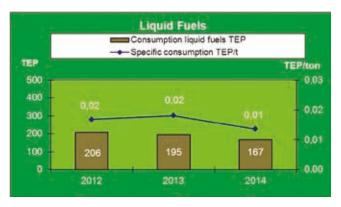
WATER CONSUMPTION



The Aprilia plant draws water, for production purposes, from both wells and aqueducts. The graphs below show consumption in 2014, and the comparison with consumption in the previous years.

The higher industrial water consumption compared to the previous year is mainly associated with leaks found in the fire hydrant circuit, almost all of which restored during the year.

LIQUID FUEL CONSUMPTION



LIQUID WASTE

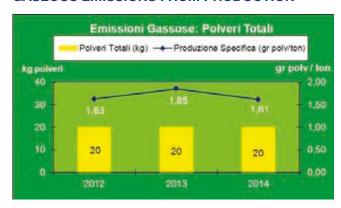


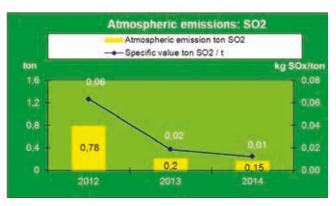
After use in the production process, well water is almost all sent to the treatment plant and then fed into a surface water body. However, the most heavily polluted parts are sent to specialised plants for the treatment of dangerous waste liquids. The quantities of such water (purified and sent to disposal) are shown in the chart above.

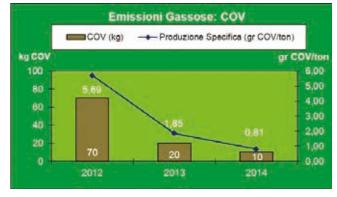
ATMOSPHERIC EMISSIONS GASEOUS EMISSIONS FROM COMBUSTION

Atmospheric emissions: NOx Atmospheric emission ton NOx Atmospheric emission ton NOx Specific value ton NOx / t ton kg NOx/ton 0,10 0,08 0,04 0,08 0,04 0,04 0,02 0,04 0,02 0,00 2012 2013 2014

GASEOUS EMISSIONS FROM PRODUCTION





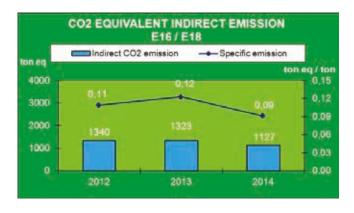


A project has been under way in the last few years to minimise pollution caused by emissions from combustion. For this purpose the liquid fuels once used for heating (domestic and industrial) are being replaced with LPG. The results are illustrated in the charts above.

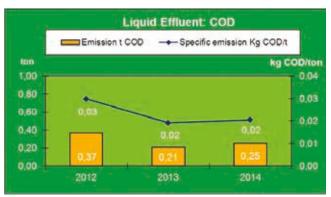
The atmospheric emissions associated with products are clearly linked - in quality and quantity terms - to the product mix processed during the year. The continuous improvement in emissions treatment, both from technological and management points of view, cannot therefore be seen in the charts above, which show the sum totals of emissions.

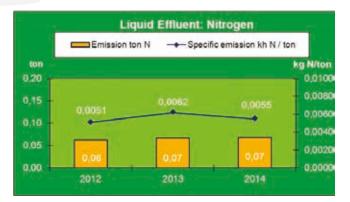
INDIRECT EMISSIONS

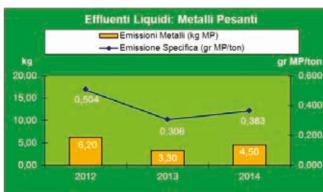
The table below shows the direct and indirect CO2 emissions figures, defined according to GRI Guidelines for the purposes of the Sustainability Report (G4-E16 and G4-E18 parameters).

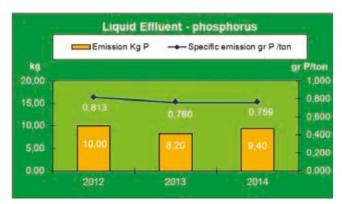


WATER DISCHARGE

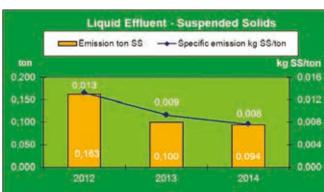








The increase in metal concentration observed in 2014 is due to a rise in the amount of zinc found at a specific time of year. This value, although deviating from the trend in recent years, is well within the limits dictated by current legislation.



WASTE PRODUCTION



The increase in total waste produced, compared to the previous year but in line with that of 2012, is associated with the disposal of obsolete products from inventories (representing approximately 20% of the total).

The concentration values of the parameters largely follow the trend in recent years, confirming a level of emissions significantly below legal requirements.

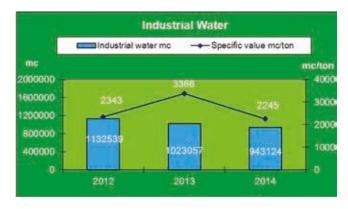
Here below is the G4-EN29 sustainability parameter defined by the 2012-2014 GRI Reporting Framework for the Aprilia plant:

COMPLIANCE - G4 EN29	2012	2013	2014
Fines due to environmental non-compliance	0	0	0
Number of non-monetary sanctions - NC Environmental Certification Authority	0	0	0
Number of non-monetary sanctions - Requests for technology upgrades from the Authorities for authorisation purposes	0	0	0
Number of dispute settlement claims	0	0	0

Bussi sul Tirino plant

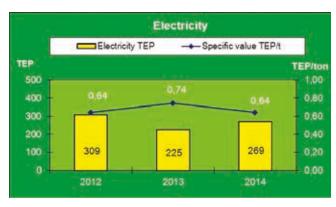
IMPACT OF CONSUMPTION OF NATURAL RESOURCES

WATER CONSUMPTION

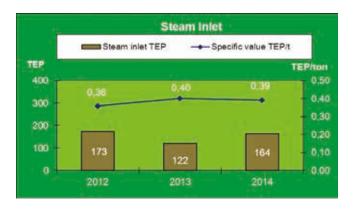


The optimisation of water consumption in the years 2012 and 2014 was partially hampered during 2013 due to lower annual production than that of recent years.

ENERGY CONSUMPTION

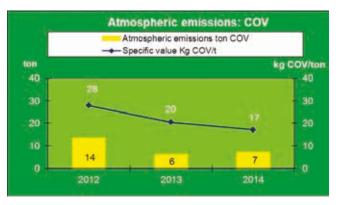


The specific consumption of electricity increased in 2013 due to the decrease in production volume.



The performance observed and commented on in previous years, taking into account the production volumes, was confirmed.

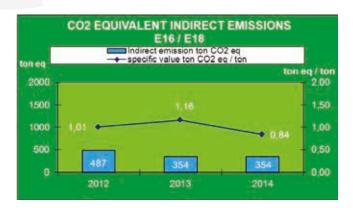
ATMOSPHERIC EMISSIONS



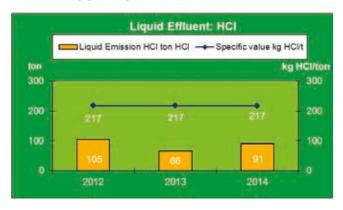
The figure confirms the trend already observed in previous years (emissions are closely linked to tonnage of processed product), taking into consideration a physiological dispersion - even in the absence of production - due to the presence of storage tanks and intermediate accumulation.

The table below shows the direct and indirect CO2 emissions figures, defined according to GRI Guidelines for the purposes of the Sustainability Report. (G4-E15, E16-G4 and G4-E18 parameters).





WATER DISCHARGE



The figure confirms the trend already seen in previous years: water discharges are independent of the specific volume of production.

WASTE PRODUCTION



2014 saw a decrease in specific waste production, mostly attributable to the decline in non-hazardous waste production.

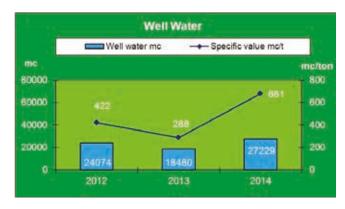
Here below is the G4-EN29 sustainability parameter defined by the 2012-2014 GRI Reporting Framework for the Bussi sul Tirino plant:

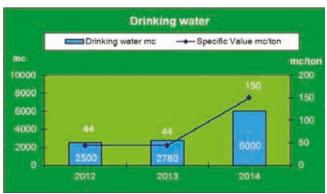
COMPLIANCE – G4 EN29	2012	2013	2014
Fines due to environmental non-compliance	0	0	0
Number of non-monetary sanctions - NC Environmental Certification Authority	0	0	0
Number of non-monetary sanctions - Requests for technology upgrades from the Authorities for authorisation purposes	0	0	0
Number of dispute settlement claims	0	0	0

Novara plant

IMPACT OF CONSUMPTION OF NATURAL RESOURCES

WATER CONSUMPTION

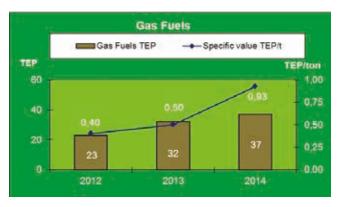


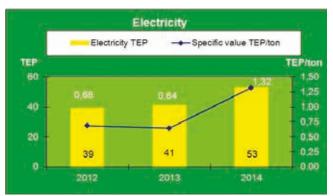


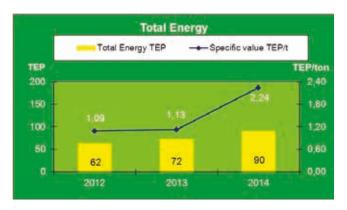
Consumption of well water is down by approximately 30% because the plants shut down for part of the year and to greater efficiency, as well as better management of its use in cooling. In 2013, consumption was lower because the production department closed in the second half of the year.

Drinking water is not used for production so consumption is strictly related to the presence of personnel.

ENERGY CONSUMPTION







Although higher quantities were produced the consumption of methane and electricity remained stable.

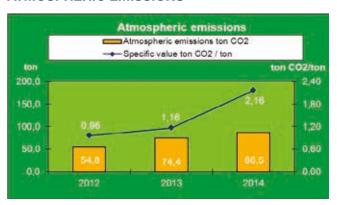
As production was suspended for 8 months in 2014, the higher energy consumption recorded was also associated with the need for work sites for construction of the adjacent Research Center.

WASTE PRODUCTION



The amount of waste produced in 2013 was similar to 2012, and more than 2011 because of the intrinsic characteristics of the product disposed. The product is a very hygroscopic solid of plant origin that is noticeably affected by the climatic conditions of the storage area. A particularly wet period increases the weight of the substance to be disposed of on equal volumes of waste produced.

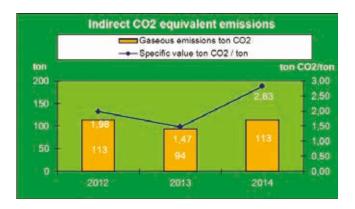
ATMOSPHERIC EMISSIONS



The amount of CO2 produced increased in 2013 in that more energy resources were needed for the same amount of production.

INDIRECT EMISSIONS

The table below shows the direct and indirect CO2 emissions figures, defined according to GRI Guidelines for the purposes of the Sustainability Report (G4-E16 and G4-E18 parameters).



Here below is the G4-EN29 sustainability parameter defined by the 2012-2014 GRI Reporting Framework for the Novara plant:

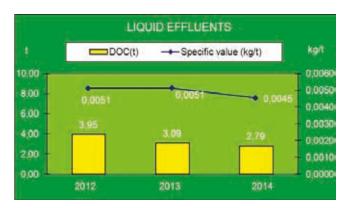
COMPLIANCE - G4 EN29	2012	2013	2014
Fines due to environmental non-compliance	0	0	0
Number of non-monetary sanctions - NC Environmental Certification Authority	0	0	0
Number of non-monetary sanctions - Requests for technology upgrades from the Authorities for authorisation purposes	0	0	0
Number of dispute settlement claims	0	0	0

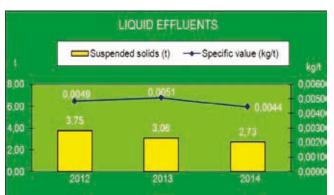
Panoli plant (India)

IMPACT OF CONSUMPTION OF NATURAL RESOURCES

WATER DISCHARGE

The graphs below show the absence of major changes in the characteristic parameters of quality of liquid effluents.

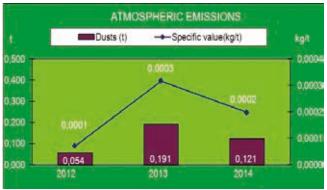


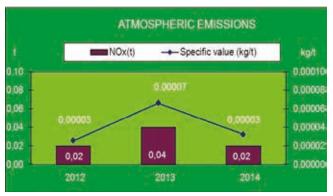


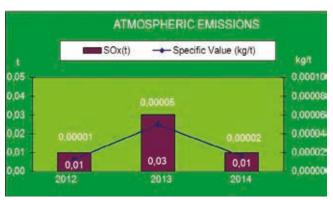


ATMOSPHERIC EMISSIONS

From the charts below we can clearly see the major improvement in the quality of gaseous effluents realised from 2012 due to the completed *revamp* of the incineration plant.

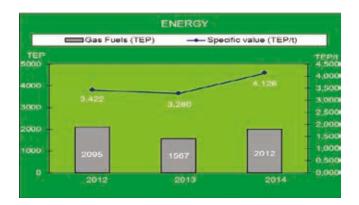


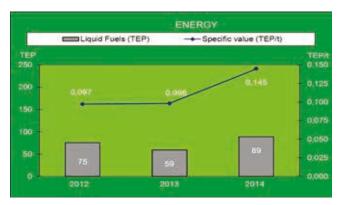


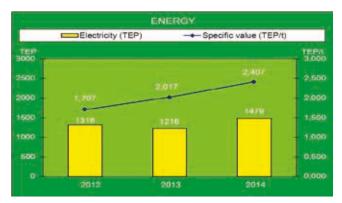


ENERGY CONSUMPTION

The charts below show the absence of major changes in energy consumption (liquid fuels, gaseous fuels, and electricity).









FORECAST PROGRAMS 2015/2016

The figures in the previous sections illustrate the effective and careful environmental management of Isagro sites.

Isagro technical personnel considers the meeting of all the observed parameters a valid indicator of the entire management system.

Where improvement work was carried out in previous years, performance in subsequent years has confirmed the effectiveness of the choices.

This year and next we will therefore continue to study engineering and management solutions in order to further reduce impacts and consumption of natural resources.

The environmental management systems have been implemented and activated on a voluntary basis and, in the case of the Adria plant, have long since also been certified/accredited (ISO 14001 and EMAS) by external bodies.

These systems make it possible to keep under control in a now proven manner the management of the environmental aspects of production activities.

The environmental policy document summarises the operations of the Quality, Safety and Environment service, through the stages of:

- planning activities;
- their implementation;
- verification of results;
- comprehensive review and definition of new objectives.

The performance of the operations described above is monitored periodically during the year.

COMMITMENT TO HEALTH AND SAFETY

THE UNCERTAINTY OF WISDOM IS NO DIFFERENT THAN THE CERTAINTY OF IGNORANCE

Charles Bukowski

Isagro's plants, in their complexity, are very important from the point of view of health and safety of workers.

Each plant contains hazards of various kinds (chemical, physical, flammable substances, and potentially explosive areas, etc.). The risk associated with the presence of all these hazards is evaluated regularly and thus all actions (at plant, organisational or training levels) are taken to reduce the risks to acceptable levels.

Training activities, plant engineering operations and the organisation of work are such as to ensure the health and safety targets set by Isagro:

- The empowerment of each employee is of paramount importance to safety in the workplace.
 The Company has had a **training** programme for its employees for some time, which goes far beyond the dictates of the law.
- Isagro makes big investments each year that the Employers of each plant, along with HSE Managers, deem necessary to ensure safe and responsible management of production.
- The organisation of work ensures, by means of Management Systems (Quality, Safety and Environment), that training and investment on safety and the environment are put to good use.

The result of such commitment is also obvious if we just consult comparative tables on **accident figures** contained in this Environmental Report.

TRAINING

The following table shows the attention, in terms of hours devoted to training, which Isagro SpA pays to the professional development of all employees.

The Company has implemented a training programme that can monitor, for each employee and for each topic, the state of training achieved, enabling action to be taken where deficiencies appear.

In addition to the implementation of the training programme that is offered each year at each site, remedial courses are also introduced for those needing further study, with external teaching in the case of subjects that require specific skills. This ensures a constant increase in the knowledge and responsibility of each employee.

The training data shown in the table below refer only to health and safety training at plants in Adria, Aprilia and Bussi:

Health, Safety, Environment training	ADRIA*	APRILIA*	BUSSI SUL TIRINO
Total hours 2010	1,183	940	360
Total hours 2011	1,997	967	465
Total hours 2012	2,484	1,529	665
Total hours 2013	885	852	446
Total hours 2014	1,511	1,466	270

^{*} plant subject to the training requirements on Major Accident Hazard (pursuant to Italian Legislative Decree 334/99 and subsequent amendments and additions)



INVESTMENTS

The investments that are made each year in Health, Safety and Environment are proposed at the beginning of each year as a result of the assessments performed by Employers in cooperation with HSE Managers and the Heads of Technical Services of each plant.

In the case of the Adria plant, the environmental investment plan is defined on a three-year basis and published in EMAS Environmental Statement. The plan is developed in relation to significant environmental aspects that the company can possibly undertake to improve.

If it becomes clear that additional investments need to be made during the year that were not included in the Budget, they may anyway be implemented. This confirms the high priority Isagro places on Health, Safety and Environmental issues.

The plant in Bussi sul Tirino requires less investment due to its recent construction, in that it was designed and built taking into account of the best and most modern technologies, which are still current.

The comparison between planned investments and investments actually performed is a useful index, evaluated each year, for improving the efficiency of the safe management of the plants.

Plant	Safety investments 2012 (€)	Safety investments 2013 (€)	Safety investments 2014 (€)
Adria	390,500	163,000	241,500
Aprilia	381,000	247,087	238,270
Bussi sul Tirin	o 11,673	-	-

Plant	Environmental investments 2012 (€)	Environmental investments 2013 (€)	Environmental investments 2014 (€)
Adria	61,594	123,000	128,000
Aprilia	59,000	25,494	153,615
Bussi sul Tirin	o 25,766	6,000	56,570

MANAGEMENT SYSTEMS

Each sector of activity of each Isagro site is organised and controlled in accordance with a management system.

The Quality Management System's objective is to make our work procedures increasingly safer and more reliable, guaranteeing our customers the continued quality of our products and reliability of our plants.

The objective of the Environment Management System is to allow any aspect linked to environmental impacts to be controlled, in respect of all environmental matrixes. The now historic adherence to the ISO 14001 certification and EMAS accreditation by the Adria plant ensures that this site has a higher level of transparency with regard to inhabitants and territorial authorities. The other plants, although not certified, have implemented environment management systems based on UNI EN ISO 14001, integrating the Management System with specific environment procedures.

The Safety Management Systems adopted by the Adria and Aprilia plants are, contrary to the other two, a legal obligation, as the two sites adhere to the so-called "Directive Seveso" (Seveso Directive) (more specifically, Italian Legislative Decree 334/99 and subsequent amendments and additions, which is the Italian adoption of European Directive 96/82 EEC, known as "Directiva Seveso II") later updated by Directive 2003/105/EC, known as Seveso III (or "Seveso ter"), adopted in Italy through Legislative Decree no. 238 of September 21st, 2005.

These management systems are geared to the assessment, information and prevention of major accidents that may happen at the plant. Accidents are defined as "relevant" in that they can potentially involve significant quantities of chemicals that are dangerous for the environment, for health and safety.

Plant	Quality Mar Syste		Quality Ma Sys	nagement tem	Safety Ma Sys	nagement tem
	System in use	Year of adoption	System in use	Year of adoption	Sistema in uso	Year of adoption
Adria	UNI EN ISO 9001:2008	1993	UNI EN ISO 14001 /EMAS	2000/2007	SGS (D.M. 9/8/2000)	2006
Aprilia	UNI EN ISO 9001:2008	2004	Internal management system		SGS (D.M. 9/8/2000)	1999
Bussi sul Tirino	UNI EN ISO 9001:2008	2008	Internal management system		Internal management system	
Milano	UNI EN ISO 9001:2008	1998	Internal management system		Internal management system	
Novara	UNI EN ISO 9001:2008	2010	Internal management system		Internal management system	
Panoli (India)	UNI EN ISO 9001:2008	2002	ISO 14001:2004	2005	OHSAS 18001:2007	2011

ACCIDENT DATA

The training, investment and management systems implemented ensure no significant safety aspects are omitted.

A series of parameters are assessed to verify that the prevention is effective. In fact, accident numbers are not enough to evaluate the safety of a workplace, but the severity needs to be assessed. In the wake of such an approach, Isagro uses the same injury indices measured by INAIL and processed in the Responsible Care.

COMPARISON BETWEEN INAIL/ISAGRO DATA No. accidents 1,000 workers					
	2011	2012	2013	2014	
INAIL data on accidents in INDUSTRY	22.40	22.50	23.80	n.d.	
INAIL data on accidents in the CHEMICAL INDUSTRY	20.90	21.10	22.00	n.d.	
Dati INAIL riferiti a infortuni ISAGRO Group data	21.30	20.10	20.50	n.d.	
ISAGRO Group data	10.28	18.26	29.04	20.08	

COMPARISON OF RESPONSIBLE CARE/ISAGRO DATA No. accidents 1,000,000 hours worked					
	2011	2012	2013	2014	
Data relating to the total for companies signed up to the Responsible Care programme 8.3 7.6 7.0 n.d.					
ISAGRO Group data 5.50 9.24 13.62 11.95					

COMPARISON OF RESPONSIBLE CARE/ ISAGRO DATA working days lost 1,000 hours worked					
	2011	2012	2013	2014	
Data relating to the total for companies signed up to					
the Responsible Care programme	0.20	0.17	0.16	n.d.	
ISAGRO Group data	0.19	0.13	0.42	0.25	



ISAGRO SpA (Parent Company)

Registered and administrative offices: Milan.

ISAGRO ARGENTINA Ltda.

Head Office: Buenos Aires.

Activities: management of the development and registration of Isagro products in Argentina.

ISAGRO ASIA AGROCHEMICAL Ltd.

Head Office: India, Mumbai.

Activities: development, production, marketing and distribution of crop protection products in the Indian market.

ISAGRO AUSTRALIA PTY Ltd.

Head Office: Sydney.

Activities: management of registrations of products Isagro in the Australian continent.

ISAGRO BRASIL Ltda.

Head Office: São Paulo.

Activities: promotion of the market presence of Isagro, development and registration of new products in Brazil and South America.

ISAGRO CILE Ltda.

Head Office: Santiago, Chile.

Activities: management of registrations of Isagro products in Chile.

ISAGRO (SHANGAI) CHEMICAL INTERNATIONAL TRADING CO. Ltd.

Head Office: Shanghai.

Activities: promotion of the market presence of Isagro, development and registration of new products in China.

ISAGRO COLOMBIA S.A.S.

Head Office: Bogotá.

Activities: development, registration, marketing and distribution of crop protection products in the Colombian market, in the Andean region and Central America.

ISAGRO ESPAÑA S.L.

Head Office: Madrid.

Activities: development, registration and distribution of crop protection products in the Spanish market.

ISAGRO S.p.A. Research, Innovation & Development Center

Head Office: Novara.

Activities: innovative research targeted at identifying new crop protection products and the development of the new products identified.

ISAGRO SOUTH AFRICA Ltd.

Head Office: Johannesburg.

Activities: management of the development and registration of Isagro products in South Africa.

ISAGRO USA Inc.

Head Office: Wilmington (Delaware). Activities: development, registration and marketing of Isagro products in the USA.

BRANCH in CUBA

Head Office: Havana.

Activities: management of the development and registration of Isagro products in Cuba.

ISAGRO in VIETNAM

Head Office: Ho Chi Min.

Activities: promotion of the market presence of Isagro, development and registration of new products in central Asia and Oceania.

ASSOCIATED COMPANIES AND JOINT-VENTURES

ARTERRA BIOSCIENCE S.r.I.

Head Office: Naples.

Activities: research and development of molecular biology and genetics.

GLOSSARY

Agropharmaceutical - Phytopharmaceutical

Agropharmaceutical is a compound term, "agro" from the Latin "ager-agri" = field, referring to agriculture or fields, and pharmaceutical, a substance for treatment. Phytopharmaceutical comes from the Greek "phitón" = plant and "phármacon" = medication.

In humans and animals the term means functional modifications via a chemical or physical action, in the common sense of a medication or remedy.

The neologism was coined to define, in a way that is immediately comprehensible and unmistakeable, the chemical product used to treat plant diseases in agriculture.

Environment

The context in which an organisation operates. It includes water, air, human beings and their interactions, fauna, flora, natural resources and land.

Antiparasitic

from the Greek "anti" = against and "parásitos" = commensal. A substance used to combat plant parasites.

Environmental aspect

Element of activities, or products or services that can interact with the environment.

Note: a significant environmental aspect is an environmental aspect that has or can have significant environmental impact.

Environmental/Safety/Quality Audit

A systematic, continuing and documented process of verification to assess, using objective evidence, whether an environmental/safety/quality system put in place by an organisation conforms to the policies defined.

Biotechnologies

Technologies based on the manipulation of the genetic code of plants, in order to insert genes capable of improving certain characteristics (for example insect resistance).

COD (Chemical Oxygen Demand)

Quantity of oxygen needed for the oxidation of all organic and inorganic substances found in liquid refluents.

VOC

Volatile organic compounds.

Environmental Declaration

The Environmental Declaration serves to provide the public and other stakeholders with information on the organisation's environmental performance and its continual improvement of environmental performances. It is also a means by which to respond to issues of concern to interested stakeholders, considered significant by the organisation. Environmental information should be presented in a clear and coherent manner in printed form to those who have no other way of obtaining it. At the time of first registration and every three years thereafter, the organisation is required to disclose the information in an updated printed version.

EMAS

European Union Regulation 761/2001 concerning voluntary compliance with a European eco-management and audit system on the part of companies in the industrial sector.

Pheromone

A substance secreted by insects that does not act on the secreting insect but on others of the same species, on which it performs the function of a chemical messenger, influencing coupling, development, growth etc.

Phytoregulator

A synthetic organic compound, non-nutritive, which in small doses encourages, inhibits or in any case modifies determined physiological processes in plants, acting in places other than where it is applied.

Formulated products - Preparations

The commercial preparation of a crop protection product: these products may contain one or more

active ingredients and are made up of three basic components: 1) active ingredient, 2) adjuvants, 3) excipients (inert substances).

Fumigating agent

Product which, when released into environments or into the soil, will lead to the formation of fumes which are toxic for parasites where applied.

GRI Reporting Framework - Sustainability Report

The documents of the GRI Reporting Framework are the result of a process aimed at achieving consensus through dialogue among the stakeholders, the business world, investors, trade unions, civil society, accounting and auditing professionals, and the academic world. All Reporting Framework documents are subject to verification and are subject to continuous improvement.

The GRI Reporting Framework is intended as a universally accepted model for reporting on the economic, environmental, and social performance of an organisation. All organisations can use it, regardless of size, sector or country. The model includes practical considerations common to different types of organisations, from small businesses to larger ones, located in different geographical areas. The GRI Reporting Framework contains both general and sector-specific topics, considered by a wide range of stakeholders around the world and universally applicable for communicating the sustainability performance of an organisation.

Guidelines for Sustainability Reporting (hereinafter also the Guidelines) consist of Principles for defining report content and ensuring the quality of the information provided. They also include the standard information consisting of performance indicators and other measures, as well as guidance on specific technical topics on the drafting of the report.

Environmental Impact

Any change to the environment, whether adverse or beneficial, wholly or partially resulting from the environmental aspects of an organisation.

ISO 14001

The acronym ISO 14001 identifies a standard environmental management system (EMS), which sets out the requirements of an "environmental management system" of any organisation and is part of the series developed by ISO 14000 ISO/TC 207. The standard can be used for certification, for selfdeclaration, or simply as a guideline to establish, implement and improve an environmental management system. The ISO 14001 standard, in its second edition in 2004, is based explicitly on the PDCA (Plan-Do-Check-Act) model, also known as the Deming Cycle after its creator William Edwards Deming. An extensive guideline is contained in ISO 14004, which sets out the principles, systems and supporting techniques for SGAs. A more concise "user guide" is contained in the same ISO 14001:2004.

Weed - Infestation

A plant present at the same time as the crop, and with which it competes for primary resources i.e. space, nutrients, water and light.

Nematocide

Substance used to destroy harmful nematodes (unsegmented worms, plant/animal parasites).

NOx

Nitrogen oxide (mainly NO, NO2) gases are produced by combustion of fossil fuels. These gases contribute to the formation of ozone in the lower strata of the atmosphere and acid deposits.

GMC

Genetically modified organism. A crop whose characteristics are biotechnologically modified.

Parasite

Any animal or vegetable organism that lives off other organisms.

Pathogen

Biotic agent that can cause damage to agricultural crops. The term can refer to insects, fungi, bacteria or viruses.

Pesticide

From the English "pest" (harmful plant or animal) and the Latin "caed-e-re" = cut to pieces. Substance capable of destroying organisms harmful to crops.

Environmental Policy

Overall intentions and directions of an organisation related to its environmental performance as formally expressed by top management. The environmental policy provides a framework for conducting activities and for defining the environmental objectives and targets.

Phytosanitary control

The complex of structures to which the defence and protection of useful plants and their products are entrusted.

Phytosanitary products

From the Greek "phitón" = plant and from the Latin "sanus" = healthy.

Pursuant to Legislative Decree. 17/3/1995, no. 194, Art. 2 - lett. a), are active ingredients and preparations containing one or more active ingredients, present in the form in which they are supplied to users, for: 1) protecting plants or plant products from all harmful organisms, or preventing the effects of said organisms; 2) favouring or regulating the life processes of plants, (not including fertilisers); 3) conservation of plant products (excluding conserving agents subject to special regulations); 4) elimination of weed; 5) elimination of plant components and inhibition or prevention of undesired development of the same.

Corporate Social Responsibility

The voluntary addition, by companies, of social and ecological issues in their commercial operations and in their relations with concerned parties (adapted from the European definition contained in the European Commission's Green Book).

Responsible Care

Responsible Care is a global chemical industry initiative, established to monitor and improve the activities of chemical industries in terms of health,

safety and environment. Compliance with the Responsible Care programme by chemical companies is voluntary. The activities set out in the programme are coordinated by Federchimica in Italy, who publishes the results each year in an Annual Report.

SO2

Sulphur oxides are gases generated by combustion of fossil fuels containing sulphur. They contribute to acid rain.

EMS

The Environmental Management System is a formalised, structured organisational model integrated with overall company activities, which defines the responsibilities, planning activities, procedures and resources for drafting the environmental policy, implementing it and maintaining it active.

Sustainability

Guaranteeing socio-economic development that meets the needs of the present without compromising those of future generations.

Stakeholder

Person or group with a vested interest in the performance or success of an organisation, such as a company. For example: customers, proprietors/ shareholders/partners, employees, suppliers, competitors, banks, unions, local communities or public administration bodies.

TOE

Tonne of oil equivalent, a conventional unit for the measurement of energy equivalent to 10 million kcal, used to refer to any heat source on the basis of its heat generating capacity.



