

CATEGORY: ECONOMIC  
ASPECT: ECONOMIC PERFORMANCE

## DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS



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

### Defined contribution plans offered to employees

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

### Defined benefit plans offered to employees

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

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

### Long-Term Incentive Plan

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

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

– at the expense of the company:

- as of 1 July 2011, the contribution rate is set at 1.65% of the payable benefit for the calculation of the severance indemnity (TFR);
- as of 1 July 2014, the contribution rate is set at 1.85% of the payable benefit for the calculation of the severance indemnity (TFR);
- as of 1 March 2017, the contribution rate is set at 2.1% of the payable benefit for the calculation of the severance indemnity (TFR);

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

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