

**REPORT OF THE SUPERVISORY BOARD TO THE GENERAL MEETING
OF THE SHAREHOLDERS CONVENED TO APPROVE THE
ANNUAL ACCOUNTS AS AT 31 DECEMBER 2020
UNDER ART. 153, Legislative Decree 58/98 AND ART. 2429, PARA. 2, C.C.**

To the General Meeting of Reno De Medici S.p.A.

Dear Shareholders,

We begin by pointing out that the statutory audit of the accounts under art. 14 of Legislative Decree no. 39/2010 has been entrusted to the audit firm Deloitte & Touche S.p.A., which was appointed by the General Meeting of 27 April 2012 for each of the financial years included in the period 2012-2020; with the approval of the annual accounts as at 31 December 2020, the assignment entrusted to Deloitte & Touche S.p.A. will come to an end.

During the year ended 31 December 2020, we performed our supervisory activities in accordance with the provisions of the Civil Code, Articles 148 ff. of Legislative Decree no. 58 of 24 February 1998, as well as Legislative Decree no. 39/2010 as the Committee for Internal Control and Auditing, also taking into account the indications contained in the Consob Communications on corporate controls and the indications contained in the Code of Conduct as well as the principles of conduct of the Supervisory Board recommended by the National Council of Chartered Accountants.

We have monitored compliance with the law and the memorandum of association.

The Directors have provided us, at least quarterly, with adequate information on the activities performed and on the most important economic, financial and asset operations performed by the Company and its subsidiaries as well as in general on the operating performance and the events that have had the greatest impact on the determination of the result for the year.

For our part, we have verified that the actions resolved and implemented were in compliance with the law and the Company's articles of association and were not manifestly imprudent, high-risk, in conflict of interest or in breach of the resolutions passed by the General Meeting or such as to compromise the integrity of the Company's

assets. The same considerations apply to the resolutions of the General Meetings, in which we regularly participated.

We have exchanged information with the corresponding control bodies of the subsidiaries.

We did not find any irregular and/or unusual transactions with Group companies, other related parties or third parties.

In the context of our duties, we monitored the adequacy of the Company's organisational structure, the compliance with the principles of proper administration and the adequacy of the instructions given by the Company to its subsidiaries, under art. 114, paragraph 2 of Legislative Decree no. 58/98. We have no specific comments to make on this.

Specifically, with regard to the decision-making processes of the Executive Board, we ascertained, also through direct participation in Board meetings, that the resolutions adopted by the Directors were in compliance with the law and the Company's memorandum of association. In the meetings of the Executive Board, the periodic results of operations and the aspects relating to the most significant transactions were analysed and discussed in detail.

During the year, the Executive Board approved the Code of Conduct for the management of relations with the Public Administration and third parties, as well as the 2020-2021-2022 Audit Plan and the work plan prepared by the Head of Internal Audit for the year 2020.

We have monitored the adequacy and functioning of the internal control system by obtaining information from the heads of the relevant departments, examining company documents and analysing the results of the work performed by the independent auditors and the head of the Internal Audit department, as well as by attending the meetings of the Control and Risk Committee set up within the Executive Board under the Corporate Governance Code, and in this regard we have no particular observations to report.

We also exchanged information with the Supervisory Body appointed under and for the purposes of Legislative Decree no. 231/01. The Supervisory Board informed the Supervisory Board of its supervisory activities regarding the observance and functioning of the Model, its updating and its dissemination and awareness within the company. We have no specific comments to make on this.

We have also monitored the adequacy and functioning of the administrative-accounting system as well as the reliability of the latter to correctly represent operating events, by obtaining information from the managers of the competent functions, from the person in charge of the statutory audit of the accounts, as well as by examining company documents; in this regard, we have no particular observations to report.

The Chief Executive Officer and Chief Operating Officer of RDM have attested in a separate statement, with reference to the 2020 separate annual accounts: (i) the adequacy in relation to the characteristics of the company and the effective application of the administrative and accounting procedures for the preparation of the annual accounts, noting that no significant aspects have come to light; (ii) the conformity of the content of the annual accounts with the applicable international accounting standards recognised by the European Union under Regulation (EC) no. 1606/2002 and Council Regulation no. 1606/2002 of 19 July 2002; (iii) the correspondence of the annual accounts in question with the results in the books and accounting records and its suitability to provide a true and fair view of the equity, economic and financial situation of the Company; (iv) the report on operations that accompanies the annual accounts provides a reliable analysis of the Company's performance, results of operations and financial position and describes the main risks and uncertainties to which it is exposed. A similar attestation report was prepared for the consolidated annual accounts for the year 2020, with reference to the issuer and the companies included in the consolidation. As the Internal Control and Audit Committee under Article 19 of Legislative Decree no. 39/10, we have monitored the financial reporting process and the preparation of the Company's annual accounts, including by reviewing the results of the audit performed by the Head of Internal Audit on the adequacy and effective application of the internal control system adopted by the Company to ensure the reliability of the financial reporting process.

The checks performed made it possible to ascertain the overall adequacy of the internal control and risk management system in order to guarantee the reliability of the financial information for the year 2020.

As provided for in Article 16 of the Legislative Decree of 27.1.2010, no. 39, the Independent Auditors have exercised exclusive control over:

- the regular keeping of company accounts and the correct recording of management events in the accounting records;
- the correspondence of the annual accounts to the results in the accounting records and that they comply with the regulations governing them.

The Independent Auditors also verified the compliance of the non-financial consolidated statement under art. 3, paragraph 10 of Legislative Decree no. 254/16.

We held periodic meetings with the Independent Auditors, under article 150, paragraph 3, of Legislative Decree no. 58/98, and no significant data or information have come to light that should be highlighted in this report.

In the context of our oversight of the statutory audit of the annual and consolidated annual accounts, we reviewed the Group's Audit Plan to 31 December 2020, prepared by the independent auditor, which outlined the significant risks identified in relation to key areas of the annual accounts and we oversaw the effectiveness of the statutory audit process and obtained information on the overall scope and planning of the audit. We do not have any specific comments on this.

We monitored the procedures for the concrete implementation of the Corporate Governance system envisaged by the Corporate Governance Code adopted by the Company, in compliance with the recommendations of Borsa Italiana S.p.A.

In this context, having acknowledged the assessments expressed by the Executive Board and the Control and Risk Committee, the Supervisory Board verified (i) the correct application of the criteria and procedures adopted by the Executive Board to assess the existence of the requirements of honour, independence and executive status of its members and (ii) the adequacy, in relation to the needs and operations of the Company, of the size, composition and functioning of the Board and its Committees.

During the 2020 financial year, the Supervisory Board performed the so-called self-assessment of the independence of its members - which was complied with - and also performed a self-assessment of its own composition and functioning, assessing them to be adequate also in the light of the differentiation of gender, experience and skills within the Board, such as to ensure an effective functioning of the body on an ongoing basis.

We have verified compliance with the legal requirements relating to the preparation of the separate and consolidated annual accounts as at 31 December 2020 - drawn up in

accordance with the IFRS international accounting standards, issued by the IASB and approved by the European Community, applicable as at 31.12.2020 - and the report on operations, through direct checks and information obtained from the independent auditors.

With regard to the impairment assessment (the so-called "*impairment test*") under IAS 36, as expressly indicated in joint Bank of Italy/Consob/Isvap Document no. 4 of 3 March 2010, prior to approval of the draft annual accounts as at 31 December 2020, the Directors, at their meeting of 19 March 2021, approved the results of the impairment test and verified their compliance with the requirements of the relevant accounting standard. Following the results of *the impairment test*, as described in the directors' report and in the notes, the directors wrote down the investment in the subsidiary RDM Magenta S.r.l. in the separate annual accounts by Euro 4.4 million.

Also, in return for the signature of an option agreement for the sale of R.D.M. La Rochette S.A.S., indirectly controlled through the subsidiary RDM Blendecques S.A.S., certain assets relating to the company under option were written down by a total of Euro 3.7 million in order to align their carrying amount to their realisable value. In this regard, we would like to inform you that on 30.03.2021, having positively concluded the union and labour procedures, a binding contract was signed through the subsidiary RDM Blendecques S.A.S. for the sale of 100% of the share capital of R.D.M. La Rochette S.A.S.

In their report, which also incorporates the information required by Legislative Decree no. 32/2007, the Directors provide ample information on the performance of operations and the events that have characterised the financial year, illustrating the activities performed in the various geographical areas in which the Company operates.

Referring expressly to the information provided by the Directors, we first recall that the 2020 financial year was dominated by the Covid-19 emergency and the lockdown measures imposed by the competent authorities, which led to consequences of a very different nature and impact in the various sectors of the economy. As far as the RDM Group is concerned, since the products were considered essential for the food and pharmaceutical industries, the Group's paper mills were almost fully operational, with the exception of the Ovaro paper mill whose products are intended for different markets, with a limited impact on production volumes.

The main operations/events of the year include, in chronological order: the shutdown, from 7 February to 28 February 2020, of the Villa Santa Lucia plant, following the seizure, subsequently revoked, of the purification plant owned by the Cosilam consortium by the competent court; the repurchase of the last 5% stake held by Friulia S.p.A. in R.D.M. Ovaro S.p.A. and the subsequent subscription by Friulia S.p.A. of an increase in the capital of R.D.M. Ovaro S.p.A. with the consequent acquisition of a 0.99% stake; the signing, by the subsidiary RDM Barcelona Cartonboard S.A.U., of four preliminary contracts for the acquisition of 100% of the share capital of four companies under Spanish law, in the context of a transaction whose closing is expected by the end of the second quarter of 2021.

With reference to the content of the section "Significant events after the end of the year", it should be noted that on 15 February 2012 the subsidiary RDM Blendecques S.A.S. signed an option agreement for the sale of 100% of the share capital of R.D.M.. La Rochette S.A.S., and on 11 February the final sales contract was signed for the transfer of the land located in Boffalora sopra Ticino to the Vetropack Group.

In addition, in the paragraph "Perspectives", with reference to the possible impact of the COVID-19 Coronavirus, the directors point out that the current situation is still characterised by the second wave of the health emergency, whose duration and possible effects are obviously difficult to predict. As for the RDM group, they report that the good volume performance in FY2020, mainly due to product essentiality, as well as the positive volume performance in Q4 2020 at the height of the second pandemic wave, lead them to rule out negative volume effects in the first part of the year. In addition, in the report on operations and in the notes to the consolidated and separate annual accounts, the directors list and adequately describe transactions with Group companies and other related parties, highlighting their ordinary nature within the typical activities of each party involved, as well as their characteristics and amounts.

In particular, in the Directors' Report on Operations, the Directors declare that no transactions with related parties have been entered into that have materially affected the financial position or results of the Company, within the meaning of the law.

The notes to the consolidated annual accounts and the statutory annual accounts contain synoptic schedules summarising the nature and economic and financial effects of transactions with related parties, including intercompany transactions. Specifically,

these transactions represent 8.1% of sales revenues and 1.8% of consolidated revenues and are primarily commercial in nature.

On the basis of the controls performed to date on transactions with related parties, it is considered that, also on the basis of the Regulation of Transactions with Related Parties, they are inherent to the achievement of the corporate purpose, in line with market practice and do not appear to be contrary to the interests of the Company.

The Directors' Report contains the specific section on Corporate Governance and Ownership Structure, drawn up under art. 123-bis of Legislative Decree no. 58/98. In this regard, the trustees have no issues to bring to your attention.

On 19 March 2021, the Directors also approved, on the recommendation of the Compensation Committee, the Report on Compensation Policy and Compensation Paid under Article 123-ter of Legislative Decree no. 58/98 and article 84-quater of Consob Regulation no. 11971/1999. This Report consists of two sections, prepared in accordance with Annex 3A, Schedule 7-bis of the Issuers' Regulations.

The first section sets out the principles and purpose of the remuneration policy to be adopted in the financial year 2021 and the procedures relating to the adoption and implementation of that policy and is subject to the binding resolution of the General Meeting of Shareholders convened for 29 April 2021 (30 April on second call, if any) to approve the annual accounts for the year ended 31 December 2020.

The second section describes in detail, also in tabular form, the final balance of the policy implemented in the 2020 financial year with reference to Directors, Statutory Auditors and Executives with Strategic Responsibilities, as well as the equity investments in the Company held by them. In this regard, it should be noted that no additional key management personnel, other than the Company's Chief Executive Officer, the Group's Chief Financial Officer, the Group's Chief HR Officer and the Group's Chief Strategy Officer, have been identified in FY2020.

We have monitored the audit of the statutory and consolidated annual accounts performed by the audit firm Deloitte & Touche S.p.A.

On 7 April 2021, Deloitte & Touche S.p.A issued the Reports on the Consolidated annual accounts and the annual accounts for the year ended 31 December 2020, under Article 14 of Legislative Decree no. 39/10 and Article 10 of EU Regulation 537/2014, both without qualification, from our review of which we noted that:

- in the opinion of the Independent Auditors, the annual accounts give a true and fair view of the financial position of the Company and the Group as at 31.12.2020, and of the results of their operations and their cash flows in accordance with International Financial Reporting Standards as adopted by the European Union and with the measures issued to implement art. 9 of Legislative Decree no. 9 of Legislative Decree no. 38/05;
- the Independent Auditors have certified the consistency of the Report on Operations and of certain specific information contained in the Report on Corporate Governance and Ownership Structure with the statutory and consolidated annual accounts, as well as their compliance with legal requirements. With reference to the possible identification of significant errors, the Independent Auditors declared that they have nothing to report.

In these reports, Deloitte & Touche S.p.A. set out the following key audit aspects:

Consolidated annual accounts

Recoverability of the values of the tangible fixed assets of the RDM La Rochette SAS CGU, highlighting the impairment test, carried out using the fair value method minus sales costs, on the basis of the share purchase agreement signed on February 16, 2021 and approved by the Board of Directors, the Group recognized a loss in value of tangible fixed assets of Euro 3.7 million.

Separate annual accounts

- Recoverability of the value of the investment in RDM Magenta S.r.l., noting that at the end of the impairment test, performed using the value in use and approved by the Executive Board, an impairment loss of Euro 4.4 million was recognised.

In addition, the Report on the Consolidated annual accounts contains the Declaration under Article 4 of the Consob Regulations implementing Legislative Decree no. 254/2016, relating to the Directors' approval of the Consolidated Non-Financial Statement as at 31.12.2020.

In addition, the Independent Auditors, also on 7 April 2021, sent us, as the Audit Committee, the "Additional Report" under Article 11 of EU Regulation no. 537/2014.

In the above Report, the Independent Auditors confirmed that, in the normal course of their work, no defects were found in the internal control system in relation to the

financial reporting process such as to merit bringing to the attention of the Audit Committee.

In addition to the key issues noted in the audit reports above, the auditors indicated the following issues that they consider to be significant that arose during the course of the audit:

- impairment test prepared by the Directors on goodwill equal to 4.4 million euros recorded in the consolidated financial statements on the Pac Service CGU;
- impairment test of the values of intangible fixed assets with an indefinite useful life «water rights» equal to 2.7 million euro recorded in the consolidated financial statements;
- capitalized costs relating to the new Microsoft Dynamix ERP and related portion reclassified in the "software" corresponding to Go Live in the company RDM Ovaro S.p.A.

With regard to the cases reported above, the auditors pointed out that no revision differences were found.

Under Article 11 of EU Regulation no. 537/2014 and Article 19, paragraph 1, letter a) of Legislative Decree no. 39/2010, we will transmit to the Directors the Supplementary Report, together with the results of the audit performed by Deloitte & Touche S.p.A.

As required by art. 19 of Legislative Decree no. 39/10, in our capacity as the Internal Control and Audit Committee, we monitored the independence of the independent auditors, particularly with regard to the provision of non-audit services.

We have received from Deloitte & Touche, under art. 6 paragraph 2) letter a) of the European Regulation 537/2014 and the requirements of paragraph 17 letter a) of the auditing standard ISA Italia 260, the confirmation that, during the period from 1 January 2020 to the date of the communication (7 April 2021), the Independent Auditors complied with the principles on ethics set out in articles 9 and 9-bis of Legislative Decree no.39/2010 and has not found any situations that would compromise its independence under Articles 10 and 17 of Legislative Decree no. 39/2010 and Articles 4 and 5 of European Regulation 537/2014.

The Auditor has also confirmed, in accordance with paragraph 17(b) of ISA Italy 260, that no relationships or other matters with the Company were found to have a

reasonable effect on independence and that it has complied with the requirements of Article 6(2)(b) of European Regulation 537/2014.

With regard to the total amount of fees charged to the Company and its subsidiaries in the period from 1 January 2020 to 31 December 2020 for audit and non-audit services rendered by Deloitte S.p.A. and entities belonging to its network, the Independent Auditors refer to the schedule of fees contained in the annual accounts under Article 149-duodecies of the Issuers' Regulations.

Following the checks performed, the Supervisory Board considers it can confirm the independence of the Independent Auditors.

In accordance with Legislative Decree no. 254/2016, the Company prepared, in a separate report, the Consolidated Non-Financial Statement (hereinafter DNF), indicating it in the Report on Operations and indicating the section of the Group's website where it is published, under Article 5 paragraph 3 letter b) of the above decree.

In this regard, the role of the control function assigned to the Supervisory Board is to monitor compliance with the provisions of the Decree, within the scope of the powers institutionally assigned to it by law, with the obligation to report to the General Meeting in the annual report.

Through specific meetings with the competent function of the Group, we therefore monitored the progress of the activities aimed at preparing the DNF in order to verify compliance with the requirements of the specific regulations and the adequate planning of the activities necessary to meet the relative obligations. On the same subject, we met with the audit firm Deloitte & Touche S.p.A., appointed to perform the DNF's *limited assurance engagement* for the year ending 31 December 2020.

It should also be noted that on 7 April 2021 the Independent Auditors sent us their Report under Article 3, paragraph 10, of Legislative Decree no.254/2016 and article 5 of Consob Regulation no. 20267 on DNF approved by the Executive Board on 19 March 2021, from our review we found that, based on the work performed, no elements have come to light to the knowledge of the same that would suggest that the Reno De Medici Group's DNF relating to the year ended 31 December 2020 is not prepared, in all significant aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

In consideration of the above, the Supervisory Board, in performing the functions assigned to it, acknowledges that it has monitored compliance with the provisions contained in the Legislative Decree of 30 December 2016, No. 254, with particular reference to the preparation process and the content of the Non-Financial Statement prepared by the Company and that it has no comments to make.

In the course of the supervisory activity performed and also on the basis of the information obtained from the Independent Auditors, no omissions and/or censurable facts and/or irregularities or in any case significant facts were found that would require reporting to the supervisory bodies or mention in this report.

The supervisory activity described above was performed on the occasion of Board meetings, through participation in the meetings of the Executive Board and its internal committees, as well as through the exchange of information with the Supervisory Board under Legislative Decree no. 231/2001, having also consulted the Head of the Internal Audit Department. In particular, we report the following:

- the Control and Risk Committee established under the Self-Regulatory Code, in its half-yearly reports on the activities performed in 2020, noted that:
 - i) the adequacy of the internal control and risk management system with respect to the characteristics of the company. the Company has, in fact, adopted suitable controls with respect to the areas of risk identified in order to make the appropriate adjustments to its Governance and Organisational structure, paying attention to corporate changes;
 - ii) substantive compliance with the procedures and protocols adopted or the adoption of compliant behaviours, except for some irregularities for which corrective actions have been identified;
 - iii) the process of adaptation, by the individual company departments involved from time to time, to the suggestions and implementation of the intervention actions indicated, following the verification operations performed by Internal Audit.
- the Supervisory Body appointed under and for the purposes of Legislative Decree no. 231/01, concluded its annual report on 2020 by noting that, based on the information available, there were no breaches of the Model.

- in his annual report, the Head of the Internal Audit Function, established in accordance with the Corporate Governance Code, expressed a positive opinion on the current control and risk management system, evaluating it as overall adequate, operational and compliant with international *best practices* and able to mitigate and prevent risks that may hinder and/or have significant effects on *financial reporting* objectives. Finally, the Head of Internal Auditing highlighted that the Management responded proactively to the critical issues and/or defects that have come to light, implementing, on the whole, appropriate, effective and timely corrective actions.

The Supervisory Board has not received any complaints under art. 2408 of the Civil Code or complaints from third parties, nor has the Supervisory Board had the power to convene the Executive Board or the General Meeting.

During the year, the Supervisory Board expressed a favourable opinion, under art. 2389, paragraph 3, of the Civil Code to the determination of the Chief Executive Officer's remuneration.

In addition, in view of the expiration, with the approval of the annual accounts at 31 December 2020, of the nine-year statutory audit assignment (annual accounts at 31 December 2020), the process of selecting candidates for the role of Group's sole auditor for the following nine-year period was completed in 2020, under the responsibility and supervision of the Supervisory Board as the Audit Committee. The General Meeting of December 14, 2020 therefore appointed PricewaterhouseCoopers S.p.A. as the independent auditors for the nine-year period 2021-2029, based on the choice made by the Supervisory Board, as summarised in the recommendation of November 9, 2020 prepared in accordance with current regulations, to which reference should be made.

During the year, 7 meetings of the Executive Board, 2 meetings of the Remuneration Committee, 5 meetings of the Control and Risk Committee, 2 meetings of the Related Parties Committee and 1 meeting of the Appointments Committee were held with the participation of the Supervisory Board. In 2020, the Supervisory Board met 22 times, with an average duration of 2 hours and 30 minutes.

On the basis of the above, as well as in consideration of the content of the report prepared by the independent auditors on the annual accounts (as well as on the consolidated annual accounts) and having acknowledged the certifications issued jointly by the Chief Executive Officer and the Manager responsible for preparing the

company's financial reports, the Supervisory Board, to the extent of its competence, has no objections to the approval of the annual accounts as at 31 December 2020, nor to the proposal for the allocation of the result for the year formulated by the Executive Board, which also envisages the distribution of dividends.

Finally, the mandate granted to the Supervisory Board by the General Meeting of April 30, 2018 expires with the General Meeting called to approve the annual accounts as of 31 December 2020. The Supervisory Board therefore invites the Shareholders to make the necessary decisions for the reappointment of the Supervisory Board.

Milan, 07 April 2021

SUPERVISORY BOARD

Signed Giancarlo Russo Corvace (Chairman)

Signed Giovanni Maria Conti

Signed Tiziana Masolini