2003-2023

Italchimica

Green Change Matters

SUSTAINABILITY REPORT 2022

Green Change Matters

SUSTAINABILITY REPORT 2022

Letter to **stakeholders**

It is with great pleasure that I present this fourth edition of Italchimica's Sustainability Report, prepared according to the international Global Reporting Initiative (GRI) standards: a measurement of sustainability indices without which we would have neither a real and concrete vision of our performance, nor a compass to guide our future actions.

In fact, we firmly believe that our business must incorporate all aspects of sustainability, from social to environmental, to correct governance, in order to be competitive in our markets and an influential player, even in the long term. It is, after all, a paradigm shift in the economic system, which is now established in developed countries: it is no longer possible to conceive a business regardless of its impact, either in terms of the organisation as a whole, or in terms of the products or services it offers on the market.

Italchimica knows this and today, more than ever, proves itself receptive to its stakeholders' requests, topics and concerns.

And it does so in the pursuit of an ongoing dialogue and active engagement on the topics of greatest interest. These include direct greenhouse gas emissions, where Italchimica is increasingly committed to using energy from renewable sources and setting new targets with the help of data from studies on the CO_2 footprint. Or the topics related to energy consumption, where Italchimica has responded with the choice of expanding to renewables, or the major topic of plastics, on which our company has made a strong commitment, formulating products completely free from microplastics, as well as having invested in technologies for the creation of packaging mainly made of cellulose.

For these and other actions, please have a look at the report, which clearly presents not only what has been done, but also the improvement targets Italchimica has set for itself.

2023 is the year of an important milestone, it is the 20th anniversary since Italchimica was founded, which I believe is the result of the strength of a group of people who want to tell a success story and leave a mark for future generations. Alongside our 20th century celebrations there is another milestone I wish to mention, a cultural one: we have, as an organisation, learned to listen more closely to our stakeholders, whom I like to call, more simply, people who share the same destiny on the same planet.
I see in our chemistry a *driver* for improving the lives of all of us and our planet and this report also addresses this.

Enjoy reading this edition

Alessandro Fioretto
Italchimica CEO

“ **Sustainability**
for change,
Responsibility
as a value choice,
innovation
as a vocation. ”

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Methodological note

The Sustainability Report 2022 was written “in accordance” with the Global Reporting Initiative's GRI Sustainability Reporting Standards (or more simply, GRI Standards), updated to 2023. These Standards, to date, are among the most widespread and internationally recognised standards for non-financial reporting. In order to facilitate the reader’s search for information, the last chapter in this document contains the GRI Content Index where the GRI indicators associated with each material topic can be found.

Applied reporting standards

This Non-Financial Statement, published annually, is Italchimica's fourth Sustainability Report. The document contains information on environmental, social and economic topics that is useful to ensure an understanding of the activities carried out and their impact, as well as the company's performance, results and strategies.

The Sustainability Report 2022 was written "in accordance" with the Global Reporting Initiative's GRI Sustainability Reporting Standards (or more simply, GRI Standards), updated to 2023. These Standards, to date, are among the most widespread and internationally recognised standards for non-financial reporting. In order to facilitate the reader's search for information, the last chapter in this document contains the GRI Content Index where the GRI indicators associated with each material topic can be found.

The Statement is based on materiality, an element provided for by industry regulations and which portrays the GRI Standards: the topics covered in the document are those that, following a materiality analysis and assessment, described in this document in the relative chapter, have been considered relevant insofar as they can reflect the social and environmental impacts of the company's activities or influence the decisions of its stakeholders.

Reporting Year, Scope and Principles

The Document reports on Italchimica Srl's impacts, goals and strategies during the 2022 calendar year (time interval between 1st January 2022 and 31st December 2022).

The reporting scope covers the company's manufacturing and administrative headquarters based in Padua, Riviera Maestri del Lavoro 10, as well as the logistics hub located in Padua, Corso Spagna 2.

The previous edition of the document generated extremely positive feedback and made it possible to establish an increasingly open and constructive dialogue with all stakeholders, improving the sense of belonging to a company whose pillars include the considerable value of corporate social responsibility.

This edition has further evolved according to the new principles of Integrated Reporting laid down by the updated GRI Standards and with renewed awareness of the goals of the UN 2030 Agenda that Italchimica has decided to pursue with commitment and perseverance for some years now. The ultimate goal of this Report is to continue to cultivate shared value with all the people affected by our business, such as employees, customers, material suppliers and our community. We feel the responsibility to be a positive example, through our actions, but above all through communication, dialogue and co-operation of choices.

Reporting and preparation of the Report took the following principles into account:

- Transparency, a fundamental principle for Italchimica. The document provides the main impacts of the company with the aim of ensuring a clear and balanced disclosure, equally reporting positive and negative results, if any.
- Relevance of the topics covered. The document prioritises topics related to the activities of greatest significance for the company and its stakeholders.
- Contextualisation: the reporting of results is carried out taking into account the socio-economic context in which the company operates and the topics of greatest relevance to the sector.
- Comparability: the comparison of the data, where possible, refers to the previous two years. In order to ensure reliability of the data, the use of estimates was limited where possible and, if any, are appropriately referred to as such.
- Accuracy: in order to ensure the consistency of the reported data, surveys were carried out, limiting the use of estimates as much as possible. Where necessary, these are duly noted in the document and are based on the best calculation methodologies currently available.

The data and information reported have been collected with the involvement of all corporate functions concerned, through the creation of an extended and transversal Sustainability Team, coordinated and supervised by the Sustainability Unit. External assurance is not foreseen for this year of reporting.

For any information on the Sustainability Report 2022, please contact **greenchangematters@italchimica.it**.


my moment
DERMO med
SANITEC
IGIENE SICURA
Matrix
PROFESSIONAL
Dual power
DOMINA
il pulito professionale
BAK TERIO

01

Corporate identity

Italchimica is an all-Italian company based in Padua specialised in the production and distribution of detergents, cosmetics and disinfectants in the professional and consumer sectors at an international level, with a consolidated presence in 55 foreign countries in Europe and around the globe.

Thanks to the constant commitment and passion at every level of the company, Italchimica has consolidated double-digit growth in turnover, has brought in a staff of almost 200 employees, and established itself as an important local business in terms of production and employment.

SANITEC IS FOUNDED

2001

Italchimica

2003

ITALCHIMICA IS FOUNDED

my moment DERMO med

Dual Power

2007

THE CONSUMER DIVISION IS SET UP

2010

NEW HEADQUARTERS

2013

THE PROFESSIONAL DIVISION IS EXPANDED

2018

THE CONSUMER DIVISION IS EXPANDED

Green Change Matters

2020

SUSTAINABILITY PROGRAMME

2023

THE REFILL BOX IS LAUNCHED

HAND SOAP CREAM WITH PACKAGING MAINLY MADE OF CELLULOSE

20

2003-2023

Our **background**

The story begins in 2001 when the Fioretto family founded Italchimica with the Sanitec brand in the field of professional cleaning.

At the beginning, the three brothers were the owners and the only workforce of the company. In turn, they mixed, packed and shipped the products, prepared transport documents and managed invoicing practices. Thanks to their determination, courage and perseverance, and as a result of major insights capable of innovating products and gaining increasingly larger market shares, the company developed in terms of both staff and space.

High quality standards and an advanced degree of automation and innovation have always been the secret of Italchimica's success.

In recent years, the company has grown rapidly and not only opened itself up to the professional market, but also to the large-scale retail trade market with dedicated brands such as Dual Power and Dermomed. In recent years, Italchimica has devised innovative and intelligent washing systems, bringing attention once again to the future of professional cleaning.

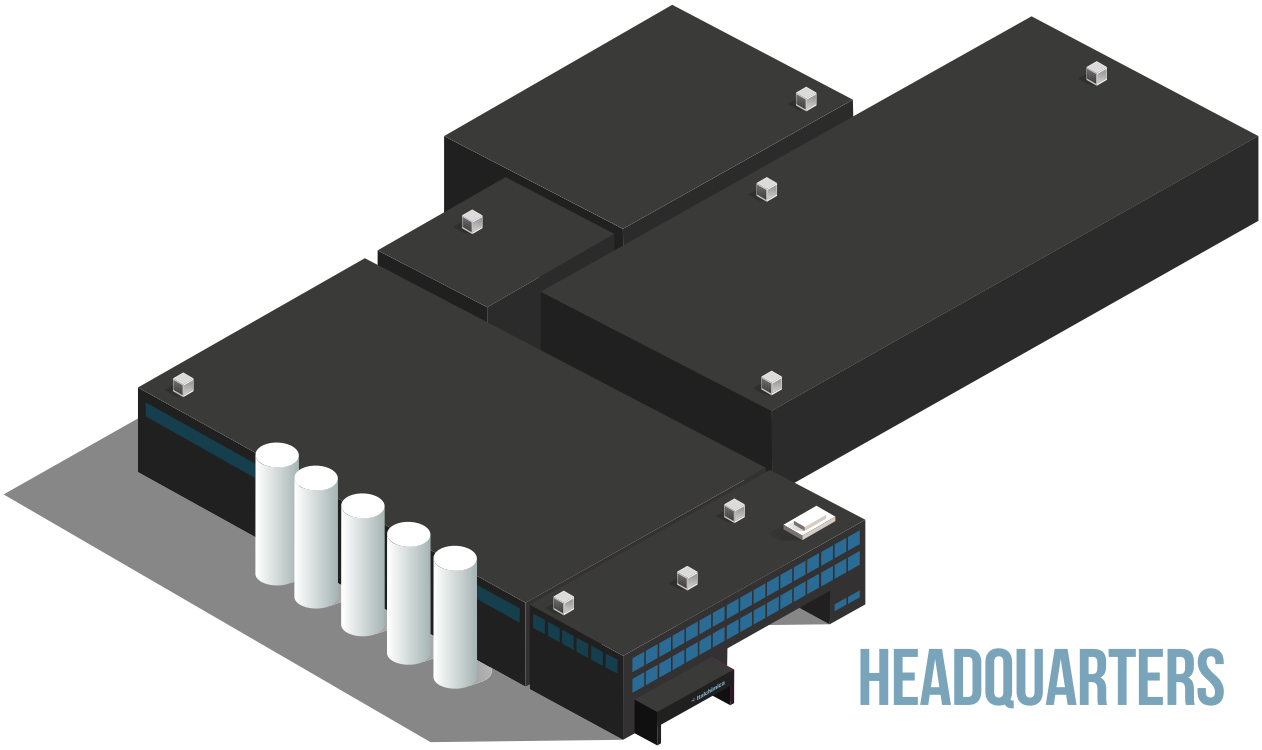
Italchimica sites

Italchimica operates in two separate locations which are both located in Padua's industrial area. The Headquarters, located in Riviera Maestri del Lavoro, include the legal administrative offices and manufacturing plant, whereas the logistics hub is in Corso Spagna.

25,000
SQM TOTAL AREA
OF OPERATIONAL HEADQUARTERS

210
EMPLOYEES

15
DEPARTMENTS



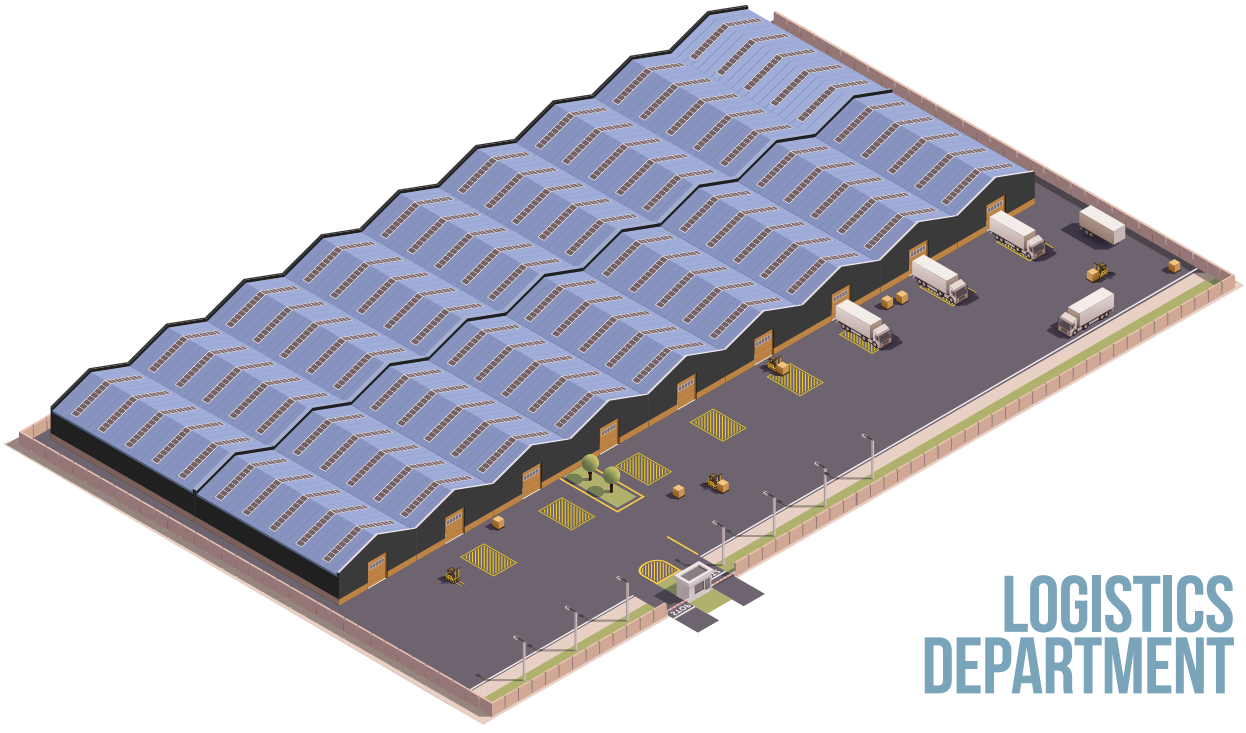
HEADQUARTERS

The main facility covers an area of 25,000 sqm and consists of an office building and a manufacturing plant where In-bound logistics processes are also managed, i.e. raw materials procurement and storage ones. Products are implemented and fully managed in-house - from designing through to manufacturing bottles and formulations, up to filling and shipping.
Italchimica's 20,000 sqm logistics hub manages Out-bound logistics, namely finished product storage and distribution for both corporate divisions. The logistics hub is active 24/7 and has a current capacity of 20,000 pallet spaces.

20,000
SQM TOTAL AREA OF THE LOGISTICS HUB

20,000
PALLET SPACES

30
LOADING/UNLOADING BAYS



LOGISTICS DEPARTMENT

Nunzio Fioretto

Honorary chairman &
Executive and strategic
director

BOARD OF DIRECTORS

Alessandro Fioretto

CEO, Managing Director

- ADMINISTRATION AND FINANCE
- MANAGEMENT CONTROL
- LEGAL BUSINESS
- HUMAN RESOURCES
- MARKETING AND COMMUNICATION
- INFORMATION TECHNOLOGY

Fabrizio Fioretto

Sales networks Managing
Director

- PROFESSIONAL SALES
  - ITALY
  - ABROAD
  - TECHNICAL ASSISTANCE
- CONSUMER SALES
  - ITALY
  - ABROAD

Marco Fioretto

R&D, Safety, Operations
Managing Director

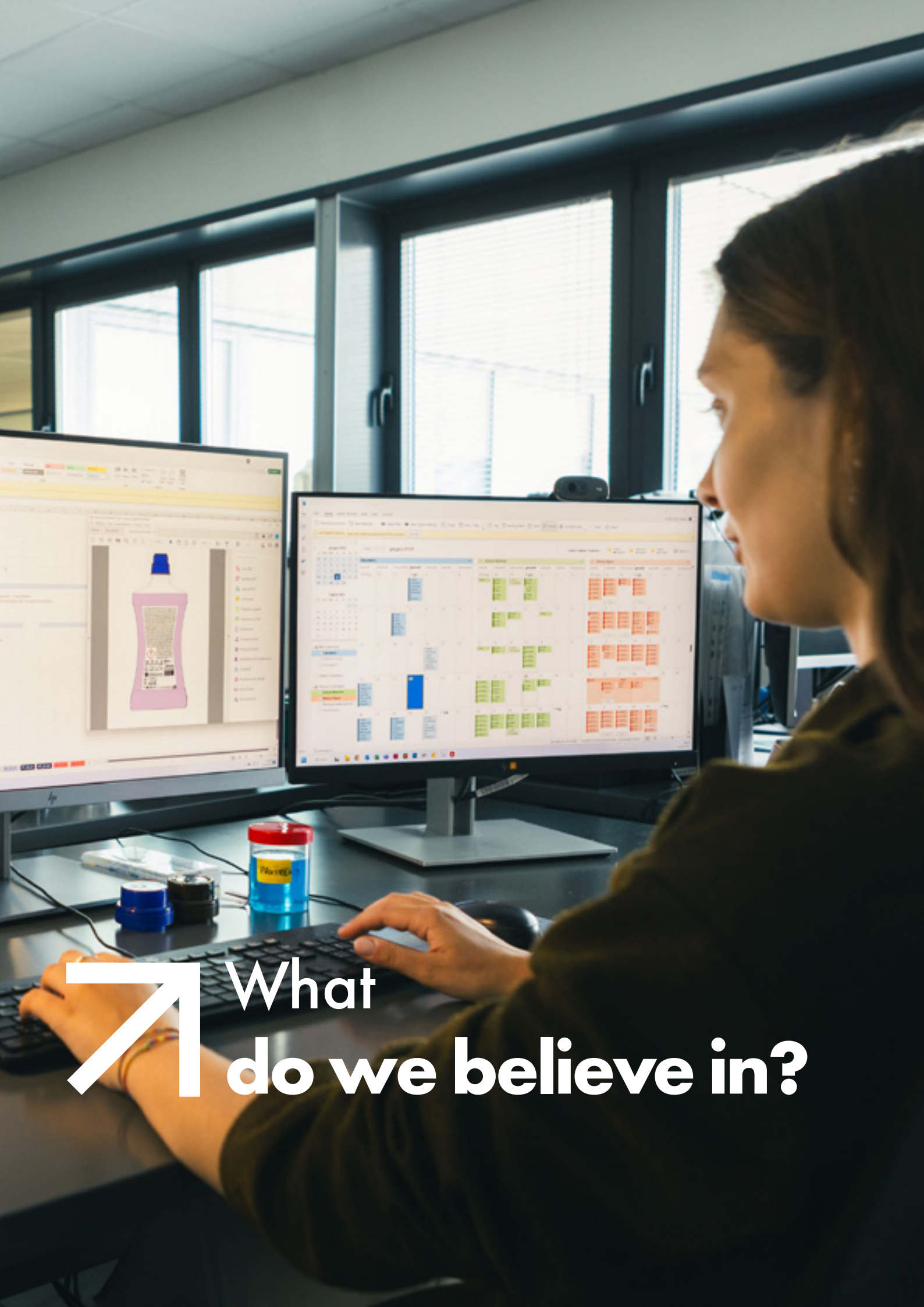
- RESEARCH AND DEVELOPMENT
- PROCUREMENT
- PLANNING AND PRODUCTION
- QHSE
- LOGISTICS AND SHIPPING

Governance

Italchimica is the manufacturing company of the NFH holding group, owned by the Fioretto family. In legal terms, the holding structure is a single-member limited liability company. The type of governance structure adopted is traditional. The board of directors devises strategies, sets economic and organisational goals and defines the company's investment policy.

At Italchimica, the sound family governance is effectively supported by the company's management, who the owners share growth and development strategies with, and entrust the planning of medium- and long-term actions to, aimed at keeping up the company's growth as an innovative player in the industry. This approach, essentially the stability of a family business combined with the proactivity of an involved management, results in the creation of value in both the short and long term. The conduct of all company staff is then governed by an integrated organisation and management model that includes the following fields of competence: quality, safety, environment and administrative responsibility. Ad-hoc training is regularly carried out on issues pertaining to the integrated organisation and management model for all employees and any staff working within the company or for the company. A Supervisory Body consisting of three members, one of whom is always external to the company staff and has the role of Chairman, is in charge of checking compliance with the procedures required by the Model. This Body has independent initiative and control powers and is responsible for supervising the Organisation, management and control model for proper functioning and compliance, pursuant to Italian Legislative Decree 231/2001, as well as updating it.

All employees and stakeholders can contact the Supervisory Body for specific requests, or to report incorrect behaviour or any conduct that is not in line with the corporate culture by people involved in the company. This tool guarantees intra-company transparency and fosters the development of adequate, timely solutions.



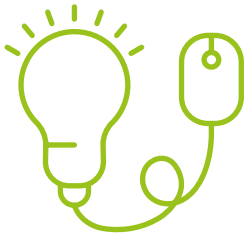
What do we believe in?

In
Transparency

We are transparent in the way we communicate about how we operate, our formulas and claims, and our development goals.

In
Speed

We work with an innovative drive, rigour and professionalism in order to promptly meet our customers', partners' and community needs.



In
Creation

We are inquisitive and open to change, we can accomplish great things. Professionalism, technical expertise and an innovative flair, to progress and innovate, always flexible and adaptable.

Manufacturing process and product quality

By leveraging a strong investment policy that has been implemented in its various key departments in recent years, Italchimica manages the whole product creation and production chain, from blow moulding bottles, through to mixing products up to shipment, in-house.

All company departments are coordinated through the ERP SAP HANA management system, thus optimising production and operations management in all facilities.

Italchimica's results are evidence of the long work that we have been carrying out to date, in keeping with high quality standards and in full compliance with relevant regulations. During the various manufacturing stages, Italchimica makes use of specific control systems in order to guarantee high quality levels of the finished products, in terms of reproducibility, completeness and accuracy.

F.I.F.O.

Italchimica adopts the F.I.F.O. (First In First Out) and F.E.F.O. (First Expired First Out) management systems, which are inventory handling methods in which the first or oldest stock, or the first to expire, is the first to be shipped out/used. This management prevents stock from becoming obsolete.

HOLESS

During the bottle manufacturing process, an automatic system checks for defects on the bottle surface by blowing air. This guarantees the automatic rejection of the bottle if faulty.

HEDOSY

Automatic dosing system of raw materials into IBCs, creating a closed system between raw material storage and the mixer. This system is used to most accurately dose raw materials with a high chemical risk, guaranteeing a maximum error margin of 50 g on 25,000 kg productions.

CTRL EYES

This system, based on a digital image capturing tool during the filling stages, checks whether the aesthetic and quality characteristics of the product are complied with: presence and positioning of information on labels and packaging.

Product
creation chain

1 Information technology

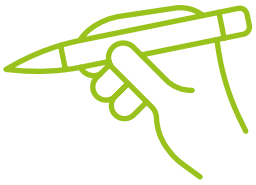
All company departments are coordinated through the ERP SAP HANA management system, thus optimising production and operations management in all facilities.

2 Research, Development and Regulatory Affairs

In the Research and Development (R&D) department, a team of experts in Quality, Formulation, Regulatory Affairs and Sustainability studies and creates the most advanced formulas.

3 Marketing & Sales

The Marketing department and the Sales department manage the needs and wishes of the customer, working out better and innovative solutions to satisfy them and ensure that the product has all the necessary features to be successful.



4 Graphics and Communication

The Communication department is responsible for devising creative visual concepts, developing graphic layouts and product contents which are to be communicated externally.

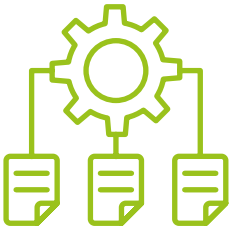
5 Raw materials purchase and management

Once approved by the R&D department and purchased by the Purchasing department, the raw materials arrive at the warehouse where they are properly stored and sent for processing and mixing to produce the formulas.

Production planning and development

6

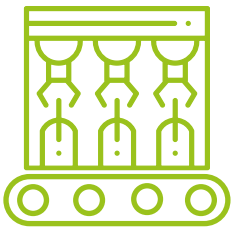
The Production department plans, monitors and coordinates production activities with a view to optimising the human, economic and technological resources involved.



Blow moulding

7

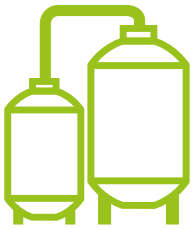
The Blow Moulding department is responsible for the production of the different bottle formats. Different extrusion and stretching process techniques enable the moulding of recycled HDPE and PET plastic containers.



Mixing

8

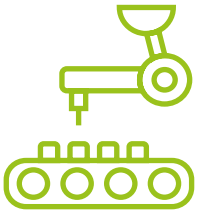
The Mixing department handles the input from planning by preparing the mixtures and managing the process documentation.



Filling and packaging

9

The resulting formulas are sent to the Filling and Packaging department where they are transferred into different packaging formats.



Quality Control

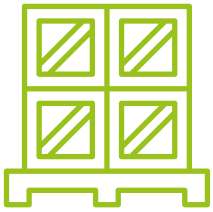
10

Quality Control of the entire process identifies and monitors the quality standards of the products.

Finished product management and Logistics

11

Finished and packaged products are sent to the warehouse. The Logistics department is responsible for the storage of goods and their transport through the distribution network.



Our **brand** portfolio

With its innovative spirit and creative flair, Italchimica manufactures and sells effective, safe and sustainable detergents and cosmetics for the professional and consumer market, building transparent and trustworthy relationships with all its stakeholders, in Italy and in 55 countries worldwide.

PROFESSIONAL LINE

SANITEC IGIENE SICURA

DOMINA il pulito professionale

Matrix PROFESSIONAL

CONSUMER LINE

my moment DERMO med

Dual power

BAK TERIO

TRADE ASSOCIATIONS

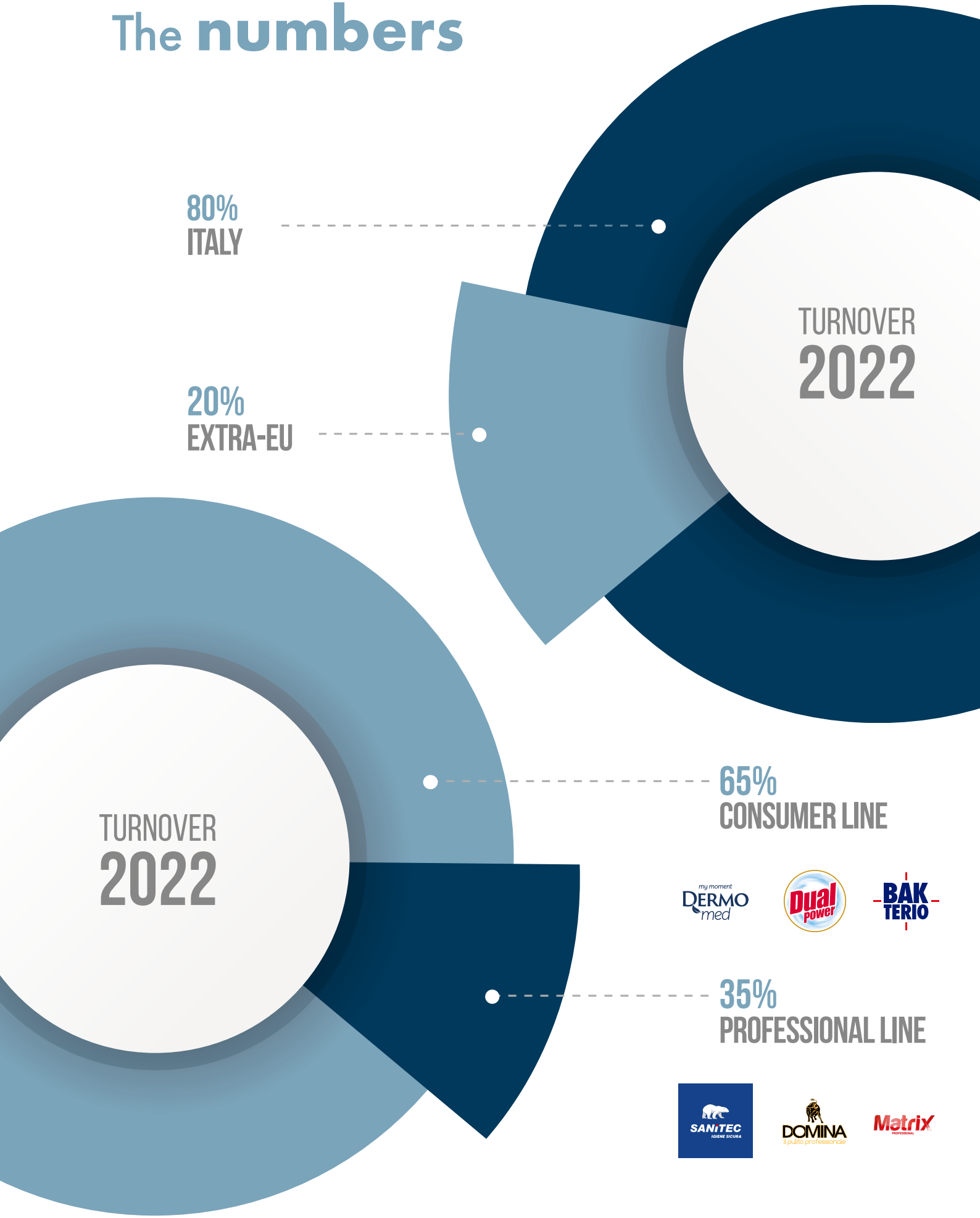
With a view to being always updated and contributing to developments in the cleaning sector, Italchimica co-operates and benefits from the consulting services of various trade associations by actively taking part in specific working groups.

SYSTEM CERTIFICATIONS

PRODUCT CERTIFICATIONS

By continuously improving our formulas and by focusing on creating highly sustainable products, we have received several important product certifications.

The numbers

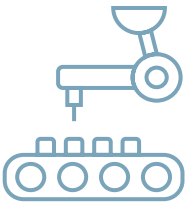

80%
ITALY
20%
EXTRA-EU
TURNOVER
2022
65%
CONSUMER LINE
35%
PROFESSIONAL LINE
TURNOVER
2022

71 MILLIONS
CORPORATE TURNOVER 2022

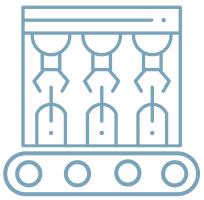
6 BRANDS
OWNED

55 COUNTRIES
TO WHICH WE EXPORT
(90% - EU)

OVER 1600
SKUS SOLD



10
PACKAGING PRODUCTION LINES



13
IN-HOUSE BOTTLE
MANUFACTURING PLANTS

1,150,000 kg
STORAGE CAPACITY FOR RAW
MATERIALS AND COMPONENTS

92,000
PALLETS/YEAR


Italchimica

02

Dialogue with **stakeholders**

In order to share and strengthen its sustainable development strategy, objectives and results, Italchimica maintains an ongoing dialogue with all its stakeholders, i.e. all the people who have an interest in and interact with the company, internally and externally.

Sharing

Sharing is a key element of the company's approach to sustainability. That is why we are engaged in a series of initiatives to promote involvement in the topics on which the company strategy is based. This open exchange provides a basis for mutual understanding and an opportunity to foster acceptance of our business decisions. At the same time, the dialogue is a source of new ideas and makes an important contribution to our innovation management, risk management and forms the basis for the further development of our sustainability and reporting strategy.

Listening to our stakeholders seeks to identify and strategically measure their interests. **Dialogue** is essential in pursuing the strategy and actions that the company implements.

By understanding specific needs and priorities, Italchimica can manage the occurrence of potential critical issues beforehand and refine its actions in response to stakeholder interests. Identifying them and organising the most effective channels by constantly monitoring expectations, needs and opinions is the starting point for an effective engagement process.
In fact, Italchimica is aware that the exchange of ideas constitutes mutual opportunities for growth and improvement. Particularly pivotal for coming years will be the company's commitment to redesigning new ways for dialogue. This will allow interaction with the community with an increasingly innovative and*digital* approach. We strive for communication tools to continuously evolve to ensure their ability to adapt to different needs and contexts and to preserve lasting relationships.

→
The table below shows the map of stakeholders together with their expectations

STAKEHOLDERS	INTERACTION CHANNELS	STAKEHOLDER EXPECTATIONS
EMPLOYEES, AFFILIATED COMPANIES AND AGENTS	Constant dialogue with the Human Resources department	Information on company strategies and results
	Annual meetings to set personal goals, discuss growth and performance evaluation	Clarity of objectives and incentive programmes
	Meetings with company staff to share results and future objectives	Professional training and development
	Meetings to raise awareness and inform on topics of sustainability, inclusion and well-being	Safe and stimulating work environment
	Induction programmes for new employees	Equal opportunities. Diversity and inclusion
	Corporate social media and newsletters	Involvement in company life and projects
	Training meetings and online courses	Promotion of well-being, health and safety
SUPPLIERS, FINANCING ENTITIES AND BANKS	Daily reports	Continuity of supply
	Institutional meetings	Compliance with contractual terms
	Specific workshops	Involvement in setting supply standards, including social and environmental criteria, and timely communication of new requirements
	Definition and sharing standards	Co-operation and support in dealing with any production problems
	Social media and newsletters	
CUSTOMERS AND END CONSUMERS	Direct and ongoing relationship with sales staff	Product quality, safety and durability
	Customer service	Products made with respect for the environment, people and animals
	Interactions via telephone, mail, e-mail, social media	Continuous monitoring and improvement of service levels during and after sales
	Qualitative and quantitative market research	Style, uniqueness, innovation and completeness of the offer
	Systematic collection and analysis of customer feedback	Competent, professional and empathetic sales staff
		Personalised purchasing and interaction experiences
		Product quality and innovation
		Safety and transparency regarding sustainable aspects along the supply chain
		Brand reputation

Stakeholder mapping

Stakeholder mapping is defined as a series of activities aimed at identifying the categories of stakeholders that are most significant to an organisation, at a given time and with respect to one or more topics of specific interest. For this purpose, a map was created via a specific evaluation questionnaire. This made it possible to highlight the categories of **significant stakeholders** and priorities were assigned based on their importance for the company in terms of dependence, responsibility, influence, outlook diversity.

In preparing the Sustainability Report, Italchimica used an approach consistent with that of previous years. First, an assessment of the mapping of its stakeholders was carried out. Next, a targeted engagement process on corporate sustainability topics and objectives was implemented and a Materiality Analysis was performed to identify which topics to communicate through the report. This allowed us to highlight the main impacts of the company's activities and to confirm our strategy of sustainability and value creation over time.

Sustainability for our **stakeholders**

The involvement through the specific interaction channels allowed for a greater awareness of the level of knowledge and solidarity towards sustainability and its topics.

In this sense, one of the goals of the *Green Change Matters* corporate sustainability programme is to measure the degree of awareness of environmental and social topics among our stakeholders and to organise targeted information and growth meetings for the creation and sharing of conscious shared value throughout the production chain.

During the meetings, an internal (internal stakeholders) and external (external stakeholders) survey on the degree of knowledge of sustainability topics was conducted.

The analysis confirmed the extent to which sustainable business models and philosophies are now sought after and accepted, thus showing an ongoing change in values and market.

Employees

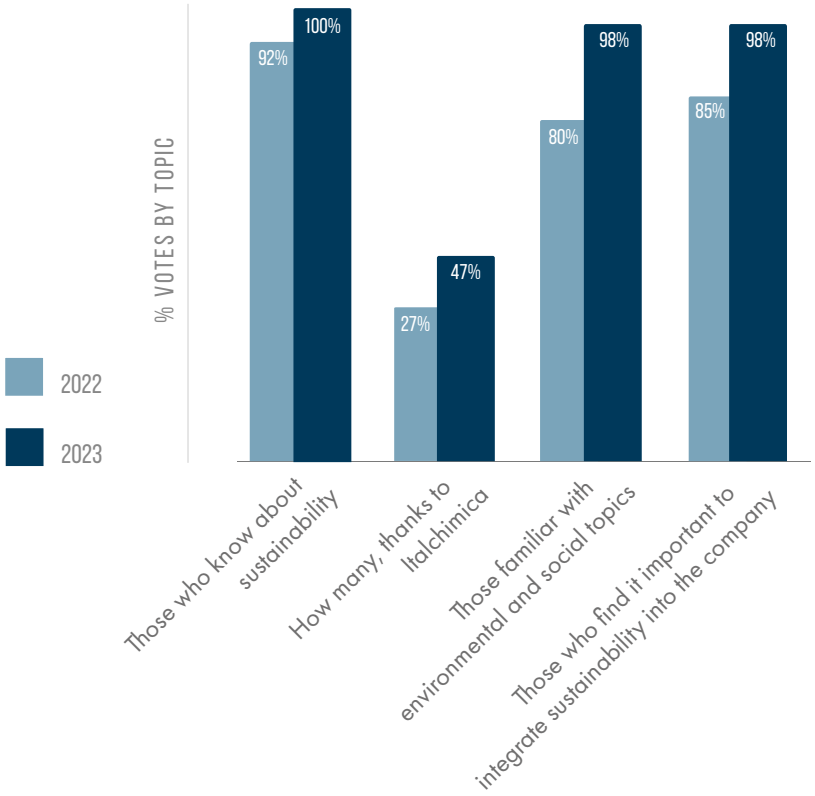
This year, the company staff also expressed their opinion on the areas in which they would most like to invest in the future. It emerges from the survey that the main ones are responsible and sustainable supply, environmental compliance with a focus on life cycle analysis, water saving and emissions management.

The results of the 2023 internal analysis show **how all employees were familiar with the concept of sustainability, 47% of them thanks to Italchimica.**

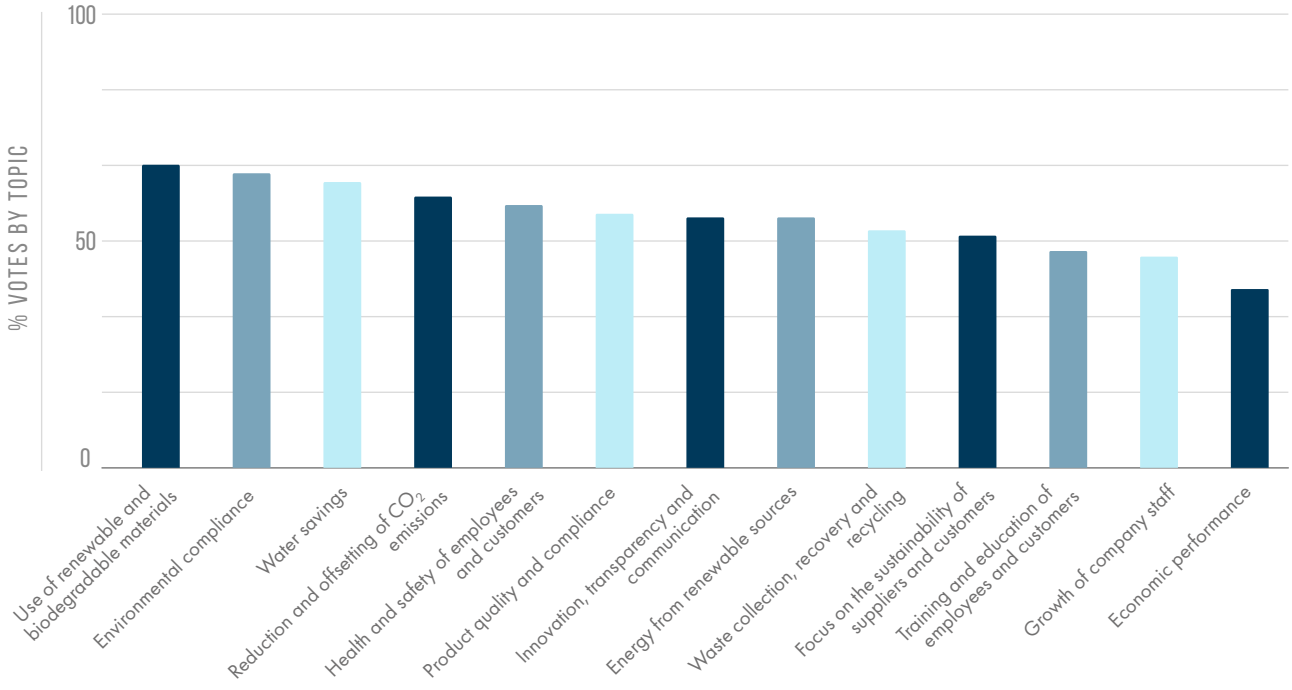
In addition, the workshops show that a large proportion of company staff **(around 98%)** has a very good knowledge of environmental and social topics. **Again, 98% of employees believe that the integration of sustainability is essential in everyday life but especially in the company.**

Over the last three years, the trend of this data has gone up, which demonstrates the effectiveness of the awareness and engagement of the activity underway.

EMPLOYEES:



INTERNAL COLLABORATORS: RELEVANT AREAS OF THE FUTURE



Customers

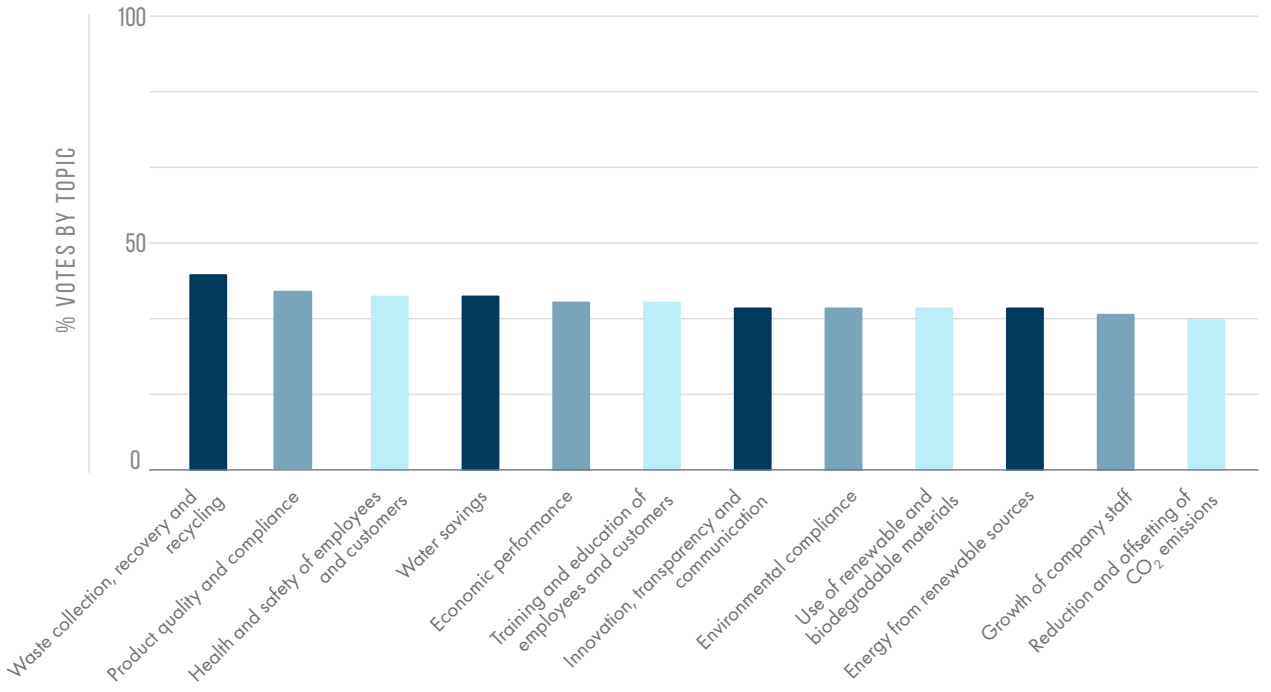
According to customers' opinions, the areas in which they would most like to invest include waste management, environmental compliance, product quality and conformity, employee health and safety, renewable energy, energy efficiency and water saving.

The external survey shows that 92% of the group analysed care about sustainability topics and consider it essential to invest and transform. Clients also claim that it is important to integrate corporate responsibility into their business strategy. Below are the main results of the ESG involvement and survey:

- only one third of customers report through a sustainability report;
- more than 50% have developed and communicate a sustainability strategy with measurable objectives and a clear time frame;
- just under 50% adopt an ISO certification system for their business processes;
- slightly less than half give priority to local supplies and implement procurement policies favouring recycled and/or recyclable material;
- 15% encourage the use of public transport or car-sharing;
- more than 50% of customers adopt a code of ethics or code of conduct within their organisation and give their employees the option of working from home;
- more than 60% sponsor or make donations to associations in the area and support collaborative projects with them.

Over 80% of customers are aware of our sustainability programme and consider it essential that the company implements an ESG strategy.

CUSTOMERS: RELEVANT AREAS OF THE FUTURE



Suppliers

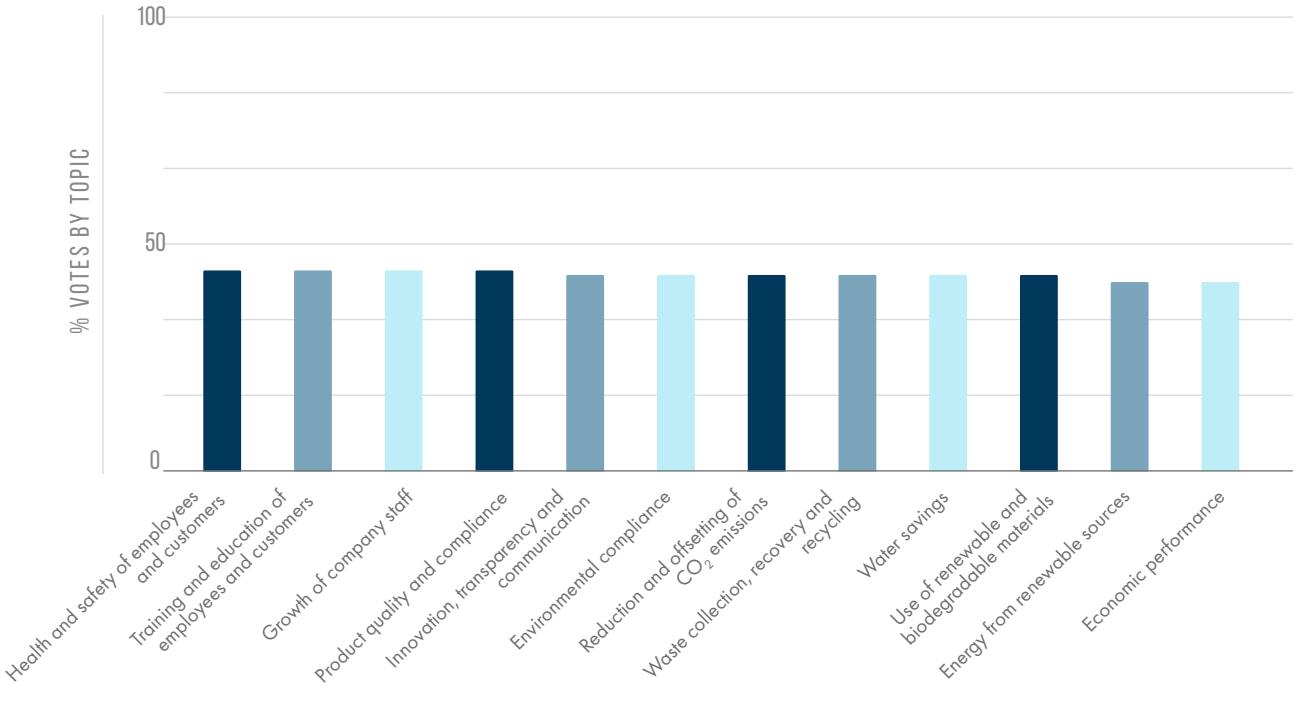
Surveys show that suppliers consider it important to invest more in areas such as renewable energy, packaging optimisation, biodegradability, use of recycled material and responsible water management.

As far as the opinion of suppliers is concerned, over 90% are convinced that sustainability and its purchasing criteria are becoming the driving force for the future of supply.
Sustainability along the supply chain seems to be high on the agenda of companies worldwide. Customers and consumers themselves are calling for this. The ESG survey shows that:

- almost all companies consider communication to be essential and frequently inform their stakeholders about their strategy, with measurable objectives and a clear time frame;
- more than half of the suppliers report through a sustainability report;
- more than 70% adopt an ISO certification system and have carried out product certification with third-party verification;
- more than 50% carry out interventions to increase the production and/or use of renewable energy;
- 40% have set out a strategy for the supply of raw materials from renewable sources;
- more than 50% use processes to reduce and recover scrap material, with the aim of reducing the amount of waste and helping to recycle it;
- about 30% carry out LCA studies on its systems and/or products and ecodesigns;
- more than half adopt a code of ethics and give the option of working from home;
- more than 40% focus on optimising distribution and logistics activities.

In this respect, over 80% of suppliers state that they have undertaken a long-term sustainable development plan.

SUPPLIERS: RELEVANT AREAS OF THE FUTURE



Materiality analysis

The Sustainability Unit took over the material topics of the previous report, retaining the most significant ones and supplementing the analysis with specific surveys for each stakeholder.

Once the external and internal sources had been cross-referenced and the topics had been illustrated, they were subjected to a relevance scrutiny by each stakeholder: in fact, to the specific surveys for each stakeholder group, a material topic prioritisation exercise was added (scale from 1 "unimportant" to 5 "extremely important"). The data obtained were cross-referenced to chart the ESG priorities of Italchimica and its stakeholders.

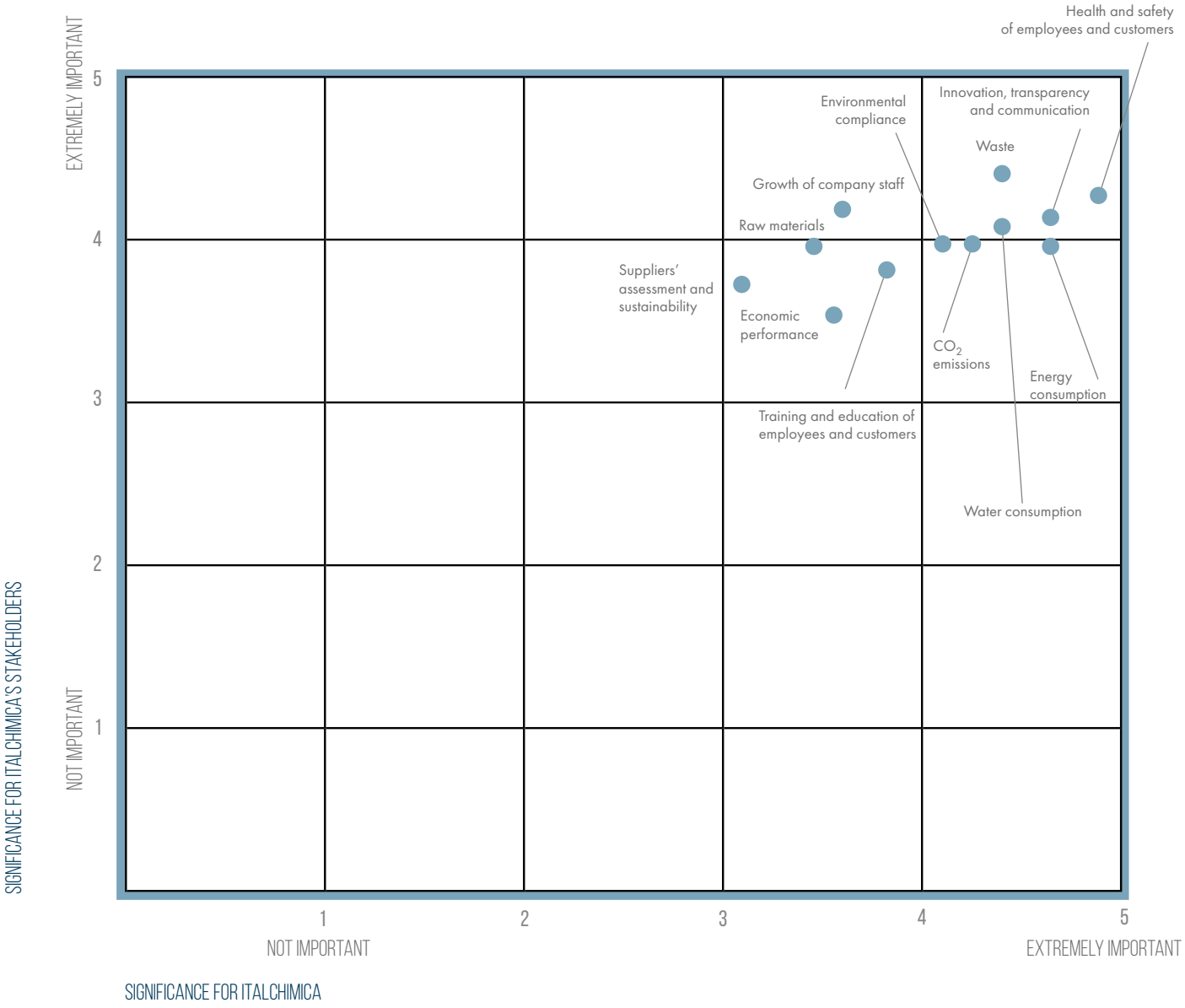
Following the approach suggested by GRI and commonly adopted within the scope of Sustainability Reporting processes, a Materiality Matrix was created. It illustrates the main results of the analysis and identifies the topics that emerged as material from the stakeholder survey in comparison with the corresponding areas that are most significant to Italchimica. The main areas of action remained virtually unchanged from previous years, confirming the successful involvement campaign and unchanged stakeholder interest.

- **Social progress:** growth, inclusion and well-being of employees, partners and communities.
- **Economic performance:** investments and revenues for a resilient and circular future.
- **Health and safety:** health and well-being of employees, business partners and the public.
- **Environmental management:** environmental compliance and sustainability assessment along the production chain.
- **Energy and climate:** energy saving, renewable energy and reduction of CO_2 **emissions**.
- **Materials and waste:** raw materials from renewable sources, biodegradability, packaging recovery and recycling.
- **Water and wastewater:** water conservation and biodegradability.
- **Innovation, quality** and **product compliance.**

As part of the creation of the 2022 Report, Italchimica conducted the usual materiality analysis, as an in-depth analysis and evaluation of the relevance of environmental, social and economic implications and aspects. Transparency is the methodological element behind the analysis.

The analysis was carried out by the Sustainability Unit through a structured process directly involving crucial departments' managers. The process followed GRI standards, which place materiality among the key principles for defining Report contents.

MATERIALITY MATRIX



From the materiality survey and specific surveys for stakeholders, the following material topics are confirmed, which are dealt with in detail in the report:

- Innovation, transparency and communication
- Product quality and compliance
- Raw materials (Raw materials from renewable sources, recovery and recycling)
- Energy consumption (Energy saving, renewable energy)
- Water consumption (Water conservation)
- CO_2 emissions (Reduction of CO_2 emissions)
- Waste (Circularity and biodegradability)
- Environmental compliance
- Suppliers' sustainability assessment
- Growth of company staff
- Training and education of employees and customers
- Health and safety of employees and customers
- Economic performance

For Italchimica's stakeholders, innovation is a fundamental principle that allows them to stand out and provide value added to their product and service.

By continuously monitoring the global cleaning industry and analysing parallel sectors, our R&D laboratory is able to create original formulas anticipating the demands of B2B and B2C markets.

Italchimica's ability to meet needs by offering innovative formulas and quality products and services is appreciated. Furthermore, they value the company's commitment to their involvement in initiatives aimed at fostering a culture of sustainability.

Other important topics are the protection of the health and safety of both workers and the production chain, as well as waste management; the latter topic has seen an increase in interest compared to the past. In addition, the topics of energy and water consumption on which the company is basing its climate change strategy are still key. Although still limited in terms of means of interaction and involvement, the analysis conducted is an important starting point for strengthening and deepening its strategy and approach to sustainability. Italchimica's goal for the years to come is to consolidate and, where possible, expand the involvement and consultation of stakeholders. Particular priority will be given to the organisation of more workshops, also making good use of digital platforms. This will make it possible to increase the wealth of data and information needed to more broadly and diversely address substantial material topics and to adopt more incisive and structured ways of involvement. Strengthening stakeholder consultation processes will also result in improving the reporting process, thus making it increasingly aligned with the various stakeholders' information needs.

03

Environmental responsibility

Environmental sustainability is a topic that concerns us as individuals and as a society. Today, more than ever, it is important to grasp the importance of this and to understand why we can no longer waste any more time. It is crucial to strike a balance between our current needs and the urgency of protecting the environment for future generations.
Population growth, industrial development and urbanisation are the factors that have most driven the urgency and need for environmental protection.

ITALCHIMICA'S OBJECTIVES

CLIMATE

BECOMING A ZERO-IMPACT COMPANY BY DECARBONISING OUR OPERATIONS AND RAW MATERIALS.

CIRCULARITY

PROMOTING CIRCULARITY THROUGH OUR FORMULATIONS, PRODUCTS AND INNOVATIVE TECHNOLOGIES.

NATURE

PROTECT LOCAL BIODIVERSITY, WITH A FOCUS ON MITIGATING ITS IMPACT ON THE LAND AND WATER HERITAGE.

Most human activities unfortunately have a negative impact on the environment. On the one hand, there is a contribution from industrial activities. They are historically linked to a linear economic model that leads to inevitable consequences such as the emission of greenhouse gases, deforestation, the production of toxic waste and the destruction of natural ecosystems. On the other hand, the topic of misinformation and bad habits of the individual takes over with overwhelming urgency.

Our commitment to be sustainability leaders is reflected in all our corporate values. As leaders, we promote new solutions for sustainable development and succeed in increasing profits by adapting our business in a responsible manner.

Italchimica's mission is to mitigate its impact through the continuous implementation of a strategy in line with the 2030 Agenda. The company has defined a set of commitments focusing on areas where it can maximise positive impacts and minimise negative ones, considering the challenges of the industry and also stakeholder expectations. In this regard, Italchimica's Strategic Plan defines ambitious goals that require significant choices, starting from the Net Zero target by 2050 and an intermediate commitment to reduce CO_2 emissions, continuing through recovery, recycling and ecodesign to optimising the use of water resources. Essential references for our investment programme are the European Green New Deal and the National Recovery and Resilience Plan (NRRP).

In terms of information, the company is committed with renewed attention, not only to fulfilling the needs of families as regards hygiene and cleanliness, but also to publicising actions to combat the waste associated with the use of its products and to promote convenience, practicality of use and well-being in general. The focus is on the individual user, so that he or she is well informed and aware when using detergent and cosmetic products, given his or her fundamental role through correct dosage and correct usage and disposal habits. Normal daily gestures such as having a hot shower, cleaning by hand, using the washing machine and dishwasher, multiplied by the number of people living on the planet and the number of times they are done, have an impressive carbon footprint.

This is why it is so important for everyone to be aware of the environmental impact of their lifestyle and look for solutions to consume fewer resources and do so more efficiently. Saving water, energy and waste is beneficial in all respects because it reduces the cost of living, improves the health of millions of people and lastly, mitigates the consequences of climate change.

GLOBAL GOALS - 2030 AGENDA

ENERGY

Goal 7: invest in clean energy technologies.

7 CLEAN AND ACCESSIBLE ENERGY

Long-term **strategy**

- **Investments** in green energy
- **+20%** energy from renewable sources (compared to 2021) by 2025

2022 goals

- **+10%** energy use from renewable sources (compared to 2021)

2021 goals

- **Installation** of 500 KW photovoltaic system and + 1000 modules

3 HEALTH AND WELLNESS

GLOBAL GOALS - 2030 AGENDA

EMISSIONS

Goal 3: contribute to improving air quality for health and well-being at all levels.

Long-term **strategy**

- **-50%** of emissions[1] by 2030 (intermediate step 25% by 2027)
- **Net-zero** emissions company by 2050

2022 goals

- **-10% of CO_2** emissions[1] due to the use of electricity from renewable sources
- **-159 tons of CO_2** (83.9 tons of recycled silicone paper)

2021 goals

- **500 KW photovoltaic system** start-up
- **-163 tons of CO_2** (86 tons of recycled silicone paper)

[1] From electricity used, transport and heating.

GLOBAL GOALS - 2030 AGENDA

PACKAGING

Goal 12: reduce waste production through prevention, reduction, recycling, recovery and reuse.

Long-term **strategy**

- **30% of HDPE** (High Density Polyethylene) of our bottles recovered internally by 2025
- **Introduction of packaging mainly made of cellulose** for certain product lines by 2023
- **100% FSC-certified paper** by 2023
- **More than 30% of recycled plastic** in bottles produced/blown in-house by 2024* (100% on specific lines by 2030)

2022 goals

- **29%** of HDPE in bottles comes from internal recovery processes
- **100%** of the bottles (<5L capacity) used containing at least 30% recycled plastic
- **>95%** FSC-certified paper

2021 goals

- **29%** of plastic recovered in our bottles (+14% compared to 2017)
- **100%** of packaging components are suitable for recycling and reuse
- **>95%** FSC-certified paper

*Target reformulated according to the current situation upstream in the supply chain.

6 CLEAN WATER AND SANITARY SERVICES

GLOBAL GOALS - 2030 AGENDA

FORMULATION

Goal 6: improve water quality by reducing pollution and the release of hazardous and poorly biodegradable chemicals, enhancing recovery and recycling.

Long-term **strategy**

- **100%** certified traceability of raw materials by 2030
- **35%** renewable raw materials by 2030

2022 goals

- **32%** of raw materials in stock are renewable
- **76%** of raw materials used are renewable[2]

2021 goals

- **76%** renewable raw materials in formulation[3]
- **100%** ethyl alcohol from agriculture production chains

2/3 Including water.

GLOBAL GOALS - 2030 AGENDA

FORMULATION

Goal 15: contribute to the conservation of natural resources and biodiversity through responsible procurement.

Long-term **strategy**

- **95%** readily biodegradable organic raw materials by 2030

2022 goals

- **91%** of organic raw materials are readily biodegradable, of which all the surfactants used are part

2021 goals

- **91%** of organic raw materials are easily biodegradable
- **100%** readily biodegradable surfactants

GLOBAL GOALS - 2030 AGENDA

WATER AND WASTE

Goal 14: significantly prevent any kind of marine pollution, particularly from land-based activities, including marine litter.

Long-term **strategy**

- **80%** concentrated formulations by 2025 (reformulated target)
- **Replacement** of opacifiers and synthetic perfume encapsulations, potentially containing microplastics, by 2025
- **+3%**, compared to 2022 wash water recovered by 2025 (reformulated target)

2022 goals

- **75%** of detergent formulations are concentrated (2025 target achieved)
- **0%** microplastics in cosmetic formulations since 2018. The project for the replacement of opacifiers and synthetic encapsulations is currently being implemented
- **34%** of wash waters recovered in industrial processes

2021 goals

- **70%**of detergent formulations are concentrated [4]
- **0%** microplastics in cosmetic formulations since 2018
- **24%** wash water recovered

[4] Product with concentrated formulation: product whose formulation has a concentration that requires its dilution in water before use.

GLOBAL GOALS - 2030 AGENDA

ENVIRONMENTAL MANAGEMENT

13 THE FIGHT AGAINST CLIMATE CHANGE

Goal 13: take important steps to fight climate change and its consequences by optimising environmental management and investing in the circular economy.

Long-term **strategy**

- **Carbon Footprint** (CF) through the **implementation of process LCA** (ISO 14064) by 2023 and product LCA (ISO 14067) by 2025

2022 goals

- **Maintaining** an ISO 9001, ISO 14001, ISO 4500 integrated quality-environment-safety management system
- **Carbon Footprint** (CF) through the **LCA** (Life Cycle Assessment) study on the surfactants used

2021 goals

- **Maintaining** an ISO 9001, ISO 14001, ISO 45001 integrated quality-environment-safety management system

The scenario and **our commitment**

The objectives we aim for require major cultural, organisational and, of course, investment efforts. Our ambitions are supported by the conviction that with sustainability we can grow.

Since the lockdown period to date, Italy has recorded GDP growth of 1% for the first time in the reference period January-March 2022, and a growth of 4.6% compared to before Covid, in the period January-March 2021. GDP trends are indirectly influenced by the state of environmental crisis. Climate change, pollution of the seas, and the threat to natural habitats and biodiversity are the causes of the catastrophic phenomena affecting societies. Climate change produced by the phenomenon of global warming, which depends on the continuous accumulation of greenhouse gases (GHG) in the atmosphere, and in particular by an economy based on fossil fuels, is the cause of extreme weather events that are now being felt everywhere.

From a climate perspective, it is estimated that in the scenario where the average temperature of the planet rises by more than 2°C, GDP in Europe would fall by 7.7%.

In fact, the ongoing change has already resulted in a substantial reduction of all Italian agricultural production [Carbon Almanac, edited by Seth Godin, p. 122-123, ROI Editions 2022]. According to the Intergovernmental Panel on Climate Change, the UN body that analyses the state of scientific, technical and socio-economic knowledge on climate change, the net total of anthropogenic greenhouse gas emissions has continued to increase, and the annual average of greenhouse gas emissions in the period 2010-2019 was higher than in any previous decade [IPCC Sixth Assessment Report, April 2022]. Italy ranks second in the European Union when it comes to the number of premature deaths from pollution-related causes, and this is just one of the many figures that reaffirm the fundamental relationship between the climate crisis and the health of the planet's inhabitants, threatened by harmful emissions from their own activities.

Russia's war against Ukraine, shortages of food and industrial raw materials and the resulting inflation are leading to critical situations.

Affected by this are productive activities and employment, making it more difficult to achieve the sustainability goals of the UN 2030 Agenda, including those of social equity.

According to the "***State of global environmental governance 2022***", a report by the International Institute for Sustainable Development (IISD), the global community needs to intensify environmental protection activities to tackle the climate and biodiversity crisis. Of particular significance in this regard was the launch of negotiations in 2022 on a new global treaty to combat the spread of plastic pollution. There are also plans to establish a political-scientific body for the management of toxic chemicals in chemical products, waste and pollution.
Faced with this scenario, we are moving towards an environmental shift in the way we operate.

Italchimica is transforming its processes, products and use of raw materials with a view to a zero-emission future and an increasingly efficient use of resources.

Our investments are in line with the green trend of the PNRR [GreenItaly Report 2022]:

CIRCULAR ECONOMY

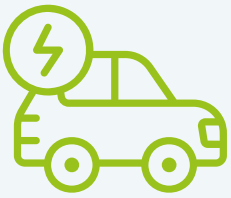
- USE OF RECYCLED MATERIALS AND MATERIAL RECOVERY

- ECODESIGN PROJECTS

ENVIRONMENTAL PROTECTION

- REDUCTION OF THE CARBON FOOTPRINT

- USE OF DIGITISED AND GREEN TECHNOLOGIES



EFFICIENCY

- IMPROVEMENT OF PRODUCTION PROCESSES

- SUPPLY FROM RENEWABLE SOURCES AND ELECTRIFICATION OF MOBILITY AND LOGISTICS

Sustainability is an indispensable element of our vision of the future.

Our goal is to actively lead the transformation towards a sustainable economy and society.

We want to contribute to the protection and regeneration of nature, work to make communities stronger and strengthen the trust of our stakeholders. Italchimica embarked on its sustainability journey many years ago. Numerous initiatives have been carried out and many awards received over the years. Nevertheless, the journey continues towards constant improvement of its environmental, social and economic performance aimed at creating value over time for itself and its partners.

Italchimica's transition towards sustainable management of its business is underway. However, further important efforts are needed to generate those significant positive effects on the environment while satisfying ever-growing consumer demand.

Environmental policy

Italchimica is aware that the path to sustain the future requires policies and courses of action aimed at protecting the environment. Responsibility towards future generations requires a strong commitment to the careful use of natural resources and the minimisation of impacts.

As proof of its concern for the environment and its protection, **the company implements its own environmental policy available on its website to stakeholders.** It is based on risk analysis and has as a prerequisite the control and compliance with all applicable legal and regulatory requirements. This enables the company to continuously improve its environmental performance to reduce its direct and indirect impacts.

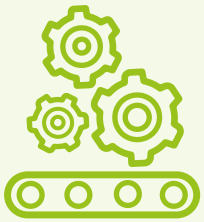
The environmental policy aims to guide our ambitions in the following areas:

- fight against climate change;
- protection of local biodiversity;
- water and waste management;
- manufacture of products with a lower environmental impact;
- promotion of a culture of sustainability through our *Green Change Matters* programme.

In this direction, the aim in the near future is to encourage the adoption of such a policy throughout the supply chain. To this end, Italchimica is committing to invest in technical, economic and professional resources.

PDCA METHODOLOGY

PLAN



DO

CHECK

ACT

Environmental management

A concrete result and a constant drive towards continuous improvement is the annual maintenance of the environmental certification according to ISO 14001:2015.

The environmental management system is one of the main tools aimed at achieving environmental sustainability objectives. It formalises the commitment to minimise the impact of its production site and facilities (offices and warehouses), as well as that of its activities, services and products. In fact, it is a genuine management technique aimed at promoting all the practices and technologies applicable to the case in question with the aim of reducing, preventing and limiting negative impacts on the environment in everyday activities while respecting the surrounding territory.

According to this standard, our environmental management is based on the PDCA (Plan - Do - Check - Act) methodology:
- **Plan:** establish the objectives and processes necessary to deliver results in compliance with our environmental policy;
- **Do:** implement the processes as planned;
- **Check:** monitor and measure processes with regards to the environmental policy, objectives and targets, legal and other requirements and report the results;
- **Act:** undertake actions to continuously improve the performance of the Environmental Management System.

Within this framework, Italchimica abides by all the principles of environmental protection (precaution, pollution prevention and risk prevention and mitigation). Following this approach, the company systematically applies measures to prevent, monitor and control the impacts of its activities, aimed at the reduction and responsible use of resources in production processes.

With a view to continuously improving environmental performance, we are constantly committed to promoting and supporting the following operational guidelines:
- conforming product management to the environmental regulations in force in all target countries;
- bringing the company to ever higher levels of process and product quality in compliance with all current legislation, for it to be recognised by its customers and certified by the relevant accredited bodies;
- controlling and reducing the environmental impact of business activities (optimised use of resources, water discharges, discharges into the atmosphere, waste production and proper management) in order to limit and, when possible, prevent the risks of pollution;
- adopting internal management procedures for the company, based on maximum protection of the environment;
- pursuing the ongoing improvement of environmental performance by reducing the threshold of acceptable risks;
- planning and implementing plans to achieve the goals set by allocating adequate, qualified resources for this purpose;
- periodically assessing the results obtained;
- disclosing and disseminating planned improvement goals to the departments involved;
- taking care of business growth to make it always innovative, flexible and capable of adapting to the needs and requests arising from the market and customers. Along these lines, the company was granted the EU Ecolabel ecological quality brand and the MEC (Minimum Environmental Criteria) certification. These brands distinguish products and services which feature a reduced environmental impact throughout their life cycles while ensuring high performance standards;
- enhancing human resources in order to spur staff involvement in the ongoing improvement of company standards in terms of product quality, workplace safety and environmental protection;
- involving suppliers to play an active role in the company's environmental policy.

With regard to the prevention of environmental crimes set out by the binding legislation, since 2016 Italchimica has been adopting the organisational, management and control model provided for and governed by Italian Legislative Decree 231/2001. The purpose of this provision is to support the development of proper relations between the company, its directors, employees and suppliers in order to prevent environmental or other crimes.

To date, no non-compliance with applicable environmental laws and/or regulations has been identified.

During 2023, Italchimica will supplement its current management system with a stringent scientific calculation method to quantify greenhouse gas (GHG) emissions.

Carbon **footprint**

The aim is to develop a careful analysis of environmental performance in terms of system emissions. The Carbon footprint of organisation (CFO) is, in fact, the quantification and reporting of direct or indirect greenhouse gas (GHG) emissions related to the organisation. The reference standard is UNI EN ISO 14064. The LCA (Life Cycle Assessment) method will be used to conduct this study.

The LCA process is used for conducting a quantitative analysis of the environmental interactions of a service or product throughout its life, "from the cradle to the grave". It includes every phase of the chain: extraction of raw materials, transformation and production, packaging, distribution/logistics, use/consumption, end-of-life management and transport along the entire production chain.

The main advantage of such a study is to know the real environmental impact of the organisation in order to introduce corrective factors that can go in two directions:

- that of reducing the impact by cutting consumption or using renewable sources;
- that of impact compensation, e.g. through reforestation projects.

This will enable the company to:

- adopt new internal policies, new transformations of their processes and new activities to involve their stakeholders;
- be more competitive and more attractive to present and future customers and investors.

By 2025 Italchimica also aims to extend the carbon footprint calculation to specific product lines, according to UNI EN ISO 14067. This will enable us to:

- Screen product life cycle stages, defining which ones have a greater weight in determining the carbon footprint. The carbon footprint can be calculated on all or part of the production sites, on a specific process or on a specific product and/or product line;
- evaluate the environmental efficiency of products according to their greenhouse gas (GHG) emissions;
- evaluate environmental efficiency with the aim of reducing costs, avoiding waste both in terms of materials and the energy required to manufacture our products;
- assess the critical points of our production process in order to improve both products and processes in terms of ecodesign, communicating an "eco-friendly" company policy to the market and increasing our "green reputation";
- compare different products and/or services to guide business choices;
- implement "sustainable" corporate programmes and strategies through the planning of carbon reduction interventions.


Italchimica

Relationship with **suppliers**

Italchimica cultivates responsible sourcing every year in order to stimulate significant growth, promoting sustainability throughout the entire supply chain, to the benefit of the people and the planet. This is why we maintain an intense dialogue and close collaboration with our suppliers, to promote sustainable practices. Our intent is to go beyond compliance to drive impact and change across the entire value chain and create sustainable value for our customers.
For Italchimica, a constant commitment to the promotion of quality and the environment means making a commitment that extends far beyond its own borders, embracing the entire supply chain. **Suppliers** are strategic **stakeholders and this is why Italchimica's relationship with them goes beyond the economic-commercial sphere.** For the company, excellence means quality, style and innovation, but also a commitment to promoting a supply chain that is careful and respectful of workers' rights, biodiversity and the environment.

Italchimica's attention to ethical and environmental aspects along the supply chain starts right from the supplier selection phase and continues with systematic awareness-raising and monitoring activities. Knowledge, traceability, sharing of best practices and checks are in fact fundamental not only to limit risk situations, but also and foremost to generate culture and foster responsible and sustainable business development, to the benefit of the entire production chain. **Talking about environmental protection and ethics in general in the conduct of business throughout the value chain means acting with awareness and leadership.**

The qualification and subsequent assessment of suppliers is based, where possible, not only on the verification of technical, economic and organisational requirements, but also on compliance with sustainability criteria, such as:

- the possession of eco-labels and environmental product declarations;
- the traceability of raw materials;
- quality-environmental process and product certifications (ISO 9001, ISO 14001, ISO 14064 and 14067 (Carbon footprint);
- an occupational health and safety management system (ISO 45001);
- the implementation of circular and ethical business and policies;
- the writing of a sustainability report.

Thanks to some involvement campaigns, through questionnaires, the scheduling of audits, dialogue and the planning of appropriate focus meetings, it is possible to measure the social-environmental performance of suppliers and foster the improvement of supplies with respect to sustainability parameters, while keeping the traditional ones unchanged, such as compliance with supply requirements, delivery times, quality, competitiveness, cost-effectiveness of services and technical-professional suitability.

By following this direction, the company is able to progressively organise and refine its procurement policy and set increasingly ambitious sustainable procurement targets to be achieved yearly.

With a view to continuous improvement in terms of assessing sustainability, periodic procedures are planned to check compliance with the level of environmental and social sustainability declared by each supplier, as well as to achieve the sustainable procurement objectives set. In addition to enabling communication to the outside world, data collection will allow useful information to be shared for the achievement and updating of objectives. Through a comparison with the market and based on the results obtained, it will be possible to assess whether to make certain criteria more restrictive, if they are easily satisfied by the offer, or not to change them, in case they still allow for the selection of those products which guarantee characteristics of environmental excellence compared to the average offer.

For Italchimica, it is a moral and collective duty to help defend local biodiversity.

FOCUS

Regenerate biodiversity!

We often talk about the "protection" of nature and the idea that this concept expresses is to avoid damage, or at least to ensure that its impact is mitigated. It is not the only direction in which we can work. Just as when we talk about climate change we distinguish between mitigation and adaptation, so when we talk about biological diversity and ecosystems we must also engage in "rebuilding" nature. Biodiversity helps maintain the ideal conditions for our survival on our planet. It is the expression of the diversity among the living beings populating a habitat. In each habitat, each species occupies its own ecological niche and performs a specific ecosystem service.

This means that each species is unique, inhabits the area best suited to its needs and plays a clearly defined role in maintaining the balance of the system. In this regard, biodiversity helps maintain the ideal conditions for our survival on our planet. With regards to biological diversity legislation, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation was signed in 2010. This is an international agreement that aims to foster the conservation of biodiversity through the regulation of access to genetic resources and the equitable sharing of the benefits arising from their utilisation. Genetic resources are a fundamental component of habitats and are used in various areas of scientific research, in particular in agricultural research and in the pharmaceutical, cleaning, cosmetic and biotechnology industries. They are often associated with traditional knowledge of indigenous and local communities. The implementation of the Protocol aims at sharing the benefits of using these resources equitably, particularly between local countries traditionally rich in biodiversity and industrialised countries that use genetic resources.

More than ten years after the Nagoya Protocol, World Biodiversity Day 2023 has a special significance. It is the first anniversary since the Kunming-Montréal Agreement on Biodiversity was signed at Cop15 last December. The international negotiations among 196 nations - similar and parallel to the climate negotiations - resulted in new targets for the decade, with some major breakthroughs. A change of gear, albeit partial, from the immobility of the last few years. Accompanied by other relevant regional policies, such as the European Union's 2030 Biodiversity Strategy.

Italchimica strongly believes that Nature should be the guiding star for companies that truly intend to equip themselves for the future and take tangible steps towards achieving their environmental goals. Every year, nature generates billions of euros in the form of ecosystem services.

Many economic activities, particularly those related to resource extraction, are among the main contributors to biodiversity loss.

If they fail to halt the loss of biodiversity, companies will face severe disruptions in their operations and supply chains as well as economically. Companies that take measures to counter both the climate crisis and the loss of biodiversity have a better chance of avoiding serious physical and regulatory risks as well as reputational and market risks.

Locally, both of Italchimica's production sites are located within a purely industrial area, set in the urban context of the Padua suburbs. **Given the location in an industrial area, the areas occupied by the sites are not subject to any urban-environmental, landscape or hydrogeological constraint**, in particular:

- they do not fall under constraints relating to environmental assets (Regional Law of 12 May 2009);
- they do not fall within thresholds delimited by hydrogeological stability plans;
- they are not included in protected territories;
- they are not near special protection areas according to Italian Law No. 157 of 11 February 1992 "Provisions for the protection of wildlife and restrictions on hunting" nor near areas of Community interest included in the Habitats Directive (Italian Presidential Decree No. 357 of 8 September 1997 and subsequent integration of Italian Presidential Decree No. 120 of 12 March 2003).

Italchimica's activities also do not produce emissions of substances potentially harmful to animals or plants in the area.

Raw materials

We expertly select raw materials for the formulation and packaging of our products. That is why we spend part of our time choosing the best materials and packaging, ensuring that they are always of the highest quality and in line with consumer expectations.

In order to assure consumers that the raw materials are of excellent quality, we are committed to working with the best suppliers. In order to identify them, we carry out thorough checks and evaluations that allow us to work only with those we know and trust.

Sourcing of raw materials is specifically based on a system of evaluation and management of suppliers with regard to Quality, Safety and respect for the Environment (Integrated Management System ISO 9001, ISO 14001 and ISO 45001), as well as product environmental sustainability criteria, such as natural origin and from renewable sources and certified traceability along the production chain. The assessment also includes the fundamental step of verifying compliance with technical and regulatory specifications to ensure maximum results in terms of compliance and efficiency.

Quality is always at the centre, from design to raw material sourcing, packaging and production to distribution.

The strong relationships we build with our suppliers also give us control over the reliability and traceability of raw materials and packaging, with the result that we know the history of the products we bring to market.

This approach also allows us to ensure that the quality of raw materials and packaging are aligned and comply with the latest regulatory standards.

Over the past three years, **the investment trend in renewable raw materials**[5] for formulation has remained virtually unchanged. We favour **bio-based components**[6] whenever possible, creating innovative products for sanitisation, disinfection and optimisation of the general characteristics of formulations. 2022 is in line with the company's long-standing vision of a circular economy.

From a geographical point of view, 94% of our suppliers are based in Europe.

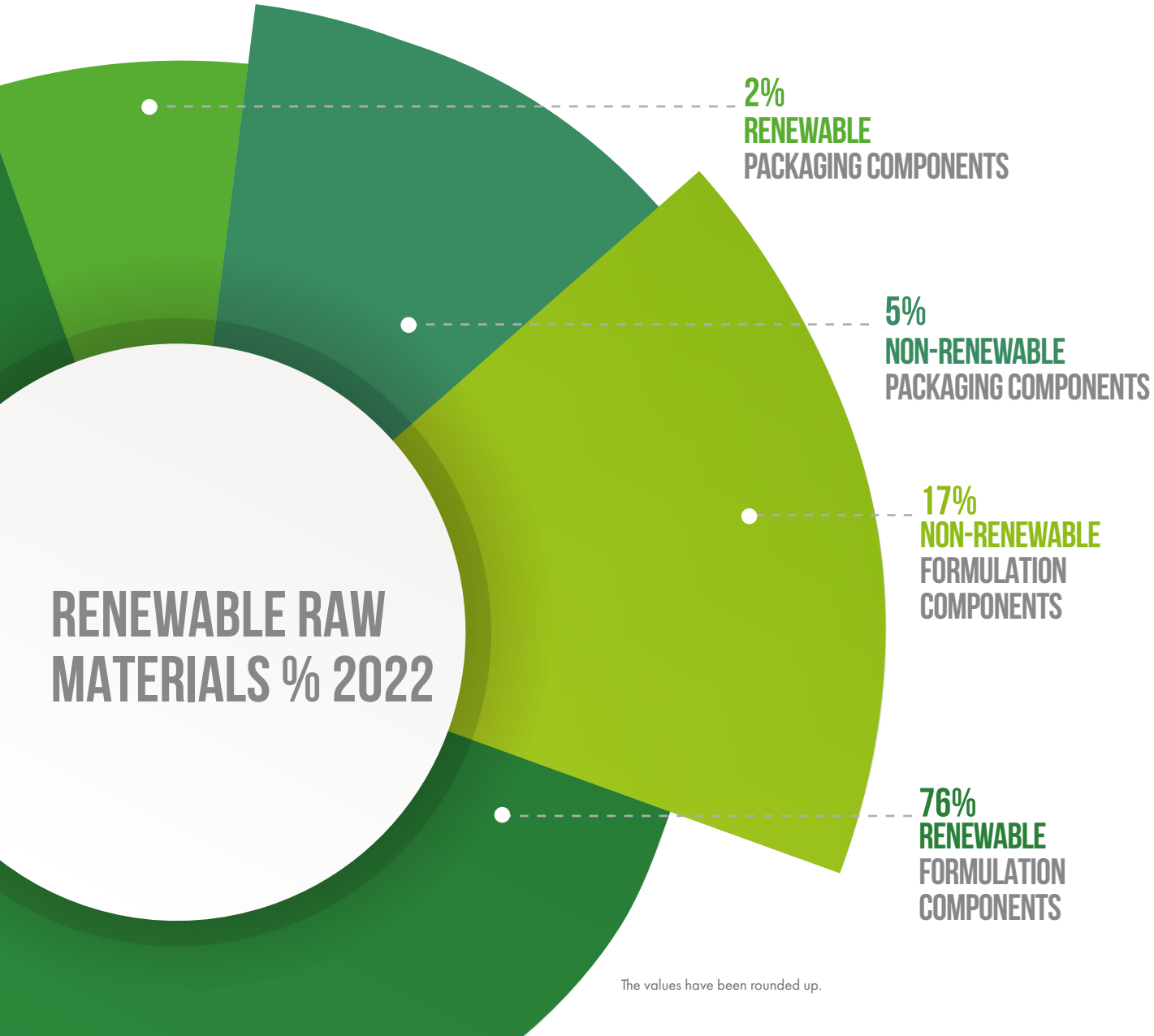
Once raw materials have been delivered to our manufacturing plant, they are stored in special tanks inside or outside in dedicated areas of the buildings. The materials used to create packaging are sent to the blow moulding department, where bottles are manufactured. On the other hand, the raw materials needed for formulations, depending on the product to be made, are taken selectively from their specific tanks and sent to the mixing department.

[5] Renewable material: material deriving from abundant resources that are quickly reconstituted through ecological cycles or agricultural processes, so that the services provided by these and other related resources are not jeopardised and remain available for future generations (GRI Standards Glossary 2018 - www.globalreporting.org/standards).
[6] Derived from biomass. The biomass may have undergone physical, chemical or biological treatment. The methods for determining "bio-based" raw materials are described in the specific CEN / TC 411 standards.


alchimica

RAW MATERIALS USED (t)*	2017	2018	2019	2020	2021	2022
COMPONENTS IN THE FORMULATION OF OUR MIXTURES (DETERGENTS, COSMETICS, BIOCIDES)**	36,610	57,841	58,254	54,452	55,929	78,872
COMPONENTS OF OUR PACKAGING	3,445 (2,003 plastic + 1,442 paper)	3,500 (1,840 plastic + 1,660 paper)	3,475 (1,852 plastic + 1,623 paper)	5,671 (3,671 plastic + 2,000 paper)	6,031 (4,220 plastic + 1,811 paper)	6,614 (4,146 plastic + 2,468 paper)
TOTAL	40,055	61,341	61,729	60,123	61,960	85,486

* Excluding process-related materials as they are negligible in weight units.
** Water, additives, waxes, dyes, enzymes, fragrances, glycolic extracts, sequestering agents, viscosifiers, preservatives, bleaches, surfactants, biocides, emulsifiers, emollients, solvents, surfactants, acids, bases, salts, solvents, silicones.



The values have been rounded up.

In the course of 2022, there was an almost constant use of raw formulation materials compared to 2021 values.

Responsible formulation

To date, Italchimica boasts significant numbers in responsible procurement and production that are all about circular economy. The contribution to preserving biodiversity comes from the use of **renewable raw materials for formulation (76% of formulation components in 2022) and readily biodegradable organic materials (90% of organic raw materials in 2022), which includes all the surfactants used[7].**

Renewable raw materials are essential ingredients of our detergents, disinfectants and cosmetics. Renewable materials include surfactants, solvents, additives, enzymes, and natural extracts in addition to **water,** which is a rapidly depleting primary resource and, as such, **needs to be managed and protected in the best possible way.** For this reason, **the water stress level of the local drainage basin is monitored every year, through the updating of the Report on the water resource in the Veneto region prepared by the Regional Department for Territorial Safety.** The total yearly quantity of raw materials used is in the range of tens of thousands of tonnes.

In the course of 2022, there was an almost constant use of raw formulation materials compared to 2021 values. On the other hand, the amount of bottles and labels used also remains largely unchanged. The figure decreased slightly, also influenced by the change in stocks in relation to the previous year.

Simultaneously, with regard to the formulation, in 2022 there was an unchanged use of renewable raw materials compared to the previous year. **MEC (Minimum Environmental Criteria) and Ecolabel (EU ecological quality brand) certified products stand out among the green products[8].**

The continuous search for market transparency also concerns the degree of control we have over our supplies, including knowledge of the countries of origin of raw materials and the production chains from which they come. For this reason, one of our ambitions is to certify the complete traceability of our raw materials by 2030.

[7] Easily biodegradable means a biodegradability level ≥ 60% within 28 days.
[8] EU Ecolabel is the European Union's ecological quality brand which distinguishes products and services featuring a reduced environmental impact throughout their life cycles, while ensuring high performance standards.

Sustainable packaging

Packaging plays a key role in our lives. Without it, most products would expire or be damaged before reaching the shop. Despite this, it is often considered one of the main enemies in the fight against environmental degradation because it becomes waste right after its use.

Italchimica is aware of its packaging responsibility and is committed to fostering environmental sustainability through a series of ambitious projects.

Concretely, we have set ourselves two sustainability goals to be achieved by 2030:

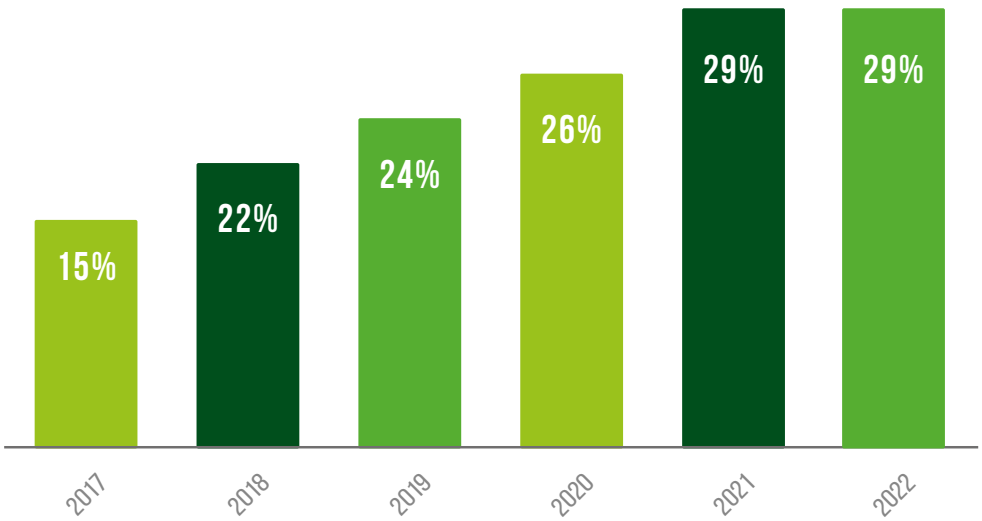
- Ecodesign project to optimise packaging and reduce material use;
- use of over 30% of recycled plastic with a reduction in virgin plastic used by 2023.

In this regard, we are acting well in advance and exceeding the goals recommended by AISE[9] by 2025. In 2022, 94% of the bottles used contained at least 30% of recycled plastic which corresponds to 20% use of recycled plastic by weight.

In parallel, we are also committed to the issue of paper and have set ourselves the task of using recycled or, if virgin, sustainably sourced (FSC-certified) material.

Despite the increase in the last two years of plastic used for the creation of bottles and labels, Italchimica stays committed to the production of concentrated formulas with the aim of continuing to decrease the use of plastic per unit dose with a consequent reduction in the number of bottles placed on the market, as well as savings in transport and CO_2 emissions. To date, 75% of our detergents range has a concentrated formula which, combined with the proper,

PACKAGING: % PLASTIC FROM RECOVERY



[9] Association Internationale de la Savonnerie, de la Détergence et des Produits d'Entretien.
[10] Recovered material: refers to a product and its packaging which, at the end of their useful lives, have been collected, reused or recycled (GRI Standards Glossary 2018 - www.globalreporting.org/standards).
[11] The figure is an estimated value on an empirical basis.

effective transmission of instructions for use to the end user, results in a longer duration of use of the same bottle.
The world of packaging is constantly evolving, driven by innovative designs and consumer expectations. This ongoing transformation provides interesting opportunities to minimise possible negative environmental impacts. At Italchimica we are committed to exploring the possibilities of making packaging increasingly sustainable, protecting the products we love and making a better contribution to the planet. In 2020, an innovative triple-layer bottle was launched with structural features to contain up to 60-80% recycled plastic in the innermost layer. With a view to progressively improving the management of plastics, in parallel we aim to continuously promote training and education campaigns for customers and consumers. In 2020, the progressive digitisation of our product instructions for use began, and they will also be accessed through QR codes directly on each label.

Another key principle our sustainable supply strategy is based on is the recovery of materials[10].

Several years ago, Italchimica started a long-term campaign aimed at recovering its products, for both the packaging and formulation sectors.

Since 2017, there has been a 14% increase in plastics from internal recovery used to create bottles. To date, the recovered plastic used for each of our bottles accounts for 29%[11].

In this regard, our target for 2025 to achieve a 30% share of recovered packaging material is now within reach.

Reporting data origin of GRI 301 disclosures: data come from direct measures or from developments of direct measures (company weights, corporate management).

Energy

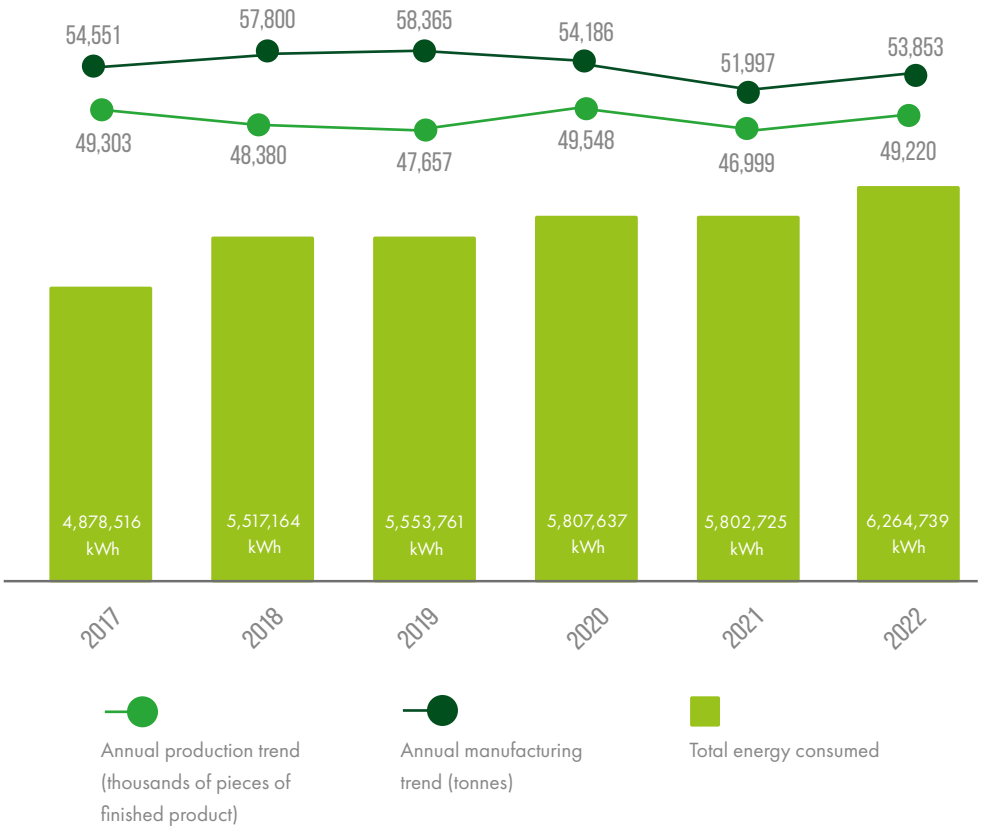
At this historical stage, tackling the subject of energy means dealing with that particular declination of it that recalls the concept of energy transition. After all, it is well-known how energy production has been, and still is, closely linked to the issues of climate change and its effects on our host environment.

According to IPCC (Intergovernmental Panel on Climate Change) scientists, just over a century of fossil fuel use and unsustainable energy and land management have caused global warming of 1.1 °C above pre-industrial levels. Combating climate change is one of the main global challenges today and, inevitably, goes through a process of energy transition from fossil fuels to renewable sources. However, such an epochal transition cannot be achieved without a change of mentality in the use of energy.
Energy is precious! And, regardless of the source from which it was produced, it must be used rationally. There are many areas of intervention that can yield significant results in energy efficiency, in both the domestic and industrial sectors.

For years now, Italchimica has felt part of this transition and has planned and implemented investments in energy from renewable sources and in increasing the energy efficiency of production processes.

Our ambition is to become a net-zero emissions company by 2050. For this purpose, in the period 2020-2022 the company made a major **investment in the installation of more than a thousand photovoltaic modules, with a self-production of about 10% of the company's energy needs.** In 2022, about 80% of the energy produced by the photovoltaic system was self-consumed.

TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION (kWh)



The quantity of methane consumed in kWh was calculated by converting from standard cubic metres of methane gas (a standard cubic metre of methane gas is 10.69 kWh).
Electricity and gas are used with different contributions at the two company sites, i.e. the production plant and the logistics warehouse, with a marked prevalence of the former.

As part of its activities, Italchimica uses electricity and methane gas to power its plants and machines, and also for air conditioning and lighting.

ENERGY CONSUMED WITHIN THE COMPANY	2017	2018	2019	2020	2021	2022
ELECTRICITY (kWh)	4,140,938	4,854,427	4,850,263	4,985,095	4,973,257	5,495,401
kWh_{EE}/PIECES PRODUCED INDICATOR	84.0	100.3	101.8	100.6	103.0	111.6
METHANE (kWh)	68,997	662,737	703,499	822,542	89,873	71,968
kWh_{GAS}/PIECES PRODUCED INDICATOR	1.4	1.3	1.4	1.6	1.9	1.5

In 2022, electricity consumption has increased by 13.5% compared to the previous year, which is only partly justified by the increase in production. On the other hand, there was a 20% drop in methane gas consumption. The increase in electricity requirements is motivated by the installation of new production plants to ensure greater production capacity and diversity. While the reduction in gas consumption is attributable to a mild winter season and the reduced need for hot water for production and for washing mixers, filling machines and production equipment. In the Corso Spagna building, many variables impact on energy consumption (personnel, offices, working hours, exogenous environmental factors, equipment), but overall the contribution of this site is negligible, accounting for about 6% of the company's total electricity consumption.

Italchimica is continuously engaged in the design and implementation of new technologies to make production processes more sustainable from an energy point of view. In this regard, Italchimica's efforts are focused on developing increasingly innovative products that require and consume less energy. A concrete example is the project to use primary packaging mainly made of cellulose to contain specific products.

Our commitment to energy efficiency is not limited to the "company's ecosystem", but through our *Green Change Matters* sustainability programme, we run various campaigns that encourage responsible behaviour and raise awareness of the importance of energy efficiency.

Italchimica is planning a more in-depth assessment of the impacts of energy consumption upstream and downstream of its value chain using Life Cycle Assessment techniques in the medium to long term.

ENERGY PRODUCTION FROM RENEWABLE SOURCES (kWh)	
SELF-GENERATED PHOTOVOLTAIC ELECTRICITY	530,900
PHOTOVOLTAIC ELECTRICITY FED INTO THE GRID	102,388
SELF-CONSUMED PHOTOVOLTAIC ELECTRICITY	428,512

Reporting data origin of standard 303 disclosures: data come from direct measures or from developments of direct measures (company weights, flow meters, fiscal meters).

Water is a precious commodity and a limited resource. Indeed, we have to consider that more than 97% of the water on our planet is salty, filling the oceans and seas. Just under 3% is sweet, but if we take away that stored in glaciers and polar ice caps, we are down to about 0.25% of the total amount available in liquid form for our daily lives, agriculture, livestock and industry. It is a renewable but not inexhaustible resource. This is why, according to the World Resources Institute, Italy's water stress, i.e. the ratio of water use to water supply, will fall into the critical "high" range by 2040.

Water

Waste, climate change and pollution are endangering this fundamental element. In 1992, the United Nations established World Water Day as a reminder of the importance of "blue gold". It is celebrated every 22nd March and this year is dedicated in particular to the protection of groundwater.

On Earth, water resources are unevenly distributed. We are aware of the importance of using these resources responsibly, especially in view of the fact that healthy water ecosystems are crucial to protecting biodiversity.

At Italchimica, water plays a fundamental role in our production chain: we use it for our production processes and as an ingredient in our products, many of which require it for use.

Therefore, reducing water consumption during the production and use of our products is crucial for us. To identify suitable improvement approaches, we plan to work closely with the various stakeholders. For example, we would like to analyse our impact on water within the value chain. This includes an examination of the impact of raw materials, production processes and water consumption during the use of our products, as well as the treatment of wastewater.

Italchimica's commitment, together with its brands, is to:

- promote water management through socially equitable, environmentally sustainable and economically beneficial use of water;
- optimise water consumption during operations and reduce the water footprint per finished product;
- preserve water quality at all our sites and along the value chain, from raw material procurement to consumer use;
- innovate the process and life cycle of our products with new technologies;
- assess suppliers' water sustainability policies, from consumption to progress towards achieving water targets.

The cleaning and cosmetic industry is increasingly addressing the issue of environmental protection and climate change. A topic of great importance in this context is the preservation of biodiversity.

FOCUS

The protection of **local water resources**

Veneto is one of the richest Italian regions in terms of water, both groundwater and surface water, so much so that its aquifers constitute one of the most important water reserves in Europe in terms of potential and quality. However, the regional context is critical in terms of water consumption, which, although decreasing, is still too high compared to the European average, a high leakage rate in the water net, critical issues in urban centres as regards compliance with wastewater collection requirements and, last but not least, instability in rainfall levels and in the difference between precipitation and potential evapotranspiration, with reduced glaciers and increased risk of avalanches.

The provinces of Padua and Vicenza present a medium-high level of water stress, intended as the ratio between total water extractions (for domestic, industrial, irrigation, livestock and other uses) and recharge of groundwater and surface water availability. Italchimica's manufacturing plant is connected to the Padua municipal aqueduct's network for drinking water consumption. The source is the Brenta-Bacchiglione water catchment area, which is one of the most important basins in the Veneto region for the extension of the area (5,840 sq. km, including the Trentino region's part) and number of inhabitants (1,442,000) as well as the quantity of water carried.

Based on the SPI[12] index for 2022 (12 months) referred to in the Report on Veneto region's water resources, issued by the Regional Department for Territorial Safety, in the Veneto region normal conditions are mainly recorded in the south and moderate droughts are in the north. In 2022, a situation of normality is recorded. Overall, compared to 2021, there was a reduction in drought conditions across the region.

[12] The SPI, Standardized Precipitation Index (McKee et al. 1993) is used to characterise meteorological droughts in a given area.

To really achieve water savings, we pursue a policy based on the sustainable management of water resources through targeted measures aimed not only at controlling and reducing consumption, but also at adopting good behavioural practices.

Italchimica's water requirements are as follows:

- osmotised water used as an ingredient for production;
- mains water for heating;
- osmotised water for washing systems as well as filling and packaging lines;
- mains water for civil use in both facilities.

The company has two separate water meters - one for the offices' supply (toilets and domestic hot water), and another for the manufacturing plant's supply. The water used to create the product, therefore, becomes part of the end product.

Italchimica regularly receives bills from the water provider; the Environmental Management System Manager is responsible for collecting water consumption data and monitoring trends over the years.

It has been estimated that the total water consumption in the Riviera Maestri del Lavoro plant derives:

- about 70% from its use as a raw material in the production process. Specific consumption varies according to the type of formulation produced;
- about 30% from the use in washing processes of plant and equipment for laboratory activities and in the toilets of the various areas.

Furthermore, with reference to both Italchimica sites, it has been calculated that approximately 99% of consumption is attributable to production uses while the remaining 1% is attributable to sanitary use.

Over the last three years, water consumption has remained virtually unchanged despite the increase in production. This emphasises the optimisation of plant and equipment washing for the production line that took place during this period.

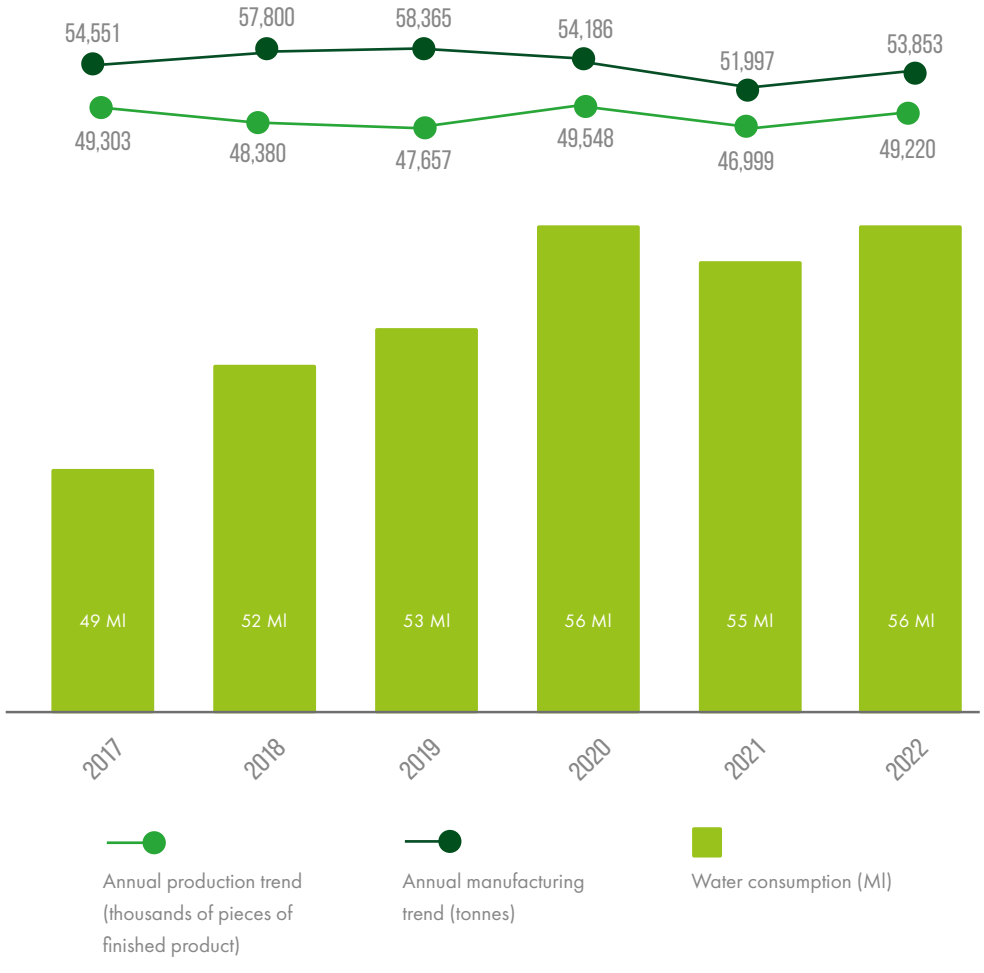
The significant consumption percentages recorded in the last four years highlight that it is necessary to act on different fronts to succeed in effectively controlling water consumption. On the one hand, we make our staff aware of the need to eliminate waste and to properly use water in toilets (by reporting any faults and malfunctions to the maintenance department). **On the other hand, standard practices to minimise waste while washing the manufacturing and filling systems are regularly defined.** In addition, our manufacturing plant is equipped with a closed cycle for the recovery of the water that is used for cooling the manufacturing machinery.

In 2019, a reverse osmosis system was installed, with a view to improving the chemical-physical and microbiological qualities for production and industrial processes, such as washing procedures. The treatment is based on a membrane process through which almost all the suspended and dissolved substances contained in water are removed from it. The resulting concentrate containing the removed salts is then discharged. A flow meter quantifies the volume of water discharged, which for the year 2022 recorded 10,735 cubic metres. This is the only industrial drain present in the company, which flows to the municipal sewer. As it is the waste from the drinking water treatment system, it does not have significant pollutants except for higher salinity. The discharge is subject to analytical checks by accredited laboratories.

Italchimica was granted the Single Environmental Authorisation, pursuant to Article 3 of the Italian Presidential Decree 59/2013, including the authorisation for discharge from an osmosis system. The company also has an authorisation for civil domestic water discharges (as required by the Environmental Consolidation Act, Italian Legislative Decree 152/2006).

To really achieve water savings, we pursue a policy based on the sustainable management of water resources through targeted measures aimed not only at controlling and reducing consumption, but also at adopting good behavioural practices.

TOTAL CONSUMPTION
OF DRINKING WATER (MI)



Reporting data origin of standard 302 disclosures: data come from direct measures or from developments of direct measures (meters, flow meters).

Climate change and rising global temperatures are now at the centre of the international debate; citizens and businesses are being called to action to counter the excessive increase in GHGs (Green House Gases) that cause it.

Emissions

Dependence on fossil fuels for energy supply is one of the biggest climate change impacts, and is one of the main topics addressed during the COP (Conference of Parties). It is therefore necessary to adopt growth models that respect the environment and social and economic well-being. Among the initiatives proposed in the European Green Deal to achieve climate neutrality by 2050 is the use of renewable energy sources.

Against this global backdrop, Italchimica has decided to pursue the fight against climate change by adopting business choices that are in line with international proposals. Its long-term goal is to significantly reduce its greenhouse gas (GHG) emissions by at least halving direct and indirect emissions from purchased energy by 2030.

To achieve this important goal, Italchimica has committed to developing an organisation GHG inventory in 2023 following international standard ISO 14064-1:2018. Direct and indirect emissions related to Italchimica's product manufacturing processes were taken into account, in particular:

- direct emissions, i.e. deriving from the direct combustion of fossil fuels used for heating (methane) and for refuelling transport vehicles (diesel and petrol);
- indirect emissions, i.e. emissions from the supply and combustion of fuels for the production of electricity purchased from third parties and consumed by the company; emissions from the production and transport of surfactants and emissions from the photovoltaic plant.

GHG emissions were calculated by multiplying the activity data and related emission factors calculated on the basis of GWP (Global Warming Potential) from the IPCC Sixth Assessment Report (AR6). This method proposed by the IPCC (Intergovernmental Panel on Climate Change) is by far the most frequently used and recognised method by the international scientific community. Emissions are reported in tonnes of CO_2 equivalent (tCO_2 eq). Characterisation is done through specific global warming potential factors for each of the main greenhouse gases (CO_2, CH_4, N_2O, SF_6, PFC, HCFC). To estimate emissions, each activity data was then associated with an appropriate emission factor from Ecoinvent v3.9 and from emission factors proposed by DEFRA (Department for Environmental Food and Rural Affairs).

SOURCE OF GHG EMISSIONS	TONNES OF CO_2 eq
DIRECT EMISSIONS FROM HEATING COMBUSTION (SCOPE 1)	149
DIRECT EMISSION FROM COMPANY CARS AND VEHICLES (SCOPE 1)	294
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (CORE - SCOPE 2)	1,395
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (UPSTREAM & DOWNSTREAM – SCOPE 3)	582
EMISSIONS FROM PRODUCTION AND TRANSPORT OF SURFACTANTS (SCOPE 3)	23,864
PHOTOVOLTAIC EMISSIONS (SCOPE 3)	44

From the above table, it can be seen, as expected, that the source with the largest contribution is surfactant production and transport. The decision to extend the study to indirect emissions related to surfactants stems from the consideration that these raw materials are the most significant in detergent production; they are generally the largest component by weight after the solvent (water). Specifically, if water is excluded, surfactants cover more than 40% of the raw materials used in formulations.

The analysis of this emission category enables us to identify the types of surfactants that contribute the most in terms of CO_2 equivalent and thus, in the future, to evaluate a procurement policy that favours the purchase of surfactants with a lower impact.

Cutting GHG is a path that promises to be fraught with obstacles, but one that Italchimica has already taken and intends to pursue to the end, aware that there are no shortcuts to limiting global warming and averting its catastrophic consequences.

Italchimica carried out an important baseline recalculation phase to make the comparison of GHG emissions over the years applicable. Recalculating the baseline makes it possible to analyse the most relevant modelling changes introduced in the new year and to transfer any effects to the year against which the comparison is made. The ultimate aim is to obtain increasingly complete and reliable data. As far as the company fleet is concerned, the data from the years preceding the study do not allow a precise recalculation, so modelling assumptions were made on average fuel consumption per km travelled. Imported electricity includes the procurement phase of the fuels used for its production. The table below compares the comparable emissions for the last three years, i.e. for 2022, net of the contribution of surfactants and photovoltaics.

SOURCE OF GHG EMISSIONS	2020 tCO_2 eq	2021 tCO_2 eq	2022 tCO_2 eq
DIRECT EMISSIONS FROM HEATING COMBUSTION	156	182	149
DIRECT EMISSION FROM COMPANY CARS AND VEHICLES	283	234	294
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (CORE, UPSTREAM & DOWNSTREAM)	2,042	1,983	1,977
TOTAL EMISSIONS	2,481	2,399	2,420

For comparable sources over the period 2020-2022, there is an overall decrease in CO_2 eq emissions of 2.5% with a marginal improvement of about 2% in specific terms, i.e. normalising the figure in relation to the quantity or pieces produced.

The increase in emissions attributable to company cars appears to run counter to Italchimica's efforts to convert the fleet to hybrid and electric cars; however, it should be considered that 2020 and 2021 emissions were strongly influenced by the COVID-19 pandemic, which significantly reduced travel.

In 2022, there was a significant decrease in the direct emission contribution related to the consumption of methane gas used for heating plants, wash water and offices. The fluctuation of this figure is, however, strongly affected by the severity or otherwise of the winter season.
More interesting is the marginal but steady decrease in emissions related to purchased electricity, a result that is even more important considering the increase in production compared to 2021; this proves that the company's efforts on the renewable energy and energy efficiency front are paying off.

As far as emissions of other substances which are harmful to the environment are concerned, Italchimica boasts of a negligible release of polluting gases such as NO_x and SO_x, given that in its sites there is limited use of methane gas as a fuel.

Emissions of dust, VOCs and acidic or basic inorganic compounds are also negligible. In the production department there are three emission points into the atmosphere authorised pursuant to Article 269 of Italian Legislative Decree 152/2006, one in the blowing department and two in the mixing/filling department.
Emissions are checked by an accredited external laboratory on an annual basis.

TOTAL EMISSIONS

CO_2 eq (t)

Annual manufacturing trend (tonnes)

Annual manufacturing trend (no. of finished product pieces)

Direct emissions from heating combustion

Direct emissions from company cars and vehicles

Indirect emissions from imported electricity

Total emissions

Reporting data origin of standard 305 disclosures: data come from direct measures or from developments of direct measures (meters).

Waste

More than 2.5 billion tonnes of waste are produced annually in the European Union. The European Union is updating its waste management legislation to promote the transition to a circular economy as an alternative to the current linear economic model.

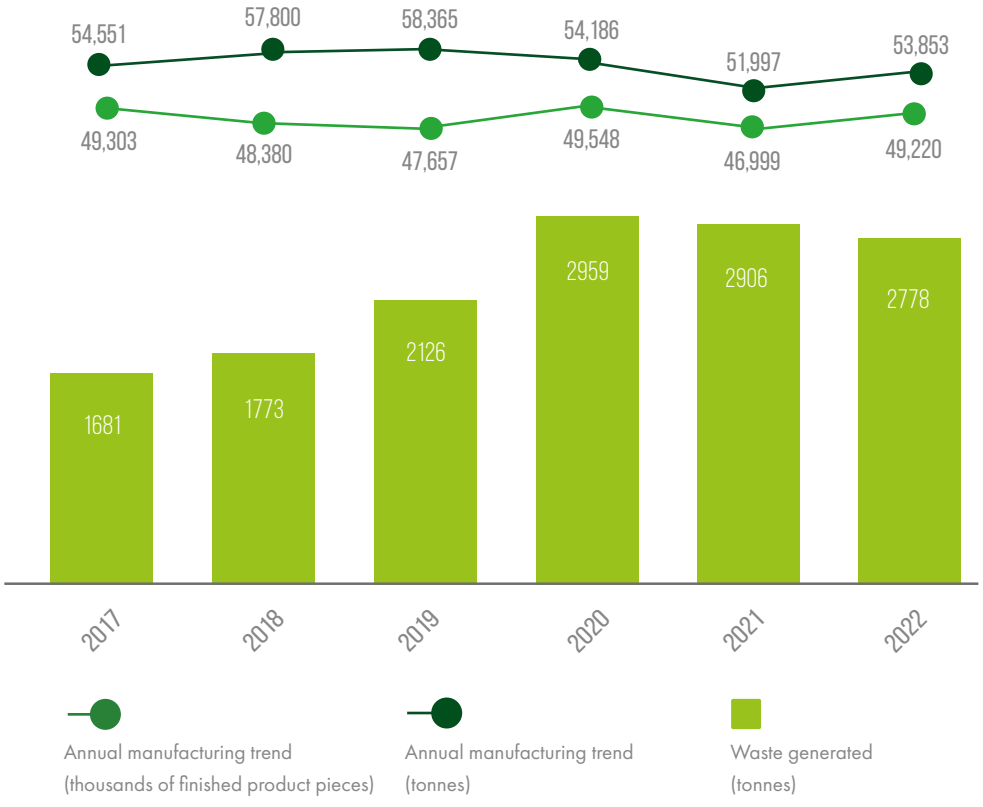
In February 2021, the European Parliament voted on the new Circular Economy Action Plan, calling for additional measures to achieve a carbon-neutral, environmentally sustainable, toxic-free and fully circular economy by 2050[13].

Consistent with the new paradigm of the circular development model, Italchimica explores new opportunities to reduce waste production and generate value from end-of-life products/materials. Such a commitment runs through the organisation at several levels: from the product design phase to the waste management phase coming from the production processes. We operate responsibly to better manage waste in close collaboration with other actors in the production chain with the aim of minimising impacts and creating a new value added in the name of circularity. Our waste management goes beyond the strict application of mandatory regulations. Instead, we are constantly striving to optimise management of the waste we produce by making processes more efficient and devising new and virtuous methods to recover what can no longer be reused. This policy is expressed in concrete projects:

- reduce waste from packaging used for transport in the various factories and distribution centres, through eco-design, reduction and optimisation of supplies, reuse and standardisation of materials;
- reduce wash water, which is managed as waste, by increasing the percentage of concentrated formulations;
- improve wash water recovery systems;
- design treatment systems to optimise the management of wash water;
- increase recovery of internal packaging.

WASTE

ANNUAL AMOUNT OF WASTE GENERATED

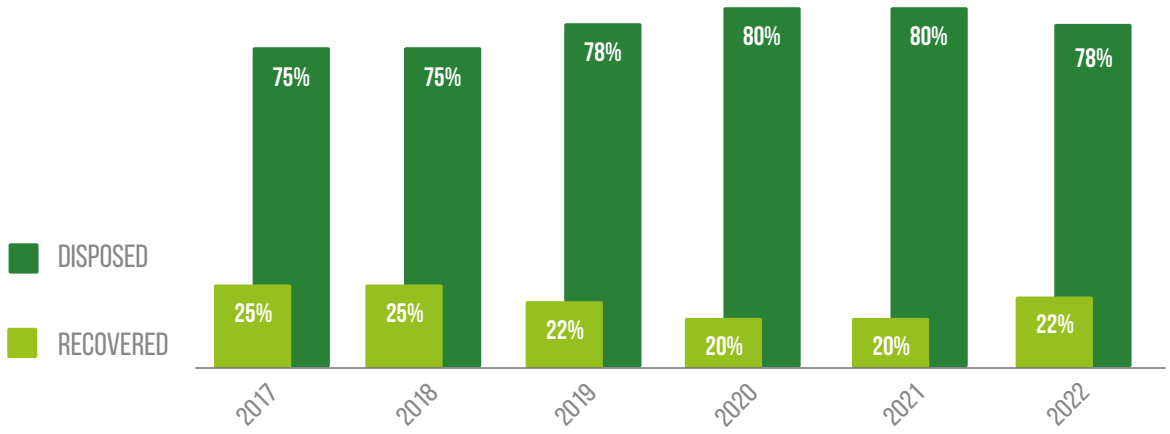


[13] Source: https://www.europarl.europa.eu/news/it

Waste production decreased considerably in 2022 while production increased, which proves that the measures put in place are leading to the expected results. Particularly noteworthy is the significant reduction in wash water, which contributes 75.9% of the waste produced, compared to 80% in 2021.

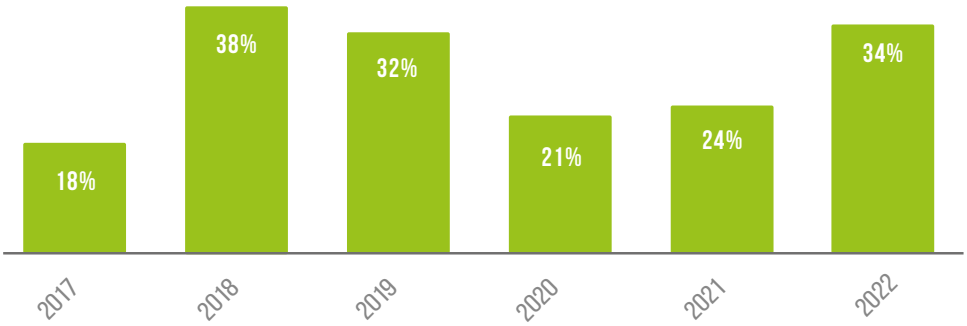
22% of the special waste produced in 2022 was to be recovered. Municipal waste is managed according to the regulations of the Municipality of reference. Hazardous waste (78%), which is also decreasing since it is mainly wash water, is always managed carefully, in compliance with mandatory regulations and with a view to minimising environmental risks. All special waste is strictly delivered using authorised third-party companies that handle its transport and disposal.

WASTE %



Wash water, which is the main contribution of both special waste in general and hazardous waste, comes from the inevitable washing/sanitising operations of storage tanks, mixers and machinery that are carried out at each formulation change.

RECOVERED WATER %



Since 2017, Italchimica has been exploring every way to improve the efficiency and reduction of wash water and its recovery. The upward trend in recovery rates has always been positive, reaching an overall increase of 16% in 2022, corresponding to 34% of recovered water. For the future, we believe that the trend can be confirmed and improved, in fact we expect marginally better results due to the systematic application of current recovery operations.

An assessment of the impacts generated by waste related to Italchimica's processes/products upstream and downstream in its value chain is currently difficult to estimate. Certainly, the downstream impacts, in particular with regard to the handling of packaging by the end customer, are more easily predictable.

The main aspect is related to the management of plastic bottles and containers that must be properly recovered to generate new raw materials. In order to facilitate correct management of this phase, Italchimica has for some time now included a QR code on the packaging which, in anticipation of legislative obligations, provides the consumer with comprehensive information on how to recover the packaging.
It is precisely with a view to the product's life cycle that a project has been launched to produce primary packaging mainly made of cellulose, that can be recycled with paper, and consists of more than 80% vegetable material, i.e. renewable; the cellulose that makes up the container comes from FSC-certified forests[14], responsibly managed plantations that are used for the purpose of generating cellulose to produce paper.
In a circular economy, renewable materials are crucial because they reduce the demand for limited resources and the environmental impact of resource extraction.

The commitment to recycling and preventing potentially polluting production practices is a concrete way for the company to actively contribute to the global topic of marine pollution due to macro and microplastics[15]. In fact, large amounts of plastic waste are found in every corner of the oceans and the planet, without national borders being able to hold them. Plastic waste from any country can end up virtually anywhere in the world. This is why the problem of plastic pollution of the oceans can be tackled at national and regional level mainly through coordinated voluntary measures. What is needed is the development of shared responsibility and a common approach. Italchimica has always raised stakeholders' awareness of the importance of good end-of-life management practices for products and has supported all the guidelines defined at European level with regards to the reduction of marine waste derived from microplastics. However, the public discussion on the topic is very controversial and complex. On an international level, there is still no single definition of the term "microplastics". In this context, we refer to the basic definition of ECHA, the European Chemicals Agency. Based on European and AISE guidelines, we have long adopted concrete actions to move away from the use of raw materials that could impact our industry:

- since 2018, all our cosmetic products have been microbead-free. With this choice, the requirements of the Italian 2018 Budget Law were abided by almost two years beforehand;
- We are currently working on opacifiers made from solid synthetic plastics. For our detergents and cosmetics, the switch to natural or biodegradable opacifiers will be completed by the end of 2025;
- we have initiated projects aimed at eliminating certain types of synthetic perfume encapsulation, the nature of which is questioned as microplastics. We plan to replace all synthetic fragrance encapsulations with biodegradable solutions by 2025 at the latest.

In the medium to long term, Italchimica plans to progressively innovate the range of the raw materials currently used while including substances with a low impact on human health and the environment, as well as removing the most hazardous ones. In this regard, a major decrease in the quantity of hazardous wash water is estimated for the coming years.

[14] The Forest Stewardship Council is an international non-profit NGO. The FSC has created an internationally recognised forest certification system. The certification aims at correct forest management and traceability of derived products.
[15] Microplastics are made up of very small particles - generally smaller than 5 mm - of plastic materials. These fragments can be accidentally formed as a result of the deterioration of larger plastic pieces, including synthetic fabrics, or can be intentionally manufactured and added to certain products, such as cosmetics, cleaning detergents, etc., especially as exfoliating agents (microbeads), stabilisers or in connection with aesthetic (opacifiers) and sensory functions (synthetic encapsulations). Once these fragments have been released into the environment, they can build up in the body of animals, such as fish and crustaceans, and as a result be ingested by consumers as food.

HAZARDOUS WASTE (kg)	2017	2018	2019	2020	2021	2022
WASH WATER	1,252,410	1,310,000	1,635,030	2,371,360	2,325,470	2,109,210
INK WASTE	0	0	0	0	140	30
MINERAL OILS FOR NON-CHLORINATED HYDRAULIC CIRCUITS	400	900	200	540	430	540
PACKAGING CONTAINING RESIDUES OF DANGEROUS SUBSTANCES	4,140	14,030	33,420	38,510	35,400	41,300
OTHER CONTAMINATED MATERIALS	1,420	3,210	1,455	1,960	5,540	5,000
OUT-OF-SERVICE EQUIPMENT (CER 160211)	0	400	0	0	0	0
OUT-OF-SERVICE EQUIPMENT (CER 160213)	0	17	0	0	30	30
LABORATORY CHEMICAL SUBSTANCES	0	70	6	30	104	50
WASTE THAT MUST BE COLLECTED AND DISPOSED OF TAKING SPECIAL PRECAUTIONS TO AVOID INFECTIONS	0	3	25	47	63	43
NON-HAZARDOUS WASTE (kg)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
PAPER AND CARDBOARD PACKAGING	264,465	298,955	270,830	312,335	322,025	296,718
PLASTIC WASTE (070213)	0	0	0	0	60,300	60,300
PLASTIC PACKAGING	74,800	69,890	92,090	131,900	37,020	58,120
WOODEN PACKAGING	61,820	63,720	86,982	73,127	75,838	72,868
MIXED-MATERIALS PACKAGING	21,231	3,120	3,120	3,120	34,360	47,820
OUT-OF-SERVICE EQUIPMENT (CER 160214)	0	75	240	360	340	140
WASTE CARTRIDGES/TONERS	0	63	72	50	40	52
IRON AND STEEL	0	8,640	2,380	4,280	5,860	11,300
OTHER FERROUS MATERIALS	0	0	0	0	2,820	0
AQUEOUS WASTE SOLUTIONS (161002)	0	0	0	0	0	56,180
BULKY WASTE (200307)	0	0	0	0	0	5,040

Italchimica is planning a more in-depth assessment of the significant impacts upstream and downstream of its value chain using Life Cycle Assessment techniques and referring to UNI EN ISO 14064 and 14067 (Assessment by 2025).

FOCUS

Silicone **paper**

A concrete example of circular economy

Since 2017, Italchimica has implemented a separate collection system for silicone paper materials. Due to the presence of silicone, the label liner is generally disposed of in landfills or by incineration, with a significant eco-friendly and economic cost.

Thanks to this recovery system, it is possible to give new life to liners while contributing to environmental sustainability and money saving. In addition to the recycling of this material, the project includes the production of labels made of 100% recycled paper. Throughout 2022, the recovery of reel-label silicone paper made it possible to significantly reduce the impact of this process step (with approximately 84 tonnes of material recycled and 159 tonnes of CO_2 saved).


F1
F2
F3
START
MAN
OFF ON
Dual Power
Pavimenti

Italchimica has always been committed to optimising the procurement and responsible management of raw materials for its formulations and packaging in order to contribute to the conservation of natural resources and biodiversity.

FOCUS

Europe and the **circular economy**

Separating economic growth from the use of resources and moving towards circular production and consumption systems are key to achieving EU climate neutrality by 2050.

In March 2020, the Commission presented a new action plan for the circular economy[16]: the plan includes 35 action points with a strategic framework on sustainable products as a key element. Multiple initiatives are planned to address product design, production processes and the opportunity to empower consumers and public purchasers to make informed choices. Targeted initiatives will cover the main product value chains such as electronics and ICT (Information and Communication Technology), batteries, packaging, plastics, textiles, construction and building, and food products. A review of the waste regulatory framework is also planned.

[16] Source: www.consilium.europa.eu

A crucial role will have to be played by European industry to achieve the goals of the plan; indeed, at the heart of it all is the ability of European industry to lead the dual ecological and digital transition. European industry cannot afford to simply adapt: it must now become the accelerator and driver of change and innovation. This will help transform and grow traditional and new industries, support SMEs and drive competitive sustainability across the EU. Digitalisation and sustainability will be the guarantee for the long life of the European social market economy, for economic growth that will go hand in hand with improved social and living standards.

The European Green Deal aims to create new markets for climate-neutral and circular products such as steel, cement and basic chemicals. To drive this change, Europe needs new industrial processes and cleaner technologies to reduce costs and improve market readiness. The Innovation Fund of the EU Emissions Trading Scheme will contribute to the creation of more large-scale innovative projects in support of clean products in all energy-intensive sectors. A new strategy for the sustainability of chemicals will help to better protect people and the environment from hazardous substances and encourage innovation in the sector to develop safe and sustainable alternatives. Europe must also address the sustainability of construction products and improve the energy efficiency and environmental performance of built goods. A more sustainable built environment will be essential for Europe's transition to climate neutrality.

04

Social responsibility

The time has come to consider the ethical dimension of a company as a value added that not only lays the foundations for a new relationship with stakeholders, but also offers new opportunities for economic growth. Italchimica's management is convinced that there is no conflict between ethics and economic performance, so it has long since placed the company's social role at the centre of its development strategy. To this end, numerous initiatives were aimed at the needs of workers, employees and the development of the local community.

8 DIGNIFIED WORK AND ECONOMIC GROWTH

GLOBAL GOALS - 2030 AGENDA

GROWTH AND WELFARE OF COMPANY STAFF

Contributing to employment growth and decent work for all.

Long-term **strategy**

- **Redefinition** of the corporate organisational culture, with a focus on the enhancement of resources
- **2023:** expansion of the HR, R&D and QHSE departments to support the company's growth in the coming years
- **2024:** expansion of the staff in the Professional division to support business growth
- **Maintaining** and improving services and benefits for employees

2022 goals

- **+10%** of inclusive, hygienic and healthy workplaces
- **A new company job description** in progress
- **Consolidation** of benefits: - provision of food supplements; - inauguration of a company library.

2021 goals

- **+1%** of inclusive, hygienic and healthy workplaces
- **Structural expansion** of the company (office, canteen and leisure areas)
- **Expansion** of staff in the MKTG and Sales departments to support business growth
- **Mapping** of skills and training needs
- **Activation** of numerous services:- company sports group; - parenting support; - flexible working hours.

GLOBAL GOALS - 2030 AGENDA

GROWTH AND WELFARE OF COMPANY STAFF

Ensuring inclusive and equitable quality education and equal opportunities.

Long-term **strategy**

- **2024:** individual and group training programmes in sustainability and digitisation

2022 goals

- **Commitment** towards the inclusion of women to maintain gender balance within offices
- **Technical and computer** training on process, design and graphics programs

2021 goals

- **Specific** training paths for all our women:
  - **4 different** training paths
  - **716** hours- **44** trained resources
- **Launch of** an inter-company collaboration programme for the sharing of best practices, resources and training courses between two companies in the Padua area

3 HEALTH AND WELLNESS

GLOBAL GOALS - 2030 AGENDA

STAFF HEALTHAND SAFETY

Contributing to the improvement of health and well-being of stakeholders.

Long-term **strategy**

- **Applying** the best standards for safety management
- **Minimising** the number of accidents by investing in health and safety in the workplace
- **Injury frequency index** > 3 days lower than 13.88 by 2023
- **Continuous optimisation** of internal communication
- **2024:** implementation of a gender discrimination monitoring system
- **2024:** implementation of a gender pay gap control system and certification on gender equality according to UNI/PdR 125:2022
- **2024:** provision of training content on human rights policies and procedures
- **2025:** implementation of a supplier monitoring system on freedom of association, child labour and forced labour
- **2025:** implementation of a formal human rights monitoring and verification system within the organisation
- **2024:** definition of a system of minimum notice before major organisational changes for staff

2022 goals

- **Maintenance** of the ISO 45001 management system
- **Injury** frequency index > 3 days at 13.95
- **Implementation** of an internal communication channel on health and safety topics

2021 goals

- **Passage** of the safety management system to the ISO 45001 standard
- **Injury frequency index** > 3 days at 11.1
- **Design of an** internal communication system for transparency and well-being

GLOBAL GOALS - 2030 AGENDA

CONTRIBUTION TO THE LOCAL COMMUNITY

Contributing to the reduction of pollution, health and hygiene service optimisation and local cultural heritage protection.

11 SUSTAINABLE CITIES AND COMMUNITIES

Long-term **strategy**

- **Integration** of the carpooling plan with the provision of tools to facilitate cycling
- **>50% of the company car fleet** consisting of **low-emission vehicles** by 2025
- **By 2024** preparation of an analysis of the impact of our activities on local communities

2022 goals

- **Increase** in hybrid and electric company vehicles

2021 goals

- **Sustainable mobility:** indoor spaces for bicycles and scooters to encourage the use of environmentally friendly means of transport
- **Expansion** of company car lists with hybrid and full electric vehicles. Activation of charging stations powered by the company's photovoltaic system

The scenario and **our commitment**

The labour market continues to be affected by the significant *great resignation* phenomenon, i.e. the increase in voluntary resignation, especially among young people under 35, looking for better career opportunities and greater peace of mind in the workplace. In particular, in 2022, almost 2 million 200 thousand resignations were recorded, an increase of 13.8% compared to 2021, when a total of 1 million 930 thousand were recorded. This phenomenon, therefore, knows no end and indeed sees 2022 as the year with the highest level of turnover. This situation should not be underestimated and can have a significant impact on the competitiveness of companies.

To counter this phenomenon, it is necessary to devise strategies to improve well-being in the company, which means increasing its attractiveness and sense of belonging; ultimately, it means defending its human capital. If the corporate welfare services as an integration of normal remuneration are aspects which are increasingly considered by workers, the effect of these tools on the working and organisational climate should not be underestimated.

Occupational health and safety plays a fundamental and essential part in corporate social responsibility: a safe, healthy and comfortable workplace inevitably generates significant benefits, both for workers and companies. This is constructive in the medium to long term, when considering the positive contribution to the work environment, and concrete action in the short term in relation to the economic and legal implications of occupational accidents and illnesses. However, caring for safety in the workplace is not only an investment in safer technologies and workplaces. It is also a precursor to the cultural growth at all levels that leads to centralising the health variable in every activity carried out by the organisation.
Overall, we can say, without fear of denial, that corporate social responsibility is suitable for everyone!

For Italchimica, corporate welfare and caring for safety

Italchimica strongly believes that its employees' active involvement in the success of initiatives and in corporate sustainability is a driving, innovating force of the future.

Our principles of social responsibility are consistent with the vision of the sector goals identified by the UN for 2030.

are valuable resources for the following operational directions:

- strengthening relationships in the corporate community, increasing corporate well-being by creating a working climate that counteracts the uncertainties of the historical period we live in. This avoids the emergence of fragility at a time of high market competition;
- maintaining and improving the company's *social reputation*, implementing initiatives and actions aimed at monitoring the expectations of stakeholders. Socially relevant interventions can generate good results on the internal and external perception of the company.

We have consistently implemented actions to **increase the involvement of staff at all levels, sharing objectives, recognising and rewarding efforts and offering services and benefits to supplement income.** This contributes to enhancing the work environment to make it more stimulating, educational and inclusive.

The value of corporate welfare is confirmed by the findings of the sixth *Censis-Eudaimon* Report, which shows that *well-being* tools are highly valued by those who benefit from them and are strategic for retaining and attracting workers. The report shows that the pursuit of well-being will become increasingly important in the near future in order to improve the quality of life and mitigate economic downturns. However, the same study emphasises how a corporate welfare in line with people's subjectivity requires a transition from a vertical model in which the company detects and interprets workers' needs by deciding what the corporate welfare offer consists of, to a more horizontal model made of listening to needs as a basis for outlining an increasingly wide range of opportunities for workers. The latter will then always be able to exercise their choices in full autonomy. In this direction, over the last few years **Italchimica strengthened the staff and the programme dedicated to human resources** with two specific targets: improving personnel administration activities and outlining an HR area development plan. The development of this office seeks to improve personnel selection and appointment processes, culminating in the development of a human resources management plan, including specific actions aimed at:

- encouraging staff responsibility for environmental protection and the reduction of environmental impacts;
- enhancing social responsibility by implementing active development and equity policies within the company and reinforcing a *well-being* and work-life balance system for all staff;
- intercepting workers' expectations in terms of corporate welfare.

Italchimica strongly believes that its employees' active involvement in the success of initiatives and in corporate sustainability is a driving, innovating force of the future.

Our principles of social responsibility are consistent with the vision of the sector goals identified by the UN for 2030.


SEGMENT SHARE

Human capital

People are valuable resources at Italchimica. Focusing on their ambitions and aspirations is core to our social sustainability plan, which is based on a strategy open to exchanging views and fostering dialogue both in-house and externally, in order to enhance involvement and engagement and support the company in the development process. In this regard, developing human capital is a key factor for carrying out, improving and developing business activities, as well as for creating sustainable value over time.

Our people are the promoters of the transformation and great change that has been taking place in recent years. Therefore, the priority goal of Italchimica's human resources policy is to continue promoting their well-being and professional growth. This is achieved by recognising merit, developing talent and ensuring equal opportunities.

Constantly focusing on ambitions and aspirations of our staff is core to our social sustainability plan, which is based on a strategy open to exchanging views and fostering dialogue both in-house and externally, in order to enhance involvement and engagement and support the Company in the development process.

In this regard, increasing human capital is a key factor for carrying out and improving business activities, as well as for creating sustainable value over time.

Our people

Our staff is a valuable and indispensable asset, the driving force behind the company's success.

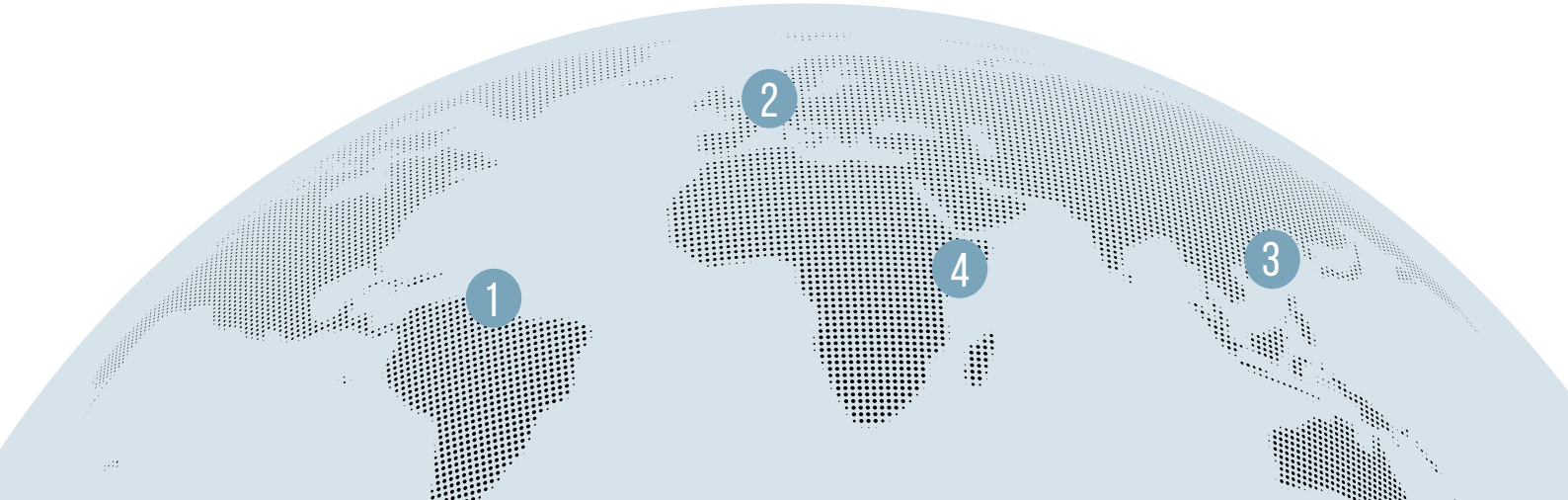
It is, in fact, only thanks to their commitment, dedication, ethics and professionalism that Italchimica is able to meet the growing demand of customers and consumers for high quality, effective and sustainable products. The daily objective of the company is therefore not only to guarantee a production group of excellence, but also to be a workplace that people can, in some way, consider as a second home. This applies to both established and new employees. In fact, the company applies a corporate *onboarding* programme to enable the most effective integration of new colleagues in a changing environment, given its continuous development. The programme makes administrative aspects efficient and plans *cross-functional* interviews by following the *induction* of people into the department and into the corporate team.

1 SOUTH AMERICA	
COLOMBIA	1
VENEZUELA	1

2 EUROPE	
ITALY	158
MOLDOVA	15
ROMANIA	9
ALBANIA	1
BELGIUM	1
GERMANY	1

3 ASIA	
BANGLADESH	1

4 AFRICA	
TUNISIA	2
CAMEROON	1
MOROCCO	2



Italchimica's workforce in the last year was made up of 55% of blue-collar workers, 36% of office workers, 7% of managers and 2% of executives.

CATEGORY	2018	2019	2020	2021	2022
EXECUTIVES	-	-	-	3	3
MANAGERS	10	10	10	9	13
OFFICE WORKERS	48	48	59	60	70
BLUE-COLLAR WORKERS	93	106	105	104	107

2022 saw a significant increase in the number of employees, allowing Italchimica to confirm itself as a growing environment that is certainly attractive to workers.

YEAR	EMPLOYEES	WOMEN	EQUAL TO
2016	132	30	22.7%
2017	146	37	25.3%
2018	151	29	19.2%
2019	164	30	18.2%
2020	174	39	22.4%
2021	176	40	22.7%
2022	193	44	22.8%

The workforce, in fact, amounts to 193 workers, of whom approximately 23% are women and 77% men.

The values shown relate to employees only; the presence of other contractual groups are broken down as follows:

- 11 temporary workers of whom 10 blue-collar production department workers and 1 office worker;
- 2 interns who are part of specific in-house growth training courses;
- 2 consultants supporting the Marketing Communication and Administration and Finance areas;
- 3 administrators.

2022 saw an increase in all categories of the working population with the exception of managers, in line with the process of strengthening and consolidation of the organisational structure that had already begun during the pandemic and which has not come to a halt.

CATEGORY	2022	WOMEN	EQUAL TO
BLUE-COLLAR WORKERS	107	4	3.8%
OFFICE WORKERS	70	36	60%
MANAGERS	13	0	0%
EXECUTIVES	3	0	0%

The increase in the number of employees is in line with the steady growth in production. The corporate development project will require the integration of new professional figures with the addition of new skills, to strengthen the team and increase resilience in the current context of high market competition.
From the data on gender distribution, we can see the importance of the role of women in the organisation's growth policy.

Italchimica considers the topic of women's *empowerment* a great development opportunity for the company's business in the coming years.

In this regard, the company is planning to include, in its sustainable growth plan, objectives to enhance the role of women within the company. The steadily growing numbers of women testify to a spontaneous principle of care and attention towards this issue.

Specifically, the number of women in the company increased by 10% in 2022 compared to 2021, in line with the increase in the company population.

The focus on female staff also results in a maternity support policy. To this end, Italchimica has defined a series of initiatives, such as:

- allocation, during pregnancy, of a parking space next to the company entrance;
- payment of a contribution at the birth of the child;
- to support post-maternity reintegration, planning of ad personam training.

The implementation of a comprehensive gender equality and discrimination control system, according to the latest UNI standards in the field, is also planned for 2024. In recent decades, the European Union has made considerable progress on gender equality by establishing specific measures in favour of women and mainstreaming the gender dimension into all policies. These initiatives have led to an increasing awareness among companies.

Today, the benefits of greater integration and enhancement of women's skills in improving the efficiency and productivity of the economic system are more evident than ever.

Staff stability

Italchimica always applies merit and expertise criteria in the selection of personnel. What is important to us is offering stable positions with chances to grow within the company. In 2022, just under 90% of employees will have a permanent employment relationship, with a constant number of part-time workers limited to one.

YEAR	TYPE OF CONTRACT	MEN	WOMEN
2019	Permanent contract	153	24
	Temporary contract	11	6
2020	Permanent contract	161	34
	Temporary contract	13	5
2021	Permanent contract	125	36
	Temporary contract	11	4
2022	Permanent contract	125	41
	Temporary contract	24	3

EMPLOYEES	TOTAL	PART-TIME	WOMEN
2017	146	2	2
2018	151	2	2
2019	164	2	2
2020	174	1	1
2021	176	1	1
2022	193	1	1

Due to the strong growth in production over the last few years and the need for great human resource support for this growth, only 1 out of 176 employees works part-time.

Throughout 2020-2022, Italchimica has significantly reduced the use of agency-supplied staff compared to 2019, thus consolidating the organisational structure.
The decision to do so was encouraged by structural investments and the efficiency of the machines used in the production department. This has led to process optimisation, resulting in less demand for additional staff during peak productivity periods, but a greater need for highly qualified personnel. In this regard, this achieved the goal of stabilising the management of resources to a greater extent and releasing the company's direction from the seasonality of production.

	EMPLOYED	TOT	WOMEN	MEN
2022	< 30 YEARS OLD	21	14	7
	30 < 50 YEARS OLD	8	7	1
	> 50 YEARS OLD	34	27	7
	GENERAL	63	48	15

	TERMINATED	TOT	WOMEN	MEN
2022	< 30 YEARS OLD	9	6	3
	30 < 50 YEARS OLD	32	26	7
	> 50 YEARS OLD	4	3	1
	GENERAL	45	35	11

	TURNOVER RATE	TOT	WOMEN	MEN
2022	< 30 YEARS OLD	19%	19%	19%
	30 < 50 YEARS OLD	20%	20%	21%
	> 50 YEARS OLD	13%	12%	20%
	GENERAL	19%	19%	20%

The turnover rate in 2022 was 19%, down 12%, in percentage units, from 2021.

We think that this decrease, which has brought the turnover level well below the national trend, is the result of the retention and well-being plans implemented in recent years.

However, we believe that such an achievement should be a spur to continue on the path set out by increasing efforts to build employee loyalty through the use of welfare and professional development tools.

Welfare - Well-being

Italchimica is committed to offering its people a safe and healthy, but also comfortable and stimulating work environment: the well-being of employees is in fact a key element for the company's success. With the aim of improving the well-being of its workers, the organisation has implemented a number of welfare initiatives over the years to enhance the quality of life of employees both in and outside the workplace.

Many initiatives are underway:

- **Supplementary health insurance:** a supplementary health plan that guarantees members reimbursement or free medical services at affiliated medical facilities;
- **Family contributions:** support for employees' families with financial contributions;
- **Flexitime:** for jobs where applicable, flexibility in and out of the company and the possibility of planning the lunch break based on your work organisation;
- **Seasonal fatigue:** we provide employees with vitamins during the winter and minerals during the summer;
- **Bike to work:** indoor station for parking bikes safely;
- **Sports activities:** running and fitness training sessions accompanied by personal trainers;
- **Maternity policies:**- a parking space next to the company entrance is reserved during pregnancy;- a contribution is paid at the birth of the child;
  - to support post-maternity reintegration, ad personam training is planned.
- **Restaurant/canteen ticket:** a canteen service is in operation to allow employees to take their lunch break within the company and daily meal vouchers that can be used both internally and externally are handed out;
- **Literary café:** company library consisting of volumes that can be browsed during coffee breaks and taken home for reading;
- **Working hours:** the possibility of turning overtime into free time. The company offers the option of activating an "individual time account" of overtime worked, turning it into paid leave;
- **Incentive plans;** excellent performance is rewarded with a specific incentive system. When the company reaches its target profits for the year, employees participate in the performance bonus.

The company has also implemented a member-dedicated online discount platform that facilitates staff in the purchase of global consumer goods or services, providing new opportunities and savings for workers' families. At the same time, the company store for employees was renovated. In this regard, company staff has become the first *brand* ambassador and testimonial of the production quality of Italchimica branded products.

Staff **safety**

The founding principle of the company policy is the prevention and reduction of the risk of accidents and the onset of occupational diseases in those who are directly or indirectly engaged in company activities. The implementation of this principle passes, inevitably, through the enhancement of the corporate culture in the field of health and safety until a full awareness of employees is achieved.

Health and safety does not only represent a mere application of legal obligations with the fulfilment of formal and bureaucratic obligations, but it is also a powerful tool for the creation of substantial value.

The operational implementation of this approach is based on the constant training of personnel, the definition of safe working procedures and the monitoring of their effectiveness; these actions cannot disregard the involvement of workers in safety management, transforming them from passive recipients of accident prevention regulations to protagonists of a cultural change that emphasises safe work.

This is a commitment that Italchimica has always pursued with conviction and continuity, aimed at creating a workplace with the highest standards.

Integrated management system

In 2016, Management endorsed the Integrated Environment and Safety Policy, which describes the company's commitment to curb and, when possible, eliminate the risks to workers' safety and health. With this in mind, Italchimica constantly pursues the following operational guidelines:

- pursuance of constant improvement in safety management through the systematic identification of dangers and the assessment of associated risks, as well as the definition of objectives for their elimination or reduction;
- prevention and reduction of the risk of accidents and the onset of occupational diseases in those who are directly or indirectly engaged in company activities;
- definition of staff roles, responsibilities and authorities and appointment of adequate resources to implement, maintain and improve the system;
- making sure that staff have adequate skills, training and sensitivity;
- ensuring worker communication, participation and consultation with regard to safety- and health-related issues in the workplace and in the environment.

For years, the company has been moving towards a modus operandi that limits risks as much as possible. In this regard, **all staff at Italchimica are involved in managing safety and health issues** and are urged to co-operate for the sake of protection through periodic training, constant information and daily guidance precisely on the basis of this goal.
The dissemination of a culture of safety and individual responsibility as well as the creation of risk awareness are central factors in continuing to provide a safe work environment.
During 2020-2022, Italchimica continued to monitor company processes and completed the revision of the procedural body of the Integrated Management System for adaptation to the new regulations. Specifically, the transition to the ISO 45001 standard was completed.

All workers are provided with complete safety training which is appropriate to the associated risks and the prevention measures to be taken. The generic training course is the same for everyone, whereas the course on specific risks varies according to one's employee category.

Safety training

Employees are periodically updated on the health and safety improvements adopted or planned, the rate and trends of accidents in the workplace and staff training plans. On these occasions, all employees are called upon to actively contribute to the development of the prevention and protection system by reporting suggestions for improvement in operating procedures, and suggesting new work methods that can reduce associated risks. Employees are also required to regularly take part in the company's safety training courses.

All workers are provided with complete safety training which is appropriate to the associated risks and the prevention measures to be taken. The generic training course is the same for everyone, whereas the course on specific risks varies according to one's employee category. In particular, the topics of the training course for office workers, who do not access the manufacturing department and carry out typical office tasks, refer to low-risk situations, possible damage and accidents, as well as the consequent prevention and protection measures and procedures associated with typical office activities (work environment, microclimate, lighting, video terminals, emergency procedures, etc.). On the other hand, the manufacturing department's operators are trained to tackle high-risk situations connected to their specific jobs (chemical risk, electrical risk, mechanical risk, vibrations, noise, manual handling of loads, etc.). With regard to prevention, it is essential for operators to be rigorously trained on the use of personal protective equipment and on the regulatory framework governing safety and health in the manufacturing department.

EMPLOYEE SAFETY DATA	2017	2018	2019	2020	2021	2022
FATAL INJURIES	-	-	-	-	-	-
1- TO 3-DAY INJURIES	2	5	-	1	5	2
INAIL INJURIES (> 3 DAYS)	6	11	11	5	4	5
COMMUTING INJURIES	2	0	3	1	1	1
INJURY RATE *	6.4	6.3	6.1	3.2	5	3.9
THE INJURY RATE ABSENCE >3 DAYS*	4.8**	3.4**	6.1**	2.7**	2.2	2.8
THE INJURY RATE ABSENCE >3 DAYS (UNI 7249)	24**	17.2**	30.4**	13.4**	11.1	13.9
TOTAL WORKING HOURS*	249,555	348,623	361,269	374,510	361,313	358,484

Rates referred to in point 2.1.4 of GRI 403-9
*Rates were calculated based on 200,000 working hours.
**The rates differ from that reported in previous editions of the Report as an erroneous double counting was discovered.

In 2022, safety courses amounted to a total of 1,131 hours, down from 2021 and basically in line with 2020; this is justified because in 2022, the periodic refresher training of a large part of the working population was scheduled five years after the previous training took place.

It should be emphasised that training courses are supplemented by careful **training of personnel on the use of machines, equipment and substances, as well as on work procedures/instructions.**

In 2022, there was a decrease in the number of injuries but an increase in the number of injuries of more than 3 days; however, in both cases these are small changes of 1 or 2 units. In 2022, only one accident was attributable to home-to-work travel, while 85% of injuries were caused by accidents in the workplace. It can be concluded that the situation has been stable over the last three years.

Downstream of the accidents, Italchimica conducted an in-depth analysis to improve employees' safety, with a view to reducing accidents, minimising hazards and curbing risks. In this regard, the company systematically collaborates with an Occupational Doctor to periodically carry out medical examinations and to manage prevention, diagnosis and work-related stress treatment as well as, if necessary, occupational diseases.

Staff training

Corporate training activity is part of Italchimica's evolution process: it is a strategic element in perspective, for internal growth, the enhancement and development of skills and potential, but also for talent retention and talent attraction.

In the last few years, some executive or 2nd level university master's degree courses were funded for company staff in the fields of Administration and Finance, Operations and the Environment, Corporate Management, Human Resources and Project Management.

In addition, staff members underwent specific training plans for the effective use of IT tools, such as calculation and process optimisation programs, as well as design and graphics programs.

All company staff, both direct and agency-supplied, are also subject to a yearly assessment of their work aimed at identifying areas for improvement and the strengths of each employee. This tool has been implemented with a view to tracing professional growth paths for individual employees and identify the necessary preparatory training actions for them. This assessment, unrelated to company incentive systems, is intended as an opportunity for bilateral comparison and analysis between employees and their direct superiors. Ample space is left for discussion and employees' contributions.

As a matter of fact, employees have an opportunity to report their comments and requests on comparison forms. This feedback tool, already available in the company but still under development, paves the way for an integrated system aimed at analysing and assessing the skills to be enhanced by the company over the years.

Furthermore, in order to make the training activity structured and effective, a linear process based on several consequential development phases is being planned:

1. process analysis of training needs, e.g. through the administration of a questionnaire aimed at understanding the gap between expected and actual skills;
2. planning training based on the previous phase;
3. provision of training;
4. evaluation of satisfaction.

Below is a synoptic overview with the quantification of training provided in 2022 divided between male and female personnel

1,892 hours of training were provided to the working population in 2022, with an hourly average of 9.8 hours per employee. The lower result compared to the previous year, as already seen, is due to the safety refresher courses that had expired in 2021.

	PARTICIPANTS			HOURS			AVERAGE HOURS		
CATEGORY	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
TECHNICAL/SW TRAINING	37	19	56	435	334	769	9.89	2.24	3.98
SAFETY TRAINING	18	120	138	88	1,035	1,123	2.00	6.95	5.82
TOTAL	55	139	194	523	1,369	1,892	11.89	9.19	9.80


Dual
power

05

Economic responsibility

Producing economic value is the basic requirement for the existence of a business. It is not only the financial results, however, that are an indicator of Italchimica's health. In addition to sharing a value created, it is crucial for the company to create a shared value for society and the environment.

Creating economic value means simultaneously generating value for oneself but also for the community and the area in which we live.

In this respect, Italchimica also aims to create continuous development opportunities for its stakeholders and the society in which it operates, seeking to bring concrete benefits to people, the economy and the area. This means fostering the development of an economic system based on the principles of corporate and individual social responsibility towards the community.

8 DIGNIFIED WORK AND ECONOMIC GROWTH

GLOBAL GOALS - 2030 AGENDA

ECONOMIC IMPACT

Goal 8: we are committed to achieving higher levels of economic productivity through diversification, technological updating and innovation by 2030.

Long-term **strategy**

- **Industrial plan** (2021-2023) based on a concerted strategy for a climatically neutral, resource-efficient and competitive economy
- **Designing sustainable**, safe and less-polluting products by progressively strengthening the linear model of circularity

2022 goals

- **Consolidation** of the previous year's turnover but +12% compared to the normalised pre-Covid year 2019
- **-20%** value added compared to 2021 but mainly in line with the normalised year 2019
- **0.9%** value added invested in research and development
- **12%** of the value added in investments for production efficiency

2021 goals

- **-24%** turnover compared to 2020 but +12% compared to the normalised year 2019
- **-42%** value added compared to 2020 but +25% compared to the normalised year 2019
- **0.8%** value added invested in research and development
- **10.4%** of the value added in investments for production efficiency

The scenario and **our commitment**

Every year, the global economy consumes 100 billion tonnes of materials, of which only 7.2% are recycled. The devastating effects this process has on the planet are now plain for all to see. The worrying fact is that with the world population expected to grow to around 9 billion by 2050, resource depletion looks set to increase. Natural resources, such as fossil fuels or water, are being depleted much faster than the planet can produce them. This makes it necessary to separate growth and quality of life from resource consumption and emissions.

For the creation of a shared value, it is now more essential than ever to gradually base one's business on the **circular economy** concept. This is a production and consumption model that embodies the concept of **sharing, lending, reusing, repairing, reconditioning and recycling** materials and products. This extends the life cycle of products, helping to reduce waste to a minimum. Once the product's function has come to an end, the materials it is made of are in fact reintroduced into the economic cycle. In this way, they can continue to be reused within the production stages, generating further value. In a **linear economy**, raw materials are taken into **production, transformed** into consumer products, and then become **waste.**

Through the recycling policy, for example, consumers have been made aware of the importance of separation and collection of waste, so much so that the current tendency is to consider every piece of waste as a wasted resource. One of the most evident examples is this: having plastic packaging is extremely important because it also increases the shelf life of the finished product. Plastic is a strong and durable material and, precisely for this reason, should not be abandoned in the environment or sent to landfill, but should be collected for recycling (mechanical or chemical), or waste-to-energy.

The circular economy is an ever-evolving process. It requires adequate time to be fully cultivated by industry, through the development of new products and technologies, and by consumers, through the adaptation of their behaviour.

We are well aware of this challenge and we take it into account when planning our business strategy.

Italchimica's contribution translates into the responsible development of products and the use of innovative processes, less impactful from a consumption point of view and characterised by high performance and quality standards.

FOCUS

Italchimica's contribution

This requires concerted action and the responsibility of all links in the entire value chain, from raw material suppliers to end users. In this regard, **we consider dialogue with stakeholders to be a valuable opportunity to identify the needs of different markets beforehand and to chart the direction of our activities.** Constant dialogue enriches us with new ideas that flow into the development and elaboration of our strategy.

Transparent communication with all stakeholders on how to manage the economic resources received and the economic impact on the primary stakeholders are priorities for Italchimica. This is key to building and developing trust relationships with the community and the area in which the company is active, in a perspective of continuity and interest reconciliation. We are committed to contributing to the quality of life, thereby generating value with less use of resources and reducing our negative impacts on the environment and society.

The 2030 Agenda, signed by countries around the world in 2015 at the UN General Assembly, together with the Paris Agreement on climate change, set the roadmap for adopting policies to achieve the Sustainable Development Goals, but the road ahead is not easy.

Italchimica shares the Vision 2050 of the World Business Council For Sustainable Development (WBCSD): "By 2050, more than 9 billion people will be living well within planetary boundaries".

At the **UN Climate Change Conference (COP27)** in Sharm el Sheikh in November 2022, **all countries agreed on the need to reduce greenhouse gas emissions by 2030**, but oil and gas producing states opposed a phase-out of fossil fuels. Nevertheless, all of us, in our own small way, have the opportunity to make a difference.

Sometimes it is convenient to think that the responsibility lies only with institutions and world powers, but each of us can do our part by changing habits, consciously choosing, recycling, and above all informing ourselves in order to increase awareness of these topics and accelerate green innovation.

In this sense, Italchimica shares the Vision 2050 of the World Business Council For Sustainable Development (WBCSD)[1]: "By 2050, more than 9 billion people will be living well within planetary boundaries".

This vision underpins our sustainable business strategy: **innovate and achieve more with less.** Our goal is to create and reduce our footprint at the same time. To do this, **we focus on innovations, products and technologies that improve the quality of life with fewer resources.**

With the experience we have gained, we aim to work with our stakeholders to develop sustainable solutions for the future. This way, we will contribute to both Italchimica's economic growth and the progress of Sustainable Development, in line with the goals identified by the UN for 2030.

Our commitment to a gradual transition to a circular economy model aims to provide high quality, functional, safe and efficient products that last longer and are designed to be reused or subjected to quality recycling processes.

Alongside continuously innovating our products, we aim to enhance product-as-service models. In this vein, **we promote sustainable services improving the quality of life, increasing knowledge and maximising skills.**

[1] The World Business Council for Sustainable Development (WBCSD) was founded on the eve of the 1992 Rio Summit as a platform to foster corporate sustainability aimed at giving voice to the business sector. The WBCSD's Vision 2050 report, prepared in collaboration with leading experts and business leaders, outlines the must-have innovations that the business sector should introduce in the coming decades to achieve global sustainability. In other words, it is a call for sustainability from within.


CIRCULAR PRODUCTION
DESIGN FOR THE CIRCULAR ECONOMY
USE FEWER RESOURCES, TO MINIMISE WASTE
CIRCULAR ECONOMY
COLLECT AND SORT WASTE
LESS USE OF NATURAL RESOURCES
MINIMISE LANDFILL WASTE
MAXIMISE RECYCLING

Economic impact

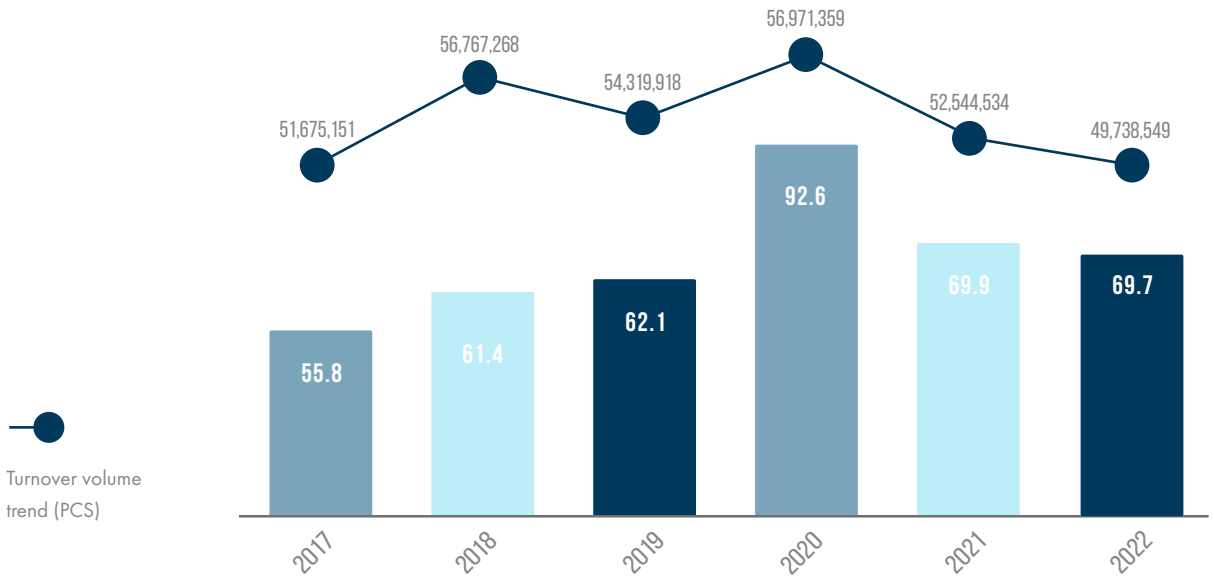
In 2022, Italchimica's turnover is 69.7 million euros. For a comparison with 2021, it is important to take into account the fact that part of the turnover in that year is attributable to orders for emergency products for the medical crisis. Looking at the main assortment, turnover increased by around 9% in 2022 and production basically followed the growth ***trend*** of previous years.
This confirms Italchimica's increasingly prominent role among industrial players in the detergent and cosmetics sector. The performance over the past year gains value added when one considers that there has been a maintenance of good margins on products sold in spite of the sharp increase in the purchase costs of raw materials and rising energy prices.
Over the past five years, the CAGR[2] of turnover was 2.55%, while in absolute value, from 2018 to 2022, turnover increased by approximately 8.2 million or 13%.

2017 - 2022

	TURNOVER (MIL EUROS)	TURNOVER VOLUME (PCS)
2017	55.8	51,675,151
2018	61.4	56,767,268
2019	62.1	54,319,918
2020	92.6	56,971,359
2021	69.9	52,544,534
2022	69.7	49,738,549

2017-2022

TURNOVER (MIL EUROS)



[2] The Compounded Average Growth Rate, more commonly known as CAGR, is the average percentage growth of a quantity over a period of time.

Value added

The creation of value added shows Italchimica's ability to create and share wealth to the benefit of its stakeholders.
The value added table represents, in particular, the accounting link between the statutory financial accounts and the Sustainability Report. The wealth produced by it during the year is namely the difference between gross production and the consumption of goods and services. It is calculated by reclassifying the items in the income statement for the fiscal year. The aim is to highlight both the process of forming corporate value added and its distribution, expressing in monetary quantities the relationships between the enterprise and the socio-economic system which it interacts with.

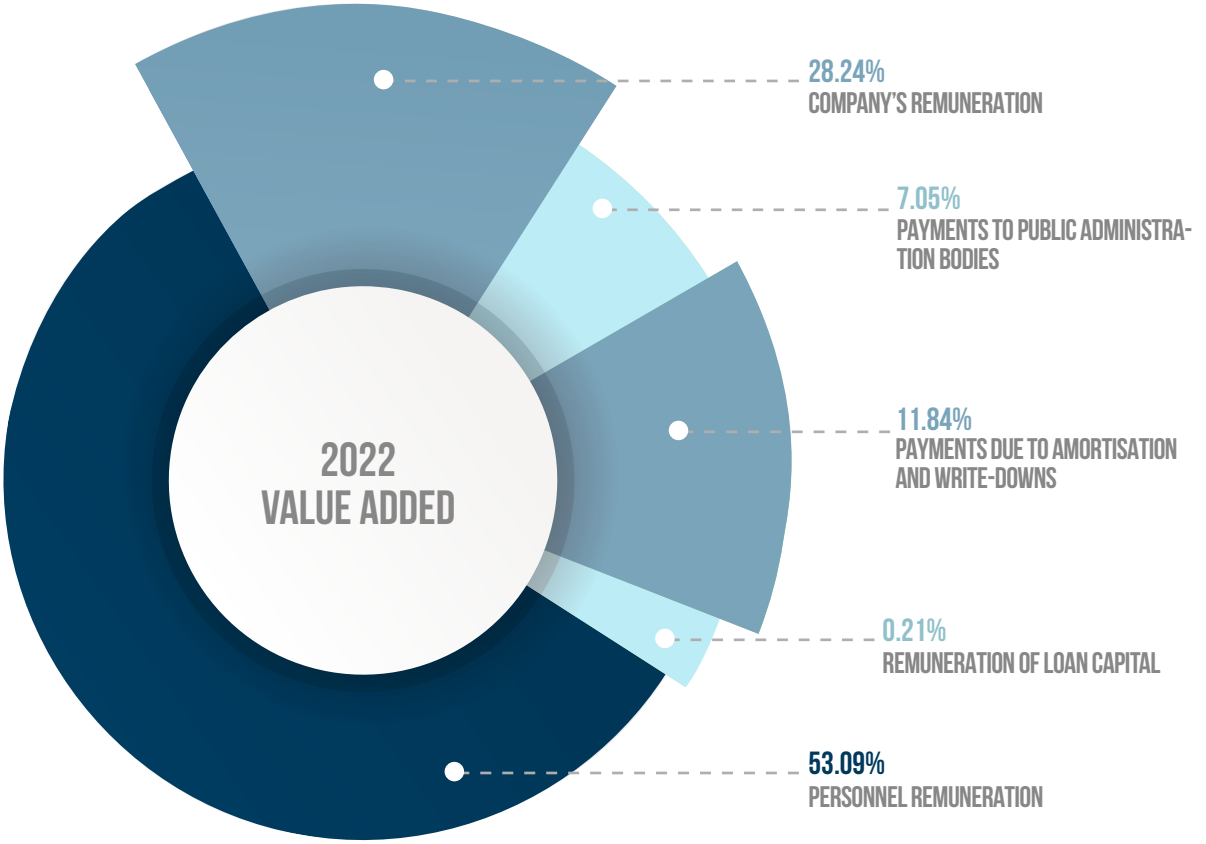
PRODUCTION VALUE	2019	2020	2021	2022
REVENUES FROM SALES AND SERVICES	62,140,725	92,607,259	69,882,412	69,707,992
CHANGES IN INVENTORIES OF WORK IN PROGRESS, SEMI-FINISHED AND FINISHED PRODUCTS, AND WORK IN PROGRESS TO ORDER	- 328,379	2,122,886	-1,341.237,00	821,642,00
INCREASES OF NON-CURRENT ASSETS FROM IN-HOUSE PRODUCTION	-	-	-	-
OTHER INCOME	1,031,529	1,010,483	760,977	1,123,239
TOTAL	**62,843,875**	**95,740,628**	**69,302,152**	**71,652,873**
INTERMEDIATE PRODUCTION COSTS	**2019**	**2020**	**2021**	**2022**
FOR RAW, ANCILLARY AND CONSUMABLE MATERIALS AND GOODS	25,437,385	33,732,934	26,952,872	30,909,125
FOR SERVICES	16,892,056	20,399,523	16,736,972	18,668,115
FOR LEASED ASSETS	2,999,647	3,011,629	3,615,409	3,986,020
CHANGES IN THE STOCK OF RAW, ANCILLARY AND CONSUMABLE MATERIALS AND GOODS	- 520,611	- 35,455	- 286,482	- 253,745
OTHER OPERATING EXPENSES	645,409	1,339,305	472,605	818,138
TOTAL	**45,453,886**	**58,447,936**	**47,491,376**	**54,127,653**
VALUE ADDED	**17,389,989**	**37,292,692**	**21,810,776**	**17,525,220**

In this regard, **the distribution of value added shows in objective and quantitative terms the consistency with the principles of ethics and social responsibility that the company has taken with regards to its missions and policies.**

As previously mentioned, the comparison of the balance sheet data as at 31.12.2022 with the balance sheet data as at 31.12.2021 is not ideal for a correct representation of the company's management performance. The balance sheet data as at 31.12.2022 can be compared with the balance sheet data as at 31.12.2019. That year, in fact, is to be considered as a "normalised" year and comparable to the current year.

The value added produced by Italchimica in 2022 is 17.5 million euros, with revenues amounting to 69.7 million euros, an increase compared to 2019 of approximately 12.18%. Costs as at 31.12.2022 increased by 19.9% compared to 2019 due to the general increase in raw material and energy costs.

The 2022 considerable value added made it possible for the company to gain a larger market share and to further invest in Research & Development and Sustainability.



Approximately 53.09% of the value added produced by the company in 2022 was distributed to employees in the form of salaries, social security contributions and severance indemnity. This figure confirms the attention Italchimica gives to its employees and consolidates the strengthening of the middle and top management structure.

Investments, in the form of depreciation, yielded a return of 11.84%, highlighting the company's ability to make the necessary investments to improve production efficiency.

The company's return corresponds to 28.24% of aggregate value added, a significant increase compared to 2019, due to improved economic performance.

Our **production chain**

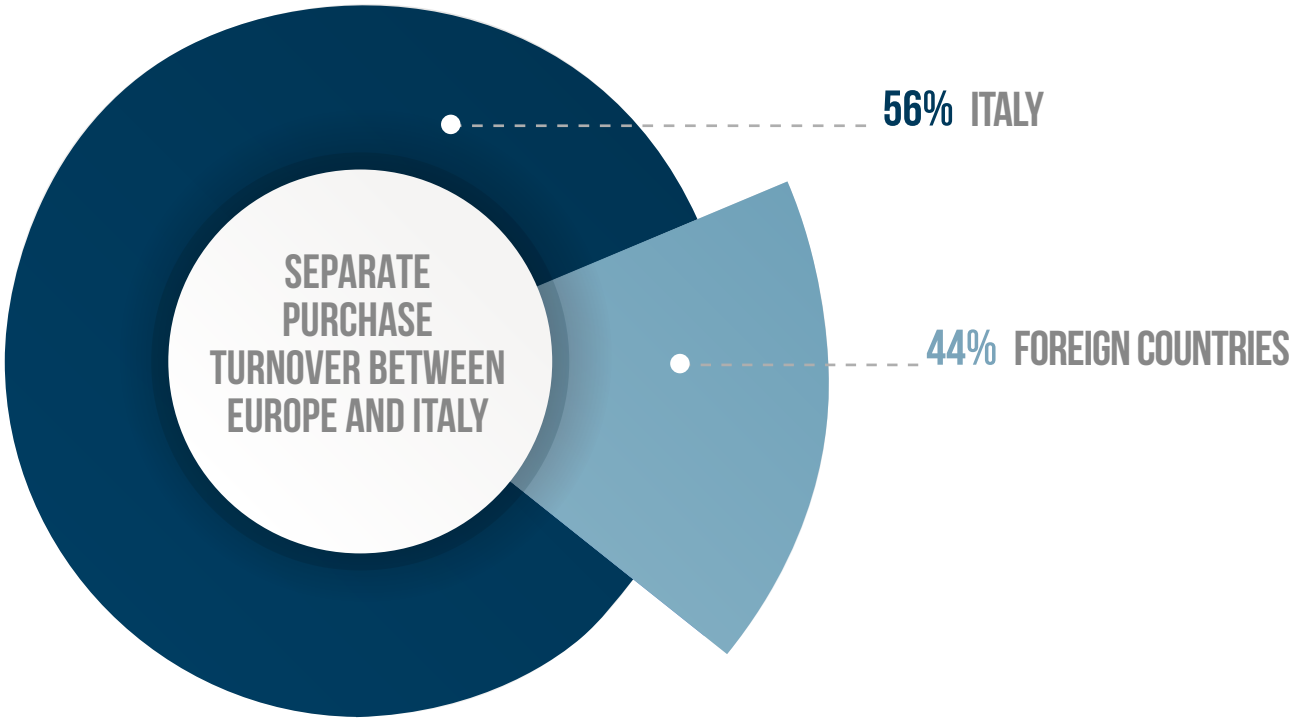
Suppliers

Italchimica's suppliers, most relevant for making the finished product, are those of raw materials and packaging. Over the five-year period, the number of suppliers and expenditure for the purchase of materials grew in relation to the increase in production.

In 2022, Italchimica has 128 suppliers, of which 82 are raw material suppliers and 46 pack/label suppliers, for a total cost of 37,299,805 euros.

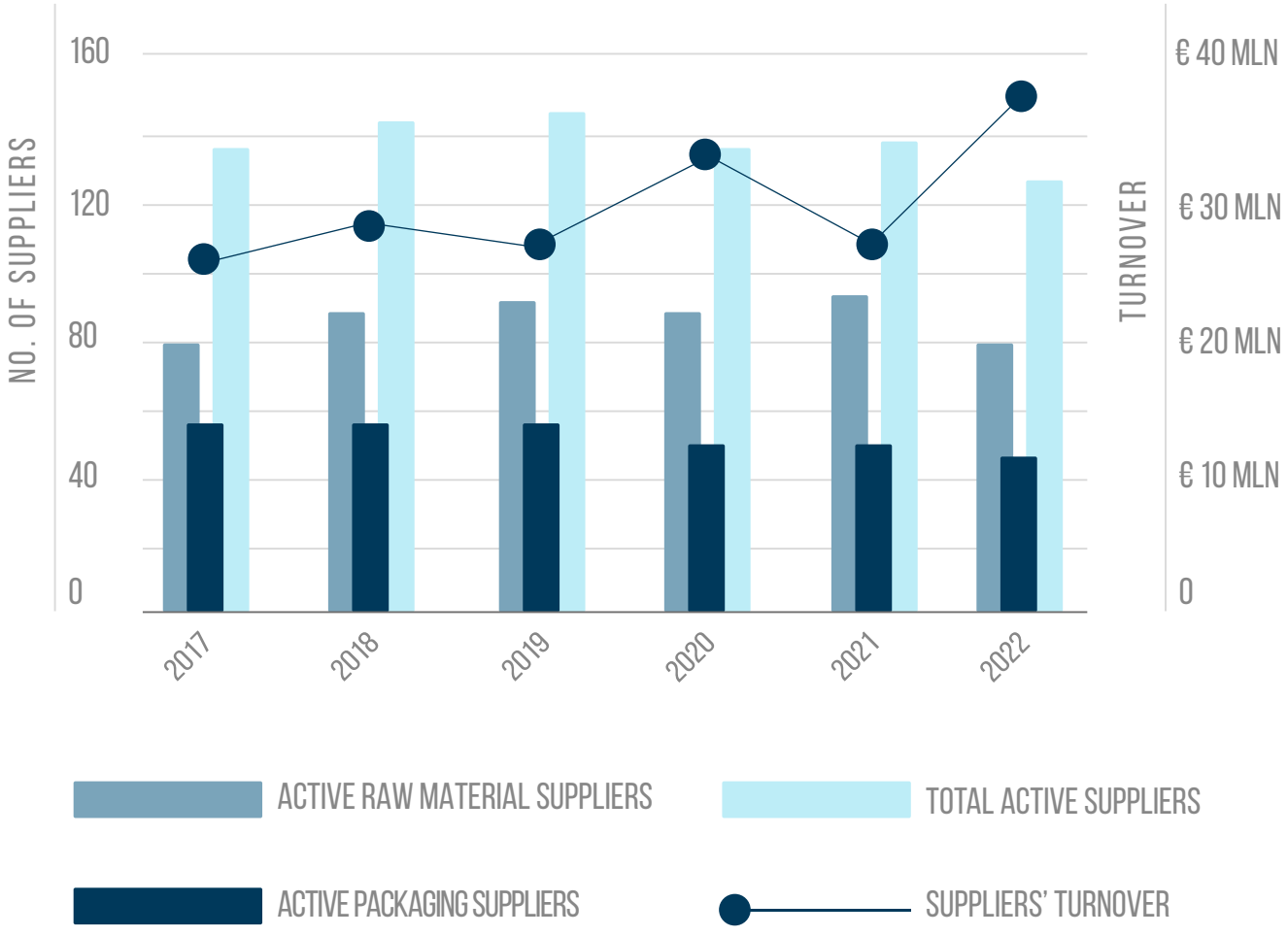
	2018	2019	2020	2021	2022
ACTIVE RAW MATERIAL SUPPLIERS FOR FORMULATION	87	89	87	89	82
ACTIVE PACKAGING SUPPLIERS	56	55	50	49	46
TOTAL ACTIVE SUPPLIERS	143	144	137	138	128
SUPPLIERS' TURNOVER	€ 24,696,418	€ 23,461,851	€ 29,500,933	€ 24,724,871	€ 37,299,805

For the purchase of packaging and ancillary elements (labels and paper boxes), the company prefers to turn to European suppliers for quality and sourcing distance issues aimed at a lower greenhouse gas impact from transport. To date, most of Italchimica's suppliers are Italian (56%) and more generally European (72%).



Italchimica's suppliers and turnover

Italchimica believes that promoting and supporting the local community is fundamental, and this commitment is clearly visible in the choice of both strategic suppliers and services. In this regard, **by distributing the production value to geographically close stakeholders, the company contributes to local growth.**

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Customers

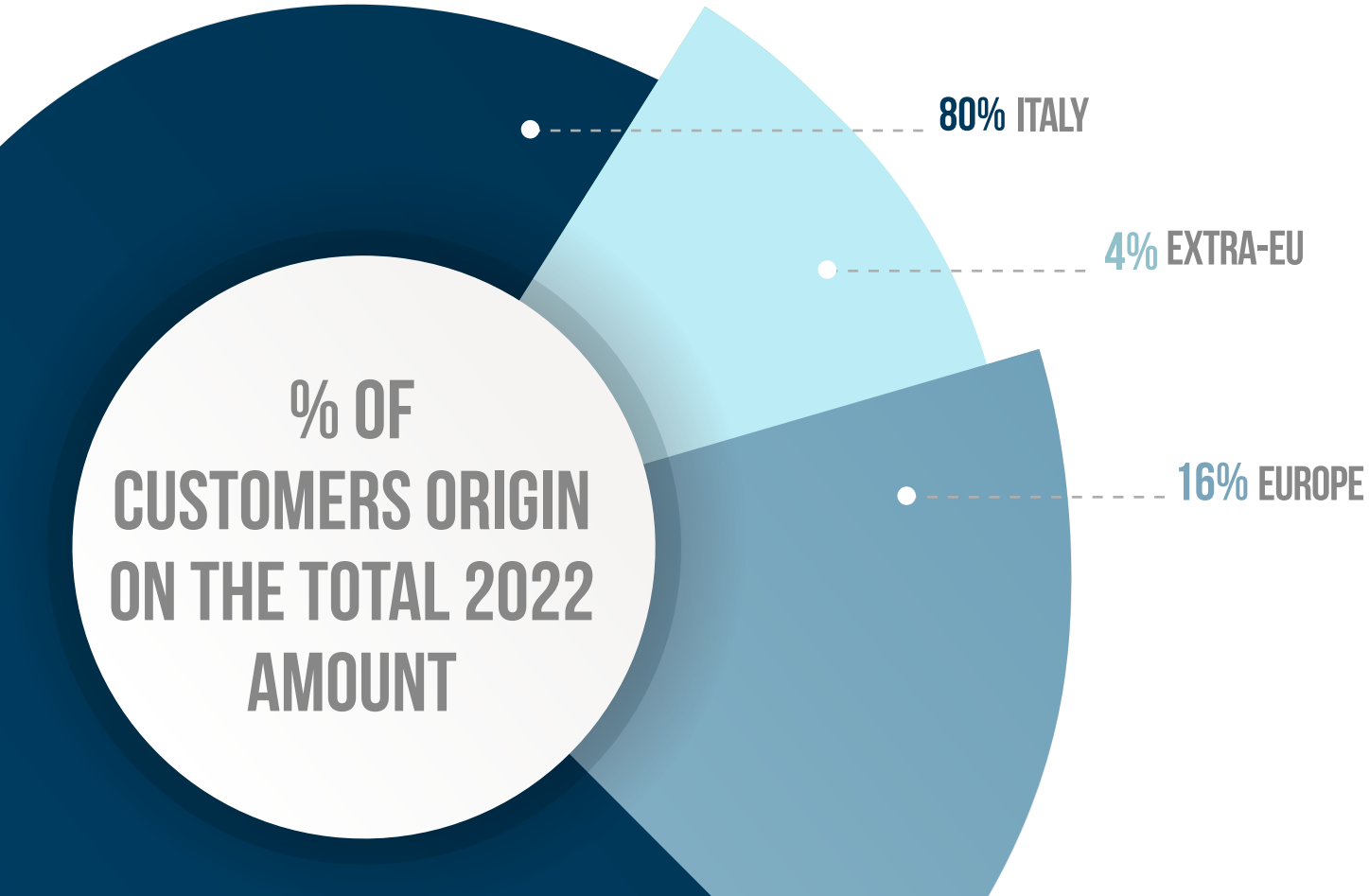
The majority of Italchimica's customers are Italian, but turnover from international customers is clearly increasing.

TURNOVER*	2018	2019	2020	2021	2022
TOTAL	€ 62,616,742	€ 62,010,584	€ 93,425,015	€ 70,313,354	€ 70,747,715
ITALY	€ 55,214,486	€ 52,793,934	€ 80,135,588	€ 58,047,184	€ 56,316,408
EUROPE	€ 4,920,892	€ 6,354,618	€ 9,069,438	€ 8,001,518	€ 11,241,741
EXTRA-EU	€ 2,481,364	€ 2,862,032	€ 4,219,988	€ 4,264,651	€ 3,189,566

*Data relating to the operating income statement.

80% of Italchimica's turnover in 2022 is linked to Italian customers. European and Extra-EU customers, on the other hand, account for 20%. **Over the last three years, there has been a 9% increase in European turnover.**

Italchimica's goal in the coming years is to continue this expansion towards international markets, proposing itself more and more as a reference partner and sector leader.



GRI Content Index

GRI STANDARD TOPICS		LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
GRI 2: GENERAL DISCLOSURE 2021	GENERAL INFORMATION		
	2-1 Organisational details	Our background; Italchimica sites; Governance; Our brand portfolio	
	2-2 Entities included in the organisation's sustainability reporting	Governance	
	2-3 Reporting period, frequency and contact point	Methodological note	
	2-4 Restatements of information	Methodological note	
	2-5 External assurance	Methodological note	
	2-6 Activities, value chain and other business relationships	Our production chain; Raw materials; Supplier relationships; Our brand portfolio	
	2-7 Employees	Human capital	
	2-8 Workers who are not employees	Human capital	
	2-9 Governance structure and composition	Governance	
	2-10 Nomination and selection of the highest governance body	Governance	Nomination and selection processes are not applicable since the highest body of the company is the ownership.
	2-11 Chair of the highest governance body	Governance	Senior management and directors coincide with ownership.
	2-12 Role of the highest governance body in overseeing the management of impacts.	Governance; Environmental management: process and product	
	2-13 Delegation of responsibility for managing impacts	Not yet in the budget	Information not yet available as it does not apply to the Organisation.
	2-14 Role of the highest governance body in sustainability reporting	Letter to stakeholders	
	2-15 Conflicts of interest	Governance	
	2-16 Communication of critical concerns	Not yet in the budget	Information not yet available. The company undertakes to establish a communication and reporting process to the highest governance body in the medium to long term.
	2-17 Collective knowledge of the highest governance body	Not yet in the budget	The company undertakes to establish a process to bring forward the collective knowledge, capacity and experience of the highest governance body regarding sustainable development in the medium term.
	2-18 Evaluation of the performance of the highest governance body	Not yet in the budget	Currently not applicable for the structure of the highest Governance Body.

GRI STANDARD TOPICS		LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
GRI 2: GENERAL DISCLOSURE 2021	2-19 Remuneration policies	Not yet in the budget	Currently not applicable for the structure of the highest Governance Body.
	2-20 Process to determine remuneration	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium term.
	2-21 Annual total compensation ratio	Not yet in the budget	Information not yet available. The company undertakes to report on it in 2023.
	2-22 Statement on sustainable development strategy	Letter to stakeholders; Dialogue with Stakeholders; Environmental responsibility; Social responsibility; Economic responsibility	
	2-23 Policy commitments	Environmental responsibility: the scenario and our commitment; Social responsibility: human capital; Staff safety	The company undertakes to integrate information in the medium to long term.
	2-24 Embedding policy commitments	Environmental responsibility: the scenario and our commitment; Social responsibility: human capital; Staff safety	The company undertakes to integrate information in the medium to long term.
	2-25 Processes to remediate negative impacts	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	2-26 Mechanisms for seeking advice and raising concerns	Governance	Process being structured. The relevant information will be reported by 2024.
	2-27 Compliance with laws and regulations	Not yet in the budget	Nomination and selection processes are not applicable since the highest body of the company is the ownership.
	2-28 Membership associations	Membership with organisations and associations certifications and awards	To date, the company does not use a tool to report this type of non-compliance. A processing system is planned to be implemented in the medium to long term.
	2-29 Approach to stakeholder engagement	Dialogue with stakeholders	
	2-30 Collective bargaining agreements	Not yet in the budget	Information not yet available. The company undertakes to report on it in 2023.
GRI 3: MATERIAL TOPICS 2021	MATERIAL TOPICS		
	3-1 Process to determine material topics	Methodological note; Materiality analysis	
	3-2 List of material topics	Materiality analysis	Information not yet available. The company undertakes to establish a communication and reporting process to the highest governance body in the medium to long term.
	3-3 Management of material topics	Materiality analysis	The company undertakes to establish a process to bring forward the collective knowledge, capacity and experience of the highest governance body regarding sustainable development in the medium term.

GRI STANDARD TOPICS		LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
ECONOMIC TOPICS	**SPECIFIC STANDARDS**		
	201-1 Direct economic value generated and distributed	Economic impact; Value added; Our production chain	
	201-2 Financial implications and other risks and opportunities due to climate change	Not yet in the budget	The company considers that this activity needs significant planning. At least three years are considered necessary for such preparation. The report is likely to be published no earlier than 2025.
	202-3 Defined benefit plan obligations and other retirement plans	Not yet in the budget	The company believes that a one-year settling-in period in 2024 is necessary for the preparation of such a report, in order to be fully operational by the 2025 budget.
	202-4 Financial assistance received from government	Not yet in the budget	This reporting needs at least a one-year settling-in period (2024), in order to be fully operational in 2025.
	MARKET PRESENCE		
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	202-2 Proportion of senior management hired from the local community	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	INDIRECT ECONOMIC IMPACTS		
	203-1 Infrastructure investments and services supported	Not yet in the budget	The company estimates that the time needed to prepare the information is at least two years and then be fully operational in 2025.
	203-2 Significant indirect economic impacts (in the context of external benchmarks and stakeholder priorities such as national and international standards, protocols and policy programmes).	Not yet in the budget	The company estimates that the time needed to prepare the information is at least two years and then be fully operational in 2025.
	PROCUREMENT PRACTICES		
	204-1 Proportion of spending on local suppliers	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	ANTI-CORRUPTION		
	205-1 Operations assessed for risks related to corruption	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	205-2 Communication and training about anti-corruption policies and procedures	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	205-3 Confirmed incidents of corruption and actions taken	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.
	ANTI-COMPETITIVE BEHAVIOUR		
	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium to long term.

GRI STANDARD TOPICS		LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
ENVIRONMENTAL TOPICS	**MATERIALS**		
	301-1 Materials used by weight or volume	Raw materials	
	301-2 Recycled input materials used	Raw materials	
	301-3 Reclaimed products and their packaging materials	Raw materials; Waste	
	ENERGY		
	302-1 Energy consumption within the organisation	Energy	
	302-2 Energy consumption outside of the organisation	Energy	Information not yet available. Studies to be carried out in the medium term.
	302-3 Energy intensity	Energy	Information not yet available. Studies to be carried out in the medium term.
	302-4 Reduction of energy consumption	Not yet in the budget	Information not yet available. Studies to be carried out in the medium term.
	302-5 Reductions in energy requirements of products and services	Not yet in the budget	
	WATER		
	303-3 Interactions with water as a shared resource	Water	
	303-2 Management of water discharge-related impacts	Water	
	303-3 Water withdrawal	Water	
	303-4 Water discharge	Water	
	303-5 Water consumption	Water	
	BIODIVERSITY		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity focus	
	304-2 Significant impacts of activities, products and services on biodiversity	Not yet in the budget	Information not yet available. Studies to be carried out in the medium term.
	BIODIVERSITY		
	304-3 Habitats protected or restored	Biodiversity focus	Information not yet available. The organisation reserves the right to consider such opportunities.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not yet in the budget	The information will be included in the next Sustainability Report.

GRI STANDARD TOPICS		LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
ENVIRONMENTAL TOPICS	**EMISSIONS**		
	305-1 Direct (Scope 1) GHG emissions	Emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions	
	305-3 Other indirect (Scope 3) GHG emissions	Emissions	
	305-4 GHG emissions intensity	Emissions	
	305-5 Reduction of GHG emissions	Not yet in the budget	Information not yet available. Studies to be carried out in the medium term.
	305-6 Emissions of ozone-depleting substances (ODS)	Not yet in the budget	Not applicable.
	305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	Emissions	
	DISCHARGES AND WASTE		
	306-1 Waste generation and significant waste-related impacts	Water	
	306-2 Management of significant waste-related impacts	Waste	
	306-3 Waste generated	Waste	
	306-4 Waste diverted from disposal	Waste	
	306-5 Waste directed to disposal	Waste	
	ENVIRONMENTAL COMPLIANCE		
	307-1 Non-compliance with environmental laws and regulations	Environmental management	
	SUPPLIER ENVIRONMENTAL ASSESSMENT		
	308-1 New suppliers that were screened using environmental criteria	Relationship with suppliers	
	308-2 Negative environmental impacts in the supply chain and actions taken	Not yet in the budget	The information will be included in the next Sustainability Report.

GRI STANDARD TOPICS		LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
SOCIAL TOPICS	**EMPLOYMENT**		
	401-1 New employee hires and employee turnover	Human capital	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not yet in the budget	Information not yet available. The company undertakes to report on it in the medium term.
	401-3 Parental leave	Not yet in the budget	This information cannot be reported due to the limitations of the current IT tool. Inclusion of information planned for 2023.
	LABOUR/MANAGEMENT RELATIONS		
	402-1 Minimum notice periods regarding operational changes	Not yet in the budget	The organisation has not formalised the minimum number of weeks' notice before significant operational changes. However, no such incidents occurred during the observation period. The organisation undertakes to formalise this minimum period by 2024, adopting a criterion of appropriateness in relation to the organisational needs of the company and in relation to the needs of the workers undergoing operational changes.
	OCCUPATIONAL HEALTH AND SAFETY		
	403-1 Occupational health and safety management system	Staff safety; Staff training	
	403-2 Hazard identification, risk assessment and incident investigation	Staff safety; Staff training	
	403-3 Occupational health services	Staff safety; Staff training	
	403-4 Worker participation, consultation and communication on occupational health and safety	Staff safety; Staff training	
	403-5 Worker training on occupational health and safety	Staff safety; Staff training	
	403-6 Promotion of worker health	Welfare – Well-being	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Staff safety	
	403-8 Workers covered by an occupational health and safety management system	Staff safety	

Green Change Matters

SUSTAINABILITY REPORT 2022

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