Sustainability Report 2022

Polynt Group

CEO’s message on sustainability

At Polynt Group we want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers that makes the best use of available resources.

We are committed to doing business in an ethical and transparent manner and acting as a fair and reliable partner. This is essential to ensure the Group’s growth is sustainable and provides value to our stakeholders.

The passion and commitment of our people is a key driving force to our success, and we are committed to investing in both our current employees and the future through our training programs.

Polynt is committed in promoting the growth and the enrichment of its employees and in fostering inclusivity at work. Principles of non-discrimination and equal opportunities are integrated in Polynt environment.

The safe operation of our plants, the health and safety of our employees and the protection of the environment, are the driving forces that rule our behavior throughout all our companies’ undertakings.

We strive for continuous improvement in our environmental performance and elimination of pollution and waste at source in line with our business objectives, using recognized environmental best practices.

The 2022 Sustainability Report highlights the path of Polynt Group towards a sustainable development.

President and CEO
Rosario Valido

Summary

About the Sustainability Report

The Directors of SCIL II (TopCo) Ltd. are pleased to present the first Sustainability Report for the year 2022.

The Sustainability report refers to the same reporting period of the SCIL II (TopCo) Ltd. Annual Report 2022 meaning from the 1st of January 2022 to the 31st of December 2022.

SCIL II (TopCo) Ltd., domiciliated in the United Kingdom, is controlled by Speciality Chemicals International Ltd. which is held by subsidiaries of Black Diamond Capital Management LLC with other shareholders holding minority positions. In 2021, SCIL II (TopCo) Ltd. acquired control of the Polynt Group through an indirect subsidiary. Full description and details of the corporate structure can be found at pag.6 of the SCIL II (TopCo) Ltd. Annual Report 2022.

As data perimeter, the Sustainability Report covers SCIL II (TopCo) Ltd and (all) its subsidiaries; together hereafter referred as the "Group". In terms of content, the report provides an overview of the Group's contribution towards sustainable development.

The publication of this sustainability report is the expression and the result of the Group's ongoing commitment to the promotion of Environmental, Social and Governance (ESG) factors as an integral part of its business operations. Values such as sustainable management, environmental protection, health and safety and employees' wellbeing and development have always been core values and priorities for the Group. All the initiatives and activities in the ESG field have now been summarised in the Group's first Sustainability Report which represents an important milestone in the advancement of the Group's ESG commitment.

The Group plans to issue sustainability reports on an annual basis in order to promote transparency and to share with the stakeholders its commitment and contribution towards sustainability.

The new EU Corporate Sustainability Reporting Directive (CSRD) will require the Group, as well as all large companies to report on a full range of sustainability data and information relevant to the Group's business starting from the fiscal year 2025. The new Directive aims at ensuring that companies report reliable and comparable sustainability information. On this regard, the new Directive will also require a limited level of external audit assurance on the disclosed sustainability information. The Group has undertaken this journey well in advance not only to prepare itself for the actual obligation, but mostly because the Group strongly believes in sustainability reporting as a strategic opportunity that can also enhance risk management and trigger continuous improvements.

This first sustainability report is the result of the worldwide contribution and effort of many employees of the Group. Hoping that readers will find the report information interesting and useful, comments or questions about the contents are welcome and they should be address to the Group ESG & Internal Audit Manager:

salvatore.dipasquale@polynt.com

Methodological note

This report has been prepared "with reference to" the Global Reporting Initiative (GRI) Standard, the international reference standards for non-financial reporting.

Report's preparation followed most of the principles set out by the GRI for defining report content and quality. The principles are: comparability, accuracy, balance, clarity, timeliness, reliability for the quality and the sustainability context, materiality and completeness for the content.

In 2021, the Group conducted a detailed materiality analysis to identity the priority topics to report on. With the double materiality perspective suggested by the CSRD (Corporate Sustainability Reporting Directive), the Group analysed the impacts of the Group business on the environment and on people as well as how sustainability issues affect its business.

Double Materiality Analysis Methodology in 2021

The double materiality assessment was performed over all time horizons: short-term: 2-3 years; medium-term: 4-10 years and long-term: 10-30 years.

Impact Analysis Methodology in 2022

During 2022, the materiality analysis was updated and enriched/enhanced with the so-called impact analysis. In addition to the negative and positive impacts and to the real and potential impacts, the analysis focused on the unintended and unexpected impacts caused by the Group on the environment and society. Such broad analysis contributes to strength the Group's strategy and to build resilience in a context defined by constant disruption with high level of uncertainty.

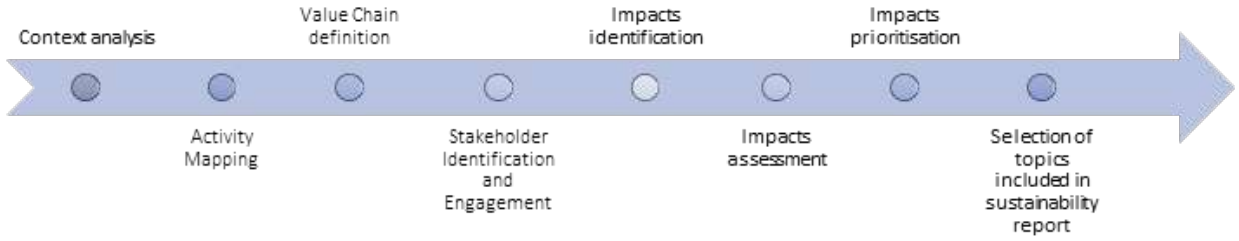
Here below the main steps of the impact analysis:

Data and information collection, performed with a cross-functional approach, involved all Group's sites and business departments. The broad analysis conducted in 2022 mainly confirmed the results and the reporting boundaries of the previous year analysis with some minor modifications.

Step 1: Context analysis

- Analysis of the main activities performed (and services offered) by the Group, as well as its business relationships and challenges in the sectors in which it operates;
- Scenario analysis for global chemical industry including the review of context analysis documents already conducted by the Group for the implementation of ISO 9001, ISO 14001, ISO 45001 when applicable at the site level;
- Identification of all the dimensions and business areas and impacts analysis (scale, depth, duration, remediable character among other factors) following/using international frameworks;
- Peer and competitor analysis (global level).

Step 2: Value Chain definition



Representation of the full chain of the business activities carried out by the Group including upstream and downstream, therefore taking into account also the process of getting materials and the process of bringing products to the end consumers.

Step 3: Stakeholders identification and engagement

- Identification and involvement of key Stakeholders as further detailed. Stakeholder involvement is integrated into the day-to-day management of all group activities.

Step 4: Impacts identification

- The previous steps allow a broad and complete representation of all significant Group's impacts (actual/potential, positive/negative) on the three pillars of sustainability: environment, society and economy.

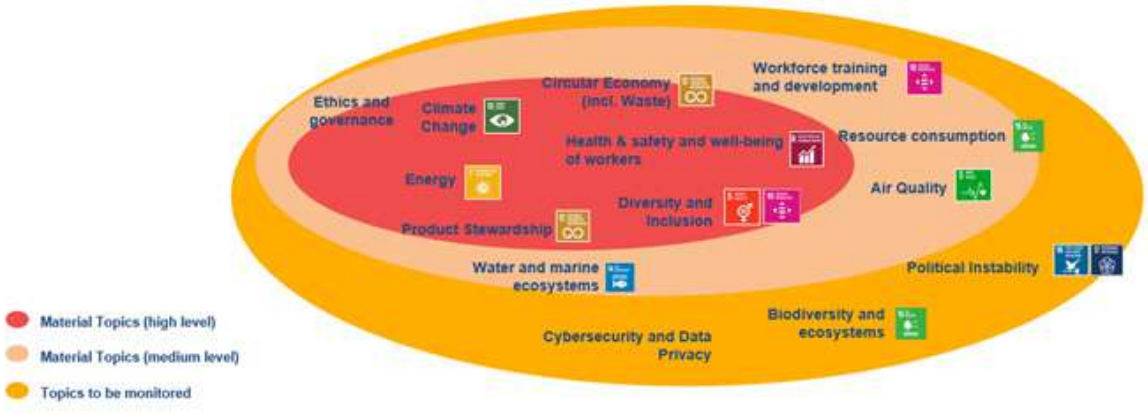
Step 5: Impacts assessment

- Negative impacts assessment by their severity and likelihood, whereby the severity of an actual or potential negative impact is determined by: (i) scale (how grave the impact is), (ii) scope (how widespread the impact is) and (iii) irremediable character (how hard it is to counteract or make good the resulting harm). Severity levels allows the categorisation/definition of impacts as acceptable, tolerable, undesirable, intolerable;

- Positive impacts assessment by their scale, scope and likelihood;
- Impacts assessment took also into account findings from desk analysis on chemical industry pressures, trends and regulatory developments.

- **Step 6: Material Issues selection**

The results of the analysis are represented in the following figure:



The entire analysis as well as its single step has been developed, supervised and approved by the Group ESG & Internal Audit Manager and is the result of the Group cross-functional effort.

The **Material Topics** identified by the materiality assessment are:

- Ethics and Governance: governance integrity refers to the corporate governance capacity to manage the Group's business activities responsibly and transparently in order to build and to maintain trust (and engagement) with all stakeholders;
- Climate Change: it refers to long-term shifts in temperatures (global warming) and weather patterns due to GHG emissions (i.e., Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (N2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF6), Nitrogen trifluoride (NF3)). The consequences of climate change include, among others, wildfires, water scarcity and desertification, more frequent heatwaves and the spreading of tropical diseases,

rising sea levels, flooding, melting polar ice and catastrophic storms. These events can have impacts on businesses, livelihoods, infrastructures, people's health and natural ecosystems;

- Energy: energy production and consumption, including sources of energy (e.g., renewable, oil, gas) and energy efficiency;

- Product Stewardship: it refers to the products safety: impacts of the products on human health and the environment, including aspects related to the use of substances of very high concerns (e.g., REACH list), and products transparency (e.g., labelling);

- Health & Safety and well-being of workers: it refers to working conditions, employees' safety (e.g., injuries, fatalities), and work-related ill health, including mental health. It includes also impacts on health due to the use/process of substances of very high concerns (e.g., REACH list). Employee well-being is about understanding and valuing employees with a holistic perspective which considers employees duties, expectations, stress levels and working environments;

- Circular Economy (including Waste): it refers to product lifecycle management including materials sourcing and resources efficiency. Circular economy implies moving from a linear approach Take-Make-Dispose (raw materials are collected, then transformed into products that are used until they are finally discarded as waste) to a circular approach Reduce-Reuse-Recycle. The circular approach aims at addressing the overuse of natural resources and the scarcity of planet resources. It is a model of design, production and consumption which involves minimizing the consumption of resources, sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. The life cycle of products is extended and waste is reduced to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible, thereby creating further value;

- Diversity and Inclusion: diversity in the workplace refers to diversity of gender, race, ethnicity, age, sexuality, language, educational, background and skills. Inclusion and equal opportunities refer to the above-mentioned categories and also to people with physical or mental disabilities;

- Workforce Training and Development: it refers to educational activities to enhance the knowledge and skills of employees, career and remuneration;

- Resource consumption: the ecological footprint represents the amount of natural resources consumed by the Group in terms of raw material purchases, technical purchases and packaging;

- Air Quality: emissions to the atmosphe-

re (e.g., carbon monoxide, lead, nitrogen oxides, sulfur oxides, dust and particulate among others);

- Water and marine ecosystems: both water (i.e., freshwater use sourcing, treatment and discharge, including water pollutants and water efficiency) and marine ecosystem (i.e., oceans and seas with interaction of plants, animals and the marine environment).

The **Topics** to be monitored, identified by the materiality assessment are:

- Cybersecurity and Data Privacy: security, reliability and capacity of the information technology systems, to prevent data fraud or thefts, and protect the company's intellectual property and other sensitive business information;
- Political Instability: war, major political crisis impacting the macroeconomic environment with disruption of social, economic and geopolitical stability;
- Biodiversity & Ecosystems: variability among living organisms and the ecological complexes of which they are part. Pollution, including from hazardous wastes and chemicals, is considered as one of the main drivers of biodiversity loss.

Data and information presented in the report has been collected and aggregated with the support of the sustainability advisory firm Ventitrenta srl SB. Data reported were obtained throughout surveys, interviews and internal information systems. While there is no doubt about the overall reliability of the reported data, a minimum degree of uncertainty is inevitable due to the aggregation of some data at the Group level.

Metrics and data provided in the report aim to enhance data collection and reporting as a process of continuous improvement and as part of the Group's sustainability strategy. Sustainability data collection systems have put in place to guarantee timely and accurate sustainability information and to monitor specific targets' progress.

Information contained in the report refers to the Group's overall operations and geographic presence, except the sites without production, unless otherwise specified in the report.

Whenever possible, data were collected and presented over the triennium 2020-2022 to allow comparability and to analyse changes in the organization's performance over time.

The information related to sustainability may possess inherent uncertainty due to incomplete scientific and economic knowledge and the quality of external data utilized. Additionally, certain information can be influenced by the selection of methodology, as well as the assumptions and estimates employed during its preparation and presentation within the company's reporting protocols.

1.1 Who we are

The Group is a growing specialty chemical industry active in the production, sale, research and development of organic anhydrides and their derivatives for over 65 years.

Polynt's history begins in 1955 at Scanzorosciate, in the province of Bergamo (Italy) where the Group's headquarters are currently located, with the foundation of FTALITAL industrial complex specialised in the production of phthalic anhydride used for the production of derivatives of synthetic materials.

Starting from the mid-1970s, following the rapid growth of the polymer sector, Polynt expanded its production capacity through several acquisitions and through the construction of new industrials sites. Company's expansion continued without interruption. During the 1990s, Polynt expanded its product portfolio by building new plants at Scanzorosciate for the production of trimellitic anhydride, an intermediate used for the manufacture of special and intermediate plasticizers for high-performance powder coatings. At the same location, the construction of a co-generation plant allowed energy optimization with the production of electrical and thermal energies necessary for Polynt productions. In 1994 a plant was built in Ravenna for the production of maleic anhydride with a new technology which was developed in collaboration with an American company.

In 2008, Polynt Group was delisted from the Milan Stock Exchange after its shares rose by 104%, compared to the initial price quotation.

Since 2008, the Group grow and became a European leader in Specialty and Composites, by acquiring, in 2011, the composited and resins business of Momentive Specialty Chemicals Inc. (PCCR) and, in 2014, the composites business (CCP). The acquisition of PCCR and CCP significantly increased Group's presence in the composites sector, particularly in the production of Unsaturated Polyester Resins (UPR) and gelcoat. The Group also expended its geographical presence with new sites and plants in North America, South America, Asia and Australia.

After the successful merger of Polynt and Reichhold settled in 2017, Black Diamond and Investindustrial became partners in Polynt-Reichhold building and developing a global Group in the intermediates, composites and specialties sectors. In particular, Reichhold contributed with a strong technical know-how in the field of unsaturated polyester resins and gelcoat.

Finally, in 2021, Black Diamond Capital Management, a US leading asset management firm, became the Company's sole shareholder repurchasing Investindustrial's shares in the of Polynt-Reichhold Group.

1.2 Group's Mission and Values

The Group commits to being a benchmark in the field of specialty chemicals, by making best use of its own technical capabilities and by respecting environmental sustainability.

In particular, the Group aims at:

- Transmitting, in a clear way, its values to all its customers;
- Granting all its workers with the tools necessary to grow from both a personal and professional point of view;
- Constantly improving its performance;
- Ensuring that its contribution to the general welfare of the local community is recognized.

The Group strives at constantly improving its performances and meeting its customers' expectations, by providing them with proposals which take their specific needs into consideration, acting with integrity and delivering clear and complete information.

In September 2020, the board of directors approved the first edition of the Code of Ethics which applies to all Group companies. The Code of Ethics and any update is communicated, internally, to all workers and other stakeholders, by electronic mail with return receipt. The Code of Ethics is also published in Polynt's webpage (https://www.polynt.com/sustainability/sustainability-statement-and-scoring/).

The Code of Ethics establishes ethical and behavioural principles and targets at all levels of the Group, both internally and externally. Indeed, the Group is also committed to transmit to third parties such as customers, suppliers and external contractors its own values.

The Code of Ethics defines the Group position in the following fields:

- Compliance with laws
- Legislative decree No. 231/2001 (applicable to Italian companies)
- Relations with public officials, public service providers and private individuals
- Controls over trade
- Commercial relations
- Fair trading
- Safety, health and environment
- IT security
- Use and protection of personal data, company assets and confidential information
- Personnel selection, recruitment and evaluation
- Discrimination in the performance of the employment relationship
- Conflict of interests

1.3 Group's Business

After the merger in May 2017, the Group is a global Company in the Intermediates, Coating and Composite Resins, Thermoset Compounds, Gel-coats and niche Specialties. This combination enhances the Group's leading position as a global vertically integrated specialty chemicals player.

The Group is known for its high quality, extensive range of products and a solid distribution network that can deliver first-class services to customers. In particular, the Group strives to keep customers satisfied with the reliable contribution and support of the Customer Service and Technical Service teams.

The Group's activity comprises research and development, production, marketing and sales. Product innovation is fundamental for the Group's business. A close dialogue and engagement with clients aim to find new and better solutions to the client's needs and to continuously improve its products and services. Group Polynt develops technologies that are applied internally for production as well as licensed to third parties.

In particular/Among several, the main Group's competitive strengths are:

- Leading position in an industry with an improved structure.
- Customer focused and innovation: high quality and customised chemical formulations to satisfy global costumers across all Group's sites. R&D activities are fully integrated into the business model reducing time to market new products.
- Diversified customer base across different products categories: customers operate across different industries such as distribution, wind energy, paint and coatings, artificial stones, cables and wires. Strong Group's engagement in building partnerships with customers in order to add and to share value in the long term.
- Manufacturing footprint optimization: the global geographical presence and distribution capacity allows rapid access to key logistic routes and manufacturing clusters. The Group's proximity to the customers allows effective responses to the customers' needs and requests.
- Diverse product portfolio: products variety, including different end uses of such products, allows the Group to focus on attractive market niches with rapid growth trends and to mitigate effect of the cyclic nature and seasonality of some products.
- Integrated platform with stable profitability: production process is based on a vertically-integrated model which allows greater flexibility and a better volatility management in terms of inputs and supply chain costs.

PRODUCTS

The Group is one of the leading producers of specific polymer chemical intermediates, such as anhydrides (Maleic, Phthalic, and Trimellitic) and their derivatives (e.g., Plasticizers), dibasic acids (Fumaric and Malic), unsaturated polyester resins, compounds and composites and special esters. We divide our product into three classes: Intermediates, Specialties and Composites.

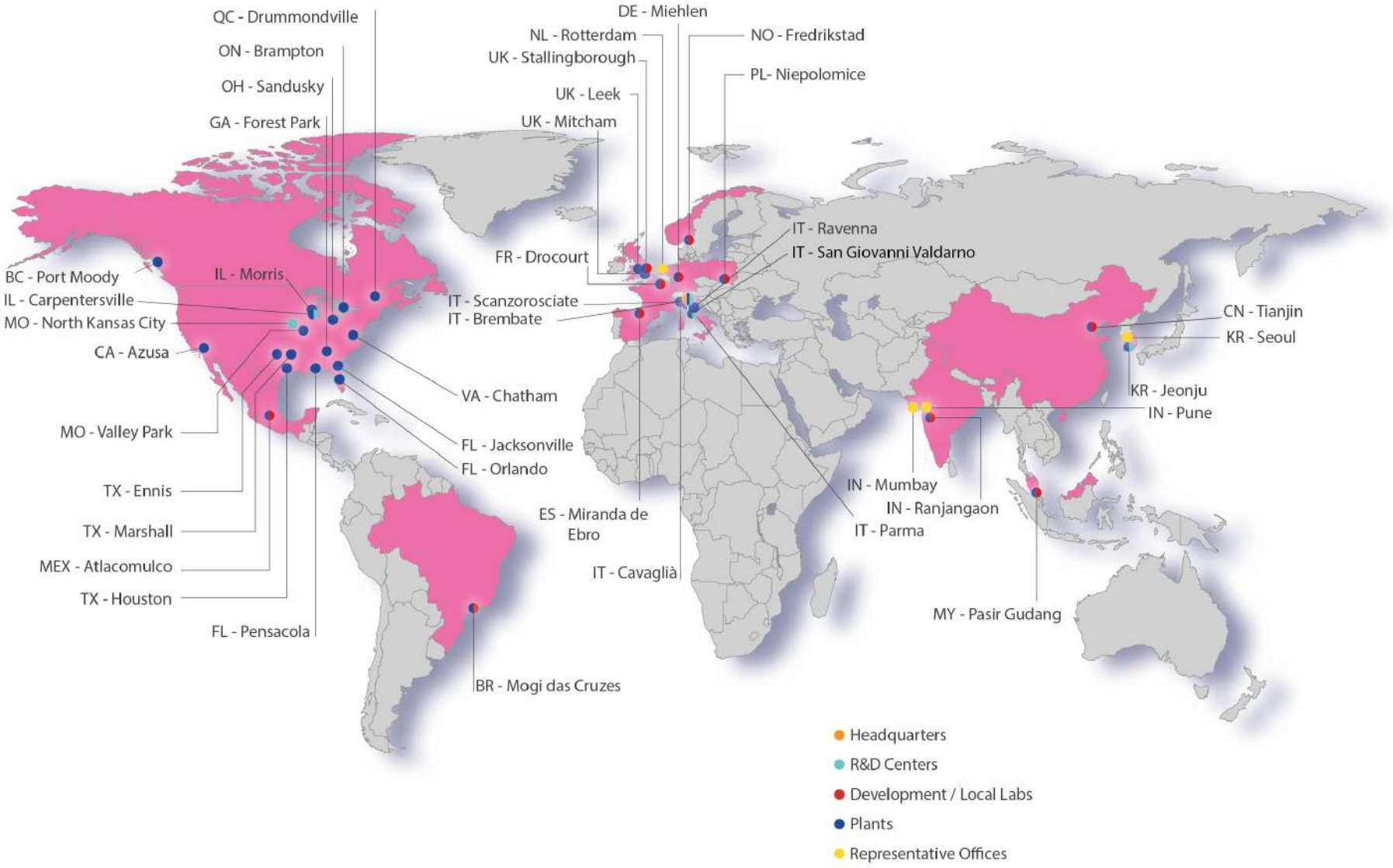
Intermediates are produced on a continuous basis (i.e., not in batches) and include the anhydrides which we use internally to produce higher-margin Composites and Specialties. Intermediates which are not used internally are sold to third parties in their own Specialty and Composites production.

Specialties include plasticizers or other derivative products such as a malic and fumaric acid as well as special anhydrides and special esters made by using internally produced anhydrides that satisfy specific and high-performance requirements according to their final applications.

Composites include UPRs, coating resins and compounds products (such as gelcoats). Composites are produced in batches. The constituent materials, usually two or more, have different physical or chemical properties which, when combined, produce a material with new and different characteristics to match specific customer requirements.

1.4 Group Geographical Presence

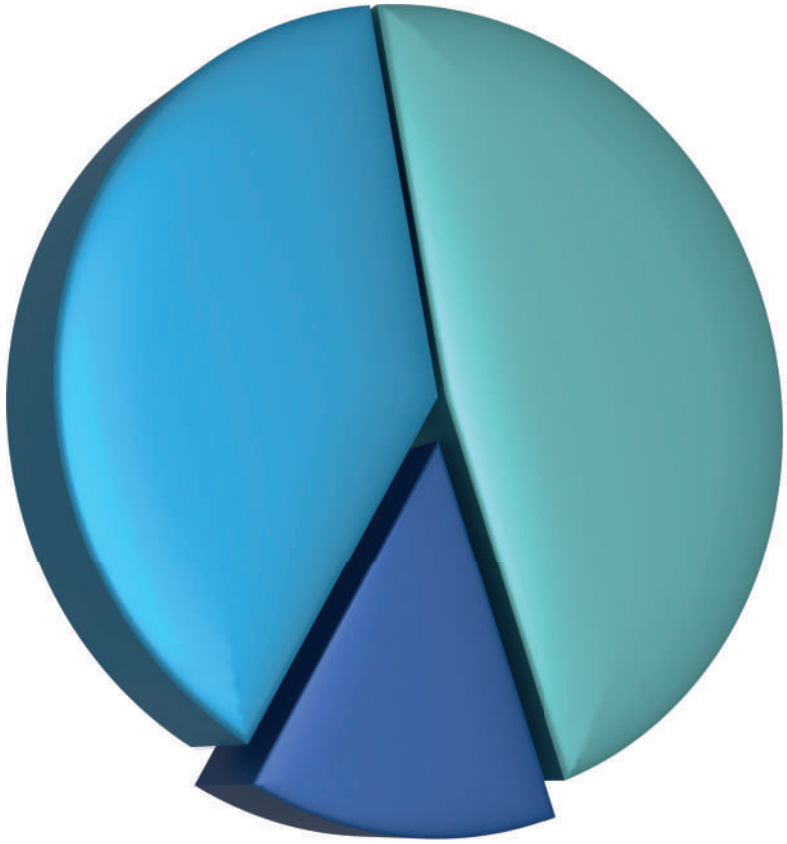
The Group operates all over the world with a wide production and distribution network thanks to a growing number of companies and affiliates. As global company, the Group is present in four continents with both manufacturing and commercial facilities committed to provide innovative, responsible and sustainable solutions to the costumers.



In addition to the six Italian sites (Brembate di Sopra, Cavaglià, San Polo di Torrile, Ravenna, Scanzorosciate and San Giovanni Valdarno), the Group oversees internationally with operating and commercial subsidiaries in Europe (Norway, UK, Spain, France, Germany, Poland), Asia (China, Korea, India, Malaysia) and America (Canada, USA, Mexico and Brazil). As already explained, this geographical expansion has been achieved mainly through the acquisition of existing businesses and in some case through the establishment of newly built operating facilities. At the end of 2022, the Group counts 46 companies.

1.5 Group Corporate Structure and Governance

As a results of several acquisitions and transactions occurred during 2022, the Group's structure as at December 31, 2022 is composed by 46 legal entities across Europe, Americas and Asia:



Europe	22
Asia	7
Americas	17
Total entities	46

At the end of 2022, the structure of the Specialty Chemicals International Ltd's Board of Directors, which is the parent company that wholly held SCIL II (TopCo), is represented in the following table:

Position	Name	Time in position	Gender
President & Group CEO	Rosario Valido	appointed on May 2017	male
Director	Peter Richard Frank	appointed on May 2017	male
Director/ Independent	Philip James Bruce	appointed on October 2019	male
Director	Ritesh R. Tanna	appointed on April 2020	male
Director/ Independent	Steven Kenny	appointed on May 2022	male

The President and Group Chief Executive Officer and the Board of Directors members are appointed by the shareholders of the Group.

Directors may appoint a secretary upon conditions as they think fit the professional role and purpose. Directors can also dismiss any appointed secretary.

At the end of 2022, the structure of the Group's Board of Directors is represented in the following table:

Position	Name	Time in position	Gender
Director/ Independent	Philip James Bruce	appointed on May 2022	male
Director	Ritesh R. Tanna	appointed on June 2021	male
Director/ Independent	Steven Kenny	appointed on May 2022	male

The SCIL II (TopCo) Ltd.'s Board of Directors is responsible for reviewing and approving the Sustainability Report for the year 2022 including the list of the material topics.

As of December 31, 2022 the Group has a Managing Board (established in 2006 starting from the exit from the Lonza Group), composed of Senior Executives of the Group, and three Committees for each Regional Division (Europe, Americas, Asia) that were established in June 2017.

The Chair of the Managing Board is the Group CEO. The Managing Board is responsible in developing, approving and updating the organization's purpose, value or mission statements, strategies, policies and goals related to sustainable development in line with budget and indications from the shareholders.

At the end of 2022, the structure of the Group's Managing Board is represented in the following table

Position	Name	Gender
President & Group Chief Executive Officer	Rosario Valido	Male
Group Chief Operating Officer	Sergio Conni	Male
Group Chief Financial Officer	Paolo Carugati	Male
Group General Counsel - Group Director HR&IT	Alberto Carpani	Male
Group Supply Chain Director	Luca Bielli	Male
Executive Vice President Europe	Maurizio Leonardi	Male
Executive Vice President Americas	Harold Visser	Male
Executive Vice President Asia	Alberto Milesi	Male
Group Communication Manager - Corporate General Service & CEO Assistant	Simona Grilli	Female

The Regional Committees are in charge for the business and operations management of the relevant regional division. Each member is entitled to the position in the Regional Committees starting from her/his appointment to the relevant Group role.

The Group is taking steps to enhance gender diversity on senior management positions and on boards in order to count on a broader range of skills, experiences and perspectives. As the business grows and diversifies, the Group encourages a culture of managerial excellence and an inclusive mindset.

Overall, the Group's governance structure grew and evolved aiming to establish sustainability fully across all the Group's companies: projects, policies and guidelines are under development and continuously assessed to guide responsible practices at all locations around the world.

In particular, on September 2021 a Group ESG Manager has been appointed and this first Sustainability Report demonstrates the commitment to transparent communication on sustainability performances.

As highlighted by the materiality analysis and the impact analysis, "Ethics and Governance" is one of the material topics and therefore a sustainability priority for the Group. Responsibility and transparency are guiding principles for the Group's corporate governance to build and to maintain trust and strong partnerships with the stakeholders.

In addition to the Code of Ethics previously described, the Group is currently working on several policies and procedures that will be implemented, at the Group level, from 2023.

Among several initiatives, the Group is working on:

- ESG policy
- Supplier Code of Conduct
- Whistleblowing policy
- Labor and Human Rights policy
- HSE policy
- Anticorruption policy

In particular, the whistleblowing policy encourages employees' participation and contribution through spontaneous recommendations and warnings. A Whistleblower Reporting System allows the Group's staff to report anonymously any anomaly, irregularity or violation related to Health&Safety, Harassment, Human rights, Antitrust, Anti-Money Laundering, Corruption as well as other topics.

In addition to a common anticorruption policy, 35% of the Group's sites also adopts a local anticorruption policy to take into account specific risks at the country level.

Moreover, the Group developed anticorruption training programs to reinforce the fight against corruption. While the anticorruption training plan will include all the Group's companies in the coming months, such training activities started in the companies located in countries with higher corruption risk such as Mexico and Brazil.

1.6 The relationship with stakeholders

The Group is committed to create sustainable and shared value for its customers, employees, investors, suppliers, and communities who expect the company to make a positive contribution to the economy, the environment and society.

The responsibility of the Group towards sustainability is inspired by continuous communication with the stakeholders. In particular, the Group involves the best human resources and skills in management with a global approach in order to make responsible decisions both globally and locally.

The Group is willing to strength the engagement with all its stakeholders to build strong relationships with them.

Our targets:

1. GHG reduction by 2030 of 20%;
2. 0 injuries on a worldwide basis by 2030;
3. Full ESG evaluation of our supply chain on a worldwide basis by 2028;
4. 20% increase of female presence in the managerial roles by 2030;
5. Reaching 100% of IT users yearly security training by 2025;
6. 20% decrease of salary gap by 2027.

2.1 Sustainability context

In a world of growing population and resource scarcity, the chemical industry is playing a crucial role in most sectors leading the development of innovative, life-enhancing products and technologies that help people live longer, better and in a more sustainable way.
Advances in chemistry have been and will continue to be fundamental in increasing agricultural production to feed a growing world population, providing safe drinking water, as well as preventing and treating disease.
The chemical sector proved its fundamental role as key driver of sustainable development contributing to the solution of many of the world's twenty-first century challenges. As a matter of fact, chemistry is at the forefront of the development of sustainable materials, it promotes higher efficiency in the use of natural resources and it also finds new uses for the current waste products promoting circularity. Nowadays the sector is also increasingly becoming fundamental in fighting climate change contributing to many climate-neutral and circular solutions such as wind turbines and electric vehicles.
In fact, the "Chemical Strategy for Sustainability" (CSS), adopted by the European Commission in 2020, recognises the essential role of chemicals to deliver European Green Deal objectives which were presented in 2019. In particular, as explained by the EU's chemicals strategy, Europe "strives for a toxic-free environment where chemicals are produced and used in a way that maximises their contribution to society including achieving the green and digital transformation, while avoiding harm to the planet and to current and future generations".
At the global level, the United Nations General Assembly adopted, in 2015, a new Sustainable Development Agenda, which includes 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all.
Specifically, SDG 12 "Responsible consumption and production", requires a systematic approach throughout the lifecycle of chemicals from producers to final consumers. Target 12.4 calls for achieving the "environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and for significantly reducing their release to air, water and soil in order to minimize their adverse impacts on human health and the environment".
Since chemicals touch each aspect of development, their sound management contributes, directly or indirectly, to many other SDGs. Precisely, in addition to the SDG 12, the chemical industry plays an important role in the achievement of the SDG 7 "Affordable and clean energy" and the SDG 13 "Climate Action".

Acting as a regenerative sector, a sustainable chemical industry stimulates innovation across all sectors to design and to implement new chemicals, production processes and product stewardship practices that will provide an increased value while protecting and enhancing human health

and the environment.

In addition to the growing chemical regulations in most major markets, there is an increasing demand, among consumers, for green and ethical products. Therefore, ESG performances are expected to be benchmarked as highly as costs and other productivity metrics.

2.2 Group's Sustainability Strategy

The Group, aware of the crucial role of chemistry in overcoming the most pressing sustainability challenges, is willing to play an active role in sustainability and is committed to being a benchmark in the field of specialty chemicals, by making best use of its technical capabilities and by respecting environmental sustainability.

While pursuing economic growth, Group Polynt wants to guarantee and to promote environmental and social protection in order to contribute to a sustainable development and a better future for the new generations.

Thanks to a robust experience and with a strong culture of continuous improvement, the Group continues to improve efficiency and effectiveness of its operations by optimizing plants capacity utilization, by producing internally the electricity necessary for the production and by an ongoing monitor of its performance indicators.

In addition to that, growing efforts in research and development, innovation and technology, combined with a constant dialogue and engagement with clients, ensure the Group's competitive advantages in markets with growing demand of quality and safety. In fact, the Group believes in research and innovation as key drivers for the development of solutions that respect the dynamic ecosystems' equilibrium, while offering efficient alternatives to the consumption of the natural resources.

Passion, expertise, technology and innovation define the Group's identity and willingness to contribute to a sustainable future.

In particular, the Group is committed to:

- Improve continuously its environmental performances, health, safety and security knowledge and performances related to technologies, processes and products;
- Use resources efficiently and minimize waste;
- Report transparently on performances, achievements and shortcomings;
- Listen, engage and collaborate with all stakeholders in order to understand and to be able to address concerns and expectations;
- Cooperate with governments and organizations for the development and implementation of effective regulations and standards;
- Provide support and advice on how to foster the responsible management of chemicals along the product chain.

The Group is also strongly committed to the protection of the health and the environment with 3 main objectives:

- Development of new products to progressively substitute natural raw materials in the production;
- Creation of recyclable products to reduce impact on environment and human health;
- Response to the needs of local communities that host the Group's plants, combined with a continuous reduction of the environmental impacts.

For these purposes, the Group undertakes Life Cycle Assessment (LCA) studies and carefully examines the cradle-to-gate impact of its raw materials and processes. It allows to compare the environmental impact of specific raw materials and production processes, therefore selecting the most environmentally friendly scenarios for product manufacturing.

Furthermore, the Group annually participates in the independent assessment by Ecovadis on sustainability issues.

Ecovadis is a platform where information on sustainability-related performance is shared. These performances are based on four topics: Environment, Labor and Human Rights, Ethics and sustainable purchasing. As of today the Group has 10 companies and 15 production sites covered by Ecovadis rating with good results and has the aim to cover all group companies within 2023.

The Group is also assessed by Carbon Disclosure Project (CDP): an environmental information management system for measuring and managing risks and opportunities on climate change, water security and deforestation. Through this independent scoring methodology, CDP measures company progress and encourages actions on climate change, forests and water security.

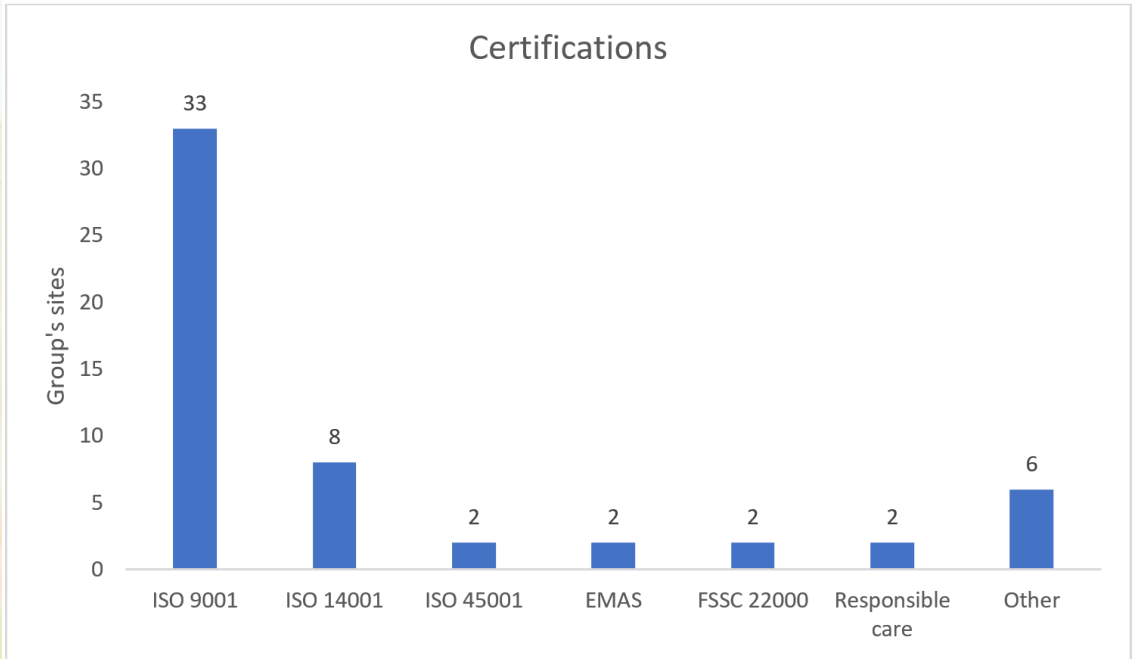
The Group is continuously working on certifications and qualifications which demonstrate commitment to uphold industry standards, to increase agility and competitiveness which extend professional credibility.

The Group considers certifications' process also as opportunities to build a culture of lifelong learning among the workforce as the Group use them as a method of knowledge and skills building.

While the Group is aiming at certifying all its companies, at the end of 2022, more than 90% of all the Group's sites are ISO 9001 certified. The following table provides an overview of the certifications' coverage.

The category named “Other” includes several certifications such as:

- FAMI-QS, a leading specialty feed ingredients and mixtures certification;
- HALAL which attests that a product is manufactured in full compliance with the Islamic law;
- KOSHER which assures that a product and its production adhere to all Kosher law requirements;
- Non GMO standard which guarantees that a product was produced without genetic engineering and also its ingredients are not derived from GMOs;
- Unique Environmental Authorisation (AUA Autorizzazione Unica Ambientale) which replaces several emissions permits previously required to comply with the Italian environmental rules, in order to reduce excessive bureaucracy for Italian firms;
- Virginia Environmental Excellence Program (VEEP) which assists organizations to go above and beyond their legal requirements on environmental impacts.



CHAPTER 3|Group's Supply Chain

3.1 Supply chain

The Group is an important player for several industries and sectors such as building and construction, transportation and food, maritime and household appliances. A solid and effective supply chain management is critical for the protection of the Group's business continuity and long-term sustainability.

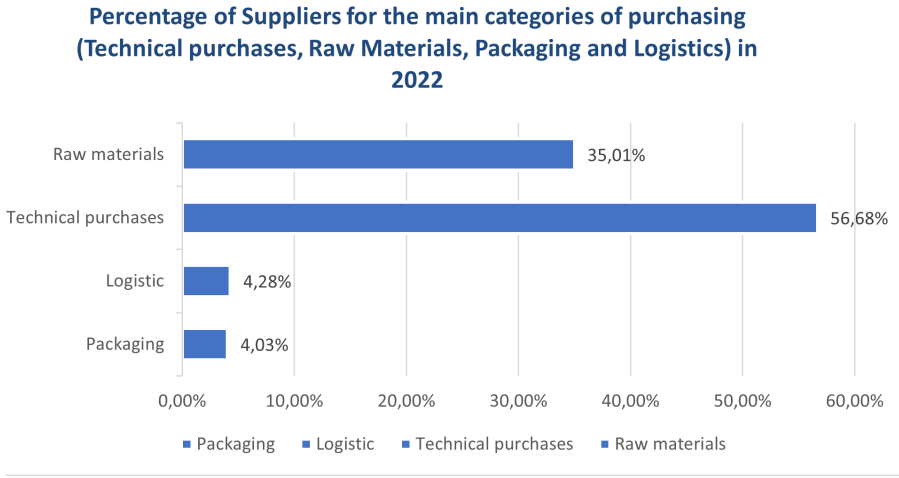
The Group manages internally the entire production chain through an integrated supply chain management and a direct interface with a large number of suppliers from different markets. The four purchasing categories considered in this report are:

- Raw Materials
- Packaging
- Logistics
- Technical purchases

In addition to these four main groups, the Group purchases consumables and services.

Considering the above main categories, the “technical purchase” category is the main one in terms of number of suppliers, counting for 56,68% of the total suppliers in 2022. “Raw materials” category follows with 35% of the total suppliers, “packaging” and “logistic” categories cover the remaining 8% as presented in the figure below.

Overall, considering the four main categories, the Group counts and deals with 7,472 worldwide suppliers in 2022.



In terms of geographical distribution, the largest part of the four categories, is located in Europe (48,47%), followed by the Americas (40.62%) and then by Asia (10.91%) as represented in the figure below.

3.2 Proportion of spending on local suppliers

This first report analyses in particular raw materials suppliers. For the purpose of this report and the analysis, the following definitions are considered:

- 'local' suppliers are intended as suppliers that are located in the same Country of the reporting site (meaning the Group branch directly involved in data collection for the scope of this report);

- 'regional' suppliers are intended as suppliers that are located in the same Region (Europe, Americas, Asia) excluding local suppliers when already accounted for the reporting site (e.g. for the French reporting site that would mean all European suppliers excluding French suppliers)

- Similarly, all other suppliers are intended as non-local neither regional meaning located out of the Country and out of the Region of the reporting site.

Most of the Group's operating costs are related to the purchase of raw materials. The main raw materials used are petroleum based such as butane, ortho-xylene, benzene, styrene and pseudocumene. Therefore, the prices for these raw materials are closely linked to the value of crude oil: changes in the price of crude oil had and will continue to have a significant impact.

The Group counts on several companies and facilities that are located close to its suppliers and customers, enabling lower logistics and transport costs. In addition to that, the extended geographic diversification protects the Group against local economic downturns or shocks, allowing operating leverage optimization.

The Group strengthened its supplier evaluation as fundamental process to ensure that all the selected suppliers comply with the Group's quality and reliability standards and requirements. The Group has also begun to include sustainability criteria in the suppliers' assessment. This evaluation process can help to improve the sustainability of the supply chain by promoting ethical, environmental and socially responsible practices among suppliers themselves such as reducing waste and emissions.

During 2022, between 11% and 17% of the total new suppliers were evaluated on environmental and social criteria at the Group's level. In this regard, the Americas region applies this assessment to all new suppliers therefore with a 100% as highlighted in the table below.

Table 3.1: New suppliers Environmental and Social criteria by Region

GRI 308-1: Environmental criteria - 2022	Europe	Americas	Asia	Overall
Total number of new suppliers	39	12	35	86
Total number of new suppliers evaluated using environmental criteria	3	12	0	15
	7.7%	100%	0%	17.4%
Total number of suppliers evaluated according to environmental criteria	**3**	**12**	**0**	**15**
GRI 414-1: Social criteria - 2022	**Europe**	**Americas**	**Asia**	**Overall**
Total number of new suppliers	**36**	**5**	**3**	**44**
Total number of new suppliers evaluated using social criteria	**0**	**5**	**0**	**5**
	0%	**100%**	**0%**	**11.36%**
Total number of suppliers evaluated according to social criteria	**0**	**5**	**0**	**5**

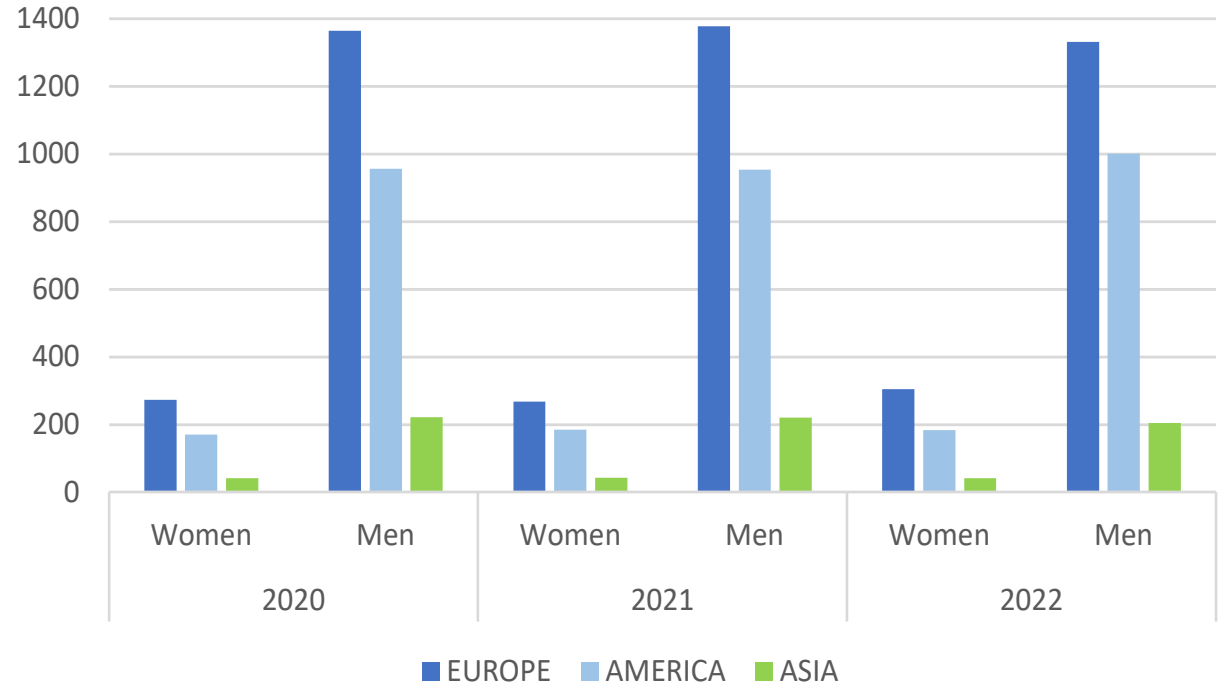
4.1 Group's People

Human capital is a highly valued resource for the Group which carefully cares about its people in order to guarantee the best possible experience throughout their entire life in the organisation. From the recruiting process to the training, evaluation and welfare, the Group is fully committed to its people wellbeing and development, recognising the central role of human resources for the well-functioning of sustainable organisation.

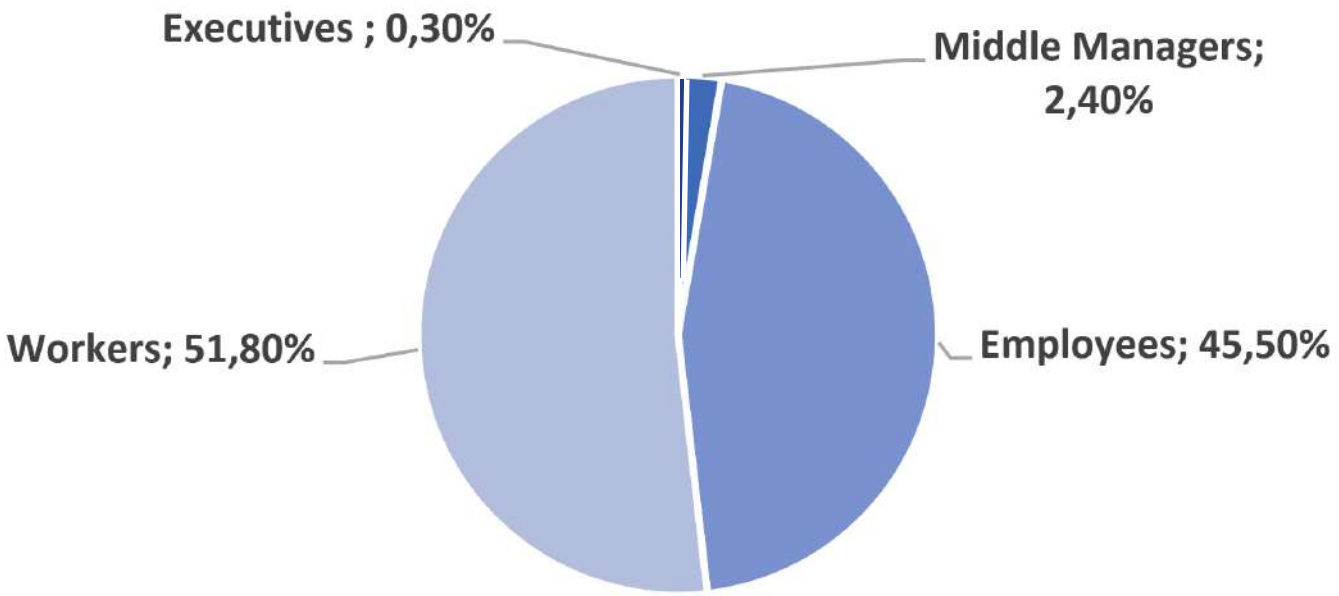
In 2022, 3,069 people were permanent employed by the Group.

In all the Regions, the number of workers and employees did not change significantly over the three years. Over the last years, the percentage of permanent workers furtherly increased in Asia and America. In the latter, in particular, 99% of employees are hired on permanent contracts.

Table 4.1: permanent employees with breakdown by gender and by Region



"Workers" represents the largest employment category (51.8%) across all the Regions. At the Group level, "Employees" rank second (45.5%), followed by the remaining categories of "Middle Managers" and "Executives".



The Group strongly believes in the benefits and advantages of empowering young human resources and is working hard at creating more and new professional opportunities for the younger population.

At the Group level, more than 60% of the employees is younger than 50 years old and, among these, an outstanding 12% is under 30 years old.

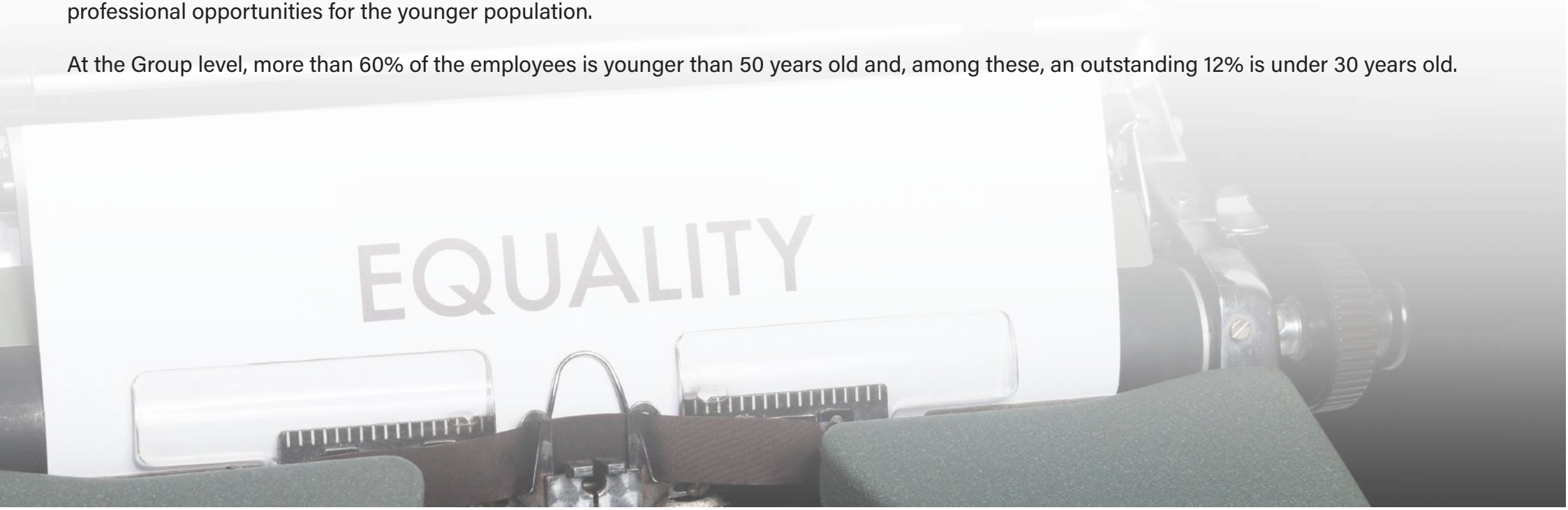
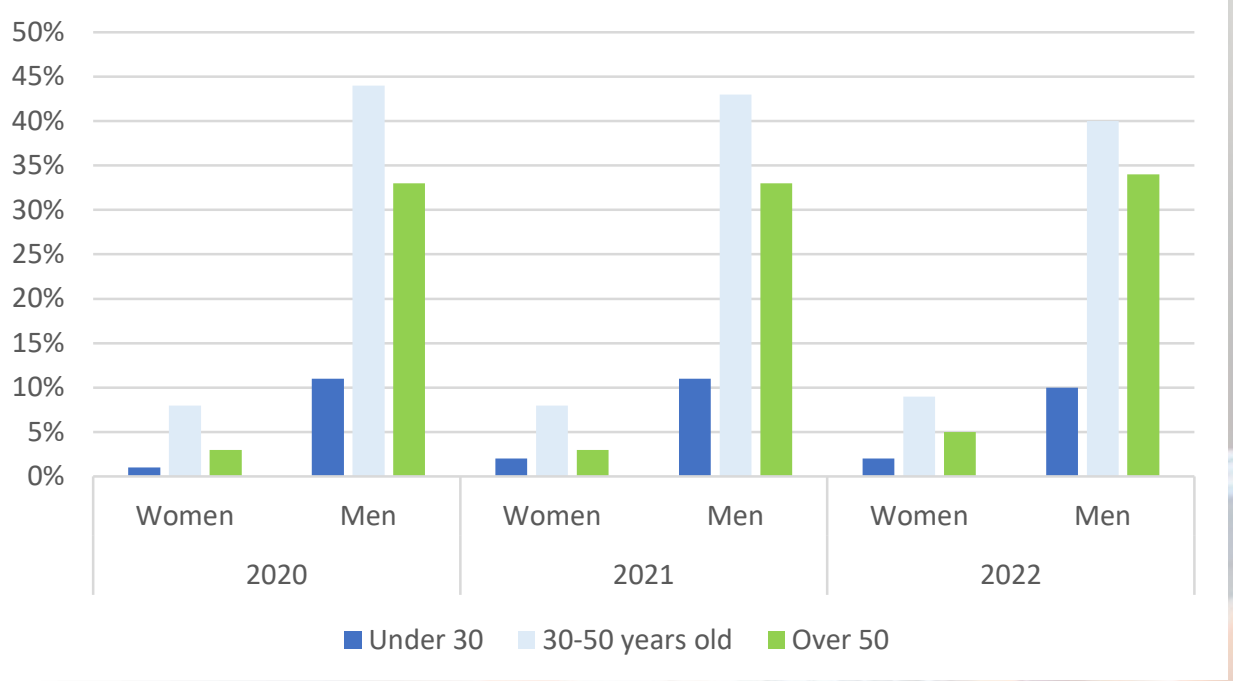


Table 4.2: diversity in employees – gender and age group



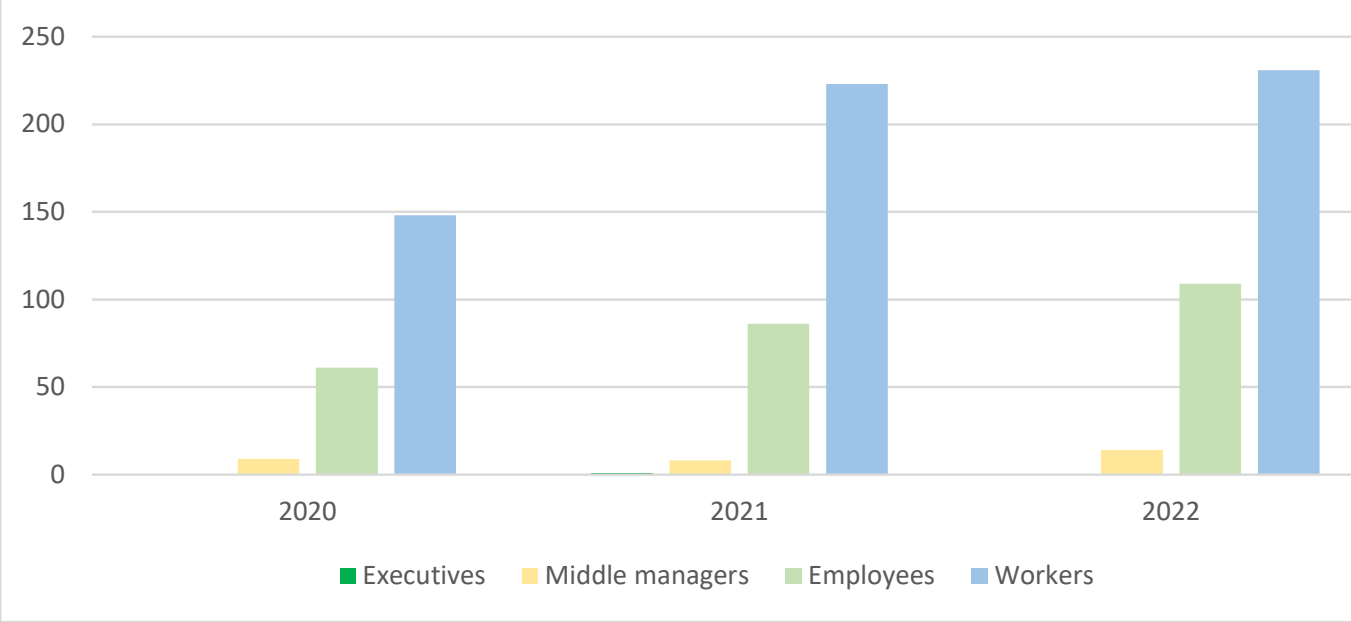
With reference to the new employee hires, the figures confirm the capacity and willingness of the Group to attract young talents. Out of the 354 new employees hired in 2022, 120 are younger than 30 years old, representing almost 34% of all new employees.

Table 4.3: new employee hires by age group, gender and Region

Overall	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Under 30	19	74	93	37	108	145	16	104	120
30-50 years old	25	85	110	24	107	131	28	167	195
Over 50	2	13	15	6	36	42	9	30	39
TOTAL	**46**	**172**	**218**	**67**	**251**	**318**	**53**	**301**	**354**
Europe	**2020**			**2021**			**2022**		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Under 30	7	35	42	12	38	50	6	41	47
30-50 years old	6	29	35	9	43	52	9	48	57
Over 50	1	10	11	1	12	13	3	6	9
TOTAL	**14**	**74**	**88**	**22**	**93**	**115**	**18**	**95**	**113**
Asia	**2020**			**2021**			**2022**		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Under 30	1	9	10	4	9	13	1	4	5
30-50 years old	1	4	5	1	12	13	0	9	9
Over 50	0	0	0	0	0	0	0	0	0
TOTAL	**2**	**13**	**15**	**5**	**21**	**26**	**1**	**13**	**14**
Americas	**2020**			**2021**			**2022**		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Under 30	11	30	41	21	61	82	9	59	68
30-50 years old	18	52	70	14	52	66	19	110	129
Over 50	1	3	4	5	24	29	6	24	30
TOTAL	**30**	**85**	**115**	**40**	**137**	**177**	**34**	**193**	**227**

Finally, regarding the employment category for the new employees, the table below provides the-breakdown over the last three years.

Table 4.4: new employee hires by employment category



During 2022 there were 307 employees who left the company, of which 18.9% were women and the remaining 81.1% were men. Detailed figures are provided in the following table.

Table 4.5: employee who left by age group and gender

Employees who have left the company	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Under 30	11	31	42	7	32	39	11	41	52
30-50 years old	14	54	68	23	72	95	26	99	125
Over 50	6	83	89	11	98	109	21	109	130
TOTAL	**31**	**168**	**199**	**41**	**202**	**243**	**58**	**249**	**307**

In addition to the young generations, the Group values the employees with consolidated and long experiences who represent an important component of the workforce. In 2022, 39 of the new employees were over 50 years old, representing more than 10% of the total new employees at the Group level. The diversity as well as the attention for equal opportunities among the Group's people including job access for the older population, is a key driver of the management approach.

In terms of gender, not surprisingly, female representation varies significantly among the different employment categories. Women are less represented in the "workers" category due to the physical heaviness of the performed tasks while the percentage of women among "employees" category was 32% in 2022 and even higher in the previous years as showed in the table below.

Table 4.6: share of women in the employment categories

All Regions	2020	2021	2022
Women among executives	9%	7%	11%
Women among middle managers	17%	18%	14%
Women among employees	37%	37%	32%
Women among workers	3%	3%	3%
Share of Women among all workforce	**16%**	**16%**	**17%**

The Group is registering a growing trend in the number of women within the new hires: over the last three years, between the 15% and 21% of new hires were women.

Over the last three years, employee's turnover is quite stable.

The type and amount of benefits provided to the full-time employees remained constant in essence over time.

During 2022, a total number of 1,872 employees took the parental leave with a return rate in the same year of 11% (14% for women and 10% for men).

Table 4.7: parental leave figures by gender for 2022

Parental leave	2022		
	Women	Men	Total
Number of employees entitled to parental leave	274	1,246	1,520
Numbers of employees that took parental leave	35	64	99
Numbers of employees that returned to work in the reporting period after parental leave ended	38	128	166
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	28	59	87
TOTAL	375	1,497	1,872

Here below more specific information about the parental leave across the Regions over the last three years.

Table 4.8: parental leave figures by Region and gender per year

Europe	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of employees entitled to parental leave	189	981	1,170	192	995	1,187	223	1,106	1,329
No. of employees that took parental leave	57	128	185	52	140	192	32	43	75
No. of employees that returned to work in the reporting period after parental leave ended	5	7	12	4	9	13	37	107	144
Total No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	5	7	12	6	9	15	27	38	65
Americas	**2020**			**2021**			**2022**		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of employees entitled to parental leave	33	117	150	34	118	152	42	116	158
No. of employees that took parental leave	2	9	11	3	11	14	3	13	16
No. of employees that returned to work in the reporting period after parental leave ended	2	9	11	3	11	14	1	13	14
Total No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	2	9	11	3	11	14	1	13	14
Asia	**2020**			**2021**			**2022**		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of employees entitled to parental leave	23	88	111	26	86	112	9	24	33
No. of employees that took parental leave	0	5	5	1	3	4	0	8	8
No. of employees that returned to work in the reporting period after parental leave ended	0	5	5	0	3	3	0	8	8
Total No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	5	5	1	2	3	0	8	8

4.2 People at the core

The Group wants to create a harmonious and healthy working environment in which the dignity of its employees is respected at all times. This means maintaining equal opportunities, ensuring privacy and data safety, providing a good company welfare, and constantly striving for the full professional development of the workforce.

Drawing on the principles of transparency, fairness, wellbeing, harmony and trust, the Group is determined to develop a fair working culture that enables all the people to make their distinctive contributions to benefit the business. In this context, the managers are expected to exercise leadership for discouraging prejudice and discrimination while promoting appropriate and positive behaviours.

Therefore, the Group works towards:

- The creation of a professional environment in which individual differences and contributions are recognised and valued;
- The promotion of dignity and respect to all, with zero tolerance towards intimidation, bullying or harassment;
- Providing training, development and opportunities to everyone.

To reach these objectives, the Group, together with all its companies, has developed various procedures and codes of conduct. In particular, each Group's company adopts specific procedures against harassment and discrimination, in order to establish the necessary measures to prevent, detect and eradicate any kind of inappropriate behaviour in the workplace.

Each company prohibits any direct or indirect discrimination based on ethnicity, colour, religion, creed, gender, national origin, age, civil status, sexual orientation, or disability. Anti-discrimination and gender policies are applied transversally: any individual is expected to receive equal treatment within the Group regardless of her/his own employment history and/or professional position. The Group provides assistance and specific reporting channels for harassment and discrimination victims guaranteeing privacy and confidentiality. Upon verification throughout an investigation process, the responsible is adequately sanctioned and additional measure will be studied and implemented to avoid similar episodes to occur again.

Non-discrimination is a principle embedded also in the recruitment process. Group's companies have developed ad hoc procedures to allow the most transparent and just recruitment process. Such process, which is based on a specific need of a company to hire someone, must be approved and followed internally. The candidate will be evaluated according to the competences required for the job position meaning that the Group does not allow other factors to influence the recruitment choice. Once the selection process is finalised, the candidate will be informed, and the Group will provide all the necessary information and support to the newcomer to start her/his new job.

Significant resources are invested every year in training to improve people's professional careers, satisfaction, and wellbeing.

While the main objective is to guarantee and to maintain for everyone an appropriate level of competences to perform the tasks adequately and efficiently, the Group offers a variety of training courses and employees can also request specific or additional courses considered useful for their professional development. In addition to the mandatory training such as health and safety, compliance, etc. and to the introduction training for new employees at the Group level, each company identifies specific courses based on the local needs and conditions. Training plans, tailored to the job and the personal development, are reviewed periodically based on the training outcomes evaluation.

In 2022, the Group's workforce received a total number of 97,441 training hours meaning an average of 8.3 hours per person considering all the Group's locations.

As highlighted in the following tables, training on Health and Safety covers more than 70% of the total training offered to the Group's workforce. In 2022, the total number of hours on Health and Safety has grown more than five times compared to the previous year (71,328 in 2022 vs 14,393 in 2021 and 11,706 in 2020).

Table 4.9: share of training hours per training topic - 2022

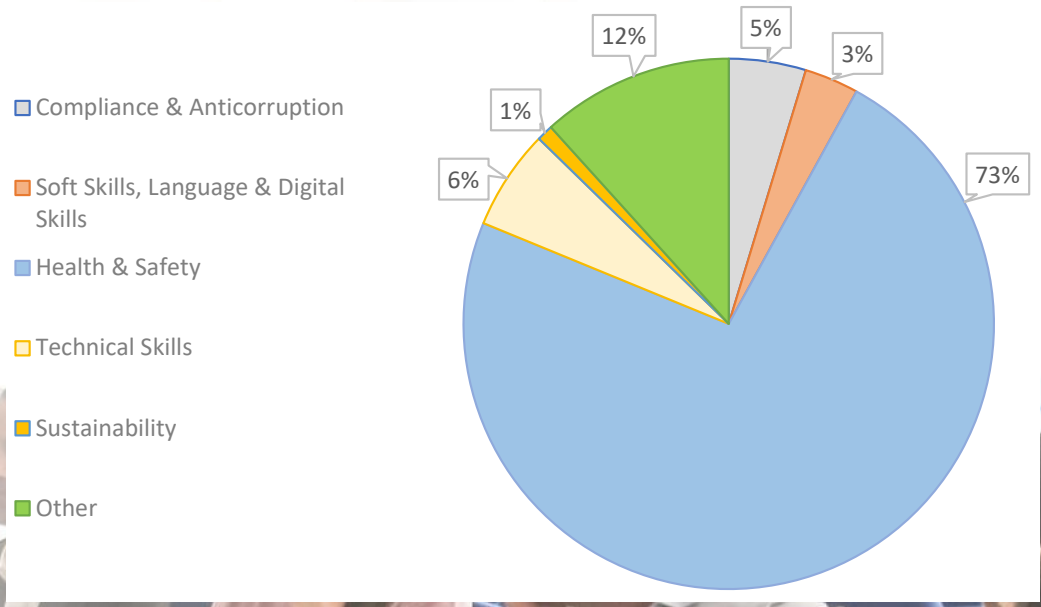
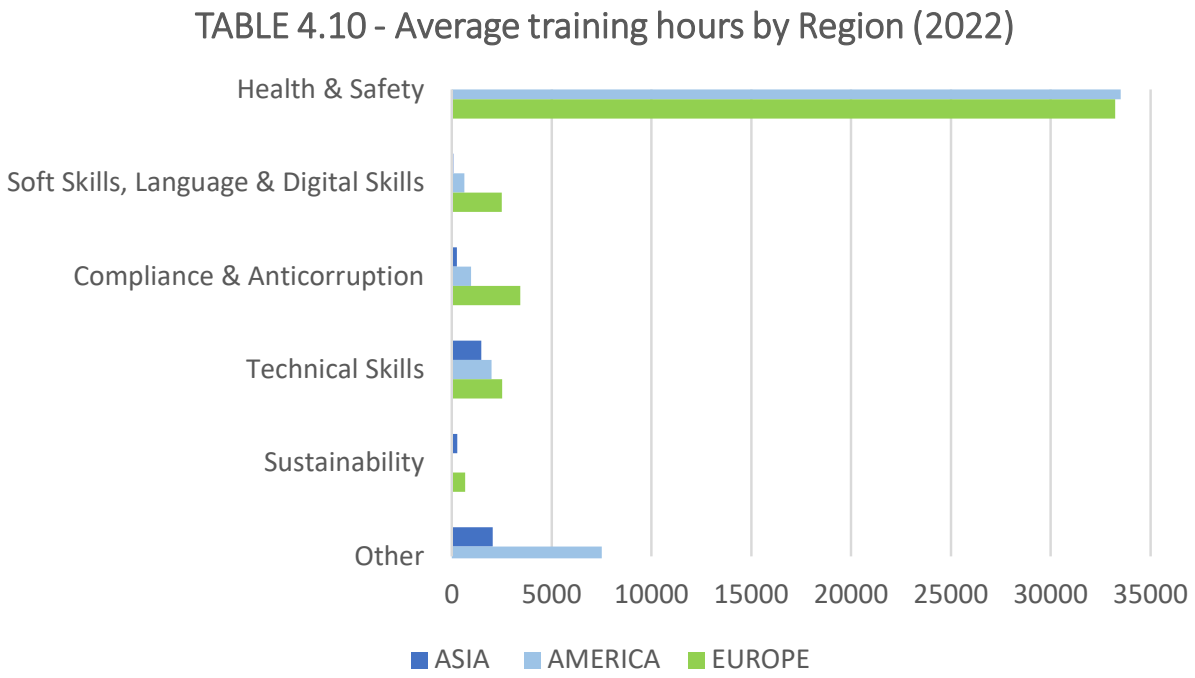


Table 4.10: Average hours of training per employee by Region and per year

Training Hours	ASIA			AMERICA			EUROPE			ALL REGIONS		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Compliance & Anticorruption	274	271	242	841	863	954	120	142	3,418	1,235	1,276	4,614
Soft Skills, Language & Digital Skills	392	517	66	101	113	630	1,987	1,728	2,490	2,480	2,358	3,186
Health & Safety	3,695	3,738	4,607	4,046	5,493	33,492	3,965	5,162	33,228	11,706	14,393	71,328
Technical Skills	843	702	1,474	556	1,427	1,978	1,062	2,531	2,528	2,461	4,660	5,979
Sustainability	1,526	1,580	272	0	0	45	0	25	661	1,526	1,605	980
Other	98	98	2,039	352	881	7,506	454	650	1,811	904	1.629	11,355
Total	**6,828**	**6,906**	**8,700**	**5,896**	**8,777**	**42,272**	**7,588**	**10,238**	**44,136**	**20,312**	**25,921**	**97,441**
Average per employee	**25**	**25**	**34.3**	**5**	**8**	**35.6**	**4**	**6**	**26**	**7**	**8**	**31.1**

All the Group's companies developed their own welfare policies and procedures, aiming at creating and maintaining the best possible working conditions for their employees, therefore enhancing a good work-life balance in addition to the people's needs satisfaction.



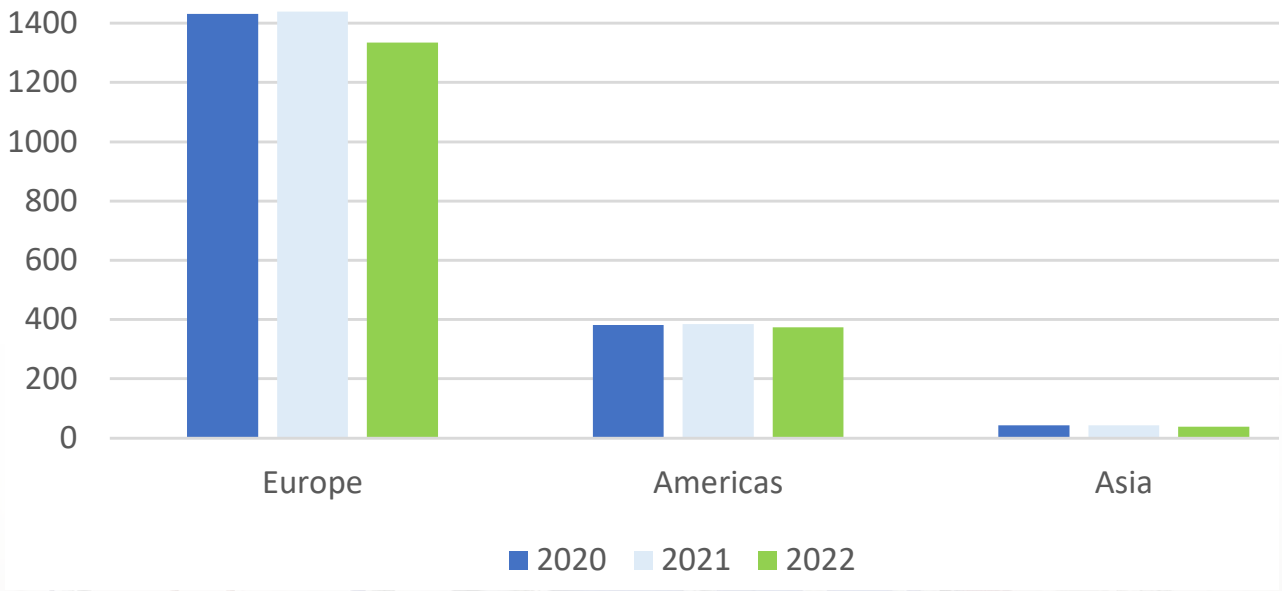
The minimum number of weeks' notice typically provided to the Group's employees and their representatives prior to the implementation of significant operational changes has increased over the last three years reaching an average of 11 weeks in 2022.

Table 4.11: minimum number of weeks' notice provided to employees prior to the implementation of operational changes

Minimum number of weeks' notice	2020	2021	2022
Average	6.7	6.7	11.0

The following table shows more detailed figures on collective bargaining agreements across the Regions.

Table 4.12: No. of employee covered by collective bargaining agreements



4.3 Workplace health and safety commitment

4.3.1 Highlights

Education and training on occupational health and safety (hereafter “H&S”) in 2022:

- More than 33,000 H&S hours in Americas
- More than 33,000 H&S hours in Europe
- More than 4,600 H&S hours in Asia
- training hours planned to be increased in 2023

For the Group, workers’ health, safety and welEach Site Manager, in collaboration with own H&S organizational structure, supervises and monitors the integrated management system, allocating the necessary resources and verifying the compliance with the local legislations

4.3.2 Risk Management Responsibilities

Site Managers, with the support of the H&S organizational structure and external consultants, assess the potential hazards and risks throughout the entire production process. Such systematic evaluation, that involves the identification, analysis and control of potential risks, is performed on a regular basis in order to determine and to set up the appropriate prevention and protection measures.

Risk management approach takes also into account H&S emergency procedures and risks associated with buildings' renovation. Measures and procedures are continuously monitored, verified and, whenever possible, improved through disclosing and analysing of near miss accidents.

The Group regularly carries out specific audits, controls and inspections aiming at verifying Group sites' health and safety performances, their compliance, and possible improvements.

Employees and their representatives (actively) contribute to the strengthening and improvement of the Group's risk management approach, being always involved in the Group's H&S processes. An important role is also played by the H&S site representative/s, even though they can be titled in different ways in the different locations.

The Group's commitment towards continuous improvement led, in 2022, to the development and distribution of a detailed survey to collect quantitative and qualitative figures and indicators about the workplace health and safety. The information gathered through the survey supports and allows a detailed and accurate report on H&S performances. Quantitative and qualitative data collection plays also a fundamental role for further improvements (and targets development) on health, safety, and wellbeing.

4.3.3 Health protection and wellbeing promotion

The Group ensures occupational health services and benefits for the employees comply with the local regulations. Beyond compliance, the Group promotes in all sites accurate risk assessments processes, and their continuous improvement, with the contribution of certified site medical doctors. Each site contracts with a local medical provider to ensure prompt access to medical services when requested and needed.

The Group's risk management approach and occupational health and safety procedures allowed an efficient and effective response to the Covid-19 global health emergency during the entire pandemic period (2020-2022). A special Covid Emergency Committee was promptly established and guided by the top management. The Committee developed protocols and guidelines that were constantly monitored and adjusted according to the regulations and public health measures. The Group applied Covid-19 protocols and guidelines to all sites, with timely and effective manners, following local rules and recommendations as well as additional measures to protect its workforce as much as possible. During the pandemic, the very first priority for the Group was the safety and well-being of its human resources. Among the common measures implemented, there were: provision of personal respiratory protection equipment; additional cleaning and disinfecting procedures; clear social distancing and personal protective measures signs, screens and displays; initiatives for health and well-being awareness; additional measures tailored to the local contexts.

Aside the response to the Covid-19 crisis, site-based H&S teams, in collaboration with other corporate functions, strive to define and to implement health promotion initiatives such as:

- Health insurance plans for primary and specialist care in addition to the standard health corporate policy;
- Individual health awareness and promotion programs (healthy eating, physical activity and weight control, optimal sleep, no smoking among others);
- Psychological support and well-being;
- Voluntary vaccination campaigns;
- Regular health check-up and preventive screening;
- Smart working.

All occupation health activities and records are managed according to the confidentiality rules and respecting employees' privacy. Personal data protection and processing strictly follows international and local regulations.

4.3.4 Occupational Health and Safety Training

The Group is committed to ensure appropriate health and safety training to its workforce in order to raise and maintain awareness on the various risks and hazards potentially present on the workplace. H&S training also aims to enhance knowledge, competences, behaviours and attitudes that can prevent accidents and injuries.

Training covers H&S procedures, instructions and simulations to improve the proper use of personal protective equipment (PPE). The Group pursues organisational learning and continuous improvement of H&S training taking into consideration, among other sources, inputs from safety audits, accidents reporting, specific requests or suggestions from the operational departments.

Training contents and simulations also consider the relevant local legislations: a formal H&S training plan is reviewed yearly, and internal health and safety specialists oversee the H&S guidelines and procedures management.

H&S training is conducted during working hours with the objective to assist employees in fully understanding and engaging in the Group Group's health and safety management approach.

During 2022, on average, each employee received more than 22 hours of H&S training which represents a relevant increase compared to the previous years. The table below indicates the average of H&S training hours per Region.

4.3.5 Health & Safetyin the Supply Chain

Aware of its role and responsibility throughout the supply chain, the Group is also willing to contribute to prevent and manage its suppliers' risks. Following the supplier selection process, the Group actively engages them to identify appropriate health and safety prevention and protection practices.

The Group risk management approach includes appropriate workplace behaviour requirements applicable to employees as well as to suppliers when they are at any the Group's location. Such rules and policies are kept up to date and disseminated in order to promote a strong corporate culture of health and safety protection and promotion. In addition to that, regular and ad hoc H&S trainings, together with information sharing of chemical products' characteristics and their transportation related risks, contribute to the prevention and/or mitigation of significant H&S negative impacts, directly linked to chemical products, operations or services across business relationships.

4.3.6 Work-related injuries and occupational diseases

The Group regularly monitors trends on occupational accidents and diseases. During 2022, the Group recorded injuries and occupational diseases with a low severity level except for three major injuries occurred in the Americas geographic area. Most of the work-related injuries and occupational diseases are due to slip and fall accidents causing musculoskeletal problems. Other cases are related to the exposure and contact to chemical substances as well as trapping or crushing hazards.

The following tables provide several data on work-related injuries.

Table 4.13: number of injuries per Region and per year among employees

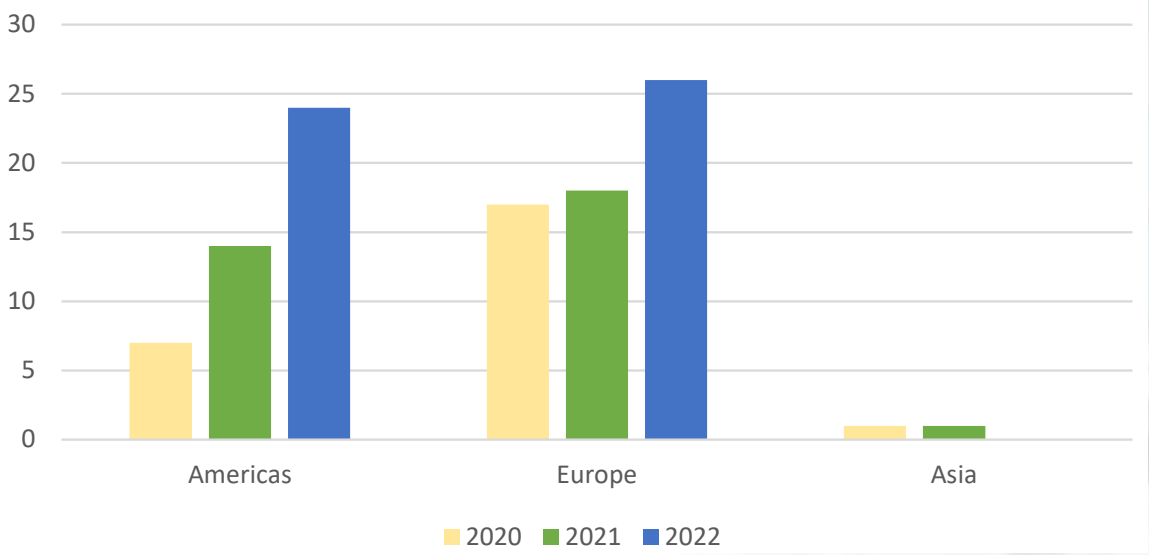


Table 4.14: Injury frequency rate per Region and per year based on 1,000,000 working hours

Injury frequency rate* per Region - Employees			
Regions	2020	2021	2022
Americas	3.66	7.07	13.23
Europe	6.38	6.35	9.62
Asia	1.54	1.52	-
Calculation: number of recorded injuries over 1 million working hours. Recorded injuries refer to physical injury of a person at work.			

Table 4.15: Injury frequency rate per Region and per year based on 200,000 working hours

Injury frequency rate* per Region - TRIR OSHAS – Employees			
Regions	2020	2021	2022
Americas	0.73	1.41	2.64
Europe	1.27	1.27	1.92
Asia	0.30	0.30	-
Calculation: number of recorded injuries over 200,000 working hours. Recorded injuries refer to physical injury of a person at work.			

Table 4.16: number of occupational illnesses per Region and per year among employees

Injuries per geographic regions - Workers not employed*			
Regions	2020	2021	2022
Americas	1	4	3
Europe	2	1	0
Asia	0	0	0

4.3.7 Culture of continuous improvement

The Group is determined to further improve the Health and Safety data collection process, initiated this year for the first edition of the Sustainability report. Specifically, the company will improve and build a more granular database to serve different perspectives like geographic locations and different legislations. Such project will contribute to the development of a strong Health and Safety corporate culture while embedding the principles of sustainability into the Group's business strategy.

CHAPTER 5| Group's environmental performance

Group's activities are carried out in accordance with the principles of sustainable development. The Group is actively engaged in sustainable development and operates with internal management systems that prioritise safety, quality and efficiency which includes a commitment to environmental, social and economic health.

In particular, the Group is committed to:

- Continuously improve the environmental, health, safety and security knowledge and performance of its technologies, processes, and products throughout their life cycle so as to avoid harm to people and the environment;
- Use resources efficiently and minimize waste;
- Listen to, engage and work with people to understand and address their environmental concerns and expectations;
- Provide help and advice to encourage responsible management of chemicals by all those who manage and use them along the product supply chain;
- Report openly on performance, results and shortcomings.

According to the last point and as required by the GRI Standard, the five most significant environmental aspects of the Group are reported: materials, energy, emissions, water and waste.

Eco-Management and Audit Scheme (EMAS)

Some sites in Italy are certified according to EMAS, "Eco-Management and Audit System (EMAS). EMAS is part of the voluntary instruments included in the Fifth European Program for the Protection of the Environment, which the Group has decided to adopt.

The objective of EMAS is to promote continuous improvements in the environmental performance of organizations through the introduction and implementation of an environmental management system. The environmental management system required by the EMAS standard is based on ISO 14001:2015.

5.1 Product innovation and sustainability

The Group has all the knowledge, resources and capabilities to help customers to develop more sustainable products utilizing the technologies described below.

Continuous improvement of production processes in environmental area is focused on the following objectives:

- Reducing CO/CO2 emissions by improving proprietary catalyst technology.
- Recovery and recycling of self-produced energy by converting heat to energy with a view to optimization.
- Recovery and reuse of by-products in order to minimize and sometimes completely eliminate waste.
- When possible, use non-hazardous materials for equal performance of end products.

A great effort in R&D is the underway for a transition to a green chemistry but this is a slow process due to several technological and economical (vis à vis customers) constraints. Today, most of the materials used come from oil & gas industry, but several interesting stories emerge.

SUSTAINABILITY SOLUTIONS

In order to achieve the Group's environmental goals, projects and collaboration with several university institutes enabled the Group to launch numerous products on the market each year and to consolidate the company's historical vocation toward 'human-scale' chemistry.

COMPOSITES: UV-CURING RESINS

UV-curing resins have been developed to meet stringent regulations in Europe and North America and to reduce air pollution and energy consumption. UV-induced curing has many advantages over conventional curing in terms of lower energy consumption and equipment space, reduced waste, lower emissions, higher productivity (fast curing), and lower temperature processing. In addition, UV-curing resins usually do not contain organic solvents that have a negative effect on the environment. Cobalt- and styrene-free and/or low-content matter are also used.

GREEN COMPOUND QUALITIES

Compared with traditional materials, such as steel, aluminum and cement, which have a high environmental impact in terms of energy consumption, raw materials and carbon dioxide emissions, compounds possess very attractive environmental qualities:

- Reduced number of post-processing steps such as drilling and welding;
- Optimized life cycle behavior by being sustainable and recyclable through coprocessing in cement kilns in accordance with the European Waste Framework Directive (WFD) 2008/98/EC;
- Reduced waste compared to other reinforced plastics;
- Eco-friendly materials include recycled grades based on thermoset material and/or available fibers (e.g. - RECarbon product line);
- Styrene-free and/or low-VOC compounds offer improved air quality in the work environment and inside facilities/vehicles;
- Bio-based raw materials/chemicals further replace resin monomer and additives from renewable sources;
- Some of the products used are also made of natural fibers such as bamboo, flax, hemp, and cellulose to create specific bio-based reinforcement.

In the last three years, the Group has produced a grand total of more than one million metric tons of products every year.

Life Cycle Assessment (LCA) in the Group

What is Life Cycle Assessment?

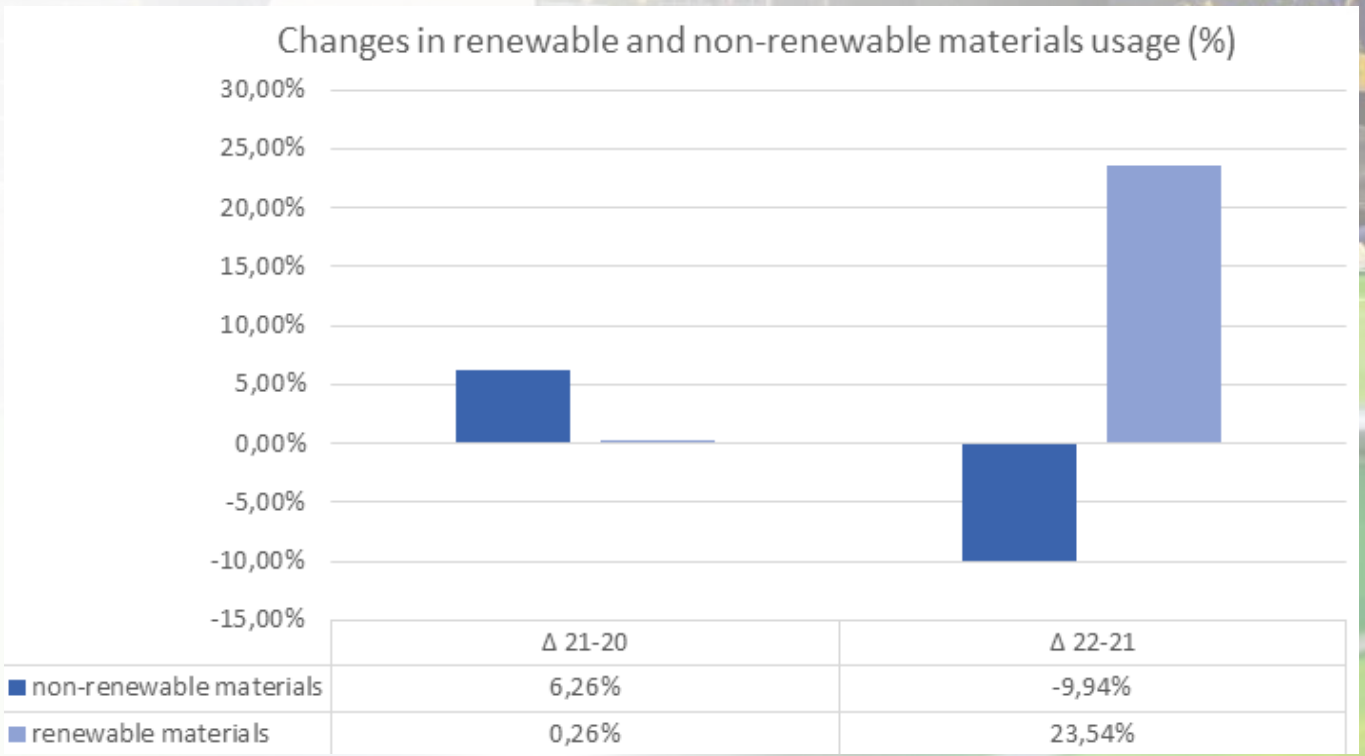
Life Cycle Assessment (LCA) is a methodology used to measure the environmental impact of a product (or a system) over a life cycle. It measures the environmental impacts from extraction of raw materials, through processing, manufacture, refurbishment to eventual end of life and disposal. All products have an impact on the environment. This impact can occur at any time during the manufacture, use of the product or at end of life. All these different stages are called collectively a life cycle.

The Group actively collaborates with customers to conduct cradle-to-end LCA assessments by conducting LCA studies and carefully examining the cradle-to-gate impacts of its raw materials and processes. This allows it to compare the environmental impact of specific raw material and process productions, identifying areas that require improvement and selecting the most environmentally friendly scenarios for product production. Group strives to develop its products through LCA to ensure a product with lower environmental impact.

The procedures to perform these studies are included in the ISO standards 14000 series, in particular ISO 14040 and ISO 14044, through the use of dedicated software and databanks managed by the R&D department.

5.2 Materials

As detailed in the Annex 1, most of the raw materials used to produce these goods came from non-renewable materials: the share of renewable ones grew slightly in 2021 and significantly in 2022; obviously the trend of non-renewable was the opposite.



	Δ 21-20	Δ 22-21
non-renewable materials	6,26%	-9,94%
renewable materials	0,26%	23,54%

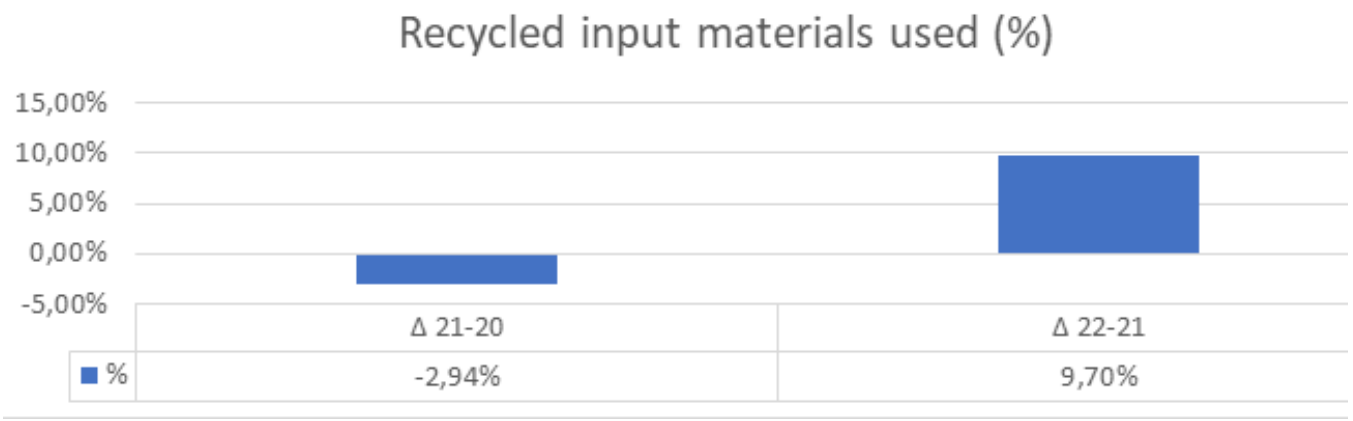
Raw materials of natural origin are mainly represented by soybean oil for the production of coating resins and glycerine for special esters.

Another important effort towards sustainability is the purchasing of renewable materials. These materials can be intermediates, resins or compounds.

Bio-BASED RESINS

Phasing out from fossils requires not only new energy sources, but also new raw materials. Currently, resin chemistry is a fossil-based chemistry, and the Group is well equipped to change, and develop new bio-based materials. The key in the assessment of these materials is, obviously, a rigorous LCA: bio-based materials show advantages in terms of greenhouse gas emissions, non-renewable energy use, climate change and ozone depletion, but other parameters linked to the agriculture can be worse, such as marine and terrestrial eutrophication. A conclusion is not feasible without weighting different types of environmental impacts against each other.

To meet these ambitious goals, the Group has developed a wide range of products. First, there are natural fillers: almond, hazelnut, walnut, and oat can be used up to 30% instead of mineral, non-renewable sources. Secondly, bio-based resins with glycols based on renewables are already available. Also, several natural fibers can be used in formulation of resins: cotton, juta, flax are just some examples of what can be done. During the transition to more sustainable materials, the Group doesn't need to throw away in a landfill the old resins: exhausted products, beyond any possibilities of reuse, can be shredded/pulverized/grinded and recycled in formulation of new materials, up to 20-25% in weight. The last option is co-processing of waste in cement kilns. Using these old resins instead of fossils can lower CO2 emissions, allowing to co-process waste and lowering the demand for virgin materials.



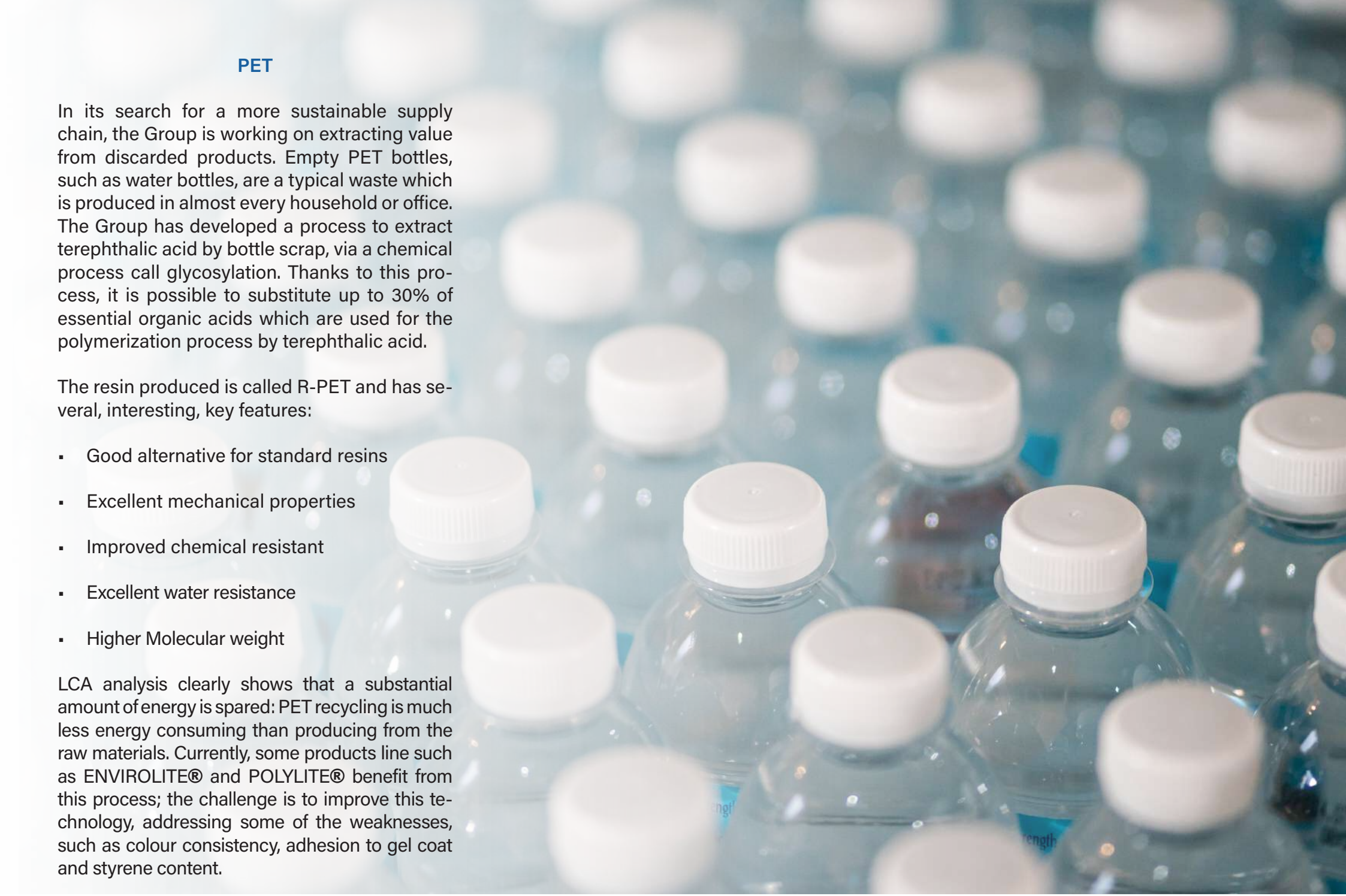
PET

In its search for a more sustainable supply chain, the Group is working on extracting value from discarded products. Empty PET bottles, such as water bottles, are a typical waste which is produced in almost every household or office. The Group has developed a process to extract terephthalic acid by bottle scrap, via a chemical process call glycosylation. Thanks to this process, it is possible to substitute up to 30% of essential organic acids which are used for the polymerization process by terephthalic acid.

The resin produced is called R-PET and has several, interesting, key features:

- Good alternative for standard resins
- Excellent mechanical properties
- Improved chemical resistant
- Excellent water resistance
- Higher Molecular weight

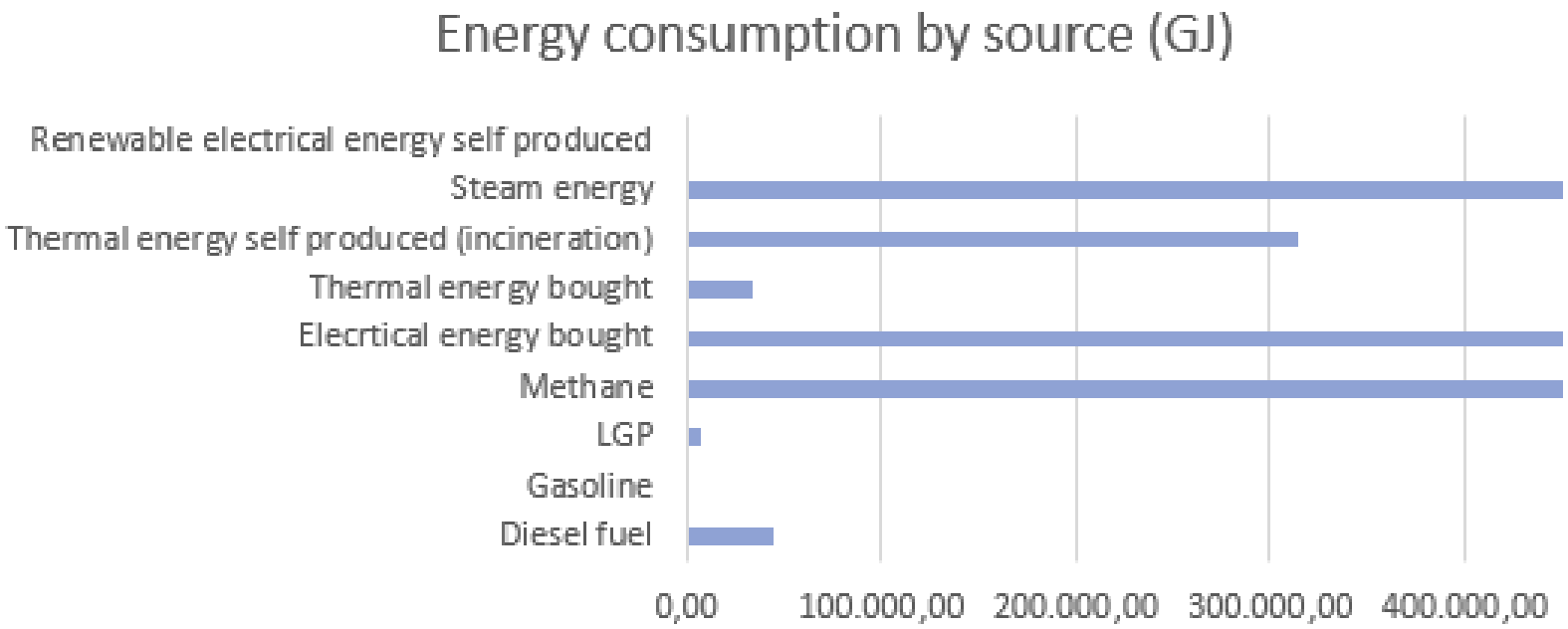
LCA analysis clearly shows that a substantial amount of energy is spared: PET recycling is much less energy consuming than producing from the raw materials. Currently, some products line such as ENVIROLITE® and POLYLITE® benefit from this process; the challenge is to improve this technology, addressing some of the weaknesses, such as colour consistency, adhesion to gel coat and styrene content.



5.3 Energy

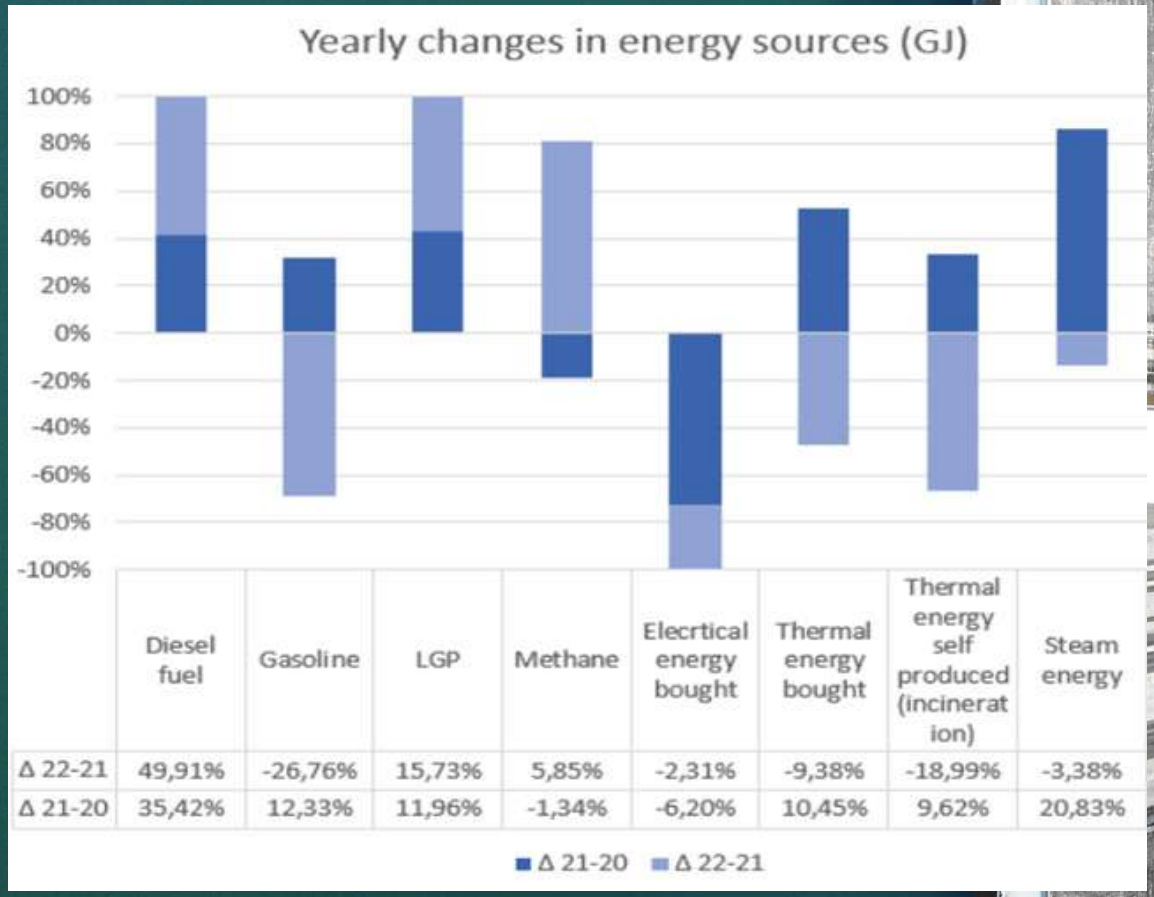
Globally, the Group consumes about 6 million of GJ of energy every year.

The main source of energy has been methane, which is used in trigenerators, and the second main contributor is steam energy, mostly produced recovering the heath developed by the production of chemical intermediates.



	Diesel fuel	Gasoline	LGP	Methane	Elecrtical energy bought	Thermal energy bought	Thermal energy self produced (incineration)	Steam energy	Renewable electrical energy self produced
GJ	44.931,90	1.557,20	7.461,28	3.869.632,63	606.750,37	34.208,00	314.066,54	1.530.698,20	10,96

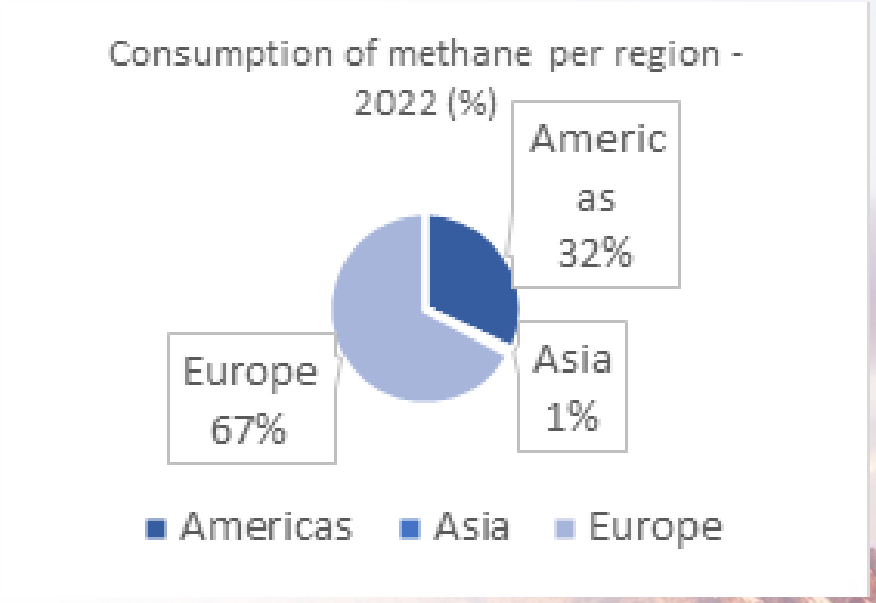
There has been a significant increase in the consumption of diesel, LPG and methane, which was balanced by a decline from other sources. Renewable production saw a big increase in 2022, but in absolute terms the number is still small compared to other sources.



	Diesel fuel	Gasoline	LGP	Methane	Elecrtical energy bought	Thermal energy bought	Thermal energy self produced (incineration)	Steam energy
Δ 22-21	49,91%	-26,76%	15,73%	5,85%	-2,31%	-9,38%	-18,99%	-3,38%
Δ 21-20	35,42%	12,33%	11,96%	-1,34%	-6,20%	10,45%	9,62%	20,83%

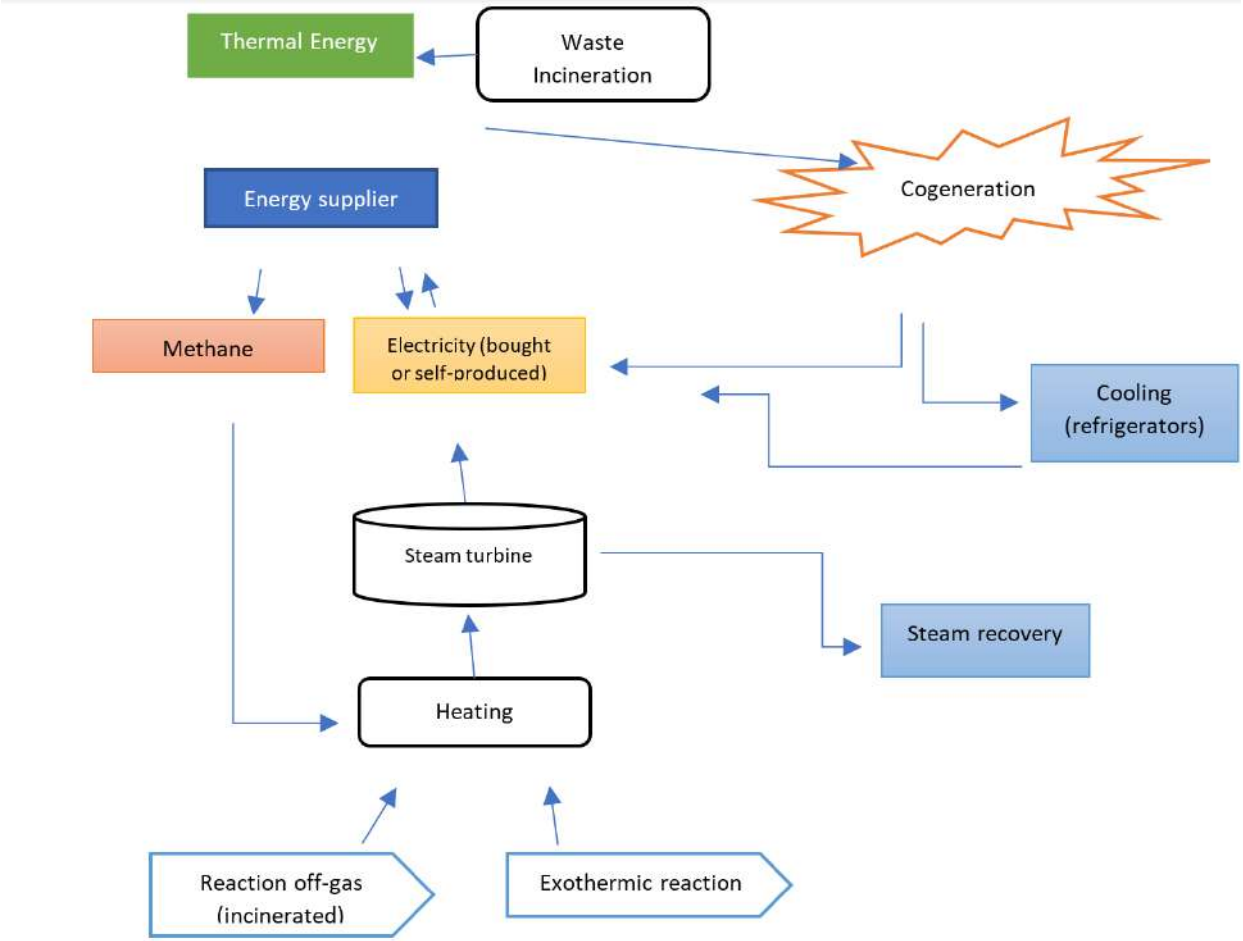
In detail, the consumption of electricity is due in almost equal parts to Americas and Europe, while Asia, also because of the smaller quantities of products, recorded lower consumption. As shown in emission section, scope 2, Europe buy a similar amount of electrical energy when compared to Americas, but with a lighter footprint. This is likely due to the cleaner energy mix bought from the grid, but also to the great efficiency of tri generators, as explained later.

Among the fuels in absolute value there is the strong consumption of methane in Europe (tri generators are used in Scanzorosciate, Ravenna and San Giovanni, as shown later), in line with continental energy policies. However, the absolute consumption of methane in 2022 slightly increased by 7.8%.



PRODUCTION OF ENERGY: COGENERATOR

Energy is a precious resource, and the Group is well aware of that: efforts to use it efficiently dates back a long time ago. The core of resins production is the synthesis of intermediates, such as phthalic and maleic anhydride. These syntheses are part of the family of chemical reactions known as "oxidation", quite like what happens to woods in a fireplace, or sugar in a human cell: so, there is heat production, and this production is carefully collected and used for electricity generation. The bigger plants, such as Scanzorosciate, San Giovanni and Ravenna, generate a wide amount of energy via this self-generation: in some cases, electricity can be sold to other facilities nearby, or to the National Grid. The next step is to follow Europe's Green Taxonomy: as of today, natural gas has been identified as a "transition source" of energy, and Group plants use it to the maximum extent, via co-generation, always striving to avoid any unnecessary waste.



Simplified operation diagram

JOINT RESEARCH PROJECT Hydrogen

In the search of clean energy, Hydrogen represents a key step: energy produced via renewable sources, such as wind or solar, must be somehow stored, to be used when needed. Furthermore, hydrogen can be used as a raw material in chemical synthesis, “green” steel production, and many other applications. To achieve success in such an innovative field, Polytechnic University of Milan has launched the Hydrogen Joint Research Platform (JRP), which is developing two “horizontal projects”:

- Multi-sector forecasting models and scenarios of production, storage, distribution and possible end uses of hydrogen
- Definition of supply chain development strategies based on evolutionary analysis of the energy system: technologies, markets, legislation and technical regulations.

Furthermore, “vertical” projects include:

- product development uniting with other companies and Polytechnic;
- enabling technologies and business models for the hydrogen economy;
- deployment of «clean hydrogen» production, including «green» and «low carbon»;
- solutions for short-and long-distance hydrogen transport and advanced storages;
- solutions for end-use in residential, industrial and transportation applications;
- development of best practices and technical standards for design, construction and maintenance of hydrogen infrastructures.

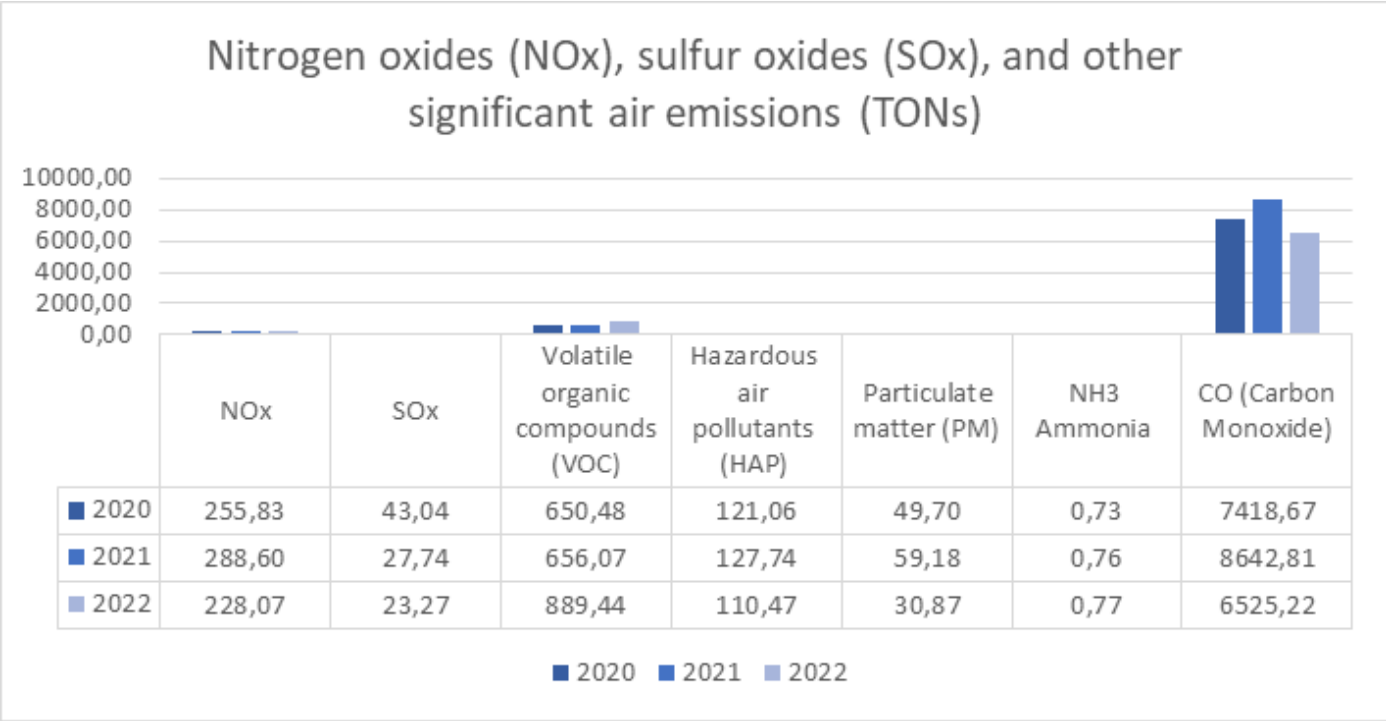
Group is one of the partners of the project, bringing its experience in chemical synthesis, catalyst manufacturing, material supplying for production, storage, and transportation of hydrogen. Future development aims to self-produce hydrogen for chemical production, energy storage and a new generation of products for the chain of transportation of hydrogen.

5.4 Emissions

The total emissions of GHG (Greenhouse gases) for the year 2020 and 2021 were respectively 487.541,38 and 508.990,36. In the year 2022 the scope 1 of GHG emission were 474.325,00.

Other emissions

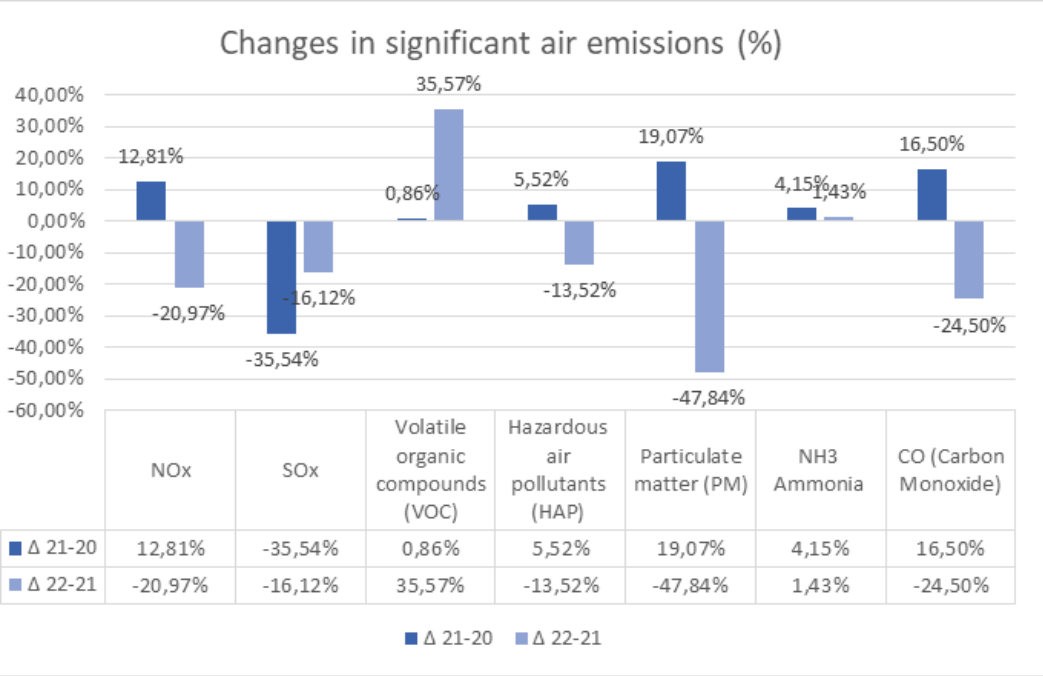
All emissions fall within the legal limits, thanks to abatement technologies which exploit the best available techniques, and the extensive use of trigeneration ensures that energy is exploited to the fullest. Even the energy produced by the catalytic oxidation reaction is carefully collected and reused, to minimize losses to the minimum allowed by current technologies.



	NOx	SOx	Volatile organic compounds (VOC)	Hazardous air pollutants (HAP)	Particulate matter (PM)	NH3 Ammonia	CO (Carbon Monoxide)
2020	255,83	43,04	650,48	121,06	49,70	0,73	7418,67
2021	288,60	27,74	656,07	127,74	59,18	0,76	8642,81
2022	228,07	23,27	889,44	110,47	30,87	0,77	6525,22

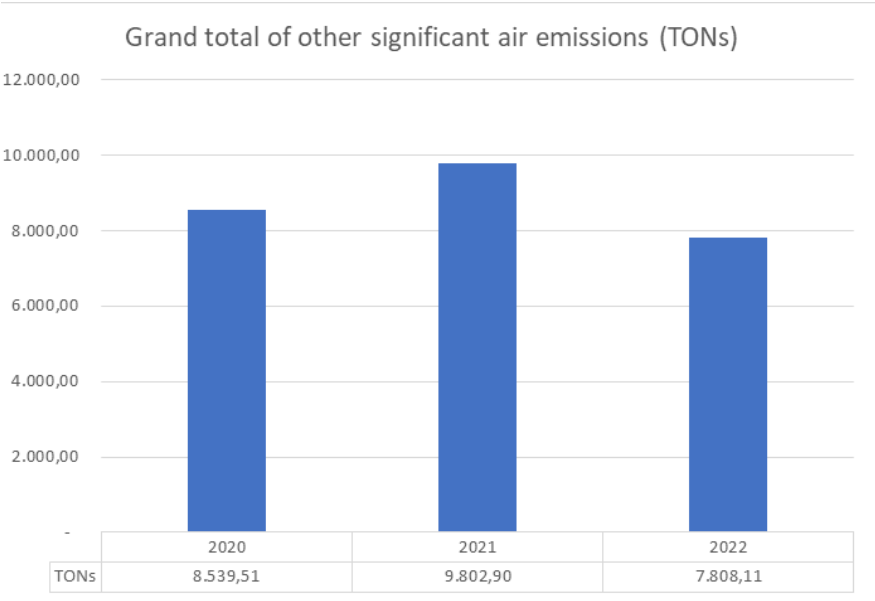
The biggest contributor to these emissions is carbon monoxide, mostly produced in the three Italian plants which make intermediates.

As shown in the graph below, most of these emissions decreased in 2022, aside from Volatile Organic Compounds (VOC).



	NOx	SOx	Volatile organic compounds (VOC)	Hazardous air pollutants (HAP)	Particulate matter (PM)	NH3 Ammonia	CO (Carbon Monoxide)
Δ 21-20	12,81%	-35,54%	0,86%	5,52%	19,07%	4,15%	16,50%
Δ 22-21	-20,97%	-16,12%	35,57%	-13,52%	-47,84%	1,43%	-24,50%

Anyway, the general trend in 2022 was a decrease.



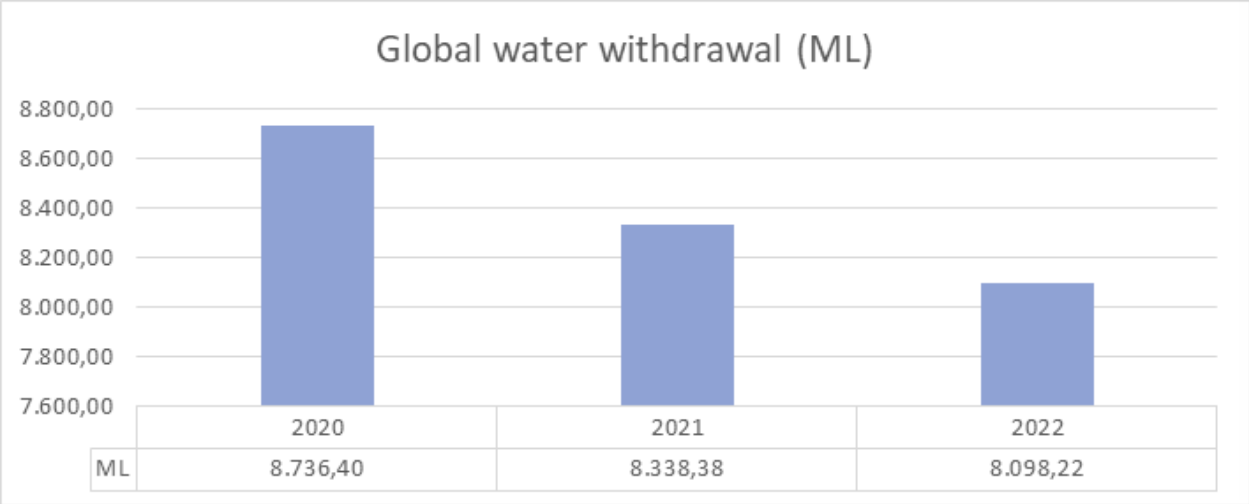
	2020	2021	2022
TONs	8.539,51	9.802,90	7.808,11

5.5 Water and effluents

Water has several different uses in Group plants. According to the survey conducted, its most frequent use is as cooling agent and for steam production, alongside the obvious civil uses.

Processes impacted by water consumption (%)						
Cooling agent	Steam production	Reagent in production of chemicals and goods	Washing agent	Irrigation (trees, hedges, ...)	Civil uses (drinking water, bathrooms,...)	Fire protection & pressure washing
80.56%	66.67%	22.22%	44.44%	36.11%	100.00%	80.56%

Our trend in water withdrawal is steadily declining from 2020.



The Group returns the water it draws in different ways, always in compliance with local laws: more than 2.700 analyses were made in 2022, and the number of non-compliance is small and shows a steady trend; whenever the water has been heavily contaminated by the production process, the wastewater is burned or subjected to appropriate treatment: this happened in 2022 in 13.89% of the cases.

Water discharge (%)						
Groundwater	Seawater	Third party	Burned or treatment	Irrigation (trees, hedges, ...)	Civil uses (drinking water, bathrooms,...)	Fire protection & pressure washing
8.33%	0.00%	13.89%	13.89%	36.11%	100.00%	80.56%

According to the data collected, about a quarter of the Group production sites fall into areas subject to significant water stress, as detailed in the annex. Yet, these areas impact for only about 5% of the total water withdrawal. The number of this sites is equally distributed in all the three regions.

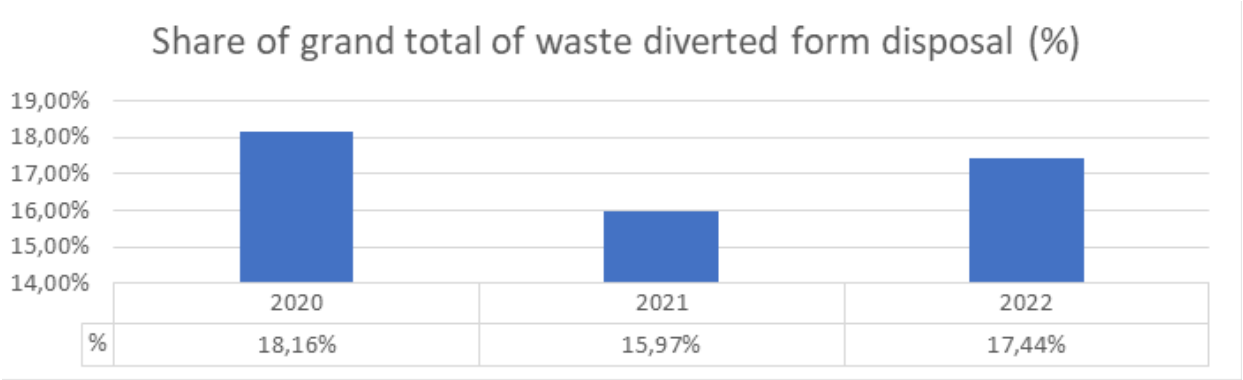
5.6 Waste

While R&D works for a transition towards a "green chemistry" the Group is committed to minimizing the environmental impacts of its production. Investments in investigations required by the REACH regulation ensure that the products are safe, and that the production steps are carried out with adequate risk management. A similar care is dedicated to the management of the waste produced.

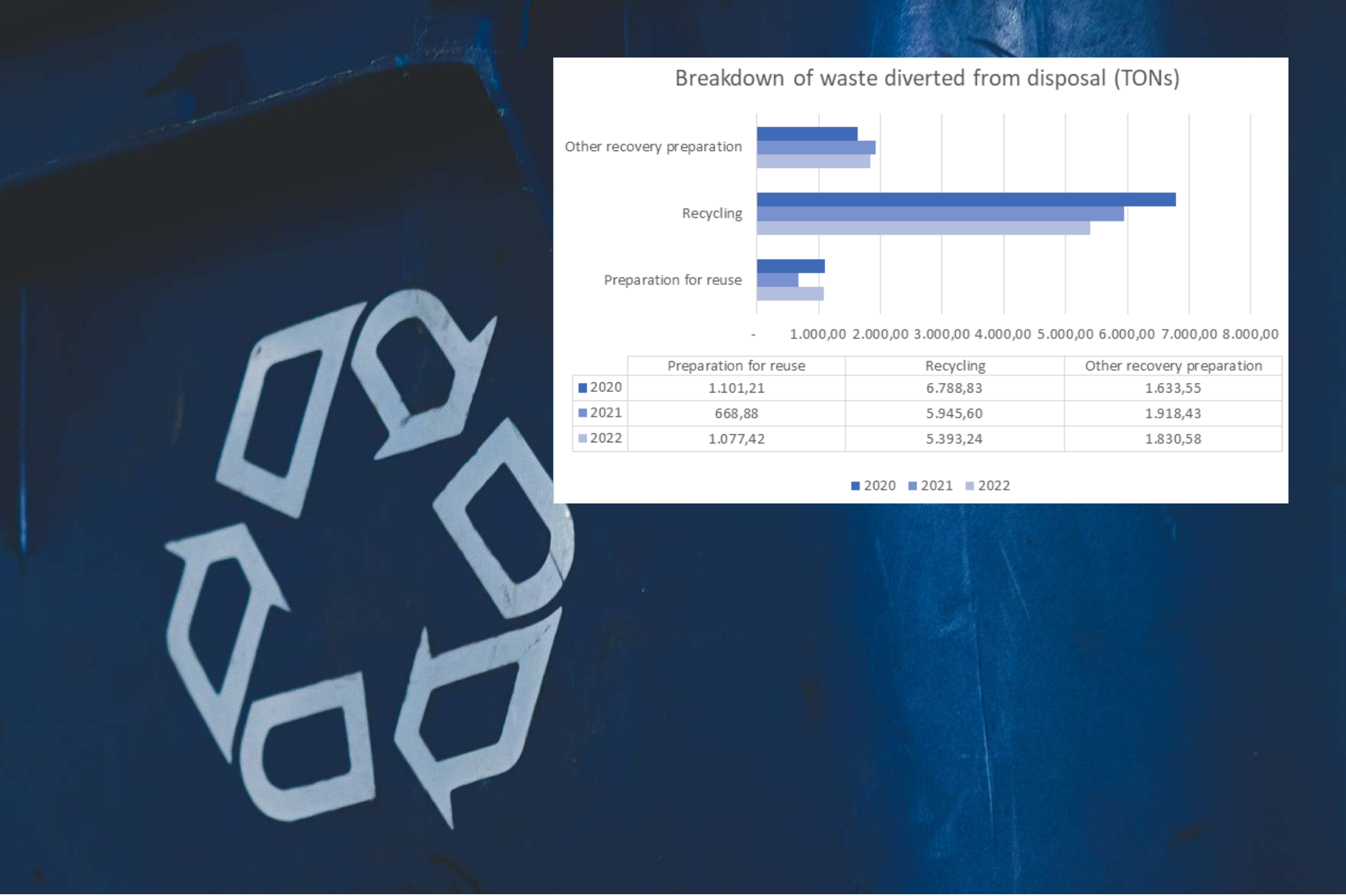
	2020	2021	2022
non-hazardous waste	13.908,19	13.848,86	12.799,81
hazardous waste	38.545,55	39.571,50	34.795,27

Total waste production showed a 10% decrease in 2022, after a steady year in 2021.

Almost three quarter of the total waste production is made of dangerous waste. The last year marked an increase in the share of recovered waste, while most of the disposed waste was used for incineration, with energy recovery. More details can be found in the annex.



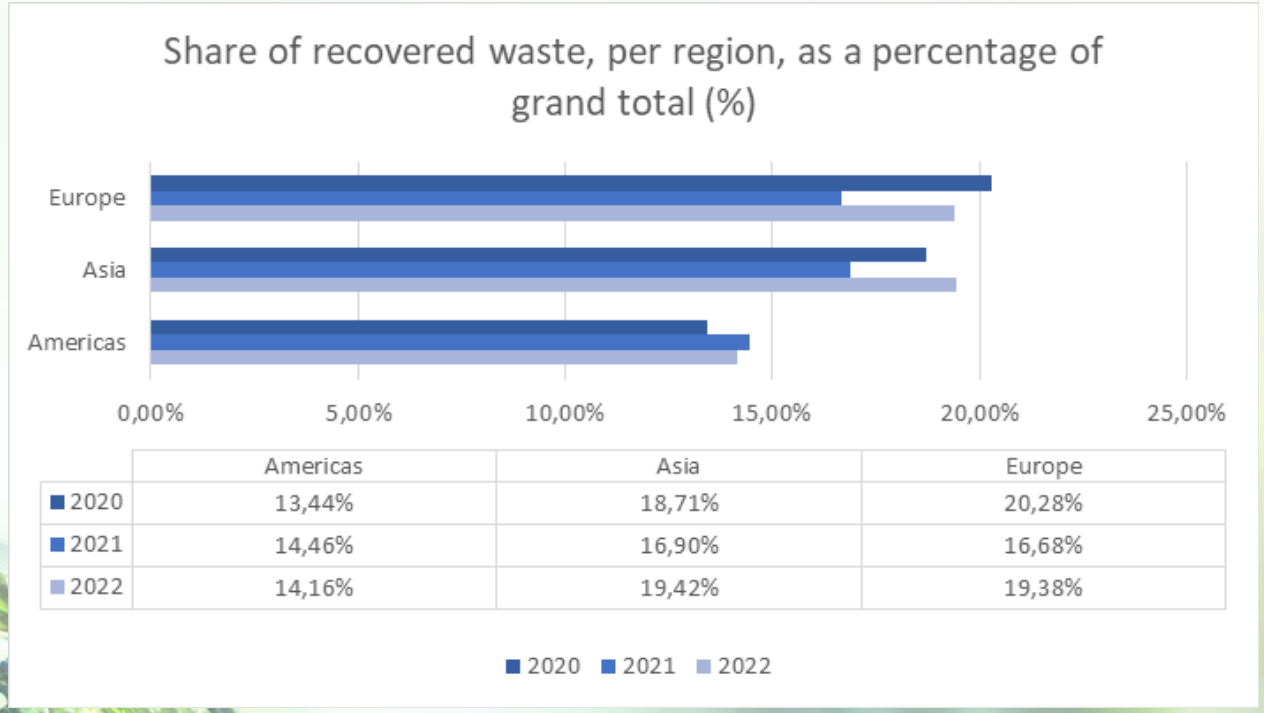
	2020	2021	2022
%	18,16%	15,97%	17,44%



	Preparation for reuse	Recycling	Other recovery preparation
2020	1.101,21	6.788,83	1.633,55
2021	668,88	5.945,60	1.918,43
2022	1.077,42	5.393,24	1.830,58

	Incinerator (with energy recovery)	Incinerator (without energy recovery)	Landfilling	Other disposal operation
2020	23.742,84	2.508,59	7.834,40	8.844,31
2021	23.923,68	2.679,80	8.705,85	9.578,13
2022	19.492,81	2.200,39	8.536,20	9.064,45

Europe and Asia have been enjoying a consistent trend in recovered waste, which amounted for almost 20% of the total waste managed, while Americas stopped at about 15%.



	Americas	Asia	Europe
2020	13,44%	18,71%	20,28%
2021	14,46%	16,90%	16,68%
2022	14,16%	19,42%	19,38%

SMART BRIDGE

The search for sustainable materials has brought to the rediscovery of several natural fibres, among them flax. This traditional plant fibre, combined with a special bio-resin, can be made into a light and highly stable material with properties comparable to aluminium or steel.

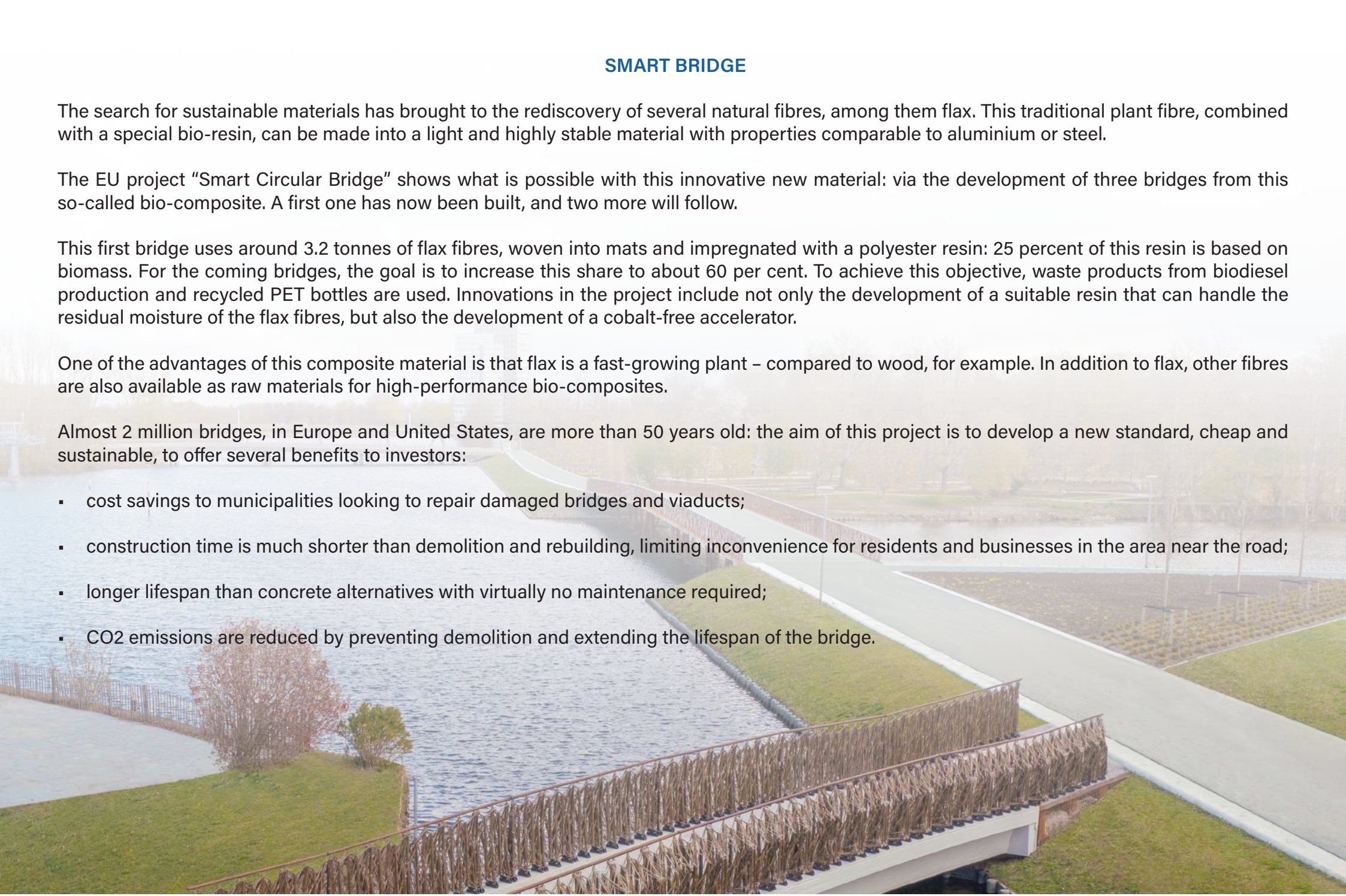
The EU project "Smart Circular Bridge" shows what is possible with this innovative new material: via the development of three bridges from this so-called bio-composite. A first one has now been built, and two more will follow.

This first bridge uses around 3.2 tonnes of flax fibres, woven into mats and impregnated with a polyester resin: 25 percent of this resin is based on biomass. For the coming bridges, the goal is to increase this share to about 60 per cent. To achieve this objective, waste products from biodiesel production and recycled PET bottles are used. Innovations in the project include not only the development of a suitable resin that can handle the residual moisture of the flax fibres, but also the development of a cobalt-free accelerator.

One of the advantages of this composite material is that flax is a fast-growing plant – compared to wood, for example. In addition to flax, other fibres are also available as raw materials for high-performance bio-composites.

Almost 2 million bridges, in Europe and United States, are more than 50 years old: the aim of this project is to develop a new standard, cheap and sustainable, to offer several benefits to investors:

- cost savings to municipalities looking to repair damaged bridges and viaducts;
- construction time is much shorter than demolition and rebuilding, limiting inconvenience for residents and businesses in the area near the road;
- longer lifespan than concrete alternatives with virtually no maintenance required;
- CO2 emissions are reduced by preventing demolition and extending the lifespan of the bridge.



Impact analysis

The starting point of the analysis was the identification of the stakeholders' needs and expectations. This step allowed the development of a complete map with all the actual and potential impacts of the Group on the environment and on society. Afterwards, each actual and potential impact was assessed according to its relevance. For this first year of application, a methodology for measuring the generated impacts was applied using an inside-out perspective considering three areas:

- Governance
- Society
- Environment

The Group, driven by a continuous improvement strategy, is willing to further develop this impacts analysis, combining this inside-out perspective with an outside-in perspective as requested by the CSRD.

While the analysis assessed both risks and opportunities related to the impacts caused by the Group on the environment and people, a risk-oriented approach was predominantly followed. Therefore, the analysis focused on the negative impacts, both actual and potential, considering the severity and likelihood of each of them.

Specifically, as mentioned above, the scope of each actual negative impact was assessed by measuring the severity of the impact itself. The potential negative impacts were analysed throughout a matrix which combines the severity of the impact (acceptable, tolerable, undesirable, intolerable) and the likelihood of the impact (unlikely, possible, certain). On the other hand, the positive impacts, both actual and potential, were always reported whenever relevant for the Group and regardless of their specific assessment and measurement.

The Group assessed the significance of the negative impacts to prioritize them and to determine which of the negative impacts will be included in the material topics list. Following a risk management system, the cut-off point/threshold for the impacts to be reported on was a medium level of risk. Therefore, only negative impacts with medium and high levels of risk were considered significant and therefore prioritized.

In addition to that, the way the Group is involved with each negative impact has been analysed, meaning that the Group can cause negative impacts (business activities on their own result in the impact), contribute (business activities lead, facilitate or incentivize another entity to cause the negative impact) or being directly linked to negative impacts by business relationships.

The result of the analysis carried out is reported on the following pages:

IMPACT ANALYSIS

MATERIAL THEME	ACTIVITIES	NEGATIVE IMPACT	POSITIVE IMPACT	STAKEHOLDER	SDGs
ETHICS and GOVERNANCE	*Governance and business conduct	*Organizational weakness and management deficiency; *Loss of business opportunities due to non-compliance with ethical and regulatory standards; *Mismatch between company and stakeholder interests; *Resistance or unwillingness of employees to comply with new anti-corruption policies.	*Organizational and relationships strength and integrity; *Trust and reputation building among stakeholders; *Alignment with stakeholders' interests; *Corruption risk reduction; *Transparency and accountability resulting in customers and investors trust and loyalty.	GOVERNANCE BODIES, LOCAL, NATIONAL, INTERNATIONAL, EUROPEAN INSTITUTIONS, SUPPLIERS, COMMUNITIES	
PRODUCT STEWARDSHIP	*Investment management; *Equipment management (availability and adequacy); *Research funds management.	*Investment management; *Equipment management (availability and adequacy); *Research funds management.	*New jobs creation and development in the area with quality of life improvements for the local communities; *Resources and infrastructures accessibility, improved quality of life and well-being of people; *Improved workplace safety through the use of adequate equipment removing dangerous and obsolete machinery; *Improved quality of work through the use of appropriate instruments and technological advancement; *Better efficiency and productivity through the use of high-performance equipment and machinery; *Higher hygiene and safety: plastic can be easily sterilized (suitable for use in medical and pharmaceutical applications); *The plastic can be used in food applications, as it is resistant to chemicals and easy to clean.	EMPLOYEES COMMUNITIES	

DIVERSITY AND INCLUSION	*Human Resources management; * Inclusion and diversity activities.	*Reduced productivity and creativity; * Talent loss; * Working conditions deterioration; *Workplace demotivation.	*Stronger corporate culture and resilience; *Better communication; *Reducing discrimination; *Employees engagement.	EMPLOYEES COMMUNITIES	
HEALTH & SAFETY AND WEEL-BEING OF WORKERS	*Occupational health and safety management; *Workflow organization; *Welfare (both personal and familiar) management: insurance policies, supplementary health care social security and welfare contributions); *Training and continuous education (including practical); *Working shift planning and management.	*Incidents and near misses; *Increased turnover and recruiting challenges; *Work overload and work related stress damaging quality of work with higher health and safety risks; *Lack of flexibility and adaptation; *Reduction in employees motivation, poor collaboration and teamwork; *Weak distributive fairness and justice (including incentives and recognition); *Lack of interest, engagement and adherence of employees in relation to training and education, hampering projects' achievements.	*Lower incidence of occupational injuries and illnesses; *Higher productivity and employees satisfaction; *Creation of a safer and healthier work environment, with a positive impact on employees' physical and mental health; *Better employees well-being, reduced stress and anxiety, improved motivation and job satisfaction, increased employees trust and sense of belonging to the Group; *Employees motivation to improve their skills and performances; *Professional development and growth for all employees; *Stronger corporate culture and resilience; *Work quality improvement.	WORKERS and EMPLOYEES	
WORKFORCE TRAINING AND DEVELOPMENT	*Human Resources management and training; *Tender participation and funds management.	*Shortage of qualified personnel, resulting in increased workload and employee fatigue; *Lack of organization, poor training, poor performance evaluation; * Challenges in budgets management.	*Increased employee satisfaction through a stimulating work environment; *Increased workforce motivation and commitment; *Development of new products and technologies, advancements in scientific research.	EMPLOYEES	

CLIMATE CHANGE	*Products transportation; *Supply chain and logistics *Employees transportation; *Chemical reaction; *Waste incinerator; *Energy consumption.	*GHG emissions	*Reduction of the weight and volume of products (transported); *More efficient transportation and logistics with costs reduction; *GHG emissions reduction.	EMPLOYEES COMMUNITIES	
AIR QUALITY	*Products transportation; *Supply chain and logistics *Employees transportation; *Chemical reaction; *Waste incinerator; *Production and logistics; *Water treatment; *R&D.	*Leakages of ozone-depleting gases in air conditioners and refrigeration systems; *Atmospheric emissions produced by purchasing, materials delivery, furnaces, thermostatic chamber, laboratory smokes, hood suction and filters, solids loading, boilers, R&D activities, biofilter management.	NOT APPLICABLE	EMPLOYEES COMMUNITIES	

RESOURCE CONSUMPTION	Use of chemical additives in plastics; *Production and logistics; *Waste and water management; *R&D.	*Potential negative effects on human health and on the environment; *Pollution of water and soils; *Contamination of soil, subsoil and groundwater due to spills from ruptures, leaks and overfilling of equipment and pumps and emergency tank waterproofing seal; *Chemical spillages (minimum quantities assumed to be max 5lt) during R&D activities.	Longer product life cycle: plastic is a durable material that enables the production of long lasting and strong products such as pipes, containers, and automobile parts. Plastic products last longer than other materials and they require fewer replacements with costs reduction and less environmental impacts.	WORKERS COMMUNITIES	
ENERGY	*Production; *Waste and water treatment; *Logistics; *R&D.	*Energy consumption	*Increased energy efficiency: the production of plastic products requires less energy than other materials such as glass or metal.	COMMUNITIES	
CIRCULAR ECONOMY	Production; *Waste and water treatment; *Logistics; *R&D.	*Waste production	*Recyclability: plastics can be recycled and reused to produce new products; *Waste.	COMMUNITIES	
WATER AND MARINE ECOSYSTEM	*Production; *Waste and water treatment; *Logistics.	Water pollution *Human health risks; *Loss of marine and terrestrial biodiversity; *Maintenance costs for water discharge management and control systems; *Risks of polluted water discharges caused by transportation: accidental spillage of significant size (a few m3) in asphalt area involving storm drains.	NOT APPLICABLE	COMMUNITIES	

ANNEX 1

Environmental Annex

MATERIALS

Table 1 - GRI 301-1 Raw materials used by weight

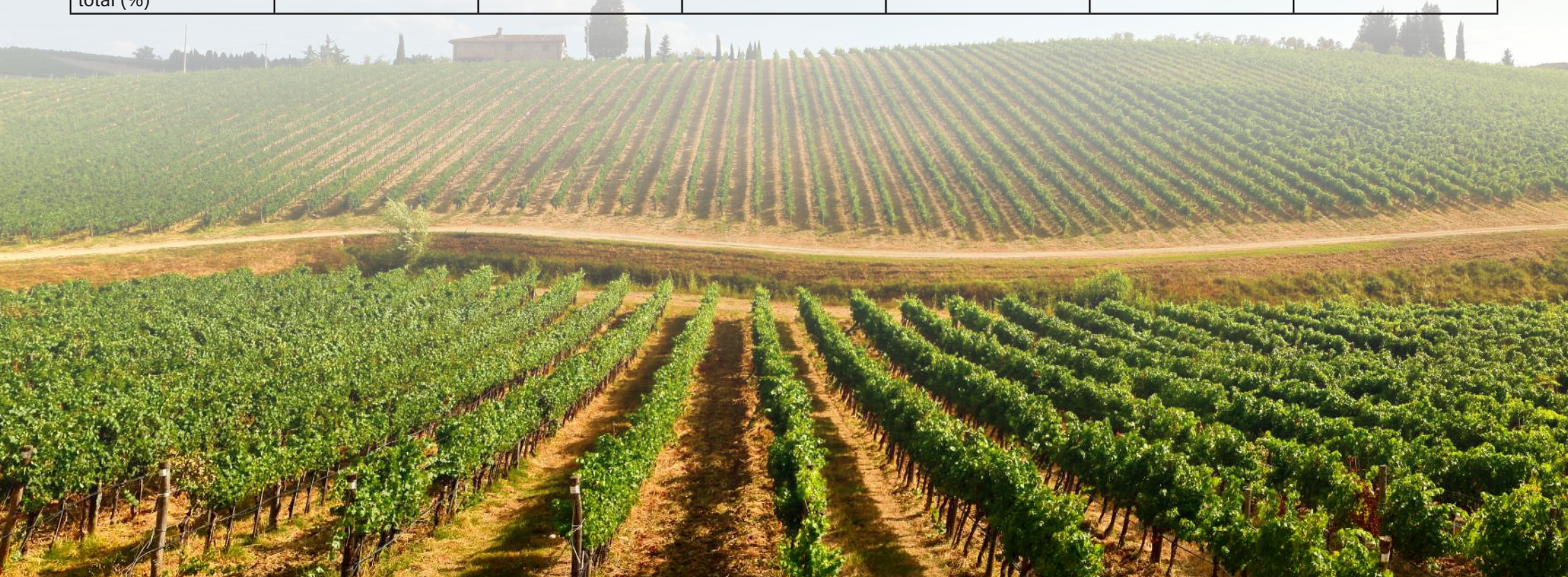
Raw materials used by weight	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Materials used by weight, grand total	Tons	1,021,455.84	1,083,173.73	988,206.57	6.04%	-8.77%
Non-renewable materials	Tons	983,683.21	1,045,302.92	941,419.84	6.26%	-9.94%
Share of grand total	%	96%	96%	95%	/	/
Renewable materials	Tons	37,772.63	37,870.82	46,786.73	0.26%	23.54%
Share of grand total	%	4%	4%	5%	/	/

Table 2 - GRI 301-2 Recycled input materials used

Recycled input materials used	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Percentage of recycled input materials	%	1%	1%	1%	=	=
Recycled input materials	Tons	8,767.94	8,510.52	9,336.11	-2.94%	9.70%

Table 3 - GRI 301-3 Reclaimed products and their packaging materials

Reclaimed products and their packaging materials	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Percentage of reclaimed products and their packaging materials	%	1%	1%	1%	=	=
Packaging recovered	Tons	2,461.23	1,787.29	1,514.93	-27.38%	-15.24%
As a share of grand total (%)	%	0.21%	0.15%	0.15%	/	/
Second raw material recovered	Tons	4,848.25	4,971.07	5,240.14	2.53%	5.41%
As a share of grand total (%)	%	0.42%	0.42%	0.51%	/	/



Glossary: a gigajoule, abbreviated as GJ, is a unit of measurement of energy consumption: a gigajoule is equal to one thousand million joules.

Table 4 - GRI 302-1 Energy consumption within the organization, split between renewable and non-renewable sources

Energy consumption within the organization	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
a. Total fuel consumption within the organization from non-renewable sources	GJ	4,089,121.18	4,082,092.73	4,237,649.55	-0.17%	3.81%
Diesel fuel	GJ	22,133.08	29,971.63	44,931.90	35.96%	49.46%
	Liters	615,500.90	836,820.22	1,250,688.99		
Gasoline	GJ	1,892.84	2,126.21	1,557.20	12.41%	-26.46%
	Liters	57,992.80	65,187.16	47,939.15		
LPG	GJ	5,758.60	6,447.41	7,461.28	11.96%	15.73%
	Liters	236,641.49	264,947.09	306,610.71		
Methane	GJ	3,705,698.46	3,655,881.89	3,869,632.63	-1,34%	5.85%
	m3	104,797,978.96	102,769,233.86	108,368,786.44		
Thermal energy from incineration	GJ	353,638.20	387,665.60	314,066.54	9.62%	-18.99%

b. Total fuel consumption within the organization from -renewable sources	GJ	0.04	0.04	10.96		
Renewable electrical energy bought (100% "green" contracts	GJ	0	0	0	=	=
Renewable energy self produced (from solar panels)	kWh	10.38	10.38	3045.00	=	
	GJ	0.04	0.04	10.96		
c. total of electricity, heating, cooling, steam consumed	GJ	2,007,450.03	2,243,072.00	2,171,656.57	11,74%	-3.18%
Electricity bought from the grid	kWh	183,936,255.00	172,527,530.00	168,541,770.00	-6.20%	-2.31%
	GJ	662,170.52	621,099.11	606,750.37		
Heating bought	GJ	34,178.52	37,749.90	34,208.00	10.45%	-9.38%
Steam consumed	GJ	1,311,101.00	1,584,223.00	1,530,698.20	20.83%	-3.38%
d. total of electricity, heating, cooling, steam sold	GJ	261,248.60	272,914.40	261,123.69	4.47%	-4.32%
Electricity sold	kWh	58,466,000.00	62,634,000.00	61,657,692.00	7.13%	-1.56%
	GJ	210,477.60	225,482.40	221,967.69		
Steam sold	GJ	50,771.00	47,432.00	39,156.00	-6.58%	-17.45%
e. Total energy consumption within the organization	GJ	6,096,571.25	6,325,164.77	6,409,317.08	3.75%	1.33%

Table 5 - GRI 302-3 Energy Intensity

Energy intensity*	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Energy intensity relative to the workforce	GJ/n.	1,973	2,029	2,044	2.82%	0.78%
Energy intensity compared to mass of goods produced	GJ/ton	5.31	5.35	6.23	0.76%	16.45%

* All kinds of energy consumed within the organization are included in the energy intensity figure

Table 6 - Conversion factors used

Conversion factors for GJ calculation	Calorific Value*				Density (from litres to metric tons/from cubic meters to kilograms) **
	UoM (Unit of Measure)	2020	2021	2022	
Diesel Fuel	GJ/ton	42.64	42.47	42.60	0.000843327
Gasoline	GJ/ton	43.83	43.80	43.62	0.000744679
Methane	GJ/ton	44.76	45.03	45.20	1.265822785
LPG	GJ/ton	45.94	45.94	45.94	0.000529706

* DEFRA guidelines 2020, 2021, 2022

** DEFRA guidelines 2021

Table 7 - Conversion factors for GJ calculation

	2020	2021	2022	Source
Electrical Energy bought from the grid	0.0036			Terna 2019

WATER AND EFFLUENTS

Glossary: megalitre (plural megalitres) is a unit of volume equivalent to 1,000,000 litres. Symbol: ML

GRI 303-1 Interactions with water as a shared resource - Please see the chapter environment

GRI 303-2 Management of water discharge-related impacts - Please see the chapter environment

Table 8 - GRI 303-3 Water withdrawal

	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21	Areas with water stress (2022)
a. Total Water Withdrawal	ML	8,736.39	8,338.38	8,098.23	-4.56%	-2.88%	269,84
Water supply (i.e. Aqueduct)	ML	601.02	562.50	598.91	-6.41%	6,47%	93.9
Surface water	ML	6,440.66	6,228.98	5,483.54	-3.29%	-11.97%	48.16
Groundwater	ML	1,426.89	1,302.38	1,647.67	-8.73%	26.51%	100.44
Third party water	ML	267.82	244.52	368.11	-8.70%	50.55%	27.34

Table 9 - GRI 303-4 Water discharge

	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Total Water Discharge*	ML	6,602.51	6,459.10	6,123.75	-2,17%	-5,19%
Sewerage	ML	759.49	715.80	536.51	-5,75%	-25,05%
Surface water	ML	5,837.67	5,739.89	5,480.51	-1,68%	-4,52%
Third party water	ML	5.35	3.41	106.73	-36,26%	

Table 10 - GRI 303-5 Water consumption

	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Total Water Consumption	ML	2,133.88	1,879.28	1,974.47	-11.93%	5.07%
Intensity of water withdrawals, with respect to mass of goods produced	ML/t	0.008583	0.007052	0.007052	-17.84%	=

GRI 305-6: Emissions of ozone-depleting substances (ODS)

During the observed period, there was no use or emission of Ozone Depleting Substances.

Table 11 - GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
a. Grand total of significant air emissions	tons	8,539.51	9,802.90	7,808.11	14.79%	-20.35%
NOx (Nitrogen oxides)	tons	255.83	288.60	228.07	12.81%	-20.97%
SOx (Sulphur oxides)	tons	43.04	27.74	23.27	-35.54%	-16.12%
VOC (Volatile organic compounds)	tons	650.48	656.07	889.44	0.86%	35.57%
HAP (Hazardous air pollutants)	tons	121.06	127.74	110.47	5.52%	-13.52%
PM (Particulate matter)	tons	49.70	59.18	30.87	19.07%	-47.84%
NH3 (Ammonia)	tons	0.73	0.76	0.77	4.15%	1.43%
CO (Carbon Monoxide)	tons	7,418.67	8,642.81	6,525.22	16.50%	-24.50%

Table 12 – GRI 306-3 Waste generated

Waste generated	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
A) Dangerous waste	tons	38,545.55	39,571.50	34,795.27	2.66%	-12.07%
fraction sent to recovery operations	tons	5,010.19	5,409.93	5,025.66	7.98%	-7.10%
fraction sent to disposal operations	tons	33,535.36	34,161.57	29,769.61	1.87%	-12.86%
B) Non dangerous waste	tons	13,908.19	13,848.86	12,799.81	-0.43%	-7.58%
fraction sent to recovery operations	tons	4,513.40	3,122.98	3,275.57	-30.81%	4.89%
fraction sent to disposal operations	tons	9,394.79	10,725.88	9,524.24	14.17%	-11.20%
Grand total (A+B)	Tons	52,453.74	53,420.36	47,595.08	1.84%	-10.90%

Table 13 - GRI 306-4 Waste diverted from disposal

Waste diverted from disposal	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Total weight of waste diverted from disposal	tons	9,523.59	8,532.91	8,301.23	-10.40%	-2.72%
	%	18.16%	15.97%	17.44%	/	/

Note: the % values below the annuals express the share parts of the total waste generated

Breakdown	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Preparation for reuse	tons	1,101.21	668.88	1,077.42	-39.26%	61.08%
Recycling	tons	6,788.83	5,945.60	5,393.24	-12.42%	-9.29%
Other recovery operation	tons	1,633.55	1,918.43	1,830.58	17.44%	-4.58%

Table 14 - GRI 306-5 Waste directed to disposal

Waste directed to disposal	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Total weight of waste diverted from disposal	tons	42,930.14	44,887.46	39,293.85	4.56%	-12.46%
	%	81.84%	84.03%	82.56%	/	/

Note: The % values below the annuals express the share parts of the total waste generated

Breakdown	UoM (Unit of Measure)	2020	2021	2022	delta 21-20	delta 22-21
Incineration (with energy recovery)	tons	23,742.84	23,923.68	19,492.81	0,76%	-18.52%
Incineration without energy recovery	tons	2,508.59	2,679.80	2,200.39	6.82%	-17.89%
Landfill	tons	7,834.40	8,705.85	8,536.20	11.12%	-1.95%
Other disposal operations	tons	8,844.31	9,578.13	9,064.45	8.30%	-5.36%

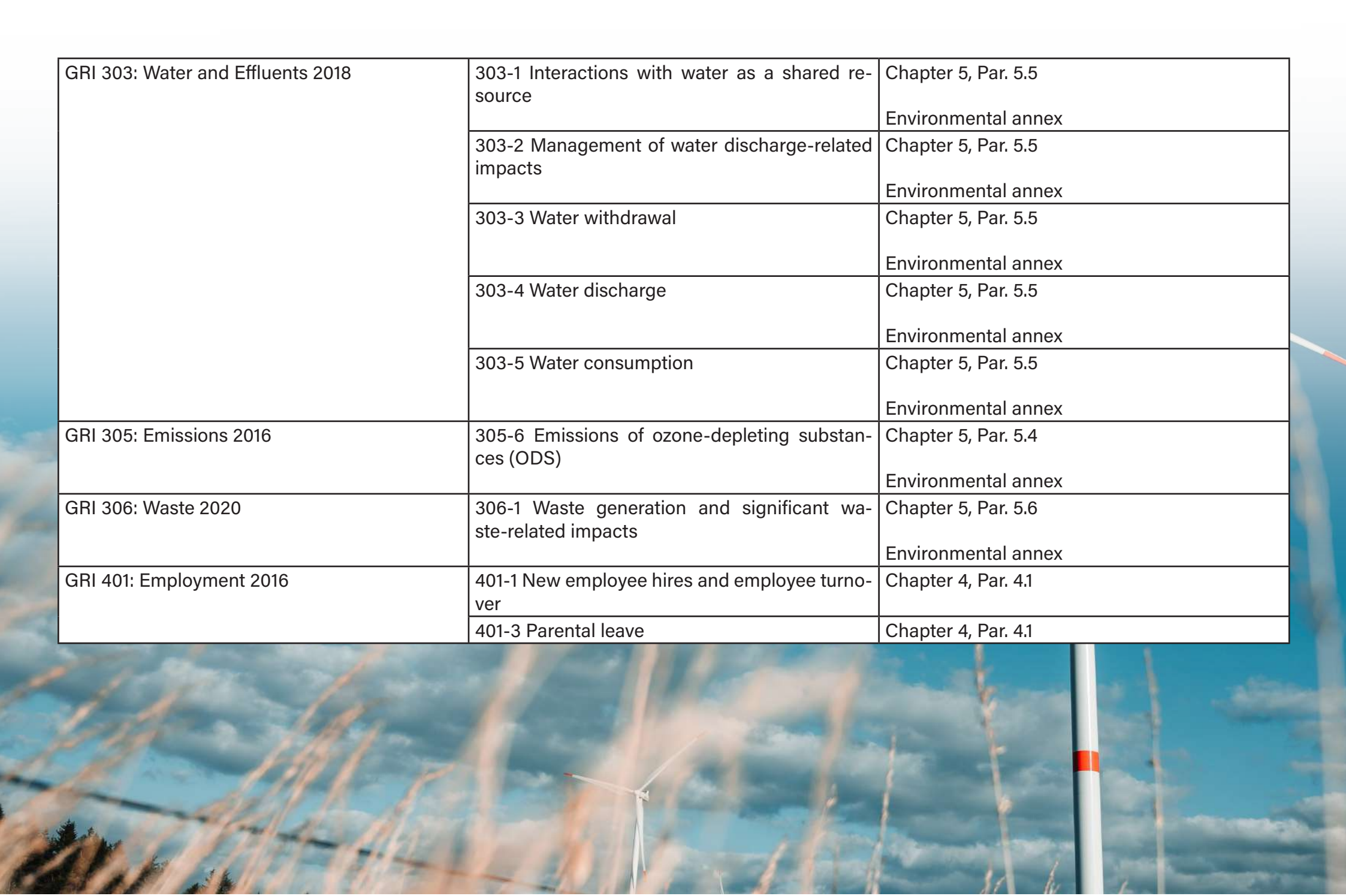
GRI Content Index

Statement of use: Group Polynt has reported the information cited in this GRI content index for the year 2022 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Chapter 1, Par. 1.1
	2-2 Entities included in the organization's sustainability reporting	Chapter 1, Par. 1.1
	2-3 Reporting period, frequency and contact point	Par. 'About the Sustainability Report'
	2-6 Activities, value chain and other business relationships	Chapter 1, Par. 1.3
	2-7 Employees	Chapter 4, Par. 4.1
	2-8 Workers who are not employees	Chapter 4, Par. 4.1
	2-9 Governance structure and composition	Chapter 1, Par. 1.5
	2-10 Nomination and selection of the highest governance body	Chapter 1, Par. 1.5
	2-11 Chair of the highest governance body	Chapter 1, Par. 1.5
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 1 Par. 1.5
	2-17 Collective knowledge of the highest governance body	Par. 'Methodological Note'
	2-22 Statement on sustainable development strategy	Chapter 2, Par. 2.2
	2-23 Policy commitments	Chapter 2, Par. 2.2
	2-24 Embedding policy commitments	Chapter 2, Par. 2.2
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 2, Par. 2.2
	2-27 Compliance with laws and regulations	Chapter 4, Par. 4.2 and Par. 4.3.2
	2-28 Membership associations	Chapter 2, Par. 2.2
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Par. 'Methodological Note'
	3-2 List of material topics	Par. 'Methodological Note'
	3-3 Management of material topics	Chapter 3, Chapter 4, Chapter 5

GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Chapter 3, Par. 3.2
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Chapter 1, Par. 1.5
	205-2 Communication and training about anti-corruption policies and procedures	Chapter 4, Par. 4.2
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Chapter 5, Par. 5.2 Environmental annex
	301-2 Recycled input materials used	Chapter 5, Par. 5.2 Environmental annex
	301-3 Reclaimed products and their packaging materials	Chapter 5, Par. 5.2 Environmental annex
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Chapter 5, Par. 5.3 Environmental annex
	302-2 Energy consumption outside the organization	Chapter 5, Par. 5.3 Environmental annex
	302-3 Energy intensity	Chapter 5, Par. 5.3 Environmental annex

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Chapter 5, Par. 5.5 Environmental annex
	303-2 Management of water discharge-related impacts	Chapter 5, Par. 5.5 Environmental annex
	303-3 Water withdrawal	Chapter 5, Par. 5.5 Environmental annex
	303-4 Water discharge	Chapter 5, Par. 5.5 Environmental annex
	303-5 Water consumption	Chapter 5, Par. 5.5 Environmental annex
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Chapter 5, Par. 5.4 Environmental annex
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Chapter 5, Par. 5.6 Environmental annex
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Chapter 4, Par. 4.1
	401-3 Parental leave	Chapter 4, Par. 4.1



GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter 4, Par. 4.3.2
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 4, Par. 4.3.2
	403-3 Occupational health services	Chapter 4, Par. 4.3.3
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 4, Par. 4.3.2
	403-5 Worker training on occupational health and safety	Chapter 4, Par. 4.3.4
	403-6 Promotion of worker health	Chapter 4, Par. 4.3.3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 4, Par. 4.3.5
	403-8 Workers covered by an occupational health and safety management system	Chapter 4, Par. 4.3.1
	403-9 Work-related injuries	Chapter 4, Par. 4.3.6
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Chapter 4, Par. 4.2
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 4, Par. 4.2
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Chapter 4, Par. 4.1

OUR VALUES


Responsibility
Transparency
Identification
VALUES
Honesty
Respect and Humility
Courage
Enthusiasm and Passion