

Task Force On Climate - Related Financial Disclosure

2025



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CLIMATE-RELATED FINANCIAL DISCLOSURES

This section presents the Group's non-financial and sustainability information statement, which includes the climate-related financial disclosures required under applicable regulations.

Pursuant to Section 414CB(2A) of the UK Companies Act 2006 (c. 46)(the "CA 2006"), the Group is required to provide climate-related financial disclosures in its Annual Report for the financial year ended on December 31st, 2025. This section consists of the following sub-sections:

- **Governance**, which contains a description of governance arrangements as required under Section 414CB(2A)(a);
- **Risk Management**, which provides an overview of identification, assessment and management processes as required under Section 414CB(2A)(b) and (c);
- **Strategy**, which covers the impacts on the Company's business model and strategy as required under Section 414CB(2A)(c), (d), (e) and (f); and
- **Metrics & Targets**, which sets out the key performance indicators used in assessing and managing targets as required under Section 414CB(2A) (g) and (h).

GOVERNANCE

Disclosure requirement: (a) a description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities

The management of climate-related risks and opportunities is an integral part of the Group's governance framework for sustainability. In 2022, the Group established a dedicated department in charge of Sustainability and ESG compliance and appointed a Group ESG Manager.

In 2023 an ESG Department was created with the mission to implement internal procedures aimed at identifying, assessing and managing climate-related risks and opportunities, also in line with the regulatory requirements under Section 414CB(2A) of the CA 2006.

An annual assessment is performed which is aimed at ensuring that climate-related considerations still apply, by also taking into account any organizational changes that might have occurred since the previous annual assessment. The conclusions are reported to the Top Management for the necessary actions, if any.

The Board of Directors of Speciality Chemicals International Ltd (the "SCIL Board") reviews and approves an annual report which sets out climate related risks and potential opportunities.

The SCIL Board consists of the President and Group CEO, two Independent Directors and two Directors. Board members are appointed by the shareholders.

Further details on the Group’s governance are provided in the Annual Sustainability Report that is also approved by the SCIL Board and is published in the sustainability section of the Group’s website.

The Board of Directors of SCIL II (TopCo) Limited is composed of three members who also sit in the SCIL Board.

The strategy of the Group is in charge of the SCIL Board which has delegated its execution to a Managing Board which is composed of senior executives appointed by the President and Group CEO.

The Managing Board, which is chaired by the President and Group CEO, is responsible for developing, approving and updating the organization’s purpose, mission, strategies, policies and sustainability-related goals, in line with the budget and shareholder guidelines. The Managing Board is also responsible for overseeing the management of identified climate-related risks and opportunities. Besides the Managing Board there are a Global Committee and three Regional Committees (Europe, Americas and Asia).

The updated Group Governance structure, effective January 1st, 2026, is shown below.

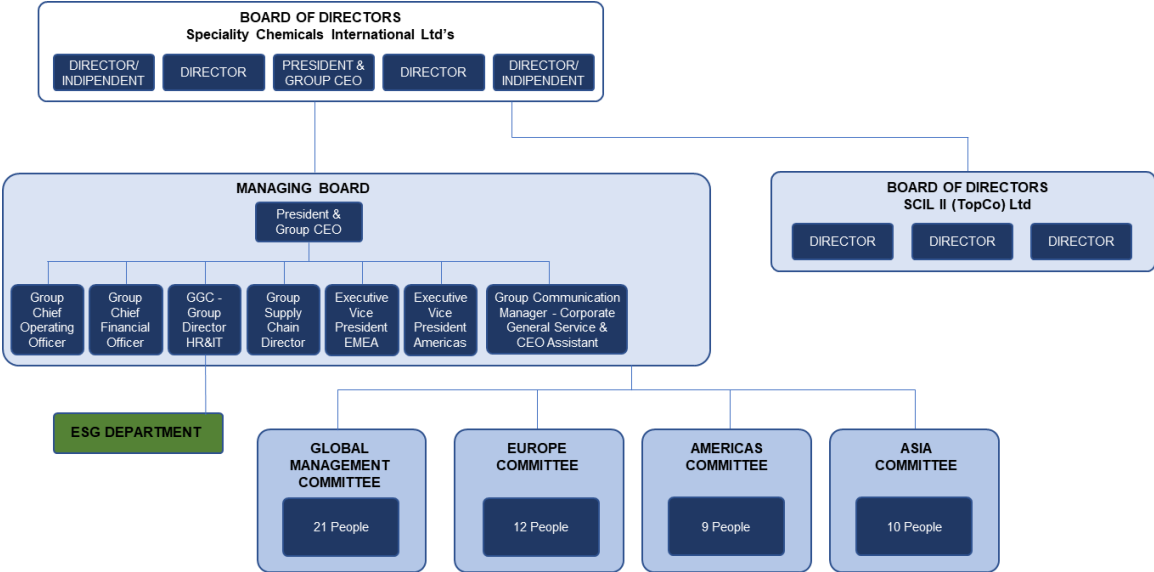


Figure 1. The Group governance structure.

RISK MANAGEMENT

Disclosure requirement: (b) a description of how the company identifies, assesses, and manages climate (risks and opportunities and (c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process

The analysis was initially performed in 2023 and is updated annually. Based on the outcome of the analysis, the Managing Board takes the necessary actions.

Despite various functions are actively involved, an Enterprise Risk Management (ERM) system has not been formally implemented yet. The Group is weighing the opportunity to implement an ERM system in the coming years. Meanwhile a specific policy has been drafted which could be approved in 2026.

The assessment for 2025 was carried out by the ESG Department.

The major climate related risks (i.e., physical and transition) and opportunities are summarised in the following paragraphs.

PHYSICAL RISKS

The assessment of climate-related physical risks is performed as follows:

- **PHASE 1 – Sensitivity analysis**: this relates to the assessment of climate risks regardless of where the relevant assets are located;
- **PHASE 2 – Exposure analysis**: the location of the relevant assets is considered;
- **PHASE 3 – Vulnerability analysis**: the outcome of the previous phases is translated into a quantitative assessment of risks based on the weight of the relevant assets.

The assessment takes into account climate parameters (i.e. temperature, rainfall, humidity) and the specific hazards identified in the national climate change adaptation plan (“*Piano Nazionale di Adattamento ai Cambiamenti Climatici – PNACC*”)¹. Below is a table presenting a brief description of the main physical climate risks considered and the selected representative indicators:

¹ The Piano Nazionale di Adattamento ai Cambiamenti Climatici (PNACC – National Climate Change Adaptation Plan), approved in December 2023 by the Italian Ministry of the Environment (Ministerial Decree No. 434), provides a national framework to guide actions aimed at minimizing climate-related risks, enhancing the adaptive capacity of socio-economic and natural systems, and leveraging potential opportunities arising from new climate conditions.

Table 1. Climate risks description and selection of representative indicators

Climate risk	Description	Representative indicator
Heatwaves	Heatwave is an extreme weather condition that occur when very high temperatures persist for several consecutive days, often associated with high humidity rates, strong sunlight and lack of ventilation.	<ul style="list-style-type: none"> ▪ WSDI, Heat Wave Duration Index (days/year) ▪ SU95p, Summer Days (days/year)
Wildfires	Wildfire is a fire that spreads over wooded, shrub or arboreal areas, including any man-made structure and infrastructure located within the same areas, or over cultivated or uncultivated land and pastureland adjoining the areas. The predisposing factors are vegetation conditions, climate conditions (humidity, wind, and temperature) and soil morphology.	<ul style="list-style-type: none"> ▪ FWI, Fire Weather Index
Cold spells	Cold spell is a distinctive type of extreme atmospheric event that manifests as anomalous low temperatures for many consecutive days.	<ul style="list-style-type: none"> ▪ FD, Frost Days (days/year) ▪ CSDI, Cold Wave Duration Index (days/year)
Temperature changes	Temperature change refers to climatic changes that lead to regional and seasonal temperature extremes, reduced snow cover, thinning sea ice, heavy rainfall and changes to the balance between plants and / or animal species.	<ul style="list-style-type: none"> ▪ Tmean, annual mean temperature (°C) ▪ CDDs, Cooling Degree Days (°C) ▪ HDDs, Heating Degree Days (°C)
Drought	Drought is a natural and temporary meteorological condition in which there is a significant reduction in the amount of precipitation relative to expected levels (generally the normal values), resulting in significant adverse effects (i.e., wildfires)..	<ul style="list-style-type: none"> ▪ CDD, Consecutive Dry Days (days/year) ▪ SPI3, Standardized Precipitation Index of 3 months (-) ▪ SP, Summer Precipitation (mm)
Water stress	Water stress occurs when water demand exceeds the availability by also considering water quality. Low rainfall exacerbates water stress conditions. Water stress causes the deterioration of freshwater resources in terms of quantity (e.g., overexploitation of aquifers, dry rivers, etc.) and quality (e.g., eutrophication, organic matter pollution, saline intrusion, etc.).	<ul style="list-style-type: none"> ▪ SPI12, Standardized Precipitation Index of 12 months (-) ▪ WP, Winter Precipitation (mm) ▪ SP, Summer Precipitation (mm)
Flood regimes and extreme rainfall events	A flood is a temporary flooding of areas that are not usually covered with water. Floods can be fluvial, pluvial and coastal. Fluvial floods occur when the water level rises above the top of the riverbanks; pluvial floods occur after heavy rainfall when water does not infiltrate the ground and does not accumulate in natural or artificial basins, or flow over the ground in the form of runoff, before it enters a natural or artificial drainage system or watercourse or when it cannot enter because the system is already full of capacity; coastal floods occur when the sea level rises. Extreme rainfall refers to the amount of rain experienced in a location that substantially exceeds what is normal. What constitutes a period of heavy precipitation varies according to location and season.	<ul style="list-style-type: none"> ▪ Rx1day, Maximum Daily Precipitation Value (mm) ▪ PRCPTOT, Cumulative Precipitation on Rainy Days (mm)

<p>Storms and wind gusts</p>	<p>The precipitation associated with a thunderstorm is characterized by rapid and considerable variations in intensity, both in space and time. Concentrating considerable amount of water in a short time period over relatively small areas, it can therefore result in heavy downpours that occur extremely irregularly and discontinuously over the territory.</p>	<ul style="list-style-type: none"> ▪ R20, days with intense precipitation, higher than 20 mm/day (days/year) ▪ EWS, 98th percentile of maximum daily wind speed.
<p>Solid mass movements</p>	<p>Causes are several and, complex and often interplay. The main ones are precipitation, deforestation and wildfires. Landslides have different risk conditions depending on the mass and velocity of the landslide body: there are, in fact, landslides with low risk conditions because they are characterized by low mass and constant low velocity over long periods; on the other hand, other landslides have higher risk Storms and wind gusts conditions because they abruptly increase velocity and are characterized by a conspicuous mass.</p>	<ul style="list-style-type: none"> ▪ WP, winter precipitation (mm) ▪ Rx1day, Maximum Daily Precipitation Value (mm)
<p>Soil erosion</p>	<p>Soil erosion is the process of degradation due to the loss of soil at a rate greater than the rate of its formation. Soil water erosion is an extremely complex and unavoidable natural phenomenon and an integral part of the land surface shaping process. It depends on climatic conditions, geological, pedological, hydrological, morphological and vegetational characteristics of the land, but can be accelerated by human activities, particularly agro-sylvo-pastoral activities (crop types, tillage and cultivation systems, forest management, grazing).</p>	<ul style="list-style-type: none"> ▪ R20, days with intense precipitation, higher than 20 mm/day (days/year) ▪ Soil loss change (t ha-1yr-1)
<p>Sea-level rise, surge, coastal erosion, hydrological regimes, and saline intrusion</p>	<p>Coastal erosion is a chronic phenomenon that results in the diminishing input of riverine solid transport delivered to beaches. The problem is also exacerbated by surges, which with varying frequency hit the coast changing the morphology of the coastline.</p> <p>Saline intrusion is a phenomenon that is always accompanied by high pressures (i.e., withdrawals) and water balance problems because freshwater outflows from groundwater aquifers near the coast, accompanied by decreasing water inputs due to rainfall deficits, which produce a progressive lowering of the piezometric surface and thus an increased propensity for salt wedge intrusion in coastal areas.</p>	<ul style="list-style-type: none"> ▪ SSH, Sea Level Rise (m)

PHASE 1 - Sensitivity analysis

The aim of the sensitivity analysis is to identify which climate risks the Group is exposed to regardless of the assets' location.

The analysis was conducted by considering:

- direct operations such as production activities, building envelope, HVAC system;
- inputs (e.g. raw materials, energy, water);
- logistics.

The results are summarized in a table that assigns a score to each risk. Each area of activity is scored by using the following scale:

- High: the climate risk may have a significant impact on the specific area of activity of the business.
- Medium: the climate risk may have a slight impact on the specific area of activity of the business.
- Low: the climate risk has no (or insignificant) impact on the specific area of activity of the business.

The scores were assigned by following the applicable guidelines.^{2,3} The analysis is accompanied by an internal professional evaluation performed by the competent department.

PHASE 2 - Exposure analysis

The goal is to identify climate-related risks of each site location, regardless of the sector. The exposure analysis was carried out by considering two different climate scenarios, expressed in terms of greenhouse gas concentrations.

The scenarios are defined as Representative Concentration Pathway (RCPs), a greenhouse gas concentration (not emissions) trajectory adopted by the Intergovernmental Panel on Climate Change ("IPCC"). The pathways describe different potential climate futures, all of which are considered possible depending on the greenhouse gases (GHG) emission level in the years to come. The RCPs – of which the main identified are RCP2.6, RCP4.5, RCP6, and RCP8.5 – are labelled after a possible range of radiative forcing values in the year 2100 (2.6, 4.5, 6, and 8.5 W/m², respectively).

² Advancing TCFD guidance on physical climate risks and opportunities – TCFD

³ Sectorial Risks Briefings: Insights for Financial Institutions | Climate Risks in the Industrial Sector, UN Environmental Programme, April 2023

For the purposes of this assessment, the Group selected **RCP4.5** and **RCP8.5**, as they were considered the most relevant scenarios for the analysis performed. A brief description is provided below:

- **RCP4.5:** defined by the IPCC as an intermediate scenario in which GHG emissions peak occurs around 2040 and subsequently decline. Based on resource specialists, IPCC emission scenarios are biased towards exaggerated availability of fossil fuels reserves; RCP4.5 is the most probable baseline scenario (no climate policies) which accounts for the exhaustible character of non-renewable fuels.
- **RCP8.5:** a scenario in which emissions continue to rise throughout the 21st century. RCP8.5 is generally taken as the basis for worst-case climate change scenarios since it is based on hypothesis that overestimate of coal projections. It is still used for predicting mid-century (and earlier) emissions based on current and stated policies.

In relation to 2025, the Group has decided to perform the exposure analysis by focusing on its most relevant assets. Going forward, the Group intends to broaden the scope of the assessment by adding more assets.

For 2025 the following assets were considered:

- Asset 1: Italy - Scanzorosciate (BG) - Via E. Fermi 51. Production plant with nominal production capacity of 199,000 tonnes/year of various chemicals (i.e., Oxidation catalysts, Phthalic Anhydride, Maleic Anhydride, Trimellitic Anhydride, Fumaric Acid, Malic Acid, Special Anhydrides, Special Esters).
- Asset 2: Italy - San Giovanni Valdarno (AR) – Via Pruneto 40. Production plant with a nominal production capacity of 195,000 tons/year of mainly Plasticizers and Unsaturated Polyester Resins.
- Asset 3: Italy - Ravenna (RA) – Via Baiona 192. Production plant with a nominal production capacity of 80,000 tons/year of mainly Maleic Anhydride (ALMA process) and Tetrahydrophthalic Anhydride.
- The abovementioned assets account for more than 50% of the Group total energy consumption and almost 40% of the total assets value (2024 data). Moreover, they are regulated by the EU-ETS scheme and as such more relevant in terms of climate change risks and opportunities analyses. An exposure analysis of the physical climate risk was conducted for each of those assets, based on the two RCPs future scenarios previously described (RCP 4.5 and RCP 8.5).

The analysis was carried out on the specific geographic areas where the relevant sites are located by using a comprehensive set of databases and documents containing climate risks projections across different climate scenarios and based on the selected key indicators^{4, 5, 6, 7}. To get a more accurate score the latest trends have been also taken into account.

PHASE 3 - Vulnerability analysis

The assessment of vulnerability, according to technical guidelines issued by the European Commission⁸, is based on the combination of sensitivity and exposure within a vulnerability matrix. The scores:

- *Sensitivity analysis*: risks were separately analyzed in relation to direct operations, inputs and logistics by assigning a score to each of those areas and then assuming the overall risk to be equal to the highest of those scores.
- *Exposure analysis*: each risk was evaluated under two different future climate scenarios (RCP 4.5 and RCP 8.5) and then assigning the highest score between the two scenarios.

Base on the matrix a vulnerability level was determined for each risk in relation to each asset.

Finally, the climate-related physical risks identified as relevant in terms of vulnerability for at least one of the assets were reported in a summary list, describing the potential and actual impacts and the mitigation actions implemented by the Group.

It should be noted that in 2025 an update of the physical risks analysis methodology was carried out. The updated methodology includes a revision of selected climate indicators and the introduction of asset-specific quantitative values for the three sites in scope, allowing a more accurate evaluation of risks.

⁴ Scenari climatici per l'Italia by Fondazione CMCC (Centro Euro-Mediterraneo sui Cambiamenti Climatici)

⁵ Copernicus EU – Climate Data Store

⁶ ISPRA SCIA – Mappe clima futuro

⁷ Piano Nazionale di Adattamento ai Cambiamenti Climatici, ISPRA - MASE

⁸ Technical guidance on the climate proofing of infrastructure in the period 2021-2027 provided in a Commission Notice by the European Commission (2021/C 373/01).

TRANSITION RISKS AND OPPORTUNITIES

In 2024 the evaluation of climate-related transition risks and opportunities followed a multi-step process that factored in several key elements, such as:

- a. **Value chain analysis:** reviewing the Group's value chain to understand the potential impact of climate change on its business model and operations.
- b. **Scenario and trajectory review:** considering the main trajectories and developments proposed by the International Energy Agency (IEA) and the IPCC, and integrating the relevant climate scenarios, were taken into account in the qualitative evaluation of the impacts and relevance.
- c. **Regulatory assessment:** understanding current and potential environmental regulations that may drive and push the Group to shift toward a low-carbon economy. Emerging regulations can significantly influence market dynamics, the industry, and products and strategic development; therefore, foreseeing potential regulatory advancements empowers the Group to prepare effectively.
- d. **Benchmark:** conducting a benchmark analysis of industry reports and peer actions to offer valuable perspectives on the competitive landscape and deepen comprehension of potential upcoming challenges.

Following the initial desk analysis described above, a qualitative evaluation was conducted to identify potential climate-related transition risks that may affect the Group's operations.

This assessment provided a comprehensive understanding of the possible impacts of the identified risks and their relevance related to the analysed scenarios. This analysis enables the Group to plan appropriate mitigation activities and to continue strengthening actions already in place.

A quantitative analysis will be conducted in upcoming reporting periods.

In 2025, the Group also conducted a qualitative analysis to identify potential climate-related opportunities. This process mirrored the approach used in the climate-related transition risks analysis and included the Group's value chain evaluation, climate-related scenarios, external influences including regulatory changes, financial pressures, ESG questionnaires, industry evaluations and market research. This assessment resulted in a list of potential climate-related opportunities aligned with the primary categories defined by the TCFD⁹. To ensure relevance to the Group, the identified opportunities were screened and clustered, and their relevance with respect to the selected climate scenario (RCP4.5/SSP2 and RCP8.5/SSP5) has been qualitatively assessed.

⁹ The TCFD Guidance presents as primary categories of climate related opportunities the following: Resource efficiency, Energy sources, Products, Market and Resilience

STRATEGY

Disclosure requirement: d) a description of (1) the principal climate-related risks and opportunities arising in connection with the company's operations, and (2) the time periods by reference to which those risks and opportunities are assessed; (e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy and (f) an analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios

The Group primarily uses 2050 as its main time horizon. This horizon is consistent with available public databases (see “*Risk Management*” section for more information). Furthermore, it aligns well with other climate-related initiatives that the Group is planning to adopt in the coming years. In future analyses the Group will weigh the opportunity to consider alternative time horizons that align more closely with its business model and strategic plans. This further analysis is intended to provide in the future a comprehensive view of climate-related risks and opportunities as they pertain to the Group's operations and to further elaborate the climate change potential effects on the Group's business.

In 2023 the first climate risks and opportunities evaluation was carried out by using the RCPs and SSPs scenarios, as reported in the “*Risk Management*” section, which was updated in 2024 and 2025. This assessment led to the identification of climate-related risks and opportunities that could impact the Group's primary assets and operations. Please note that the scores were based on qualitative (informed judgment based on scientific understanding of climate scenarios) rather than quantitative aspects.

The following tables provide a summary of the results of the assessment and of the initiatives that the Group has identified to enhance the resilience of its business model and strategy to the identified climate-related risks and opportunities.

PHYSICAL RISKS

As explained in the “Risk Management” section, the evaluation of climate-related physical risks has been conducted through a three phases analysis.

PHASE 1 - Sensitivity analysis

The sensitivity analysis of the Group’s sector with respect to the selected climate risks was first carried out, regardless of the exposure of its assets, as described in the “Risk Management” section.

In Figure 1, the sensitivity analysis results are reported. As explained previously, for each climate risk the final score considered for the vulnerability corresponds to the highest one assigned to the various business area that have been considered. They are represented in the last row mentioned as “HIGHEST SCORE”.

Table 2. Sensitivity analysis results

SENSITIVITY ANALYSIS											
CLIMATE VARIABLES AND HAZARDS											
	Heatwaves	Wildfires	Cold spells	Temperature changes	Drought	Water Stress	Flood regimes and extreme rainfall events	Storms and wind gusts	Solid mass movements (landslide, avalanche, mudslides...)	Soil Erosion	Sea-level rise, surge, coastal erosion, hydrological regimes, and saline intrusion
BUSINESS AREA	On-site activities and processes (i.e., production, workers Health & Safety, machinery)	High	Low	Low	Medium	Medium	Medium	High	Medium	Low	Low
	Inputs (i.e., raw materials, electricity, water)	High	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low
	Transport links (i.e., incoming raw materials transport, outgoing finished products transport, logistics and distribution)	Low	Medium	Low	Low	Low	Low	High	High	Medium	Low
	HIGHEST SCORE	High	Medium	Medium	Medium	Medium	Medium	High	High	Medium	Low

PHASE 2 - Exposure analysis

After the sensitivity analysis, the exposure analysis of the Group’s most relevant assets have been carried out. The selected assets are the following:

- Asset 1: Italy - Scanzorosciate (BG) - Via E. Fermi 51;
- Asset 2: Italy - San Giovanni Valdarno (AR) – Via Pruneto 40;
- Asset 3: Italy - Ravenna (RA) – Via Baiona 192.

Each of the three assets present therefore include an evaluation of every climate risk, based on the specific location of the asset itself and their relevance. The climate risk relevance has been evaluated with respect to the current climate scenario and to the future scenarios identified, namely RCP 4.5 and RCP 8.5. The results are reported in the following tables.

Table 3. Exposure analysis results - Scanzorosciate (BG)

EXPOSURE ANALYSIS - Scanzorosciate (BG)											
Climate variables and hazards											
	Heatwaves	Wildfires	Cold spells	Temperature changes	Drought	Water Stress	Flood regimes and extreme rainfall events	Storms and wind gusts	Solid mass movements (landslide, avalanche, mudslides...)	Soil Erosion	Sea-level rise, surge, coastal erosion, hydrological regimes, and saline intrusion
Future (RCP 4.5)	High	Low	Low	Medium	Medium	Medium	Medium	Low	Low	Low	Low
Future (RCP 8.5)	High	Low	Low	High	Low	Low	Medium	Low	Low	Low	Low
HIGHEST SCORE	High	Low	Low	High	Medium	Medium	Medium	Low	Low	Low	Low

Table 4. Exposure analysis results - San Giovanni Valdarno (AR)

EXPOSURE ANALYSIS - San Giovanni Valdarno (AR)											
Climate variables and hazards											
	Heatwaves	Wildfires	Cold spells	Temperature changes	Drought	Water Stress	Flood regimes and extreme rainfall events	Storms and wind gusts	Solid mass movements (landslide, avalanche, mudslides...)	Soil Erosion	Sea-level rise, surge, coastal erosion, hydrological regimes, and saline intrusion
Future (RCP 4.5)	High	Low	Low	Medium	Medium	Medium	High	Medium	Low	Low	Low
Future (RCP 8.5)	High	Low	Low	High	Low	Low	High	Medium	Low	Low	Low
HIGHEST SCORE	High	Low	Low	High	Medium	Medium	High	Medium	Low	Low	Low

Table 5. Exposure analysis results - Ravenna (RA)

EXPOSURE ANALYSIS - Ravenna (RA)											
Climate variables and hazards											
	Heatwaves	Wildfires	Cold spells	Temperature changes	Drought	Water Stress	Flood regimes and extreme rainfall events	Storms and wind gusts	Solid mass movements (landslide, avalanche, mudslides...)	Soil Erosion	Sea-level rise, surge, coastal erosion, hydrological regimes, and saline intrusion
Future (RCP 4.5)	High	Low	Low	Medium	Low	Medium	High	Low	Low	Low	High
Future (RCP 8.5)	High	Low	Low	High	Low	Low	High	Low	Low	Low	High
HIGHEST SCORE	High	Low	Low	High	Low	Medium	High	Low	Low	Low	High

As explained previously, for each climate risk the highest exposure score assigned to the various climate scenarios considered has been identified. They are represented in the “HIGHEST SCORE” row.

PHASE 3 - Vulnerability analysis

Based on the results of the sensitivity and exposure analyses for the three assets considered, the vulnerability analysis has been performed, as explained in the “*Risk Management*” section. The results are reported within the following matrices.

For both scenarios each physical climate risk has been analysed and a qualitative score of ‘high’, ‘medium’ or ‘low’ exposure has been given, specifically:

- High: the climate risk could have a significant impact on the location in the future;
- Medium: the climate risk may have a moderate impact on the location in the future;
- Low: the climate risk has no (or a not-significant) impact on the location.

Table 6. Vulnerability analysis legend

VULNERABILITY ANALYSIS RESULTS	
HIGH	The asset has a high vulnerability level for the analysed climate risk
MEDIUM	The asset has a medium vulnerability level for the analysed climate risk
LOW	The asset has a low vulnerability level for the analysed climate risk

Table 7. Vulnerability analysis results - Scanzorosciate (BG)

VULNERABILITY ANALYSIS - Scanzorosciate (BG)			
EXPOSURE			
	High	Medium	Low
SENSITIVITY	High	-Heatwaves -Flood and extreme rainfall	-Storms and wind gusts
	Medium	-Temperature changes	-Drought -Water stress -Wildfires -Solid mass movements -Cold Spells
	Low		-Sea level rise -Soil Erosion

Table 8. Vulnerability analysis results - San Giovanni Valdarno (AR)

VULNERABILITY ANALYSIS - San Giovanni Valdarno (AR)			
EXPOSURE			
	High	Medium	Low
SENSITIVITY (highest across the themes)	High	-Heatwaves -Flood and extreme rainfall	-Storms and wind gusts
	Medium	-Temperature changes	-Drought -Water stress
	Low		-Wildfires -Solid mass movement -Cold spells
			-Sea level rise -Soil Erosion

Table 9. Vulnerability analysis results - Ravenna (RA)

VULNERABILITY ANALYSIS - Ravenna (RA)			
EXPOSURE			
	High	Medium	Low
SENSITIVITY (highest across the themes)	High	-Heatwaves -Temperature changes -Flood and extreme rainfall	-Storms and wind gusts
	Medium		-Wildfires -Cold spells -Solid mass movements -Drought
	Low	-Sea level rise	-Soil Erosion

The vulnerability analysis output defined the relevance of each climate risk for the considered assets. All the climate risks that show a “low” score in the vulnerability matrix for every asset analysed are considered not material for the Group and therefore no further investigated.

Table 10 below reports the climate-related physical risks identified as relevant for the Group, including their indicative impacts and mitigation actions. The inclusion of the mitigation actions implemented or potentially implemented in the Group's financial planning is currently under evaluation. The Group intends to provide more details within the future disclosures.

Table 10. Climate physical risks impacts and mitigation actions

CLIMATE RISK	INDICATIVE IMPACTS	IMPACT MITIGATION ACTIONS	EFFECTS ON THE GROUP RESILIENCE
<p>Heatwaves</p>	<p>Actual - N.A.</p> <p>Potential - Increases in energy demand for air conditioning, leading to increased operating costs; - "Issues with industrial cooling processes;" - Health and Safety of workers; - Worsening of worker productivity; - Damage to sensitive components and equipment.</p>	<p>Implemented - Energy efficiencies initiatives.</p> <p>Potential - Installation of more efficient cooling systems; - Installation of more efficient thermal insulation on assets; - Educating employees about heat-related health risks and individual impacts mitigation actions.</p>	<p>Efficient cooling systems and asset thermal insulation keep the temperatures more stable with the need of less energy demand. This reduces the energy costs during peaks requests (e.g., heatwaves) and the chance of supply interruption due to grid overload. Moreover, such systems reduce possible damages to sensitive components or material and machineries break down due to external heatwaves caused by working interruption of cooling system.</p> <p>Increasing the awareness of the employees about how to minimize the risks associated with heatwaves, the plant can ensure that productivity and safety are not compromised due to heat-related illnesses.</p>

<p style="text-align: center;">Temperature changes</p>	<p>Actual - N.A.</p> <p>Potential - Increases in energy demand for air conditioning, leading to increased operating costs; - "Issues with industrial cooling processes;" - Health and Safety of workers; - Worsening of worker productivity; - Damage to sensitive components and equipment.</p>	<p>Implemented - Energy efficiencies initiatives.</p> <p>Potential - Installation of more efficient cooling systems; - Installation of more efficient thermal insulation on assets; - Educating employees about heat-related health risks and individual impacts mitigation actions.</p>	<p>Efficient cooling systems and asset thermal insulation keep the temperatures more stable with the need of less energy demand. This reduces the energy costs due to cooling needs. Moreover, such systems reduce possible damages to sensitive components or material and machineries break down due to the higher temperatures.</p> <p>Increasing the awareness of the employees about how to minimize the risks associated with the higher temperatures, the plant can ensure that productivity and safety are not compromised due to heat-related illnesses.</p>
<p style="text-align: center;">Drought</p>	<p>Actual - N.A.</p> <p>Potential - Scarcity of water for industrial processes; - Slowdown in production.</p>	<p>Implemented - N.A.</p> <p>Potential - Introduction of technologies and methods for capturing storm water to reduce water supply from the public network; - Introduction of technologies and methods for recycling water used in the process to reduce water supply from the public network.</p>	<p>The reuse of storm water reduces the dependency from the public network making the assets more resilient in case of shortage, supply interruption or emergencies big withdrawals.</p> <p>Recycling and reusing water in the production phases contributes to reduce the fresh water supply needs, hence reducing the plant's</p>

			vulnerability to water supply disruptions during periods of drought.
Water stress	<p>Actual</p> <ul style="list-style-type: none"> - N.A. <p>Potential</p> <ul style="list-style-type: none"> - Scarcity of water for industrial processes; - Slowdown in production; - Health and Safety of workers. 	<p>Implemented</p> <ul style="list-style-type: none"> - N.A. <p>Potential</p> <ul style="list-style-type: none"> - Development of a water management system to pursuit water use efficiency; - Introduction of technologies and methods for capturing storm water to reduce water supply from the public network; - Introduction of technologies and methods for recycling water used in the process to reduce water supply from the public network. 	<p>A water management system allows to identify areas of water waste, implement conservation measures, and ensure the most efficient use of water in all operations, increasing the assets resilience to water stress periods.</p> <p>The reuse of storm water reduces the dependency from the public network making the assets more resilient in case of shortage, supply interruption or emergencies big withdrawals.</p> <p>Recycling and reusing water in the production phases contributes to lower the fresh water supply needs, hence reducing the plant's vulnerability to water supply disruptions during periods and in areas of water stress.</p>
Flood regimes and extreme rainfall events	<p>Actual</p> <ul style="list-style-type: none"> - N.A. <p>Potential</p>	<p>Implemented</p> <ul style="list-style-type: none"> - Activate insurance for damages due to natural events; 	<p>Insurances mitigate the financial impacts of damages from natural events.</p>

	<ul style="list-style-type: none"> - Damage to production facilities; - Temporary or permanent interruption of production; - Chemical spills; - Interruption of transport links; - Disruption in supply chain; - Overload of goods stored on-site; - Safety of workers. 	<p>Potential</p> <ul style="list-style-type: none"> - Increase workers' awareness by sharing information about hydraulic risks and safety measures to adopt; - Implement early warning system to provide real-time information on potential hydraulic risks (i.e., weather stations, alarm and communication system); - Provide an emergency plan for safe and timely evacuation of workers in case of emergency; - Provision of damage prevention works to protect the most vulnerable sites (e.g. hydraulic barriers, lamination basins etc.). 	<p>Proper workers training lead to a quicker and more efficient response to extreme events that reduce the potential assets damages.</p> <p>Implementation of alarms and early warnings give the chance to manage mitigation action for extreme event damages to assets and production processes in proper time and to reduce the interruptions and economic losses.</p> <p>Infrastructural prevention works reduce the chance of damages from extreme events and the impact magnitude, making the asset more resilient to these events.</p>
<p style="text-align: center;">Storms and wind gusts</p>	<p>Actual</p> <ul style="list-style-type: none"> - N.A. <p>Potential</p> <ul style="list-style-type: none"> - Damage to production facilities; - Temporary or permanent interruption of production; - Chemical spills; 	<p>Implemented</p> <ul style="list-style-type: none"> - Activate insurance for damages due to natural events; <p>Potential</p> <ul style="list-style-type: none"> - Increase workers' awareness by sharing information about storm risks and safety measures to adopt; - Implement early warning system to provide real-time information on potential storm risks (i.e., weather stations, alarm and 	<p>Insurances mitigate the financial impacts of damages from natural events.</p> <p>Proper workers training lead to a quicker and more efficient response to extreme events that lower the potential assets damages.</p> <p>Implementation of alarms and early warnings give the chance to manage</p>

	<ul style="list-style-type: none"> - Interruption of transport links; - Safety of workers. 	<p>communication system);</p> <ul style="list-style-type: none"> - Provide an emergency plan for safe and timely evacuation of workers in case of emergency; - Implementation of protection systems for machinery, especially the tallest and most exposed, and plants. 	<p>mitigation action for extreme event damages to asset and production in proper time and to reduce the interruptions and economic losses.</p> <p>Infrastructural prevention works reduce the chance of damages from extreme events and the impact magnitude, making the asset more resilient to these events.</p>
<p>Sea-level rise, surge, coastal erosion, hydrological regimes, and saline intrusion</p>	<p>Actual</p> <ul style="list-style-type: none"> - N.A. <p>Potential</p> <ul style="list-style-type: none"> - Damage to production facilities; - Temporary or permanent interruption of production; - Chemical spills; - Interruption of transport links; - Safety of workers. 	<p>Implemented</p> <ul style="list-style-type: none"> - N.A. <p>Potential</p> <ul style="list-style-type: none"> - Construction of protection equipment; - Modify land use. 	<p>Protection equipment construction and land use change reduce the chance of damages from events and the impact magnitude, making the asset more resilient to these events.</p>

TRANSITION RISKS

Table 11. The Group identified climate transitional risks

CATE GORY	RISK	DESCRIPTION	INDICATIVE IMPACT	MATERIA LITY	IMPACT MITIGATION ACTIONS	EFFECTS ON THE GROUP RESILIENCE
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POLICY AND LEGAL	ENVIRONMENTAL REGULATIONS AND CARBON TAXES	<p>The potential change related to new or amending existing regulations, may have implications for the GHG emissions-reporting obligations and Carbon Taxes leading to the increase of the fixed and variable costs associated with carbon emissions generated by the Group</p> <p>The Group is already involved in the Emission Trading Scheme (EU ETS), given the nature of the activities carried out, specifically with the plants in Scanzorosciate, San Giovanni Valdarno and Ravenna and the modification of the current regulations, requiring a greater effort to reduce GHG emissions, will result in an increase in the price of GHG emissions.</p> <p>Several countries, particularly Europe, are setting up or planning new regulations, such as the European Union’s Carbon Border Adjustment Mechanism (CBAM) Regulation. The first years of CBAM implementation will not include the main goods imported by the</p>	<p>Actual:</p> <ul style="list-style-type: none"> - Enhanced emission-reporting obligations; - Increased costs for GHG emission directly generated by the Group; - Increased indirect costs for GHG emissions generated by the suppliers involved in carbon pricing systems; - Increase of competition due to more favorable legislation in other Countries. <p>Potential:</p> <ul style="list-style-type: none"> - Increased pricing of GHG emissions; - Increased capital expenditures (e.g., less emissive 	<p>SSP2 - RCP4.5</p> <p>HIGH</p> <p>SSP5 - RCP8.5</p> <p>MEDIUM</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - Mitigation of carbon emissions through enhanced manufacturing efficiency and use of energy coming from renewable sources; - Well-structured monitoring of carbon pricing, in order to comply with the requirements of the ETS, to which the Group is subject; <p>Potential:</p> <ul style="list-style-type: none"> - Implementation of a market benchmark and annual carbon costs of plant and country; 	<p>Mitigation of Group’s carbon emissions covered by the ETS could lead to a reduction of the cost associated with it.</p> <p>A well-structured carbon pricing monitoring will reduce the potential impacts on the Group concerning variability of the carbon tax within the market.</p> <p>A country specific carbon cost benchmark allow to monitor more efficiently regulation and taxes, in order to prevent sudden of GHG emission cost related increase.</p> <p>Specific contracts with suppliers allow to reduce variability of cost due to future or more strict climate-related regulations, leading to an increase of the resilience of the Group.</p>
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		<p>Group but is likely that some of them will be included in the future.</p> <p>The Group failure to manage climate issues could make it unprepared to respond to potential future laws or environmental regulations related to Carbon Taxes.</p>	<p>machineries);</p> <p>- Decreased revenues due to reduced demand for products.</p>		<p>- Development of contracts with suppliers with clauses dedicated to protecting against potential future changes and cost increases.</p>	
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MARKET	CUSTOMERS AND STAKEHOLDER PRESSURE	<p>Growing environmental awareness among customers and stakeholders is leading to reduced demand for products that generate high level of GHG emissions. The absence of a proactive approach by the Group on these topics could result in a decline in revenues and market share, causing a significant loss of value for the Group. In addition, due to demand to reshape products, the Group could also face increased costs associated with technological change and the need to implement new low-carbon solutions.</p>	<p>Actual:</p> <ul style="list-style-type: none"> - Increased R&D cost; - Change in customers behavior. <p>Potential:</p> <ul style="list-style-type: none"> - Increased costs for certain raw materials; - Increased capital expenditures to produce less emissive products; - Decreased revenues due to reduced demand. 	<p>SSP2 - RCP4.5</p> <p>MEDIUM</p> <p>SSP5 - RCP8.5</p> <p>LOW</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - Processes for developing LCAs on products sold in order to propose less impactful products to customers - the Group is among the founding partners of the Hydrogen Joint Research Program (JRP) to investigate possible solutions in the hydrogen value chain <p>Potential:</p> <ul style="list-style-type: none"> - Development of eco-design processes in order to minimize the environmental impacts of products 	<p>The mitigation actions identified allow the Group to increase its positioning in market areas that will be more common among final consumers and costumers, making the business more resilient to the changes expected from the actual market trends.</p>
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					<p>sold, throughout the life cycle</p> <ul style="list-style-type: none">- Together with other industrial stakeholders design and build pilot project for the industrial development of new technologies/products dedicated to the hydrogen value chain.	
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TECHNOLOGY	INDUSTRY SHIFT TO LOW-CARBON TECHNOLOGIES	<p>The ongoing climate transition is leading a wave of innovative and environmentally responsible technologies in the market. As these new, sustainable technologies spread in the manufacturing industry, the Group may find itself pushed to invest in Research and Development (R&D) initiatives with the aim of developing new best practices. This entails an increase in the costs of technology investments and training to the employees. Ineffectively managing these transitions could result in a decline in productivity, increased personnel costs, and long-term value losses.</p>	<p>Actual:</p> <ul style="list-style-type: none"> - Increased R&D cost to transition to lower emissions technology. <p>Potential:</p> <ul style="list-style-type: none"> - Increased costs to adopt/deploy new practices and processes; - Increased capital expenditures in technology development; - Decreased revenues due to reduced production capacity. 	<p>SSP2 - RCP4.5</p> <p>MEDIUM</p> <p>SSP5 - RCP8.5</p> <p>LOW</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - Energy efficiency activities on existing machineries and processes <p>Potential:</p> <ul style="list-style-type: none"> - Development of eco-design processes in order to minimize the environmental impacts of the production processes 	<p>The initiatives to improve the energy efficiency of machinery and the study of eco-design strategies, through dedicated R&D activities, will allow the Group to be aligned with the technological changes that will develop in the coming years, thus making it more resilient.</p>
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REPUTATIONAL	REPUTATIONAL	<p>Companies taking part in industrial activities that contribute to climate change and environmental degradation face growing reputational risks. Non-profit organizations and other public-interest entities have begun running campaigns against companies linked to the climate crisis. As investor concern about the value of their investment grows and as campaigns highlighting the impact of commodities-driven activities gain attention, companies are beginning to respond to the criticisms that they face.</p> <p>The potential failure to achieve the objectives set and communicated by the Group could have a reputational impact on the latter. In addition, the industry’s emissions footprint and intensity could lead to a negative perception and reduced appeal among external stakeholders such as customers or investors.</p>	<p>Actual: N.A.</p> <p>Potential: - Decreased revenues due to the deterioration of the Group reputation.</p>	<p>SSP2 - RCP4.5</p> <p>LOW</p> <p>SSP5 - RCP8.5</p> <p>LOW</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - Monitoring environmental KPIs associated with the main environmental impacts related to the Group activities - Disclosure of the Group commitment to reducing the environmental impacts of its activities, including GHG emissions <p>Potential:</p> <ul style="list-style-type: none"> - Increased effort through the definition internal and public targets to reduce the environmental impact of its activities 	<p>The clear and constant monitoring and reporting of the Group's main environmental KPIs allows it to have a better reputation concerning these topics, making the Group's commitment and transparency explicit.</p> <p>The future definition of internal and external targets with respect to these issues will make the Group’s commitment even more concrete, reducing the possible repercussions in terms of reputation.</p>
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OPPORTUNITIES

Table 12. The Group identified climate opportunities

CATEG ORY	OPPORTU NITY	DESCRIPTION	INDICATIVE IMPACT	MATERIALIT Y	ACTIONS
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ENERGY SOURCES	USE OF LOWER-EMISSION SOURCES OF ENERGY	<p>Achieving significant greenhouse gas (GHG) emission reductions requires innovation and the continuous evolution of technologies and energy sources. This, for the Group, can be a climate change-related opportunity that is already leading it to actively explore collaboration with experts from various disciplines to discover new approaches for enhancing its environmental performance. The Group is committed to substantial investments in research and development (R&D) and specifically examines the energy-intensive aspects of its processes, actively seeking opportunities to leverage new technologies that can maintain or improve performance and efficiency while concurrently reducing GHG emissions.</p> <p>The Group is currently investing in different lower-emission energy sources projects and emission-reducing technologies in order to achieve greater technological maturity and reduce the energy consumption and costs related to its activities.</p>	<p>Actual: N.A.</p> <p>Potential:</p> <ul style="list-style-type: none"> - Decrease in energy cost due to efficiency gains; - Decrease in carbon costs; - Reduced exposure to future fossil fuel price increase; - Returns on investment in low-emission technology. 	<p>SSP2 RCP4.5 HIGH</p> <p>SSP5 RCP8.5 MEDIUM</p>	<p>Implemented</p> <ul style="list-style-type: none"> - Installation of PV plant - Realization of an industrial-scale pilot plant that will test the recycling of off-gas from the reaction of the fluid-bed maleic anhydride plant to assess the possibility of its utilization for the subsequent production of hydrogen and its use in the process <p>Potential</p> <ul style="list-style-type: none"> - Complete development of an off-gas recovery system coupled with an electrolyser for the production of hydrogen and oxygen to be used in production processes - Experimentation of a CCU/CCS plant at the Ravenna plant;
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MARKET	ACCESS TO NEW MARKETS	<p>The Group has identified the hydrogen supply chain as one of the main climate change opportunities, considering its increasing importance in the industrial sector. In fact, the demand for hydrogen, the manufactures to handle it and new infrastructure related to it will be exponential, considering that the annual production of low-emission hydrogen could reach 38 Mt in 2030, according to IEA estimates. The hydrogen production will be paired with enormous investment in innovative solutions for its efficient transportation, development of advanced storage systems, exploration of electrochemical and thermal applications in residential, industrial, and transport sectors.</p> <p>Leveraging its industrial expertise in the chemicals sector, the Group seeks a prominent role in the development of hydrogen, which, serving as both a raw material and an energy vector, is poised to become a key player in the ecological transition in the coming years.</p>	<p>Actual:</p> <ul style="list-style-type: none"> - Attraction of new investments due to innovative research. <p>Potential:</p> <ul style="list-style-type: none"> - Increased revenues through access to new and emerging markets; - Positioning as a leader of the new emerging market. 	<p>SSP2 RCP4.5 HIGH</p> <p>SSP5 RCP8.5 MEDIUM</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - The group is among the founding partners of the Hydrogen Joint Research Program (JRP) to investigate possible solutions in the hydrogen value chain <p>Potential:</p> <ul style="list-style-type: none"> - Together with other industrial stakeholders design and build pilot project for the industrial development of new technologies/products dedicated to the hydrogen value chain
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PRODUCTS	DEVELOPMENT AND/OR EXPANSION OF LOW EMISSION GOODS	<p>Electric cars are essential for a sustainable future, one of the solutions to reduce GHG emissions and addressing environmental criticism. Their adoption is crucial in decreasing reliance on fossil fuels, combating air pollution, and promoting a shift towards renewable energy sources. Pivotal importance has the batteries industry, fact confirmed by the projection of the global electric vehicle battery market size, which is expected to reach USD 198.9 billion by 2030, growing at a CAGR of 21.1% from 2023 to 2030.</p> <p>Specifically, the group supplies materials for the manufacture of numerous car components and, in particular, electric batteries. Providing materials for automotive components with lower emissions deriving from their production can be a big opportunity related to climate change. Guaranteeing not only a lower impact in terms of GHG emissions but also high chemical and physical characteristics will allow the group to expand the market in this sector and guarantee positive financial impacts.</p>	<p>Actual: - N.A.</p> <p>Potential: - Increased revenues resulting from increased demand for products.</p>	<p>SSP2 RCP4.5 HIGH</p> <p>SSP5 RCP8.5 MEDIUM</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - Various LCA analysis to guarantee certified sustainability performances of the Group products - Potential: <ul style="list-style-type: none"> - Increase specific product production capacity in order to satisfy the market request and increase revenues
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PRODUCTS	SHIFT IN CUSTOMERS' PREFERENCES	<p>The Group has observed a growing interest among customers seeking to diminish the environmental footprint of their products, driven by shifts in costumers' preferences. These evolving dynamics are anticipated to boost the sales of less carbon intensive products, as customers actively seek more sustainable and circular materials and products.</p> <p>This can be an opportunity for the Group, also in consideration of various initiatives already put in place in the composite production sector. The Group is working in order to develop products completely made of recycled raw material, thanks to the application of specific chemical processes, which are able to transform wastes otherwise not recyclable. Those new solution will be more specific sustainability performances and, at the same time, being more aligned with the costumers' preferences.</p>	<p>Actual: - N/A</p> <p>Potential: - Better competitive position to reflect shifting costumers' preferences, resulting in increased revenues; - Better reputational positioning reflecting in increased revenues.</p>	<p>SSP2 RCP4.5 MEDIUM</p> <p>SSP5 RCP8.5 MEDIUM</p>	<p>Implemented:</p> <ul style="list-style-type: none"> - establishing partnerships with other stakeholders in the plastics industry for the recycling of composite materials through pyrolysis and the exploitation of pyrolysis oil (Korec process); <p>Potential:</p> <ul style="list-style-type: none"> - Conducting specific studies (Product carbon footprint and LCA Analysis) to certify the lower environmental impact of products
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METRICS & TARGETS

Disclosure requirement: (g) a description of the targets used by the Group to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and (h) a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

Specific metrics and targets relating to risks and opportunities have not yet been defined but should be set in the coming months. The Group is committed to annually monitoring some environmental KPIs, which are reported in the Sustainability Report and which will potentially be useful for monitoring progress against the future targets defined.

For example, Scope 1, Scope 2 (calculated using the location-based method), and Scope 3 emissions—covering (i) purchased goods and services, (ii) business travel, and (iii) employee commuting—for 2022, 2023, and 2024 are presented below. Information for the year 2025 will be published in the Polynt Group Sustainability Report.

Table 13. Group GHG emission calculation

Emission category	2022 (tCO ₂ e)	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Trend (2023-2024)
Scope 1	425,318.69	403,666.87	412,225.10	2.12%
Scope 2 - LB	80,468.25	72,335.14	62,719.70	-13.29%
Total (Scope 1 + 2 LB)	505,786.94	476,002.01	474,944.80	-0.22%
Scope 3	2,128,514.34	2,236,786.82	2,134,414.49	-4.58%
Total (Scope 1 + 2 + 3)	2,634,301.28	2,712,788.83	2,609,359.29	-3.81%

Please note that the Sustainability Report annually reports other relevant environmental KPIs, including details of the main sources of impact.

GROUP STRUCTURE (AS OF 31ST DECEMBER 2025)

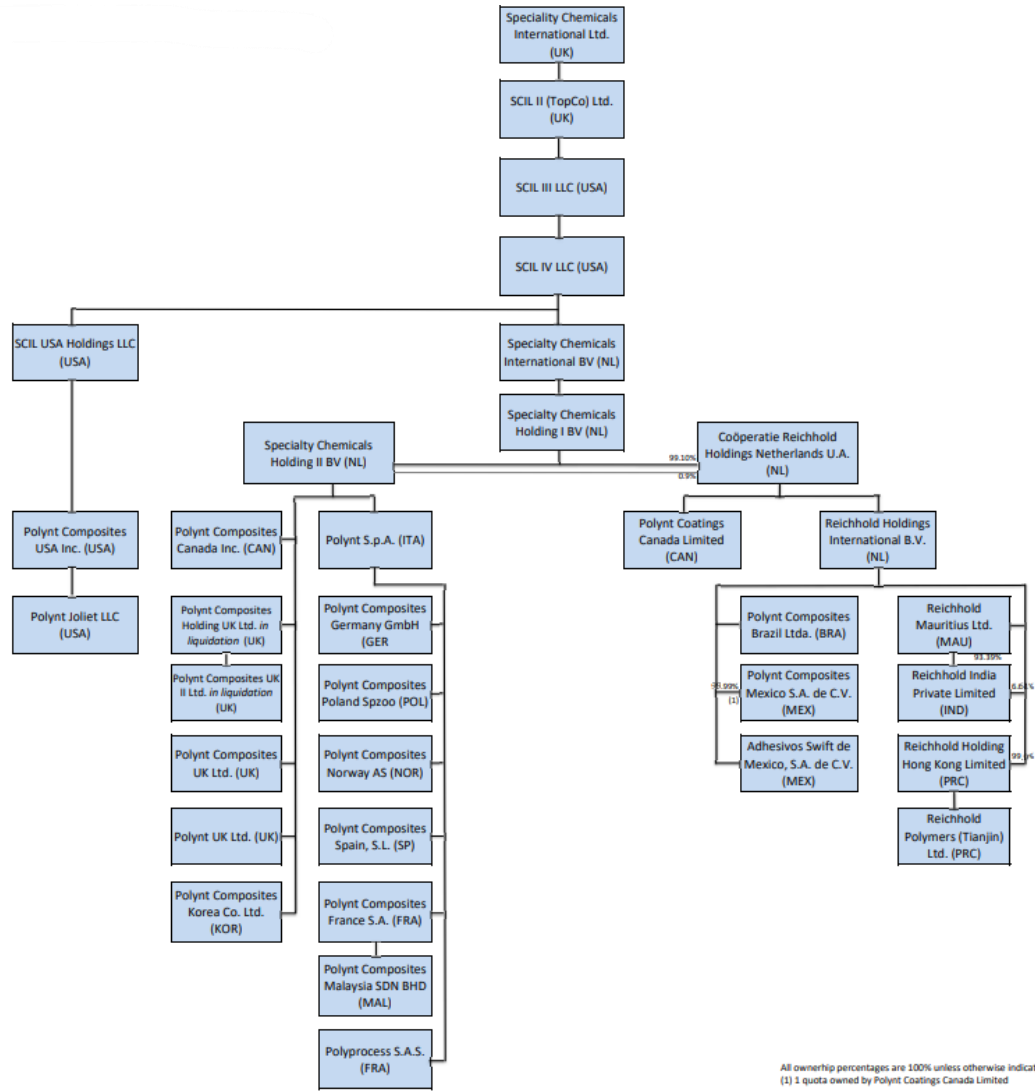


Figure 2. The Group Structure



CONTACTS AND OTHER INFORMATION

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