



**SUSTAINABILITY**  
REPORT  
**2023**

# SUSTAINABILITY REPORT

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# 2023

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**Sustainability** for change,  
**Responsibility** as a value choice,  
**Innovation** as a vocation.



## LETTER TO STAKEHOLDERS

I am pleased to welcome you at this time, which sees the publication of the **fifth edition of our sustainability report**. It is a privilege to be able to share the progress and efforts that Italcimica have made in the field of **corporate social responsibility**.

I would particularly like to highlight the efforts we have made to measure and reduce our carbon footprint, as this plays a key role in our business strategy. The report describes how we have obtained precise measurements of our carbon footprint, and these data not only allow us to assess our environmental impact, but also provide us with a solid basis for making significant improvements to all our projects and operations.

I would also like to draw attention to a special initiative by Italcimica to promote responsible and transparent governance: the launch of the **Green Change Award**, within the context of our Green Change Matters programme for sustainability. This award actively involves all our employees and collaborators in the process of defining and implementing actions that promote Environmental, Social and Governance (ESG)

standards. The **Green Change Award** has led to greater involvement and collaboration at all levels of the organisation in pursuing our common sustainability goals, producing a sense of belonging and inspiring creativity and innovation. This award is designed to put the needs and expectations of our stakeholders right at the heart of our corporate philosophy.

We believe that active listening and dialogue are crucial to ensure a future for our company that is based on responsible governance, transparency and ethics, and an organisational culture grounded in integrity and inclusiveness.

We are proud of the progress we have made so far and are determined to continue along this path, working together with all our stakeholders to build a more sustainable future for generations to come.

**Alessandro Fioretto**  
Italcimica CEO

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# METHODOLOGICAL NOTE

The Sustainability Report 2023 was written “in accordance” with the **Global Reporting Initiative's Sustainability Reporting Standards** (or more simply, GRI Standards), updated to 2023.

These standards, to date, are among the most widespread and internationally recognised standards for non-financial reporting. In order to facilitate the reader’s search for information, the last chapter in this document contains the GRI Content Index where the GRI indicators associated with each material topic can be found.

## Applied reporting standards

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

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

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

## Reporting Year, Scope and Principles

The Document reports on Italcimica Srl's impacts, goals and strategies during the 2023 calendar year (time interval between 1<sup>st</sup> January 2023 and 31<sup>st</sup> December 2023).

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

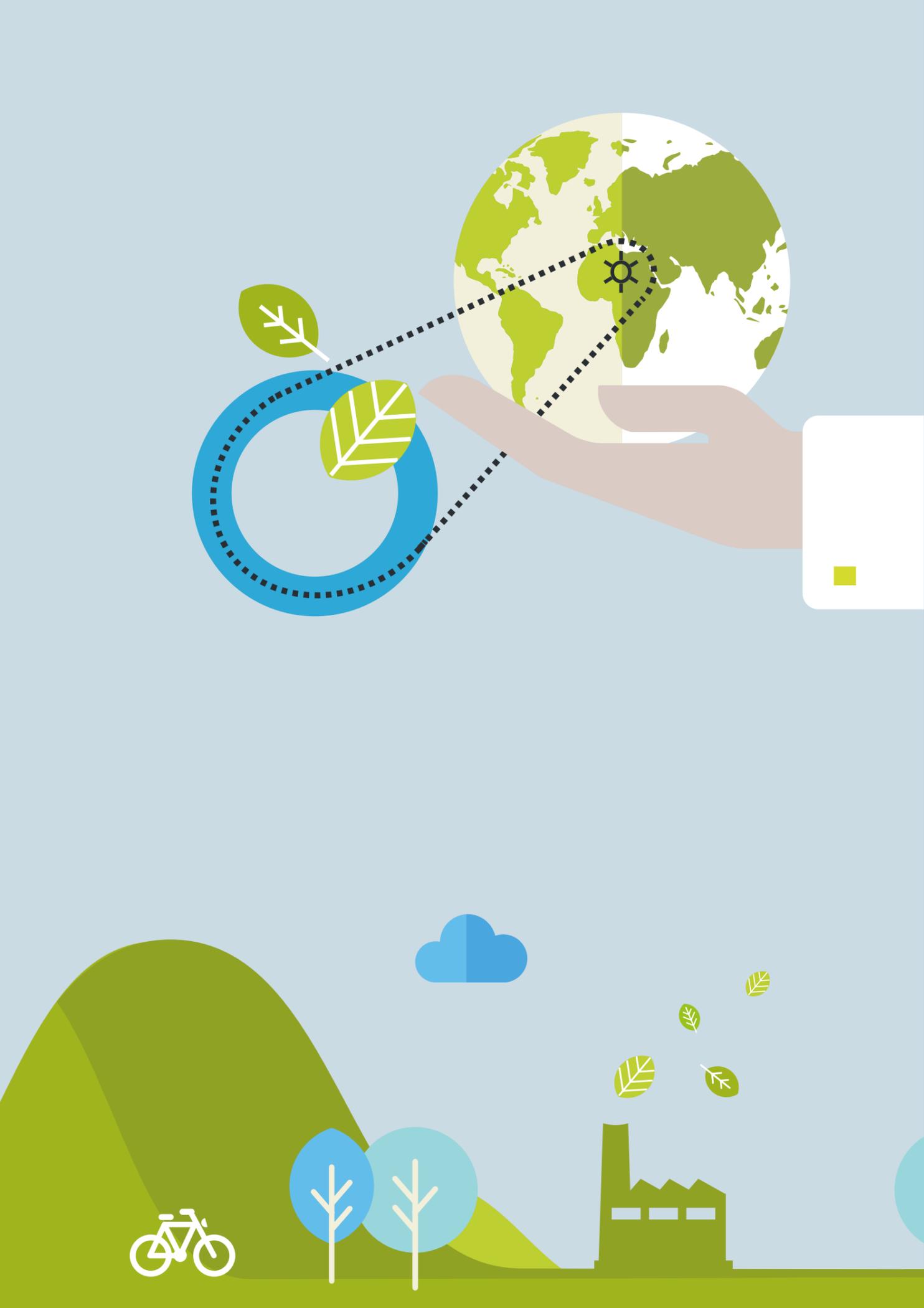
Reporting and preparation of the Report took the following principles into account:

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

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

For information on the Sustainability Report 2023, please write to [greenchangematters@italchimica.it](mailto:greenchangematters@italchimica.it)





01



## CORPORATE IDENTITY

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**We are a company** able to give an important boost to the local community.

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

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



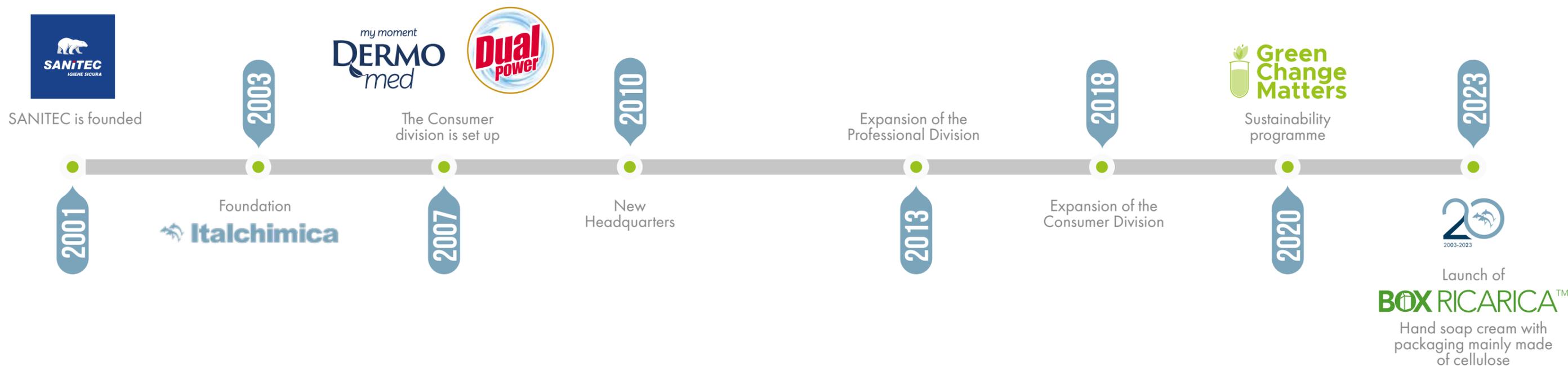


# OUR BACKGROUND

It all began in **2001** with the creation of a professional **cleaning line: Sanitec**

The commercial success of the Sanitec range led Alessandro Fioretto to found Italchimica in 2003, together with his brothers Fabrizio, Marco and their father Nunzio. The company is based in Padua, in northern Italy, an area known for its technical and scientific

expertise, industrial progress and logistical resources. In this context, a small business specialising in professional detergents was able to grow, and to become a key player in the detergent and cosmetics sectors over the course of the next 20 years.



# DEVELOPMENT OF GOVERNANCE AND CODE OF ETHICS

A **robust and evolving system of governance**, combined with the application of a **code of ethics**, has allowed us to embark on a **process of integrating sustainability** into the company's business model.

## Governance

Italchimica is the manufacturing company of the NFH holding group, owned by the Fioretto family. In legal terms, the holding structure is a single-member limited liability company. The type of governance structure adopted is traditional.

The board of directors devises strategies, sets economic and organisational goals and defines the company's investment policy. At Italchimica, the sound family governance is effectively supported by the company's management, who the owners share growth and development strategies with, and entrust the planning of medium- and long-term actions to, aimed at keeping up the company's growth as an innovative player in the industry. This approach, essentially the stability of a family business combined with the proactivity of an involved management, results in the creation of value in both the short and long term.

The conduct of the staff is then governed by an integrated organisation and management model that includes the following fields of competence: quality,

safety, environment and administrative responsibility. Special training is regularly carried out on issues pertaining to the integrated organisation and management model for all employees and any staff working within the company or for the company. A supervisory body including three members, one of whom is always external to the company staff and has the role of President, is in charge of checking compliance with the procedures required by the Model.

This body has independent initiative and control powers and is responsible for supervising the Organisation, management and control model for proper functioning and compliance, pursuant to Italian Legislative Decree 231/2001, as well as to updating it. All employees and stakeholders can contact the Supervisory Body for specific requests, or to report incorrect behaviour or any conduct that is not in line with the corporate culture by people involved in the company. This tool guarantees intra-company transparency and fosters the development of adequate, timely solutions.



## Sustainability structure

Italchimica laid the foundations for its Sustainability Structure in 2019. The aim of this is to ensure the important issues are examined, and the ESG indicators are properly monitored, to evaluate the impacts of the company's operations and to provide support for its internal structures. We established a special working group, which has grown in strength over the years and is responsible for drafting an annual Consolidated Non-Financial Statement and for promoting the spread of ESG culture both inside and outside the company.

During 2024, the need emerged to set up a sustainability team: a group of ambassadors for

sustainability issues based within the various company structures, and responsible for improving stakeholder engagement and monitoring sustainable projects and initiatives. The team works in tandem with the company management, and aims to promote a culture of sustainability at every level.

By 2025, Italchimica's board of directors aims to establish a sustainability committee, made up of managerial staff. They will have an investigative and advisory role, and will be tasked with assessing the company's positioning and coordinating all the activities required for achieving the strategic sustainability goals.

## Code of ethics

Italchimica began sharing its ethical code with all its stakeholders in 2023. This sets out the values and principles of behaviour that underpin our corporate culture and that should inspire the daily work of everyone who is part of our company. This document is given maximum exposure, as it is displayed both on the company's bulletin board and on our website at: [www.italchimica.it](http://www.italchimica.it). The code requires real commitments by our stakeholders: to protect individuals and the integrity of our business (anti-corruption), to uphold quality, to reject forced and child labour, to fight discrimination, and to promote fair treatment at work, freedom of association, health and safety in the workplace, and environmental protection.



# OURS VALUES

## Transparency

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



## Readiness

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



## Creation

We are inquisitive and open to change, we can accomplish great things. Our professionalism, technical expertise and innovative flair have allowed us to develop and innovate, always adopting a flexible approach.



## Trade Associations

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



## System certifications



## Product certifications

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



Italian certification  
for disinfectant products

# ITALCHIMICA SITES

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

The main facility covers an area of 25,000 sqm and consists of an office building and a manufacturing plant where In-bound logistics processes are also managed, i.e. raw materials procurement and storage ones.

Products are implemented and fully managed in-house - from designing through to manufacturing bottles and formulations, up to filling and shipping.

Italconica's 20,000 sqm logistics hub manages Out-bound logistics, namely finished product storage and distribution for both corporate divisions. The logistics hub is active 24/7 and has a current capacity of 20,000 pallet spaces.



# OUR BRAND PORTFOLIO

With its **innovative spirit and creative flair**, Italtchimica manufactures and sells effective, safe and sustainable detergents and cosmetics for the professional and consumer market, building **transparent and trustworthy** relationships with all its stakeholders.

## Professional line

Our **Sanitec**, **Domina** and **Matrix** brands for professional use, are designed to cover the needs of cleaning companies, the Ho.Re.Ca. sector, hotels, industry, laundries, welfare centres and medical and health facilities.



## Professional



## Consumer

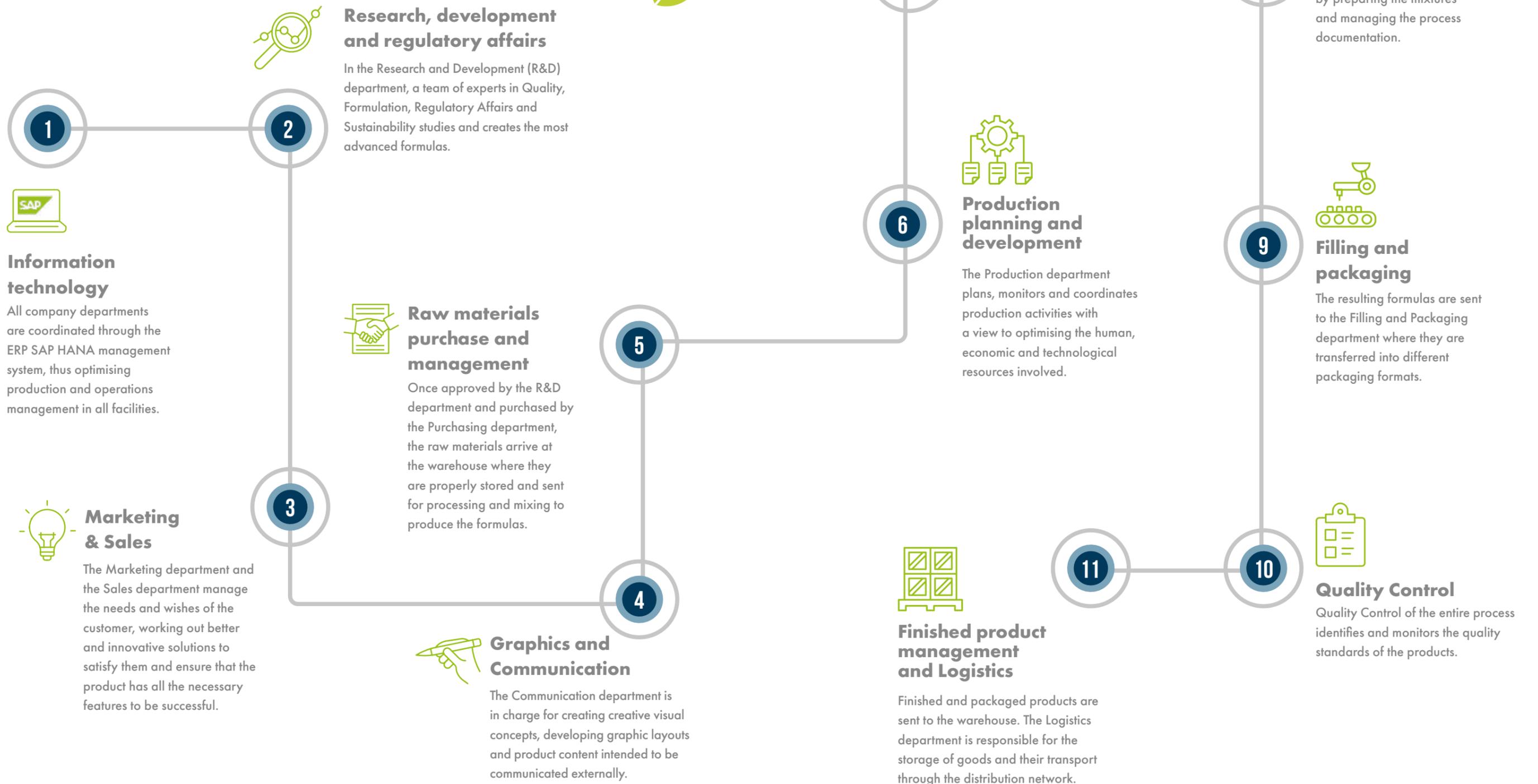


## Consumer line

Our detergent, disinfectant and cosmetic formulations for home care and personal care are distributed in the consumer channel under the **Dual Power** and **Dermomed** brands.



# PRODUCT CREATION CHAIN



## F.I.F.O.

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

## HOLESS

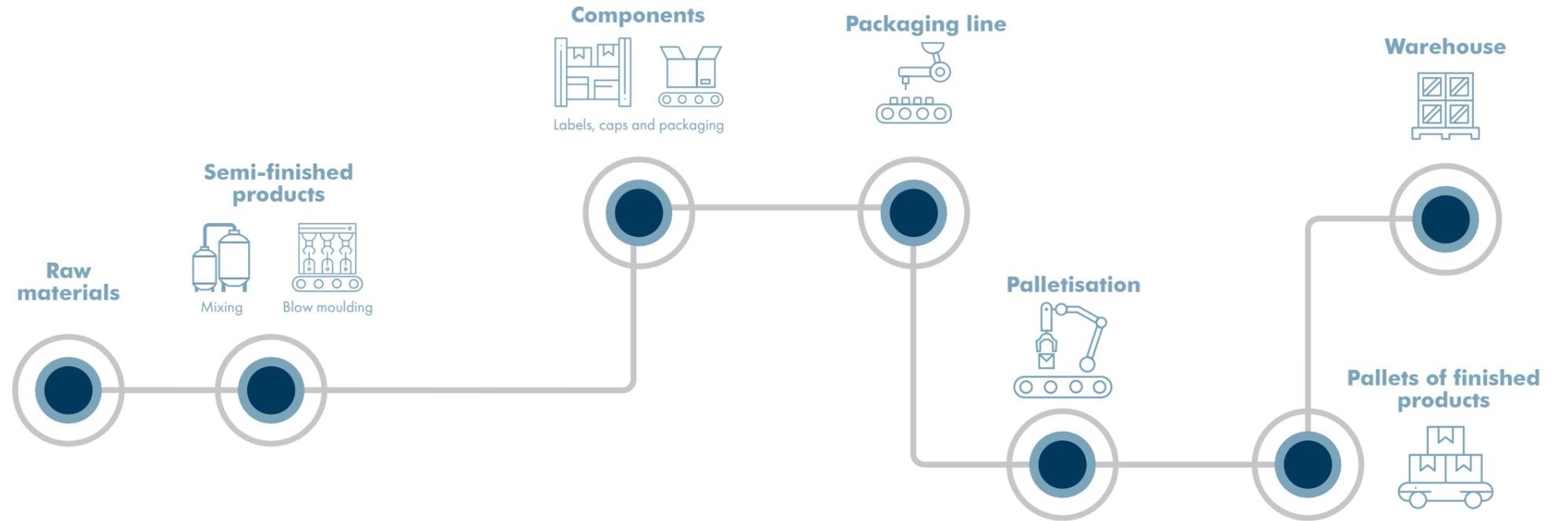
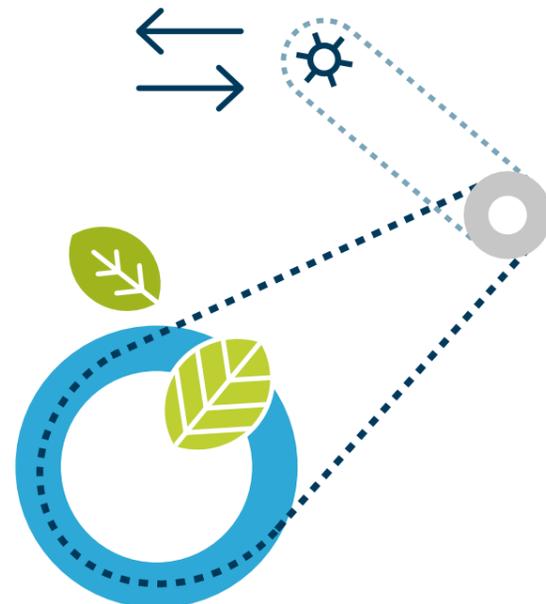
During the bottle manufacturing process, an automatic system checks for defects on the bottle surface by blowing air. This guarantees the automatic rejection of the bottle if faulty.

## HEDOSY

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

## CTRL EYES

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



# PRODUCTION PROCESS AND PRODUCT QUALITY

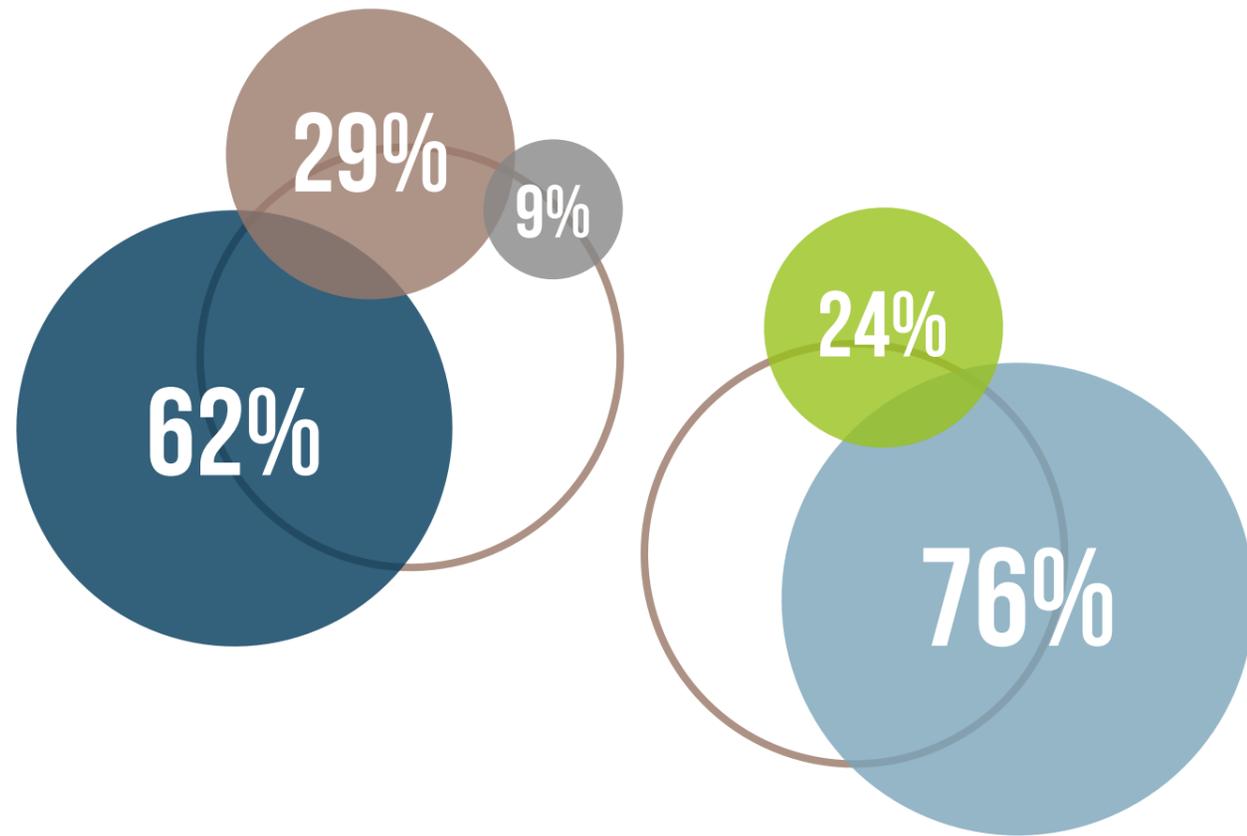
By leveraging a strong investment policy that has been implemented in its various key departments in recent years, Italchimica manages the whole product creation and production chain, from blow moulding bottles, through to mixing products up to shipment, in-house.

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

Italchimica's results are evidence of the long work that we have been carrying out to date, in keeping with high quality standards and in full compliance with relevant regulations.

During the various manufacturing stages, Italchimica makes use of specific control systems in order to guarantee high quality levels of the finished products, in terms of reproducibility, completeness and accuracy.

# THE **TURNOVER** FIGURES IN **2023**



CORPORATE  
TURNOVER IN 2023   
**79 MILLION**  
FROM OPERATING INCOME STATEMENT

**55**   
COUNTRIES TO WHICH  
WE EXPORT  
OF WHICH ITALY AND 90% EU

**10**   
PACKAGING  
PRODUCTION LINES

 STORAGE  
CAPACITY  
**1,500,000** kg  
RAW MATERIALS AND COMPONENTS

**6** OWNED BRANDS 

 PIECES SOLD  
**52 MILLION**

**13**   
IN-HOUSE BOTTLE  
MANUFACTURING  
PLANTS

 PALLETS/  
YEAR  
**104,000**



# 02



## STAKEHOLDER ENGAGEMENT

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**It is crucial to listen to stakeholders** in order to properly understand and assess their interests.

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For Italcimica, it is vital to **constantly focus** on what matters to our internal and external stakeholders, including customers, consumers, communities, investors, suppliers and employees, **if we are to meet the challenges of sustainability.**

**It is crucial to listen to stakeholders** in order to properly understand and assess their interests. **Dialogue is essential** to the process of setting out and implementing the company's strategies and actions.



# CATEGORIES OF ITALCHIMICA STAKEHOLDERS



## Customers-consumers

To ensure customer satisfaction and build trust, it is important to focus on creating products and services that meet their needs. To add real value it is vital to establish open dialogue, to communicate effectively, and to collaborate in bringing about constant improvements.



## Suppliers and financiers

It is essential to maintain mutually beneficial and trusting relationships with our suppliers and financiers, in order to implement our corporate sustainability strategy.



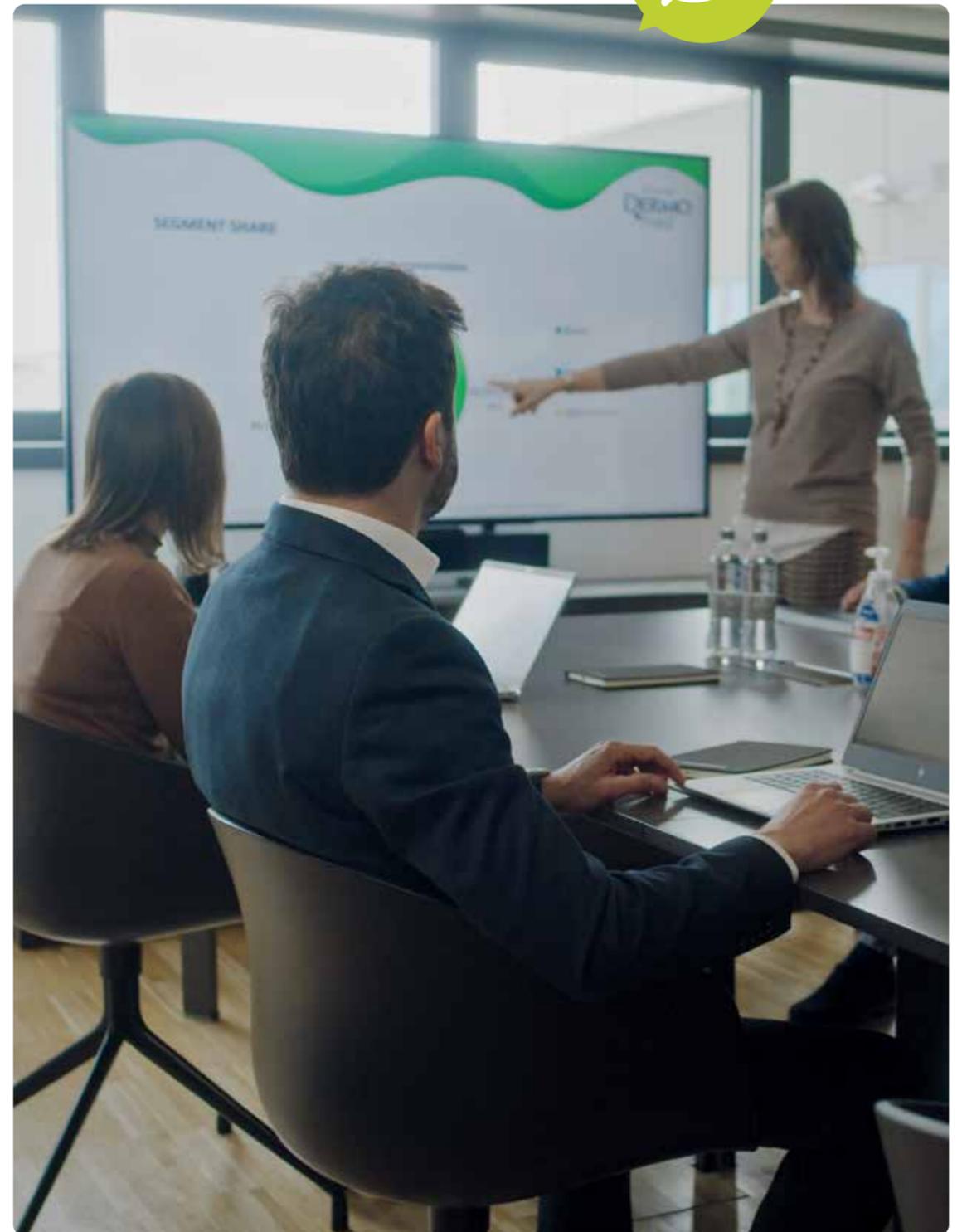
## Employees

Our employees are the heart of the company. It is vital to promote the growth of a culture that fosters a fair and inclusive working environment; a culture where all our people feel valued, whatever their traits or characteristics, and work together as responsible members of our various teams to promote innovation, to face common challenges, and to grow and develop alongside the company.



## Public authorities and trade associations

It is vital for us to work with public authorities to ensure legal compliance at European, national and regional levels, and our membership of the trade associations that deal with issues related to our business also plays an important part.



## Sharing

**SHARING** is a basic aspect of Italtchimica's approach to sustainability. For this reason, the company is actively involved in a series of initiatives to engage stakeholders in the issues that underpin the sustainability strategy. This open exchange creates a basis for mutual understanding and provides an opportunity to reach a consensus on business decisions. In addition, this ongoing dialogue is a source of new ideas and makes a significant contribution to innovation and risk management. It is also critical to the ongoing development of the sustainability strategy and the reporting of results.



## Listening and dialogue

**LISTENING** to our stakeholders seeks to identify and strategically measure their interests.

**DIALOGUE** is essential in pursuing the strategy and actions that the company implements.

By understanding specific needs and priorities, Italtchimica can manage the occurrence of potential critical issues beforehand and refine its actions in response to stakeholder interests. Identifying them and organising the most effective channels by constantly monitoring expectations, needs and opinions is the starting point for an effective engagement process.

In fact, Italtchimica is aware that the exchange of ideas constitutes mutual opportunities for growth and improvement.

Over the past few years, the company has committed itself to redesigning new ways of dialogue. This will allow interaction with the community with an increasingly innovative and digital approach. The aim is to continue to develop our methods of communication, to ensure they can adapt to different needs and contexts and help preserve lasting relationships.



The following chart sets out the various stakeholders, the channels of communication, and their expectations.

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



## CORPORATE SUSTAINABILITY TEAM

When creating this Sustainability Report, Italmichica adopted a similar approach to previous years, but made it more structured. The starting point was the process of stakeholder mapping, which has been carried out over the last three years. During the two years of 2023-2024, the company set up a Corporate Sustainability Team, consisting of managers from the various departments.

Each of these representatives plays the role of a real company ambassador, coordinating his colleagues and actively seeking to involve the various stakeholders, with the aim of improving the ways the company interacts with them, and how it collects the good quality data required for studying

material issues. This method of engagement allows us to gather more information about the expectations of our employees, customers and suppliers. Finally, the active involvement of the team members helps us to identify the main issues we need to focus on, in order to improve our sustainability strategy.

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



# SUSTAINABILITY FOR OUR **STAKEHOLDERS**

**Italchimica involves its stakeholders** by using increasingly targeted and effective channels of communication, raising their **awareness about sustainability** and its various themes, and so increasing their understanding and **enlisting their support**.

The study covers various categories of stakeholder and confirms the current demand for, and acceptance of, sustainable business models and strategies. This shows a clear change in values and in the market.



## Employees



The results of an internal survey in 2024, conducted on a statistical sample of 127 employees (from our offices, and production and logistics departments), indicated that they were all well aware of the concept of sustainability. This is also related to the interest they have shown in the Sustainability Report (the document has been read by almost 70% of the sample). 79% are aware of the company's efforts and strategy, thanks to Green Change Matters.

The survey also showed that for 90% of respondents their purchasing choices are considerably influenced by the concept of sustainability behind a particular product or service. This percentage is consistent with the trend showing an increasing focus on the subject by the average national and European consumer.

When asked about their sense of participation and the degree to which the strategy is shared, up to 94% of the sample said they felt involved in the company's programme. However, 39% expressed a desire to take a more active role in planning for the near future.

This year, employees also gave their opinions about the areas in which they would most like to see future investments. The survey showed that the main concerns at a social level are health and safety at work, the development of human capital, and the provision of financial help for climate risk management in the region. In the environmental context, the topics of greatest interest were reducing CO<sub>2</sub> emissions, saving water, and investing in research and development for a circular supply chain (using renewable and biodegradable raw materials, and those obtained from reuse and recycling).

\*Scope 1: direct greenhouse gas emissions from sources that the organisation owns or controls.  
Scope 2: indirect greenhouse gas emissions caused by the generation of electricity, heat or steam from sources purchased and used by the organisation.

## RELEVANT AREAS OF THE FUTURE

● Environmental issues ● Social issues

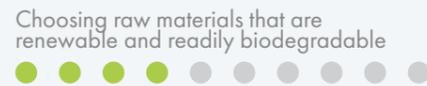
0 50% 100%



## RELEVANT AREAS OF THE FUTURE

● Environmental issues ● Social issues

0 50% 100%



## Customers

The 2024 survey involved a statistical sample of 84 customers in the B2B and B2C markets, of whom more than 70% are based in Italy. The results showed that more than half the sample were familiar with Italtchimica's sustainability programme, and considered it vital that the company implements an ESG (Environmental, Social and Governance) strategy.

84% of the sample were very concerned about sustainability issues and considered it essential to invest in sustainable products

As the chart shows, customers currently think that the most important social areas to invest in are the health, safety and personal development of employees, in addition to indirect investments to protect the region and the local community.

With regard to environmental issues, customers are particularly concerned about responsible product formulation and sustainable packaging, as well as waste management and product end-of-life.

\*Scope 1: direct greenhouse gas emissions from sources that the organisation owns or controls.  
Scope 2: indirect greenhouse gas emissions caused by the generation of electricity, heat or steam from sources purchased and used by the organisation.

## Suppliers



Among our suppliers, 128 responded to the survey. 94% of respondents believe that sustainability and sustainable procurement criteria are becoming the main driving force behind the future of supply.

With respect to this, over 90% of suppliers stated that they have undertaken a long-term sustainable development plan. Almost 80% of respondents are aware of Italtchimica's sustainability programme.

According to the survey, our suppliers consider it important to invest not only in addressing social concerns, but also in sourcing renewable energy to reduce emissions, and in improvements to packaging, with the use of recycled and recyclable materials.

It is a positive sign that more suppliers are now acceding to customers' demands for sustainability, but many have yet to do so. That's why it is important to continue with the engagement plan.

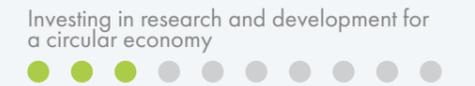
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## RELEVANT AREAS OF THE FUTURE

● Environmental issues ● Social issues

0 50% 100%





# 1<sup>ST</sup> EDITION OF THE GREEN CHANGE AWARD

The participants made **concerted efforts** to involve as many people as possible, spreading the **information** required to build a **culture of sustainability** and gathering the opinions of as many as 1645 people.

During the two-year period 2023-2024, Italcimica set up the annual Green Change Award. The scheme has two main goals: achieving the annual objectives of the company's agenda with the work of the Sustainability Team, and securing the involvement of our stakeholders with the help of company personnel.

Indeed, with support and mediation from the Sustainability Team, all the workforce were able to take part in a challenge which involved dispensing and collecting the largest number of sustainability questionnaires to end consumers. At the end of the challenge, the company announced the top ten in the ranking, and presented awards to the first three at a special event.



The winners of the Green Change Award:  
from left to right: Sara Sivocci 3rd place, Gionata Giannone 1st place, Carolina Carli 2nd place

An analysis of the results shows that 36% of consumers are very familiar with sustainability issues, 59% say they have heard of them, and 4% admit to having an insufficient knowledge of the subject.

64% of respondents see it as important to their purchasing choices that a product or service has eco-friendly characteristics.

The most important environmental issues for end consumers are:

- preserving water resources, developing more concentrated formulas, optimising water management to limit the impacts of packaging and transport (45% of the votes).
- Opting for renewable and easily biodegradable raw materials to formulate our detergent products (42% of the votes).



- Using recyclable packaging for our products and always using recycled plastic if plastic is required (36% of the votes).

- Using alternative materials to plastic for packaging products (29% of votes).

The following social actions are important to the sample in the study:

- promoting the well-being and health of workers by respecting safety standards and encouraging the necessary training to improve an awareness of risks in the workplace (84% of the votes).
- Investing in the ongoing training and professional development of workers (67% of the votes).
- Promoting gender equality (49% of the votes).

# MATERIALITY ASSESSMENT



When drawing up its **2023 Report**, Italcimica conducted a Materiality Assessment, which examined and evaluated the **importance of various environmental, social and economic aspects**. Transparency was a basic principle behind this study.

When drawing up its 2023 Report, Italcimica conducted a Materiality Assessment, which examined and evaluated the importance of various environmental, social and economic aspects. Transparency was a basic principle behind this study.

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

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

After information was gathered from both external and internal sources and the various topics were set out, each stakeholder group was asked to assess the importance of these issues, ranking them on a scale of 1 to 5 or through multiple choice questions. The resulting data were examined and compared, and the ESG priorities for Italcimica and its stakeholders were displayed in the form of a chart. Following the approach advocated by the GRI and commonly adopted as part of the Sustainability

Reporting process, a materiality matrix was constructed showing the main results of the study and identifying the material issues that emerged from the stakeholder survey alongside those areas of greatest significance to Italcimica. The main areas of action remained virtually unchanged from previous years, confirming the successful involvement campaign and unchanged stakeholder interest.

- Social progress: growth, inclusion, equity and well-being of employees, partners and communities.
- Economic performance: investments and revenues for a resilient and circular future.
- Health and safety: good health and well-being of employees, business partners and the public.
- Environmental management: environmental compliance and sustainability assessment along the production chain.
- Energy and climate: energy saving, renewable energy and reduction of CO<sub>2</sub> emissions.
- Materials and waste: raw materials from renewable sources, biodegradability, packaging recovery and recycling.
- Water and wastewater: water conservation and biodegradability.
- Product innovation, quality and compliance.

The following material issues emerged from the materiality survey, and from those specifically aimed at stakeholders, and will be covered in later sections.

- Financial investments for managing the climate risk
- Financial contributions to health and environmental research projects
- Promoting or setting up recycling systems
- Training and developing employees
- Investing in research and development for a circular economy
- Investments for the local community
- Renewable energy sources
- CO<sub>2</sub> emissions
- Using alternative packaging materials
- Preserving water resources
- Promoting gender equality
- Protection of water resources (recovery of wash water)
- Reducing the volume of waste
- Occupational health and safety
- Raw materials that are renewable and readily biodegradable
- Using recycled and recyclable materials

One of the most recent topics to be added to the list is the matter of integrating climate risk into our business strategy. The perception of climate risk is now at an all-time high. Indeed, the issue emerged as a top priority at this year's World Economic Forum, the international summit at which politicians, entrepreneurs and members of civil society meet to debate the main political and financial issues of the day. In view of our upcoming Financial Report and adoption of the new European Sustainability Reporting Standards, together with the material issues covered by the Directive (EU) 2022/2464 – the Corporate Sustainability Reporting Directive (CSRD), the company is working on a project to manage the risk-opportunity balance. In this regard, the European Union's categorisation provides us with a real assessment of climate risk and business vulnerability.

In the social sphere, the company worked hard during 2023 to achieve UNI/PdR 125:2022

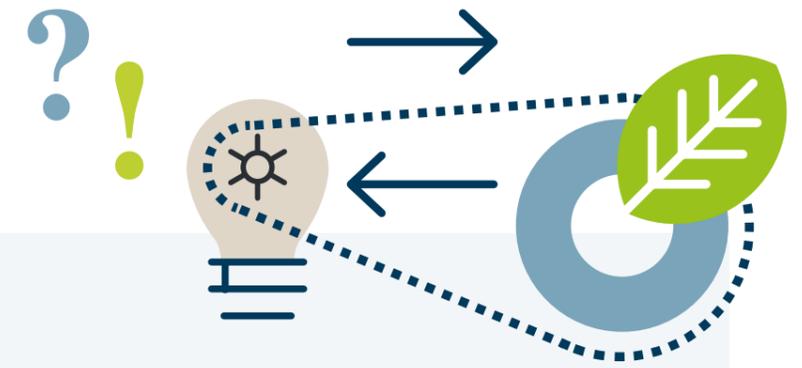
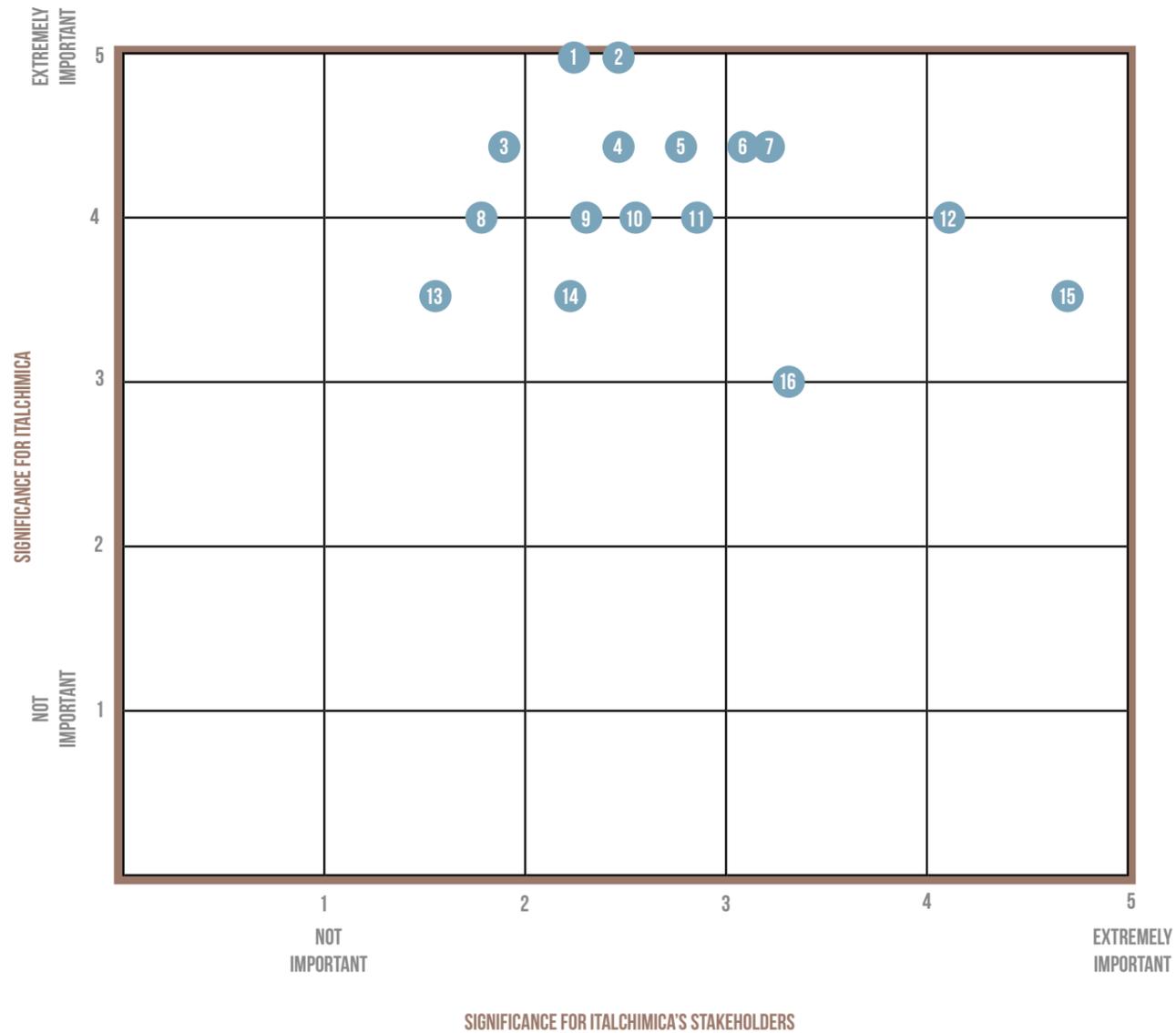
certification for Gender Equality, an issue keenly felt by our stakeholders. Gender equality is not only a fundamental human right, but also a necessary condition for a sustainable world. It is a duty for companies to ensure that women and girls have equal access to employment and training, as well as representation in decision-making processes and equal treatment.

For Italcimica's stakeholders, innovation is also a fundamental principle that allows them to stand out and provide value added to their product and service. By continuously monitoring the global cleaning industry and analysing parallel sectors, the R&D laboratory is able to create original formulas anticipating the demands of B2B and B2C markets. Italcimica's ability to meet needs by offering innovative formulas and quality products and services is appreciated. Furthermore, they value the company's commitment to their involvement in initiatives aimed at fostering a culture of sustainability. Other important topics are the protection of the health and safety of both workers and the production chain, as well as waste management; the latter topic has seen an increase in interest compared to the past. In addition, the topics of energy and water consumption on which the company is basing its climate change strategy are still key.

Although still limited in terms of means of interaction and involvement, the analysis conducted is an important starting point for strengthening and deepening its strategy and approach to sustainability. Italcimica's goal for the years to come is to consolidate and, where possible, expand the involvement and consultation of stakeholders. Particular priority will be given to the organisation of more workshops, also making good use of digital platforms. This will make it possible to increase the wealth of data and information needed to more broadly and diversely address substantial issues and to adopt more incisive and structured ways of involvement. Strengthening stakeholder consultation processes will also result in improving the reporting process, thus making it increasingly aligned with the various stakeholders' information needs.

# MATRIX

## MATERIALITY



### Legend

- 1 Renewable energy sources
- 2 CO<sub>2</sub> emissions
- 3 Protection of water resources (ReDiscovery of wash water)
- 4 Using alternative packaging materials
- 5 Using recycled and recyclable materials
- 6 Preserving water resources
- 7 Raw materials that are renewable and readily biodegradable
- 8 Investments for the local community
- 9 Investing in research and development for a circular economy
- 10 Financial investments for managing the climate risk
- 11 Financial contributions to health and environmental research projects
- 12 Training and developing employees
- 13 Promoting or setting up recycling systems
- 14 Reducing the volume of waste
- 15 Occupational health and safety
- 16 Promoting gender equality



03



## ENVIRONMENTAL RESPONSIBILITY

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Italchimica recognises that the **resilience and success** of a business depend not only on maximising profits, but also on a **commitment to environmental and social goals**. That's why we've decided to adopt a business model that makes circularity an integral part of our processes, ensuring a sustainable and responsible approach.

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Our commitment to being a leader in sustainability is reflected in all the corporate values. In this role, we promote new solutions for sustainable development and focus on generating profits by making regular and responsible adjustments to our business.

# ITALCHIMICA'S OBJECTIVES

Italchimica's mission is to **mitigate its impact** through the continuous implementation of a **strategy in line with the 2030 Agenda**.

The annual report on the state of the climate in Europe was recently published, highlighting the effects of climate change across the continent and on society over the past year.

In 2023, Europe experienced the hottest year on record, with a significant increase in days of extreme heat stress and heat waves. As temperatures rose, extreme weather events such as droughts, floods and forest fires all occurred. Rainfall was also 7% higher than average, exacerbating the risk of flooding in many parts of the continent. The average sea surface temperature across Europe was the highest on record. The study points to the consequences of these events, in particular the economic losses due to flooding and the impact of heat stress on the health of Europeans.

As the European Environment Agency highlights in the European Climate Risk Assessment, these events, combined with environmental and social risk drivers, pose major challenges. They compromise food and water security, energy security and financial stability, as well as the health of the general population, and so affect social cohesion and stability.

When applying the scales of severity used in European climate risk assessment, we see that several climate risks have already reached critical levels. If action is not taken now, most of the climate risks identified could reach critical or catastrophic levels by the end of this century. Hundreds of thousands of people would die from heatwaves and the economic losses from coastal flooding alone could exceed 1 trillion Euros per year.

Italchimica's mission is to mitigate its impact through the continuous implementation of a strategy in line with the 2030 Agenda. The company has defined a set of commitments focusing on areas where it can maximise positive impacts and minimise negative ones, considering the challenges of the industry and also stakeholder expectations. In this regard, Italchimica's Strategic Plan defines ambitious goals that require significant choices, starting from the Net Zero target by 2050 and an intermediate commitment to reduce CO2 emissions, continuing through recovery, recycling and ecodesign to optimising the use of water resources. Essential references for Italchimica's investment programme are the European Green New Deal and the National Recovery and Resilience Plan (NRRP).



## Climate

Becoming a zero-impact company by decarbonising our operations and raw materials.



## Circularity

Promoting circularity through our formulations, products and innovative technologies.



## Nature

Protecting the local biodiversity, with a focus on mitigating its impact on the land and water heritage.

The themes mentioned above are in line with the European Sustainability Reporting Standards (ESRS), published in Delegated Regulation (EU) 2023/2772. Specifically, the regulation stresses the central issue of climate change, and the need for companies to establish a transition plan for mitigating change and creating adaptation strategies.

Our role as companies focusing on sustainability implies a capacity to look beyond the boundaries of our own premises, so as to be aware of the needs and expectations of stakeholders, and to increase their engagement. The company is therefore not only committed to meeting the needs of families in terms of hygiene and cleanliness, but also to promoting actions to combat waste in relation to the use of its products, and to encouraging sustainable habits of consumption and disposal. The focus is on the indi-

vidual user, so that he or she is well informed and aware when using detergent and cosmetic products, given his or her fundamental role through correct dosage and correct usage and disposal practices.

Daily habits of cleanliness, such as taking a hot shower, and washing dishes or laundry, multiplied by all the people who regularly perform these actions on a global scale, clearly create a significant environmental footprint. Sustainability should also be regarded from a cultural viewpoint; it is important that consumers are aware of the environmental impact of their lifestyle and prioritise activities that help save resources. Saving water and energy and reducing waste is beneficial in every way, because it cuts the cost of living and improves the health of millions of people while also mitigating the effects of climate change.

<sup>1</sup> Mitigating climate change involves a company in taking an active part in the overall process of limiting the global average temperature increase to 1.5°C above pre-industrial levels, as set out in the Paris Agreement. Adapting to climate change, on the other hand, refers to the process of adapting your business to current and predicted changes to the climate.



# 2030 AGENDA

This is the **Action Plan for Sustainable Development** signed on September 25, 2015 by 193 United Nations countries, including Italy: a shared commitment to **ensure a future of prosperity for the Planet and the people who live on it.**

The Agenda sets out 17 Sustainable Development Goals (SDGs) to be achieved by 2030, divided into 169 sub-goals (targets), which are in turn grouped into the five basic principles of people, the planet, prosperity, peace and partnership (the 5 Ps). The process of changing the development model is being monitored through Goals, Targets and over 240 indicators. Each country is then regularly assessed in line with these parameters.

The 2030 Agenda agreed by the various countries indicates clearly for the first time that our current development model is unsustainable, not only from an environmental standpoint, but also economically and socially. Sustainability is therefore no longer just an environmental issue, but rather an integral part of the various aspects of development.

The 17 Sustainable Development Goals are intrinsically bound together, so failure to achieve one goal may involve a failure to achieve the others. So, we cannot combat climate change without tackling poverty, and this relates to equality which is closely linked to access to education.



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GLOBAL GOALS - 2030 AGENDA

## CLEAN AND ACCESSIBLE ENERGY

### Long-term strategy



#### INVESTMENT

IN GREEN ENERGY (20% COVERAGE OF ELECTRICITY NEEDS BY 2025).

### 2023 goals

→<sup>2</sup> • 8% of electricity needs met by self-generated green energy

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GLOBAL GOALS - 2030 AGENDA

## CLIMATE ACTION

### Long-term strategy

COMPANY   
**NET-ZERO**  
EMISSIONS BY 2050

**-50% OF EMISSIONS**  
FROM SCOPES 1 AND 2 BY 2030  
(INTERMEDIATE STEP 25% BY 2027)

IMPLEMENTATION OF  
**LCA FOR PRODUCT**  
(ISO 14067) BY 2025 ON  
SPECIAL LINES.

PROJECT **2024**  
**PADOVA X CHANGE**  
IN COLLABORATION WITH THE MUNICI-  
PALITY OF PADUA FOR A SIMULATION OF  
FUTURE DECARBONISATION SCENARIOS  
(CLIMATE CITY CONTRACT)

### 2023 goals

- • - 3% total CO<sub>2</sub> emissions per Kg of product sold
- • -145 tons of CO<sub>2</sub> (76.4 tons of recycled silicone paper)
- • Implementation of LCA for process (ISO 14064)



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GLOBAL GOALS - 2030 AGENDA

## RESPONSIBLE CONSUMPTION AND PRODUCTION

### Long-term strategy

> 97%

EFFICIENCY OF THE PRODUCTION PROCESS WASTE BY 2030

INSTALLATION OF NEW HIGH-PERFORMANCE BLOWERS BY 2024

EXTENSION OF PACKAGING MADE MAINLY OF CELLULOSE TO NEW PRODUCT LINES BY 2030



OVER 30% RECYCLED PLASTIC IN OUR BOTTLES BY 2023 (100% ON DEDICATED LINES BY 2030)

### 2023 goals

- • 97% efficiency of the production process for HDPE bottles
- • -16% HDPE waste thanks to the internal recovery system
- • Introduction of the carton pack: packaging made mainly of cellulose
- • 100% of the bottles (<5L capacity) used containing at least 30% recycled material



6

GLOBAL GOALS - 2030 AGENDA

## CLEAN WATER AND SANITARY SERVICES

### Long-term strategy

100%

CERTIFIED TRACEABILITY OF RAW MATERIALS BY 2030



MAINTENANCE OF TREND 2023

### 2023 goals

- • 29% renewable raw materials in our portfolio<sup>3</sup>
- • 91% renewable raw materials used in formulation





GLOBAL GOALS - 2030 AGENDA

## LIFE ON EARTH

### Long-term strategy

MAINTENANCE OF  
**TREND 2023** 

#### 2023 goals

- • 51% readily biodegradable organic raw materials in our portfolio
- • 90% of organic raw materials are readily biodegradable



GLOBAL GOALS - 2030 AGENDA

## LIFE UNDERSEA

### Long-term strategy

**80%**  
CONCENTRATED  
FORMULATIONS  
BY 2025



DEVELOPMENT OF A  
**TECHNOLOGY**

BASED ON A FILTRATION PROCESS  
FOR RECOVERY OF WASH WATER, BY 2030

**REPLACING  
OPACIFIERS**

POTENTIALLY DUE TO MICROPLASTICS,  
BY 2025

#### 2023 goals

- • 75% of detergent formulations are concentrated
- • 0% microplastics in cosmetic formulations since 2018 and replacement of synthetic perfume encapsulations
- • 31% wash water recovered

# THE SCENARIO AND COMMITMENT

The **effects of climate change** are also clearly emerging in Italy. **2023 was an extraordinary year for weather events with disastrous effects.**

According to data from the Città Clima Observatory published by Legambiente, there was a 22% increase in extreme weather events in Italy compared to the previous year. 378 events were recorded, with billions of Euros of damage to the affected areas and the deaths of 31 people. Floods, landslides, storm surges, hailstorms and extreme temperatures both inside and outside the cities, with the zero-degree line rising to 5,328 metres in the Alps. Northern Italy was the worst affected part of the country, with 210 extreme weather events, followed by the central region (98) and the south (70). Incidents of flooding and overflowing rivers increased by 170% compared to 2022, while record temperature events in urban areas were up by 150% on 2022. Landslides due to heavy rain increased by 64%, followed by storm surges (up 44%), hailstorm damage (up 34.5%) and flooding (up 12.4%).

The Veneto also experienced some extreme events; in the summer violent hailstorms, together with record high winds, hit the Veneto and the whole northeast. On July 19 alone, there were 52 hailstorms in a single day, causing 110 injuries to people and damage to crops including wheat, vegetables, fruit and vines.

In the current context, one in three farms is exposed to the possibility of suffering economic losses due to natural phenomena such as heat waves, heavy rainfall, floods and landslides (source: International Center for Social Research).

The Milan Polytechnic Observatory has studied the consequences of climate change on economic performance, noting that climate change has already

cost a great deal in a ten-year period (2009-2018). A one-degree rise in temperature has had a negative impact on Italian companies, leading to an average reduction of 5.8% in turnover and 3.4% in profitability. Once again, the North East is one of the parts of Italy most affected by this contraction.

If we add the effects of the current geopolitical tensions to these data, it is clear that the context in which companies are now operating does not look promising for "green" investments. And yet these are one of the driving forces behind the sustainability goals set out in the UN 2030 Agenda, including those of social equity.

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

Italchimica is seeking to adopt a sustainable approach to the way it operates, transforming its processes, products and use of raw materials with a view towards a zero-emissions future, and making an increasingly efficient use of resources.

The objectives of the Company Agenda, outlined in the following paragraphs, will require major efforts in terms of both culture and organisation.

Investments are in line with the **trend of companies investing in "green"** [GreenItaly 2023 Report]:

## Circular Economy

- use of recycled materials and material recovery;
- ecodesign projects

## Environmental protection

- Reduction of the carbon footprint;
- USE OF DIGITISED AND GREEN TECHNOLOGIES

## Efficiency

- improvement of production processes;
- supply from renewable sources and electrification of mobility and logistics

Our ambitions are supported by our belief that we can both be sustainable and grow. Italchimica embarked on its sustainability journey many years ago. Numerous initiatives have been carried out and many awards received over the years. Nevertheless, the journey continues towards constant improvement of its environmental, social

and economic performance aimed at creating value over time for itself and its partners. Italchimica's transition towards sustainable management of its business is underway. However, further important efforts are needed to generate those significant positive effects on the environment while satisfying ever-growing consumer demand.



## PDCA METHODOLOGY

### PLAN



### DO



### CHECK



### ACT



## ENVIRONMENTAL POLICY

As proof of its **concern for the environment** and **its protection**, the company implements its own **Environmental Policy** available on its website to stakeholders.

It establishes the basic principles underpinning business planning and operations, while ensuring total compliance with all the applicable legislative and regulatory requirements. This enables the Company to continuously improve its environmental performance to reduce its direct and indirect impacts.

The environmental policy aims to guide ambitions in the following areas (update the policy):

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

In this direction, the aim in the near future is to encourage the adoption of such a policy throughout the supply chain.



# ENVIRONMENTAL MANAGEMENT

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

The environmental management system is one of the main tools aimed at achieving environmental sustainability objectives. It turns formal commitments to reduce the impacts of the company operations into positive daily actions. In fact, it is a genuine management technique aimed at promoting all the practices and technologies applicable to the case in question with the aim of reducing, preventing and limiting negative impacts on the environment in everyday activities while respecting the surrounding territory.

According to this standard, our environmental management is based on the PDCA (Plan - Do - Check - Act) methodology:

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

Within this framework, Italtchimica abides by all the principles of environmental protection (precaution, pollution prevention and risk prevention and mitigation). Following this approach, the company

systematically applies measures to prevent, monitor and control the impacts of its activities, aimed at the reduction and responsible use of resources in production processes.

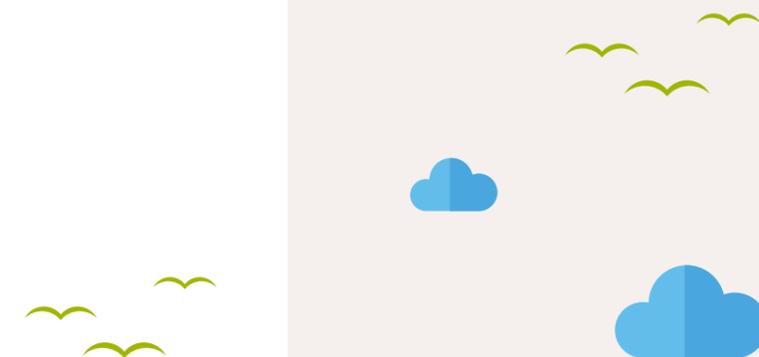
With a view to continuously improving environmental performance, we are constantly committed to promoting and supporting the following operational guidelines:

- conforming product management to the environmental regulations in force in all target countries;
- bringing the company to ever higher levels of process and product quality in compliance with all current legislation, for it to be recognised by its Customers and certified by the relevant accredited bodies;
- controlling and reducing the environmental impact of business activities (optimised use of resources, water discharges, discharges into the atmosphere, waste production and proper management) in order to limit and, when possible, prevent the risks of pollution;
- adopting internal management procedures for the company, based on maximum protection of the environment;
- pursuing the ongoing improvement of environmental performance by reducing the threshold of acceptable risks;
- planning and implementing plans to achieve the goals set by allocating adequate, qualified resources for this purpose;
- periodically assessing the results obtained;

- disclosing and disseminating planned improvement goals to the departments involved;
- taking care of business growth to make it always innovative, flexible and capable of adapting to the needs and requests arising from the market and customers. Along these lines, the company was granted the EU Ecolabel ecological quality brand and the MEC (Minimum Environmental Criteria) certification. These brands distinguish products and services which feature a reduced environmental impact throughout their life cycles while ensuring high performance standards.
- enhancing human resources in order to spur staff involvement in the ongoing improvement of company standards in terms of product quality, workplace safety and environmental protection;
- involving suppliers to play an active role in the company's environmental policy.

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

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



With regard to the **prevention of environmental crimes** set out by the binding legislation, since 2016 Italtchimica has been adopting the **organisational, management and control model** envisaged and governed by Italian Legislative Decree 231/2001.



# CARBON FOOTPRINT

During 2023, Italcimica **supplemented its management system** with a stringent **scientific calculation method** to quantify greenhouse gas (GHG) emissions.

The aim is to develop a careful analysis of environmental performance in terms of system emissions. The Carbon footprint of organisation (CFO) is, in fact, the quantification and reporting of direct or indirect greenhouse gas (GHG) emissions related to the organisation. The reference standard is UNI EN ISO 14064. The LCA (Life Cycle Assessment) method is used to conduct this study. The LCA is used for conducting a quantitative analysis of the environmental interactions of a service or product throughout its life, "from the cradle to the grave". It includes every phase of the chain: extraction of raw materials, transformation and production, packaging, distribution/logistics, use/consumption, end-of-life management and transport along the entire production chain.

By 2025 Italcimica has the ambition to extend the carbon footprint calculation to specific product lines, according to UNI EN ISO 14067. This will enable us to:

- Screen product life cycle stages, defining

which ones have a greater weight in determining the carbon footprint. The carbon footprint can be calculated on all or part of the production sites, on a specific process or on a specific product and/or product line.

- Evaluate the environmental efficiency of products according to their greenhouse gas (GHG) emissions.
- Evaluate environmental efficiency with the aim of reducing costs, avoiding waste both in terms of materials and the energy required to manufacture our products.
- Assess the critical points of our production process in order to improve both products and processes in terms of ecodesign, communicating an "eco-friendly" company policy to the market and increasing our "green reputation".
- Compare different products and/or services to guide business choices.
- Implement "sustainable" corporate programmes and strategies through the planning of carbon reduction interventions.



# RELATIONSHIP WITH SUPPLIERS

For Italcimica, a constant commitment to the **promotion of added value** and the environment means **making a commitment** that extends far beyond its own borders, embracing the entire supply chain.

**Materials suppliers are strategic stakeholders and this is why Italcimica's relationship with them goes beyond the economic-commercial sphere.** For the company, excellence means quality, style and innovation, but also a commitment to promoting a procurement chain that is careful and respectful of workers' rights, biodiversity and the environment.

Knowledge, traceability, sharing of best practices and checks are in fact fundamental not only to limit risk situations, but also and foremost to generate culture and foster responsible and sustainable business development, to the benefit of the entire production chain. **Talking about environmental protection and ethics in general in the conduct of business throughout the value chain means acting with awareness and leadership.**

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

- the possession of eco-labels and environmental product declarations;
- the traceability of raw materials;
- quality-environmental process and product certifications, for example: ISO 9001, ISO 14001, ISO 14064 and 14067 (Carbon footprint);
- an occupational health and safety management system (ISO 45001);
- the implementation of circular and ethical business and policies (e.g. Gender Equality

Management System according to UNI PdR 125/22 practice);

- the writing of a sustainability report;
- the setting of targets consistent with the objectives of the 2030 Agenda.

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

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

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



# BIODIVERSITY

For Italtchimica, **it is a moral and collective duty to help monitor its impact on local biodiversity.**

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

- they do not fall under constraints relating to environmental assets (Regional Law of 12 May 2009);
- they do not fall within thresholds delimited by hydrogeological stability plans;
- they are not included in protected territories;
- not near special protection areas according to the Italian Law No. 157 of 11th February 1992

"Provisions for the protection of wildlife and restrictions on hunting" nor near areas of Community interest included in the Habitats Directive (Presidential Decree No. 357 of 8th September 1997 and subsequent integration of Presidential Decree No. 120 of 12th March 2003).

The expansion of Italtchimica's activities has always favoured the acquisition of neighbouring areas already set up for production purposes, preferring to redevelop existing structures rather than build on undeveloped areas.

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



# RAW MATERIALS

We **expertly select raw materials** for the formulation and packaging of our products.

That is why the company pays particular attention to choosing the best materials and packaging, ensuring that these are always of the highest quality and in line with consumer expectations.

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

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

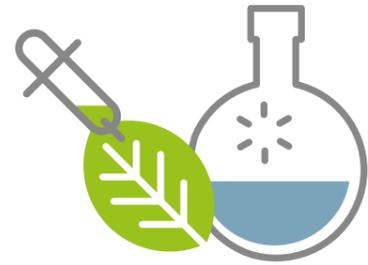
The trend of **investing in renewable raw materials<sup>4</sup>** for our formulations has remained virtually unchanged. Where possible, we favour **bio-based components<sup>5</sup>** whenever possible, creating innovative products for sanitisation, disinfection and optimisation of the general characteristics of formulations. 2023 is in line with the company's long-standing vision of a circular economy.

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

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

<sup>4</sup> Renewable material: material deriving from abundant resources that are quickly reconstituted through ecological cycles or agricultural processes, so that the services provided by these and other related resources are not jeopardised and remain available for future generations (GRI Standards Glossary 2018 - [www.globalreporting.org/standards](http://www.globalreporting.org/standards)).

<sup>5</sup> Derived from biomass. The biomass may have undergone physical, chemical or biological treatment. The methods for determining "bio-based" raw materials are described in the specific standards of CEN / TC 411.



# FORMULATION RESPONSIBLE

To date, Italmichica boasts significant numbers in **responsible procurement and production**.

The contribution to limiting impact on the biodiversity comes from the use of **renewable raw materials** for formulation (91% of formulation components in 2023) and readily biodegradable organic materials (90% of organic raw materials in 2023), which includes all the surfactants used<sup>6</sup>.

Renewable raw materials are essential ingredients of our detergents, disinfecting and cosmetic products. Renewable materials include surfactants, solvents, additives, enzymes, and natural extracts in addition

to **water**, which is a rapidly depleting primary resource and, as such, **needs to be managed and protected in the best possible way**. For this reason, **the water stress level of the local drainage basin is monitored every year, through the updating of the Report on the water resource in the Veneto region prepared by the Regional Department for Territorial Safety**.

The total yearly quantity of raw materials used is in the range of tens of thousands of tonnes.

RAW MATERIALS USED (t)*	2021	2022	2023
COMPONENTS IN THE FORMULATION OF OUR MIXTURES (DETERGENTS, COSMETICS, BIOCIDES)	55.929	78.872	54.846
COMPONENTS OF OUR PACKAGING	6.031 (4220 plastic + 1811 paper)	6.614 (4146 plastic + 2468)	5.876 (3901 plastic of which 1148 recycled + 1975 paper)
TOTAL	61.960	85.486	60.722

<sup>6</sup> Readily biodegradable means a biodegradability level  $\geq 60\%$  within 28 days.

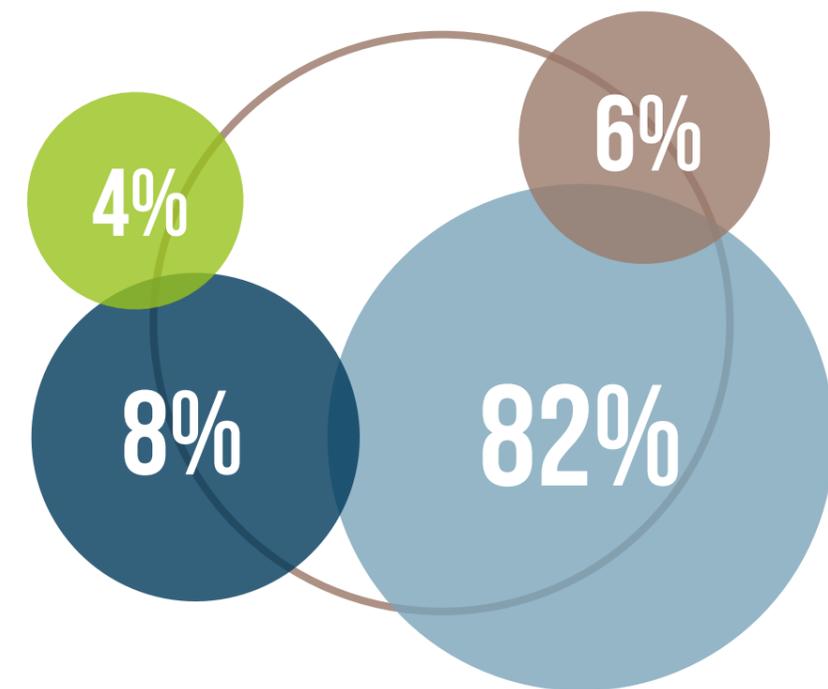
\* Water, additives, waxes, dyes, enzymes, fragrances, glycolic extracts, sequestering agents, viscosifiers, preservatives, bleaches, surfactants, biocides, emulsifiers, emollients, solvents, surfactants, emollients, acids, bases, salts, solvents, silicones.

During 2023, there was a decrease in the quantity of raw materials used in formulating products, and in the number of components used in packaging, in comparison with 2022.

At the same time, 2023 saw a greater use of renewable raw materials in the process of formulation, when compared to the previous year (up from 76% to 82%). **MEC (Minimum Environmental Criteria) and Ecolabel (EU ecological quality brand)**

certified products stand out among the green products<sup>7</sup>.

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



\*values have been rounded up.

## % RENEWABLE RAW MATERIALS IN 2023



<sup>7</sup> EU Ecolabel is the European Union's ecological quality brand which distinguishes products and services featuring a reduced environmental impact throughout their life cycles, while ensuring high performance standards.

# SUSTAINABLE PACKAGING

**Packaging plays a key role** in our lives.

Without it, most products would expire or be damaged before reaching the stores.

Despite this, it is often considered one of the main enemies in the fight against environmental degradation because it becomes waste right after its use.

Italchimica is aware of its packaging responsibility and is committed to fostering environmental sustainability through a series of ambitious projects. Specifically, there are two sustainability goals to be achieved by 2030:

- Ecodesign project to optimise packaging and reduce material use.
- over 30% of recycled plastic with a reduction in virgin plastic used in 2023.
- 100% recycled plastic on specific lines by 2030.

In this regard, we are taking action well in advance and exceeding the targets recommended by the AISE<sup>®</sup> for 2025. This is partly due to our installation of new plant for bottle production, which will allow us to produce primary packaging using 100% recycled plastic, in line with the 2030 target.

At the same time, Italchimica remains committed to the production of concentrated formulas, with the aim of continuing to decrease the use of plastic per unit dose. This will lead to a reduction in the number of bottles we put on the market, as well as savings in transport and cuts in CO<sub>2</sub> emissions. To date,

75% of the detergents range has a concentrated formula, which combined with the proper, effective transmission of instructions for use to the end user, results in a longer duration of use of the same bottle. In this regard, we are taking action well in advance and exceeding the targets recommended by the AISE for 2025. This is partly due to our installation of new plant for bottle production, which will allow us to produce primary packaging using 100% recycled plastic, in line with the 2030 target.

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

will also be accessed through QR codes directly on each label.

Another of the key principles on which our sustainable strategy is based relates to efficiency in the production process for HDPE bottles. By the use of blow moulding machines with an in-built waste recovery system we have managed to eliminate 16% of HDPE waste, thus decreasing inefficiencies in the process by 19%.

The goal for 2030 is to achieve 100% efficiency and the total elimination of waste, due in part to our installation of new high-performance blow moulders during 2024.

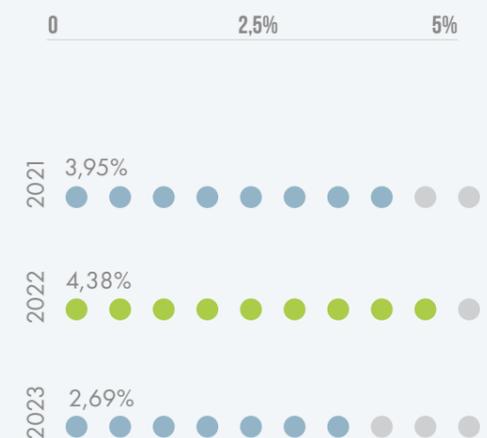
As we had previously planned, 2023 saw the introduction of a new type of packaging: the "carton pack". This packaging is mainly produced from cellulose, and is already in use in other areas but a real innovation for the detergent sector. This new production initiative involved a considerable investment, as a special line had to be built. On the other hand, this type of packaging has significant environmental benefits:

- lower energy requirements
- 70% vegetable matter, i.e. renewable content

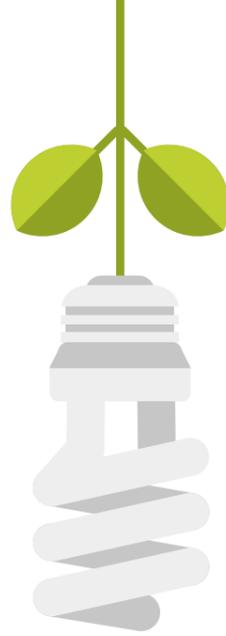
We are also committed to the issue of paper and have set ourselves the task of using recycled or, if virgin, sustainably sourced (FSC-certified) material.



**% OF HDPE DISCARDED IN THE PRODUCTION PROCESS**



# ENERGY



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

According to IPCC scientists, just over a century of fossil fuel use and unsustainable energy and land management have caused global warming of 1.1 °C above pre-industrial levels. Combating climate change is one of the main global challenges today and, inevitably, goes through a process of energy transition from fossil fuels to renewable sources. However, such an epochal transition cannot be achieved without a change of mentality in the use of energy. **Energy is precious!** And, regardless of the source from which it was produced, it must be used rationally.

There are many areas of intervention that can yield significant results in energy efficiency, in both the domestic and industrial sectors. For years now, Italtchimica has felt part of this transition and has planned and implemented investments in energy from renewable sources and in increasing the energy efficiency of production processes.

**Our corporate ambition is to become a net-zero emissions company by 2050.** For this purpose, in the period 2020-2022 Italtchimica made a major investment in the installation of more than a

**thousand photovoltaic modules, with a self-production of about 10% of the company's energy needs.** In 2022 and 2023, about 80% of the energy produced by the photovoltaic system was self-consumed.

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

The quantity of methane consumed in kWh was calculated by converting from standard cubic metres of methane gas (a standard cubic metre of methane gas is 10.69 kWh).

Electricity and gas are used with different contributions at the two company sites, i.e. the production plant and the logistics warehouse, with a marked prevalence of the former.

There was a slight drop in electricity consumption during 2023, down 1.8% on the previous year, despite a 5.4% increase in the number of units we produced. This trend is due to action we took to improve the energy efficiency of our plant, including the installation of production lines for less energy-intensive bottles.

ENERGY PRODUCTION FROM RENEWABLE SOURCES (kWh)	
SELF-GENERATED PHOTOVOLTAIC ELECTRICITY	576,207
PHOTOVOLTAIC ELECTRICITY FED INTO THE GRID	123,348
SELF-CONSUMED PHOTOVOLTAIC ELECTRICITY	452,859

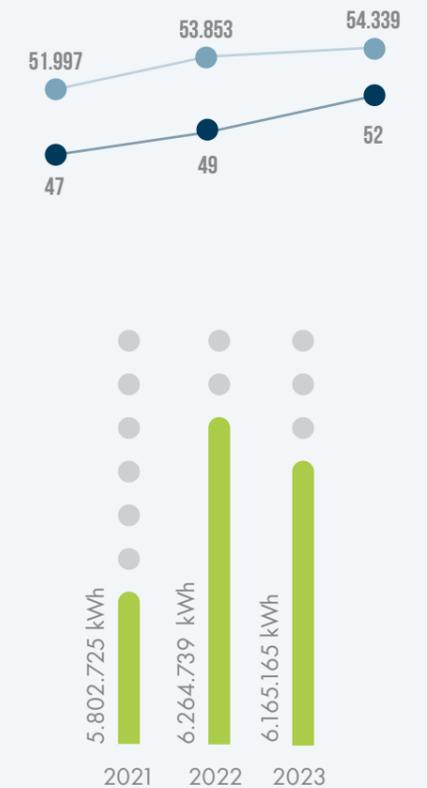
The results are also positive in relation to methane gas consumption. Although overall consumption has remained constant, this should be set against the increase in production. When we take account of the large decrease in gas consumption in 2022, the performance in 2023 takes on even greater significance. The lower demand for gas demand is mainly related to a reduction in the use of hot water for production, and for washing mixers, filling machines, and production plants.

In the Corso Spagna building, many variables impact on energy consumption (personnel, offices, working hours, exogenous environmental factors, equipment), but overall the contribution of this site is negligible, accounting for about 6% of the company's total electricity consumption.

**Italtchimica is continuously engaged in the design and implementation of new technologies to make production processes more sustainable from an energy point of view.** In this regard, Italtchimica's efforts are focused on developing increasingly innovative products that require and consume less energy. A practical example here was the project to create primary packaging in the form of brick packs, i.e. parallelepiped containers made chiefly of cellulose, which are lighter, easier to transport and less energy intensive to produce.

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

## TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION (KWH)



- Total energy consumed (kWh)
- Annual manufacturing trend (tonnes)
- Annual manufacturing trend (thousands of finished product pieces)

ENERGY CONSUMED WITHIN THE COMPANY	2021	2022	2023
ELECTRIC ENERGY (KWH)	4,842,600	5,495,401	5,395,111
INDICATOR KWHEE/THOUSANDS PIECES PRODUCED	103	112	104
METHANE (KWH)	895,341	769,338	770,054
KWHGAS/PIECES PRODUCED INDICATOR	19	16	15

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



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

## WATER

Universal access to water is an **essential aspect of life on our planet**, as stated in Goal 6 of the 2030 Agenda.

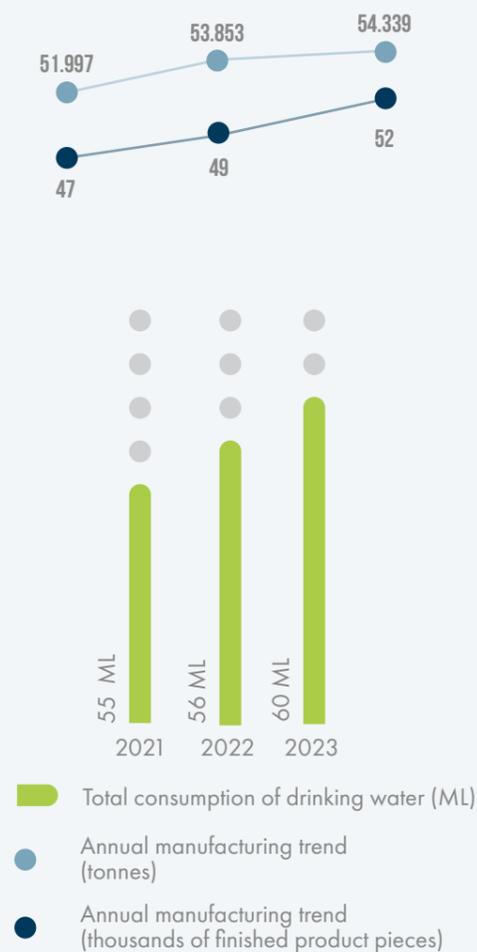
Universal access to water is an essential aspect of life on our planet, as stated in Goal 6 of the 2030 Agenda. Water is basic to all human activity, and so ensuring its availability, which is increasingly affected by climate change, has become more and more crucial. We need to use water in a conscious way, without waste, and without compromising its quality and its availability now and in the future.

but if we take away that stored in glaciers and polar ice caps, we are down to about 0.25% of the total amount available in liquid form for our daily lives, agriculture, livestock and industry. It is a renewable but not inexhaustible resource. This is why, according to the World Resources Institute, Italy's water stress, i.e. the ratio of water use to water supply, will fall into the critical "high" range by 2040.

Water is, therefore, a precious commodity and a **limited resource**. Indeed, we have to consider that more than 97% of the water on our planet is salty, filling the oceans and seas. Just under 3% is sweet,

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

## TOTAL CONSUMPTION OF DRINKING WATER



protecting biodiversity and offering possibilities for development to local communities.

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

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

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

The company's water consumption increased by 6.8% in 2023, in contrast to the previous three years, when overall consumption was essentially stable. However, this increase is generally proportional to the increase in production.

Current actions act on different fronts. On the one hand, our staff are made aware of the need to eliminate waste and to properly use water in toilets (by reporting any faults and malfunctions to the maintenance department). **On the other hand, standard practices to minimise waste while washing the**

**manufacturing and filling systems are defined.**

In addition, the manufacturing plant is equipped with a closed cycle for the recovery of the water that is used for cooling the manufacturing machinery.

In order to achieve more ambitious results in terms of water savings, we are continuing to research new methods and technologies that will allow us to achieve future reductions in water consumption.

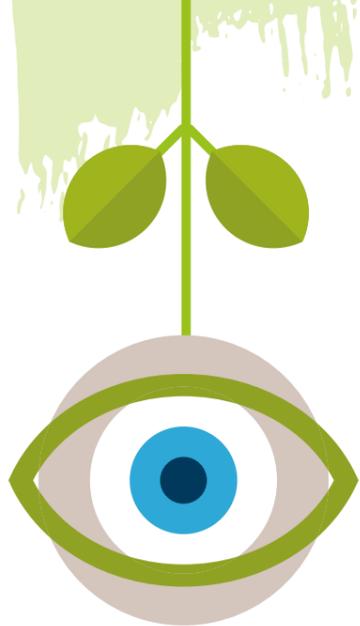
In 2019, a reverse osmosis system was installed, with a view to improving the chemical-physical and microbiological qualities for production and industrial processes, such as washing procedures. The treatment is based on a membrane process through which almost all the suspended and dissolved substances contained in water are removed from it. The resulting concentrate containing the removed salts is then discharged. A flow meter quantifies the volume of water discharged, which for the year 2023 recorded 5,790 m<sup>3</sup>. This is the only industrial drain present in the company, which flows to the municipal sewer. As it is the waste from the drinking water treatment system, it does not have significant pollutants except for higher salinity. The discharge is subject to analytical checks by accredited laboratories. Italtchimica was granted the Single Environmental Authorisation, pursuant to art. 3 of the Presidential Decree 59/2013, including the authorisation for discharge from an osmosis system.

The company also has an authorisation for civil domestic water discharges (as required by the Environmental Consolidation Act, Italian Legislative Decree 152/2006).



In order to achieve more **ambitious results** in terms of water savings, we are continuing to **research new methods and technologies** that will allow us to achieve future reductions in water consumption

# FOCUS



## THE PROTECTION OF LOCAL WATER RESOURCES

**Veneto is one of the richest Italian regions in terms of water,** both groundwater and surface water, so much so that its aquifers constitute **one of the most important water reserves in Europe** in terms of potential and quality.

However, the regional context is critical in terms of water consumption, which, although decreasing, is still too high compared to the European average, a high leakage rate in the water net, critical issues in urban centres as regards compliance with wastewater collection requirements and, last but not least, instability in rainfall levels and in the difference between precipitation and potential evapotranspiration, with reduced glaciers and increased risk of avalanches. The provinces of Padua and Vicenza present a medium-high level of water stress, intended as the ratio between total water extractions (for domestic, industrial, irrigation, livestock and other uses) and recharge of groundwater and surface water availability. Italmichica's manufacturing plant is connected to the Padua municipal aqueduct's network for drinking water consumption.

The source is the Brenta-Bacchiglione water catchment area, which is one of the most important basins in the Veneto region for the extension of the area (5,840 sq. km, including the Trentino region's part) and number of inhabitants (1,442,000) as well as the quantity of water carried.

According to SPI<sup>9</sup> data for 2023, published in the Report on water resources in the Veneto by the Regional Department for Territorial Safety, the situation in the region remained generally normal at intervals of 1, 3, 6 and 12 months. However, there were certain areas that differed, especially at around 6 months, with moderate to severe precipitation continuing in the north of Belluno province and moderate drought in the central Polesine area. Overall, there was a reduction in drought conditions across the region when compared to 2021.

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

Italmichica's water requirements are as follows:

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

The company has separate meters for different forms of use, i.e. for supplying toilets and hot water for hand-washing, for use in production and for the fire-fighting system. The water used to create the product, therefore, becomes part of the end product.

Italmichica receives regular bills from the water supplier; the QHSE office is responsible for collecting data about water consumption, and for monitoring trends over the years.

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

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



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



<sup>9</sup> The SPI, Standardized Precipitation Index (McKee et al. 1993) is used to characterise meteorological droughts in a given area.



# EMISSIONS

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

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

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

To achieve this important goal, Italtchimica has committed to developing an organisation GHG inventory in 2023 following international standard ISO 14064-1:2018. This study was reviewed and edited in 2024, with references to data from 2022 and 2023. However, the study is in line with the principles of ESRS E1 Climate Change, set out in Regulation (EU) 2023/2772: the Regulation published by the European Union to define the standards for reporting sustainability.

Direct and indirect emissions related to Italtchimica's product manufacturing processes were taken into account, in particular:

- Direct emissions from stationary plant, resulting from the combustion of natural gas in boilers for the purposes of generating steam and/or hot water; combustion emissions from

mobile equipment, resulting from the use of cars and company vehicles; and direct fugitive emissions, resulting from loss of coolant from air conditioning systems in summer;

- Indirect emissions, which include emissions related to the supply and combustion of fuels for the production of electricity purchased by third parties and then consumed by the company; emissions related to the production and transport of raw materials entering the production plant; emissions due to the transport of finished products to customers/distributors; emissions resulting from staff commutes to and from work; emissions due to the disposal of site waste and to water consumption; emissions due to the photovoltaic system; emissions due to end-of-life management for products sold by the company.

GHG emissions were calculated by multiplying the activity data and related emission factors calculated on the basis of GWP (Global Warming Potential) from the IPCC Sixth Assessment Report (AR6). This method proposed by the IPCC (Intergovernmental Panel on Climate Change) is by far the most frequently used and recognised method by the international scientific community. Emissions are reported in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq). Characterisation is done through specific global warming potential factors for each of the main greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFC, HCFC). To estimate emissions, each activity data was then associated with an appropriate emission factor from Ecoinvent v3.9 and from emission factors proposed by DEFRA (Department for Environmental Food and Rural Affairs).

SOURCE OF GHG EMISSIONS	TONNES OF CO <sub>2</sub> EQ 2022	TONNES OF CO <sub>2</sub> EQ 2023
DIRECT EMISSIONS FROM HEATING COMBUSTION (SCOPE 1)	149	150
DIRECT EMISSION FROM COMPANY CARS AND VEHICLES (SCOPE 1)	294	313
DIRECT EMISSIONS FROM COOLANT GAS LEAKS (SCOPE 1)	0	46
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (CORE - SCOPE 2)	1717	1,675
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (UPSTREAM & DOWNSTREAM - SCOPE 3)	688	671
INDIRECT EMISSIONS FROM PRODUCTION AND TRANSPORT OF RAW MATERIALS (SCOPE 3)	35,090	35,581
INDIRECT EMISSIONS FROM TRANSPORT OF FINISHED PRODUCTS (SCOPE 3)	7.495	7.992
INDIRECT EMISSIONS FROM HOME-WORK COMMUTING (SCOPE 3)	0*	417
INDIRECT EMISSIONS FROM COMPANY CARS AND VEHICLES (SCOPE 3)	216	239
INDIRECT EMISSIONS FROM PLANT WASTE AND WATER CONSUMPTION (SCOPE 3)	561	497
INDIRECT EMISSIONS FROM PHOTOVOLTAIC SYSTEMS (SCOPE 3)	44	48
INDIRECT EMISSIONS FROM STATIONARY COMBUSTION (SCOPE 3)	44	45
INDIRECT END-OF-LIFE EMISSIONS FROM THE PRODUCT (SCOPE 3)	6.925	7.073

\* data not available in 2022

The table below shows that the categories causing the greatest impacts for Italtchimica during 2023 included the acquisition and transport of raw materials, the transport of finished products from the production plant, and their end-of-life management. With regard to raw materials, the greatest impacts relate to the company's use of surfactants, and the

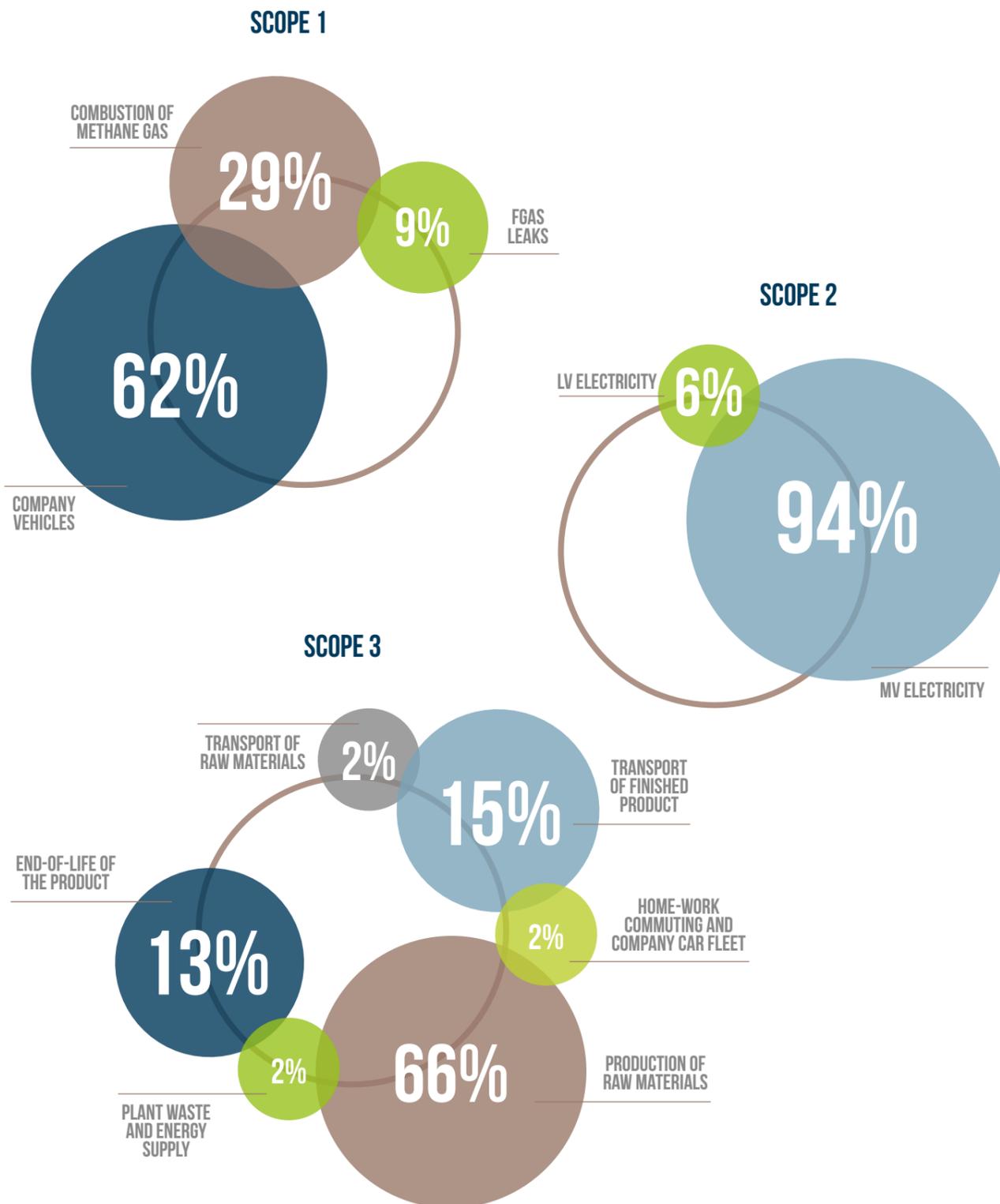
plastic preforms which generally consist of 30% recycled plastic (Polyethylene terephthalate RPET).

The transporting of the company's finished products, which occurs mostly within Italy, is impacted by the weight of these products and also by the emissions related to their end of life.

The graphs here below show the various factors contributing to Italtchimica's total impact in 2023.

The results of this study allow Italtchimica to make a closer examination of those areas where it can take action to decrease its contribution to climate change. Italtchimica's greatest efforts are focused on those sources of emissions over which it has

direct control, and so it is increasing its use of electricity from renewable sources and is improving the finished product in terms of packaging and content, in line with its policy to aim for continuous improvement.



The following table shows the total Italtchimica emissions of anthropogenic and biogenic CO<sub>2</sub>, divided between the different Scopes.

SOURCE OF GHG EMISSIONS	TONNES OF CO <sub>2</sub> eq
DIRECT EMISSIONS (SCOPE 1)	0
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (CORE – SCOPE 2)	2
INDIRECT EMISSIONS (SCOPE 3)	243

Absolute GHG emission values are clearly impacted by the volume of output during the year. It is for this reason that the following table shows the emission values for the 3 Scopes under consideration, indexed in line with the total weight of products sold during 2023.

SOURCE OF GHG EMISSIONS	TONNES OF CO <sub>2</sub> eq
DIRECT EMISSIONS (SCOPE 1)	0,0083
INDIRECT EMISSIONS FROM IMPORTED ELECTRICITY (CORE – SCOPE 2)	0,0273
INDIRECT EMISSIONS (SCOPE 3)	0,8560

Italtchimica carried out an important baseline recalculation phase to make the comparison of GHG emissions over the years applicable. Recalculating the baseline makes it possible to analyse the most relevant modelling changes introduced in the new year and to transfer any effects to the year against which the comparison is made. The ultimate aim is to obtain increasingly complete and reliable data. This analysis of Italtchimica's overall performance relates to the two years for which the company made a comprehensive inventory of its greenhouse gas emissions, in line with ISO 14064-1. The main variations between the primary data for these two years relate to the inclusion in 2023 of data connected to home-work commuting (data not included in 2022), and to the data on F-gas emissions during 2023, also not present in the previous year.

A relative comparison between these years indicates that emissions in 2023 decreased by 3% compared to 2022. It is important to underline Italtchimica's efforts to make annual reductions to electricity consumption on its site, despite the increase in production, and its aim to increasingly source more energy from renewable sources.

In 2023, the company's use of photovoltaic energy increased by 9% when compared to 2022, resulting in a reduction in electricity imported from the grid and leading to a 2% decrease in Scope 2 emissions. During 2023 there was also a decrease in the waste generated at site level, and reductions in the use of transport for incoming raw materials. The higher sales volumes in 2023 resulted in an increase in the use of transport in relation to the finished product, and to its end-of-life disposal.

As far as emissions of other substances which are harmful to the environment are concerned, Italtchimica boasts of a negligible release of polluting gases such as NO<sub>x</sub> and SO<sub>x</sub>, given that in its sites there is limited use of methane gas as a fuel. Emissions of dust, VOCs and acidic or basic inorganic compounds are also negligible. In the production department there are three emission points into the atmosphere authorized pursuant to art. 269 of Legislative Decree 152/2006, one in the blowing department and two in the mixing / filling department.

Emissions are checked by an accredited external laboratory on an annual basis.

# FOCUS



## PADOVA X CHANGE

Italchimica is one of the signatories to the **Climate City Contract**, an important document which outlines the **actions that need to be taken to bring net greenhouse gas emissions down to zero within the urban area, with set data on the reductions due, time scales and a financial plan.**

One of the starting points for achieving climate neutrality by 2030 has involved the simulation of future decarbonised scenarios in the Padua industrial zone. In this context, the Padua x Change project aims to create a Digital Twin (DT) of the Padua industrial zone (ZIP), and to pass on its knowledge and results to the Municipality of Padua and all the stakeholders involved.

The DT will be used to create scenarios which involve:

- the construction of a district heating network, using waste heat from industrial processes;
- increased production of energy from renewable sources (greater potential for photovoltaic energy);
- a simulation of energy flows in an energy community;
- the use of these to achieve the Positive Energy District target, where more energy is produced than consumed.

## WASTE

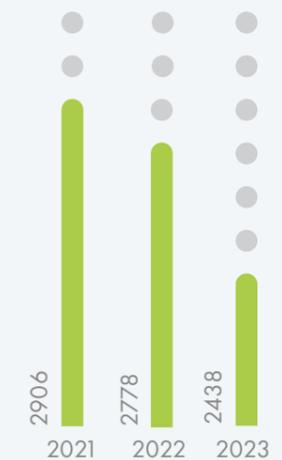
If we continue to exploit resources at the same rate as we do today, **we are going to need the resources of three planets by 2050.** The combination of limited resources and climate change make it crucial to move away from the current "production-consumption-waste" model of society.

More than 2 billion tonnes of waste are produced annually in the European Union. To limit this production and mitigate the impact of waste on the environment, the EU has set ambitious recycling targets and is focusing its efforts on packaging waste. The aim is to incentivise the transition to a more sustainable model, known as the circular economy, presenting it as an alternative to the current linear economic model.

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

Consistent with the new paradigm of the circular development model, Italchimica explores new opportunities to reduce waste production and generate value from end-of-life products/materials. Such a commitment runs through the

### ANNUAL AMOUNT OF WASTE GENERATED



- Waste generated (tonnes)
- Annual manufacturing trend (tonnes)
- Annual manufacturing trend (no. of finished product pieces)

## WASTE %

● Recovered waste ● Disposed of waste

0 50% 100%

2021



2022



2023



organisation at several levels: from the product design phase to the waste management phase coming from the production processes. We operate responsibly to better manage waste in close collaboration with other actors in the production chain with the aim of minimising impacts and creating a new value added in the name of circularity. Waste management goes beyond the strict application of mandatory regulations. Instead, we are constantly striving to optimise management of the waste we produce by making processes more efficient and devising new and virtuous methods to recover what can no longer be reused.

This policy is expressed in concrete projects:

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

Waste production was significantly reduced in 2023 even though production was increasing; this is even more significant when we consider that there had already been substantial waste reductions in 2022. This result was consistent with the measures that had been put in place. In particular, there was a significant reduction in wash water, which accounts for about 76 % of waste, as well as in packaging waste and plastic waste.

21% of the special waste produced in 2023 was to be recovered. Municipal waste is managed according to the regulations of the Municipality of reference. Hazardous waste (79.5%), which is also decreasing since it is mainly wash water, is always managed carefully, in compliance with mandatory regulations and with a view to minimising environmental risks. All special waste is strictly delivered using authorised third-party companies that handle its transport and disposal.



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

Since 2017, Italtchimica has been exploring every way to improve the efficiency and, in particular, reduction of wash water and its recovery. To date, 31% of the water used for washing plant is subsequently recovered. For the future, we believe that the trend can be confirmed and improved, in fact we expect marginally better results due to the systematic application of current recovery operations. Also with regard to wash water, Italtchimica is working on the development of a technique based on filtration, which will separate used water from other components and make it fit to re-enter the production cycle.

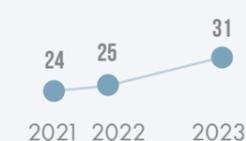
An assessment of the impacts generated by waste related to Italtchimica's processes/products upstream and downstream in its value chain is currently difficult to estimate. Certainly, the downstream impacts, in particular with regard to the handling of packaging by the end customer, are more easily predictable. The main aspect is related to the management of plastic bottles and containers that must be properly recovered to generate new raw materials. In order to facilitate correct management of this phase, Italtchimica has for some time now included a QR code on the packaging which provides the consumer with comprehensive information on how to recover the packaging.

As part of our focus on the life cycle of our products, we have launched a project to produce primary packaging in the form of *brick packs*, i.e. parallelepiped containers made chiefly of cellulose, which in addition to being lighter, easier to transport and less energy-intensive to produce, are also completely recyclable. Over 70% of the material used in these packs is derived from plant matter, and so is renewable; the cellulose for the container comes from FSC<sup>10</sup> certified forests, responsibly managed plantations used to produce cellulose for making paper.

In a circular economy, renewable materials are crucial because they reduce the demand for limited resources and the environmental impact of resource extraction.

## RECOVERED WATER %

0 25% 50%



<sup>10</sup> The Forest Stewardship Council is an international non-profit NGO. The FSC has created an internationally recognised forest certification system. The certification aims at correct forest management and traceability of derived products.



HAZARDOUS WASTE (kg)	2021	2022	2023
WASH WATER (EER 070601)	2,325,470	2,109,210	1,860,590
INK WASTE CONTAINING HAZARDOUS SUBSTANCES (EER 080312)	140	30	140
MINERAL OILS FOR NON-CHLORINATED HYDRAULIC CIRCUITS (EER 130110)	430	540	15
PACKAGING CONTAINING RESIDUES OF DANGEROUS SUBSTANCES (EER 150110)	35,400	41,300	67,840
ABSORBENTS, FILTER MATERIALS, RAGS AND PROTECTIVE CLOTHING, CONTAMINATED WITH HAZARDOUS SUBSTANCES (EER 150202)	5,540	5,000	8,740
END-OF-LIFE EQUIPMENT CONTAINING CFCs, HCFCs AND HFCS (EER 160211)	0	0	0
OUT-OF-SERVICE EQUIPMENT (EER 160213)	30	30	60
WASTE COLLECTED AND DISPOSED OF WITH PRECAUTIONS TO AVOID INFECTION (EER 180103)	63	43	105
LABORATORY CHEMICALS CONTAINING OR CONSISTING OF HAZARDOUS SUBSTANCES (EER 160506)	104	50	105
PACKAGING WITH HAZARDOUS POROUS SOLID MATRICES AND EMPTY PRESSURE VESSELS (EER 150111)	0	0	0
LEAD ACID BATTERIES (EER 16 06 01)	0.00	0.00	116.00
SPENT PRINTING TONERS CONTAINING HAZARDOUS SUBSTANCES (EER 080317)	40	52	0
NON-HAZARDOUS WASTE (kg)	2021	2022	2023
SPENT PRINTING TONERS (EER 08 03 18)	0	0	38
PAPER AND CARDBOARD PACKAGING (EER 150101)	322,025	296,718	280,901
PLASTIC WASTE (070213)	60,300	73,880	47,100
PLASTIC PACKAGING (EER 150102)	37020	58120	25990
WOODEN PACKAGING (EER 150103)	75838	72868	55754
MIXED-MATERIALS PACKAGING (EER 150106)	34360	47820	20500
OUT-OF-SERVICE EQUIPMENT (EER 160214)	340	140	1840
IRON AND STEEL (EER 170405)	5,860	11,300	8760
OTHER FERROUS MATERIALS	2,820	0	0
ALUMINIUM (EER 170402)	0	0	450
AQUEOUS WASTE SOLUTIONS (EER 161002)	0	56180	57440
BULKY WASTE (EER 200307)	0	5,040	1,980
<b>TOTAL HAZARDOUS WASTE</b>	<b>2367217</b>	<b>2156255</b>	<b>1937692</b>
<b>NON-HAZARDOUS WASTE</b>	<b>538563</b>	<b>622066</b>	<b>500753</b>
<b>TOTAL WASTE GENERATED</b>	<b>2,905,780</b>	<b>2,778,321</b>	<b>2,438,445</b>



The commitment to recycling and preventing potentially polluting production practices is a concrete way for the company to actively contribute to the global topic of marine pollution due to macro and microplastics<sup>11</sup>. In fact, large amounts of plastic waste are found in every corner of the oceans and the planet, without national borders being able to hold them. Plastic waste from any country can end up anywhere in the world. This is why the problem of plastic pollution of the oceans can be tackled at national and regional level mainly through coordinated voluntary measures. What is needed is the development of shared responsibility and a common approach.

Italchimica has always raised stakeholders' awareness of the importance of good end-of-life management practices for products and has supported all the guidelines defined at European level with regards to the reduction of marine pollution derived from microplastics. However, the public discussion on the topic has been very controversial and complex. The legislative reference to date is

Restriction 78 of the REACH Regulation, added by Regulation (EU) 2023/2055, which clarifies and formalises the definition of microplastics<sup>12</sup>. By following European and AISE guidelines, both before and after the aforementioned Restriction, we have long taken practical action to move away from the use of raw materials with potential impacts:

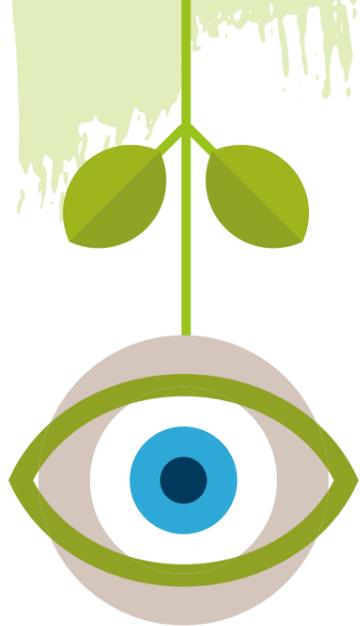
- since 2018, all our cosmetic products have been microbead-free. With this choice, the requirements of the Italian 2018 Budget Law were abided by almost two years beforehand;
- we replaced synthetic perfume capsules with biodegradable alternatives in 2023.
- For our detergents and cosmetics, the switch to natural or biodegradable matting agents will be completed by the end of 2025.

In the medium to long term, Italchimica plans to progressively innovate the range of the raw materials currently used while including substances with a low impact on human health and the environment, as well as removing the most hazardous ones.

<sup>11</sup> Microplastics are made up of very small particles - generally smaller than 5 mm - of plastic materials. These fragments can be accidentally formed as a result of the deterioration of larger plastic pieces, including synthetic fabrics, or can be intentionally manufactured and added to certain products, such as cosmetics, cleaning detergents, etc., especially as exfoliating agents (microbeads), stabilisers or in connection with aesthetic (opacifiers) and sensory functions (synthetic encapsulations). Once these fragments have been released into the environment, they can build up in the body of animals, such as fish and crustaceans and as a result be ingested by consumers as food.

<sup>12</sup> The definition of "microparticles of synthetic polymers" includes solid polymers that meet both of the following conditions:  
(a) they are contained in particles and constitute at least 1% by weight of those particles, or create a continuous surface coating on those particles,  
(b) at least 1% by weight of the particles referred to in point (a) meets one of the following conditions:  
(i) all the dimensions of these particles are either 5 mm or less,  
(ii) the length of any such particles is 15 mm or less, and their length/diameter ratio is above 3:1.

# FOCUS



## SILICONE PAPER

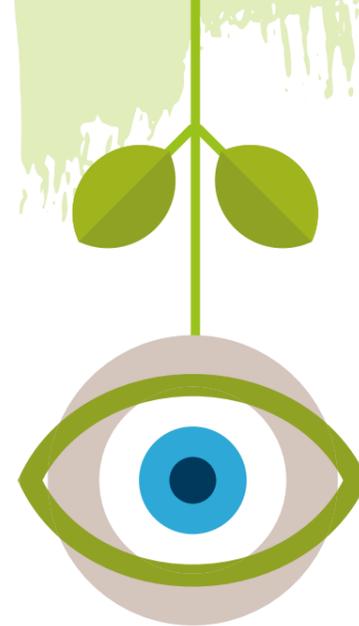
A concrete example of **circular economy**.

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

Thanks to this recovery system, it is possible to give new life to liners while contributing to environmental sustainability and money saving. In addition to the recycling of this material, the project includes the production of labels made of 100% recycled paper.

Throughout 2023, the recovery of reel-label silicone paper made it possible to significantly reduce the impact of this process step (with approximately 76,4 tonnes of material recycled and 145 tonnes of CO<sub>2</sub> saved).

# FOCUS



## EUROPE AND THE CIRCULAR ECONOMY<sup>13</sup>

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

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

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

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



# 04



## SOCIAL RESPONSIBILITY

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The role of companies in the **socio-economic environment** has changed rapidly in recent years. Nowadays, adopting an **approach that considers social issues and ethical duties towards stakeholders** is crucial for the success and development of a company and the context in which it operates.

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For Italcimica, ethics is about more than just abiding by the law. It is also a set of values and codes of conduct that must be integrated into corporate strategies. This approach involves a different type of relationship with stakeholders and opens up new opportunities for competitiveness and economic growth. Italcimica has planned various objectives to support the needs of workers, employees and the local community.



8



GLOBAL GOALS - 2030 AGENDA

## DIGNIFIED WORK AND ECONOMIC GROWTH

### Long-term strategy

# 2025

REDEFINITION  
OF THE CORPORATE  
ORGANISATIONAL  
CULTURE,  
WITH A FOCUS ON THE  
ENHANCEMENT  
OF RESOURCES



MAINTENANCE  
AND IMPROVEMENT  
OF SERVICES AND BENEFITS  
FOR EMPLOYEES

### 2023 goals

- <sup>1</sup> • +5% of inclusive, hygienic and healthy workplaces
- • Expansion of the staff in the HR, R&D, QHSE departments and the Professional division to support the company's growth
- Consolidation of benefits:
  - flexitime;
  - introduction of cultural exchange and leisure areas;
  - supply of food supplements;
  - contributions to families

<sup>1</sup> The direction of the arrow indicates the target trend. No trend is shown for targets reported for the first time.

4



GLOBAL GOALS - 2030 AGENDA

## QUALITY EDUCATION

### Long-term strategy

# 2024

## TRAINING PROGRAMMES

INDIVIDUAL AND COLLECTIVE  
SUSTAINABILITY, DIGITISATION, AND  
SOFT SKILLS FOR ALL COMPANY STAFF



IMPLEMENTING  
THE BEST  
**STANDARDS**  
FOR SAFETY MANAGEMENT

### 2023 goals

- • + 995 hours of technical and soft skills training for all company staff
- • Maintenance of the ISO 45001 management system

3



GLOBAL GOALS - 2030 AGENDA

## GOOD HEALTH AND WELL-BEING

### Long-term strategy



#### MINIMISING

THE NUMBER OF ACCIDENTS  
BY INVESTING IN HEALTH AND  
SAFETY IN THE WORKPLACE

### 2023 goals

- Accident frequency rate of 2.7

5



GLOBAL GOALS - 2030 AGENDA

## GENDER EQUALITY

### Long-term strategy

# 2024

PROVISION OF  
TRAINING CONTENT  
ON HUMAN RIGHTS POLICIES  
AND PROCEDURES

DEFINITION OF A  
SYSTEM OF MINIMUM  
NOTICE BEFORE MAJOR ORGANISATIONAL  
CHANGES FOR STAFF

# 2025

IMPLEMENTATION  
OF A SUPPLIER  
MONITORING SYSTEM  
ON FREEDOM OF ASSOCIATION, CHILD LABOUR  
AND FORCED LABOUR

IMPLEMENTATION OF A  
FORMAL HUMAN RIGHTS  
MONITORING AND  
VERIFICATION SYSTEM  
WITHIN THE ORGANISATION

### 2023 goals

- Certification according to UNI PdR 125/2022 for gender equality
- Publication of the Corporate Code of Ethics



GLOBAL GOALS - 2030 AGENDA

## SUSTAINABLE CITIES AND COMMUNITIES

### Long-term strategy



**INTEGRATION OF THE CARPOOLING PLAN WITH THE PROVISION OF TOOLS TO FACILITATE CYCLING**

**BY 2024**

**PREPARATION OF AN ANALYSIS OF THE IMPACT OF OUR ACTIVITIES ON LOCAL COMMUNITIES**

**>50%**

**OF THE COMPANY CAR FLEET CONSISTING OF LOW-EMISSION VEHICLES BY 2025**

### 2023 goals

- • Increase in hybrid and electric company vehicles
- • Signing of the City Climate Contract for decarbonisation in cooperation with the Municipality of Padua

## THE SCENARIO AND COMMITMENT

The phenomenon of “**great resignation**”, i.e. the increase in **voluntary redundancies**, also known as *the Big Quit*, is proving to be anything but a fleeting thing.

Surveys carried out in 2023 by leading job search portals show that there is still a high percentage of workers looking for a new job. The main reasons include the need for a higher income, lack of growth opportunities and a 'toxic' working environment. There are still many workers, especially young people under 35, looking for better opportunities. Specifically, in the first half of 2023, 1,037,725<sup>2</sup> resignations were registered, down by -5.11% compared to the same period in 2022, but still strong compared to previous years.

This situation should not be underestimated and can have a significant impact on the competitiveness of companies.

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

Recent studies indicate that hybrid work (part remote and part on-site) and other forms of flexibility are among the welfare options most sought after by workers. Flexibility allows a better work-life balance and the possibility of reducing travel, with all the advantages of saving time and money.

It is no mystery that job offers that include the opportunity of *smart working* are among the most popular on job search platforms.

In this sense, the pandemic has shown that the hybrid model is technically feasible for a wide range of professions; moreover, better balancing of work and personal life can make workers happier and less stressed and, consequently, more productive. Finally, it should be noted that making work flexible also increases the levels of inclusivity for workers with special family needs, protected categories and minorities.

Health and safety at work are fundamental elements of corporate social responsibility. A safe, healthy and comfortable workplace brings significant benefits to both workers and companies. In the long term, it improves the working climate, while in the short term it reduces the economic and legal implications of occupational accidents and illnesses.

For years, Italmichica has addressed the issue of occupational health and safety in a serious and rigorous manner, in the conviction that it is an investment in protecting workers and its business. It is not just a matter of saving the inevitable costs that lead to more or less serious accidents, but rather of addressing those organisational and management shortcomings that, if corrected, increase productivity. Investing in safer machinery generally means greater efficiency and productivity!

<sup>2</sup> Data source: INPS



Investing in workplace safety is not just about safer technologies and environments. It is also a way to promote a corporate culture that puts health at the centre of all activities. With corporate social responsibility, everyone stands to gain. Employee welfare and occupational safety are essential for Italtchimica to achieve the following objectives:

- improve ties within the corporate community. Increase the well-being of employees by creating a working environment that counteracts the uncertainties of the current historical period. Avoid fragility during periods of high competition on the market;
- maintaining and improving the company's *social reputation*, implementing initiatives and actions aimed at monitoring the expectations of stakeholders. Socially relevant interventions can generate good results on the internal and external perception of the company.

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

The value of corporate welfare is confirmed by the findings of the sixth *Censis-Eudaimon Report*, which shows that *well-being* tools are highly valued by those who benefit from them and are strategic for retaining and attracting workers. The report shows that the pursuit of well-being will become increasingly important in the near future in order to improve the quality of life and mitigate economic downturns. However, the same study emphasises how a corporate *welfare* in line with people's subjectivity

requires a transition from a vertical model in which the company detects and interprets workers' needs by deciding what the corporate *welfare* offer consists of, to a more horizontal model made of listening to needs as a basis for outlining an increasingly wide range of opportunities for workers. The Censis analysis shows that this is a solution that meets with the approval of the vast majority of workers: 89.2% rate it positively and are also convinced that it would stimulate greater company involvement. This is important to know, because it makes explicit the hitherto under-used power of corporate welfare with respect to the greatest issue of our time: apathy at work and, therefore, the risk of an increasing lack of engagement.

To address this, **Italtchimica strengthened the staff and the programme dedicated to human resources** with two specific targets: improving staff administration activities and outlining an HR area development plan. The development of this office seeks to improve staff selection and appointment processes, culminating in the development of a human resources management plan, including specific actions aimed at:

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

These are measures that Italtchimica considers strategic for the active involvement of employees in the life of the company and are consistent with the goals of the sector set in the 2030 Agenda.



## PADUA 2030 AND ITALCHIMICA'S CONTRIBUTION TO **CLIMATE NEUTRALITY**

On 30 April 2022, Padua was selected as one of the **100 pilot cities** aiming for **climate neutrality by 2030**, kicking off a project that will engage the city in the coming years and that is rooted in the Country - Action Plan for Sustainable Energy and Climate.

Italtchimica is one of the signatories to the Climate City Contract, an important document which outlines the actions that need to be taken to bring net greenhouse gas emissions down to zero within the urban area, with set data on the reductions due, time scales and a financial plan. The Municipality drew up the Climate City Contract with a view to involving the main actors in the area in the spirit of collaborative governance, with a participatory process called "Padova 2030". It involved an average of 15-20 people for each meeting, of which there were 6 divided into 3 thematic areas:

- renovation of buildings and production of energy from renewable sources;
- sustainable mobility, circular economy and waste management.

Specific workshops and focus-groups are held to identify the main actions required to achieve climate neutrality. The Climate City Contract will involve the contribution, over time, of target groups in the local ecosystem who will devise new activities, involve young people, form new business alliances and hold workshops throughout the area.

# HUMAN CAPITAL



**Promoting awareness of the corporate culture** is becoming one of Italtchimica's main objectives.

Human capital is a key for the success of a company and employees need to feel part of a community where they can find support and form interpersonal relationships that are important for their work.

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

People are the promoters of the transformation and great change that has been taking place in recent

years. Therefore, the priority goal of Italtchimica's human resources policy is to continue promoting their well-being and professional growth. This is achieved by recognising merit, developing talent and ensuring equal opportunities at all times.

**Focusing on the ambitions and aspirations our employees is core to the company's social sustainability plan, which is based on a strategy open to exchanging views and fostering dialogue both in-house and externally, in order to enhance involvement and engagement and support the Company in the development process.**

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

# OUR PEOPLE

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

It is, in fact, only thanks to their commitment, dedication, ethics and professionalism that Italtchimica is able to meet the growing demand of customers and consumers for high quality, effective and sustainable products.

YEAR	NO. OF EMPLOYEES	GROWTH RATE
2021	176	+1%
2022	193	+10%
2023	202	+5%

The daily objective of the company is therefore not only to guarantee a production group of excellence, but also to be a workplace that people can, in some way, consider as a second home. This applies to both established and new employees. In fact, the company applies a corporate *onboarding* programme to enable the most effective integration of new colleagues in a changing, continually evolving environment. The programme makes administrative aspects efficient and plans cross-functional interviews by following the *induction* of people into the department and into the corporate team.

<b>1</b>	<b>SOUTH AMERICA</b>	
	COLOMBIA	1
	VENEZUELA	1
	CHILE	1
	ECUADOR	1
<b>2</b>	<b>EUROPE</b>	
	ITALY	156
	MOLDOVA	11
	ROMANIA	11
	ALBANIA	1
	BELGIUM	1
	GERMANY	1
SERBIA	1	
<b>3</b>	<b>ASIA</b>	
	BANGLADESH	1
<b>4</b>	<b>AFRICA</b>	
	TUNISIA	2
	CAMEROON	1
	MOROCCO	2



Italchimica's workforce in the last year was made up of 51% of blue-collar workers, 40% of office workers, 7% of managers and 2% of executives.

CATEGORY	2021	2022	2023
EXECUTIVES	3	3	3
MANAGERS	9	13	14
OFFICE WORKERS	60	70	81
BLUE-COLLAR WORKERS	104	107	104

2023 saw an increase in the number of employees, allowing Italchimica to confirm itself as a growing environment that is certainly attractive to workers.

The 5% increase concerns the clerical category in particular and is proportional to the increase in the organisation's turnover. This growth is also a consequence of the strategy of adjusting staffing levels due to the planned development of the corporate structure over the next three years.

YEAR	EMPLOYEES	WOMEN	EQUAL TO
2021	176	40	22.7%
2022	193	44	22.8%
2023	202	53	26.25%

The workforce, in fact, amounted to 202 workers, of whom around 26% were women (60% of the white-collar population), a clear increase over the previous two years.

**The increase in workforce in 2023 was in all categories of the working population with the exception of managers, in line with the process of strengthening and consolidation**

**of the organisational structure that had already begun during the pandemic and which has not come to a halt.**

The increase in the number of employees is in line with the steady growth in production. The corporate development project will require the integration of new professional figures with the addition of new skills, to strengthen the team and increase resilience in the current context of high market competition.

CATEGORY	2023	WOMEN	EQUAL TO
BLUE-COLLAR WORKERS	104	3	3%
OFFICE WORKERS	81	49	60%
MANAGERS	14	1	7%
EXECUTIVES	3	0	0%

From the data on gender distribution, we can see the importance of the role of women in the organisation's growth policy.

**Italchimica considers the empowerment of women a strategic means to develop the company's business in the coming years.**

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

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

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



# GENDER EQUALITY

In the global landscape, **considerable progress** has been made in recent years in the **integration of women** into the world of work and in the educational opportunities of girls.

A unanimous and considerable commitment is required, however, on the issue of violence against women, economic inequalities and the low participation of women in political life. Unfortunately, Italy remains at the bottom in Europe in terms of female employment rates. According to the ISTAT data for 2023, despite the fact that workers reached record levels during the year, the employment rate between the ages of 20 and 64 stood at 66.3%, almost 10 points behind the EU average (75.4%). In Italy, there are unfortunately significant gender differences in many contexts: from the labour market to participation in decision-making processes, and from education to access to health.

In this regard, in recent years the government has included a measure "aimed at women" and "at reducing inequalities" by also allowing companies to certify themselves. Gender equality certification is outlined in the NRRP, particularly in mission M5: Inclusion and Cohesion. The inclusion of the topic in the National Recovery and Resilience Plan attests to its urgency and the need for action in this field.

The certification is based on the UNI/PdR 125 Reference Practice, published on 16 March 2022. It defines guidelines for the implementation of a gender equality management system, including with the definition of a set of KPIs with respect to the results of the organisation's gender equality policies.

The standard envisages six main areas, and related indicators, that determine the level of maturity achieved by the organisation in the area of Gender Equality:

- Culture and strategy
- Governance
- HR Processes
- Opportunities for growth and inclusion of women in business
- Pay equity by gender
- Parental protection and work-life balance

For Italtchimica, gender equality is a great challenge, as well as an opportunity for the company to improve its work standards. Work-life balance

is fundamental and a strategic way to attract talent and increase competitiveness in the market.

With this in mind, in 2023 the company will strongly pursue the path of certification according to UNI PdR 125/2022 in order to report and implement policies and controls for indicators monitoring gender equality issues.

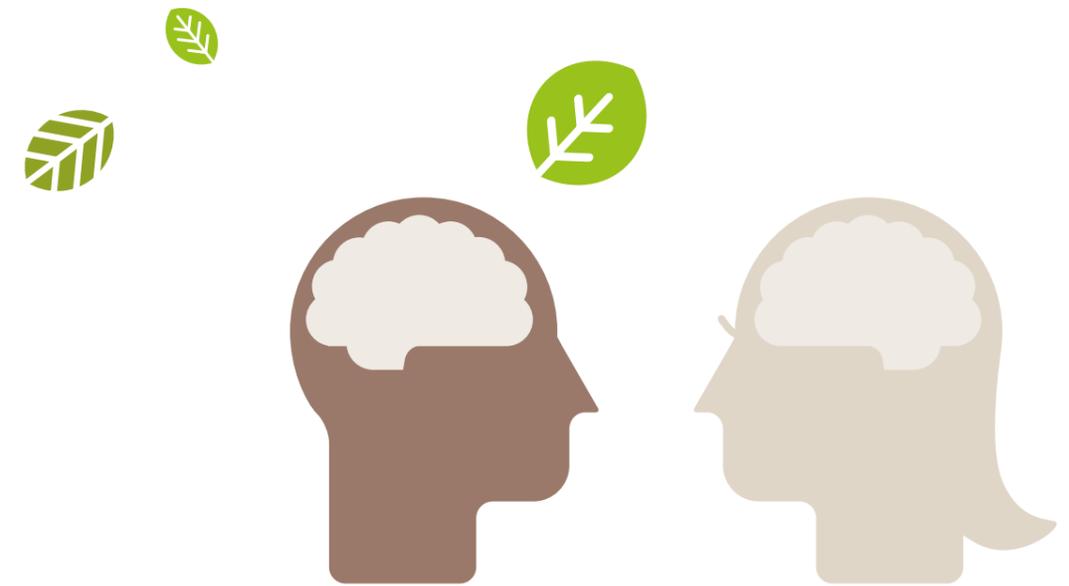
The work carried out so far allows us to take a closer look at data on the corporate population and assess the differences between women and men in various spheres, such as pay, the percentage of women in managerial positions and the distribution in different departments and offices.

According to the data collected as of 31 December 2023, the *gender pay gap* proves to be within the norm and the 10% physiological variance. This figure shows how the company has over the years adopted a remuneration policy based on principles of consistency and gender equality, noting that wages are on average several percentage points higher for women at the same level.

In addition, several management and middle management positions are held by female staff. Moreover, while the presence of men is significantly higher in production departments than women, the opposite is true in clerical departments.

In the course of 2023, numerous training measures will be implemented to develop the leadership and *empowerment* skills of female staff, along with specific initiatives to raise awareness of gender equality among the entire corporate population and promote an inclusive language.

It should also be noted that no phenomena of discrimination emerged during the observation period. In order to improve channels of communication with the company and to comply with the *whistleblowing* regulation, in December 2023 the company will implement a direct and anonymous reporting platform available to all employees and company stakeholders. In this way, through the multiple channels of communication, it is possible to ensure efficient conveying of information to the relevant company structures.





# STAFF STABILITY

What is important to Italtchimica is **offering stable positions** with **chances to grow** within the company. In 2023, 96% of employees will have a **permanent contract**.

YEAR	TYPE OF CONTRACT	MEN	WOMEN
2021	Permanent contract	125	36
	Temporary contract	11	4
2022	Permanent contract	125	41
	Temporary contract	24	3
2023	Permanent contract	145	48
	Temporary contract	4	5

The entire company population is classified according to the collective agreements adopted by the company. The organisation is committed to their observance and the dissemination of their contents to all staff.

It should be noted that the figures shown relate to employees only. In this regard, other contractual forms are covered in parallel as follows:

- **Staff leasing contract:** 13 workers in the production and logistics departments
- **Interns 1:** internal growth training courses.
- **Consultants 2:** Marketing Communication and Administration and Finance.
- **Administrators 3** (with a contract for coordinated and continued collaboration)

EMPLOYEES	TOTAL	PART-TIME	WOMEN
2021	176	1	1
2022	193	1	1
2023	202	1	1

With the exception of a peak in production staff during the summer period due to the seasonality of the product, there is no particular change in the contingent workforce.

In recent years, Italtchimica has significantly reduced the use of agency-supplied staff compared to 2019, thus consolidating the organisational structure. The decision to do so was encouraged by structural

investments and the efficiency of the machines used in the production department. This has led to process optimisation, resulting in less demand for additional staff during peak productivity periods, but a greater need for highly qualified staff. In this regard, this achieved the goal of stabilising the management of resources to a greater extent and releasing the company's direction from the seasonality of production.

## New hires and terminations in 2023

	TERMINATED	MEN	WOMEN
< 30 YEARS OLD	8	7	1
30 < 50 YEARS OLD	20	13	7
> 50 YEARS OLD	6	5	1
TOTAL	34	25	9



# WELFARE - WELLBEING

Italchimica is committed to offering its people a **safe and healthy**, but also **comfortable and stimulating work environment**: the well-being of employees is in fact a key element for the company's success.

	EMPLOYED	MEN	WOMEN
< 30 YEARS OLD	15	8	71
30 < 50 YEARS OLD	24	14	10
> 50 YEARS OLD	4	3	1
TOTAL	43	25	18

	MEN	WOMEN	TOTAL
< 30 YEARS OLD	0	0	0
30 < 50 YEARS OLD	2	0	2
> 50 YEARS OLD	1	0	1
TOTAL	3	0	3

## Turnover rate for 2023

TURNOVER RATE	MEN	WOMEN	TOTAL	MEN	WOMEN
< 30 YEARS OLD	21	17	17.39%	25.00%	5.56%
30 < 50 YEARS OLD	99	32	13.25%	11.61%	17.95%
> 50 YEARS OLD	29	4	15.38%	14.71%	20.00%
GENERAL	149	53	14.41%	14.37%	14.52%

The turnover rate in 2023 was 14%, down 5%, in percentage units, from 2022. This decrease is certainly also the result of the *retention* and *well-being* plans implemented in recent years. This result spurs the company to continue on the path set out by increasing efforts to build employee loyalty through the use of welfare and professional development tools.

With the aim of improving the well-being of its workers, the organisation has implemented a number of *welfare* initiatives over the years to enhance the quality of life of employees both in and outside the workplace.

Many initiatives are underway:

- **Supplementary health insurance:** a supplementary health plan that guarantees members reimbursement or free medical services at affiliated medical facilities.
- **Family contributions:** support for employees' families with financial contributions.
- **Flexitime:** for jobs where applicable, flexibility in and out of the company and the possibility of planning the lunch break based on your work organisation.
- **Seasonal fatigue:** we provide employees with vitamins during the winter and minerals during the summer.
- **Bike to work:** indoor station for parking bikes safely.
- **Sports activities:** running and fitness training sessions accompanied by personal trainers
- **Maternity policies:**
  - reservation, during pregnancy, of a parking space next to the company entrance;
  - payment of a contribution at the birth of the child;
  - to support post-maternity reintegration, ad personam training is planned.
- **Parental leave:** every six months, the company sends an information sheet to all employees outlining the details of parental

leave and the regulatory aspects. In 2023, 7 employees notified the company of the birth of a child and all 7 took paternity leave (in total, 99% of the available hours were taken).

- **Restaurant/canteen ticket:** a canteen service is in operation to allow employees to take their lunch break within the company and daily meal vouchers that can be used both internally and externally are handed out.
- **Literary café:** company library consisting of volumes that can be browsed during coffee breaks and taken home for reading.
- **Working hours:** the possibility of turning overtime into free time. The company offers the option of activating an "individual time account" of overtime worked, turning it into paid leave.
- **Incentive plans**
  - excellent performance is rewarded with a specific incentive system;
  - when the company reaches its target profits for the year, employees participate in the performance bonus.

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

# STAFF SAFETY

The founding principle of the company policy is the **prevention and reduction of the risk of accidents** and the **onset of occupational diseases** in those who are directly or indirectly engaged in company activities.

The implementation of this principle passes, inevitably, through the enhancement of the corporate culture in the field of health and safety until a full awareness of employees is achieved. **Health and safety does not only represent a mere application of legal obligations with the fulfilment of formal and bureaucratic obligations, but it is also a powerful tool for the creation of substantial value.**

The operational implementation of this approach is based on the constant training of staff, the definition

of safe working procedures and the monitoring of their effectiveness; these actions cannot disregard the involvement of workers in safety management, transforming them from passive recipients of accident prevention regulations to protagonists of a cultural change that emphasises safe work.

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

who are directly or indirectly engaged in company activities;

- definition of staff roles, responsibilities and authorities and appointment of adequate resources to implement, maintain and improve the system;
- making sure that staff have adequate skills, training and sensitivity;
- ensuring worker communication, participation and consultation with regard to safety- and health-related issues in the workplace and in the environment.

For years, the company has been moving towards a *modus operandi* that limits risks as much as pos-

sible. In this regard, **all staff at Italtchimica are involved in managing safety and health issues** and are urged to co-operate for the sake of protection through periodic training, constant information and daily guidance precisely on the basis of this goal.

The dissemination of a culture of safety and individual responsibility as well as the creation of risk aware-

ness are central factors in continuing to provide a safe work environment.

During 2020-2022, **Italtchimica continued to monitor company processes and completed the revision of the procedural body of the Integrated Management System** for adaptation to the new regulations. Specifically, **the transition to the ISO 45001 standard was completed.**

## Safety training

Employees are periodically updated on the health and safety improvements adopted or planned, the rate and trends of accidents in the workplace and staff training plans. On these occasions, all employees are called upon to actively contribute to the development of the prevention and protection system by reporting suggestions for improvement in operating procedures, and suggesting new work methods that can reduce associated risks. Employees are also required to regularly take part in the company's safety training courses. **All workers are provided with complete safety training which is appropriate to the associated risks and the prevention measures to be taken.** The generic training course is the same for everyone, whereas the course on specific risks varies according to one's employee category. In particular, the topics of the training course for white-collar workers, who do not access the manufacturing department and carry out typical office tasks, refer to low-risk situations, possible damage and accidents, as well as the consequent prevention and protection measures and procedures associated with typical office activities (work environment, microclimate, lighting, video terminals, emergency procedures, etc.).

On the other hand, the manufacturing department's operators are trained to tackle high-risk situations connected to their specific jobs (chemical risk, electrical risk, mechanical risk, vibration, noise, manual

handling of loads, etc.). With regard to prevention, it is essential for operators to be rigorously trained on the use of personal protective equipment and on the regulatory framework governing safety and health in the manufacturing department.

**In 2023, safety courses amounted to a total of 1104 hours**, down from 2022 and basically in line with 2021; this is justified because in 2022, the periodic refresher training of a large part of the working population was scheduled five years after the previous training took place.

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

In 2023 there was a decrease in the accident rate with fewer accidents with a prognosis of up to three days.

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

EMPLOYEE SAFETY DATA	2021	2022	2023
FATAL INJURIES	-	-	-
1- TO 3-DAY INJURIES	5	2	-
INAIL INJURIES (> 3 DAYS)	4	5	5
COMMUTING INJURIES	1	1	1
INJURY RATE *	5	3.9	2.7
THE INJURY RATE ABSENCE > 3 DAYS *	2.2	2.8	-
THE INJURY RATE ABSENCE >3 DAYS (UNI 7249)*	11.1	13.9	2.7
TOTAL WORKING HOURS*	361,313	358,484	361,080

\*The rates were calculated on the basis of 200,000 hours worked and take into account all categories of workers: collaborators, employees, temporary workers and trainees.

# STAFF TRAINING

## Corporate training activity is part of Italcimica's evolution process:

it is a strategic element in perspective, for internal growth, the enhancement and development of skills and potential, but also for *talent retention* and *talent attraction*.

In 2023, all corporate roles, the assigned duties and the respective skillsets required to fulfil them were mapped. In the course of 2024, following an assessment of the degree of development of individual skillsets, various training courses for implementing and updating core skills will be provided. In the last few years, some executive or 2nd level

university master's degree courses were funded for company staff in the fields of Administration and Finance, *Operations* and the Environment, Corporate Management, Human Resources, *Project Management* and Gender Equality. In addition, staff members underwent specific training plans for the effective use of IT tools, such as



calculation and process optimisation programs, as well as design and graphics programs. All company staff, both direct and agency-supplied, are also subject to a yearly assessment of their work aimed at identifying areas for improvement and the strengths of each employee. This tool has been implemented with a view to tracing professional growth paths for individual employees and identify the necessary preparatory training actions for them.

This assessment, disconnected from the company incentive systems, is intended as an opportunity for bilateral comparison and analysis among employees and their direct superiors. Ample space is left for discussion and employees' contributions. As a matter of fact, employees have an opportunity to report their comments and requests on comparison forms. This feedback tool, already available in the company but still under development, paves the way for an integrated system aimed at analysing and assessing the skills to be enhanced by the company over the years.

During the observation period, the organisation suspended the programmes for assessing skills and performance. An annual programme for assessing skills, starting with those of clerical staff, will begin in 2024. In 2025, the programme will also be extended to blue-collar staff and carried out every six months.

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

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

Below is a synoptic overview with the quantification of training provided in 2023 divided between male and female staff.

TECHNICAL TRAINING AND SOFT SKILLS	WOMEN	MEN	TOTAL
EMPLOYEES	53	149	202
PARTICIPANTS	54	88	142
HOURS	137	858	995
AVERAGE HOURS	2.58	5.76	4.93

# 05



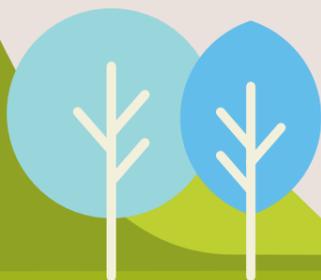
## ECONOMIC RESPONSIBILITY

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**Economic responsibility** is central to **resource management** and **financial planning** for Italmichima.

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Increased profitability is vital to ensure continuing investments in ESG (Environmental, Social and Governance) policies, and to foster the growth of the company and the context in which it operates. Italmichima's Board of Directors and management team therefore work hard to create new opportunities for development, while also striving to ensure that these bring real improvements to the quality of life of individuals and the community, in the belief that this is the key to sustainable economic development.



8



GLOBAL GOALS - 2030 AGENDA

## DIGNIFIED WORK AND ECONOMIC GROWTH



### Long-term strategy

#### A BUSINESS PLAN BASED ON A **COORDINATED STRATEGY**

TO BUILD A CLIMATE-NEUTRAL ECONOMY,  
WHICH IS EFFICIENT IN ITS USE OF  
RESOURCES AND COMPETITIVE IN TERMS  
OF PROCESS INNOVATION.

#### PRODUCT INNOVATION: THE CREATION OF **SUSTAINABLE, SAFE, LOW-IMPACT PRODUCTS,** BY CONTINUING TO BUILD ON THE MODEL OF A CIRCULAR ECONOMY



#### PROCESS INNOVATION: **SIGNIFICANT INVESTMENTS** IN THE PRODUCTION DEPARTMENT



#### EMPOWERING PURCHASERS, END-USERS AND CONSUMERS TO MAKE **INFORMED CHOICES** BY ENHANCING THEIR KNOWLEDGE

### 2023 goals

- ➔<sup>1</sup> • A rise in turnover when compared to 31.12.2022, with an increase of 12.83%, or 8.9 million Euros in absolute terms
- ➔ • +55.34% in added value compared to the previous year
- ➔ • 8% of added value in investments to increase production efficiency

## THE SCENARIO AND COMMITMENT

A commitment by all stakeholders, to ensure the **economic growth** needed to achieve **sustainable development** by **2050**.

There are two ways of measuring what the world needs to do within this decade, in order to move towards a sustainable future. The first is the *empowerment gap*, which estimates the ability of households to meet basic needs and deal with financial emergencies. The second is the *sustainability gap*, which measures the additional investments needed in low-emission technologies to achieve zero emissions by 2050. These gaps vary from country to country, but are important everywhere.

In order to close these gaps, the world needs robust economic development. Growth is essential to create income that people can spend, save or invest. However, growth on its own is not enough. Two other factors will also be needed to reduce the income gap: government interventions, which can

direct incentives and public resources towards more sustainable and inclusive practices; and business innovation, which can accelerate growth and lead to more spending, saving and investment. In this regard, those companies wishing to actively use innovation to build the circular economy can adopt two approaches. They can take advantage of existing opportunities in the market, or promote new ones, finding ways to collaborate that best suit their business: from acting autonomously to cooperating with institutions, either directly or through associations, in order to shape the markets of the future<sup>2</sup>.

In December 2023, the ICC Working Group on the Circular Economy presented a paper entitled "ICC Key enablers for a circular economy" at COP 28 in Dubai.

<sup>1</sup> The direction of the arrow indicates the trend towards the target. No trend is shown for targets reported for the first time.

<sup>2</sup> Source: report by McKinsey & Company "Toward a sustainable, inclusive, growing future: the role of business" - presented at the Davos meeting.





The UN has highlighted how humanity is facing a triple planetary crisis, involving three interlinked issues: climate change, pollution and biodiversity loss. Reversing this triple planetary crisis is one of the main goals of the circular economy, so it plays a vital role in mitigating climate change and all its associated risks.

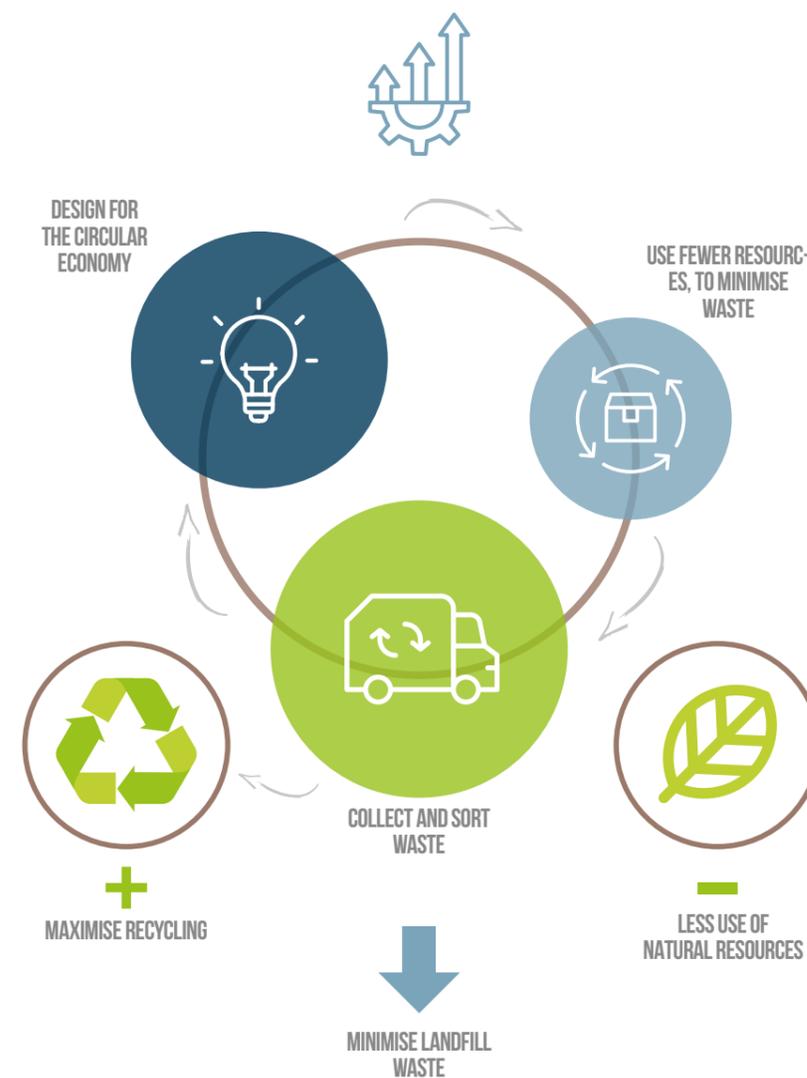
In this regard, the development of a circular business model is now needed more than ever in order to build shared values. This is a production and consumption model that embodies the concept of sharing, lending, reusing, repairing, reconditioning and recycling materials and products. This extends the life cycle of products, helping to reduce waste to a minimum. Once the product's function has come to an end, the materials it is made of are in fact reintroduced into the economic cycle. In this way, they can continue to be reused within the production stages, generating further value. In the linear economy, instead, the raw materials sent to production plants are turned into consumer products, which then finish up as waste.

The circular economy is a continuous process; it requires a profound change in industrial production methods, as well as a cultural shift on the part of consumers, who need to adapt their behaviour to the new paradigm.

Italchimica is aware of the challenge of reducing its consumption of resources and their environmental

impact, and this awareness now informs its business development strategy. The company is constantly working to develop innovative products that are more sustainable throughout their life cycle. This goal requires the collaboration of all actors involved in the value chain, from suppliers of raw materials to end users. It is therefore vital to talk to all the stakeholders, as this helps to understand the needs of different markets and to steer business activities in the right direction. Through this constant exchange of ideas, the company's strategy receives the benefits of new approaches and solutions.

Italchimica is committed to maintaining a transparent dialogue with all its stakeholders about how it manages its economic resources, and about the effects this has on primary stakeholders and on the local community. This dialogue helps to build trust and good relations with the community and with the area in which it operates, and so helps to reconcile different interests. The ultimate goal is to improve the quality of life, creating added value and reducing environmental impact. To this end, Italchimica is gradually moving its business model towards the circular economy, offering high quality products that last longer and can be reused or recycled. It also aims to promote the model of the 'product as a service', in order to improve people's lives and encourage the growth of knowledge and skills in the community.



## ECONOMIC IMPACT

Italchimica had a **turnover of 78.6 million Euros in 2023.**

The comparison with 2022 shows the company's ability to consolidate and greatly increase turnover in the last financial year, which rose by 12.83% or 8.9 million Euros in absolute value, but also in terms of added value. Indeed, this increased by 55.34%, or 9.6 million Euros in absolute value. The company thus managed to recover the profit margins it had partly lost in the previous year, when increases in

raw materials, energy and transport costs were not immediately passed on to the end consumer.

Over the past five years, the Compound Annual Growth Rate (CAGR)<sup>3</sup> in turnover was 4.83%, so that turnover from 2019 to 2023 increased by approximately 16.5 million Euros in absolute terms, or by around 27%.

<sup>3</sup> The Compound Annual Growth Rate measures the average annual growth rate of an investment or financial measure over time, taking account of compound interest. It is used to assess the return on an investment over the long term, providing a view of its constant growth over the years.

# ADDED VALUE

The creation of **value added** shows Italcimica's ability to **create and share wealth** to the benefit of its stakeholders.

The value added table represents, in particular, the accounting link between the statutory financial accounts and the Sustainability Report. The wealth produced by it during the year is namely the difference between gross production and the consumption of goods and services. It is calculated

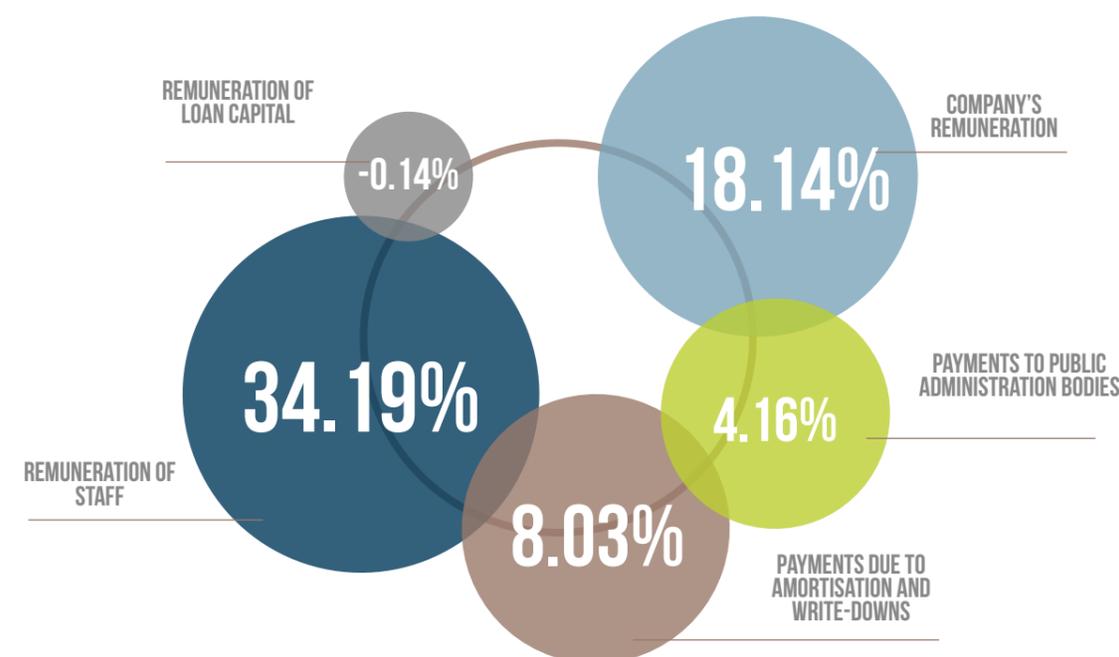
by reclassifying the items in the income statement for the fiscal year. The aim is to highlight both the process of forming corporate value added and its distribution, expressing in monetary quantities the relationships between the enterprise and the socio-economic system which it interacts with.

PRODUCTION VALUE	2021	2022	2023
REVENUES FROM SALES AND SERVICES	69,882,412	69,707,992	78,651,955
CHANGES IN INVENTORIES OF WORK IN PROGRESS, SEMI-FINISHED AND FINISHED PRODUCTS, AND WORK IN PROGRESS TO ORDER	-1,341,237,00	821,642,00	399,231
INCREASES OF NON-CURRENT ASSETS FROM IN-HOUSE PRODUCTION	-	-	-
OTHER INCOME	760,977	1,123,239	1,003,334
<b>TOTAL</b>	<b>69,302,152</b>	<b>71,652,873</b>	<b>79,256,058</b>
INTERMEDIATE PRODUCTION COSTS	2021	2022	2023
FOR RAW, ANCILLARY AND CONSUMABLE MATERIALS AND GOODS	26,952,872	30,909,125	25,685,808
FOR SERVICES	16,736,972	18,668,115	20,506,748
FOR LEASED ASSETS	3,615,409	3,986,020	4,111,581
CHANGES IN THE STOCK OF RAW, ANCILLARY AND CONSUMABLE MATERIALS AND GOODS	- 286,482	- 253,745	1,225,481
OTHER OPERATING EXPENSES	472,605	818,138	509,558
<b>TOTAL</b>	<b>47,491,376</b>	<b>54,127,653</b>	<b>52,039,176</b>
<b>VALUE ADDED</b>	<b>21,810,776</b>	<b>17,525,220</b>	<b>27,216,882</b>

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

The value added produced by Italcimica in 2023 is 27.2 million euro, with revenues amounting to 78.6

million euro, an increase compared to 31.12.2022 of approximately 55.34%. Costs as of 31.12.2023 were down by 3.87% compared to 2022, due to greater stability in the price of raw materials, a careful inventory management policy, and lower energy costs. **The 2023 considerable value added made it possible for the company to gain a larger market share and to further invest in Research & Development and ESG.**



Approximately 34.19% of the value added produced by the company in 2023 was distributed to employees in the form of salaries, social security contributions, severance indemnity and bonuses. This confirms the attention Italcimica gives to its employees and consolidates the strengthening of the middle and top management structure.

**The investments made by the company, shown in terms of the costs of depreciation,**

**produced a return of 8.03%. This shows Italcimica's ability to make important and strategic investments, in order to improve its production processes and make them more efficient.**

The company's return corresponds to 18.14% of aggregate value added, a significant increase compared to 2022, due to improved economic performance.

	TURNOVER (MIL EUROS)	TURNOVER VOLUME (PCS)
2021	69.9	52,544,534
2022	69.7	49,738,549
2023	78.6	51,666,460

# OUR PRODUCTION CHAIN



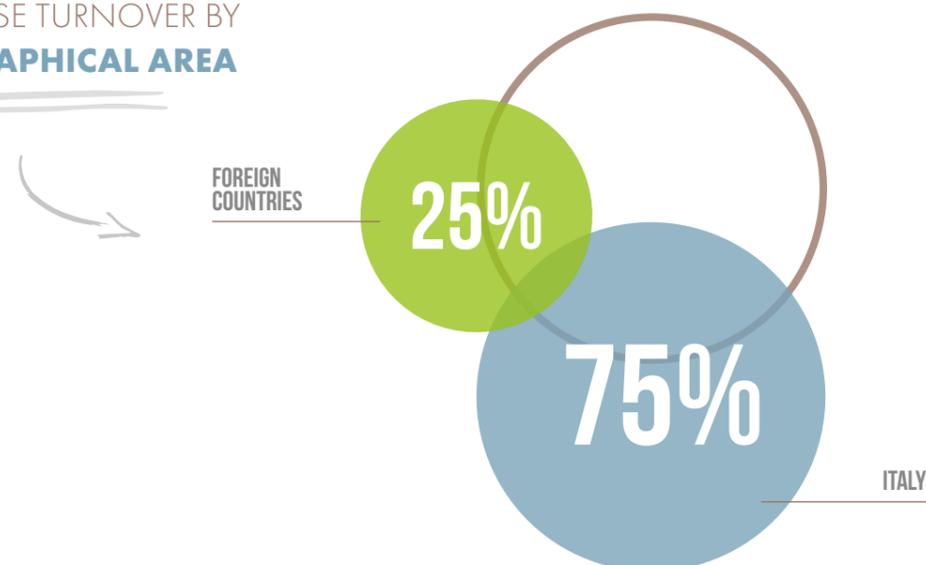
## Suppliers

Italchimica's suppliers are mainly divided into suppliers of raw materials and packaging. In 2023, the number of suppliers remained more or less constant, but expenditure on materials decreased despite the growth in production.

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

In 2023, Italchimica had 136 suppliers, of which 87 were raw material suppliers and 49 pack/label suppliers, for a total cost of € 24,085,164.

### PURCHASE TURNOVER BY GEOGRAPHICAL AREA

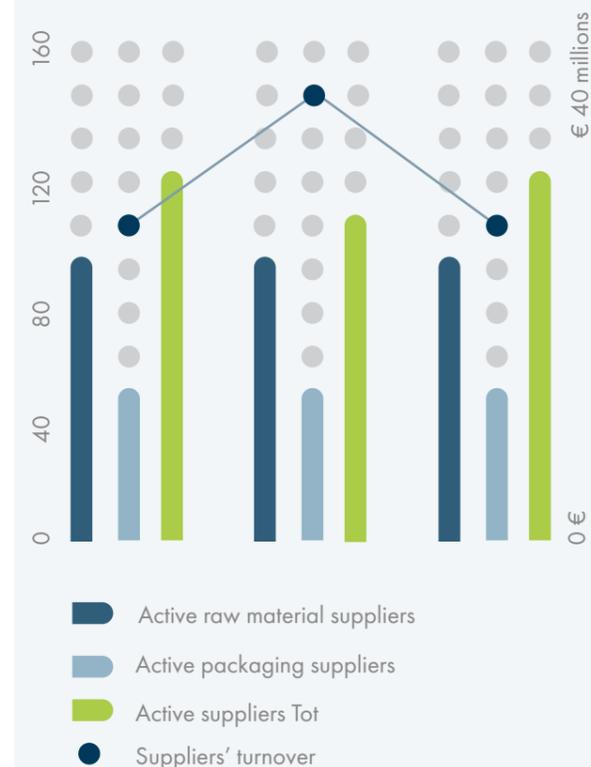


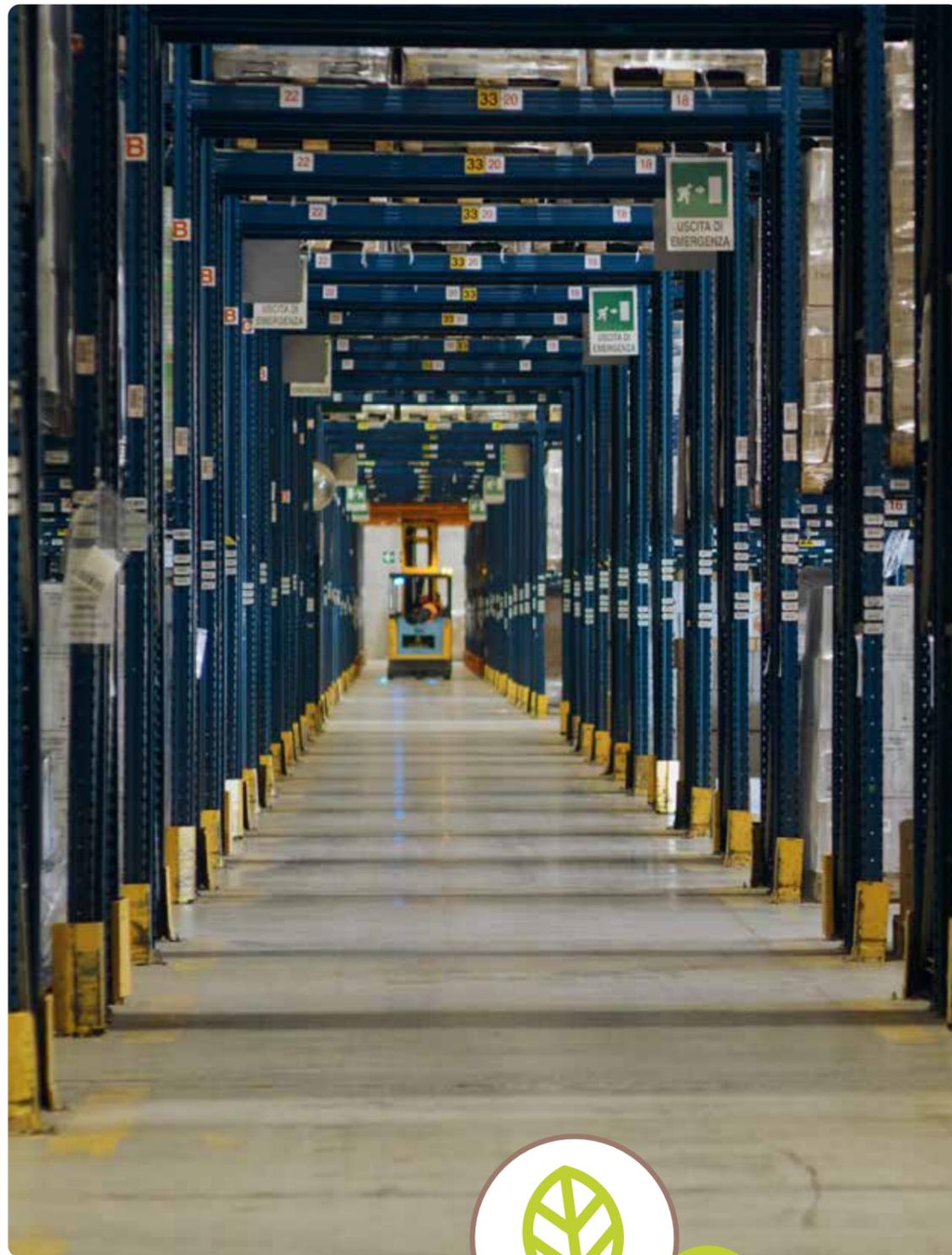
The company prefers to use Italian and/or European suppliers for the purchase of packaging and other accessories (labels and cardboard boxes), so as to minimise the risks associated with timing and delivery problems.

For this reason, most of Italchimica's suppliers are Italian (71%) and more generally European (90%).

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

### ITALCHIMICA'S SUPPLIERS AND TURNOVER





## Customers

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

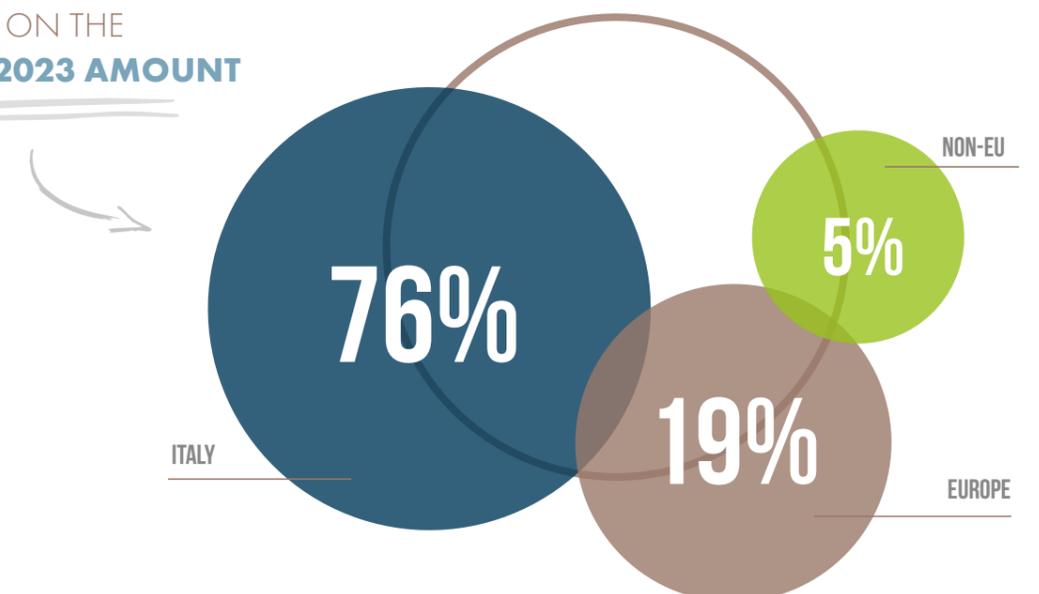
TURNOVER*	2021	2022	2023
TOTAL	€ 70,313,354	€ 70,747,715	€ 79,367,318
ITALY	€ 58,047,184	€ 56,316,408	€ 60,290,155
EUROPE	€ 8,001,518	€ 11,241,741	€ 15,274,574
EXTRA-EU	€ 4,264,651	€ 3,189,566	€ 3,802,589

\*Data relating to the operating income statement.

76% of Italcimica's turnover in 2023 was linked to Italian customers. European and non-EU customers accounted for 24%. **There was a significant increase in European sales last year, in line with the trend in recent years of expanding the company's export market.**

Italcimica's aim in the near future is to build on its expansion into international markets, promoting itself as a point of reference and a leader in the sector.

% OF CUSTOMERS  
ORIGIN ON THE  
**TOTAL 2023 AMOUNT**



06



## COMMUNICATION AND PUBLIC RELATIONS

**2023** was an important year for Italtchimica because it was the **time when the company made a clear statement of its values** - transparency, speed, and creation - in conjunction with **celebrating the 20<sup>th</sup> anniversary** of its foundation.

It was a process of defining the **company's identity**, at a time when the company paused to reflect on itself.

This process also involved the employees who were firstly called upon to share their ideas, suggestions and opinions about our corporate values, and secondly were involved in creating a new narrative about the company's identity. This involved the use of many different internal channels: internal newsletters, events, training sessions, special printed material. External means were also used: a new **company website** that reflected our new identity online, contacts with the press and an important press review, as well as constant updates on our LinkedIn channel.

From the standpoint of promoting products in the

professional context, as well as stressing their practicality and effectiveness, the focus has always been on issues related to **sustainability**. These include our offer of concentrated formulas, Ecolabel certified products, their efficacy at low dosages, the use of recycled plastic in bottles, and production systems with an ever-lower impact on water and energy resources.

With respect to cosmetics and cleaning products for large retailers, 2023 saw intense promotion of our new **REFILL BOX** for Dermomed hand soap, which has many plus points in relation to sustainability: from a lesser use of plastic due to the substitution of cellulose material, to its recyclable potential.



## Instruments



- LINKEDIN POST  
- NEWSLETTER



ADVERTISING CAMPAIGNS  
IN TRADE AND CONSUMER  
MAGAZINES



MONTHLY PRESS  
REVIEW



POSTERS AND NOTICES WITHIN  
THE COMPANY PREMISES



DIGITAL SCREEN IN  
RECEPTION



- **CORPORATE EVENTS**  
to celebrate Christmas or  
the 20th anniversary of the  
founding of the company  
- **TRADE FAIRS**  
ISSA Pulire, Host Milano,  
BigBuyer



**PRESS CONFERENCES** during  
major corporate events

## Stakeholders involved



ITALCHIMICA EMPLOYEES



CUSTOMERS



SUPPLIERS



FINANCIAL INSTITUTIONS  
AND BANKS



CONSUMERS



TRADE ASSOCIATIONS



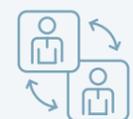
SCHOOLS AND UNIVERSITIES



PUBLIC BODIES



INDUSTRY PRESS



USERS OF PRODUCTS

# CORPORATE SECTION



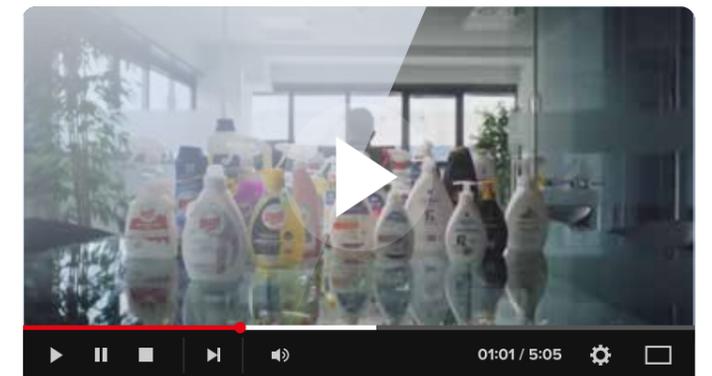
## The new ITALCHIMICA website is now online

A new company website was created, including the organisation's new identity, its founding values, research activities and career paths, as well as the company's aims to contribute towards sustainable development.



## Here's the Italchimica corporate video!

Employees are the main protagonists in Italchimica's new corporate videos. After all, it is because of the chemistry between people that Italchimica has become a point of reference in its sector.



## What we believe in: transparency, speed, creation

The corporate values, set out in 2023 following a survey and some deep reflection within the company, were also outlined and disseminated in newsletters.



## Italchimica's company shop

Italchimica gives its employees the opportunity to buy company products at discounted prices. It is called the **Blue Dolphin shop** and was opened in 2023 to coincide with the company's twentieth anniversary.



## Italchimica Open House

16 September 2023

Over 400 people took part in the celebrations for the twentieth anniversary of the foundation of Italchimica.

Watch the video about the Italchimica Open House event on September 16, 2023



Watch "Eccellenze dal Territorio" (Local Excellence), the television coverage of our event by TV station Telenuovo.



## Press review of the Italchimica Open House event



## Italchimica and relations with Confindustria

At the ITALCHIMICA Open House event, Alessandro Fioretto welcomed the various authorities and journalists who were present, referencing the company values and receiving a commemorative plaque from Leopoldo Destro, President of Confindustria Veneto Est.



## Gala Dinner at Palazzo Parigi

10 May 2023

Our gala dinner was held in the stylish setting of Palazzo Parigi in Milan, and attended by over 200 customers of our professional division. It was a splendid occasion and a time to celebrate the twentieth anniversary of the foundation of Italchimica.



## Special article about the anniversary of the foundation of Italchimica, published in Mark Up magazine



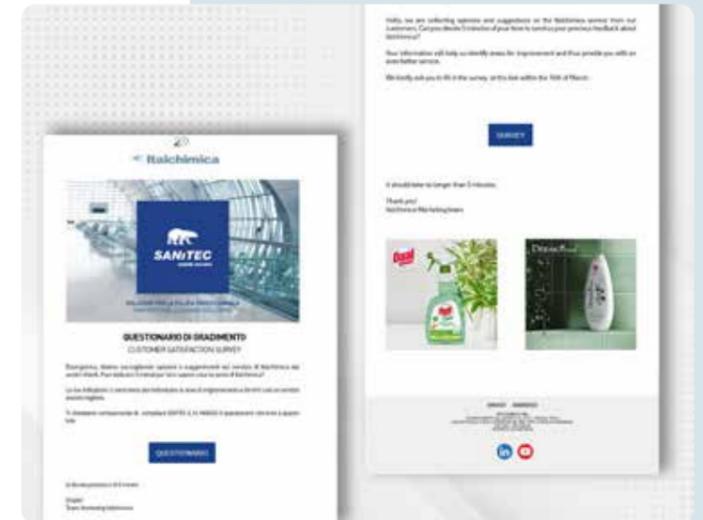
## International Day for the Elimination of Violence against Women

We issue communications about the many different world awareness days, relating them to our business and our daily lives. Italchimica has a particular interest in Women's Day, and began the process for equality certification in 2023.



## Customer satisfaction questionnaire 2023

We survey the satisfaction of our customers, both in the professional and large retail sectors, by asking them to complete questionnaires to evaluate our services. The ideas and suggestions we receive are always useful!



## Italchimica inaugurates the corporate library

In January 2023, Italchimica inaugurated its 'literary café', that is a company library, and devoted a communal area between the offices and production area to display volumes that can be perused during coffee breaks and taken home to read.



# SUSTAINABILITY SECTION

## Leader in sustainability

In 2023, for the second year running, Italtchimica showed itself to be one of Italy's top companies in the field of ESG, for its commitment to the environment, society and the workforce. The ranking is based on reporting by Statista, an independent market research institute that specialises in ranking and analysing company data, working in collaboration with Il Sole 24 Ore.



## The web page ITC Way

A special page on the theme of sustainability has been put up on the new Italtchimica website. ITC Way is a web page that groups together all Italtchimica's efforts and activities towards a sustainable future



## Sustainability report 2022

The Sustainability Report is a substantial publication, and to help communicate its more salient aspects, we have produced a handy leaflet with a selection of the most important points.



## Italtchimica needs your help

Relationships and dialogue with stakeholders play a strategic role in deciding ESG actions. Also in 2023, a sustainability questionnaire was completed by a selection of company stakeholders.



# BUSINESS SECTION: PROFESSIONAL LINE

## Report on ISSA Pulire Trade Fair 2023

15 December 2023

A major trade fair such as ISSA Pulire also provided an opportunity to communicate the company's values and development plans. The venue was a very busy press conference, the twentieth that the company has attended.



## TV commercial aired during the Masterchef Italia cookery show

We understand the needs of both professional cooks and cleaning experts. For this reason, the TV campaign with Michelin-starred chef Matteo Grandi continued into 2023, with the aim of communicating with the hotel industry, but also with the less generally technical audience for Masterchef and the Rai and Discovery channels.



## Advertising pages

Advertisements published in trade journals such as Dimensione Pulito, GSA NEWS and the European Cleaning Journal





# BUSINESS SECTION: CONSUMER LINE

## The new Dermomed My Moment website

The new Dermomed website covers the theme of personal well-being and care, advising you to take time every day to look after your body and mind. There is also a special section about sustainability issues, highlighting in particular the absence of microplastics in our products, and the launch of the REFILL BOX to counteract single-use plastics.



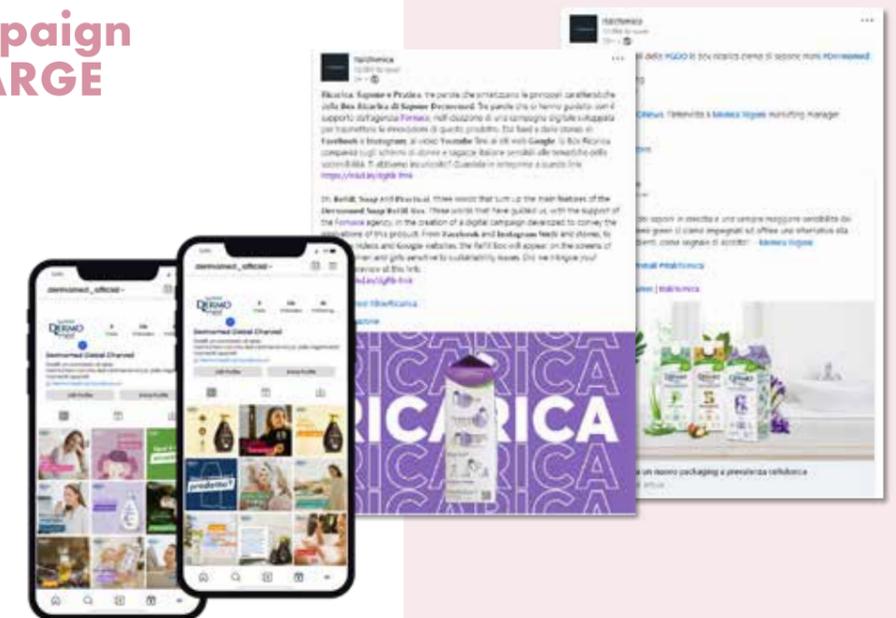
## Consumer Convention 2023 Bologna

25/26 February 2023

The launch of the REFILL BOX took place during the 2023 Consumer Convention and focused on the issue of listening to customers. Dermomed customers are increasingly aware and sensitive about environmental issues and their purchasing choices reflect this concern.



## Digital Campaign BOX RECHARGE



## REFILL BOX newsletter

Sent by industry publications such as GDO NEWS, Distribuzione Moderna, GDO WEEK and MARK UP.



## Advertising pages in trade publications

Ads have been published in trade magazines such as Distribuzione Moderna, GDO WEEK and MARK UP.



## The REFILL BOX for Dermomed hand soap is a winner

Our Dermomed Hand Soap Refill Box won first place in the New Entry category at the Brands Award event. The award is promoted by GDOWEEK/MARK UP.



## Consumer advertising pages

Pages published in AMICA, F, Donna Moderna and Natural Style magazines.



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

**GRI 2:  
GENERAL  
DISCLOSURE 2021**

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

**GRI 2:  
GENERAL  
DISCLOSURE 2021**

**GRI 3:  
MATERIAL TOPICS  
2021**

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

**ECONOMIC TOPICS**

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

**ENVIRONMENTAL TOPICS**

GRI STANDARD TOPICS	LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
<b>EMISSIONS</b>		
305-1 Direct (Scope 1) GHG emissions	Emissions	
305-2 Energy indirect (Scope 2) GHG emissions	Emissions	
305-3 Other indirect (Scope 3) GHG emissions	Emissions	
305-4 GHG emissions intensity	Emissions	
305-5 Reduction of GHG emissions	Not yet in sustainability report	Information not yet available. Studies to be carried out in the medium term.
305-6 Emissions of ozone-depleting substances (ODS)	Not yet in sustainability report	Not applicable.
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Emissions	
<b>DISCHARGES AND WASTE</b>		
306-1 Waste generation and significant waste-related impacts	Water	
306-2 Management of significant waste-related impacts	Waste	
306-3 Waste generated	Waste	
306-4 Waste diverted from disposal	Waste	
306-5 Waste directed to disposal	Waste	
<b>ENVIRONMENTAL COMPLIANCE</b>		
307-1 Non-compliance with environmental laws and regulations	Environmental management	
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
308-1 New suppliers that were screened using environmental criteria	Relationship with suppliers	
308-2 Negative environmental impacts in the supply chain and actions taken	Not yet in sustainability report	The information will be included in the next Sustainability Report.

**ENVIRONMENTAL TOPICS**

GRI STANDARD TOPICS	LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
<b>EMPLOYMENT</b>		
401-1 New employee hires and employee turnover	Human capital	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not yet in sustainability report	Information not yet available. The company undertakes to report on it in the medium term.
401-3 Parental leave	Not yet in sustainability report	This information cannot be reported due to the limitations of the current IT tool. Inclusion of information planned for 2023.
<b>LABOUR/MANAGEMENT RELATIONS</b>		
402-1 Minimum notice periods regarding operational changes	Not yet in sustainability report	The organisation has not formalised the minimum number of weeks' notice before significant operational changes. However, no such incidents occurred during the observation period. The organisation undertakes to formalise this minimum period by 2024, adopting a criterion of appropriateness in relation to the organisational needs of the company and in relation to the needs of the workers undergoing operational changes.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
403-1 Occupational health and safety management system	Staff safety; Staff training	
403-2 Hazard identification, risk assessment and incident investigation	Staff safety; Staff training	
403-3 Occupational health services	Staff safety; Staff training	
403-4 Worker participation, consultation and communication on occupational health and safety	Staff safety; Staff training	
403-5 Worker training on occupational health and safety	Staff safety; Staff training	
403-6 Promotion of worker health	Welfare – Well-being	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Staff safety	
403-8 Workers covered by an occupational health and safety management system	Staff safety	
403-9 Accidents at work	Staff safety; Staff training	

**SOCIAL TOPICS**

GRI STANDARD TOPICS	LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
<b>TRAINING AND EDUCATION</b>		
404-1 Average hours of training per year per employee	Staff safety; Staff training	
404-2 Employee upskilling programs and transition assistance programs	Staff safety; Staff training	
404-3 Percentage of employees who receive periodic performance and professional development evaluation	Staff safety; Staff training	
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>		
405-1 Diversity in governance bodies and among employees	Human capital	
405-2 Ratio of basic salary and remuneration of women compared to men	Human capital	
<b>NO DISCRIMINATION</b>		
406-1 Incidents of discrimination and corrective measures adopted	Human capital	
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
407-1 Activities and suppliers where the right to freedom of association and collective bargaining may be at risk	Human capital	The organization encourages association and collective bargaining within itself by reminding its staff periodically, on an annual basis, of the opportunity to elect company union representatives for each production unit. The organization excludes child labor within its team. The staff of the human resources office is called upon to verify the age of the hiring personnel, checking their identity documents and professional data sheets issued by the competent Employment Center in the pre-hiring phase.
<b>CHILD LABOR</b>		
408-1 Activities and suppliers at significant risk of child labor incidents	Not yet in sustainability report	Please review 407-1.
<b>FORCED LABOR</b>		
409-1 Activities and suppliers at significant risk of incidents of forced or compulsory labor	Not yet in sustainability report	Likewise, the organization excludes forced and compulsory labor within it, monitoring compliance with the rules on working hours, breaks and rest periods. The organization has not yet implemented a system of verification and analysis of its suppliers that takes into account respect for the right to freedom of association and collective bargaining, the exclusion of child labor or forced labor, but is committed to implementing this system of control by 2025.

## SOCIAL TOPICS

GRI STANDARD TOPICS	LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING
<b>SAFETY PRACTICES</b>		
410-1 Security personnel trained in human rights policies or procedures	Not yet in sustainability report	The organization does not employ direct or indirect security personnel. However, it is committed to preparing training content on human rights policies and procedures for its current and future staff by 2025.
<b>RIGHTS OF INDIGENOUS PEOPLES</b>		
411-1 Episodes of violation of the rights of indigenous peoples	Not yet in sustainability report	The organization did not find any incidents of violation of the rights of indigenous peoples within itself during the reporting period.
<b>HUMAN RIGHTS ASSESSMENT</b>		
412-1 Activities that have been subject to checks regarding respect for human rights or impact assessments	Not yet in sustainability report	The organization does not have a formal control and verification system for respect for human rights within it. However, it did not find any incidents of violation of the rights of indigenous peoples within it during the reporting period. It undertakes to implement this control system by 2025.
412-2 Training employees on policies or procedures on human rights	Not yet in sustainability report	The organization does not have training on human rights policies or procedures during the reporting period. However, it is committed to preparing training content in this sense by 2025.
412-3 Significant investment agreements and contracts that include human rights clauses or have undergone a human rights assessment	Not yet in sustainability report	The organization has not signed significant investment agreements and contracts that include human rights clauses. It undertakes to evaluate the inclusion of such clauses in main agreements and contracts by 2025.
<b>LOCAL COMMUNITIES</b>		
413-1 Activities that involve local community involvement, impact assessments and development programs	Not yet in sustainability report	The organization has not carried out an analysis of activities that may involve or impact local communities. However, it is committed to setting this analysis as a future objective to be achieved by 2025.
413-2 Activities with significant potential and current negative impacts on local communities	Not yet in sustainability report	Please review 413-1.
<b>SOCIAL EVALUATION OF SUPPLIERS</b>		
414-1 New suppliers who have undergone evaluation using social criteria	Not yet in sustainability report	Information not yet available. Studies to be carried out in the medium term.
414-2 Activities with significant potential and current negative impacts on local communities	Not yet in sustainability report	Information not yet available. Studies to be carried out in the medium term.

## SOCIAL TOPICS

GRI STANDARD TOPICS	LOCATION IN THE DOCUMENT	OMITTED REQUIREMENTS, EXPLANATION AND FUTURE PLANNING	
<b>SOCIAL TOPICS</b>	<b>POLICY AND PUBLIC CONTRIBUTIONS</b>		
	415-1 Political contributions	Not yet in sustainability report	The organization did not make financial or in-kind political contributions during the reporting period.
	<b>CUSTOMER HEALTH AND SAFETY</b>		
	416-1 Evaluation of health and safety impacts for product and service categories.	Not yet in sustainability report	Information not yet available. Studies to be carried out in the medium term.
	416-2 Incidents of non-compliance regarding health impacts and the safety of products and services	Not yet in sustainability report	Information not yet available. Studies to be carried out in the medium term.
	<b>MARKETING AND LABELING</b>		
	417-1 Information and labeling requirements of products and services	Communication and Public Relations	
	417-2 Incidents of non-compliance regarding information and labeling of products and services	Not yet in sustainability report	This information cannot be reported due to the limitations of the current IT tool. Inclusion of information planned for 2023.
	417-3 Cases of non-compliance regarding marketing communications	Not yet in sustainability report	This information cannot be reported due to the limitations of the current IT tool. Inclusion of information planned for 2023.
	<b>CUSTOMER PRIVACY</b>		
	418-1 Substantiated complaints regarding breaches of customer privacy and loss of customer data	Not yet in sustainability report	The organization did not find any reports of violation of customer privacy in the reporting period.
	<b>SOCIO-ECONOMIC COMPLIANCE</b>		
419-1 Non-compliance with social laws and regulations and economical	Not yet in sustainability report	The organization did not find any violations of social laws and regulations in the reporting period and consequently no related sanctions were imposed.	

# SUSTAINABILITY REPORT

# 2023





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