ALTAIR
CHEMICAL

SUSTAINABILITY REPORT 2023

ESSECO
INDUSTRIAL

CONTENTS

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Letter to STAKEHOLDER

Dear Stakeholders,
Esseco Group, nel tempo, ha affiancato alla propria strategia di crescita la maturazione di una cultura d'impresa ispirata a principi condivisi, impegni e buone pratiche di responsabilità sociale.

Over time, Esseco Group has combined its growth strategy with the development of a business culture inspired by shared principles, commitments and exemplary social responsibility.

Despite operating in an 'energy-intensive' sector par excellence and considered 'hard to abate', we have always believed that chemistry is capable of paying increasing attention to the principles of sustainability.

Esseco Group has consolidated this principle over the years, anticipating some environmental best practices well before the advent of regulatory obligations.

We are making a further step along this awareness path by publishing our Sustainability Report, a tangible proof of our intention to inform our stakeholders about our long-standing vision and approach to sustainable development, illustrating our organisational scope in a well-articulated manner with reference to the main ESG (Environmental, Social, Governance) issues, while committing to calculating and reducing the environmental impact of our products and processes over time.

We already began to take the first steps around 40 years ago when the global scenario, both from the institutional point of view and from that of public opinion, did not yet impose those changes necessary to mitigate the environmental impacts that the international post-pandemic situation has dramatically accelerated.

We intend to continue to interpret these stakeholder sensitivities correctly, transparently and promptly, as we are certain that they constitute opportunities for growth and competitiveness for us in the field of innovation.

In fact, Esseco Group has always been guided, in its vision and choices, by the clear and well-rooted values forming its DNA: PASSION, RESPONSIBILITY AND OPENNESS.

PASSION for efficiency, commitment and quality. We love making things work well, in the best possible way; we are convinced that things must work over time, consistently and with continuity; we believe that this also requires adding art to passion so that things not only work well but also produce added value.

RESPONSIBILITY for dynamic maintenance. Responsibility begins with each individual: each of us in the company receives something and must protect it with discretion and courage, as a reasonable and prudent person. But we want every day to be enriched with the content of our work, enhancing people and the best talents, to overcome the logic of simple conservation. We are aware and attentive to the impact that each of our actions has on the entire territory and the world in terms of the environment, safety and quality of life.

OPENNESS to progress at all times. We let our tradition support us without it becoming a constraint in the growth of the present, to confidently look to our future. In fact, we cultivate our curiosity and give space to everyone's good ideas, letting them emerge and become part of our strategies. If we continue to progress it is because we know how to offer the opportunity to express the best energies and skills, enhancing everyone's abilities and transforming errors into an opportunity for growth.

We strongly believe in these values, which allow us to face the demanding challenges posed by the current geopolitical context, marked by the years of the Covid-19 pandemic and characterised by strong instability, with determination. We must all build the conditions to respond to the new needs of today's and tomorrow's citizens.

To this regard, Esseco Group is actively engaged in contributing to the European Green Deal, through our constant commitment to reduce greenhouse gas emissions.

In 2023 renewables already reached over 41% of the energy supply requirements for the Italian Industrial Division. Considering self-produced electricity from recovered steam (CO_2-free) as well, the renewable share of the power grid supplier mix reaches a **55%** supply share.

Esseco developed its approach to sustainability by incorporating attention to various environmental, social and governance issues into its business activities, following two major lines of action:

- proposing products and services to the market that favour a responsible, ethical, inclusive transition with a reduced environmental impact,
- consciously managing aspects relating to people's lives, the quality of the environment and the corporate governance system in carrying out business activities in line with international best practices, representing a benchmark for the various actors involved.

The publication of the Sustainability Report of our Italian companies is a decisive step towards enhancing and harmonising the set of initiatives that our Group has undertaken for some time within the broader scope of social responsibility, and to define the sustainable development strategy that will guide our future growth path.

This report will be useful to materially assess and evaluate the efforts made by our companies in 2023 through our data and an analysis of the objectives achieved against year-start set targets, which will show that our governance and policy guidelines point to an actionable and feasible direction – a route towards *truly* sustainable chemistry.

1.

About us

Our companies, Altair Chimica S.p.A. and Hydrochem Italia S.r.l., now merged into **Altair Chemical S.r.l.**, and Altair Chimica Iberica SL, are part of the Industrial Division of the Esseco Group.

Moving progressively towards sustainable chemistry, we are leaders in the production of potassium and sodium chloride electrolysis derivatives. We transform raw materials into products that reach the whole world and are useful in different sectors: food, agriculture, livestock, water purification, pharmaceutical, rubber and paint industries.

We have always been committed to the conscious innovation of products, processes and technologies. Our primary objective is constant and sustainable company development through our investment policy to expand the energy mix, transparent relationships with customers and suppliers, as well as respect for the wellbeing of the workers who contribute to our success.

1.1. Group History and Values

We are part of the Esseco Group, an Italian holding company which is currently present in 18 countries around the world and has more than 1,300 employees.

The 1920s We set off on our journey in the national scope of chemicals with a company specialising in refrigeration systems.

The 1960s After purchasing our first plots of land in San Martino di Trecate (NO) in 1963, we laid the foundations of the current industrial hub where our main production facility now stands, and started our first sulphur dioxide production line from pyrite in 1969.
Up to the 1990s our production investments had led to the expansion of sulphite production and the gradual growth of the company's position as a national industry player, including in the winemaking sector.

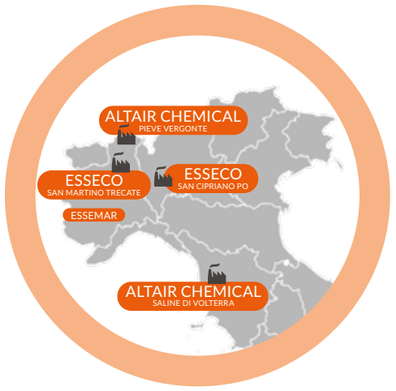
The 1990s We started an acquisition strategy which was the mainspring of the current Esseco Group. The growth in Italy was accompanied by a strategic expansion operation outside national and European borders, while still focusing on both our core businesses – inorganic chemical products and winemaking.

2003 Enartis was set up, a brand which established Esseco on the worldwide market of excellent winemaking products.

2004 Esseco Group Holding was set up to include all the production and commercial companies located worldwide.

2022 The broad range of companies and production facilities located around the world spurred the start of a corporate reorganisation, which included setting up **Divisione Esseco Industrial**, the merger by absorption of Zolfindustria S.r.l. into Esseco S.r.l., and launching Enartis spin-off into the Wine Division.

2023 The process of merging the companies Altair Chimica and Hydrochem into **Altair Chemical S.r.l.** was completed, and the Company **Enartis S.r.l.** was set up, both being legally effective as of 1 January 2024.



Thanks to a systematic growth and acquisition process, the **Industrial Division** currently relies on various production sites in Europe and the Americas and has expanded its offering portfolio on the market. It has maintained and increased its presence in the long-standing business of sulphur and sulphite derivatives and, thanks to the acquisitions of Altair Chimica (2011) and Hydrochem Italia[1] (2019), it has become one of the main European players in the chlor-alkali sector, with specific focus on caustic soda and potash, and all the chemical processing involving inorganic potassium derivatives. The acquisition of Addcon, with its production facilities in Germany, Norway and China, further extended the geographical and product scope of Esseco Group Industrial Division, now also operating in the Feed sector.

The **Wine Division** has also taken on a significant breadth today; the activities within the business scope of the Esseco Group currently have a leading position in the market niche of biotechnological additives and adjuvants to support the wine industry on a global level. Here, too, the systematic growth and acquisition process which began in the 1990s and has never been interrupted has led the Group to be directly present on all the main wine production markets with its brands and subsidiaries today.

The market offer is expressed through innovative products and solutions that are the result of intense research and development, sold through the Company Enartis[2] and the following proprietary brands:

[1] Companies currently merged into Altair Chemical S.r.l.

[2] Enartis had been an Esseco S.r.l. brand until 31/12/2023.

Our **vision** guides the Group's operations on a daily basis:

Keep growing every day with passion, responsibility and receptiveness to be the benchmark solution that gives value to the work of our customers, helping the world to have higher quality and safer products.

We apply best practices wherever we are located in the world and operate within a framework of fair competition, honesty, integrity, propriety and good faith, respecting the rightful interests of customers, employees, members, commercial and financial partners, and the communities which Esseco Group is part of.

While operating in an energy-intensive sector, we aim for decarbonisation and take material action to achieve independence from nonrenewable energy sources. We work every day to promote useful and sustainable innovation in products, processes and technologies, cooperating with universities and research centres.

We constantly strive to exceed our customers' expectations with a proactive approach and a helpful, positive attitude, resulting in products whose quality is certified by the strictest market standards.

1.2. The Evolution of Our Companies

1.2.1. Altair Chimica

We are internationally recognised as one of the most renowned companies in the production of inorganic potassium and sodium derivatives.

Established on 6 July **1959** with the intervention of the then-President of the Republic Giovanni Gronchi to lay the foundation stone of the plant in Saline di Volterra, we took the name Altair Chimica S.p.A. in 1995 and became part of the Esseco Group in 2011.

In **2005** we signed an agreement with the Ministry of the Environment to eliminate mercury from our processes, and in **2008** we inaugurated new plants for the use of membrane cell technology, first in Europe and at the forefront in the world in this field.

Over the years we have pursued our commitment to energy transition, for example with the launch in **2011** of a very high efficiency cogeneration plant for the simultaneous and efficient production of electricity/steam and hot water.

We have expanded the plant's capabilities in the field of organic chemistry by starting to produce chloro-paraffins in **2013**.

An important plant modification was carried out on the solid potassium carbonate production plant in **2015**. This modification allows us to use, instead of the purchased liquid CO_2 necessary in the traditional process, the CO_2 contained in the exhaust fumes of the cogeneration plant. This intervention allows both the CO_2 otherwise emitted in the chimneys to be captured and reused in the process and to produce carbonate with greater efficiency thanks to the recovery of the heat present in the fumes.

In **2017**, we established the company **Altair Chimica Iberica SL** with a warehouse in La Rioja, Spain, useful for marketing our products in the Iberian peninsula.

In **2018** we commissioned the caustic potash flake production plant.

In **2019** we expanded the electrolysis section, the heart of the plant, with the addition of the caustic soda (NaOH) production line. In the same year, we installed the first rooftop photovoltaic system which was activated the following year, and we launched an e-mobility project to power the internal mobility of the factory with green energy self-produced on site.

In **2020**, we installed the second cogeneration plant, an internal combustion engine (2MWe of power) for the efficient production of electricity, steam and hot water, necessary to cover part of the energy needs that have gradually increased over the years.

In **2022** we signed a Power Purchase Agreement lasting 10 years, an important contract for the supply of 43,800 MWh of renewable energy produced by photovoltaic plants located in Lazio.

In **2023** we continued to make headway towards sustainability by participating in the Renewability project. Renewability is the first energy community for companies that we joined as partners together with two other industrial players, whereby we decided to make a considerable investment into photovoltaic plants in the Abruzzo and Lazio regions.

1.2.2. Hydrochem

Our roots are in Pieve Vergonte, in the Alpine area of North-East Piedmont, where we started producing chlor-alkali in **1915**, in order to provide substances to the war industry of the Kingdom of Italy, which had been involved in World War I since spring of that year. The Piedmontese municipality of Rumianca in the Ossola Valley (within the Novara province until 1992, and falling within the Verbania province since then) was chosen as the site for the production facility of "Società Anonima Ingegner Vitale" (Engineer Vitale Corporation), as it was called then.

In the **1930s and 1940s** the Company became the owner of several mining concessions in the Ossola Valley (namely, in Val Toppa, Valle Anzasca and Valle Antrona) and built two hydroelectric power plants in the Pieve district of Megolo (in 1941) and the Anzasca municipality of Ceppo Morelli (in 1948), whose joint power output was 85,000 MWh/year. In the meantime, the Company had been acquired by SNIA (an Italian chemical industrial Group) and taken on the name of "Anonima Stabilimenti di Rumianca" (Rumianca Industry Corporation).

In **1936** "Anonima Stabilimenti di Rumianca" acquired "Viset", a company manufacturing personal hygiene products and located in Borgaro Torinese, and "Società Miniere di Antrona" mining company. Two years later, "Rumianca di Apuania" chemical plant was established in Avenza (MC). Expansion to Southern Italy, especially to Sardinia – with Villaputsu plant and mine in the Cagliari area, and Nurallao Laconi mine in the Nuoro area – culminated in the establishment of "Rumianca Sud" (Southern Rumianca company) in Macchiareddu (CA) in 1962.

In **1981** ANIC S.p.A. acquired SIR (Rumianca in Pieve Vergonte and Borgaro Torinese, SIR in Sesto San Giovanni, as well as specialty chemical production plants in Ravenna) by government decree. In 1983 the production facility was subsequently transferred to the ENI Group (Enichimica Secondaria – ENI Specialty Chemicals), which retained control over the plant until 1997, when the holding company then called "Enichem Società di Partecipazioni" sold the leasehold rights to the production plant and the hydroelectric power plants to a multinational company, Tessenderlo.

In **2013** Tessenderlo Italia S.r.l. sold the factory and hydroelectric power plants to the WeylChem Group, owned by ICIG (International

Chemical Investor Group), thus setting up a new company, Hydrochem Italia.

In **2017** the mercury-cell chlor-alkali plant (the core of the entire production process at the Pievevergonte site) was decommissioned, on the grounds that mercury-based technology was no longer permitted in the EU as it was not approved as BAT (Best Available Technology). A small production of chlorine derivatives using purchased chlorine was still in place.

In **2019** the production facility, earmarked for general shutdown, was taken over by Esseco Group, based on the recommendations of a ministerial crisis committee.

In **2021** the investment plan for the production site turnaround was completed. Relying on an investment of some EUR 50 million, a new membrane electrolysis system, the upgrade of the photochlorination plant, and an additional chlorination system for organic compounds were set up. The turnaround process resulted in a turnover of EUR 101,271,144 in 2022. Thus, Hydrochem became the flagship of Esseco Group's energy transition, owing to its state-of-the-art production facilities and by meeting most of its electricity demand with hydroelectric power.

A further upgrade of the photochlorination plant was completed in **2022**, which allowed for increased production in that facility.

1.3. Structure and Organisational Framework

Altair Chemical S.r.l. was set up through the merger by absorption of Altair Chimica S.p.A. into Hydrochem S.r.l., legally effective as of 1 January 2024, while Altair Chimica Iberica SL is 100% controlled by Altair Chimica Unipersonale S.p.A.[3].
As to operations, our three production facilities are located in:

- **Saline di Volterra (PI) - Italy**: production plant and registered office for Altair Chimica (currently, Altair Chemical S.r.l.);
- **Navarrete (La Rioja) - Spain**: Altair Chimica Iberica storage site;
- **Pieve Vergonte (VB) - Italy**: Hydrochem Italia production plant (currently, Altair Chemical S.r.l.).

[3] In this report, all data referring to Altair Chimica S.p.A. also include Altair Chimica Iberica SL.

The organisation of each company is regulated through a governance model consisting of a Board of Directors (BoD) responsible for establishing strategies, policies and objectives, including those of sustainability: we disseminate and pursue these objectives at every level of the organisation.

To collaborate with other research companies in the sector and for the constant improvement of health, safety and environmental standards, we are associated with **Federchimica** (National Federation of the Chemical Industry) and Confindustria. The primary objectives of these two bodies are the coordination and protection of the role of the Italian chemical industry and its strengthening in compliance with economic, industrial, trade union policy and health, safety, environment, innovation, energy, logistics and sustainability issues.

With Federchimica, we are voluntarily members of the **Responsible Care** programme dedicated to promoting the sustainable development of the global chemical industry. Like the other signatory companies, we undertake to strengthen activities to protect the environment, guarantee safety, protect health, better manage logistics and production and share corporate best practices.

Within the scope of these commitments, represented by Dr Chiara Ghelardini, we take active part in the drafting of a sustainability report for chemical companies, by reporting our data together with data from 18 other companies in Tuscany.

1.4. Our products and markets where we operate

The pursuit of **quality** guides our daily actions and is expressed in two main areas: product quality and service quality.

Product quality starts with the identification of the customer's needs and develops along all phases of production, from quality control in the laboratory to sales, with the prerequisite of continuous attention to improvement.

Service quality is expressed in the timeliness of responses, in the creation of customised products, in the flexibility of scheduling and in the punctuality of deliveries.

Our products are introduced into the Italian and foreign markets following rigorous quality and safety criteria for the consumer. Our production is present in various sectors:

- in nutrition: for example in cocoa, chocolate and powdered milk (baby food) as additives;
- in animal nutrition as raw material for feed;
- in pharmaceuticals: for example in effervescent medicines and anti-cancer medicines;
- in the purification of water;
- in agriculture as a contribution to seed protection;
- in winemaking as useful substances for wine, champagne and beer.

We obtain chemical products derived from potassium, sodium and chlorine in the plant in Saline di Volterra. The electrolysis process at the heart of our operations uses membrane cell technology and allows us to produce caustic soda, caustic potash, chlorine starting from salts: sodium chloride and potassium chloride. Furthermore, we manage several steps downstream of electrolysis that treat the intermediates in output from this process.
In particular, we produce:

- Potassium derivatives:
  - potassium hydroxide in solution (or caustic potash) deriving from the membrane electrolysis plants;

- solid potassium hydroxide obtained from concentrating the product in solution;
- solid potassium carbonate produced by recovering carbon dioxide from cogenerator combustion fumes;
- liquid potassium carbonate made from the absorption of carbon dioxide deriving from combustion fumes in scrubbers;

- Sodium derivatives:
  - sodium hydroxide in solution (or caustic soda) deriving from the membrane electrolysis plants;
- Chloro derivatives:
  - hydrochloric acid in solution with the direct synthesis between chlorine and hydrogen;
  - sodium hypochlorite obtained by treating with caustic soda chlorine or chlorine-containing vents in absorption towers;
  - ferrous and ferric chloride generated by the recovery of mill scale from iron processing or from the recovery of spent acid from pickling iron sheets;
  - chloroparaffins: organic derivatives of chlorine characterised by chains of different lengths and produced through photochlorination.

Membrane electrolysis is the heart of the production process in the plant in Pieve Vergonte as well. Here we generate organic and inorganic products derived from sodium, potassium and chlorine.
In particular, we produce:

- Potassium derivatives:
  - potassium hydroxide in solution through the membrane electrolysis plants;
- Sodium derivatives:
  - sodium hydroxide in solution through the membrane electrolysis plants;
- Chloro derivatives:
  - hydrochloric acid in solution with the direct synthesis between chlorine and hydrogen;
  - sodium hypochlorite obtained by treating with caustic soda chlorine or chlorine-containing vents in absorption towers;
  - chlorinated aromatic compounds: used mainly in the agricultural (90%) and pharmaceutical (10%) markets, including monochlorotoluenes and dichlorotoluenes.

1.5. Value Generation

The economic value that we create with our activities guarantees business continuity over time and fuels the positive economic impacts that fall on stakeholders and the territory. In addition to promoting the economic and social development of local communities, the redistribution of the generated value allows us to better relate to the socio-economic systems with which we interact and to understand mutual influences.

We calculate the economic value generated and distributed to stakeholders based on a reclassification of the items in the financial statements, reported in the table below.

Economic value generated and distributed in €	2022	2023
Value generated (net revenue)	**453,058,354[4]**	**296,564,854**
Total economic value distributed, of which:	**351,538,705**	**298,763,563**
Operating costs	312,136,750	231,627,196
Staff salaries and benefits	14,528,894	15,053,762
Payments to capital providers	1,008,468	74,7076
Payments to the Public Administration	22,464,748	5,169,928
Value distribuited to shareholders	1,250,000	45,815,000
Investments in the community	149,845	350,600
Economic value retained	**92,262,888[4]**	**-2,198,709**

A comparison of the distributed and retained economic values over the past two financial years shows a considerable difference, mainly due to the large increase in dividend distribution to shareholders. We continued to create positive economic value with our companies, by improving operating costs and increasing investments in the local community.

[4] This figure slightly differs marginally from the value reported in 2022 Sustainability Report as a few items have been reclassified.

2.

Responsibility and Transparency as the Foundations of Governance

2.1. Governance Model

Our governance models envisage a Board of Directors (BoD) chaired by a Chairperson as the highest governing body. Below please find the composition of our governing body as of 2023, thus before the merger of both Companies, effective as of 01/01/2024.

2.1.1. Altair Chimica

Altair Chimica BoD as of 31/12/2023 consists of four men with an average age of 54 years; its composition is detailed in the following table.

Name	Role	Executive	Qualifications	Other positions
Francesco Maria Nulli	Chairperson	Yes	Chemical engineer, he has the highest organisational and functional responsibilities, including legal representation of the company	Chairperson and CEO, also in other companies of the Esseco Group
Roberto Vagheggi	Chief Executive Officer	Yes	Electronic engineer with high responsibilities in resource management and planning, as well as business risks	Chairperson of Altair Iberica, Chairperson of Hydrochem, Esseco S.r.l. Managing Director Esseco Group Managing Director
Paolo Pierno	Director	Yes	Chemical engineer, he has organisational, decision-making, disciplinary and spending responsibilities related to health, safety and environmental aspects of the Saline di Volterra plant	Employer for Italian Legislative Decree 81/08, environmental manager as per Italian Legislative Decree 152/06, responsible for asbestos management as per Italian Legislative Decree Ministerial Decree 06/09/94, responsible for fire prevention as per Italian Presidential Decree 151/11 and responsible for toxic gases Royal Decree 147 of 1927
Alberto Cambieri	Director	Yes	Degree in Economics and Commerce with specialisation in Business Management and Administration	Director in other Esseco Group companies

In addition to the Board of Directors, there is a Board of Statutory Auditors consisting of five members: three standing auditors, one of whom is the Chairperson of the Board, and two alternate auditors. The legal audit is entrusted to an external company that certifies the correctness of the financial statements (Ernest & Young S.p.A.).

Role in the Board of Statutory Auditors	Name and Surname
Chairperson	Mario Giusti
Standing Auditor	Roberto Miazzo
Standing Auditor	Andrea Donna
Alternate Auditor	Alessandro Cinque
Alternate Auditor	Claudia Mazza

This is the collegiate body of the joint-stock company that supervises compliance with the law and the by-laws, compliance with the principles of correct administration and in particular the adequacy

of the organisational structure and the correct functioning of the company (Italian Civil Code, Art. 2403). The Board of Statutory Auditors must meet at least every 90 days, and minutes are drawn up on such occasions in the appropriate book of meetings and resolutions.

Our governance also includes a **Supervisory Body** (SB) consisting of professionals who impartially monitor the functioning, effectiveness and observance of the organisational Model (pursuant to Italian Legislative Decree 231/01) and the **Corporate Code of Ethics**.

Reports of any alleged illicit conduct can be made by internal or external employees and/or collaborators in relation to relevant conduct pursuant to Italian Legislative Decree 231/2001 (e.g., corporate, environmental, health and safety crimes) and may also concern the reasonable/likely existence of illegal situations, for example conflicts of interest.

To facilitate reporting to the Supervisory Body, we established dedicated communication channels, which will merge into our Group-wide whistleblowing channel, starting in 2024. On the whole, all *stakeholders* may report any critical issues via the "Contact us" section of our website and/or via direct communication with the contact person of each area. As required by company procedures, we process all reports by recording the opening, response and closing dates, as well as any remedies taken.

2.1.2. Hydrochem

Hydrochem Board of Directors (BoD) as of 31/12/2023 currently includes 3 men whose average age is 53; details on its members are provided in the following table.

As required by our management systems, the roles and responsibilities of our companies are defined in organisational charts, characterised by the presence of highly qualified and competent internal organisational units for the control of strategic areas, including those of research and development, laboratory quality control, marketing and purchasing.

Name	Role	Executive	Qualifications	Other positions
Roberto Vagheggi	Chairperson	Yes	Electronic engineer, he has the highest organisational and functional responsibilities, including legal representation of the company	Chief Executive Officer of Altair Chimica, Chairperson of Altair Iberica, Esseco S.r.l. Managing Director, Esseco Group Managing Director
Filippo Coffele	Director	Yes	Engineer, he has organisational, decision-making, disciplinary and spending responsibilities related to health, safety and environmental issues in the Pieve Vergonte plant	Employer as per Italian Legislative Decree 81/08
Alberto Cambieri	Director	Yes	An Economics and Business Graduate, specialised in Business Management and Administration	Chair of the Board of Directors of the Centre for Oenology, Director of Esseco Group, Director of Enartis S.r.l., Director of Ever S.r.l., Managing Director of Enocompany, Director of Oenofrance Italia S.r.l., Representative for Esseco S.r.l.

Our staff also includes internal specialists dedicated to the integrated management system, energy management, *regulatory affairs*, as well as numerous figures in the safety and environmental management group with specific roles and responsibilities, also dedicated to risks from major accidents.

2.2. *Compliance* and Corporate Integrity

Hydrochem is certified according to UNI EN ISO 9001 international quality standard.

These systems, which have developed and become well-structured over the years, are strengthened by specific procedures and instructions in place, complying with the regulations of Italian Legislative Decree no. 105/2015, implementing the so-called Seveso Directive, since our production activities fall into the major accident hazard category.

Verification of the management systems and all the above certifications is assessed at least once yearly by third-party certification bodies, together with a verification of the operational compliance of the processes being implemented.

We examine the adequacy of environmental, health and safety safeguards with internal audits and feedback from the frequent inspection visits carried out by surveillance bodies.

In **Altair Chimica** we have voluntarily chosen to equip ourselves with an integrated management system (IMS) that is compliant and certified according to the following international standards:

- UNI EN ISO 9001:2015 *Quality Management System*.
- UNI ISO 45001:2018 *Occupational Health and Safety Management System*.
- UNI EN ISO 14001:2015 *Quality Management System*.
- UNI CEI EN ISO 50001:2018 *Energy Management System*.

The latest certification reflects the high level of attention we dedicate for energy issues.

The rigour of our processes for managing environmental aspects is also demonstrated by having obtained **EMAS** Registration (EC Reg. no. 1221/09) for the Saline di Volterra site, achieved for the first time in 2012. This tool was created by the European Union, which can be obtained voluntarily through a process of monitoring and improving one's environmental performance, as well as providing stakeholders with information on environmental management, also through a dedicated declaration

We have also obtained various product conformity certificates, including the following ones which we believe worth noting:

- **Food Safety System Certification Scheme** (FSSC 22000 cat. K), based on the principles of risk analysis and critical control points (HACCP) of the food sector for products classified as food additives;
- **GMP+cat.B2** for products classified as 'raw materials for feed'.

In 2019 we joined **EcoVadis** ratings, issued by an independent global provider of corporate sustainability ratings based on company management performance on four topics: environment, labour and human rights, ethics, sustainable procurement. We received a **"Gold"** medal for the third year in a row; it is a recognition awarded to a mere 5% of assessed companies.

We also scored two stars in the **Legality Rating**, a synthetic indicator of companies' compliance with high standards of legality awarded by the Italian Competition and Market Authority (AGCM).

We operate in multifaceted and complex settings, whereby it was essential to clearly define a set of values driving us, as well as the scope of the responsibilities we take on. These were some of the reasons leading us to draw up a Code of Conduct and, as for Altair Chimica, an Organisational Model pursuant to Italian Legislative Decree no. 231/2001.

The **Code of Ethics** refers to essential aspects such as:

- loyalty, fairness, efficiency and openness to the market;
- obligation of confidentiality on company information;
- transparency of accounting and internal controls,
- compliance with the law;
- value of human resources;
- protection of people's health and safety;
- protection of the environment and territory.

On the basis of the **organisational model** governed by Italian Legislative Decree 231/2001 and subsequent amendments, starting from the analysis of the business and company specificities, a mapping of the risk relating to the commission of predicate crimes was carried out, aimed at identifying the functions and areas where a greater risk of crime may lie (known as risk assessment), such as supplies and relationships with the Public Administration.

The Supervisory Body monitors the correct application of the organisational Model and the Code of Ethics by carrying out audits and applying a specific information flow.

We endeavour to share the contents of the Code of Ethics and the organisational Model and highly focus on ensuring that their guidelines are respected by our collaborators. In particular, the company principles are presented to new hires - together with information on the company procedures to follow - and represent the starting point of their training and awareness.

2.3. Risk Management

We use various tools to effectively manage the risks to which we are potentially subject, which act in synergy. In addition to those described above, we adopt rigorous procedures for the identification and assessment of risks, which start from a careful analysis of the internal and external context of the organisation and envisage business continuity management plans.

Our risk management model also concerns very sensitive areas, including the transparent management of relationships with a number of significant *stakeholders* such as customers and suppliers. The possible risk areas also include those relating to the management of health and safety obligations, with particular reference to the risk of major accidents and environmental aspects related to our production activities.

In 2023 no occurrences or claims of corruption and discrimination were reported in our Company. We were not involved in any lawsuits filed for anti-competitive behaviour, antitrust and monopolistic practices, nor did we record any significant sanctions[1] for infringement of environmental, social or economic laws and/or regulations.

[1] Only sanctions considered significant, i.e., whose amount exceeds € 50,000, are reported in this Sustainability Report.

3.

Safety and Innovation: the Guidelines of our Supply Chain

We consider innovation an essential part of our daily activities. The search for cutting-edge solutions helps us to increase our knowledge and maintain high quality and safety standards in our products and services. We translate this approach into the use of raw materials deriving from renewable sources, into the study of industrial technologies with limited environmental impact and into the efficiency of production processes, while ensuring customer satisfaction.

3.1. Research and Development

Our production facilities include laboratories that are focused on research and development (R&D), implementing innovative inorganic and organic chemical projects; our focus is especially on improving environmental sustainability and process circularity issues.

We have participated in regional and national R&D tenders since 2014, collaborating with universities, the National Research Centre (CNR) and specialised consultants. This commitment has allowed us to take many steps forward in our innovation journey and obtain important funding.

- With the first project, called *GREEN IMPACT CAPACITY*, we took part in the *RSI - POR FESR 2014-2020* tender of the Tuscany Region for an R&D activity aimed at expanding the production capacity of the Saline di Volterra headquarters by 50%. In detail, the research focused on a new caustic potash electrolysis line and on an unprecedented production process of ferric chloride for the purification of water, the production of chloroparaffins, the creation of a new hydrochloric acid synthesis line, the experimental use of ultrasound to accelerate reaction kinetics and the extensive automation of plant logistics and safety.
- Our *GREEN FIELD PEAS* project aims at improving the energy efficiency of our company's production processes and the greenfield production of epichlorohydrin, acrylic acid, potassium sulphate and solid potassium hydroxide. In order to achieve the set objectives, the following measures are to be implemented:
  - development of innovative technology for recovering carbon dioxide (CO_2) and heat from the potassium carbonate production process;
  - construction of an innovative bifuel methane-hydrogen burner and a system for the self-production of electricity from renewable sources (geothermal or hydroelectric) or fossil fuels with a low environmental impact and very high efficiency;
  - construction of four new production systems for acrylic acid, potassium sulphate, solid potassium hydroxide from the aqueous solution already found in the production plant, as well as epichlorohydrin from feedstock that is available in Altair facility or readily procured in the short supply chain.
- The ENTERPRISE project, within the scope of Tuscany research, development and innovation project RSI FESR 2014-2020, was based on the development of the following objectives:
  - Strategic business planning aimed at increasingly sustainable production through the search for alternative feedstock from renewable sources and featuring higher biodegradability;

- Study of the application of new technologies to existing and developing business processes, in order to make them more efficient and technically advanced;
- The pursuit of the highest quality standards for our products and development of innovative dedicated analytical methods to overcome the current restrictions found in these markets;
- Reduction of the environmental impact of its activities through the implementation of an in-house circular economy of water resources, in order to reduce natural groundwater withdrawal for production activities;
- Introduction of smart data analysis and process control applications, aimed at the digital transformation of interdepartmental information management within the scope of Industry 4.0.

- *E.C.C.E. Cloro* (E.C.C.E. Chlorine) is a project submitted for *Industria Sostenibile FRI DM 02/08/2019* (Sustainable Industry) call for tender, namely, *Research and development of new chlorinated products and solid potassium derivatives*, whereby we entrusted the Department of Civil and Industrial Engineering (DICI) of the University of Pisa with technical-scientific support activities to decision-making processes and design choices addressing the following R&D activities: systems for the reduction of the company's carbon footprint aimed at enhancing the use of CO_2 for efficient solid potassium carbonate production, upgrading solutions for the new wastewater treatment system, solutions for the purification of salt from anticaking agents and other impurities, a potassium sulphate production system, solutions for the purification of potash and caustic soda.

In 2019 we started the RE-BORN project with Hydrochem. An acronym for *Relaunch Electrolysis-Building Optimized Rumianca New* site, this multi-year project aims to:

- Study new processes and seek new technological-plant solutions with reduced environmental impact and high sustainability for the industrial production of chlor-alkali;
- Develop innovative procedures for the production of chlor-alkali and related technologies;
- Design and structure alternative productions in the field of aromatic compounds.

The project, whose experimental step was completed in 2022, obtained EUR 11.7 million funding from the Ministry of Economic Development. In 2023, Ministry-appointed engineering specialists conducted the first post-completion test for the project, which was successful. As a result, 100% of the reported expenditure was approved.

In 2023 we continued our commitment as co-financiers, contributing a total amount of EUR 30,000 to the scholarship for a 3-year national PhD in **"Photo-Induced Processes and Technologies"**, whose administrative office is located at the University of Perugia and research site is the University of Turin. We also hosted a student from the University of Milan for a thesis internship at our premises.

Furthermore, we have collaborated with prestigious Italian research centres such as:

- National Research Centre, Institute of Chemistry of Organometallic Compounds (CNR-ICCOM, Sesto Fiorentino section);
- National Research Centre, Institute of Geosciences and Georesources (IGG-CNR, Florence section);
- Department of Civil and Industrial Engineering of the University of Pisa (DICI-UNIPI);
- Department of Industrial Engineering of the University of Florence (DIEF-UNIFI).

The start-ups we have worked with include:

- SNAP4 S.r.l., academic spin-off of the Department of Information Engineering of the University of Florence;
- X-Phase S.r.l., a start-up born from the Microelectronic Systems Design Laboratory (MSDLab) of the University of Florence;
- Sigma Ingegneria S.r.l., a team of aerospace, robotic and civil engineers, designers, technicians and computer scientists.

We have inaugurated and contributed to the following product and process innovation projects:

- Development of green alternatives to chloroparaffins using more sustainable (vegetable) *feedstock* and implementing reactors of our own design capable of increasing productivity;
- Recovery of spent acid from pickling iron sheets;
- Recovery of mill scale deriving from iron processing;
- Recovery of process condensate from the flaked potassium hydroxide (caustic potash) production plant;
- Recovery of carbon dioxide from turbogas combustion fumes in the potassium carbonate generation plant;
- Reduction of water withdrawal from the Cecina river with interventions to reuse wastewater and replace obsolete technologies. In almost ten years, these interventions have led to a reduction in water consumption: from approximately 24 m^3 of water per tonne of chlorine produced, we have reached just over 13 m^3;
- Development of a process for dissolving the sludge generated by the filtration of ferric chloride in hydrochloric acid, which allows the production of this salt while avoiding the disposal of the sludge;
- Recovery of the hydrogen released by the salt electrolysis process and its reuse in the production of steam with a special bifuel boiler: the result is the drastic reduction of methane consumption.

In 2023 we continued investing in research and development projects, allocating four employees to R&D-related activities.

In addition, we continued striving to introduce innovations in the scope of energy efficiency and renewable energy. In late 2023 our Saline di Volterra production facility participated in the "industrial transition fund" call for tenders. To that end, we submitted a project aiming at improving plant energy efficiency and involving the installation of additional photovoltaic panels on the roofing of the premises.

Specifically, the energy streamlining project involves the revamping of two hydrochloric acid production units, which are to be replaced with a new steam recovery unit. Project implementation might bring about over 5% energy saving as to total methane consumption.

3.2. Safety and Sustainability along the Supply Chain

The sustainability of our activities involves guaranteeing the highest quality and safety standards.

The numerous product and management certifications that we have obtained over the years are proof and recognition of our work in this regard.

Our policies formally establish our commitment to ensuring:

- the quality of the services provided both in terms of compliance with implicit and explicit requests and stakeholder satisfaction;
- social responsibility through the constant evaluation of the impact that our activities have on people, the territory and the environment;
- compliance with applicable legislative and regulatory requirements, with particular reference to internal requirements defined by the company and those agreed with customers, ensuring that the products and services provided comply with current regulations;
- the involvement of suppliers as an integral part of our company in achieving quality levels for the purposes of a total guarantee;
- the dissemination at all levels of the organisation of an integrated culture on the matters of quality, health and safety, prevention of major accidents, environment, food and energy, so that these aspects are an ordinary working tool aimed at the improvement and constant refresher training of employees and the efficiency of flows and procedures;
- the progressive strengthening of products, processes and services rendered to customers, with particular attention to sustainability, worker health and safety, and food safety.

We seek and guarantee quality, sustainability and safety along the entire supply chain in order to implement the principles established by our policy both internally and externally, with the involvement of suppliers.

To this end, we have a procurement procedure that defines the criteria, responsibilities and operational methods for managing the phases of supplier evaluation, qualification and monitoring and ensures the quality and safety of the products and services provided over time. The procedure applies to suppliers of: raw materials, finished products, packaging materials and critical materials for the production process; critical services for the quality and/or food safety of products; outsourcing activities such as transport.

Within Altair Chemical, we choose and qualify suppliers with the support of a questionnaire that includes all the information useful for the selection procedures and also includes sustainability issues.

This questionnaire helps us to establish whether the supplier is able to meet the requirements of regulatory compliance, quality of the product or service offered and sustainability.
Supplier evaluation is aimed at verifying:

- experience in the sector;
- technical skills;
- quality of products and services;
- completeness of the requested documentation;
- existence of management systems dedicated to quality, environment, safety and, if not present, approach and relevant information on these issues;
- commitments with a view to sustainability,
- presence of non-conformities;
- punctuality of delivery;
- price competitiveness.

Thanks to the intense work and commitments we make on a daily basis, we did not record any non-compliance in 2023 related to the impacts of our products on health and safety or information and labelling procedures.

4.
People

4.1. Employee Well-Being

We have always placed individual and social responsibility at the centre of our values, making it the guiding principle for company choices and strategies. We consider our employees our main resource and pay great attention to their safety and well-being.

In 2023 we reached a total of 213 people in the workforce of our companies: 189 are direct employees, 5 workers are hired on a temporary contract, 7 are trainees and 12 are hired with a service contract.

Nearly all direct employees (around 98%) have a permanent contract and work full time (99%). Trainees, leased employees and contractors represent 11% of our human resources, which proves our firm intention to ensure continuity and economic stability for our workforce.

[1] Data as of 31/12/2023.

Employees by employment contract[1]	2022	2023
Permanent workforce, including:	**183**	**185**
Women	22	21
Men	161	164
Nationality: Italy	182	184
Nationality: Europe (excluding Italy)	1	1
Nationality: Rest of the world	0	0
Fixed-term workforce, including:	**3**	**4**
Women	0	0
Men	3	4
Nationality: Italy	3	1
Nationality: Europe (excluding Italy)	0	0
Nationality: Rest of the world	0	0
TOTAL EMPLOYEES	**186**	**189**

Employees by employment contract[1]	2022	2023
Permanent workforce, including:	**186**	**187**
Women	22	21
Men	164	66
Nationality: Italy	185	186
Nationality: Europe (excluding Italy)	1	1
Nationality: Rest of the world	0	0
Part-time workforce, including:	**0**	**2**
Women	0	0
Men	0	2
Nationality: Italy	0	2
Nationality: Europe (excluding Italy)	0	0
Nationality: Rest of the world	0	0
TOTAL EMPLOYEES	**186**	**189**

Non-employees[2]	2022	2023
Traineeships - internships	4	7
Seasonal – outsourced[3]	6	5
Service contracts (cleaning, catering)	12	12
TOTAL	**22**	**24**

[2] These figures refer to the number of non-employees working for us in the reporting year.
[3] The figure for 2022 was corrected.

We hired 12 resources and recorded 9 terminations, with an incoming turnover rate higher than the outgoing one.

New hires[4] by gender and age group	2022	2023
Total new hires	**12**	**12**
< 30 years	4	6
30-50 years	7	5
> 50 years	1	1
Women	1	0
Men	11	12
INCOMING TURNOVER	**6.5%**	**6.3%**

Terminations[5] by gender and age group	2022	2023
Terminations	**5**	**9**
< 30 years	2	1
30-50 years	1	0
> 50 years	2	8
Women	0	1
Men	5	8
OUTGOING TURNOVER	**2.7%**	**4.8%**

[4] Hiring and termination rates are calculated by dividing the number of new hires and terminations recorded in 2023 by the total number of employees recorded as of 31/12/2023.
[5] The figure for 2022 was corrected.

In our relationship with our employees, we are committed to their appreciation and full enhancement, and in 2023 we conducted a workplace climate assessment to pinpoint their specific expectations and requirements.
We also assiduously focus on respecting diversity: we are committed to avoiding all forms of discrimination based on age, gender, sexual orientation, health status, ethnicity, nationality, political opinions and religious beliefs.

Diversity among Employees	2022	2023
Executives	**3.8%**	**4.2%**
< 30 years	0.0%	0.0%
30-50 years	28.6%	12.5%
> 50 years	71.4%	87.5%
Women	0.0%	0.0%
Men	100.0%	100.0%
Protected categories	0.0%	0.0%
Middle Managers	**14.0%**	**12.2%**
< 30 years	0.0%	0.0%
30-50 years	42.3%	34.8%
> 50 years	57.7%	65.2%
Women	23.1%	21.7%
Men	76.9%	78.3%
Protected categories	0.0%	0.0%
Office workers	**37.6%**	**37%**
< 30 years	4.3%	7.1%
30-50 years	37.1%	34.3%
> 50 years	58.6%	58.6
Women	21.4%	21.4%
Men	78.6%	78.6%
Protected categories	4.3%	2.9%
Factory workers	**44.6%**	**46.6%**
< 30 years	7.2%	11.4%
30-50 years	51.8%	53.4%
> 50 years	41.0%	35.2%
Women	1.2%	1.1%
Men	98.8%	98.9%
Protected categories	3.6%	10.2%
TOTAL	**100%**	**100%**

We offer the guarantees of the National Collective Labour Agreement (CCNL) for workers in the Chemical and Chemical-Pharmaceutical Industry to all employees, positioning them according to the provisions of the law. In addition, we support facilitated access to private insurance provided by FASCHIM and FASI, and to the FONCHIM supplementary pension fund. We offer executives life insurance and a professional and non-professional policy to protect against injuries.

In addition to adopting the National Collective Labour Agreement (the Italian CCNL), we signed a second-level supplementary labour agreement with social forces, involving a performance bonus granted to the entire workforce, payable in their pay packet or accessible through the currently operating corporate *welfare* platform.

Parental Leave		2022	2023
No. of employees entitled to parental leave	Women	22	21
	Men	164	168
No. of employees who took parental leave	Women	3	4
	Men	1	3
No. of employees who resumed work in the reporting period after taking parental leave	Women	3	4
	Men	1	3
No. of employees who resumed work after taking parental leave and are still company employees in the 12 months after resuming service	Women	3	3
	Men	1	1
Return-to-work rate for employees taking parental leave	Women	100%	100%
	Men	100%	100%
Retention rate for employees taking parental leave	Women	NA	100%
	Men	NA	100%

Total annual remuneration ratio[6]	Altair Chimica	Hydrochem
Ratio of the highest remuneration to the median employee's remuneration	2.99	4.80
Ratio of the highest-remuneration percentage increase to the median employee-remuneration percentage increase	13.33	0.53

Women-to-men base salary and remuneration ratio[7]	2022	2023
Middle Managers		
Women-to-men base salary ratio	1.03	0.85
Women-to-men remuneration ratio	0.87	0.88
Office workers		
Women-to-men base salary ratio	0.93	0.91
Women-to-men remuneration ratio	0.84	0.85
Factory workers		
Women-to-men base salary ratio	0.99	0.98
Women-to-men remuneration ratio	0.98	1.07

[6] Ratio of the total annual remuneration of the person receiving the highest remuneration to the total annual median remuneration of all employees (excluding the aforesaid person).
[7] This ratio does not apply to executives as this category does not include any women.

We believe that corporate training is key to the professional development of all members of staff and, generally speaking, the growth of all our business units. For this reason we organise various training courses for our employees, in order to provide them with the tools and skills required to achieve company objectives. Training courses in 2023 focused on various topics, such as health and safety, environmental regulations, sustainability, *leadership and project management*. We provided an average of 33 hours' training per employee.

Average annual training hours by gender and employment category	2022	2023
Average annual training hours by gender		
Women	7.6	12.4
Men	24.0	36.0
Average annual training hours by employment category		
Executives	3.3	13.8
Middle Managers	9.5	12.2
Office workers	22.5	34.0
Factory workers	27.3	40.2
TOTAL AVERAGE TRAINING HOURS	**22.1**	**33.4**

4.2. Workplace Health and Safety

We believe it is essential to protect workers' health and safety, which is why we dedicate time and resources to this area.

We have implemented a health and safety management system certified by the UNI ISO 45001:2018 standard for years within Altair Chimica, which calls for alignment with the *Consolidated Law on Workplace Health and Safety* of Italian Legislative Decree 81/2008 and the *implementation of Directive 2012/18/EU relating to controlling the danger of major accidents connected with dangerous substances* of Italian Legislative Decree 105/2015, also known as the Seveso directive.

In compliance with these regulations, we have established the Prevention and Protection Service (PPS) in each of our factories: a set of people, systems and external or internal means dedicated to the prevention and protection of workers from professional risks.

Each PPS is made up of the site employer, the prevention and protection service manager (PPSM) and the workers' safety representative (WSR) elected by the plant's resources.

The WSR guarantees the direct involvement of employees in the development, implementation and evaluation processes of the health and safety management system.

Furthermore, we rely on the company doctor and on the presence of an emergency and first aid team equipped with specific training that is periodically updated.

All workers undergo regular health monitoring and we provide extraordinary medical examinations upon the request of the interested parties.

Respecting the provisions of Italian Legislative Decree 81/2008, we have set procedures for the preventive analysis of the workplace organisation, aimed at ascertaining possible sources of risk and associated hazards. After the analysis, we then estimate the extent of the risks and define the preventive and protective measures, reporting the results in the Risk Assessment Document (RAD).

A risk assessment report (in Italian, DVR) is a corporate document reporting an analysis and assessment of occupational health and

safety risks arising from the operations and activities performed in the company. It is used to identify the preventive and protective safety measures to be taken against those hazards. It is periodically updated and signed by all the PPS officers: employer, company doctor, prevention and protection service manager (PPSM), executive and workers' health & safety representative (WHSR).

Moreover, we apply specific procedures for work context and risk assessment, and management of any on-site emergencies both in the Saline and Pieve facilities.

In addition to receiving reports on the presence of hazardous situations and near misses through the relevant roles, we inform and protect every employee against possible retaliation. We have also installed a box for the collection of anonymous paper reports at the Pieve Vergonte headquarters. At Saline, we instead offer the opportunity to make reports in periodic health and safety meetings.

In managing workplace accidents, we follow a practice that involves the in-depth analysis of the case and the implementation of corrective measures useful to avoid new occurrences. Altair Chimica's process for investigating workplace accidents is particularly structured and aims to monitor, among other things, its effectiveness over time.

Training also plays a fundamental role in this area: we plan general training sessions on health and safety for new hires, as well as specific training events that depend on the tasks performed or on organisational and/or structural changes.

Likewise, we inform and train all visitors to the plants on any risks, dangers and good behaviour to adopt, also involving them in a final test to evaluate the effectiveness of these training opportunities.

We did not record any reports of occupational diseases in 2023, but we did record one minor injury in the Saline facility.

Injuries	2022	2023
Employees		
Man hours worked	304,539	314,909
Recordable injuries	2	1
Serious injuries	0	0
Fatal accidents	0	0
Injury rate	**6.57**	**3.18**
Rate of serious injuries	**0**	**0**
Rate of fatal accidents	**0**	**0**
Non-employees		
Man hours worked	9,380	8,017
Recordable injuries	0	0
Serious injuries	0	0
Fatal accidents	0	0
Injury rate	**0**	**0**
Rate of serious injuries	**0**	**0**
Rate of fatal accidents	**0**	**0**

We report the detailed analysis of injuries, including the appropriate forms and the accident indices provided for by INAIL (The Italian National Institution for Workplace Accident Insurance) guidelines, in management reviews and meetings with the company doctor and key health and safety officers in the company, pursuant to Art. 35 of Legislative Decree no. 81/2008.

4.3. Relations with the Territory

We are convinced that solid and collaborative relationships with the authorities and social partners involved are essential to establish a lasting bond based on transparency and mutual trust.

Furthermore, we identify and evaluate risk factors and opportunities arising from the performance of our activities, including in particular environmental, economic, cultural and political aspects, but also values, needs and expectations of stakeholders with the inclusion of the network of relationships and dependencies present among the interested parties.

We thereby remain aware of the relationship that binds us to the territory and keep ourselves constantly updated on needs and priority areas of intervention.

In 2023 we activated projects and sponsorships regarding various social, cultural and sporting activities and for the development of the economic-social fabric of the local communities with which we interact.

In greater detail, we granted around EUR 105k to cancer research and prevention organisations, local sports associations, scholarships and event sponsorships in the Volterra Municipality.

We contributed to cultural events scheduled over the summer and organised by the municipalities of Montecatini Val di Cecina and di Volterra. As for the Volterra community, we also donated an ice rink to be used during the Christmas holidays, made with environmentally-friendly synthetic-ice "Xtraice" technology, which is totally recyclable. We also funded the renovation of an outdoor preschool playground in the hamlet of Saline, including playground equipment entirely made of recycled plastic.

Comune di Volterra

Comune di Montecatini Val di Cecina

Taking advantage of the "Sport Bonus" government funding facility, supporting business investments for new constructions or building renovations of existing facilities, we also allocated EUR 1.6 million to the construction of a new stadium in Saline di Volterra. Thus, we wish to support recreational activities and foster a healthy and inspiring environment where young people may live.

We cooperate with local universities and schools on several training projects, involving sandwich courses, career days and scholarships, starting with the University of Pisa, but also various schools of all levels in our area, including a post-secondary school specialising in the renewable energy sector. We offered the University of Turin

UNIVERSITÀ DI TORINO

to host a PhD in our Pieve Vergonte site, we set up curricular and extracurricular internships for students from the University of Milan, and, as part of the *Percorsi per le Competenze Trasversali e per l'Orientamento* (PCTO) (Learning Pathways for Cross-disciplinary Skills and Orientation), we welcomed students from two secondary schools in Domodossola (VB).

We offered to sponsor a trip to Mexico for two students from Cobianchi Secondary School in Verbania to attend MILSET Expo-Sciences International fair, held in Mazatlan from 21 to 27 October 2023, where they presented their project for the recovery and reuse of laboratory blotting paper.

We also organised meetings aimed at the community to promote business culture and foster in-person knowledge of our entity. Examples of this are the "Factory Doors Open" day, and the *"WOOOOOW my future and I 2023/2024"* project, jointly organised with the *Gruppo Giovani Imprenditori di Unione Industriale del Verbano Cusio Ossola* (Verbano Cusio Ossola Industrial Union Young Entrepreneurs Group), aimed at improving communication and dissemination of our activities to students and teachers from local schools.

5.

Towards a Lighter Footprint on the Planet

Esseco Group has oriented all its companies towards an environmental protection policy based on research and use of the best available technologies and constant performance optimisation.
On the energy front, the Group has adopted an investment plan to expand supply sources, the result of an industrial vision based on long-term stability. In fact, our challenge is to make ourselves increasingly independent from external energy supplies and fossil resources.

5.1. Responsible Energy Use

For several years now, Esseco Group has embarked on an energy transition path by investing in the production of electricity and using sources that do not release carbon dioxide, such as the hydroelectric sector, photovoltaic and process steam.

Following the same line, our companies have promoted innovative projects for the production and use of renewable energy.

5.1.1. Energy Management in Saline di Volterra

Most of the electricity demand of the production facility is met through **two high-efficiency cogenerators** powered by natural gas: a 4.6 MWe gas turbine plant and a 2.006 MWe internal combustion engine power plant. The Energy Services Manager (in Italian, GSE) considered the two cogeneration plants worthy of being given white certificates. Nel 2023 abbiamo avviato il progetto di revamping del cogeneratore turbogas, che ha raggiunto 12 anni di servizio. In 2023, we started the gas turbine cogenerator revamping project, which had reached 12 years' operation. The revamping involved the replacement of two main components (power generator and steam/hot water boiler) as well as the monitoring system, and will enable us to run an efficient plant and access the white certificate scheme again.

We began to follow the path of renewable energy in 2018, committing ourselves to the production of **solar energy** with the installation of photovoltaic systems.

The self-produced renewable energy at our facility currently comes from two systems located on the roofing of the buildings, implemented in 2020 and 2021. We have planned a further extension which is supposed to be implemented in 2024.

Starting from the first systems placed on the roofs of the production site, photovoltaic energy has gradually taken on a crucial role in our energy mix.

In 2021 we signed a long-term supply contract, the so-called **Power Purchase Agreement (PPA)**, supplying 43,800 MWh of photovoltaic energy per year generated by agrivoltaic plants located in Lazio, and in 2022 we joined the **Renewability** project, planning an investment of nearly EUR 11 million in photovoltaic systems.

Renewability, the first corporate-oriented energy community

The *Renewability* consortium includes three industrial companies that decided to invest in the construction of large renewable energy plants outside their production sites. The consortium was created with the aim of making its member companies *prosumers*, i.e., energy producers as well as consumers. It was set up in 2022 with a €10.9m investment by Altair Chemical, the project involved the construction of a first batch of photovoltaic plants in the Lazio and Abruzzo regions. Esseco S.r.l. joined the project in 2023 by contributing a €2.3m investment for the construction of plants in Sicily.

The initiatives we carried out resulted in a 42% share of the total electricity demand being met by energy from renewable sources.

However, our effort in the development and utilisation of renewable energy goes further still: in 2023, we commissioned and completed a feasibility study on the **geothermal** potential of our territory, in collaboration with GreenFire Energy. The project established the potential for exploiting geothermal resources close to the Saline production facility using *GreenLoop*™, an innovative technology developed by GreenFire Energy. The assessment being carried out considered surface and underground geological, geochemical, geophysical and geotechnical factors and information on wells to determine the geothermal energy resource potential.

This assessment lays the foundation for potential future developments.

The thermal demand of the plant is met by self-produced steam and hot water. Hot water and part of the required steam are supplied by cogenerators, the remaining part is self-produced with steam generators fuelled with natural gas and residual hydrogen, an electrolysis by-product that is not exploited by other production processes.

Hydrogen exploitation is now made possible by our recent investments in research into technologies capable of capturing and exploiting residual hydrogen. Today, our production plant can rely on a *bifuel* steam generator that can generate zero-CO_2-emission steam through residual hydrogen combustion.

With a view to optimal energy process control at Altair Chemical we voluntarily adopted a **UNI EN ISO 50001**-certified management system.

5.1.2. Energy Management in Pieve Vergonte

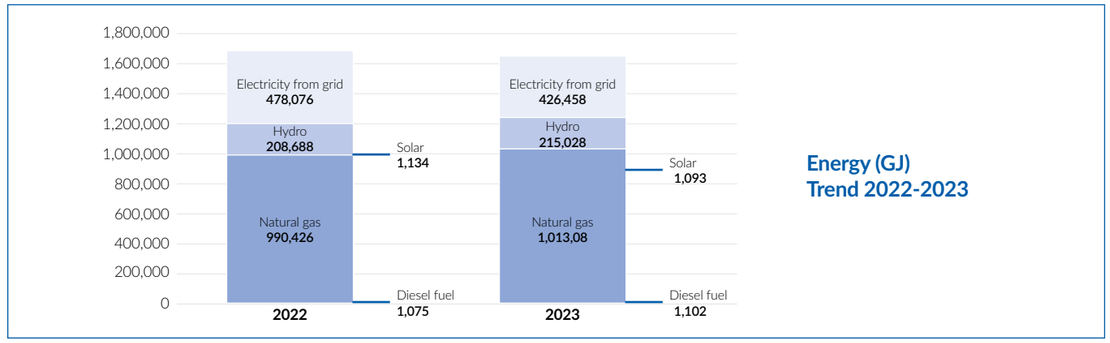
We can rely on a significant renewable source at the Hydrochem Italia headquarters in Pieve Vergonte: **hydroelectric energy**.

We produce and use energy from water resources through two **hydroelectric power plants**, the former located close to our production plant in the hamlet of Megolo, in the Pieve Vergonte municipality, and the latter in the Ceppo Morelli municipality in the Anzasca Valley, with a total installed power of about 18 MW.

As a by-product of electrolysis, hydrogen is an important energy carrier; as in the Saline plant, the residual hydrogen not used in the production of hydrochloric acid is enhanced for the production of steam in a bifuel generator. One of the next objectives is the implementation of the same energy management system at Pieve.

[1] The saturated steam enthalpy values for the Saline di Volterra and Pieve Vergonte plants, i.e., 2.775 GJ/t and 2.793 GJ/t, respectively, were determined as based on the specific steam characteristics.

Energy consumption within the organisation 2023 (GJ)	Altair Chimica	Hydrochem	Total
Fuel consumption from non renewable sources			
Diesel fuel	1,102	0	1,102
Natural Gas	605,398	407,689	1,013,087
Energy consumption from renewable sources			
Solar	1,093	0	1,093
Water	0	215,028	215,028
Electricity purchased from the grid			
Total	316,827	109,631	426,458
Of which from renewable sources	174,240	0	174,240
Self-generated energy being consumed			
Electricity	175,617	215,028	390,645
From renewable sources	1,093	215,028	216,121
From methane	174,524	0	174,524
Steam[1]	188,800	429,136	617,936
From renewable sources	0	0	0
From nonrenewable sources	159,651	394,589	544,241
From hydrogen	29,149	34,547	63,695
Self-generated energy being sold			
Electricity	1,292	40,378	41,670
Steam[1]	0	13,357	13,357
TOTAL ENERGY CONSUMED	**923,127**	**677,444**	**1,600,571**



Energy Intensity	MU	2022	2023
Total production[2]	t	481,390	460,560
Energy intensity	GJ/t	3.40	3.48

[2] Production value for 2022 was corrected due to wrong counting.

5.2. Atmospheric Emissions

5.2.1. Our impact on climate

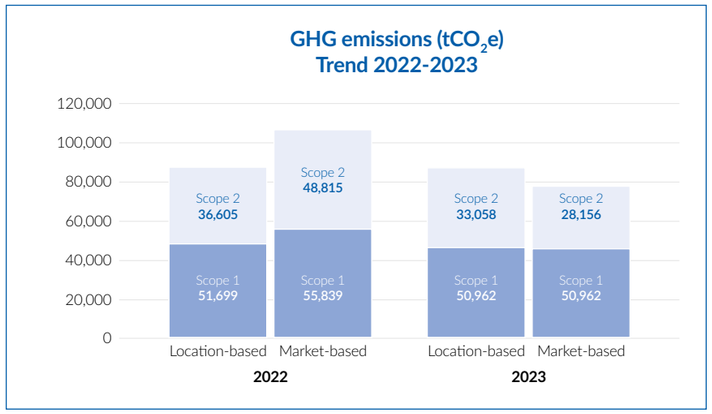
The technological and process innovations and energy investments made over time have significant positive effects on our impact on climate change as well.

An example of this outcome is the aforesaid recovery of carbon dioxide (amounting to 6,154 tCO_2e in 2023), released from gas cogeneration emissions and used in the production of potassium carbonate. This quantity is then subtracted from total GHG emissions.

GHG Emissions (tCO_2e)		2023		
		Altair Chimica	Hydrochem	Total
Emissions from nonrenewable sources	Diesel fuel[3]	82	0	**82**
	Natural Gas[4]	34,082	22,952	**57,034**
Capture and recovery	CO_2	- 6,154	0	**-6,154**
Total direct emissions (Scope 1)		**28,010**	**22,952**	**50,962**
***Location-based*[5] indirect emissions from energy consumption (Scope 2)**		24,560	8,498	**33,058**
***Market-based*[6] indirect emissions from energy consumption (Scope 2)**		15,917	12,238	**28,156**
Total (*Location-based* Scope 1+2)		**52,570**	**31,450**	**84,021**
Total (*Market-based* Scope 1+2)		**43,928**	**35,190**	**79,118**

[3] Emission factors 2023: 0,074 tCO_2e/GJ. Source: UK Government Conversion Factors for greenhouse gas (GHG) reporting, 2023.
[4] Emission factors 2023: 0,056 tCO_2e/GJ. Source: UK Government Conversion Factors for greenhouse gas (GHG) reporting, 2023
[5] Emission factors 2023: 0,078 tCO_2e/GJ. Source: Ecoinvent 3.10.
[6] Emission factors 2023: 0,112 tCO_2e/GJ. Source: Specific supplier mix and Ecoinvent 3.10 data processing. *Market-based* Scope 2 emissions are 35,070 tCO_2e, considering the residual mix as stated by AIB 2023.
[7] The calculation of Scope 1 for 2022 is adjusted by applying a subtraction factor for CO_2 recovered for K_2CO_3 production.

GHG emission intensity	MU	2022	2023
Totale produzione	t	481,390	460,560
GHG emission intensity (*Location-based* Scope 1+2)	**tCO_2e/t**	**0.183[7]**	**0.182**
GHG emission intensity (*Market-based* Scope 1+2)	**tCO_2e/t**	**0.209[6]**	**0.172**



Though energy intensity has increased by 2% since 2022, climate-changing emission intensity has been reduced by 18%[8], which proves our commitment to the transition to a higher use of energy from renewable sources.

Moreover, when choosing new company acquisitions for the Group, we draw upon the principles of rapprochement and synergy of production activities, which are our priorities in order to streamline dispatch activities, by creating storage and sorting solutions for the goods conveyed among our industrial hubs. We are constantly striving to optimise and improve our performance with a view to sustainability. Within this scope, together with Esseco, we started an EV-conversion project for our vehicles carrying goods among the San Martino di Trecate, Pieve Vergonte and Saline di Volterra sites. We conducted a feasibility study on electric-drive vehicles and the installation of EV feeder pillars.

[8] *Market-based* approach.

5.2.2. Management of polluting emissions

We manage ten atmospheric emission points in the Pieve Vergonte plant. The points comply with the limits imposed by environmental regulations and rely on the identification and authorisation of Integrated Environmental Authorisation (in Italian, AIA) Review Decree no. 304 of 27/07/2021 issued by the Ministry of Ecological Transition.

Instead, we have 21 suitable points for conveying emissions in our Saline plant. The relevant AIA authorisation no. 3528 dated 15 March 2018 was issued by the Tuscany region.

All the atmospheric emissions from our sites are regularly monitored and controlled in order to ensure they comply with the limits imposed by law. We also supervise diffuse odour emissions, periodically comparing them with environmental reference values and odour detection thresholds.

[9] Data from direct measurements, except for Altair Chimica data for the year 2023 that are drawn from estimates.

Nitrogen oxides, sulphur oxides and other major emissions (data expressed in tonnes)[9]	2022			2023		
	Altair Chimica	Hydrochem	Total	Altair Chimica	Hydrochem	Total
NOx	18.2	14.8	**33.0**	24.3	15.0	**39.3**
SOx	2.27	0.02	**2.29**	0.011	0.34	**0.35**
Volatile organic compounds (VOC)	-	0.0016	**0.0016**	-	0.0014	**0.0014**
Dust	1.84	0.09	**1.93**	5.05	0.09	**5.15**
Heavy metals	-	0.00018	**0.00018**	-	0.00009	**0.00009**
Chlorine	-	-	**-**	0.020	-	**0.020**
Hydrochloric acid	-	-	**-**	0.22	-	**0.22**
Carbon monoxide (CO)	-	-	**-**	7.41	-	**7.41**
Total Organic Carbon (TOC)	-	-	**-**	0.0030	-	**0.0030**

5.3. Water Management

Since we use water resources in our industrial operations, we constantly monitor its quality and quantity with controls and management procedures aimed at maximising its recovery.

In Saline di Volterra we get our mains water supply for non-industrial uses, and use the water taken from the river Cecina for production plant activities.

We set up four points to convey water discharge into surface water, sorted out into rainwater and cooling water, stormwater, domestic and process water. After being appropriately treated the water flows back into the environment and discharged into the river Botro Santa Marta. We periodically inspect water drains in accordance with a monitoring and control plan, as required by AIA authorisations. Water testing is entrusted to accredited independent laboratories, and the relevant findings are made available for reference.

In 2023 we carried out a major decommissioning of obsolete equipment in the wastewater treatment system, and a new physicochemical treatment system is planned.

All the water needed to fulfil our requirements at the Pieve Vergonte production plant is drawn from two wells.

We treat and convey all wastewater – including industrial effluent, cooling water and stormwater – into Marmazza Creek, a tributary of the river Toce, with a water collection system.

We monitor water discharge quality and quantity as required by our authorisation provisions.

We did not detect any non-conformities with discharge limits in 2023.

[10] Data source: water meters.
[11] The value for the year 2022 was corrected due to a recount of Altair Chimica discharge rates.

Water withdrawal (data in megalitres)[10]	2022		2023	
	All sites	Water stressed areas	All sites	Water stressed areas
From groundwater	9,827	647	9,785	600
From water supply	6.92	6.92	12.3	12.3
TOTAL WATER WITHDRAWAL	**9,834**	**654**	**9,798**	**612**

Water discharge (data in megalitres)	2022		2023	
	All sites	Water stressed areas	All sites	Water stressed areas
Into groundwater[11]	7,664	261	7,711	284
TOTAL WATER DISCHARGE	**7,664**	**261**	**7,711**	**284**

5.4. Circular Approach in the Production Process

Over the years, we have transformed work processes and developed new products by orienting production towards a circular approach. This approach can be recognised in the connections and integrations between departments and in the excellent results obtained in the recovery of energy, water resources, raw and secondary materials.

The list below includes some examples of a circular approach relating to the production of Altair Chimica.

- We produce ferric chloride in two ways. The first involves the use of spent acid, steel mill waste and processing waste including hydrochloric acid as a raw-secondary material for the production of a superior quality of ferric chloride in solution for the purpose of drinking water treatment; with the second, we reuse mill scales to generate basic ferrous chloride which, after absorption with chlorine gas, generates ferric chloride.
- In the production of chloroparaffins, we have replaced biodiesel (from plant origin) with paraffins derived from kerosene and introduced innovative reactors, designed in-house, which increase productivity and yield. In addition, the chloroparaffin production process generates hydrochloric acid gas as a by-product that is reused internally for the production of technical ferric chloride. The gaseous streams exiting the process are reused for the production of ferric chloride and sodium hypochlorite.
- We recover condensation water from processes and reuse it in other production activities thanks to its quality comparable to demineralised water.
- We remove carbon dioxide from gaseous cogeneration emissions to use it in the production of potassium carbonate. With this solution, we avoid purchasing synthetic liquid carbon dioxide for our products and at the same time recover heat, reducing direct carbon dioxide emissions.
- We give new life to the hydrogen generated by the electrolysis of salt, which produces both chlorine and hydrogen in equimolar quantities. We reuse the two substances in different cycles, adopting a solution to balance the consumption of chlorine, which has always been higher than that of hydrogen. To exploit this resource, we have designed and installed a boiler that generates steam and has the ability to burn hydrogen and methane in proportions that depend on instant availability. This precaution reduces the use of methane and favours an almost complete use of the hydrogen available.

After delivery, we transfer raw materials directly to our authorized storage areas.

Before their reception, we assess raw materials, packaging materials and substances by applying strict procurement procedures which involve the management and control of all steps in supplier selection and qualification, including periodic re-evaluation.

Purchased materials (data in tonnes)	2022	2023
RENEWABLE	**90**	**105**
ESBO	87.3	104
Sugar	3.0	1.0
NONRENEWABLE	**181,024**	**172,529**
Sulphuric acid	2,910	4,864
Carbon dioxide	245	118
Antimony trichloride	3.0	3.0
Iron(III) chloride	0.0	5.7
Sulphur monochloride	0.0	0.2
Purchased Nitrogen	254	624
Potassium carbonate	176	263
Sodium carbonate	142	124
Potassium chloride	111,430	100,215
Sodium chloride	44,552	44,999
Soft iron	1,755	1,729
n-Paraffin	2,125	3,467
Mill scale (iron)	5,372	4,410
Ferrous chloride solution	5,427	4,758
Toluene	6,338	6,294
Flocculant	2.0	1.5
Sodium bisulfite	101	316
Sodium hydrosulfide	7.0	13.0
Calcium chloride solution	137	316
Dicalite	32.0	4.0
Molten salt	14.0	3.0
Doverphos stabilizer	1.0	1.0
TTA21 stabilizer	1.0	0.0
TOTAL PURCHASED MATERIALS	**181,114**	**172,634**

Self-produced materials	2022	2023
Nitrogen	5,763	5,879
Potassium carbonate	351	316
Chlorine	78,524	74,356
Hydrogen	2,223	2,181
Potassium hydroxide	29,083	25,531
Sodium hydroxide	13,730	15,646
Para-chlorotoluene	3,182	3,020
Hydrochloric acid	12,410	9,222
TOTAL SELF-PRODUCED MATERIALS	**145,266**	**136,151**

The waste from our activities mainly includes packaging, sludge deriving from wastewater treatment, concentrated solutions and residues from sulphur processing.

Waste quantity per EWC category (data in tonnes)	2022			2023		
	Altair Chimica	Hydrochem	Total	Altair Chimica	Hydrochem	Total
06 - Waste from inorganic chemical processes	652	52	**704**	386	75	**462**
07 - Waste from organic chemical processes	309	518	**827**	244	581	**825**
08 - Waste from the production, formulation, supply and use of coatings (paints, varnishes and glazed enamels), adhesives, sealants and printing inks	0.05	-	**0.05**	-	-	**-**
12 - Waste produced by the processing and physical and mechanical surface treatment of metals and plastics	13	-	**13.1**	26	-	**26**
13 - Oil waste and waste of liquid fuels (except edible oils, items 05 and 12)	5.06	-	**5.06**	1.37	-	**1.37**
15 - Waste packaging, absorbents, wiping cloths, filter materials and protective clothing (not otherwise specified)	188	21.2	**210**	138	41	**179**
16 - Waste not otherwise specified in the list	149	-	**149**	550	8.09	**558**
17 - Construction and demolition wastes (including excavated soil from contaminated sites)	841	26	**868**	951	314	**1,266**
19 - Waste from waste treatment plants, off-site wastewater treatment plants, as well as from the purification of water and its preparation for industrial use	464	34	**498**	403	35	**438**
20 - Municipal waste (household waste and similar commercial, industrial and institutional wastes) including separately collected recycling waste	15	-	**15**	6.12	-	**6.12**
TOTAL	**2,637**	**652**	**3,289**	**2,706**	**1,054**	**3,760**

We also pay the utmost attention to the destination of our waste. Aware of the environmental impact of waste and the importance of tackling this issue proactively, we have developed a strategy for the direct recovery or disposal of some types of waste, such as with Altair Chimica, where mill scale is reused in the production of ferrous chloride, or Hydrochem, where chloroaromatic products are disposed of through thermal combustion.

We always favour the reuse of packaging such as pallets, metal and plastic containers, cardboard boxes and plastic bags. We repeatedly use them in our activities until they become packaging waste, and as such we give them to companies specialised in transport, recovery and treatment operations.

As a user of packaging, Altair Chimica has been a member of the National Packaging Consortium (CONAI) since 26/03/1998.

Considering the sensitivity of the legislative aspects of waste management, we work with external professionals registered in the Register of Environmental Managers and qualified in intermediation, but also with consultants for the transport of dangerous goods in accordance with the International Agreement for the transport of dangerous goods on the road (ADR).

We allocate the waste from office activities to the municipal body that deals with the separate collection of urban waste. Marginal compared to that generated industrially, this waste mainly includes paper, cans and food waste from canteens and refreshment areas.

As required by current legislation, we record waste data in the forms and in the loading and unloading registers, reporting them at least annually to the bodies with the Single Environmental Declaration Model (MUD).

We label all special waste and convey it to recovery, where applicable. If this is not possible, we hand it over to independent waste management centres for further treatment or final disposal.

Waste type and destination (data in tonnes)	2023		
	Altair Chimica	Hydrochem	Total
Hazardous	**1,342**	**844**	**2,186**
Recycle	221	3.4	225
Disposal site	1,121	260	1,380
Incineration	0	581	581
Non-hazardous	**1,364**	**210**	**1,574**
Recycle	944	108	1,052
Disposal site	420	102	521
Incineration	0	0	0
TOTAL	**2,706**	**1,054**	**3,760**

6.
Goals

ESG Area	Material topic	Long-term goal	2025 Target	Progress as of 2023
Environment	Energy consumption	*Increase the share of self-produced energy, improve energy efficiency*	Feasibility study for the reduction of specific consumption for the production of compressed air	*Activity scheduled in 2025*
			Ability to cover 60% of the withdrawal from the grid with renewable energy	*The 45% target initially set was reached in 2023. As a result, it was decided to raise the threshold to 60%*
			Increased LED lighting	*The current lighting is gradually being replaced with LED lighting when light bulbs need to be replaced*
			Increase in on-site photovoltaic electricity production by 70%	*The extension project is currently being assessed*
			Launch a feasibility study to increase self-production of electricity for the Pieve Vergonte site and related authorisation request	*A solution had been evaluated, which turned out to be unfeasible. More suitable alternatives will be evaluated to achieve the goal of increasing hydroelectric production*
			Obtain ISO 50001 certification for the Pieve Vergonte site	*The certification is planned*
			Launch a feasibility study for a synthetic hydrochloric acid production plant through the production of waste steam and related authorisation request	*The study will be started in 2024*
	Circular approch	*Reduce the environmental impact of our products*	Develop alternatives to chloroparaffins starting from plant feedstock, with less impact on the environment in the Saline facility	*The project is to be developed from 2024 on*
			Implement good practices to collect and begin to recover personal protective equipment (PPE) thanks to the Confindustria Regione Piemonte agreement	*The project is to be developed from 2025 on*
			Feasibility study of a project to recover the CO_2 emitted from the Saline facility	*The project is underway. The expansion of the existing potassium carbonate production system has been planned*
	Protecting the water resource	*Manage water resources in an increasingly effective manner, avoiding waste and reusing it in production processes*	Feasibility study for the reduction of water consumption in the Saline facility	*Revamping the wastewater treatment plant will start in 2024, and the project will allow the treatment and partial reuse of wastewater*
			Recovery of process water from the chloroparaffin plant in the Saline facility	*Cooperating with DREWO, the project was started in 2023, aiming at reducing water consumption*
			Revamping the wastewater treatment plant, with partial reuse of wastewater in production cycles	*The revamping is underway*
			Increase in process condensate recovery in both facilities	*The project for the Pieve Vergonte site will be started in 2024. As for the Saline di Volterra site, a contract was signed with a company that annually monitors the condition of the condensate drains*

ESG Area	Material topic	Long-term goal	2025 T arget	Progress as of 2023
Environment	Atmospheric emissions	*Reduction of greenhouse gas emissions (GHG)*	Reduction of Scope 2 emissions by 35%	*Scope 2 emissions recorded in 2023, calculated with a market-based approach, decreased by 31% compared to 2022*
			Evaluation of projects to reduce direct emissions (Scope 1)	*A revamping project was submitted for the hydrochloric acid plant in Saline, involving the installation of a steam recovery line. We are awaiting the outcome of the tender*
			Launch of a project to calculate indirect emissions (Scope 3) of the organisation, for the purposes of their monitoring and reduction	*The project will be started in 2024/2025*
			Increase in rail traffic on the Pieve Vergonte site to replace road transport	*The project will be started in 2024*
			Feasibility study for the use of electric lorries between Pieve Vergonte and San Martino Trecate for the transport of raw materials, and between Saline and neighbouring suppliers/customers	*A feasibility study was started in 2023*
		Applying Best Available Technologies (BAT) for atmospheric emission treatment and abatement	Reduction of volatile organic compounds (VOC) in emissions conveyed and diffused into the atmosphere	*VOC emissions were reduced by 13% compared to 2022*
Social	Employee well-being	*Ensure well-being in the workplace for all our employees without any discrimination, guaranteeing training and resources to ensure professional development and appropriate working conditions*	Ensure the maintenance of a target of 30 training hours per capita per year	*Average per capita training hours were 33.4 in 2023*
			Creation of new work environments, such as changing rooms, offices and control rooms	*New changing rooms for employees and new offices have been built at the Saline plant and further steps are planned in the coming years*
			Launch of an analysis of the company climate to understand employees' level of satisfaction and identify any critical issues	*A workplace climate assessment was completed and results will be available in 2024*
			Carry out psycho-aptitude tests to identify targeted personal and professional development paths	*Tests are expected in 2024*
	Local communities	*Support cultural and charitable initiatives in the territory*	Maintain all support initiatives already in place for the territory and local communities with a minimum spending target of 0.25% of profit annually	*The expenditure for support initiatives aimed at local communities was 1.26% of net profit (earnings after tax)*
			Start of construction of the stadium for Saline di Volterra and the creation of a new recreation ground	*The stadium project was started and a small playground was donated to and built at the kindergarten in Saline di Volterra*
			Construction of a company canteen for the Pieve Vergonte site as a service that can also be used by the community and cooking centre for students	*A company canteen was built within the existing facility, which may also be used by visitors*
			Start of school-work alternation activities at both production sites	*An agreement was signed with the vocational secondary school for business and surveyors (Istituto Tecnico Commerciale e per Geometri) in Volterra, and the vocational secondary schools in Verbania and Domodossola*

ESG Area	Material topic	Long-term goal	2025 T arget	Progress as of 2023
Social	Occupational health and safety	*Ensure a safe and healthy workplace for our employees*	Continue the safety policy aimed at guaranteeing, through dedicated investments: – the 'zero injuries' target – maintaining the level of occupational diseases at zero	*Our safety policy is consistently pursued and a zero rate of occupational illnesses was confirmed. However, no. 1 minor accident occurred in 2023*
			Obtain certification on the health and safety management system (ISO 45001) for the Pieve Vergonte plant	*The certification has been scheduled*
			Asbestos roofing removal operations	*Operations were completed in Saline and are underway in Pieve*
Economic/Governance	Innovation and quality	*Pursue continuous improvement in the development of innovative and safe products, made with advanced technologies*	Participation in research and development calls for projects related to sustainability	*The "Green Field Peas" project was started, also aiming at improving the energy efficiency of production processes*
			Application of new software for energy and production monitoring	*The implementation is underway*
	Ethics and compliance	*Communicate and enhance to all stakeholders the choice to conduct business transparently and ethically, in compliance with mandatory and voluntary regulations*	Draft and communicate to all stakeholders a Sustainability Policy, integrated and at Group level	*Group policy was developed in 2023 and published in 2024*
			Integration of the organisational Model pursuant to Italian Legislative Decree 231/01 for the Pieve Vergonte site	*The activity has been scheduled and will be completed in 2024*
			Obtain ISO 14001 certification for the Pieve Vergonte site	*The certification has been scheduled*
	Responsible product management	*Quality improvement of wastewater in output from internal treatment*	Construction of a new wastewater treatment plant at the Saline di Volterra site	*The activity is underway*
			Revamping of the process water treatment plant for Pieve Vergonte	*The activity is underway*
	Responsible supply chain management	*Support compliance with sustainability principles within our supply chain*	Publication of a Supplier Code of Conduct that includes ESG aspects	*In 2023 the company decided to issue a Group-wide report, whose drafting has been started and completion is expected in 2024*
			Insert ESG issues into the supplier qualification procedure	*A supplier qualification questionnaire on ESG topics is being drafted, to be reviewed in 2024 and 2025*
	Risk management	*Guarantee our business continuity over time to fuel a positive economic impact on stakeholders and the territory where we operate*	Merger between Hydrochem and Altair to create a more competitive company on the market	The merger was completed, effective as of 01/01/2024

7.

Approach to Sustainability Reporting

7.1. Methodological Note

By drafting the second issue of our Sustainability Report, we fully intend to continue the effective communication we started with our stakeholders and inform them about the sustainability commitments, policies and strategies we have implemented, especially addressing the social, economic and environmental areas.

Updated annually, this document was drafted following the 2021 version of the *Sustainability Reporting Standards* published by the *Global Reporting Initiative* (GRI).

The principles reported below have been abided by, thus ensuring the quality of the information and its proper presentation:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Context of sustainability
- Timeliness
- Verifiability

Our Sustainability Report provides information and data on Altair Chimica S.p.A., Altair Chimica Iberica SL and Hydrochem Italia S.r.l., now merged into Altair Chemical S.r.l., for the period from 1 January to 31 December 2023, that is the financial year which our financial statements refer to.
The document is not subject to auditing by an independent company.

7.2. Materiality Analysis

Conducted in compliance with reporting standards, the materiality analysis is the pivot of every Sustainability Report.

Materiality means a threshold wherefrom issues become sufficiently significant and require reporting, so that we are committed to developing policies and initiatives on them, besides setting the relevant improvement objectives.

Our material topics were pinpointed in our former reporting process through an extensive assessment of our sustainability context. Hence, in order to fulfil GRI 2021 Standard requirements, we identified the main current or potential impacts of our operations on the three pillars of sustainability: economic, social and environmental. Based on the impacts that we deemed most substantial, a list of material issues, as shown below, was drawn up.

Area	Material Topic	Description
Environment	Energy consumption	The adoption of strategies, policies and actions for energy efficiency and the use of renewable resources
	Circular approach	The adoption of corporate policies and strategies to increase the circularity of processes and products
	Atmospheric emissions	Business management geared towards seizing the possibilities of preventing and reducing emissions, with the aim of contributing to mitigating climate change
	Protecting the water resource	The careful management of discharges into water and the adoption of practices that envisage the reduction of withdrawals
Social	Occupational health and safety	The protection of the health and safety of employees also thanks to the adoption of specific programmes
	Local communities	Respect and attention towards the territory in order to promote its development
	Staff well-being	The promotion of worker satisfaction and well-being through the enhancement of skills, the promotion of equal opportunities and respect for diversity
Economic and governance	Ethics and compliance	Conducting the business in a transparent and ethical manner which guarantees compliance with mandatory or voluntary regulations, also through the empowerment of its collaborators and the adoption of adequate organisational models
	Innovation and quality	Innovation as a key element to pursue continuous improvement, develop products aligned with the highest quality standards and guarantee customer satisfaction
	Risk management	The careful corporate activity that considers the risks and opportunities in the economic, social and environmental fields
	Responsible product management	The safe management of chemical products from processing to use and up to disposal
	Responsible supply chain management	Compliance with the principles of sustainability within the supply chain

The GRI disclosures reported in this document were selected as based on the most significant impacts identified during the materiality analysis.

7.2.1. Stakeholder engagement

In order to take up the requests, meet the expectations and pay heed to the opinions of our stakeholders, we initiated an engagement process with the main stakeholders connected to our company, also known as stakeholder engagement. The first step in this activity is to identify the categories of stakeholders that represent our priorities, i.e., those who can directly or indirectly affect our operations and can in turn be affected thereby. This step was implemented in 2022 in compliance with AA1000 Stakeholder Engagement Standard (AA1000SES) 2015 and helped us identify the following categories, which were also confirmed for the year 2023:

Category	Definition
Workers and unions	People employed by or working on behalf of the company, including their representatives (e.g., Trade Unions)
Suppliers of raw materials and chemicals	Those who supply the company with raw materials or materials
Service providers	Those who supply the company with services or technology
Customers	Users of the company's products, including consumer associations
Society and local communities	The social context of the territories where the company is located and which can directly or indirectly influence its activities
Institutions	The set of institutions that can have a direct or indirect impact on the company's activities (e.g., Region, Province, Municipality where the sites are located, University)
Financial institutions and insurance companies	Banks and credit institutions that can contribute to financing the company's activities
Associations	Private non-profit associations and organisations that can act in areas that directly or indirectly influence the company's activities (e.g., environmental, human nutrition, animal welfare, industry associations)
Media and press	International, national and local media (e.g., television, press, radio and the Web) that can directly or indirectly condition the company's activities
Competitors	Competing companies whose strategic choices can significantly influence the company's decisions, directly or indirectly

In the second step of the process, we then defined the methods for listening to stakeholders. We chose to **engage *stakeholder* through the indirect method** again this year, with a documentary analysis aimed at reconstructing stakeholders' demands with regard to priority topics.

The following table shows the relation between the priority assigned by Altair Chemical S.r.l. representatives and the one attributed by stakeholders to material topics.

Material topics in order of priority for the company	*Stakeholder* assessments
Occupational health and safety	■ ■
Ethics and compliance	■ ■ ■
Energy consumption	■ ■
Innovation and quality	■ ■ ■
Circular approach	■ ■
Atmospheric emissions	■ ■
Protecting the water resource	■
Local communities	■ ■
Risk management	■ ■
Responsible product management	■
Staff well-being	■ ■ ■
Responsible supply chain management	■ ■

Our *stakeholder engagement* activities allowed us to obtain results that provide guidance and orientation, consistent with the approach of the new GRI standards.

Consistent with the vision of the Group of which we are part, the most relevant topics for our companies are *Workplace health and safety*, *Ethics and compliance* and *Energy consumption*: we have undertaken actions aimed at conducting business in the most ethical and transparent way possible over the years, while ensuring the health of our resources and the protection of the environment.

The topics of greatest interest include Innovation and quality, which allows us to obtain new products that comply with high quality standards and are able to satisfy customers; *Circular approach*, aimed at reducing waste production and the use of resources; *Atmospheric emissions*, a current and no longer negligible topic; *Protecting the water resource* to avoid water pollution and waste; *Local communities*, which includes activities to support the area in which our factories are located.

Lastly, we find the topics Risk management, responsible product management and Staff well-being, which are certainly important but at the same time less prominent in the reporting year because they have long been structured and integrated into the company vision and values.

The stakeholder assessments provided significant feedback, which reflect our propensity to give priority to the topics of *Ethics and compliance and Innovation and quality*.

GRI Content Index

Declaration of use	Altair Chemical S.r.l. as reported in accordance with the GRI Standards for the period 01/01/2023 - 31/12/2023
GRI 1 used	GRI 1: Foundation 2021
GRI Sector Standard	Not applicable

GRI Standard	Disclosure	Location (Par.)	Omission		
			Requirement omitted	Reason	Explanation
GENERAL INFORMATION					
GRI 2: General Disclosures 2021	2-1 Organisational details	1.1; 1.3			
	2-2 Entities included in the organisation's sustainability reporting	7.1			
	2-3 Reporting period, frequency and contact point	7.1, last page of report			
	2-4 Restatements of information	1.5, 5.1, 5.3			
	2-5 External assurance	7.1			
	2-6 Activities, value chain and other business relationships	1.4			
	2-7 Employees	4.1			
	2-8 Workers who are not employees	4.1			
	2-9 Governance structure and composition	2.1			
	2-10 Nomination and selection of the highest governance body	2.1			
	2-11 Chair of the highest governance body	2.1			
	2-12 Role of the highest governance body in overseeing the management of impacts	2.3			
	2-13 Delegation of responsibility for managing impacts	2.3			
	2-14 Role of the highest governance body in sustainability reporting	7.2			
	2-15 Conflicts of interest	2.2			
	2-16 Communication of critical concerns	2.1			
	2-17 Collective knowledge of the highest governance body	2.1			
	2-18 Evaluation of the performance of the highest governance body	2.1			
	2-19 Remuneration policies	4.1			
	2-20 Process to determine remuneration	4.1			
	2-21 Annual total compensation ratio	4.1			
	2-22 Statement on sustainable development strategy	*Letter to Stakeholders*			
	2-23 Policy commitments	1.1			
	2-24 Embedding policy commitments	1.1			
	2-25 Processes to remediate negative impacts	2.3			
	2-26 Mechanisms for seeking advice and raising concerns	2.1			

GRI Standard	Disclosure	Location (Par.)	Omission		
			Requirement omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	2.2			
	2-28 Membership associations	1.3			
	2-29 Approach to stakeholder engagement	7.2			
	2-30 Collective bargaining agreements	4.1			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7.2			
	3-2 List of material topics	7.2			
RISK MANAGEMENT					
GRI 3: General Disclosures 2021	3-3 Management of material topics	2.3; 6			
GRI 201: Economic performance 2016	201-1 Economic value directly generated and distributed	1.5			
ETHICS AND COMPLIANCE					
GRI 3: General Disclosures 2021	3-3 Management of material topics	2.2; 6			
GRI: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.2			
	205-2 Communication and training on anti-corruption policies and procedures	2.2			
	205-3 Proven incidents of bribery and actions taken	2.2			
INNOVATION AND QUALITY					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4.1; 6			
RESPONSIBLE PRODUCT MANAGEMENT					
GRI 3: General Disclosures 2021	3-3 Management of material topics	3.2; 6			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.2			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.2			
RESPONSIBLE SUPPLY CHAIN MANAGEMENT					
GRI 3: General Disclosures 2021	3-3 Management of material topics	3.2; 6			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers assessed using environmental criteria	3.2			
GRI 414: Supplier social assessment	414-1 New suppliers screened using social criteria	3.2			
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labelling	3.2			
	417-2 Incidents of non-compliance regarding information and labelling of products and services	3.2			

GRI Standard	Disclosure	Location (Par.)	Omission		
			Requirement omitted	Reason	Explanation
STAFF WELL-BEING					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4.1; 6			
GRI 401: Employment 2016	401-1 New hires and turnover	4.1			
	401-2 Benefits granted to full-time employees, but not to part-time or fixed-term employees	4.1			
	401-3 Parental leave	4.1			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	4.1			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	4.1			
	405-2 Ratio of basic salary and remuneration of women to men	4.1			
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4.2; 6			
GRI 403: Workplace Health and Safety 2018	403-1Occupational health and safety management system	4.2			
	403-2 Hazard identification, risk assessment and accident investigation	4.2			
	403-3 Occupational health services	4.2			
	403-4 Worker participation, consultation and communication on occupational health and safety	4.2			
	403-5 Worker training on occupational health and safety	4.2			
	403-6 Promotion of worker health	4.2			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2			
	403-9 Work-related injuries	4.2			
	403-10 Occupational illness	4.2			
RELATIONSHIP WITH LOCAL COMMUNITIES					
GRI 3: General Disclosures 2021	3-3 Management of material topics	4.3; 6			
GRI 202: Market Presence 2016	202-2 Proportion of senior managers recruited from the local community	4.3			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	4.3			

GRI Standard	Disclosure	Location (Par.)	Omission		
			Requirement omitted	Reason	Explanation
GRI 413: Local communities 2016	413-1 Activities involving local communities, impact assessments and development programmes	4.3			
ENERGY CONSUMPTION					
GRI 3: General Disclosures 2021	3-3 Management of material topics	5.1; 6			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	5.1			
	302-3 Energy intensity	5.1			
	302-4 Reduction of energy consumption	5.1			
ATMOSPHERIC EMISSIONS					
GRI 3: General Disclosures 2021	3-3 Management of material topics	5.2; 6			
GRI 305: Emissions 2016	305-1 GHG Direct emissions (Scope 1)	5.2			
	305-2 Energy indirect (Scope 2) GHG emissions	5.2			
	305-4 GHG emissions intensity	5.2			
	305-5 GHG emissions intensity	5.2			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	5.2			
PROTECTING THE WATER RESOURCE					
GRI 3: General Disclosures 2021	3-3 Management of material topics	5.3; 6			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	5.3			
	303-2 Management of water discharge-related impacts	5.3			
	303-3 Water withdrawal	5.3			
	303-4 Water discharge	5.3			
CIRCULAR APPROACH					
GRI 3: General Disclosures 2021	3-3 Management of material topics	5.4; 6			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	5.4			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.4			
	306-2 Management of significant waste-related impacts	5.4			
	306-3 Waste generated	5.4			
	306-4 Waste not directed to disposal	5.4			
	306-5 Waste directed to disposal	5.4			

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