

# SUSTAINABILITY POLICY

## Introduction

In recent years, Italmatch Chemicals S.p.A. and its subsidiaries (Italmatch Chemicals Group, hereinafter also Italmatch or the Group) have embarked on a path that seeks to put sustainability and product innovation at the centre of its model, with a focus on increasingly sustainable applications whose use falls within supply chains strategically involved in the green transition.

Intuition, entrepreneurship, innovation, sustainability and vertical integration are the founding values of Italmatch's future-oriented vision and are fundamental to the definition of the Group's long-term strategy and integrated global asset.

The Group's sustainable development model integrates its business development and management activities, conducted in an ethical and transparent manner, with the protection of the environment and biodiversity, respect for people, and the protection of their health and safety, establishing relationships of trust with the various local and institutional stakeholders, supported by a system of governance and compliance procedures aimed at risk management.

Moral integrity, personal honesty, correctness and transparency must underpin the conduct of all those who work within or in the service of the Group.

Italmatch, in fact, operates in the belief that:

- sustainable development is an indispensable concept for its business model, guaranteeing the strengthening of the group's reputation, while also improving its results through a process of ongoing improvement, aimed at achieving its environmental and social objectives, as well as protecting worker health and safety;
- the creation of "shared value" for stakeholders is one of the main elements of the Group's sustainability.

## Group policies and other in-house sustainability procedures

The Sustainability Policy draws its principles from and is coordinated with other in-house Policies and Procedures developed to better detail more specific areas of intervention. These are:

- Group Code of Ethics
- Anticorruption Global Policy
- Antitrust Global Policy
- International Trade Control Policy
- Gifts and Hospitality Policy
- Organisation and Management Model pursuant to Legislative Decree 231/01
- Human Rights Global Policy
- Diversity & Inclusion Policy
- Whistleblowing Global Policy
- Group Supplier Code of Conduct
- Conflict Minerals Global policy

### **In-house organisation**

Sustainability governance is led by the company's Board of Directors, which defines the strategic guidelines and ESG objectives and approves the Annual ESG Report.

The Group General Manager Corporate, according to the powers received from the Board of Directors, is in charge of the implementation of the corporate ESG strategic guidelines with the advisory and propositional support of the ESG Steering Committee and of the corporate departments for the consequent operations.

The ESG Steering Committee consists of the Group CEO, the Group General Manager Corporate (to whom the Board of Directors has delegated the implementation of the ESG strategy in line with the company's ESG organisational principles) and the Beyond Innovation Manager. The committee has the following tasks:

- supervising and monitoring the implementation of ESG-relevant Special Projects,
- supervising and monitoring the implementation of the company's strategic ESG guidelines,
- monitoring ESG targets through periodic reporting activities,
- proposing ESG initiatives to the Board of Directors concerning projects and possible scenarios,
- more generally, acting as an internal coordination and support committee between the ESG strategic guidelines defined by the Board of Directors and the medium- to long-term implementation activities.

The ESG Steering Committee is supported by the Group's Sustainability Manager, who interfaces and collaborates with the corporate functions in the implementation of the strategies defined at corporate level, the monitoring of the achievement of objectives, and the collection of information necessary for the preparation of the Sustainability Report. Finally, it ensures the proper transfer of any information requested by ESG Rating Agencies / ESG Indices.

Both also support the development of international research projects.

In order to maintain consistency between business strategy and sustainability approach, the Group identifies its targets in the ESG sphere, including them in the ESG Plan, which is integrated into the Company's Industrial Plan: the targets once defined are constantly monitored by the ESG function, which, through its members as listed above (Group General Manager Corporate, ESG Steering Committee, Group Sustainability Manager), supervises them and reports periodically to the Board of Directors. These commitments naturally fit into the broader framework of the Sustainable Development Goals (SDGs) defined within the United Nations 2030 Agenda and the objectives of the UN Global Compact, to which Italmatch adheres, and are consistent with our "purpose": "Sustainable chemistry for a better life. Worldwide".

### **Goals and Scope**

The Sustainability Policy aims to define the guidelines and guiding principles of sustainability with particular reference to:

1. ethics, integrity and anti-corruption
2. people
3. communities and stakeholders
4. the environment
5. suppliers and business partners
6. customers
7. innovation

This Policy applies to all Italmatch Group companies, employees and all third-party collaborators working at the Group's plants and/or offices, in all the countries in which it operates.

## Sustainability Policy

The implementation of the Sustainability Policy is developed through the following areas of intervention:

### 1. Ethics, integrity and anti-corruption

Ethics and integrity in conducting business and managing relations with stakeholders are fundamental elements of the Group's way of doing business.

Italmatch has therefore endowed itself with a Code of Ethics that enshrines principles and rules of conduct that it promotes both inside and outside the Group Companies, including, by way of example, legality, honesty, correctness, transparency and confidentiality, and has adopted an Anti-Corruption Policy that sets out the general principles and objectives of the Anti-Corruption System, with the aim of prohibiting and preventing any corrupt conduct.

With reference to Italian-registered companies, these principles are further reinforced by the Organisational, Management and Control Models envisaged by Legislative Decree 231/01, adopted and periodically updated by them with the aim of improving corporate governance, limiting the risk of committing the offences covered by the liability envisaged by Legislative Decree 231/01.

In this sense, Italmatch:

- will not tolerate any type of conduct contrary to the principles set forth in the above-mentioned documents, including the offer, promise and giving, as well as the solicitation, acceptance and receipt of payments by the Persons of the Group and anyone acting in the name of or on behalf of the Group for the purpose of obtaining an undue advantage;
- undertakes to spread awareness and, where appropriate, train co-workers, suppliers and partners, as well as to draw up appropriate procedures, in particular with regard to relations with communities, authorities and institutions, suppliers and customers;
- undertakes to verify, in accordance with the defined Group procedures, any report received through the channels specified in the Whistleblowing Global Policy, ensuring, at the same time, that those who make a report in good faith are not subject to retaliation, discrimination or penalisation, whether direct or indirect, and that their identity is protected, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused wrongly and/or in bad faith.

### 2. People

The Group's sustainable approach is also expressed through policies aimed at protecting and developing Human Capital. For this reason, Italmatch is committed to demanding compliance with the principles set out in the Code of Ethics, the "Human Rights Policy", the "Diversity & Inclusion Policy" and the "Supplier Code of Conduct" from all those who work with Group companies, whether as employees, suppliers, contractors or partners.

Achievement and maintenance of these principles are also pursued through:

- vigilance over respect for the principles recognised by the Universal Declaration of Human Rights, the declarations of the International Labour Organisation, the principles of the United Nations Global Compact (UNGC);
- recognition of the importance of consultation and participation of workers, including their representatives and social partners, as counterparts to help define appropriate labour management policies and procedures;
- the preparation and holding of training courses aimed both at raising employees' awareness of the Group's ethical and sustainability principles and at familiarising them with the procedures and systems adopted internally;
- the adoption and application of processes and procedures, also supported by the adoption of Safety Management Systems certified under recognised standards, aimed at minimising risks and removing the causes that may jeopardise the safety and health of its own personnel and third parties operating at the Group's plants and/or offices;

- the commitment of the entire organisation to ensure full implementation of the applicable legal requirements and all other commitments voluntarily entered into by the Group;
- full compliance with any legal obligations concerning the involvement of employees, or their representatives, in corporate reorganisation processes;
- the will to ensure equal opportunities without any discrimination based on gender, age, ethnicity, culture, ability, religion, nationality, experience, sexual orientation and identity, political opinion and any other subjective characteristic;
- the creation of physical and cultural working environments that promote the development of relationships based on trust and inclusion, valuing every style of thinking and where everyone is and feels welcomed and can express their full potential
- the recognition of their personal freedom to join and/or associate with trade unions or workers' organisations;
- the promotion of work-life balance by developing appropriate programmes and initiatives, including on mobility and flexibility;
- giving value to the contribution by its people to the achievement of corporate objectives, using appropriate evaluation systems that also refer to the Group's ESG objectives and supporting training initiatives for professional development;
- the repudiation of child labour, forced labour or labour practices carried out against the worker's will or in a manner inconsistent with the Group's principles;
- promotion of virtuous actions, inside and outside the Group, aimed at implementing international principles (e.g. UN Global Compact).

### 3. Community and Stakeholders

In order to guarantee and maintain an open dialogue with the local communities in which it operates and with all the stakeholders with whom it interacts (understood as 'all the bearers of legitimate interests - implicit or explicit - influenced by its activities'), the Group undertakes to

- assess the specific economic, environmental, social and relational impacts generated by its activities at the local level;
- participate in the development and enhancement of the territories in which it carries out its activities;
- establish, in compliance with the principles defined in the Code of Ethics, a constructive and transparent collaboration with stakeholders, involving them and informing them on the actions and initiatives undertaken, as well as on the results achieved with respect to economic-financial and socio-environmental responsibility objectives;
- analyse the requests that may come from the territory, selecting the most deserving ones on the basis of the values they express and their positive impact on the territory;
- identify activities following these instances in line with ESG guidelines and focusing on what have been identified as privileged areas of intervention, in particular:
  1. promoting the culture and know-how of Italmatch, Sustainability and the fundamental role of chemistry and research in the transition to more sustainable models;
  2. supporting the social development of local communities
  3. supporting future generations with educational activities.
- publish periodic sustainability reporting drawn up in accordance with recognised international standards, in order to communicate clearly, truthfully and fairly the actions taken and the results achieved.

#### 4. Environment

Environmental protection, understood as the maintenance of the integrity of natural processes and resources and the preservation of air, water and soil from anthropogenic contamination, is a founding value of Italmatch Group's way of doing business.

For this reason, Italmatch is committed to adopting Environmental Management Systems certified to recognised standards, with a view to continuously improving its performance and mitigating risks.

In accordance with this principle, the Group is committed to:

- minimising the environmental impact of its activities, reducing energy consumption, atmospheric emissions and waste production, including through improvements in quality, plant efficiency, recycling of materials and materials with a view to the “circular economy”;
- promoting the conscious and responsible use of all natural resources available to the Group. These resources must be managed appropriately, wisely and with as little impact as possible as they are necessary for the development of future generations;
- adopting processes and procedures, also supported by Environmental Management Systems certified to recognised standards, to minimise the risks posed by our activities to the environment;
- integrating ESG and continuous improvement objectives into business processes, both strategic and operational.
- developing innovative solutions that enable the recovery of raw materials with a view to a circular economy or identifying alternatives with less impact on critical resources while respecting planetary boundaries.

#### 5. Suppliers and business partners

Italmatch objectives include the constant improvement of sustainability in its supply chain, both in the short and medium to long term. To ensure that suppliers and business partners operate according to the same principles and criteria of ethical, social and environmental responsibility that guide the Group's activities, Italmatch undertakes to:

- require the adoption of behaviours and practices in line with the principles that inspire the Italmatch Group, as defined in the Code of Ethics, the Human Rights Policy, the 'Code of Conduct for Suppliers', the Organisation and Management Model pursuant to Legislative Decree 231/01, the Anti-Corruption Policy, the Diversity & Inclusion Policy and this document;
- consider organisational, environmental, safety, ethical, human rights and labour criteria and standards in the selection, qualification and evaluation process of the Group's business partners;
- accompany and encourage suppliers to participate in processes to assess their own sustainability performance, favouring business relations with the most virtuous suppliers in order to reduce the environmental impacts and carbon footprint of both the Group and the supply chain;
- adopt, among the criteria for selecting and evaluating its suppliers and business partners, the level of adherence to the aforementioned principles along their supply chain.

#### 6. Customers

Italmatch believes that the development and use of products that are increasingly sustainable and/or make everyday activities less impactful is an indispensable aspect of the transition to a decarbonised economy. The group has a wide range of chemical specialities to meet the most demanding applications in the lubricants, plastics, water, oil & gas and personal & home care markets.

In constant dialogue with change and with a future-oriented vision, Italmatch Chemicals believes in and inspires its people to listen to intuition, to develop an entrepreneurial spirit, and to work for innovation with a constant focus on sustainability.

By offering innovative, quality products, the Group contributes to reducing the impacts of its customers by improving the performance of industrial processes and helping them to develop increasingly sustainable products: direct and strategic support to the supply chains that contribute most to the green transition and decarbonisation.

In particular, Italmatch undertakes to:

- base its conduct and business relations on the principles of helpfulness, professionalism and courtesy, providing accurate, complete, clear and truthful information about the products offered, so as to enable the counterparty to make an informed choice;
- never arbitrarily discriminate against customers or seek to exploit positions of strength to their disadvantage;
- always meet its commitments and obligations to customers in accordance with the terms of the contracts;
- deal promptly and efficiently with any complaints and suggestions received;
- not disseminate communications that in any way may be misleading and/or damage the reputation of customers;
- make its customers aware concerning the adoption of behaviour and practices in line with the principles that inspire the Italmatch Group, as defined in the Code of Ethics, the Human Rights Policy, the Organisation and Management Model pursuant to Legislative Decree 231/01, the Anti-Corruption Policy, and the Diversity & Inclusion Policy, reporting any conflicting behaviour to the Supervisory Body.

## 7. Innovation

New products, new processes and customer-tailored solutions based on sustainable principles and in line with the ESG approach underpin the Italmatch Group's industrial philosophy.

The Italmatch Group is firmly convinced that a future-oriented and sustainability-conscious approach will be crucial in an ever-changing environment, and must guarantee:

- **Security of supply:** the availability of critical raw materials, also in anticipation of increased material requirements for the transition to new electrification-related standards.
- **Recyclability:** the need to develop efficient recycling processes with a significant reduction in costs and CO2 footprint, enabling the recovery of good quality raw materials.
- **Innovation:** the need for efficient, environmentally friendly and cost-effective solutions able to surpass the current state of the art.

With this vision, all Group functions cooperate with partners and customers to develop products and chemical specialities to meet emerging technical needs, to find the best solutions in the use of current products and to identify the highest performance requirements for new technologies.

Italmatch considers it of fundamental importance to work on the creation of European value chains that will make it possible not to depend too much in the future on supplies from areas of the planet at risk of socio-economic instability.

This is why it participates in EU-supported innovation projects based on sound principles of circular economy and resource efficiency.

## Dissemination and updating

The Italmatch Group is committed to the dissemination of the principles herein both within and outside the organisation among employees, suppliers, contractors and partners.

This Policy, assessed by the ESG Steering Committee, is shared and approved by the Board of Directors.

Periodically, this policy will be reviewed to assess its adequacy and to define any changes to be made and/or actions for improvement.

Approved by the BoD in March 2023.

Sergio Iorio

Chairman and Italmatch  
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