

Sustainability Report 2024

Executive summary

Letter to stakeholders

Dear Stakeholders,

It is with great pleasure that we present our **2024 Sustainability Report**, a document that reflects our ongoing commitment to social and environmental responsibility at a crucial time for our industry and our planet. Our sustainability journey is guided by a set of ethical principles, including the **ten principles of the United Nations Global Compact**, which serve as our compass in matters of human rights, labor, environment, and anti-corruption. We are committed to upholding these principles in every aspect of our activities, through concrete actions that reflect our values and long-term vision.

In 2024, we have **strengthened our climate commitment** with the approval of our **Decarbonization Plan**, aligned with the targets set by the **Science Based Targets initiative (SBTi)**. This plan is the result of rigorous and collaborative work, demonstrating our commitment to **significantly reducing greenhouse gas emissions** in order to combat climate change and comply with the **Paris Agreement**. With your support and the collaboration of all our partners, we are confident that we can **achieve and surpass our goals**. We recognize that transitioning to a low-carbon future is a challenge but also an opportunity for **innovation and improvement**. For this reason, our decarbonization plan is based on **measurable and verifiable actions**, aimed at progressively reducing both direct and indirect emissions while promoting the **use of renewable energy, energy efficiency, and cutting-edge technologies**.

Throughout the year, we have intensified our efforts to foster an **inclusive and sustainable corporate culture**, integrating social and environmental responsibility into every phase of our operations—from **research and development to production, waste management, and product distribution**. A key milestone in this direction was the launch of the **Employee Engagement Survey**, which saw high participation and received extremely positive feedback from our employees. This confirms that our workforce is deeply engaged in our **sustainability journey** and in continuously improving our work environment.

Additionally, we conducted an in-depth **Living-Wage Analysis** to ensure that all our operations comply with **international best practices**, guaranteeing fair and adequate compensation for a **dignified life**. This initiative highlights our commitment to fostering **inclusion and well-being** within our company. Our continuous improvements in the **ESG** area have also been recognized by the **Gold Medal from EcoVadis** and an **improved CDP rating (A-)**.

Our goal of "**Shared Value Creation**" remains a strategic priority for our Group. We are pursuing this both by **strengthening our governance system** with new policies and compliance, **increasingly transparent communication** with all our stakeholders to raise awareness of the **key role of chemistry in the green transition**. This report is therefore an important milestone in a long journey that we have undertaken and will continue with determination in the coming years. Our commitment to a **sustainable future** is strong and concrete, and we are proud to share our progress with you.

We sincerely thank you, our stakeholders, for your **continuous support and trust** in us. Together, we will continue working towards a **fairer, greener, and more responsible future**, with the shared goal of **building a better world for future generations**.



Ing. Sergio Iorio
Chairman and Italmatch Group CEO

A handwritten signature in black ink, appearing to be 'S. Iorio', written over a light blue background.

A handwritten signature in blue ink, appearing to be 'M. Turci', written over a light blue background.

Maurizio Turci
Group General Manager Corporate



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Group overview

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Responsible Product



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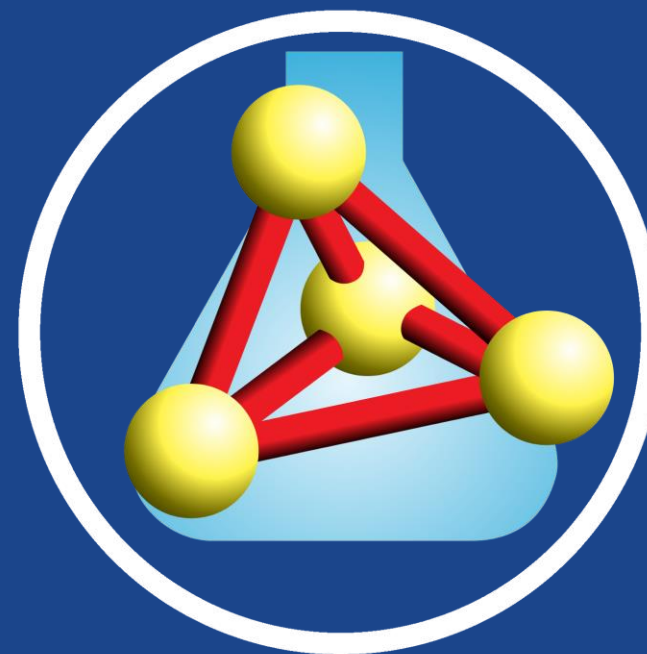
Environment

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Our People and Communities

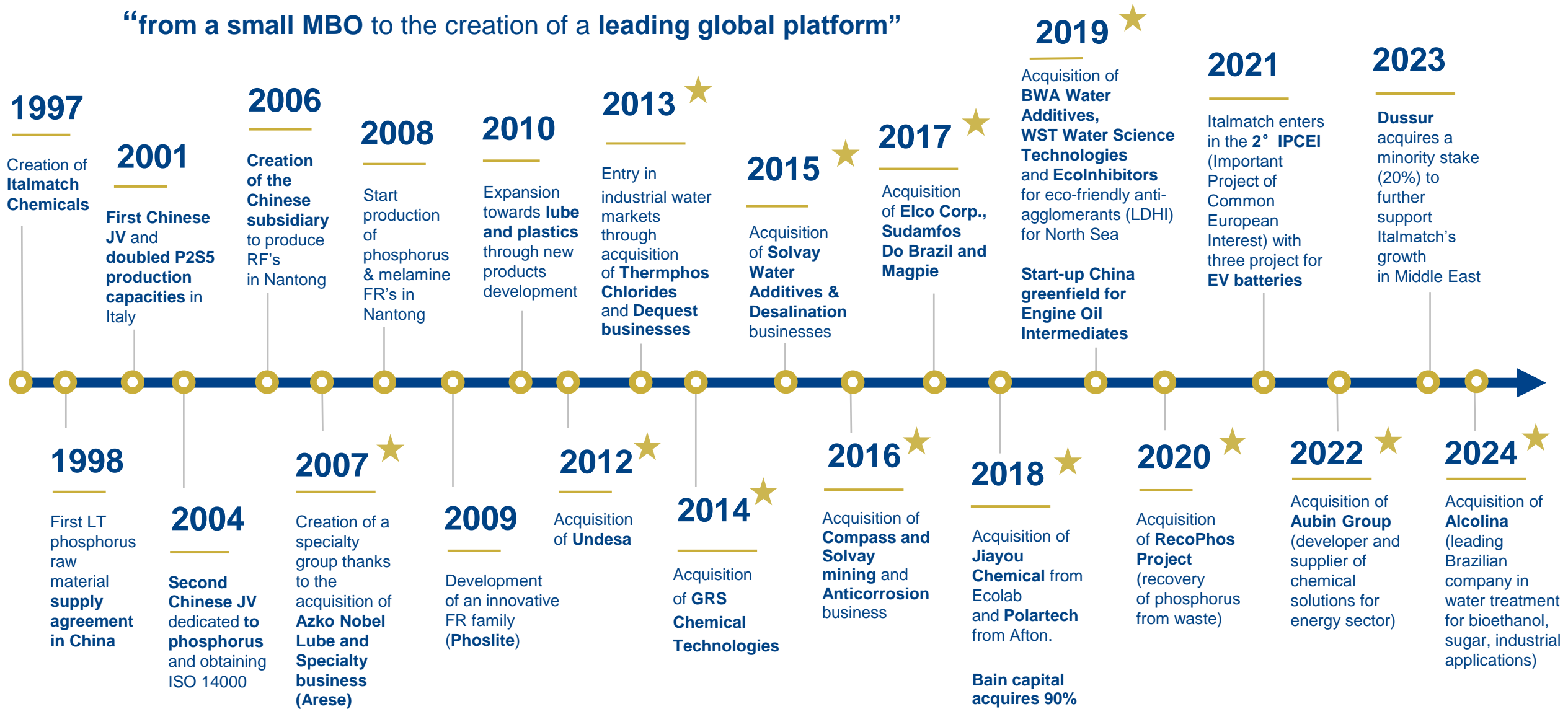
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Governance and business ethics



A story of success: internal and external growth

“from a small MBO to the creation of a leading global platform”



Key Company Highlights – 2024 key events



Strong Business Performance

Volume growth and continued focus on value-add, high-margin innovative solutions



Cash Flow Generation

Continued cash flow generation and deleveraging trajectory



Operational Excellence

Launched AI-supported operations and procurement program with McKinsey support



R&D and Innovation

Reverse Osmosis Desalination, Mining Products, High Temperature Geothermal, Complex Grease Lube, Biodegradable and Traceable Polymers



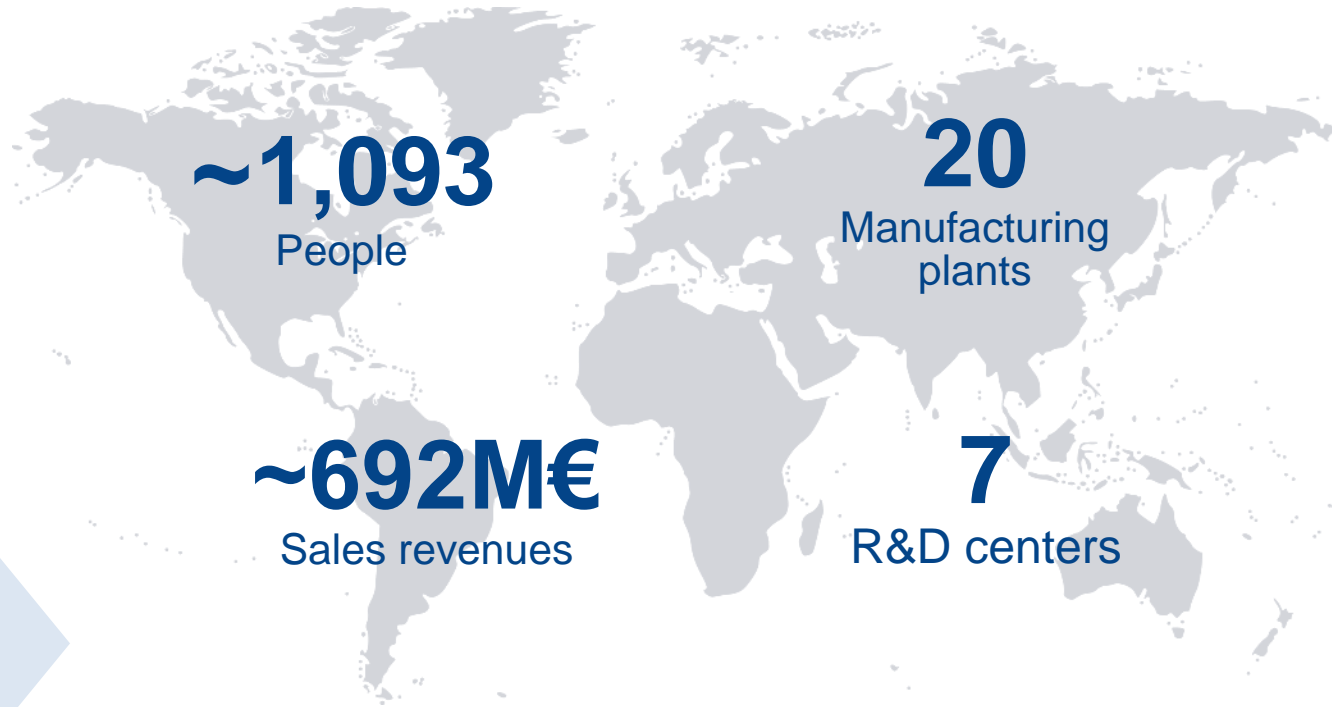
Inorganic Growth

Closed Alcolina acquisition in Mar-2024, integration executed. In November 2024, the Group acquired an additional 10%, increasing its total stake to 70%



Relentless ESG Focus

Approved SBTi targets, enhanced CRSD project, rating improved (**Gold** medal Ecovadis, CDP to **A-**), AI pilot, Cybersecurity program (NIS2, NIST) and key processes acceleration



Financial and commercial highlights

+18%

FY 2024 Adj. EBITDA vs. PY (LFL)

+~13M€

Run Rate EBITDA Target

-1.1x Net Leverage

Dec-24 (~4.1x) vs. Dec-2023

+18 New Products

Launched in 2024

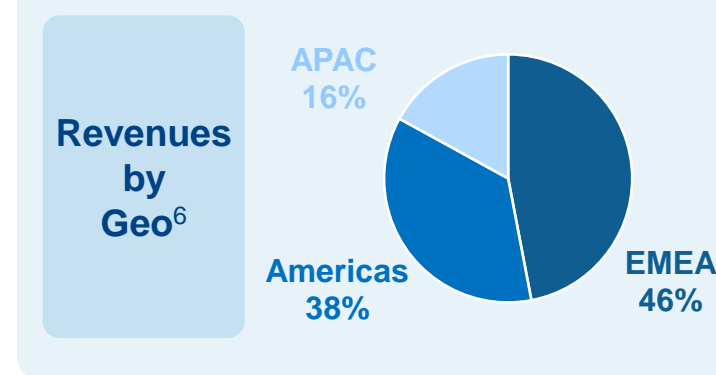
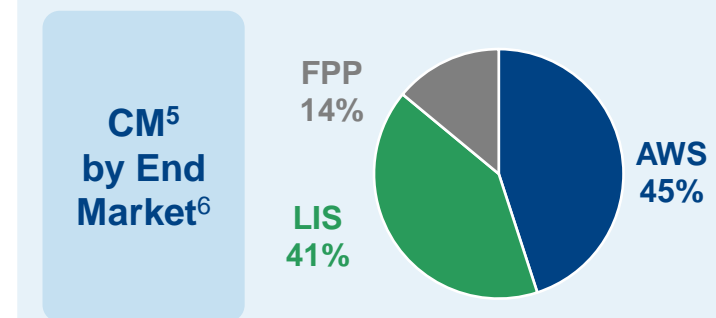
Italmatch Chemicals

Providing trusted, innovative and sustainable value-added solutions to attractive end markets

<p>AWS Advanced Water Solutions</p>  <p>Global leader in antiscalant solutions for high-growth water applications</p> <ul style="list-style-type: none"> Industrial Water Treatment Household & Institutional Cleaning Desalination Geothermal & Mining¹ 	<p>LIS Lubricants & Industrial Solutions</p>  <p>Global leader in phosphorus & organic lubricant performance additives, and flame retardants</p> <ul style="list-style-type: none"> Industrial Lubricants² Transportation Lubricants Halogen-Free Flame Retardants Energy Transition Solutions 	<p>FPP Functional & Performance Products</p>  <p>Trusted provider of sustainable functional and performance products; ESG-focused</p> <ul style="list-style-type: none"> Bio-Based Solutions (Oleochemicals) Chlorides Unconventional Energy Solutions
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FY24 Financials⁴

692M€ Revenues
€134m Adj. EBITDA
19.4% EBITDA Margin



- ✓ **Founded in 1998 and headquartered in Genoa, Italy**
- ✓ **~1.1k FTEs across 14 manufacturing sites, 7 blending / tolling sites and 1 logistics site**
- ✓ **7 R&D centres, >50 patent families, sustainability-focused innovation with 48% of products contributing to SDGs³**
- ✓ **15 highly-synergistic acquisitions over the last 10 years; demonstrated greenfield development successes**

¹ Mining refers to metal recovery. ² Includes MWF (Metal Working Fluids). ³ Sustainable Development Goals. ⁴ PF for Alcolina acquisition. ⁵ CM = Contribution Margin. ⁶ PF for Alcolina acquisition.

Focus on the new acquisition - Alcolina

In March 2024, Italmatch Group took a significant step for its ambitious growth strategy by acquiring a majority stake in **Alcolina**, a leading Brazilian company specialising in **water treatment** solutions for the **bioethanol** and **sugar** industries.

This strategic move is in line with Italmatch's long-term vision to expand its global presence.

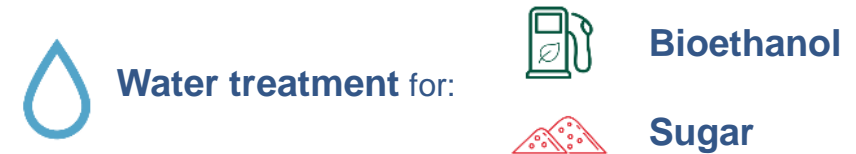
The acquisition directly supports the **growth of bioethanol**, a renewable and low-carbon fuel that plays a critical role in global efforts to reduce GHG emissions.

By leveraging Alcolina's deep technical expertise and innovative solutions, Italmatch strengthens its ability to **improve water treatment** processes in further industry sectors.

Water is a critical resource in any industrial process, and Alcolina's specialized solutions contribute to **minimizing water consumption** within the sugar and bioethanol sectors.

The integration of proprietary technologies for sugar color stabilization, further complements Italmatch's portfolio expanding to new markets.

Despite its ambitious **growth strategy**, Italmatch Group recognizes that industrial expansion must go hand in hand with responsible environmental practices and **sustainability targets**. The integration of Alcolina into the Italmatch Group will provide **greater global reach without compromising Italmatch's commitment** to reducing the environmental impact of its operations.



Our support to world sustainability frameworks



Italmatch Group's approach is inspired to **Ten Principles of the UN Global Compact**, to the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the Declaration on Fundamental Principles and Rights at Work.

All these are embedded in the Group's **Code of Ethics, Sustainability Policy, Human Rights and D&I Policy***.

We developed a global vision and a local presence by creating shared value and wellness for our stakeholders, with respect for people, environment and local communities.



HUMAN RIGHTS

Human Rights: consistently with international principles, Italmatch supports the protection of human rights and stands against every form of abuse as the group's principles are inspired by the United Nations Universal Declaration of Human Rights.



LABOUR

Labour: According to its policies Italmatch guarantees freedom of association and stands against any form of forced or child labour, ensuring equal opportunities and treatment for all its employees.



ENVIRONMENT

Environment: Italmatch is committed to minimizing the environmental impact of its activities by reducing energy and natural resources consumption, GHG emissions and waste generation. Conscious that resources must be managed wisely, and with the least possible impact respecting the needs of future generations.



ANTI-CORRUPTION

Anticorruption: Italmatch stands against corruption in all its forms, including extortion and bribery and has set up a specific Anticorruption Global Policy* and procedures to effectively contrast it.

*All the policies are publicly available at italmatch.com

Commitment to UN SDGs

Italmatch Chemicals is working to actively contribute to the achievement of UN SDGs

We are committed to:



Our Products Actively Contribute to:



Commitment = Italmatch set strategic priorities in line with the SDG
 Contribution = Italmatch contributes to the SDG with its solutions / products

Our ESG priorities

Topic		Guideline	Target	Timing	As at 31 dec 2024
Responsible product	Product Safety and Stewardship	<i>Strong commitment to develop innovative products supporting our customers in the transition to a decarbonised economy thanks to specialties for renewable (lubricants), to improve circularity processes (recover of materials from sludges), requalification of O&G (well closure), improve electrification (electrolytes).</i>	- Support customers in their GHG inventory and green transition developing low PCF products.	Ongoing	Meeting with main customer to develop common products' decarbonisation strategies
	Green Chemistry Innovation		- Development of new grade of CMI antiscalant for membrane treatment (not P-based).	Ongoing	Development and first industrialization trials (certifications for potable water treatment achieved). Small quantities for testing purposes delivered to customers.
	Customer Relationships		<i>Improve our customer centricity approach.</i>	- Support customers transition providing PCF calculation through our PCF tool - PCF delivered to 100% requesting customers (after signing NDA)	Ongoing
Environment	Climate impacts and strategy	<i>Define emission reduction actions to reach future SBTs targets</i>	SBTi targets: -42% Scope 1&2 emissions; -25% Scope 3 emissions (against 2021 baseline) Install Photovoltaic plants to support our energy needs for about 2MW.	2030	Emission reduction targets approved by SBTi (20/05/2024). • Scope1&2 emission 76,8k tCO2e (-15,9% vs 2021) • Scope3 emission 817,5k tCO2e (+1,6% vs 2021) (Decarbonisation team appointed with budget aligned with roadmap). PV plant in Qualiano installed. PV in Arese under final engineering according to decarbonisation roadmap.
		<i>Other environmental targets</i>	- 5% water consumption compared to 2024	2030	New target
	Approach to Circularity	<i>Develop project to reduce/ reuse resources.</i> <i>Develop new products to support the decarbonisation transition.</i>	Plug & abandon products, specialties for wind turbines, additives for solid electrolytes	Ongoing	Ongoing

Topic		Guideline	Target	Timing	As at 31 dec 2024
People & Communities	Culture of Diversity, Equity & Inclusion	<i>Internal training and engagement on D&I with support of Valore D.</i> <i>Internal engagement promoting our culture.</i> <i>Ensure that all employees receive at least a living wage, according to local standards.</i>	- Increase the number of women in managerial positions +10% (baseline 2023). - >70% annually coverage of employees trained - Achieving living wage certification for all employees	2026 2026 2025	Women manager 22,7% (20% as at Dec 23) Group LMS launched in 2024 - 78% employees trained Living Wage assessment performed, corrective actions ongoing
	Nurture talents and their well-being	<i>Employee engagement survey, implement the performance management/ leadership model.</i>	- Design & implement performance development process (+70% white collars). - Identify employee survey baseline for next benchmark. - Engage at least 60% of managers and white collars into the employee survey on social dialogue and well-being corporate approach.	2026 2025 2026	Performance & development process, pilot in progress Employee engagement survey performed; baseline for next years' assessment set Managers' training course – Bocconi Oct 24
	Occupational Health and Safety	<i>Decrease the injury rate.</i> <i>Extend the HSMS certifications.</i>	- HSE training coverage > 85% of plants' employees - Monitoring H&S risk assessment coverage in Group's plant and offices	2026 Ongoing	Reported data as at end 2024 show a training coverage > 90% Manchester plant certified ISO 45001
	Community Engagement	<i>Continuous community engagement according to the defined corporate guidelines.</i>	- At least 3 events/year per region following corporate guidelines.	Ongoing	Designed guidelines for local engagement
Governance & Business Ethics	Corporate Governance & ESG reporting	<i>Improve reporting practices and ESG ratings.</i>	- Maintain Italmatch's ESG rating in the top quartile	Yearly	CDP rating A- Ecovadis GOLD achieved in 2024
	Ethical Business Model	<i>Worldwide employee training on compliance laws, policies, and procedures. 100% coverage of new hired employee.</i>	- Train at least 60% of managers and white collars as at end 2026 and, yearly, all the new hired employee on anti-corruption practices, conflict of interest, fraud, money laundering topics	2026	Learning system started in October 2024
	Responsible Supply Chain Management	<i>Increase the number of suppliers rated by third parties according to ESG criteria, increase rating of low-rated suppliers.</i>	- Increase the number (+10 per year) of suppliers qualified according to ESG standards (through Ecovadis screening).	2026	+ 13 suppliers screened through Ecovadis compared to Dec. 2023
	Digitalization and Cybersecurity	<i>Improve external testing framework.</i>	- Maintain a yearly third-party assessment and audit our IT infrastructure security covering 100% of our sites	Yearly	Cyber Essentials 2025 UK certification - achieved Certification according to SACS 002 - achieved

CDP – Climate Change



A- on CDP climate change

Italmatch has been ranked in the "Leaders" category, placing among the top 25% of rated companies. This achievement reflects the Group's growing commitment to addressing climate change through a structured governance framework, clear role assignments, and defined management targets. These efforts are reinforced by **SBTi Targets, certified emissions reporting, and in-depth risk analysis.**

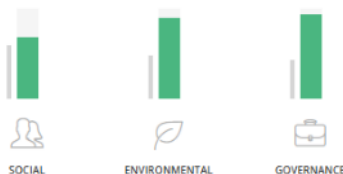
Initially requested by some of our key customers, the participation to this assessment has become an integral part of annual reporting activities to ensure the **highest level of transparency in carbon management.**

Achilles



Silver on Achilles

The results of the assessment by Achilles (a global supply chain risk management expert) gave us an **overall score of 85** (the sum of the scores for the three ESG areas, all above the industry average), and a "low risk" profile for compliance and cybersecurity.



Compliance and Cybersecurity Ratings
In partnership with ECIX Group

A LOW RISK

EcoVadis



Gold medal on EcoVadis

Italmatch has been awarded the **Gold Medal** in the 2024 EcoVadis assessment, ranking among the top 5% of companies evaluated. This achievement is based on an **overall score of 75/100** (+12 vs. 2023; +27 vs. 2022). Additionally, the "**Carbon Management**" evaluation, specifically designed to assess emission reduction efforts, has recognized us at the **leader level.**



Ethifinance

1st unsolicited ESG rating



In the ESG rating conducted by Ethifinance (an independent European rating, committed to Sustainable Finance) Italmatch achieved an **overall score of 77 points**, significantly surpassing the industry benchmark of 61/100.

Integrity Next



Italmatch is rated by Integrity Next, supporting suppliers and customers in meeting CSDDD and German Supply Chain Act requirements for supply chain transparency. The rating ranks Italmatch in the **high green quartile.**

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Responsible Product – Management approach



Management approach

At Italmatch Chemicals, our products are manufactured, labeled, and classified in full compliance with local and national regulatory standards. This ensures safe and appropriate use based on their chemical composition and safety guidelines. Our labeling also includes environmental safety classifications to promote transparency and responsible handling.

With a diverse portfolio of approximately 2,000 products and nearly 300 globally recognized patents, Italmatch Chemicals places customers at the core of its business strategy, driving innovation and sustainability.

Our production processes follow these guidelines:

- **Consistently high quality:** ensured through production processes certified under ISO 9001 across most of our facilities, with some certifications dating back to 1991.
- **Development of low environmental impact products:** our plants obtain specific environmental certifications as required by local regulations, reinforcing our commitment to sustainable production.
- **Strong focus on R&D and innovation:** a continuous focus on research and development enables us to drive sustainable solutions and enhance environmental performance across our operations.

Key numbers



79%
of the plants
certified
ISO 9001:2015

~300
patents registered
worldwide

~ 60
FTE working in
our R&D dept

7
R&D centers

About 1% of revenues invested in R&D

Product certifications according to market / sector requirement and customers' needs

Our products are certified in accordance with the relevant standards required by each market of application. Their use in the various compositions developed by our customers ensures reliability and performance, as certified by the applicable reference standards across different markets.



R&D and customer relationship



Management approach

In recent years, Italmatch has strategically directed part of its business development and innovation efforts toward opportunities linked to the green transition. By leveraging its core expertise in chemistry, applications, and industrial processes, the company is actively working to develop more sustainable solutions. Significant progress has already been made, with further advancements expected in the medium term. At the same time, Italmatch remains committed to long-term objectives that will enable its future growth through a stronger end-market presence and an ESG-driven approach.

While fossil fuels still account for a large share of global energy demand, Italmatch continues to operate in certain “non-ESG” markets, such as Oil & Gas. However, the company focuses on transition-related specialty solutions aimed at minimizing environmental impact, including the sustainable decommissioning of disused wells and the reduction of extraction-related effects.

Customer Centricity

Italmatch's industrial strategy prioritizes product formulation tailored to customer needs. A dedicated team serves as a crucial link between customers and R&D department, facilitating the identification of technical challenges and ensuring the development of efficient, timely solutions.

Labelling and product compliance

All products are supplied with labels and Safety Data Sheets (SDSs) in full compliance with local GHS regulations, such as CLP in the EU and OSHA in the US.

These documents provide clear guidelines on safe handling, storage, and disposal, helping to prevent accidents and protect both human health and the environment



All our products comply with local regulatory requirement, such as REACH.

Where specific end-use approvals are necessary, they are certified by the relevant agencies or regulatory bodies.



Examples include CEFAS and NEMS for the North Sea, FDA for food-contact applications, and NSF Standard 60 for use in drinking water treatment.

Engaging on product carbon footprint

Among our customers there are many important international companies that has committed to implement their GHG inventory and to reduce their carbon footprint in the years (some have Net Zero targets at 2050).



+70 product carbon footprint* delivered in 2024 calculated according to ISO 14067

To support customers in their GHG emissions assessment and to help them in their reduction paths, we developed an IT tool to calculate our Product Carbon Footprint. It is based on the ISO 14067 standard methodology and uses a cradle-to-gate approach. Raw materials primary data are used when available, otherwise data are sourced from international database.

Beyond providing Product Carbon Footprint, Italmatch collaborates closely with its customers, designing strategies to reduce product emission impact and identifying possible process improvement (use of green electricity, logistic optimizations, biobased raw materials, etc..). This collaborative approach fosters a virtuous cycle, where companies drive each other toward increasingly ambitious sustainability goals, accelerating the transition to a lower-carbon economy.

*PCF are shared under NDA rules

Global Leader in Attractive End Markets



Leading specialty chemicals platform in high-growth water and specialty additives markets

End Market	Advanced Water Solutions (AWS)	Lubricants and Industrial Solutions (LIS)	Functional and Performance Products (FPP)	
% of CM ¹	45%	41%	14%	✓ Water and lubricants focussed specialty chemicals and functional solutions champion
Key Growth Trends	<ul style="list-style-type: none"> • Water security (desalination) • Water regulation (IWT) • Energy transition (geothermal) • Sustainable chemistry (biodegradable products, circular products) 	<ul style="list-style-type: none"> • Energy transition (windmill gear oils, PV and EV FR, next gen solid state batteries)⁴ • Electronification (electronics FR and HCl) • Sustainable chemistry (biodegradable lubricants, halogen-free flame retardants) 	<ul style="list-style-type: none"> • Energy transition (Chlorides for LiFP6 Li-ion batteries) • Sustainable chemistry (bio-based solutions) 	✓ Leadership in backbone and difficult to master chemistries: phosphorus, water & oil soluble polymers, functionalised polymeric esters, biodegradable products, chlorine-, maleic- and sulphur-based chemistries
Key Market Positions	<ul style="list-style-type: none"> 🏆 IWT Antiscalants³: #1 EU & USA 🏆 Geothermal Antiscalants: #1 EU & MENA 🏆 Desalination: #1 globally 	<ul style="list-style-type: none"> 🏆 Anti-Wear Lubricant Additives: #1 EU, #2 Asia 🏆 Polymeric Base Oils: #1 WW, #1 EU 🏆 Red Phosphorus-Based Flame Retardants: #1 EMEA 🏆 Inorganic Phosphinates Flame Retardants: #1 WW 🏆 HCl Electronic Grade: #1 US 	<ul style="list-style-type: none"> 🏆 PCI5: #1 EU 🏆 PCI3: #1 EU 🏆 PCI3-based Acid Chlorides: #1 EU (sole producer of high-purity phosgene free acid chlorides) 	✓ High barriers to entry and complex regulatory framework
% Specialty ²	~90%	~100%	~50%	✓ Innovation-driven organisation: 7 R&D centres, >50 patent families, 48% of products contribute to SDGs ⁵

1 CM = Contribution Margin, FY 2024, PF for Alcolina acquisition. 2 CM Specialty % as of FY 2024. 3 IWT = Industrial Water Treatment; refers to phosphonates anti-scalant market. 4 PV = Photovoltaic, FR = Flame Retardants. Solid state battery exposure related to electrolytes. 5. Sustainable Development Goals.

Our products recognition



In 2024 Italmatch Chemicals has been awarded by **Federchimica**, the Italian national federation of the chemical industry, with the annual **Responsible Care Award** in the category of “**Ecological and Circular Transition**” for a technology among our **Eco-inhibitors®** line. This prize is a strong recognition of the Group’s commitment to sustainability and ESG topics, as part of its sustainable growth development strategy.



The award was accepted by Italmatch Group CEO & Founder Sergio Iorio, Global Marketing Director, Oil & Gas Raul Antonio Di Toto, and Group ESG & Sustainability Manager Claudio Pirani during an official ceremony held in the Library of the Italian Chamber of Deputies in Rome.



The award-winning product

Eco-inhibitors® ECO K530 consists of the first completely natural kinetic hydrates inhibitor designed for oil and gas operations in the North Sea. By using this range, O&G operators are able to replace totally or partially the use of methanol or MEG (mono-ethylene glycol), commonly used for these activities but with the drawback of being a pollutant. What is the secret of this technology? They apply a **perfect circular economy** concept as they are derived from processed **salmon waste from the fish industry**. They combine an environmentally conscious approach with high performance and prioritize the adoption of green solutions without compromising effectiveness, enabling our partners to achieve both commercial and environmental objectives.

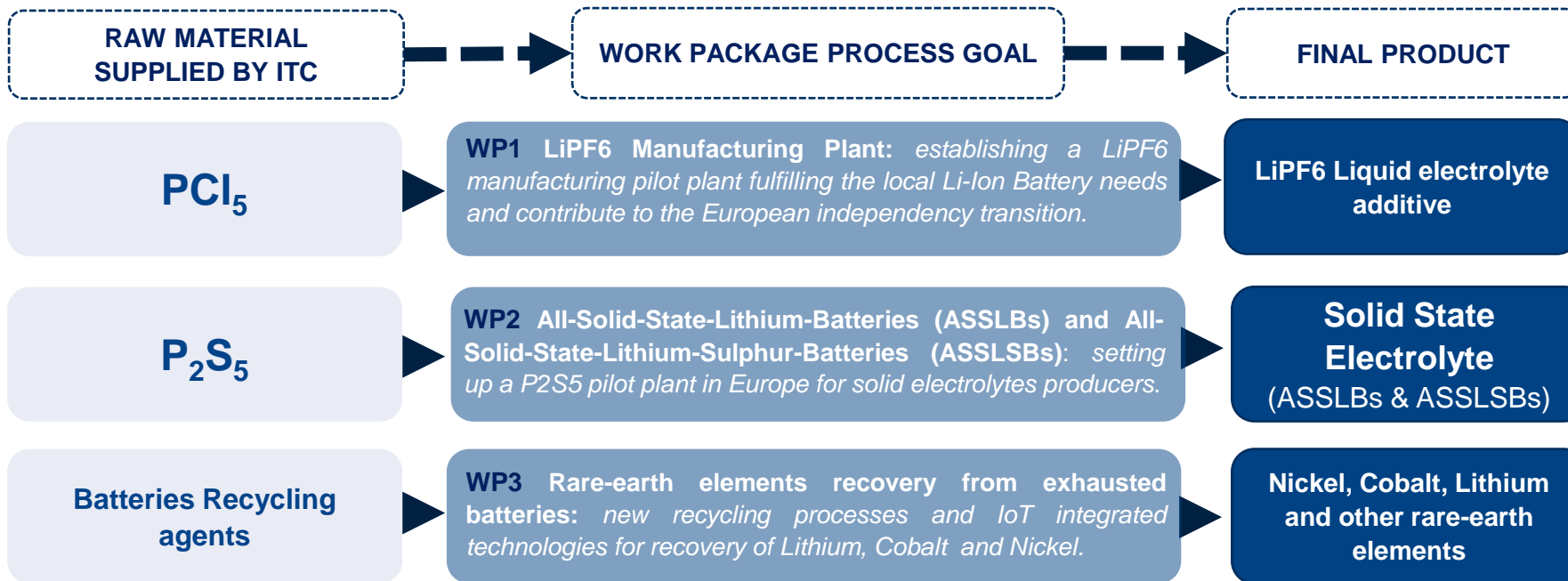
Innovation – IPCEI on Batteries



IPCEI 2 EuBatIn (European Battery Innovation) is a project uniting 42 European companies and research centers to enhance the Battery Value Chain through four complementary Work Streams (WS).

Its goal is to drive innovation, sustainability, and self-sufficiency. The EU battery market is expected to reach €250 billion annually by 2025 (European Battery Alliance). Battery consumption in Europe is projected to grow from 400 GWh in 2025 to 1600 GWh in 2040, driven by e-mobility, which will account for 60% of total capacity in 2025 and 80% in 2040.

Italmatch, leading the WS on Recycling and Sustainability, develops phosphorus-based molecules for electrolytes in current and next-generation batteries, along with solutions for battery recovery and recycling and is involved into three complementary work packages, focusing on production and supply of specific chemicals as well as strategic material recovery, also relying on innovative IoT technologies for extraction optimization.



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Environmental Management



60%
manufacturing plants with certified EMS

73%
of total employees covered by EMS

68%
of plants are located in industrial areas

Our plants are not located in, or are adjacent to, protected areas or areas with high biodiversity value

The chemical industry is widely recognized as a major contributor to greenhouse gas (GHG) emissions and a significant consumer of energy. As a result, companies in this sector are expected to proactively address these challenges by monitoring and mitigating their environmental impact.

At Italmatch, we are committed to minimizing the use of primary resources, enhancing energy efficiency, and maximizing the internal recovery of energy streams and materials. We have made substantial investments in sustainable projects, technologies, assets, and businesses, reinforcing our strategic focus on innovation while embedding sustainability into our core business practices—particularly in the field of Phosphorus Derivatives.

The majority of our production sites operate under an **Environmental Management System**, ensuring full compliance with applicable regulations and laws while driving a continuous improvement process.

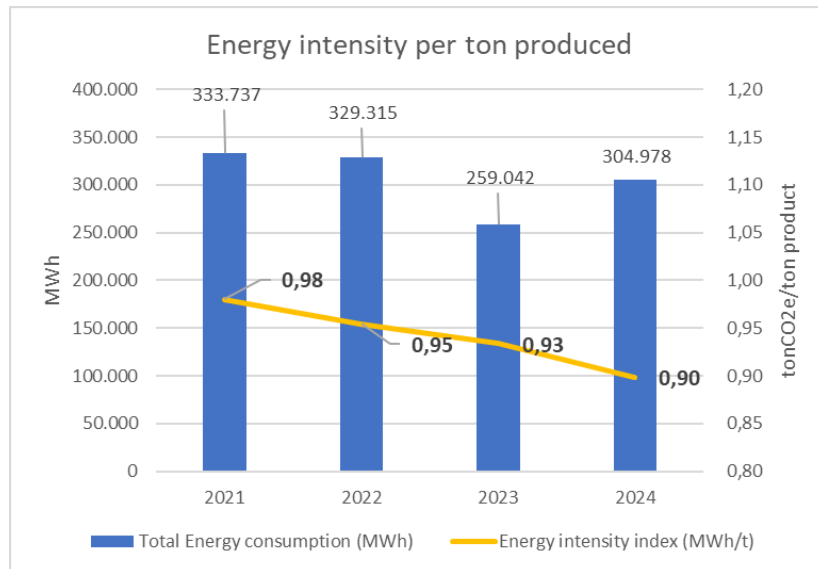
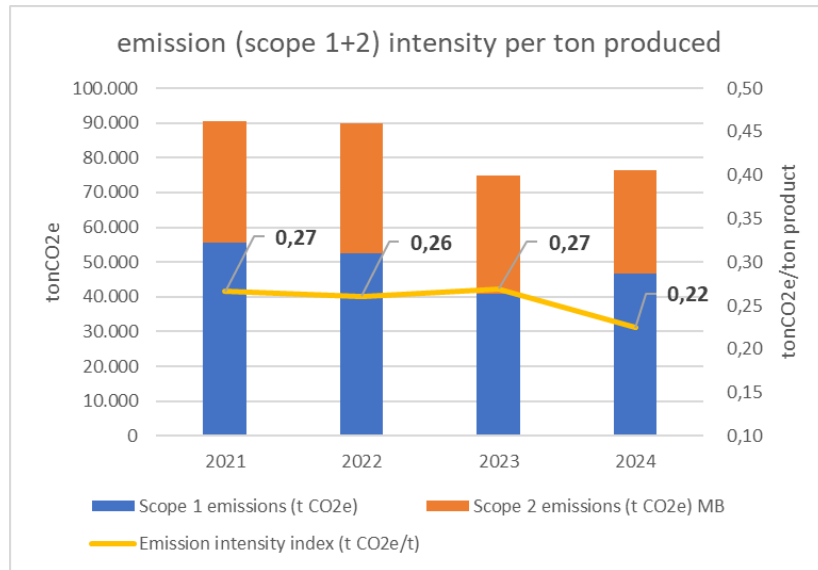
Our plants are not located near areas with high biodiversity: approximately 70% of them are located within industrial parks, while the remaining sites are not adjacent to protected natural areas or regions of high biodiversity. **None** of our manufacturing plants are located **in areas with water stress***.

Climate Change impacts risk analysis

In 2023 Italmatch structured an analysis of the impact of climate change on corporate strategy and operations in accordance with the TCFD (Task Force on Climate-related Financial Disclosure) guidelines. The analysis focused on: **Governance, Risk identification, Management Strategy**. Governance of climate change issues is shared between the Board of Directors and management: the former is responsible for strategic direction, shaping the Group's future from a green perspective; the latter is delegated asset management with a focus on asset integrity, technological development and plant efficiency, environmental and safety management to ensure business continuity. The results will boost new plans and strategies to better face future challenges.



* according to "World Resources Institute, Aqueduct Water Risk Atlas, www.wri.org/our-work/project/aqueduct"



GHG emissions & energy consumption

Italmatch is committed on reducing its global emissions and the emission index. The GHG inventory, prepared in accordance with the GHG Protocol reporting standards, covers the same perimeter of the consolidated statement. The GHG data are reported according to management and accountancy systems. **2021 GHG inventory is considered the baseline** for our emission reduction target approved by SBTi. Since 2024 we are using **green electricity** in some plants: it now represents **8,4%** of total electricity consumptions.

	2021	2022	2023	2024	Δ % (vs 2021)
Scope 1 (t CO ₂ e)	55.580	52.478	40.758	46.555	
Scope 2 (market based) (t CO ₂ e)	35.086	37.478	34.001	29.729	
Total scope 1&2 emissions t CO₂e	90.666	89.956	74.759	76.284	-15,9%
Scope 3 (t CO ₂ e)	804.197	848.289	643.805	817.550	+1,6%
Total emissions t CO₂e	894.862	938.245	718.565	893.834	
Emission intensity by production (scope1 + scope2 / total annual production)	0,27	0,26	0,27	0,22	
Emission intensity by turnover (scope1 + scope2 / total Group revenues)	0,15	0,11	0,10	0,11	

GHG inventory verified by third party according to ISO 14064-3



Decarbonisation Plan – SBTi targets



Italmatch Chemical Group has its near-term emission reduction targets approved by the Science Based Targets Initiative (SBTi) in June 2024:



SCIENCE
BASED
TARGETS

“Italmatch Chemicals commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.

Italmatch also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe”

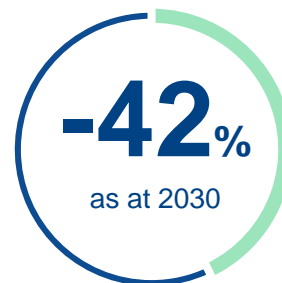


The Group has developed a strategic plan to reduce emissions identifying a **dedicated team** (coordinated by the GM Corporate and reporting to the ESG committee) with a **proper budget** to develop actions.

The plan includes actions aimed at optimizing and enhancing the energy efficiency of our production processes, as well as transitioning to renewable energy sources to meet our Scope 1 and 2 reduction targets.

To address Scope 3 emissions, our R&D department is actively engaged in researching alternative and less impactful chemicals, while the company is fostering supplier engagement in decarbonization strategies to lower the Product Carbon Footprint (PCF).

SCOPE 1 & 2

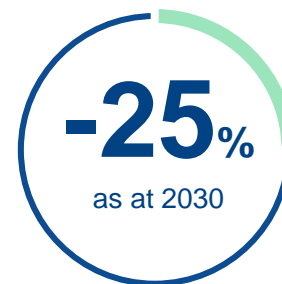


compared to 2021
baseline

Reduction Strategies

- Production processes optimisations will lead to fuel/energy savings
- Improvement plant efficiency through adoption of BAT and new components
- Improvement plant efficiency through energy stream recovery
- Improve /renew/ install plants, reactors, piping insulation
- Installation of photovoltaic plants over roof to partially cover energy needs
- Purchase of green electricity
- Involvement of R&D to develop low energy consumption production processes

SCOPE 3



compared to 2021
baseline

Reduction Strategies

- Emission from purchased good will be reduced through:
- Big international suppliers will reduce over years their emissions in order to achieve their emission reduction targets. Consequently, the product carbon footprint of the products sold to Italmatch will decline
 - Developing new production processes for key raw materials (mainly yellow phosphorus) aiming at a drastic reduction of energy consumptions
 - Transitioning to bio-based materials and to those with a lower Product Carbon Footprint, reinforcing our commitment to sustainable sourcing

Environment – additional KPIs – water & waste



Water KPI	Unit	2023	2024
Water withdrawal	km3	2.412	2.826
Water discharge	km3	2.084	2.366
Water consumption	km3	328	460

About 84% of total water withdrawal are discharged

Waste

Wastes are produced from plant maintenance activities and operations. In operations waste are produced from packaging (when recycling is not possible), cleanings and stock management (out of spec productions or out of shelf-life).

Waste are classified in accordance with local and international environmental legislation after analysis performed, if necessary, by third certified parties. Wastes, after classification, are stocked in specifically authorized areas and then disposed through external suppliers. These are selected according to their authorization and the classification of the product.

When possible, we prefer a circular approach: internal recycling programs and collaborations with suppliers are in place to reduce the wastes produced.

Water

We constantly track our water consumptions, discharges and reuse volumes at all our production facilities. According to targets set out in our certified environmental management system (ISO 14001), local action plans are set and implemented for more sustainable, efficient water management practices.

Main initiatives and actions to reduce water consumption:

- Find alternative manufacturing processes that minimise/avoid water usage
- Improve cooling towers efficiency
- Recover vacuum water system
- Improve internal process water recovery and re-use

Waste	2022	2023	2024
Total waste generated (t)	12.050	9.236	13.414
of which non-hazardous waste	61%	60%	57%
Sent to recovery	30%	27%	26%

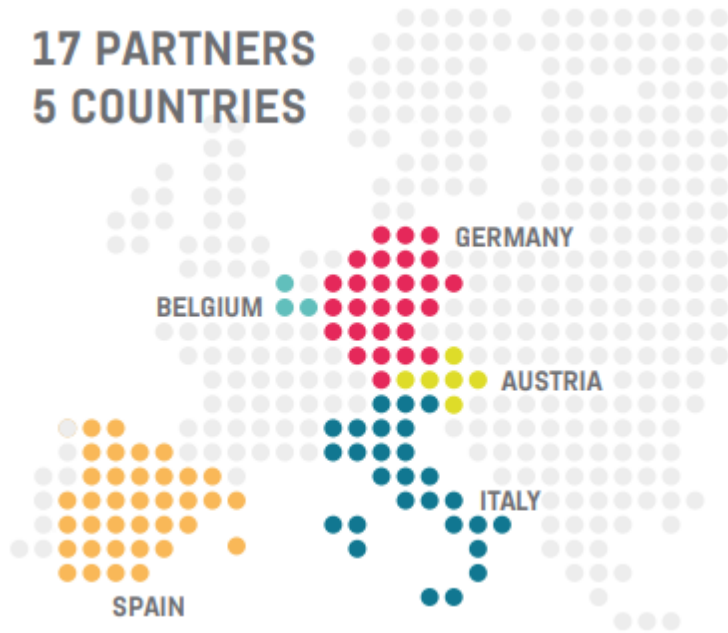
Actions in place



Part of our drums and IBCs used in UK are made of at least 30% high-quality recycled material. This allowed to save about 80t of raw plastics and about 127t of scope 3.1 emission.

Environment – Approach to Circularity

17 PARTNERS
5 COUNTRIES



For further info
please, scan here



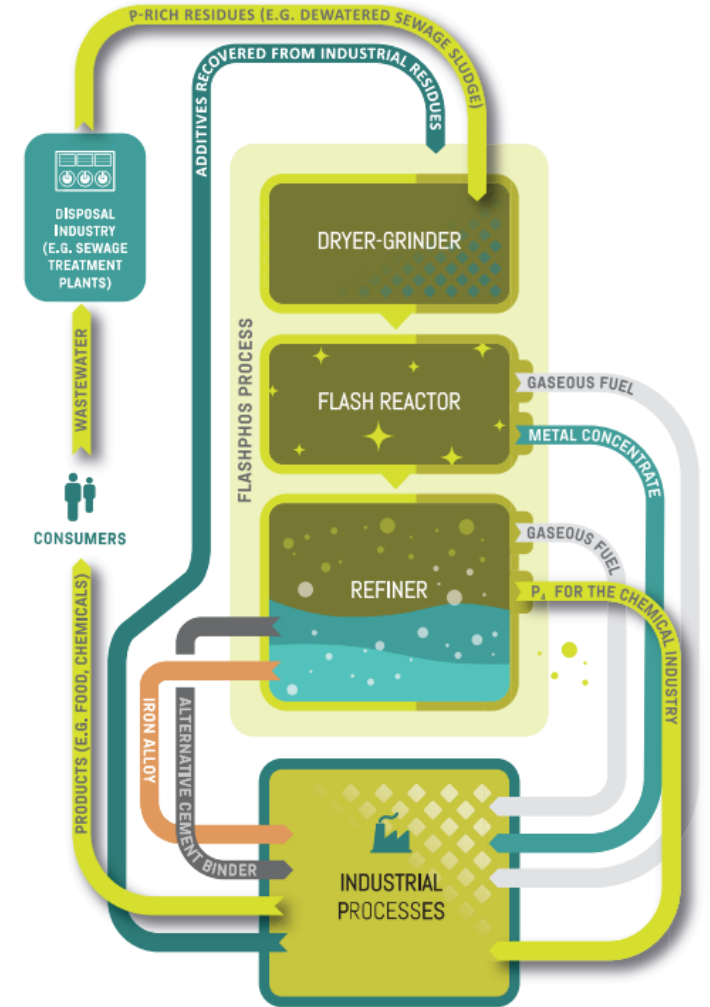
FLASHPHOS

The complete thermochemical
recycling of sewage sludge

FlashPhos is a four-year EU-funded Project (**Horizon 2020**) that aims at developing, at a large scale, a thermochemical process to **produce high-quality white phosphorus (P₄)** and other strategic raw materials using **sewage sludge** as input material.

Italmatch is a leading partner in the consortium, consisting of **17 European companies and research institutes**, contributing to the realization of this ambitious and **strategic circular economy project**. Italmatch has also a crucial contribution in every work package by providing its knowledge gained through its long-standing experience in the production and marketing of phosphorus and its derivatives.

When the project will be successfully completed, Italmatch will use this innovative process to produce and use the outcoming phosphorus.



1

Group overview

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Responsible Product



3

Environment

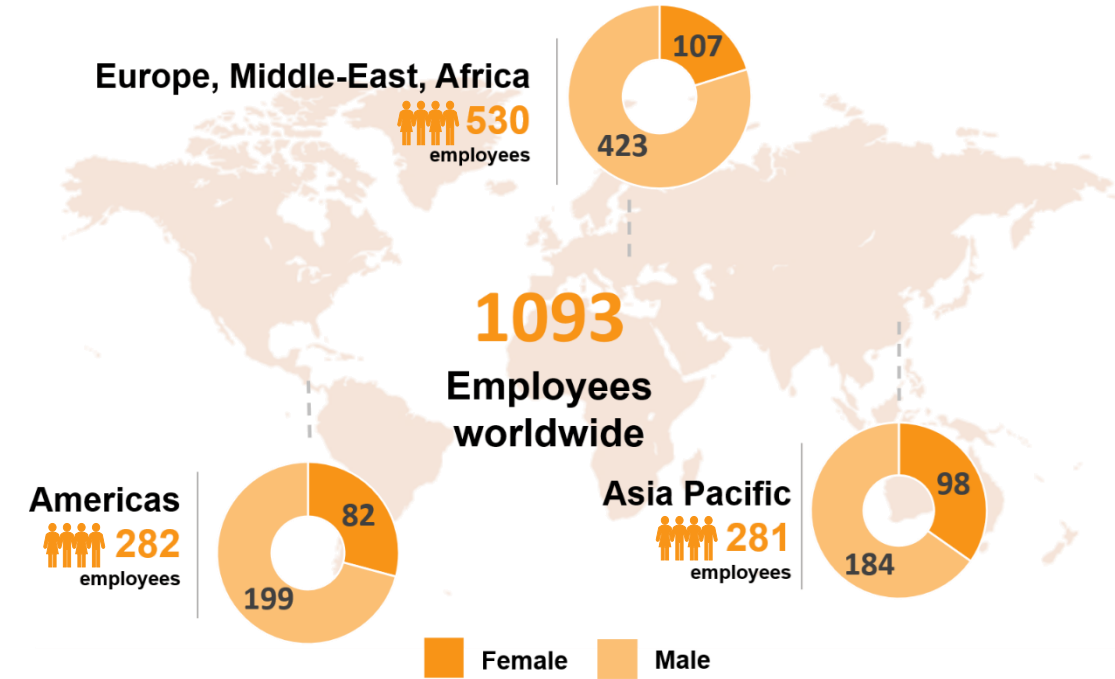
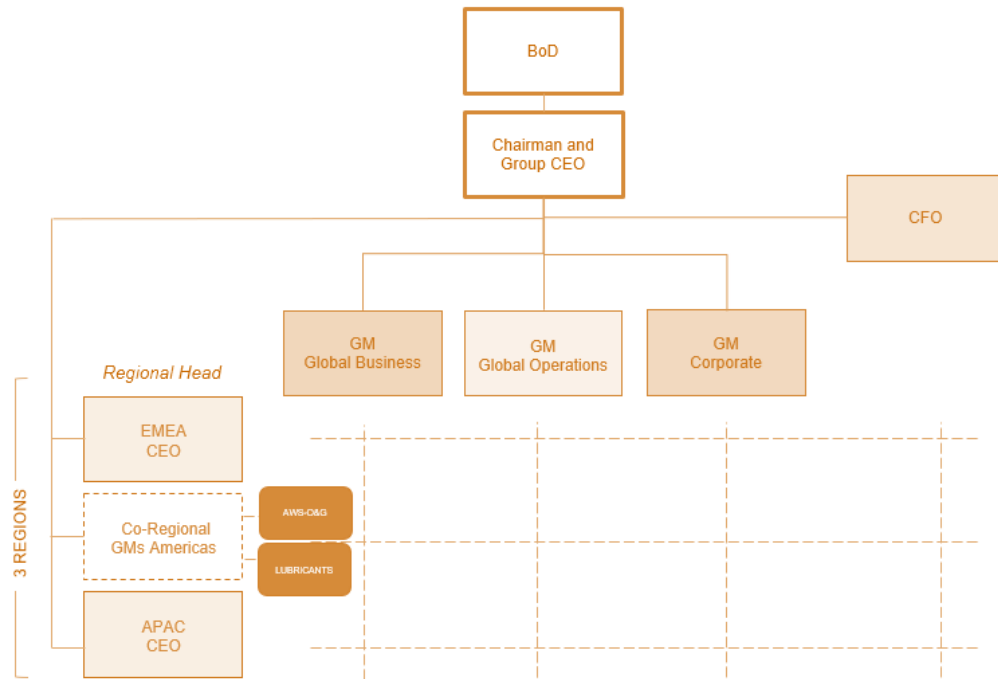
4

Our People and Communities

5

Governance and business ethics

People: organizational structure



A clear roadmap for the future

An ambitious roadmap to shape the future of the organization towards **scalability and shared value creation**

Future proofing leadership

- Talent Management
- Leadership development
- Succession planning

Organizational Optimization

- Harmonization, Integration and synergies
- Inclusive recruitment and development
- Building change management practices into tech change

Engagement & Development

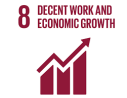
- Performance management
- Workforce engagement
- Upskilling/Reskilling

Italmatch Chemicals operates through **20 production plants worldwide** in Europe, Asia Pacific and USA. Corporate organization and, consequently, human resources management follows a matrix structure with hierarchical and functional reporting according to Regions and Functions.

This business-oriented model is leveraging on a distinctive global presence and a lean and centralised corporate approach, aimed at boosting growth and targeting maximized efficiency, and led by the GM, reporting to Group CEO:

- Group General Manager **Global Business**, focusing on the development of the entire offering portfolio, made of three Business Units.
- Group General Managers **Corporate, General Manager Operations** and Group **Chief Financial Officer** focusing on Group Services and unleashing operative synergies.

People: Human Capital overview



# Employees per country & gender	2024		
	female	male	Total
Italy	69	246	315
China	72	183	255
United States	47	150	197
Brasil	51	34	85
Spain	20	60	80
United Kingdom	14	45	59
Others	14	88	102
Total employees	287	806	1.093
Workers who are not employees	5	17	22
Total workforce	292	823	1.115

Outbound turnover per area	2024
Americas	4,30%
APAC	2,29%
EMEA	3,11%
Total outbound turnover	9,70%

16 Spoken languages

6yrs Average seniority

43yrs Average age

98% full-time employees

Data as of 31 December 2024
 Workers who are not employee = agency workers
 Outbound turnover = total HC that left the Group in the year / total HC at year end
 Average seniority = years from first employment in any company of the Group

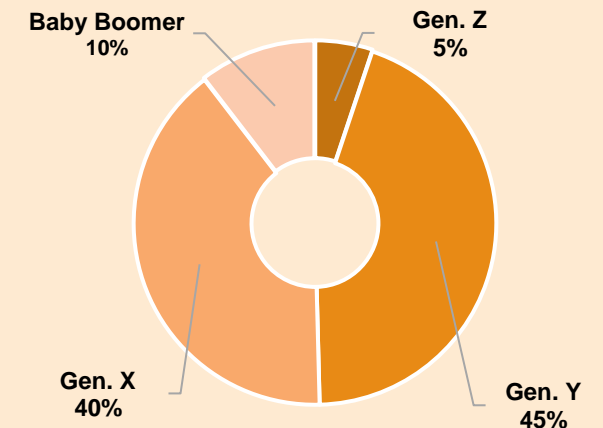
Human Resources Overview

Our human resources management approach aims to transform the Group’s diversities into an added value. We foster a culture of **management excellence** and an **inclusive mindset**, ensuring that all employees—regardless of their background, gender, experience, or generation—can thrive in a collaborative and respectful environment. We recognize **Global Compact’s Workers and Human Rights principles** as pillars of our management system and we uphold the fundamental rights of employees, both as individuals and as workers, while ensuring full legal compliance.

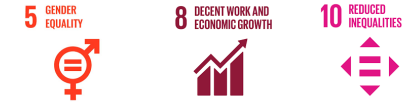
The recruitment process follows the company’s policies and procedures to guarantee **equal opportunities** and **fair treatment**. These principles extend beyond hiring and compensation to encompass career development, continuous training, and upskilling, recognizing the value of knowledge exchange across generations.

We actively encourage on-the-job learning, through **intergenerational collaboration** and **reverse mentoring** programs, where younger employees share their digital expertise and fresh perspectives, while senior colleagues provide strategic insights and industry experience. This dynamic fosters innovation, accelerates learning, and strengthens our corporate culture. Creating an inclusive and engaging workplace is fundamental to our people strategy. This year, we conducted an **Employee Engagement Survey** to gather valuable feedback and understand how we can continue to improve the working experience for all employees. By fostering a culture of openness, collaboration, and shared learning, we aim to build a work environment where every individual feels valued, heard, and empowered to contribute to the company’s success.

Our **remuneration system** is designed in line with **collective agreements** (where applicable) and local benchmarks, ensuring **fair wages** in all the countries in which we operate, to supports both talent attraction and retention. Variable remuneration programs are in place, combining business and ESG targets to personal goals, reinforcing a **performance-driven and responsible work environment**. **Unionization and collective bargaining are rights recognized to all Group employees**. We actively engage works councils and/or unions in Italy, Spain, USA, Germany, and Poland, where we have signed agreements covering shifts, welfare, and economic issues. In Italy, more than 50% of employees are union members.



People: Diversity and equal opportunities



Employees breakdown by gender and age group	2024		
	female	male	Total
Under 30 years old	28	102	130
30-50 years old	191	449	640
Over 50 years old	68	255	323
Total	287	806	1.093

# Employees by age group and professional category	2024			
	<30	30-50	>50	Total
Top Manager	0	1	5	6
Manager	1	97	72	170
White collar	48	214	87	349
Blue collar	81	328	159	568
Total	130	640	323	1.093

% Employees by gender and professional category			
Professional category	female % on category	male % on category	% category on Total
Top Manager	16,7%	83,3%	0,5%
Manager	22,9%	77,1%	15,6%
White collar	47,9%	52,1%	31,9%
Blue collar	14,1%	85,9%	52,0%

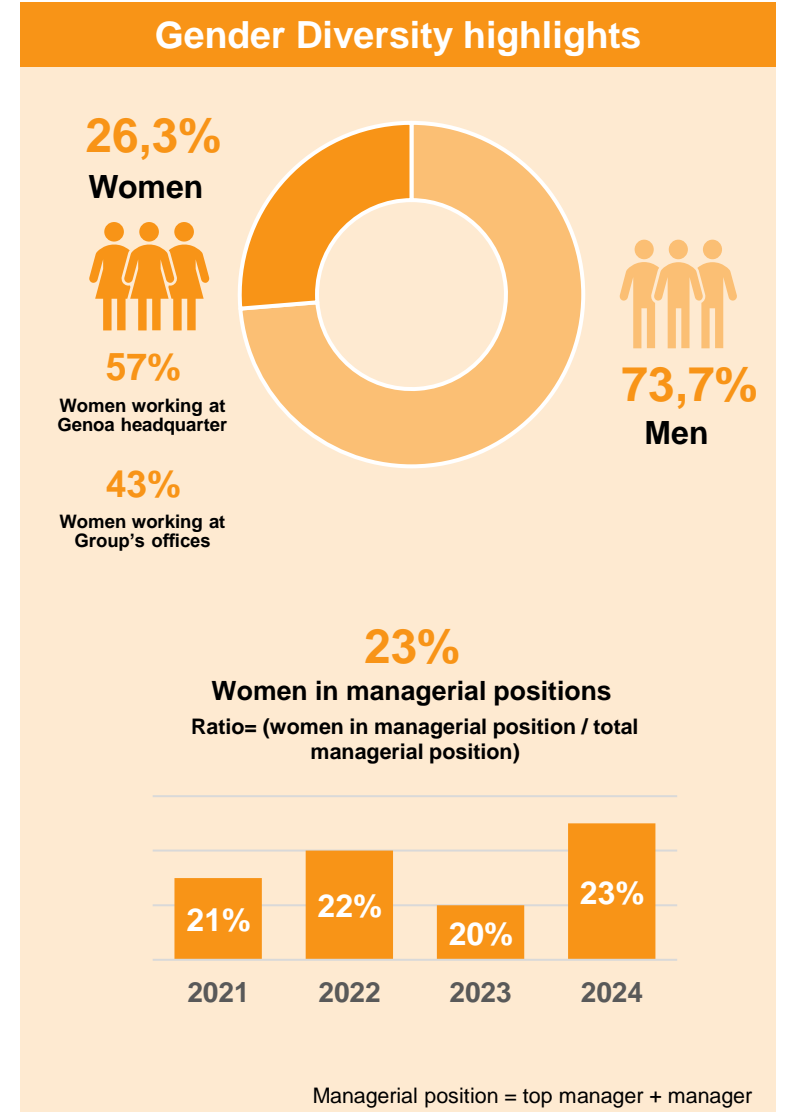
The principles of the UN Global Compact, as outlined in our Code of Ethics, form the foundation of our **Diversity & Inclusion (D&I) Policy** and **Human Rights Policy**.

At Italmatch Chemicals, we uphold Diversity & Inclusion as core values and are committed to fostering a work environment free from discrimination. We oppose all forms of discrimination based on factors such as color, race, nationality, ethnic origin, parenting, marital status, disability, religion, belief, age, gender orientation, gender identity or expression, socio-economic status, or union membership. We actively promote inclusive hiring practices, including the **employment of individuals with disabilities** (1,5% in 2024).

Diversity & Inclusion are deeply embedded in our corporate strategy, as we recognize that an inclusive workplace is essential to achieving excellence and innovation. We are dedicated to continuously strengthening our caregiver approach and actively promoting gender balance by **increasing the representation of women in managerial positions over time**.

Through these commitments, we aim to create a more equitable and supportive workplace for all employees, fostering a culture of respect, fairness, and opportunity.

Actions were implemented to support parenting, work-life balance and recognition of the value of education: additional smart working days for parents with children and care givers, scholarships for employees' sons, salary recognition for maternity leave above legal requirement.

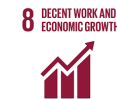


Women Empowerment



Since 2022, Italmatch supports **Valore D**, the first association of companies to **promote gender balance and an inclusive culture** for business growth. Through this partnership, we provide training and development courses for our employees, aimed at raising awareness on DEI issues.

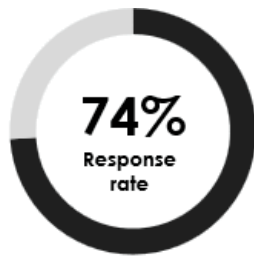
People: talent attraction and employee engagement



In 2024, we conducted our first **Employee Engagement Survey** in collaboration with **Great Place to Work**, reinforcing our dedication to listening to our people and continuously improving their work experience.

The survey achieved a **74% response rate**, and we achieved a global **64% Trust Index score**: a solid foundation that marks the beginning of our journey.

The survey results, along with risks mitigations and action plans, have been shared with the **Executive Team, the Audit Committee, and the Board of Directors** to ensure full awareness and follow-up on key insights and drive meaningful improvements. Through this initiative, we reaffirm our commitment to fostering a positive work environment. Being certified as a group is a long-term valuable target, aiming to build an excellent work environment which will have a positive effect on motivation, productivity and attraction.



Brazil, China and India subsidiaries have been certified as a “**Great Place To Work**”



Italmatch Group places a strong emphasis on **identifying, nurturing, and retaining top talent and experts**, recognizing that people are the **key drivers of innovation and success**. The company maintains a continuous process of talent assessment and monitoring, ensuring that high-potential employees are identified and provided with tailored development opportunities. To foster long-term engagement and professional growth, Italmatch has implemented dedicated retention plans, training programs, and structured career development pathways. To enhance the appraisal and development process at Group level, we launched, in 2024 a pilot program on **Performance Management**, covering about 30% of white collars.



Leadership training

Senior management has been involved in the first Italmatch Leadership Development Program. This first round has seen group level management and Italy-based key managers being trained on leadership, managerial best practices and organizational studies. With the aim of supporting the development of their teams and grooming their talents.



Throughout the year, the **Group did not receive any whistleblowing report, nor any sanction** related to HR practices, the application of labor laws and contractual regulations, discrimination, or violations of workers' and trade union rights.

People: remuneration strategy & people growth



At Italmatch, we are committed to creating a **positive, inclusive, and engaging workplace** where employees feel valued and motivated. Employee skills and retention are important to guarantee sustainability and continuous improvement of activities.

We are committed to salary levels that guarantee acceptable living conditions for employees, according to the international standards, and always in compliance with national or local contracts and with local legislation. Various compensation mechanisms are used to attract and retain talent. Selected managers participate in an **LTI Plan** (including equity) and an **annual MBO plan** linked to personal, group financial, operational, functional, ESG, and key projects KPIs.

Gender pay gap	
Blue collar	63%
Manager	35%
White collar	22%
Total average	25%

Employees involved represent about 15% of total workforce at year end (22% of which are women). The MBO plan applies across all subsidiaries. Additionally, in some companies, based on local regulations and union agreements, employees receive variable compensation (Premio Partecipazione in Italy) tied to quantitative and qualitative performance KPIs.

Training

At Italmatch, we believe that investing in our people's skills and competencies is key to long-term success and sustainable growth. Continuous learning not only enhances individual career development but also strengthens our collective ability to innovate and adapt in an evolving market.

In 2024, we launched **Docebo**, our new **Learning Management System**, to provide employees with a smart and digital learning experience.

This platform offers easy access to high-quality, continuously updated and tailor-made courses, enabling our people to develop new skills, stay up to date, and grow professionally in an engaging and flexible way. By fostering a culture of lifelong learning, we empower our workforce to drive excellence and contribute to the company's future.



Training Highlights

8.271 hrs of training
36% on professional skills development
0,5% expenditure ratio
78% Employees attending courses

Succession planning

Starting from 2022 we have designed the succession plan strategy for the Group. Having an already designed, assessed and approved succession plan guarantees the Group itself on the going concern. All the key position have been mapped, skills analyzed, and proper replacement appointed. The project, led by the Corporate HR department, has been fully supported and endorsed by the group Executive Committee.

Living Wage

In 2024, Italmatch conducted a comprehensive analysis to ensure that all employees across the Group receive a **living wage** aligned with local benchmarks. The assessment, carried out in collaboration with **Fair Wage**, confirmed that **98% of our workforce** already receives a fair and adequate salary (in all but one country). We are currently implementing targeted actions to achieve 100%.

These efforts will enable us to obtain a certification from the **Fair Wage Network**, further strengthening the Group's commitment to responsible and sustainable practices.



People and communities: Health and Safety

Italmatch has implemented **ISO 45001-certified** management systems in its most significant plants, or safety management systems compliant with local regulations, such as the Seveso Law in Italy and ArbSchG in Germany.

The company's strategic approach prioritizes **continuous improvement**, even in the absence of certified management systems, by applying the **best available techniques** and adapting plants to the safest and most efficient production processes.

- Each site has **designated HSE managers**, who operate under the responsibility of the site managers. Safety KPIs are integrated into plant managers' evaluation and incentive systems (MBO).
- **Health & Safety risk assessments** are performed in all plants and in most the offices according to the local legislation.
- All plants' employee are subject to **Health & Safety training** both in person or online. Training is focused on main issues according to plants' risk assessment and specific issues linked to the role.

As a member of **Responsible Care**, Italmatch is committed to continuously enhancing its health and safety performance and ensuring the security of its facilities..

At the Group level, a '**reporting & incident analysis**' model has been implemented to refine operational procedures through a **lessons-learned approach**, actively involving both employees and management."



The injury severity rate increased in 2024 (65,7 vs 8,3 in 2023) due to a 1 high-consequence work-related injury occurred in the year (0 in 2023) .

Many plants have site emergency plans in place (according to HS management system) sometimes involving the neighbour companies and the surrounding community.

Emergency and rescue coordination tests are regularly carried out in accordance with safety management systems and local emergency plans.



Occupational Health & Safety Highlights



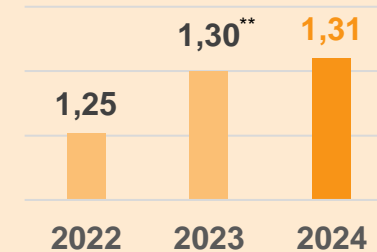
45%
of manufacturing plants
with certified HSMS*

66%
of total employees
covered by HSMS

64%
of total hrs of
training on HSE

>90%
Plant Employees
trained on HSE

**Injury frequency
rate**



Total recorded injuries: 13

Injury severity rate: 65,7

High-consequence work-related injuries: 1

Professional illness: 0

Fatal work accidents recorded: 0

*= including Manchester: Certification issued 1Q 2025

** = amended data compared to 2023 reporting

Communities: relation with stakeholders



Italmatch Group believes in the importance of actively **engaging with the local communities** in which it operates, striving to make a positive and lasting impact. That is why the company invests in **communication initiatives and open dialogue** while supporting projects that foster growth, sustainability, and shared value within these communities.

We are grateful for all the projects around the world in which we've been involved. Each initiative has helped us to connect more deeply with the communities we serve and has reinforced our commitment to inclusion, diversity and making a positive impact. Reflecting on these efforts not only reminds us of what we've achieved all together, but it is also a source of inspiration for our efforts in the future.

Overview of our main activities

In the UK, we supported **Gresley Rovers Ladies FC**, a **women's football team** based in Manchester. This initiative promoted inclusion and diversity in sport, helping players to reach their full potential.



One such event was the 1st **Italmatch Open Celle Ligure Tennis Tournament**, organized by the Lavadore Tennis Club in Liguria, Italy. This event allowed us to connect deeply with the local community and to raise funds for charity, supporting the Gigi Ghirotti Association.

Another sport-related initiative we were privileged to support was **Stelle nello Sport**, an Italian association founded to promote inclusion through sport and "sportability" activities and also to raise funds for the **Gigi Ghirotti Foundation**, a non-profit association dedicated to palliative care and support for cancer patients



Overview of our main activities



Another meaningful initiative we are proud to have supported was the annual charity tournament organized by **LILT (Italian association to fight against cancer)**, an event aimed at raising awareness of **breast cancer prevention** and raising funds for medical research in this field.

Other sport initiatives in which we participated were organized with **Panathlon Levante** and **BIC Genova**, a sports community that enables young **people with disabilities to participate in physical activity and team sports**. A similar goal shared by **Insuperabili**, a national project that has been promoting inclusion through sport for people with disabilities for over a decade. Our new 2024 partnership with Insuperabili will support their mission through **sporting activities and educational initiatives**, from pre-school to university, highlighting the importance of these values with new generations.



Recognizing the importance of supporting distant communities, this year we have partnered with **Finale4Nepal**, an association dedicated to charitable initiatives in Nepal. Since its foundation in 2009, Finale4Nepal has successfully carried out many **social projects** including the rebuilding of the Himalayan Primary School, which was damaged by an earthquake. **Our support has helped to provide the children with essential educational tools.**

Overview of our main activities



Aware of the importance of promoting dialogue between schools and companies, we are happy to continue our collaboration with the OSM Edu project. This initiative brings together companies and the new generations through mentoring programmes and lessons to help students enter the world of work with greater awareness.

This year we had the opportunity to visit ITIS S. Cannizzaro Rho again focusing on the importance of time management and financial education, two crucial topics in our daily and professional lives.

Integration and inclusivity are pivotal values for our Company, and we believe they are the foundation on which we need to build the future of our planet. That is why we are proud to support Insuperabili, a national project that since more than 10 years has been promoting inclusivity through sports activities for people with disabilities.



Through different sports projects, including the creation of a network of football teams dedicated to people with disabilities, this is a challenge that Insuperabili has been pursuing since 2012.

Italmatch had the privilege to present a Lectio Magistralis at the University of Genoa, as part of the Strategic Management course.

The lesson focused on our sustainability journey and the importance of ESG topics for a global company's growth process, from the main ESG milestones to the company's vision for the future.

As we look to 2025, we remain committed to these projects, driven by our values of social inclusion and integration.

These principles are at the heart of our mission to make a positive and lasting impact, and we can't wait to play our part again next year!

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Governance and business ethics

Governance: Board of Directors and management composition



Company shareholders



Shareholders as at 31 dec 2024

Bain Capital currently holds approximately 72% of the issued share capital of MidCo, with the remaining stake of about 19% held by Dussur* and approximately 9% held by the ITC Group’s CEO, the Group General Manager Corporate and, to a limited extent, the wider management team of the Group.

Highly experienced management team with long industry experience and history with the company since inception

*= following the acquisition of shares that took place in March 23: see PR dated 3 March 23

Italmatch Chemicals SpA – Board composition



Sergio Iorio
Founder
Chairman
and Group CEO



Enrica Mambelli
Director
and Group CFO



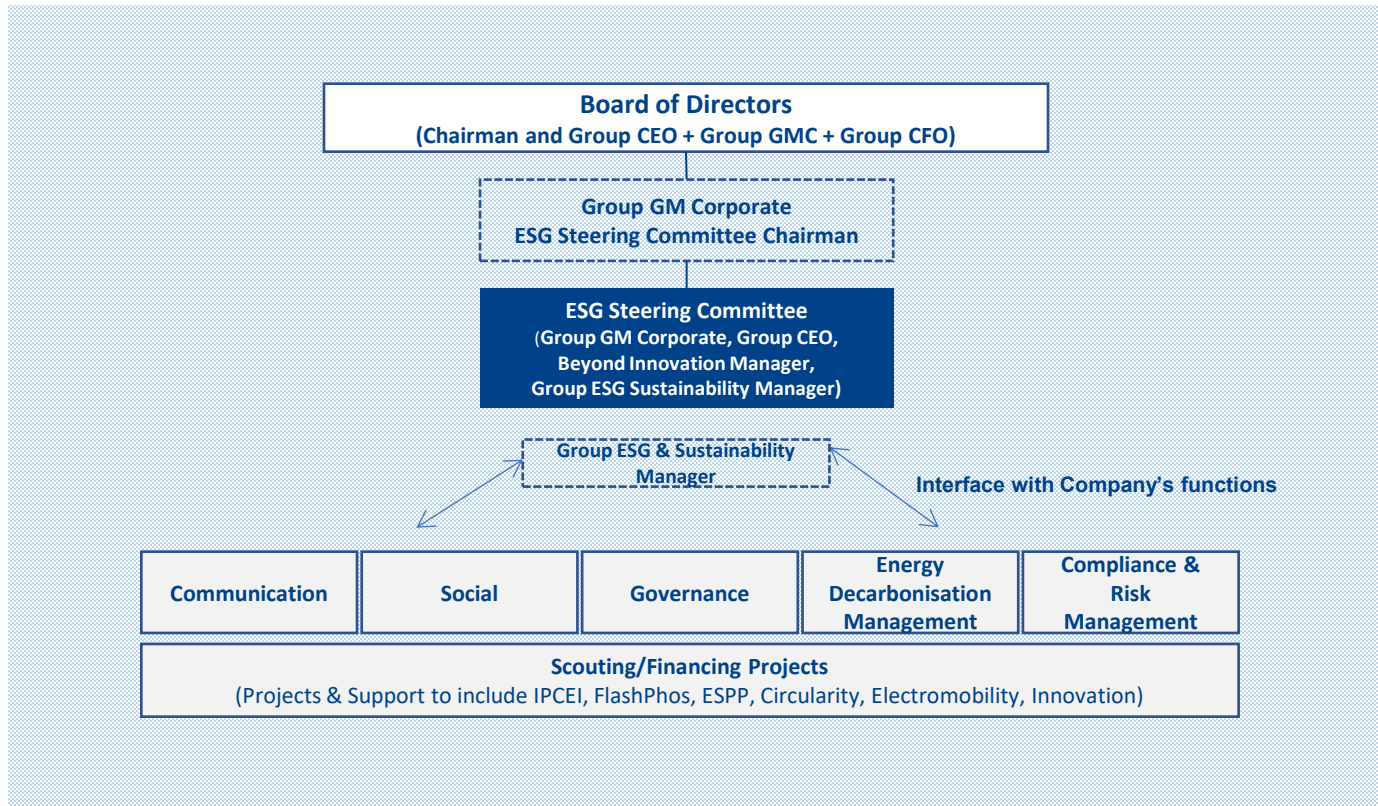
Maurizio Turci
Director
and Group General
Manager Corporate

Members of the **Board of Directors** are appointed during the AGM for a 3-year term (last appointment January 2023).

Its composition guarantees an **adequate level of diversity** in terms of **gender** (1\3 represented by a woman), **age** (1\3 below 60 years old), **experience** and **education** (1 chemical engineer, 1 degree in finance and 1 degree in economics).

In addition, a **Board of Statutory Auditors** (composed by 3 men) and an **Audit Committee** are in place as a supervisory bodies.

Italmatch Group legal entities’ governance are historically set up based on a board of directors’ management model. Within Italmatch legal entities, uniformity to the Group governance principles, in the ordinary management of the business, is based on the so called 4 eyes-principles rule, defining common rules of action for specific areas, and is also supported by certain senior managers serving as director in all the legal entities, in order to also monitor local compliance and proper interactions with the headquarters.



The ESG Steering Committee, composed by the CEO, the GM and the Chief of the “Beyond Innovation” project, the ESG & Sustainability manager, is in charge to:

- i) developing, overseeing, monitoring and reporting to the BoD on strategic ESG policies and approaches;
- ii) monitoring performance and results against ESG targets;
- iii) reviewing ESG reporting prior to submission to the BoD for approval;
- iv) proposing ESG initiatives;
- v) supporting and advising the BoD and Group GM Corporate on key ESG areas and actions;
- vi) overseeing and monitoring ESG special projects;
- vii) ensure alignment between the strategic direction set by the BoD and the operational/sustainability activities of the business in the medium / long term.

Direct organization



The Board of Directors

- defines and approves the ESG strategic guidelines and targets, also based on Group GM Corporate proposals,
- approves the Annual ESG Reporting.

The Group GM Corporate is in charge of sustainability implementation, based on powers given by the BoD, with the support of ESG & Sustainability Manager and the relevant company departments.

Group principles & policies

In addition to the governance procedures already in place within the Group, among others on local basis, and with the purpose to strengthen the principles and values embedded in the Italmatch Group, in the years, we have adopted several procedures.

Their approval have been then followed by a training program for the key risk employees.

A specific eLearning training to the commercial department on Trade Control and Sanctions took place in 2024 with participation rate over 82%.

A global eLearning training on Conflict of Interests has been delivered in 2024/2025 with overall participation rate of 82%.

In addition, several eLearning training programs are ongoing such as the Artificial Intelligence Global Training and the Global Training on Human Rights in the Supply Chain, through the Docebo LMS platform.

Anticorruption management system

Italmatch Chemicals S.p.A. has adopted a **management and control organizational model** in **accordance with the Italian Legislative Decree 231/2001**, effective from 2012. This organizational model, in addition to the local procedures already effective, **covers all the Group activities**, identifying areas at risk of potentially committing criminal offenses and governs the functions and powers of the Supervisory Board (Organismo di Vigilanza), both setting its requirements and ensuring adequate informational flows towards it.

OUR PROCEDURES AND POLICIES

Code of Ethics

Sustainability Policy

Whistleblowing Policy

Human Rights Policy

D&I policy

Anticorruption Global policy

Gifts, Hospitality, Sponsorships and Donations Policy

Antitrust Policy

Conflict of interest Policy

International trade control Policy

Conflict mineral Policy

Suppliers Code of Conduct

Artificial Intelligence Policy

The Supervisory Board, established pursuant to Italian Legislative Decree 231/2001, in its capacity as Ethics Committee, oversees the correct application of the Code of Ethics with specific regard to the issues of respect for human rights, equal opportunities, etc.

It also manages any reports of acts or omissions that, on the basis of reasonable grounds, consist or may consist of violations of the Code of Ethics, of the Group's values or principles.

In this regard, a **Whistleblowing Global Policy is in place**, which constitutes the reference document for regulating the presentation, processing and investigation of reports received through the channels made available. The reports are treated with absolute confidentiality, in compliance with the regulatory provisions of the sector and the protection of privacy, guaranteeing anonymity and protection against any form of possible recourse to whistleblowers in good faith. No confirmed incidents of corruption occurred in the last 3 years.

The organizational model further includes a **penalty system**, ensuring the effectiveness of the model itself.

Global Compliance eLearning training with focus on Anticorruption has been delivered in 2023, with overall participation rate of 88%. For Italy, periodic eLearning training on 231 Law is in place. Global eLearning training on Anticorruption is planned for H2 2025 on Docebo





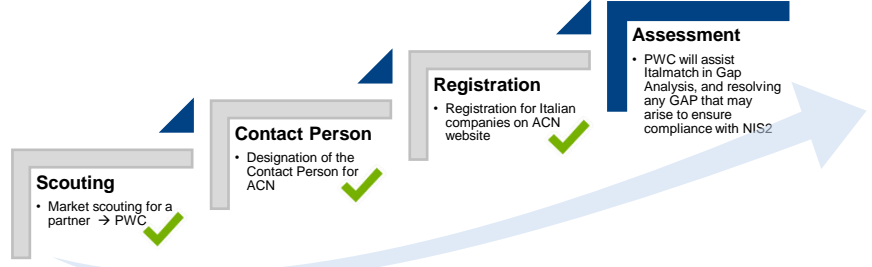
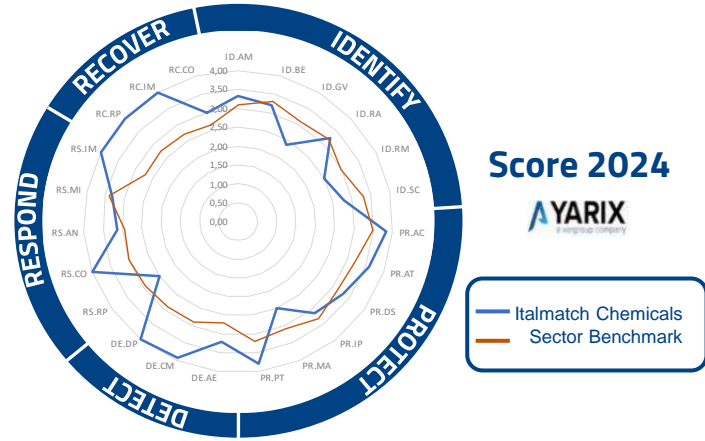
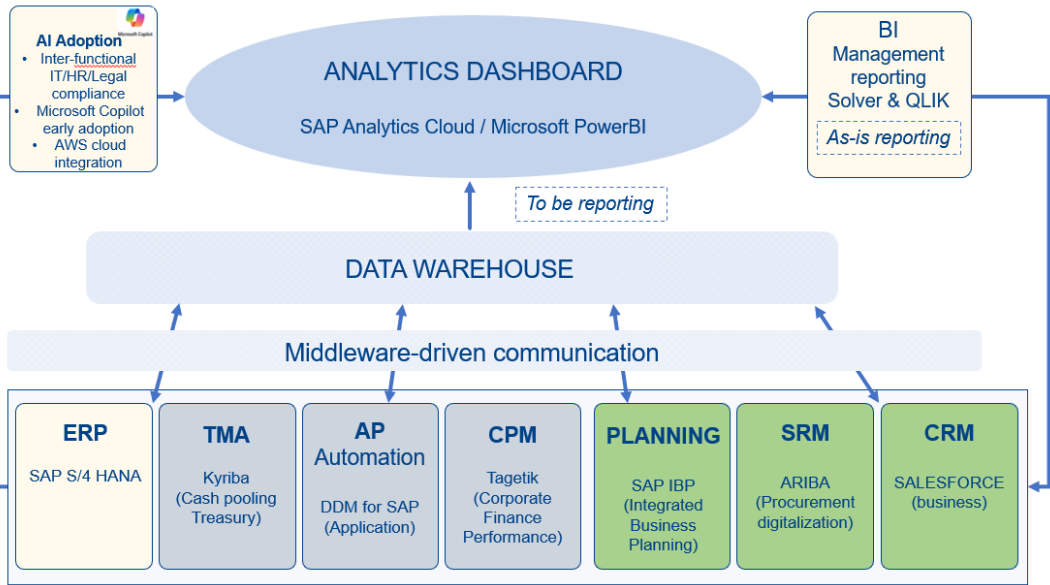
United Nations
Global Compact



Zero contribution to political parties

- **European Sustainable Phosphorus Platform (ESPP):** being phosphorus the backbone of Italmatch Chemicals products, by adhering to the ESPP we aim at defining the long-term sustainable phosphorus management Europe.
- **Responsible Care:** a voluntary program sponsored by the worldwide chemical industry for developing and monitoring new policies and initiatives to protect the health, and safety of workers, and to ensure environmental protection practices.
- **Pinfa:** we share the common vision of continuously improving the environmental and health profile of our flame-retardant products.
- **European Battery Alliance:** The European Battery Alliance is Europe's plan to create its own competitive and sustainable battery cell manufacturing value chain. Its purpose is to ensure that Europe benefits from the technological evolution in the Electric Vehicle Market and beyond
- **Suschem IT:** the platform, re-launched in 2014 by Federchimica, analyses national research activities and priorities on sustainable chemistry, linking them to European priorities and initiatives.
- **CEFIC, Federchimica, Confindustria:** European and national trading association of the chemical industry, supporting the Paris Climate agreement, the European Green deal, generating and aggregating scientific knowledge.
- **United Nations Global Compact:** UNGC initiative aims to develop, implement and disclose responsible business practices, aligning activities and strategies with the ten universal principles on Human Rights, Labour, Environment and Anti-Corruption.
- **Valore D:** the first business association that promotes gender balance and an inclusive culture to foster business growth.

Governance: Group digitalization



NIS2 Compliance European directive for CyberSecurity, requires Companies to adhere specific principles and adopt specific measures for compliance. Based on the outcome of the assessment performed during the year a series of corrective actions to ensure compliance will be taken

Cyber risks Insurance Master Program (Security, Crime , Social Fraud) → In place

Advanced Cyber Threat intelligence and exposure monitoring → In place

NIS 2 compliance assessment → Ongoing

Upgraded Disaster Recovery Plan and Backup Infrastructure Assessment → Ongoing

Darktrace Physical Probes and Managed Switches in every plant → Ongoing

Cyber Essentials 2025 UK certification → Certified

Responsible Supply Chain & Sustainable Procurement



Italmatch Group recognizes the critical importance of integrating its supply chain into the effective implementation of the ethical principles outlined in its Code of Ethics. By ensuring strong alignment between the company's sustainability values and supplier behavior, **Italmatch Group fosters a responsible environmental and social approach throughout the entire supply chain.** To uphold and strengthen this commitment, Italmatch Group has implemented key governance instruments designed to ensure ethical and sustainable supplier practices:

- **ESG Clauses in Supplier Contracts:** Since late 2022, Environmental, Social, and Governance (ESG) clauses have been systematically embedded into supplier contracts. These clauses mandate adherence to sustainability standards, reinforcing responsible sourcing, environmental protection, and social responsibility.
- **Supplier Code of Conduct:** All suppliers are required to operate in accordance with the Italmatch Group Supplier Code of Conduct, which establishes strict ethical principles. These include the protection of labor rights, promotion of diversity and inclusion (D&I), anti-corruption measures, environmental stewardship, and respect for human rights. The Code ensures that suppliers align with the highest global standards in ethical business conduct.
- **Supplier ESG Performance Audits:** To ensure compliance with sustainability expectations, Italmatch Group exercises the right to audit suppliers' ESG performance. These audits help assess adherence to ethical and environmental principles, identify potential risks, and drive continuous improvement in sustainable practices.
- **Enforcement and Remedial Measures:** To uphold its sustainability standards, Italmatch Group reserves the right to take enforcement actions against non-compliant partners. This includes the termination of business relationships and the pursuit of legal or remedial actions if suppliers violate the defined ethical and sustainability principles.

By implementing these rigorous governance instruments, Italmatch Group reaffirms its dedication to ethical business practices, sustainable supply chain management, and corporate responsibility.

Capacity building with suppliers

A part of the profit from **So-What** counselling projects is donated to the **Fondazione Gigi Ghirotti Genova ETS.**

This contribution is transformed into hours of free home care for sick people and their families, thanks to the constant work of the teams of doctors, psychologists, physiotherapists and volunteers provided by the association to people in need.



Supplier Qualification towards a sustainable procurement model

Italmatch is strongly committed to enhancing the qualification process of its supply chain. Moving beyond procurement decisions solely based on quality and price, ESG factors are now a key criterion in supplier evaluation, reinforcing our dedication to sustainability and responsible sourcing.

With the **successful launch of the Ariba supplier qualification system**, our procurement operations have transitioned to a more precise and efficient ESG supplier assessment. This system has streamlined supplier onboarding, standardized and automated workflows, and optimized supplier management, ensuring greater compliance and transparency. Moreover, a robust analytics system enables us to continuously monitor supplier performance, proactively mitigate risks across the supply chain, and effectively respond to evolving regulatory requirements, including those introduced by the CSDDD directive.



Supplier engagement and supply chain ESG performance tracking

Italmatch's procurement strategy is focused on fostering **long-term relationships** with direct suppliers that uphold human rights and environmental criteria. In late 2024, a training course on the Docebo LMS platform on the importance of ethical issues in the supply chain was made available and accessible for all employees.

Supplier selection follows a transparent and objective ESG assessment, primarily leveraging EcoVadis, which evaluates critical themes such as environmental impact, ethical business conduct, labor and human rights, and sustainable procurement practices.

The achievement of the **EcoVadis Gold rating in 2024** is a testament to the effectiveness of Italmatch's sustainable procurement policies and ongoing efforts to enhance supplier engagement. Our partnership with EcoVadis enables comprehensive sustainability performance tracking, facilitates collaborative engagement with suppliers on best practices, and supports our annual goal of increasing the number of suppliers assessed through sustainability rating platforms (at least +10 every year).

For maximum transparency, we are also evaluated by additional third-party providers upon customer request. In 2024, we added **Achilles Silver** certification to further validate our ESG performance.

2024	+13 suppliers assessed	61% of total 2024 spending assessed	53% of tier 1 suppliers (spending >100k€) assessed through Ecovadis
2023	Target: +10 new suppliers engaged every year	54% of total 2023 spending assessed	49% of tier 1 suppliers assessed

Number of suppliers assessed on Ecovadis	Overall score	Environment	Labor & Human Rights	Ethics	Sustainable Procurement
159 (146 end 2023)	67,1 (64,3 end 2023)	70,9 (68,8 end 2023)	67,2 (64,2 end 2023)	64,0 (60,4 end 2023)	61,0 (57,1 end 2023)
	+19,3 compared to benchmark	+22,7 compared to benchmark	+16,6 compared to benchmark	+19 compared to benchmark	+21,9 compared to benchmark

Source: EcoVadis performance reporting dashboard: partners with a valid scorecard over the last 3 years

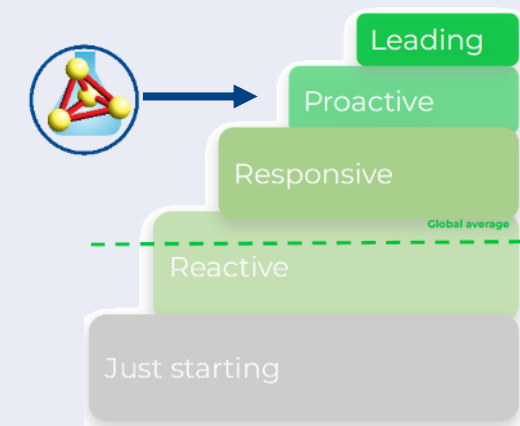
EcoVadis: annual maturity Review

Every year we undergo an **annual Maturity Review** with **EcoVadis**. This review evaluates our sustainable procurement practices across key dimensions, helping us identify strengths and areas for improvement.

This year in our **third Maturity Review**, we achieved a significant milestone: our rating advanced from the Responsive category to **Proactive**, with an overall score of **3/4** (a substantial improvement from last year's score of 2.33/4). All subcategories assessed showed an increase in scores.

This demonstrates that our sustainable procurement practices are evolving year after year, reflecting the effectiveness of our strategies and the dedication of our teams in driving continuous improvement.

Looking ahead, we remain committed to further enhancing our sustainable procurement framework.





Italmatch Chemicals

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Approved by the BoD on 21st March 2025