

## **SUSTAINABILITY POLICY**

### **Introduction**

Italmatch Chemicals S.p.A. and its subsidiaries (Italmatch Chemicals Group, also referred to as Italmatch or the Group) in recent years have embarked on a path that aims to put sustainability and product innovation at the centre of its model, with a focus on increasingly sustainable applications and the use of which 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 strategy and its long-term 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, with respect for people, with the protection of their health and safety, establishing relationships of trust with the various stakeholders (local and institutional), as well as business partners, supported by a system of governance and compliance procedures aimed at risk management.

This business model is based on the decarbonisation targets set forth in the 2015 Paris Agreement and the pursuit of a decarbonised economy. With this approach, we are aware that the development of fossil energy sources and the resulting emission of greenhouse gases (GHG) into the atmosphere can put strategies for limiting climate change at risk. Therefore, we undertake not to support industrial and lobbying activities that stimulate the expansion of fossil fuel use.

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

Italmatch operates in the conviction that:

- sustainable development is an inescapable concept for its business model, which guarantees the strengthening of the Group's reputation in addition to improving its results thanks to a process of continuous improvement that aims to achieve its objectives in the environmental and social fields, as well as the protection of the health and safety of workers;
- the creation of "shared value" for stakeholders represents one of the main elements of the Group's sustainability.

### **Group Sustainability Policy and other internal procedures**

The Sustainability Policy draws its principles from and coordinates with other internal Policies and Procedures developed to better detail more specific areas of action. The main ones include:

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

The implementation of the Global Policies listed above is supported by local operating procedures for the Group's various subsidiaries.

## **Internal 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 delegation received from the Board of Directors, is in charge of implementing the Company's ESG strategic guidelines also with the advisory and propositional support of the ESG Steering Committee and of the Company Departments for the consequent operations.

The ESG Steering Committee is composed of the Chairman of the Board of Directors and 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), the Beyond Innovation Manager and the manager of the "ESG & Sustainability" department. The Committee is responsible for:

- planning, supervision, monitoring and reporting to the Board of Directors of strategies and ESG approaches;
- monitoring the performance and results of ESG objectives;
- the periodic review of ESG reporting before its presentation to the Board of Directors for approval;
- proposing ESG initiatives to the Board of Directors and the GM Corporate Group;
- support and consultancy to the Board of Directors and the GM Corporate Group on key ESG areas and actions;
- supervision and monitoring Special ESG Projects;
- coordination between the strategic lines given by the Board and the operational/sustainability activities of the business in the medium/long-term.

The ESG & Sustainability Manager is responsible for interfacing with the company departments involved in the implementation of ESG strategies, supporting the ESG Steering Committee in its activities including, inter alia, monitoring the achievement of ESG objectives and periodic ESG reporting; collecting information from the company departments for drafting the ESG Report; acting as a focal point with ESG Rating Agencies.

To maintain consistency between the business strategy and the sustainability approach expressed by this Policy, the Group identifies its ESG targets, including them in the ESG Plan, which is part of the Company's Business Plan.

The enforcement of the provisions of this Policy as well as the pursuit of the roadmap designed to achieve the targets defined are constantly monitored by the ESG department which, through its components for the respective responsibilities described above (Group General Manager Corporate, ESG Steering Committee, Group ESG & Sustainability Manager), supervises them and periodically reports on them to the Board of Directors.

These commitments are naturally part of the broader 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'.

## Objectives 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 local and institutional stakeholders
4. Environment and energy
5. Suppliers and business partners
6. Customers
7. Innovation
8. Circular Economy and eco-design

This Policy applies to all companies belonging to the Italmatch Group, its administration and control bodies, 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 the conduct of activities and in the management of relations with reference stakeholders are fundamental elements of the Group's way of doing business.

For this reason, Italmatch has endowed itself with a Code of Ethics that sets out principles and rules of conduct that it promotes both inside and outside the Group's companies, including, by way of example, legality, honesty, fairness, 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 Organisation, 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 commission of 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 enshrined in the above-mentioned documents, including the offer, promise and giving, as well as the solicitation, acceptance and receipt of payments by Group Persons and anyone operating in the name of or on behalf of the Group with the aim of obtaining an undue advantage;
- undertakes to sensitise and, where appropriate, train collaborators, suppliers and partners as well as to draw up adequate procedures, in particular, with regard to relations with communities, Bodies and Institutions, suppliers and customers;
- undertakes to verify, in accordance with the defined Group procedures, all reports received through the channels specified in the Whistleblowing Global Policy, guaranteeing, 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 wrongly accused and/or in bad faith.

## 2. People

The Group's sustainable approach is also expressed through policies aimed at the protection and development of Human Capital. Italmatch rejects all forms of modern slavery and human trafficking, both within its own operations and across its supply chain, through the implementation of specific policies, employee training, and targeted risk assessments. Furthermore, Italmatch is committed to requiring compliance with the principles set out in the Code of Ethics, the "Human Rights Policy", the "Diversity & Inclusion Policy" and the "Code of Conduct for Suppliers" from all those who work with the companies of the Group, whether as employees, suppliers, contractors or partners.

The achievement and maintenance of these principles are also pursued through:

- the vigilance in respecting 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);
- the preparation and holding of training courses aimed at both raising employees' awareness of the Group's ethical, equal opportunity and human rights and sustainability principles and knowledge of the procedures and systems adopted internally;
- the commitment of the entire organisation to guarantee full implementation of the applicable legal requirements and all other commitments voluntarily undertaken by the Group;
- full compliance with legal obligations concerning the involvement of employees, or their representatives, in corporate reorganisation processes;
- the 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 will to ensure equal opportunities without any discrimination based on gender, age, ethnicity, culture, ability, religion and nationality, experience, sexual orientation and identity, political opinions and any other subjective characteristic, both in the course of hiring processes and in training, development and internal growth possibilities;
- 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 fully express their potential;
- the recognition of their people's 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;
- the desire to ensure salary levels that guarantee decent living conditions for employees and that are no lower than those established by local legislation. Alignment with industry benchmarks will be verified at least every three years;
- enhancing the contribution of 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 rejection of all forms of child labor, forced labor, or any work performed against the worker's will, as well as any labor practices that are not aligned with the Group's ethical principles and values, in full respect of fundamental human rights and international labor conventions; including the absolute prohibition of retaining workers' identity documents or other personal documents as a means of control or coercion.;
- the adoption and application of processes and procedures, also supported by the adoption of Safety Management Systems certified according to recognised standards, aimed at minimising risks and removing the causes that may jeopardise the safety and health of its own personnel and third parties working at the Group's plants and/or offices;
- promoting virtuous actions, inside and outside the Group, aimed at implementing international principles (e.g. UN Global Compact).



### 3. Communities and local and institutional 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 local level;
- publish periodic sustainability reporting drawn up in compliance with recognised international standards, in order to communicate clearly, truthfully and fairly the actions undertaken and the results achieved;
- 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 the economic-financial and socio-environmental responsibility objectives;
- analyse 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, with a specific focus on initiatives to protect sports and promote culture as well as to support disadvantaged people;
- identify activities resulting from such requests in line with ESG guidelines and focused on those that have been identified as privileged areas of intervention, in particular:
  - promotion of the culture and knowledge of Italmatch, Sustainability and the fundamental role of chemistry and research in the transition to more sustainable models,
  - support for the social development of local communities,
  - support for future generations with training activities.

The Group is committed to adopting a responsible, transparent tax conduct in full compliance with applicable laws and regulations, and in accordance with the principle of tax territoriality. Specifically, it undertakes to pay taxes in the countries and territories where economic value is effectively generated, thereby contributing fairly and proportionately to the development of local communities. This approach reflects the Group's core values of integrity, fairness, and social responsibility.

### 4. Environment & Energy

Environmental protection, understood as maintaining the integrity of processes and natural resources and preserving air, water and soil from anthropogenic contamination, is a fundamental value of Italmatch Group's way of doing business. Moreover, in line with the goals of the Paris Agreement (COP21) and aligned with the most recognized scientific scenarios for climate transition, Italmatch steers its strategies toward decarbonization and environmental resilience, actively contributing to the fight against climate change and the construction of a sustainable future.

Italmatch undertakes first and foremost to comply with environmental regulations in the countries in which it has a presence, to meet the monitoring and reporting requirements established by authorisations and the associated requirements and to implement technological improvements to remain consistently aligned with BAT (best available techniques).

Italmatch also undertakes to develop innovative solutions that minimise the use of raw materials and maximise recovery, with a view to a circular economy (or identify alternatives that have less impact on critical resources), in compliance with planetary boundaries.

All of this is done by adopting Environmental Management Systems certified according to recognised international standards, with a view to continuously improving its performance and mitigating risks.

In compliance with this principle, Italmatch Group is committed to:

- constantly monitoring and minimize the impacts generated by the presence of our plants on biodiversity and the surrounding environment by adopting processes and procedures that make it possible to minimise their influences and interactions through:
  - Adoption of monitoring KPIs for impacts, iterations, and consumption, enabling adequate analysis and supporting improvement-oriented decision-making processes;
  - Identification and adoption of processes and procedures aimed at minimizing influences and interactions with biodiversity, in compliance with the applicable regulations in the country;
  - Implementation of BATs (Best Available Techniques) and certified management systems, with continuous monitoring of appropriately identified KPIs;
  - Implementation of environmental and biodiversity impact assessments during the construction phases of new plants, in accordance with the applicable rules, laws, and procedures in the reference countries;
- Optimization of energy management and progressive reduction of both direct and indirect energy consumption through a structured energy management approach that includes:
  - Periodic evaluation of energy efficiency to identify inefficiencies and improvement opportunities;
  - Adoption of certified Energy Management Systems (e.g., ISO 50001) at strategic production sites;
  - Optimization of production processes to reduce energy demand per unit of finished product by implementing the Best Available Techniques (BAT);
  - Increasing use of renewable energy sources, including self-generation (e.g., photovoltaic systems) and the purchase of certified green energy;
  - Training and awareness-raising among staff on efficient energy use and consumption monitoring through specific performance indicators (KPIs);
  - Integration of energy efficiency objectives into investment plans and corporate decision-making processes;
- Limiting and minimizing the impact of activities by reducing the use of raw materials and water, lowering atmospheric emissions (both greenhouse gases and other pollutants), and minimizing waste production through:
  - Improvement of plant efficiency by implementing consumption monitoring systems;
  - Recycling of materials, resources (primarily water), and substances from a circular economy perspective;
  - Enhancement of production processes and product quality;
- Promoting the conscious and responsible use of all natural resources available to the Group. These resources must be managed appropriately, wisely, and with the lowest possible impact, as they are essential for the development of future generations;
- Integrating ESG objectives and continuous improvement into both strategic and operational business processes;

Developing of innovative solutions that enable the recovery of raw materials from a circular economy perspective, or identifying less impactful alternatives to critical resources, while respecting planetary boundaries.

## 5. Suppliers and business partners

One of Italmatch's objectives is to constantly improve the sustainability of its supply chain, both in the short-term and in the medium to long-term. In order for suppliers and business partners to operate inspired by 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, defined within the Code of Ethics, the Human Rights Policy, the "Suppliers' Code of Conduct", 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 workers' rights 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 impact and carbon footprint of both the Group and the supply chain;
- adopt, among the criteria for selecting and evaluating its suppliers and business partners, also the level of adherence to the aforementioned principles along their supply chain with particular attention to the issue of deforestation and the respect for the rights (both economic and social) of local communities for those supplies that may have an impact on these aspects.;
- encourage suppliers to adopt production processes that optimise the use of raw materials, energy sources and resources and minimise waste generation with a view to achieving a decarbonised economy.

## 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 speciality chemicals 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, to work for innovation with a constant focus on sustainability.

Through an offer of innovative and 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: a direct and strategic support to supply chains that contribute most to the green transition and decarbonisation.

In particular, Italmatch is committed to:

- guaranteeing the highest level of product quality and safety by adopting the highest production quality standards thanks to the implementation of procedures and processes certified according to recognised international standards and meeting the highest regulatory standards in terms of product health and safety;
- encouraging customers to adopt production processes that use low carbon intensity raw materials;
- collaborating with customers to develop projects and products that lead to the decarbonisation of the economy;

- promoting the responsible management of product end-of-life, collaborating with customers to identify solutions for reuse, recycling, or sustainable disposal, in line with the principles of circular economy and the reduction of environmental impact throughout the entire product life cycle;
- basing its conduct and business relations on principles of helpfulness, professionalism and courtesy, providing accurate, complete, clear and truthful information about the products offered, such as to enable the counterparty to make an informed choice; not arbitrarily discriminating against customers or seeking to exploit positions of strength to their disadvantage;
- always honouring commitments and obligations towards customers in accordance with contractual provisions;
- dealing promptly and efficiently with all complaints and suggestions received;
- not disseminating communications that in any way may be misleading and/or damage the reputation of customers;
- making its customers aware of 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 Organisational 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 tailor-made customer 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 will have to ensure:

- security of supply: the availability of critical raw materials, also in anticipation of an increased need for materials necessary for the transition to new standards related to electrification;
- 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 that exceed the current state of the art.

With this vision, all Group functions cooperate with partners and customers to develop products and speciality chemicals 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 heavily in the future on supplies from areas of the planet at risk of socio-economic instability.

This is why it participates in innovation projects supported by the European Union based on sound principles of circular economy and efficient use of resources.



## 8. Circular economy and eco-design

Italmatch recognizes the circular economy as a strategic pillar for sustainable innovation in the specialty chemicals sector. The Group is committed to minimizing the environmental impact of its products throughout their entire life cycle by promoting resource efficiency, waste reduction, and material recovery, in alignment with the principles of green and sustainable chemistry.

Specifically, Italmatch is committed to:

- embedding circular economy principles into the design and development of its specialty chemicals, by prioritizing formulations that reduce reliance on non-renewable raw materials, enhance application efficiency, minimize hazards to human health and the environment, and enable the recovery, reuse, or safe treatment of products and by-products at the end of their life cycle;
- promoting responsible end-of-life management of specialty chemicals, through active collaboration with customers, suppliers, research institutions, and specialized partners to develop solutions for recycling, regeneration, safe disposal, or energy recovery, in full compliance with applicable environmental and safety regulations;
- encouraging the use of low-impact raw materials and technologies, supported by research and development efforts aimed at replacing hazardous or critical substances, improving environmental performance, and reducing the carbon footprint of products;
- supporting initiatives to extend the useful life of chemical products, including the development of more stable additives and formulations, the promotion of efficient maintenance practices, and the implementation of service-based business models such as chemical leasing;
- continuously monitoring and improving the environmental performance of specialty chemicals across their life cycle, using tools such as Life Cycle Assessment (PCF and LCA) to identify opportunities for continuous improvement and sustainable innovation.

## Reports

The Group guarantees an “open door” policy aimed at strengthening the Group's commitment to ensuring compliance with the law and the Policy.

Violations of this Policy must be reported to the Compliance Department so that it can conduct the most appropriate audit activities and evaluate the appropriate remedial actions. The following official email channels are active to report any violation of this Policy: [ehics@italmatch.com](mailto:ehics@italmatch.com) / [compliance@italmatch.com](mailto:compliance@italmatch.com).

In this regard, there is also a whistleblowing channel/procedure in place within the Group that prohibits retaliation and discrimination against anyone (employees, Group personnel and third parties) who reports a suspected violation in good faith, guaranteeing the protection of the confidentiality of the whistleblower.

Anyone who submits a report relating to a violation or suspected violation must act in good faith and have reasonable grounds to believe that the information reported indicates a violation. Any accusation that turns out to be groundless and is found to have been made maliciously and/or intentionally false will be considered a serious disciplinary offence: employees could be subject to disciplinary penalties based on the employment contract and applicable local laws; third parties could be excluded from business relations with the Italmatch Group.

## Penalties

Any employee/worker/partner/supplier who is found to have violated this Policy and/or any more specific procedures issued by the Group companies locally may be subject to disciplinary measures according to the applicable law and contractual provisions, which may include the termination of the work relationship or collaboration.

## Dissemination and updating

The Italmatch Group is committed to the dissemination of the principles herein both within the Group and outside the organisation among employees, suppliers, contractors or partners through its website and intranet site.

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

This policy will be reviewed at least every two years and, in any case, at any time, where appropriate and/or necessary, also taking into account organisational changes in the Company and/or the reference legislation. The ESG & Sustainability department is responsible for assessing its adequacy, consistency with the organisation and company objectives and making the necessary amendments and/or improvement actions.

