ESSECO INDUSTRIAL

2024 Sustainability Report

ALTAIR CHEMICAL

Summary

Cover letter

Dear Stakeholders,

With this edition, we are pleased to present our third Sustainability Report, a document that marks the conclusion of a first three-year period when the objectives and targets set for the period 2022-2024 have been fully achieved. This result is a testimony to our companies' tangible commitment to ESG (Environmental, Social, Governance), strengthening our journey towards increasingly responsible and sustainable growth.

Although our Group is already preparing a *Sustainability Report* in compliance with the new European ESRS standards, we have chosen to continue voluntarily publishing this report at the corporate level. We believe it is essential to explain and share our vision through a structured analysis of our sustainability priorities, concretely demonstrating our commitment to measuring and progressively reducing the impact of our processes and products. These products, now widely distributed across national and international markets, are the result of our Industrial Division's synergistic strategy, geared towards innovation and continuous improvement.

Our journey, outlined on multiple levels within our organization, begins with the *Esseco Group* and extends to our *Esseco Industrial Division* and the individual legal entities. It stems from the belief that sustainability is not just an afterthought but the very drive to long-term success.

Despite operating in an energy-intensive and hard-to-abate sector, our Group has always believed the chemical industry deserves a growing focus on sustainability principles. Forty years ago, we began taking the first steps in this direction, combining the growth strategy of our chemical companies with the development of a corporate culture based on shared principles, concrete commitment, and best practices in social responsibility.

This commitment has materialized over time through significant research and innovation projects, pioneering the adoption of best practices well before the introduction of regulatory requirements. It has also led us to promote decarbonisation strategies, with a growing commitment to the self-production of CO_2-free energy, the integration of renewable energy sources, and a constant optimisation of our processes and products to improve energy efficiency and the circularity of resources. Our values are clear and deeply rooted in our DNA: Passion, Responsibility and Openness.

PASSION for efficiency, commitment, and quality. We believe that a job well done must be carried out with foresight and continuity, combining wisdom and expertise to generate added value.

RESPONSIBILITY meant as careful and proactive care. We are aware of and attentive to the impact that each of our actions has on the entire local area and the world regarding the environment, safety, and quality of life. Responsibility begins with the individual: each of us in the company receives something and must safeguard it with prudence and courage, like a good family man.

OPENNESS to constant progress. Our tradition is a pillar that supports us, but not a limit to growth. We cultivate curiosity and encourage the emergence of the best ideas, turning every challenge into an opportunity for development. If we continue to progress, it is because we know how to offer the opportunity to express the best energies and skills, strengthening everyone's abilities and turning mistakes into opportunities for growth. These values allow us to face current challenges with determination, building the necessary conditions to meet the needs of present and future generations and actively contributing to the objectives of the European Green Deal, aiming for 100% CO_2-free to cover our electricity needs.

We look ahead with confidence, committed to truly sustainable chemistry, ready to strengthen our contribution to the context where we operate, with constant vigilance on and attention to our stakeholders and, above all, our workers, always investing to provide them with a safe and successful work environment.

Enjoy the reading!

Francesco Nulli
Esseco Group CEO

ESSECO GROUP

Roberto Vagheggi
Esseco Industrial General Manager

ESSECO INDUSTRIAL

Highlights 2024

ENVIRONMENTAL

Greenhouse Gas (GHG) Emission Reduction, compared to 2022:

+72%

increase in **green electricity** on energy demand with the achievement of 58% energy from **renewable sources.**

-30%

of total Scope 1 + Scope 2 market-based **emissions.**

-26%

indirect emissions
(Scope 2 – location-based).

-49%

indirect emissions
(Scope 2 – market-based).

Among the Top 10 Italian companies awarded for Circular Economy at the ***Sustainable Development Award*** – *Ecomondo 2024*, thanks to their innovative project on Ferric Chloride.

Highlights 2024

SOCIAL

99%

of our employees are employed on a permanent basis.

43 hours

hours of training per employee on average, supporting everyone's growth.

Strengthened links between school and business:
career days, internships for students, PhDs and traineeships.

5%

A 5% wage increase on the new chemical-pharmaceutical contract to support our employees' purchasing power.

UNI EN ISO 45001:2023 certification
achieved for the Pieve Vergonte site, thus completing the health and safety certification of all our sites.

Highlights 2024

GOVERNANCE

EcoVadis

Silver Medal:
We rank among the top 15% of all the companies assessed worldwide for sustainability.

Sustainability Report

Participation in the **Sustainability Report of the Tuscan chemical sector**

Responsible Care

plan, to promote sustainable development in the chemical industry worldwide.

Sustainability at the heart of the strategy

Publication of **our Industrial Division Policy** which establishes **Sustainability at the heart of the strategy**

Codice di Condotta

Introduction of the new **Supplier Code of Conduct** to strengthen our supply chain control, thus ensuring sustainability and responsibility.

1. About us

We are Altair Chemical Srl, a company belonging to the industrial division of Esseco Group, a leader in the production of potassium and sodium chloride electrolysis derivatives.

Certified quality, decarbonization, and continuous improvement are the cornerstones of all our products, ensuring reliable and technologically advanced solutions for a wide range of industrial sectors.

Thanks to innovative projects and a vision that is always future-oriented, we are progressively moving towards a more sustainable chemistry, continuing to grow and promoting solid and responsible development.

Our concrete commitment results in targeted actions to protect the environment and in building virtuous relationships with all our stakeholders, consolidating over time a network of profitable trust and collaboration.

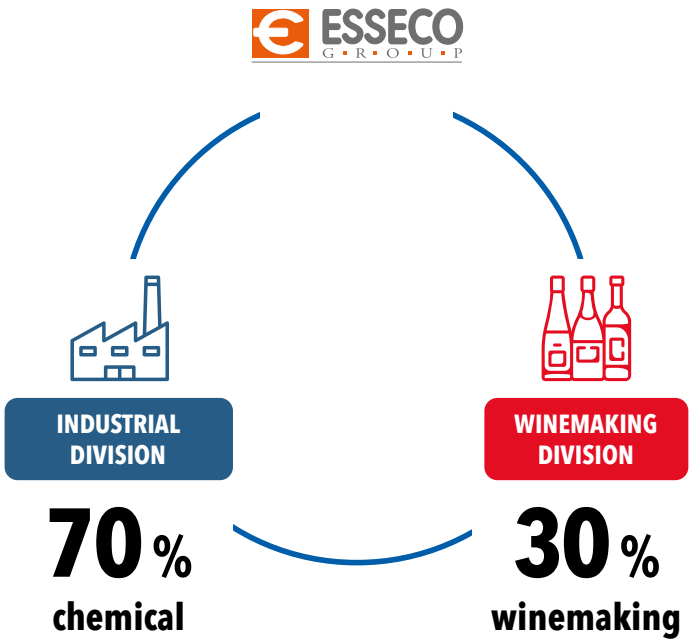
1.1 The Esseco Group and our Industrial Division

The Esseco Group is our holding company and it currently operates through its subsidiaries in 18 countries worldwide, thanks to constant growth supported by strategic vision, investments, and targeted acquisitions. This strategy has led to the creation of two clearly distinct segments within the Group:

The **Winemaking Division**, a major player in the market for winemaking products and in technical assistance, has now reached significant size, occupying a *leading position* in the niche of biotechnological additives and adjuvants for the winemaking industry. The offer of the Winemaking Division is based on innovative products and solutions, the result of intensive research and development. These solutions are marketed through several proprietary brands, including Enartis[1] to act as a central hub for distribution

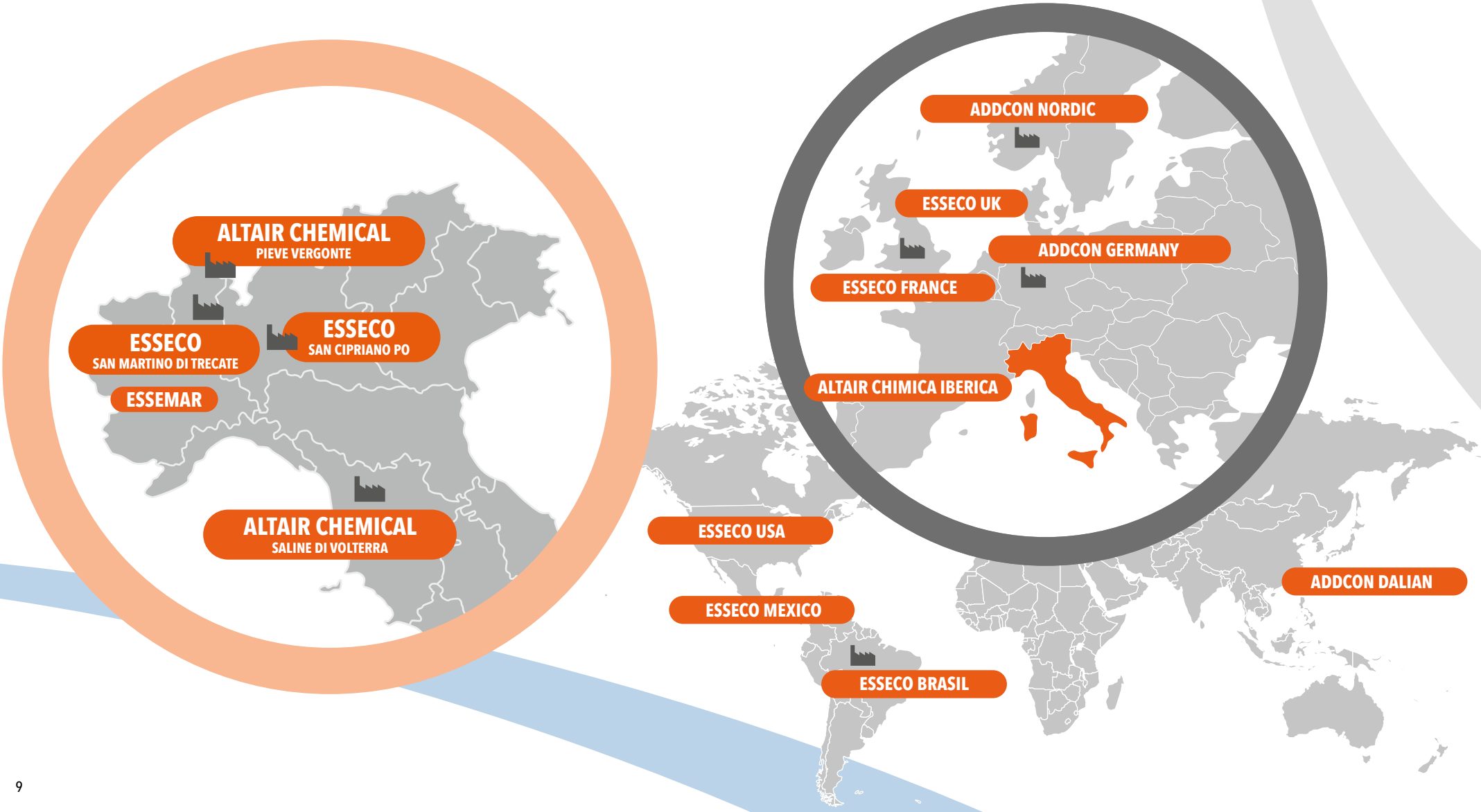
The **Industrial Division** we are a part of has maintained and increased its presence in the historical business of sulphur derivatives and sulphites and, thanks to the acquisitions of Altair Chimica[2] (2011) and Hydrochem Italia[2] (2019), has become one of the main European players in the chlorine alkali sector, with a particular focus on caustic potash and all inorganic potassium derivatives chemistry. The acquisition of Addcon (2019), with its production plants in Germany, Norway and China, has further expanded its geographical and product boundaries.

A constantly growing industrial holding company



[1]Enartis was a brand of the Esseco Srl company until 31/12/2023.
[2]Companies now merged into Altair Chemical Srl.

Currently, the industrial division has several production sites around the world including the following companies and factories:



Within the Group's dynamics, as Altair Chemical, we have always pursued the goal of efficient integration between our production units and those of the other companies in the Industrial Division. Indeed, thanks to coordination and shared strategies among the companies in the Industrial Division, we have been able to optimise supply and distribution flows, reducing transport distances and reducing resulting emissions, thus contributing to greater operational sustainability.

A key element of this synergy is the sharing of our corporate know-how, particularly the chemical processes that constitute our genetic and strategic heritage. Sharing knowledge and expertise allows for standardization of production methods, ensuring high standards of quality, health, safety, and the environment throughout the Group. Furthermore, the dissemination of best practices fosters innovation and continuous improvement, consolidating our technological leadership in the industry. This integrated strategy does not only consolidate our competitiveness, but also represents a concrete step towards a more responsible production model, consistent with the future challenges we have been addressing for years with determination and strategic vision.

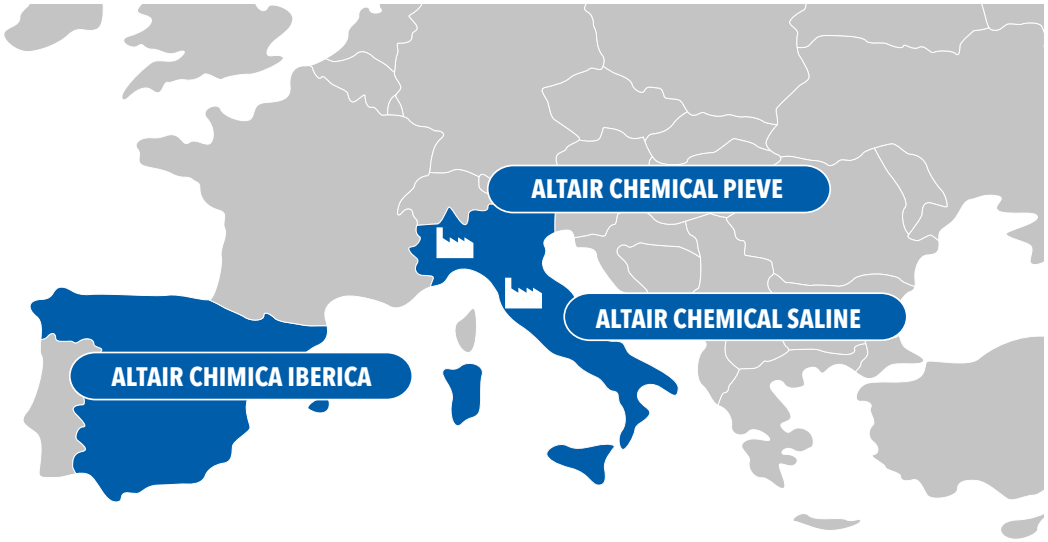
1.2 Our company's assets

Le nostre attività produttive si articolano in tre siti strategici, ciascuno con caratteristiche distintive:

Saline di Volterra (PI) - Italy. Our production facility and headquarters, located in Tuscany, is internationally recognized as a leader in the production of inorganic potassium and sodium derivatives. It has redefined the European scenario with its advanced membrane cell technology, becoming the first producer of mercury-free potassium hydroxide (KOH). The new chloropotash production plant, developed on a greenfield project, was designed to eliminate any risk of contamination associated with old infrastructure.

This facility is the first of its kind in Europe and, technologically, one of the most advanced in the world for the production of inorganic potassium derivatives with extremely high purity standards.

Pieve Vergonte (VB) - Italy. A flagship for our Group's energy transition, Pieve Vergonte is a historic industrial chemical hub located in Piedmont. It operates primarily with renewable energy, thanks to two hydroelectric plants that cover approximately 75% of the site's energy needs. This production site underwent a complete revamp, which led to the start-up of a new, state-of-the-art membrane electrolysis plant in 2021.



In addition to these two important production centres, we also have the Altair Chemical Iberica operating site in **Navarrete (La Rioja), Spain**, our wholly owned subsidiary specializing in warehousing and logistics. Its strategic location ensures the efficient and safe distribution of our products.

1.3 History and values

Altair Chemical Srl was established on 1 January 2024, following the merger of Altair Chimica SpA into Hydrochem Italia Srl, joining two companies with a solid tradition in the Italian chemical sector.

Saline 1959. *Larderello Srl, a private company with facilities in Larderello (Pisa), built a chlor-alkali plant in Saline di Volterra: on 6 July, the President of the Republic Gronchi laid the foundation stone of the new chemical plant.*

*

Pieve 1915. *The Pieve Vergonte plant was established to produce materials for the war industry of the Kingdom of Italy, which had been involved in World War I since spring of that year. The Piedmontese municipality of Rumianca in the Ossola Valley (within the Novara province until 1992, and falling within the Verbania province since then) was chosen as the site for the production facility of the then "Società Anonima Ingegner Vitale."*

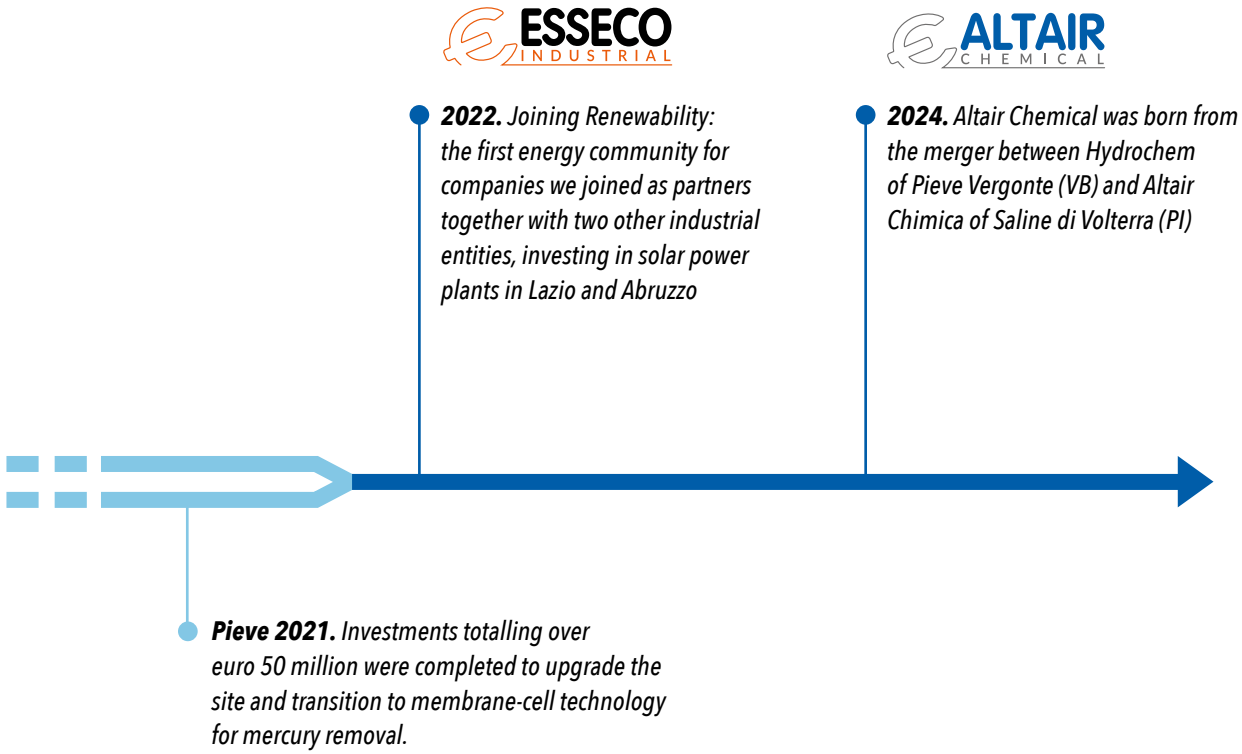
Saline 2008. *Altair completely abandoned mercury cell technology, starting up a new plant for the production of mercury-free caustic potash using membrane cell technology. The new plant, built from scratch on a greenfield site (thereby defined a green field project) to avoid any potential hazard of mercury contamination present in older infrastructure, was the first plant of its kind in Europe*

Saline 2011. *The plant became part of the Esseco Group, a family-owned Italian industrial group with close to a century of experience, its main Italian customer for caustic potash (KOH).*

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

Pieve 2019. *Esseco Group acquired the plant, whose energy needs are primarily met by two connected hydroelectric power plants in Megolo and Ceppo Morelli. This acquisition contributed to the Group's development of production capacity in the chlor-alkali sector.*

*Photo courtesy of Enel Green Power Italia and preserved in the Geothermal Museum of Larderello



Although we are a new legal entity, we bring with us decades of experience, innovation, and passion. We are building our future on solid foundations and consolidated expertise that has shaped the history of chemistry in our country.

Today, the synergy between our production plants leads to strategic and operational benefits:

Maximizing production capacity:
the merger has made it possible to optimise the production of chlor-alkali, increasing efficiency and competitiveness on the market.

Empowerment under a single organization:
Centralised management enables resource sharing and greater coordination at both the technical and organisational levels.

Greater competitiveness:
the merger allows us to compete more effectively in the chlor-alkali market, thanks to the combination of know-how and advanced technologies.

1.4 The products and sectors where we operate

We work every day to achieve quality in its key aspects: product quality and service quality. Product quality begins with identifying customer needs and develops throughout the production process, from laboratory quality control to sales, and requires a focus on continuous improvement.

The quality of our service is expressed in the timeliness of our responses, the creation of customised products, the flexibility of our scheduling, and the punctuality of our deliveries. Our products enter the Italian and international markets following rigorous quality and consumer safety criteria.

Our production is present in various sectors:

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

Food | **Feed** | **Pharmaceutical**

Agriculture | **Winery** | **Water purification**

At the Saline di Volterra plant, we produce chemical products derived from potassium, sodium, and chlorine. At the core of our operations, the electrolytic process uses membrane cell technology and allows us to produce caustic soda, caustic potash, and chlorine from sodium chloride and potassium chloride salts. Furthermore, we manage several steps downstream of electrolysis that treat the intermediates resulting from this process.
Namely, we produce:

potassium derivatives:
- Potassium hydroxide solution (or caustic potash) from membrane electrolysis plants;
- Solid potassium hydroxide obtained by concentrating the product in solution;
- Solid potassium carbonate produced by recovering carbon dioxide from cogenerator combustion fumes;
- Liquid potassium carbonate produced by absorbing carbon dioxide from combustion fumes in scrubbers;

sodium derivatives:
- Sodium hydroxide solution (or caustic soda) from membrane electrolysis plants;

chlorinated compounds:
- Hydrochloric acid in solution with the direct synthesis between chlorine and hydrogen;
- Sodium hypochlorite obtained by treating chlorine or chlorine-containing off-gas from absorption towers with caustic soda;
- Ferrous and ferric chloride generated by the recovery of mill scale from iron processing or the recovery of spent acid from pickling iron sheets;
- Chloroparaffins: organic chlorinated compounds characterised by chains of different lengths and produced by photochlorination.

Specifically, we produce:

potassium derivatives:
- Potassium hydroxide in solution through membrane electrolysis plants;

sodium derivatives:
- Sodium hydroxide in solution through membrane electrolysis plants;

chlorine derivatives:
- Hydrochloric acid in solution with direct synthesis between chlorine and hydrogen;
- Sodium hypochlorite obtained by treating chlorine with caustic soda or chlorine-containing vents in absorption towers;
- Chlorinated aromatic compounds: mainly used in the agricultural (90%) and pharmaceutical (10%) markets, including monochlorotoluenes and dichlorotoluenes;
- Liquid chlorine.

1.5 Certified production

We guarantee the highest quality and safety levels for all our products through rigorous controls at every stage of our value chain. From carefully selecting suppliers and raw materials, to ongoing research and development, through all stages of production, up to final inspections before sale.

Each step is managed with extreme care and expertise, thanks to the close collaboration among our process engineers, plant technicians, chemists and biologists in our control laboratory.

We design, produce, and market products following rigorous quality, environmental, and safety standards and criteria, as outlined in our Company Policy, which can be found on our website: https://www.altairchemical.com/en/qualita-certificates/.

For us, responsible management is a cornerstone of our business. For this reason, we adopt the most rigorous management systems, including regarding energy and the environment. These strategic tools demonstrate our ongoing commitment and enable us to pursue our corporate objectives with efficiency and determination.

In addition to the system certifications listed in the summary box, we certify our products with sector-specific certifications, guaranteeing full compliance with the needs of the reference markets[3].

[3] For further information on product certifications, please refer to Section 3.4.

1.6 Innovation, research and development

We are firmly committed to research and development, as well as the quality and safety control of our products, and to providing technical and scientific support to our customers. We benefit from prestigious collaborations, including with the Department of Chemical Engineering at the University of Pisa and the University of Turin, whereby we conduct daily research in our laboratories to develop innovative and technologically advanced solutions. Our focus is particularly on improving environmental sustainability and process circularity.

Specifically, over the past year, we have entered into a strategic collaboration in the PVC cable sector, joining the European PVC4Cables platform. This allows us to play an active role in innovation in the sector, overcoming the limits imposed by ECHA through the use of sustainable and organic products. Our company is the only REACH-registered company in this area and is preparing to become the leading European producer of Essebiochlor and its derivatives – second-generation chlorinated plasticizers from plant sources (FAME, from the biodiesel industry). Green and innovative Essebiochlor products represent an environmentally friendly alternative to traditional chlorinated paraffins from the chlorination of saturated hydrocarbons.

One of our most promising research and development projects is the production of epichlorohydrin from feedstock present in our company or easily available in the short supply chain, from below *Green Field Peas* funding program. After the successful prototyping and pilot phase, the project was moved to Pieve Vergonte, where it continues to develop with the help of new funding.
Another project we are successfully pursuing is "ECCE Cloro," funded by the Sustainable Industry call for proposals (FRI DM 02/08/2019), which aims to develop new chlorinated products and solid potassium derivatives. Specifically, we are developing solutions aimed at:

- reduce the company's carbon footprint with innovative technologies for the production of solid potassium carbonate,

- improve wastewater treatment, making the process more efficient and sustainable.
- purify and enhance raw materials such as salt, potash, and caustic soda, optimizing production processes.

In 2024, we completed the RE-BORN project (*Relaunch Electrolysis - Building Optimized Rumianca New Site*), launched in Pieve Vergonte in 2019. This multi-year program, financed and successfully tested by the Ministry, has made it possible to:

- study and implement new sustainable processes for the production of chlor-alkali,
- develop cutting-edge technologies for industrial production with reduced environmental impact,
- explore alternative production in the field of aromatic compounds

On our journey towards innovation in 2024, we continued to implement plant and strategic improvements at our plants, with significant impacts in terms of sustainability and production optimization. These include the modernization of electrolytic cells to improve energy consumption and the *revamping* of the wastewater treatment plant at the Saline di Volterra plant, resulting in a 20% reduction in treated volumes and improvements in the quality of the elements released into the receiving water body.

Furthermore, thanks to the industrial transition fund activated in 2023, we will continue with projects to improve the energy efficiency of the Saline plant, installing photovoltaic panels and optimizing the hydrochloric acid production units with steam recovery technologies, reducing methane consumption[4].

Thanks to our continuous research and innovation, we are actively committed to a more sustainable and technologically advanced future.

[4] For further information on the results achieved in the energy scope, please refer to the environmental section.

1.7 Our sustainability priorities

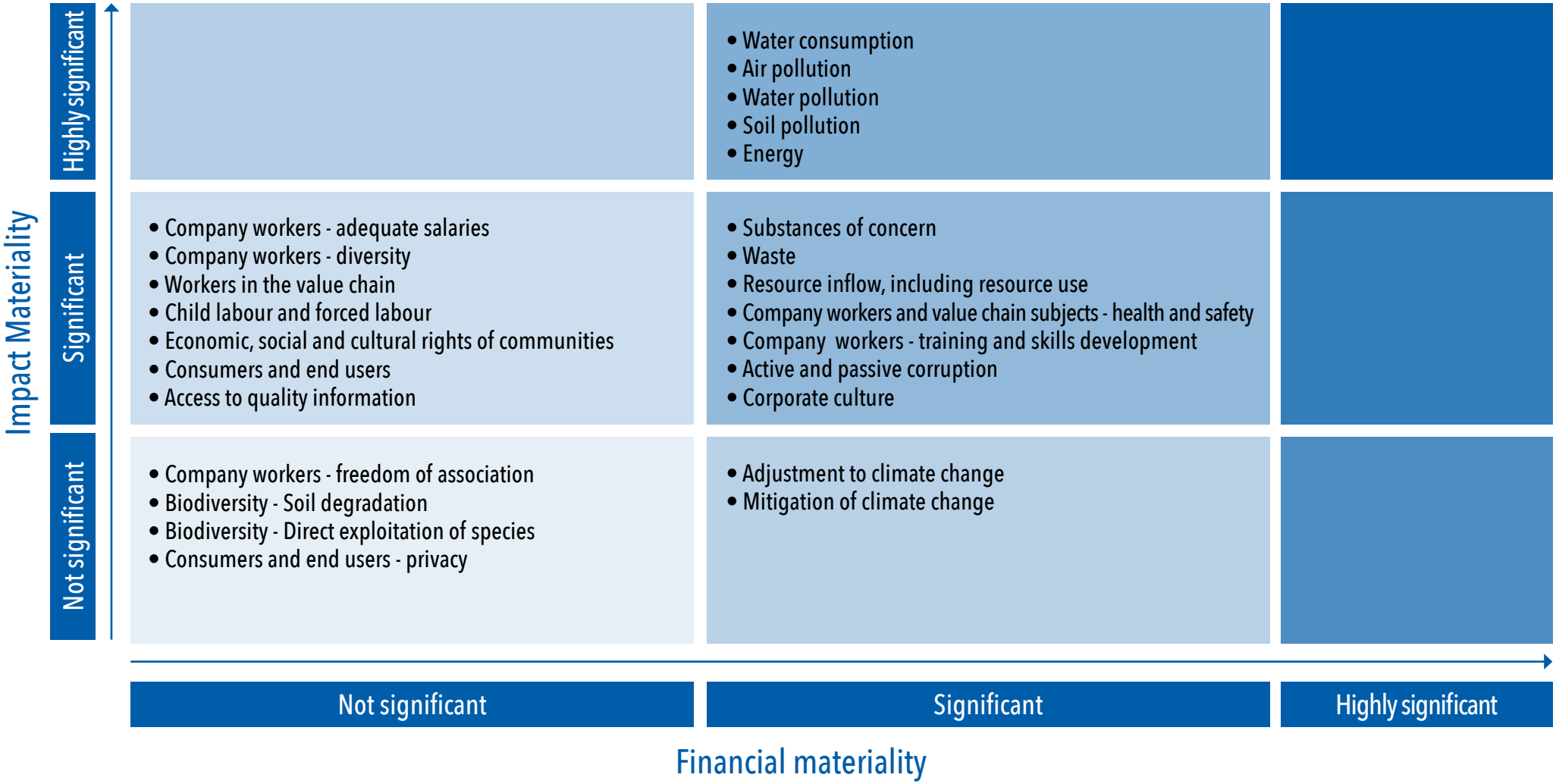
Our sustainability priorities were identified through the crucial double materiality process, which highlights the areas that are most relevant to our organization and where we are committed to developing policies and initiatives, as well as setting improvement targets.

Esseco Group's dual materiality analysis and by an in-depth analysis of our context and stakeholders, we identified and then assessed the main current and potential impacts associated with our activities in relation to the three dimensions of sustainability: economic, social, and environmental (three areas often referred to by the acronym ESG).

To best address and manage emerging issues, in addition to considering both the positive and negative impacts we generate or might generate, we have also worked to identify and assess the financial risks and opportunities associated with our activities. This double assessment, identified as *double materiality* within the *European Sustainability Reporting Standards* (ESRS) introduced by the *Corporate Sustainability Reporting Directive* (CSRD), has allowed us to clearly outline our priorities, shown in the box below.

In the overall analysis, we considered only those impacts, risks, and opportunities that exceeded a predetermined threshold as relevant. This approach allowed us to identify the relevant aspects, i.e., the sustainability areas we consider to be priorities, both in terms of issues and sub-issues, along the entire value chain, as illustrated below.

Our Double Materiality



The issues and sub-issues identified guide the information we will report on and direct our future efforts towards our most relevant sustainability issues[5].

[5] The in-depth analysis that led us to our double materiality is detailed in the Methodological Note (Sect. 5)

2 Responsible to our home planet

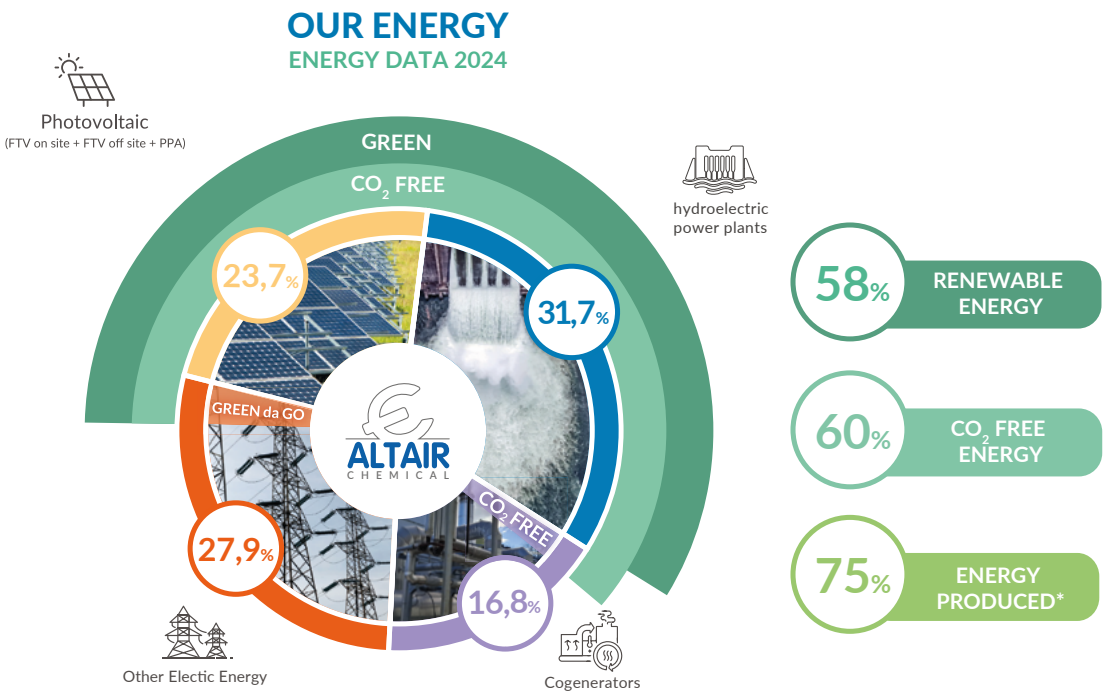
Our concern for the environment drives us to research and develop increasingly innovative solutions, both in terms of products and processes. This commitment is widespread in all our operations and focuses on four key areas:

- **Responsible use of energy and combating climate change,**
- **Pollution prevention,**
- **Protection of water resources,**
- **Circularity of resources.**

In developing these aspects, we follow the principles of the circular economy approach, adopt the most advanced technologies in the sector, and implement a rigorous environmental management system, certified for years, to ensure the highest level of efficiency and environmental protection.

2.1 Our approach to climate change

Following our Group's guidelines, we have defined a sustainable energy strategy with the aim of reducing our dependence on fossil fuels and external supplies, while simultaneously reducing our atmospheric emissions. Along the same lines, we have promoted innovative projects in our factories for the self-generation of energy and increased use of renewable sources.



2.1.1 Energy management at Saline di Volterra

The facility's electricity needs are partially met by two high-efficiency natural gas-powered **cogenerators**: a 4.6 MWe gas turbine and a 2.006 MWe internal combustion engine. Both plants have been recognized by the Energy Services Manager (GSE) as eligible for white certificates. Additionally, two 136.8 and 140.5 kW photovoltaic systems are installed on the roofs of our buildings.

The heating requirement is met through the self-production of steam and hot water. A portion of this is supplied directly by cogenerators, while the remainder is produced by steam generators fueled by natural gas and residual **hydrogen**, a byproduct of the electrolysis process and not reused in other production cycles.

Revamping of the gas turbine cogenerator (2024)

During the year, the revamping project of the gas turbine cogenerator was completed, which involved the replacement of the electric generator and the entire heat recovery system. These operations have led to: improving the overall efficiency of the plant, increasing the amount of steam produced by about 10%, thus partially avoiding the use of dedicated boilers and saving 250,000 cubic meters of methane as fuel.

Hydrogen, produced through the electrolysis of sodium and potassium salts, using 58% renewable energy, is an important energy carrier that contributes to the decarbonization of thermal energy.

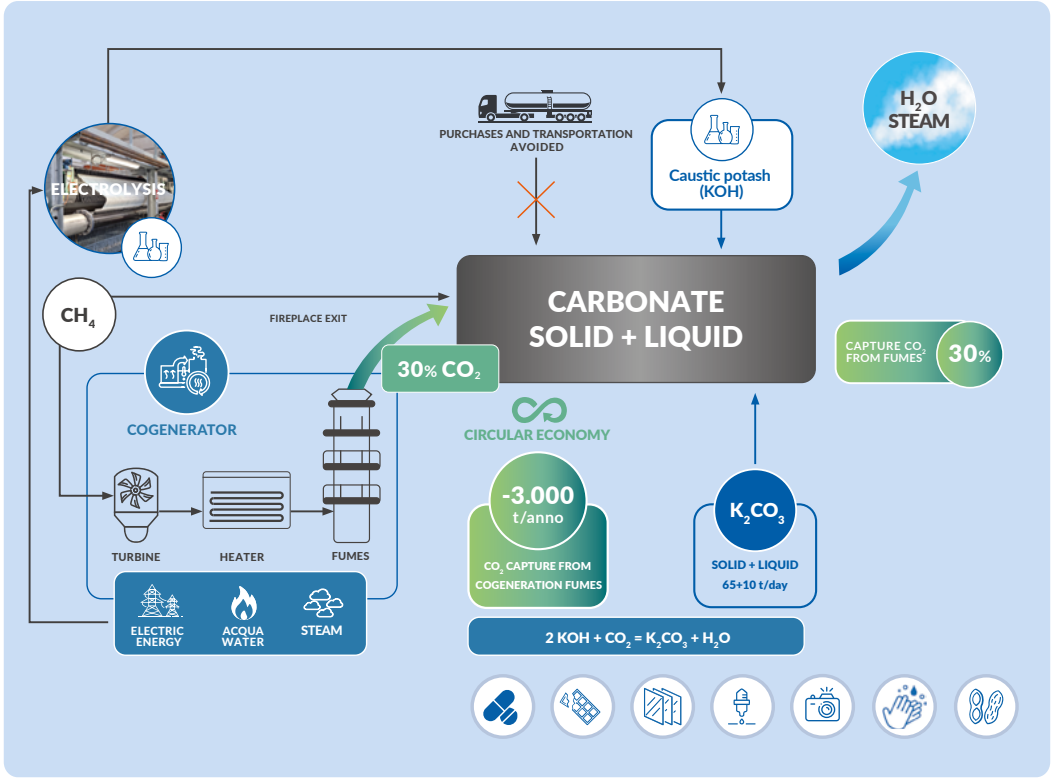
To improve the impact of our actions, a portion of the gaseous emissions released by the cogeneration process is captured and used in the production of one of our products: Potassium Carbonate.

The amount of CO_2 used in the production of potassium carbonate is therefore subtracted from total greenhouse gas emissions and in 2024 this recovery was equal to 6,122 tonnes of carbon dioxide equivalent (tCO_2 eq) , approximately half of which came from cogeneration fumes.

Alongside our cogeneration for electricity production, we have also developed renewable energy production in 2018, installing photovoltaic systems on the roofs of our buildings with a capacity of 350 MWh/year.

In 2021, we also signed a long-term procurement contract (Power Purchase Agreement, PPA), which guarantees the supply of 43,800 MWh of photovoltaic energy from agrovoltaic plants located in Lazio.

Capture Potassium Carbonate CO_2



Furthermore, in 2022, we joined the *Renewability* project, planning an investment of almost €11 million in new photovoltaic plants.

As an energy-intensive company, we committed to participating in the Energy Release 2.0 mechanism, governed by Ministerial Decree No. 268 of 23 July 2024. This mechanism is designed to promote the installation of new renewable electricity generation capacity for energy-intensive companies.

The measure provides for a 36-month advance payment period, when GSE releases the available energy to energy-intensive companies in exchange for a commitment to build renewable plants through which the energy will be returned over the following twenty years.

Our ongoing commitment to these areas, along with our rigorous attention to process control, is confirmed by the certification of our energy management system according to the UNI EN ISO 50001:2018 standard, which we have held since 2016.

Renewability, the first energy community for companies

Renewability is a consortium company including three industrial companies that decided to invest in the construction of large-scale renewable energy plants outside their production sites. The consortium's goal is to become prosumers, meaning both energy producers and consumers. It was set up in 2022 with a commitment to invest €10.9 million by Altair Chemical for the construction of an initial batch of photovoltaic plants in the Lazio and Abruzzo regions. Esseco Srl joined the project the following year for the construction of plants in Sicily worth €2.3 million.

2.1.2 Energy management at Pieve Vergonte

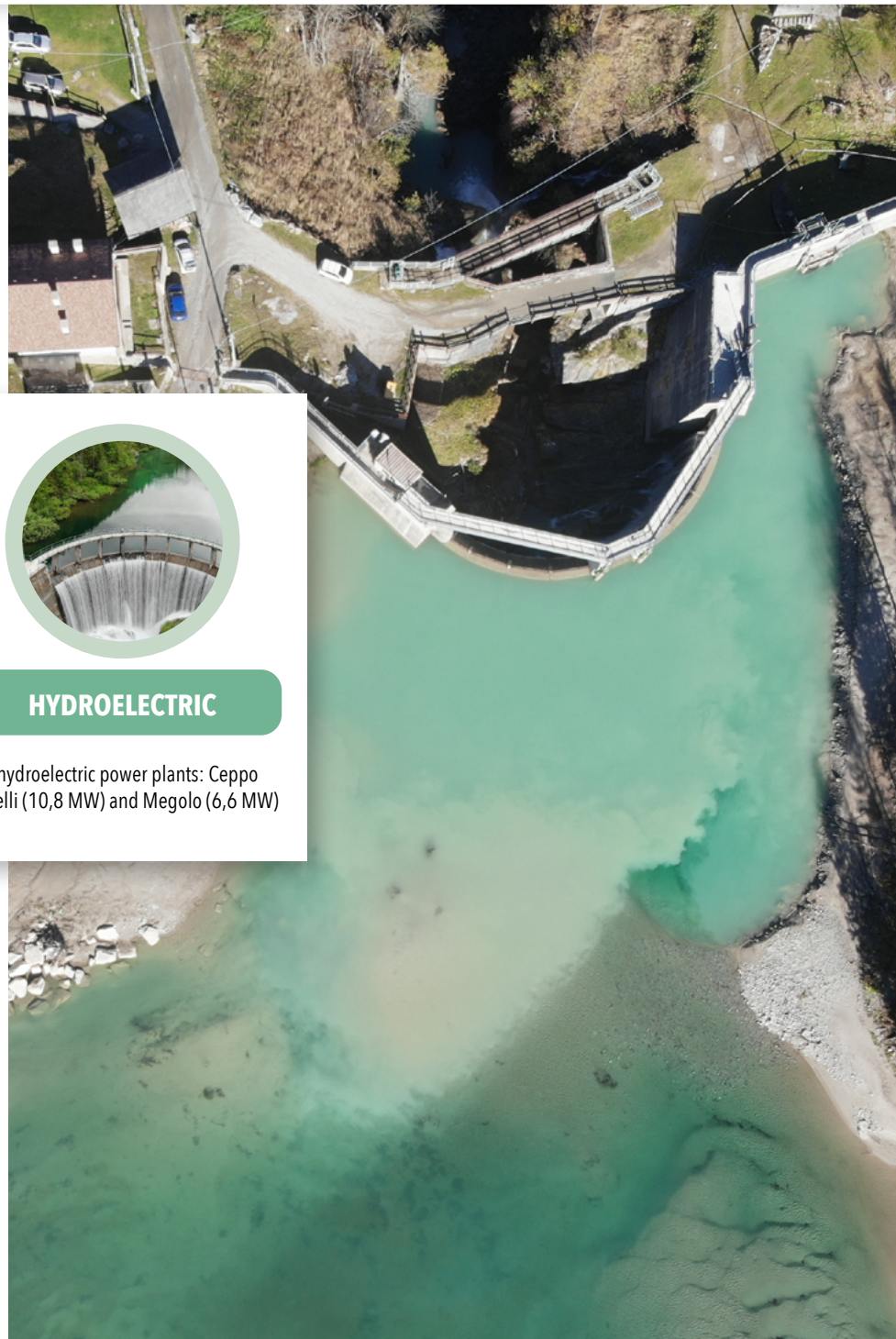
At our Pieve Vergonte site, we can rely on a significant renewable source: hydroelectric energy.

We produce and use energy from water resources thanks to **two hydroelectric plants**, the former located near the factory in the Megolo hamlet, in the municipality of Pieve Vergonte, and the latter in the municipality of Ceppo Morelli in the Anzasca Valley, characterised by a total installed power of approximately 18 MW.

2024 was a record year for our self-generation of hydroelectric power, with a 27% increase compared to 2022, the baseline year of our first sustainability report. This milestone confirms the effectiveness of our investments in renewable sources and strengthens our commitment to an increasingly sustainable energy model.

We have already launched new projects to continue on this path, including revamping interventions to further improve the energy efficiency of hydroelectric plants in the coming years.

Furthermore, as for the Saline plant, hydrogen, a by-product of electrolysis, represents an important energy carrier for us: the residual **hydrogen** not used in the production of hydrochloric acid is used to produce steam in a dual-fuel generator.



HYDROELECTRIC

Two hydroelectric power plants: Ceppo Morelli (10,8 MW) and Megolo (6,6 MW)

2.1.3 Our commitment to the climate in figures

Technological and process innovations and energy investments made over the years also have a significant impact on our impact on climate change.

RESULTS 2024 COMPARED TO 2022

In 2024 we achieved concrete results compared to our base year, 2022:

+27%

self-consumption **from renewable sources** produced internally (on-site plants)

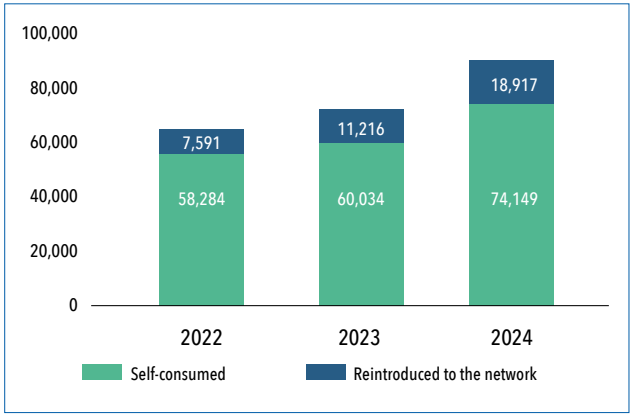
+72%

Increase in Green Electricity on demand: from 33.7% to 57.9%, marking an increase of +72% in the three-year period of reference

-11%

of direct GHG emissions (Scope 1) and -14% of direct emissions intensity in relation to production[6];

Self-produced electricity from renewable sources (MWh)



+188%

of electricity **from renewable sources** purchased externally, covered by **Guarantees of Origin (GO)**

+149%

Energy fed back into the grid more than doubled: excess production increased by +149%, thanks to increased output from our hydroelectric plants

-26%

of indirect GHG emissions (Scope 2) from energy consumption with a location- based calculation[7] and -49% of indirect emissions from energy consumption with a market-based approach[8].

[6] In 2024, we recorded a 5% increase in production compared to 2022, reaching a total of 483,839 tonnes.

These advances result in significant reductions in greenhouse gas emissions:

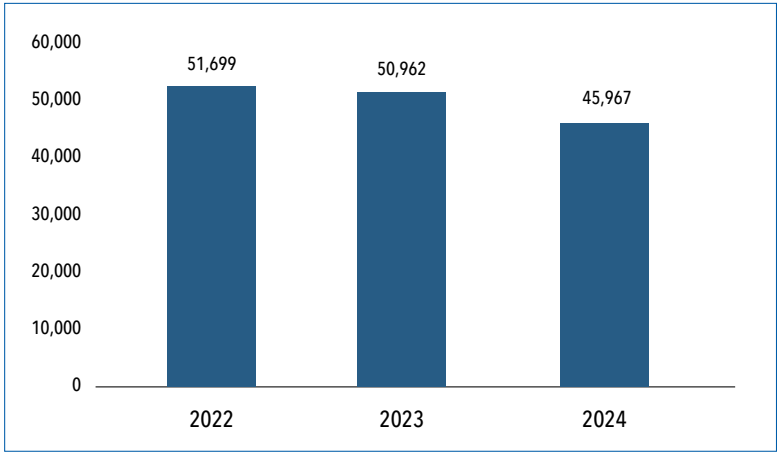
-11% of direct GHG emissions (Scope 1) and -14% of direct emissions intensity in relation to production[6];

- 26% of indirect GHG emissions (Scope 2) from energy consumption with a location- based calculation[7] and -49% of indirect emissions from energy consumption with a market-based approach[8].

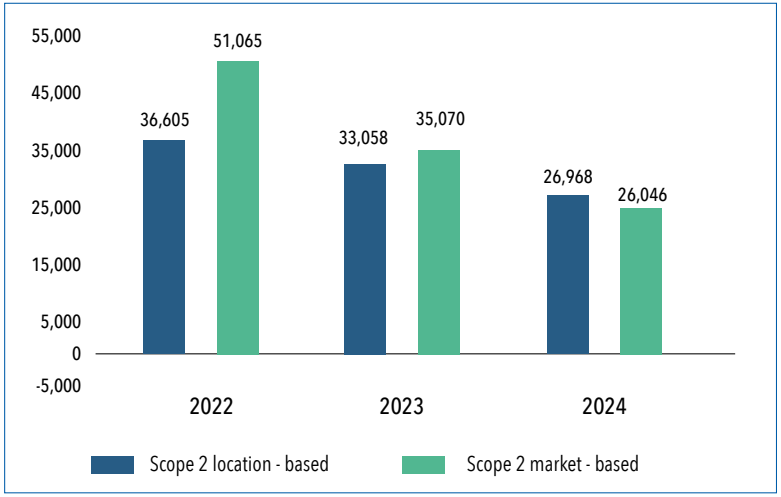
Our consumption details can be found in the Environmental Appendix and are primarily attributable to the production activities of our two Italian plants; the operations of the warehouse in Spain, in fact, record marginal values. The following table shows the intensity of greenhouse gas emissions, calculated as the ratio between total CO_2 eq emissions and net revenues for the reporting period, which amounted to €199,003,356.
The net revenues considered for the calculation are expressed in millions of Euros and reconcilable with the relevant items in the financial statement.

GHG emissions intensity	MU	2024
Net revenues	€mln	199,0
Scope 1 + Scope 2 location-based emissions compared to net revenues	tCO_2eq/€mln	366,5
Scope 1 + Scope 2 market-based emissions compared to net revenues	tCO_2eq/€mln	361,9

GHG emissions Scope 1 (tCO_2eq)



Indirect GHG emissions Scope 2 (tCO_2eq)



[7] *Location-based:* It is based on the use of emission factors referring to the average national energy mix of the country in which the organization operates. The data used comes from official sources, such as government agencies or national energy authorities.

[8] *Market based*: It involves the use of specific emission factors that reflect the company's contractual choices regarding electricity procurement from the grid, including electricity from renewable sources. For the portion of uncertified electricity, the emission factor corresponding to the residual national mix is applied, which represents the average mix of electricity supply sources not covered by guarantees of origin (GO), or other reliable tracking mechanisms such as RECS, PPA

In this reporting year, we took another key step forward in our climate strategy: for the first time, we calculated our greenhouse gas (GHG) emission inventory, in accordance with UNI EN ISO 14064-1:2019 standard, also including indirect **Scope 3** emissions related to our value chain.

After production processes, the transportation of raw materials and products also represents a significant emission category that we are committed to reducing. For this reason, we have **completed the redevelopment and restart project of the internal rail network at the Pieve Vergonte site**. Thanks to an investment of over €2 million, the rail system has been upgraded and restored to operation, enabling the transportation and trade of materials on a European scale with a significantly reduced environmental impact. The goal is to encourage the transportation of goods by rail, both incoming and outgoing, reducing the use of road transport and its resulting negative effects on the environment and the social fabric.

Future projects

In 2025, the project dedicated to electric mobility will start: the launch of electric trucks for the exchange of goods departing from our offices in Pieve Vergonte, Saline di Volterra and that of *Esseco* in San Martino di Trecate.
The project will become operational in 2025.

2.2 Pollution Prevention

Pollution prevention across all media – water, air, and soil – is at the heart of our strategies, supported by rigorous monitoring systems and procedures.

All our activities and processes are carried out with the aid of cutting-edge detection technologies, which allow us to identify and manage potential critical issues, taking proactive measures to preserve the quality of the environment and the safety of the communities where we operate.

Through specific analyses and constant monitoring, we ensure compliance with our authorizations, environmental regulations, and the transparency of our processes.

At the Pieve Vergonte plant, we operate ten air emissions control points. These points comply with environmental regulations and are identified and authorized by the Integrated Environmental Authorization (AIA) review decree no. 304 of 27 July 2021, issued by the Ministry for Ecological Transition.

At the Saline plant, we have twenty-one points suitable for channelling emissions: in this case, the authorization is AIA no. 3528 of 15/03/18 issued by the Tuscany region.

All atmospheric emissions from our sites are monitored and verified at specific intervals, including by accredited third-party bodies. We also monitor diffuse odour emissions, periodically comparing them with environmental reference values and odour thresholds.

Nitrogen oxides (NO_x), sulphur oxides (SO_x), total particulate matter, volatile organic compounds (VOCs), and carbon monoxide (CO) are among the most significant substances monitored. In no cases were the detected emission limits exceeded[9].

Protecting the quality of the soil and subsoil is also ensured through regular monitoring plans for specific analytes, to ensure the utmost prevention. In 2024, no contamination or alterations to environmental media attributable to our activities were found.

[9] For further information on the analytical data of our emissions into the atmosphere, please refer to the environmental Appendix.

2.3 Protection of water resources

A significant example is the recovery of condensate water from the plant producing potassium hydroxide (KOH) flakes at Saline di Volterra. This occurs in an evaporation and crystallization plant that converts the 50% liquid potash, produced by electrolysis, to a 90-92% solid flake.

During the process, the water is evaporated in successive steps and then separated from the product.

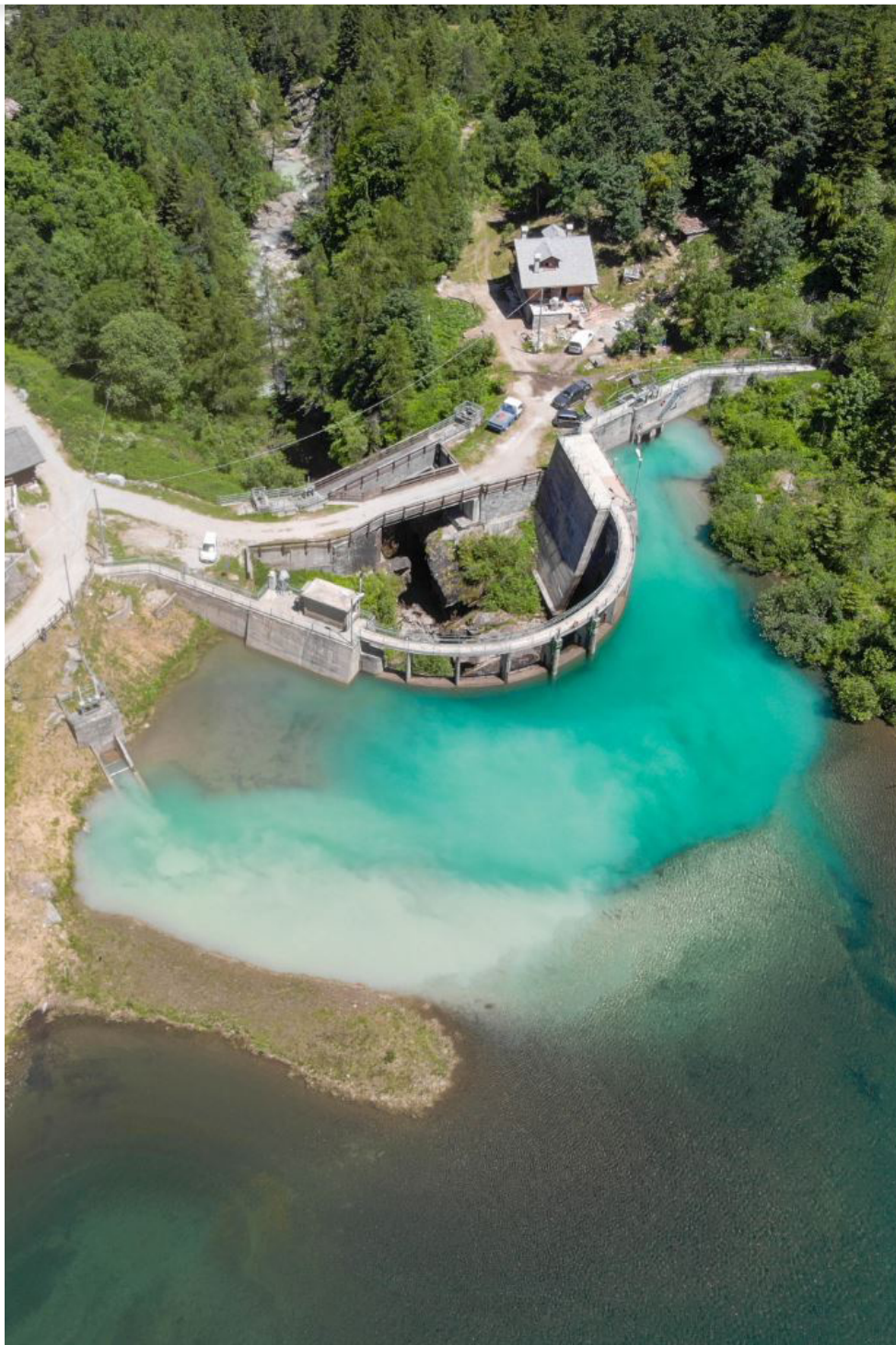
The water, removed from the solution by evaporation, is collected in a storage tank; thanks to its quality comparable to that of demineralised water, it is then reused in other company production processes , such as:

- production of potassium carbonate (both in granular form and in 50% solution)
- flushing of liquid ring pumps in the flake KOH plant itself.

Another model example is found in Pieve Vergonte, where the installation of evaporative towers, capable of dissipating heat and cooling the water, has allowed for a reduction in the withdrawal from wells. approximately 600 m^3/h.

At Saline di Volterra, we obtain water from the mains water supply for non-industrial uses and use water taken from the Cecina River for production plant activities.
We have set up four points to convey wastewater into surface water, sorted out into rainwater and cooling water, stormwater, domestic and process water.

The water, after proper treatment, flows back into the environment, discharged into the Botro Santa Marta River (46% reintroduced).



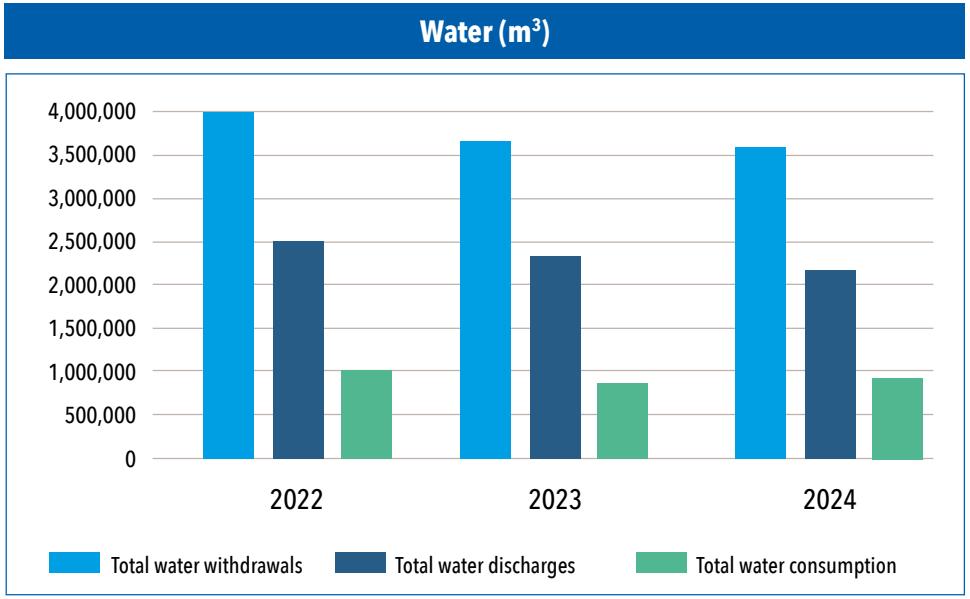
In 2024, we began work on the new chemical-physical wastewater treatment plant, which we expect to complete next year.

At the Pieve Vergonte plant, water is supplied exclusively from underground wells. All wastewater, including industrial wastewater (process and cooling water) and first flush rainwater, is collected through a collection system and channelled into the Marmazza stream, a tributary of the Toce River, in accordance with the Integrated Environmental Authorization (AIA) issued to the plant and applicable environmental regulations.

Compared to the base year 2022, consumption – defined as the difference between withdrawals and discharges – remained substantially stable, recording a modest increase of 2%.

In compliance with our authorization requirements, we systematically monitor wastewater quality, entrusting analyses to accredited external laboratories and making them available for reference.

We did not detect any non-conformities with the set discharge limits in 2024. Details on the test results of the main monitored parameters, including quantitative data, are available in the Appendix on environmental data.



2.4 Resource use and circular economy

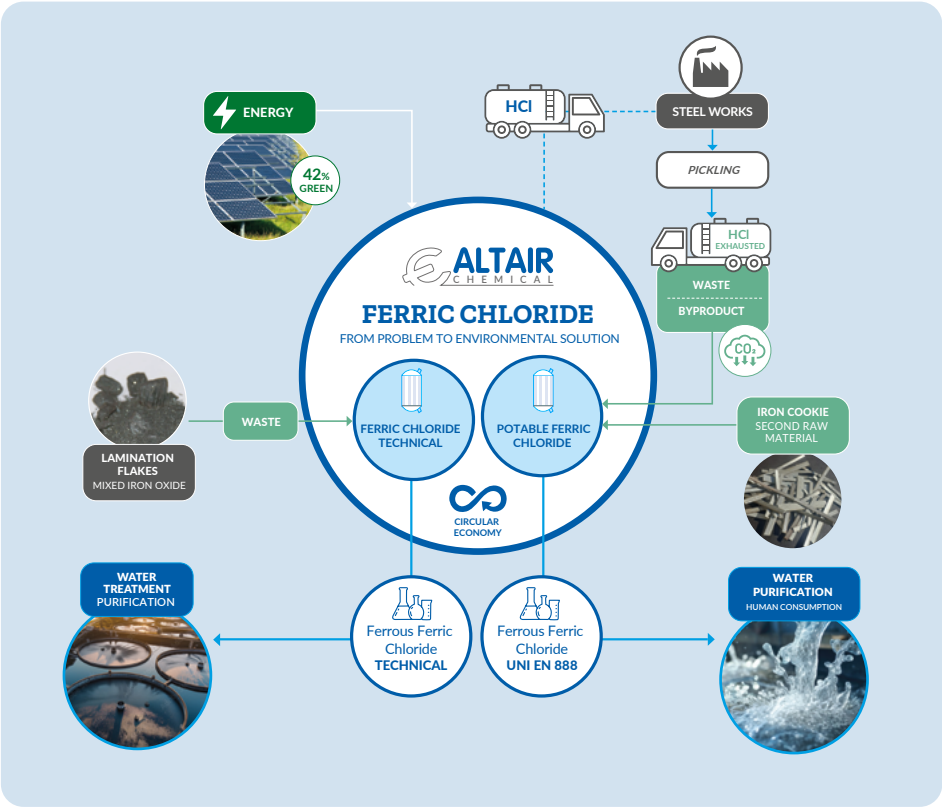
We believe in the circular economy approach and work every day to make it a reality. Over the years, we have changed our work processes and developed new products, orienting production towards a circular approach. This approach can be recognised in the connections and integration among departments and the excellent results achieved in the recovery of energy, water resources, and raw and secondary materials.

A tangible example is the Ferric Chloride project, developed at our Saline di Volterra plant in collaboration with the Department of Chemical Engineering at the University of Pisa . This project was awarded the Sustainable Development Prize in the Circular Economy category at the latest edition of Ecomondo international fair.

We produce ferric chloride using two sustainable methods: the first uses spent acid, steel mill waste, and waste from processes involving hydrochloric acid, as a secondary raw material for the production of a superior quality of ferric chloride solution for drinking water treatment.

The second uses mill scales, waste from iron processing, to generate ferrous chloride base, which, after absorption with chlorine gas, generates ferric chloride, used in water treatment.

On our journey toward the concrete application of circular economy principles, we have continued to invest in numerous improvement programs aimed at making production processes increasingly sustainable and efficient.

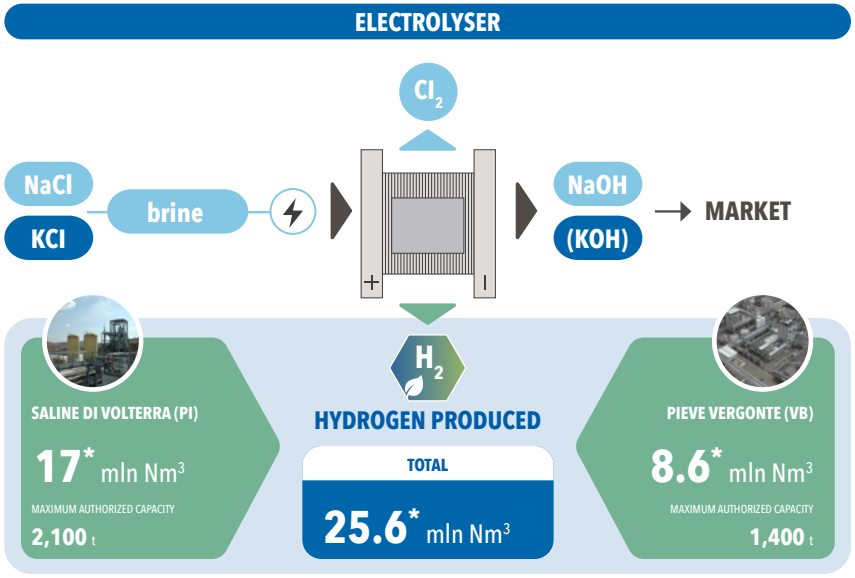


These include:

- In the production of **chloroparaffins**, we have replaced paraffins derived from kerosene with **biodiesel** (plant-based) and introduced innovative reactors, designed internally, which increase productivity and yield. Furthermore, the chloroparaffin production process generates hydrochloric acid gas as a by-product, which is dissolved in an aqueous solution and reused internally to produce technical ferric chloride. The resulting gaseous streams are reused to produce ferric chloride first, and then sodium hypochlorite.

- We recover carbon dioxide from cogeneration gaseous emissions and use it to produce potassium carbonate. This solution reduces the purchase of synthetic liquid carbon dioxide and simultaneously recovers heat, reducing direct carbon dioxide emissions.

- We give new life to waste hydrogen. Hydrogen is a by-product of the electrolysis of sodium and potassium salts; the waste hydrogen, not used for chemical processes (hydrochloric acid production), is recovered and used to generate steam. To best exploit this resource, we have designed and installed steam generators that can burn hydrogen and methane in varying proportions. The recovery and exploitation of hydrogen as an energy carrier allows for sustainable steam generation, without carbon dioxide emissions, and consequently reduces natural gas consumption.

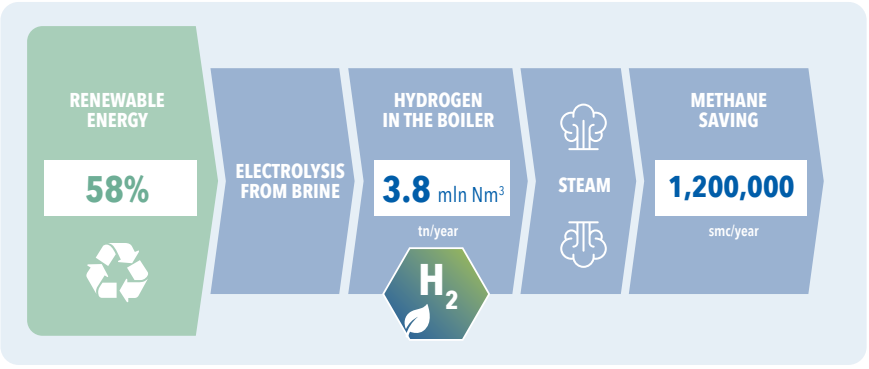


*Data 2024

HYDROGEN

CO_2 emission

Hydrogen, produced through the electrolysis of sodium and potassium salts, using 58% renewable energy, is an important energy carrier that contributes to the decarbonisation of thermal energy.



Considering our stakeholders' growing focus on circular economy issues, we are increasingly receiving requests for information on life cycle assessments (LCAs) for our products. Therefore, in addition to calculating *Scope 1* and *Scope 2*, we have also included *Scope 3* for calculating our corporate carbon footprint.

We also calculate the Carbon Footprint (CFP), in accordance with the UNI EN ISO 14067:2018 standard, for our main products, including:

- 50% Caustic Potash Solution
- 92% Pure Caustic Potash Flakes
- Potassium Carbonate
- Ferric Chloride (intended for water purification).

We also conducted a study according to the LCA method, in accordance with the UNI EN ISO 14044:2018 standard, for our product Essebiochlor. This allows us to identify the most critical life cycle phases as to emissions, enabling us to plan targeted actions to reduce them.

Within this scope, responsible management of raw materials is a fundamental pillar for ensuring efficient use of resources, reducing waste, and limiting environmental impact throughout the life cycle of our products.

We are working for

In 2024, we carefully monitored consumption, recording a total consumption of raw materials and processing aids of 195,186 tons.

Waste prevention, that is, the set of measures adopted to reduce waste generation before substances or products become waste, is also key to our approach.

This allows us to optimize the use of resources and achieve a tangible reduction in our impact: in 2024, we responsibly managed the production of 3,133 tons of industrial waste, equivalent to 5% less than in 2022.

The special waste we produce includes: packaging, sludge from wastewater treatment, organic and inorganic residues, concentrated solutions and waste materials, and residues from extraordinary maintenance.

The responsible management of our waste is equally important, and in 2024 we made significant progress to this end too: we reduced hazardous waste production by 28% compared to 2022 and sent more and more material for recovery, rather than mere final disposal.

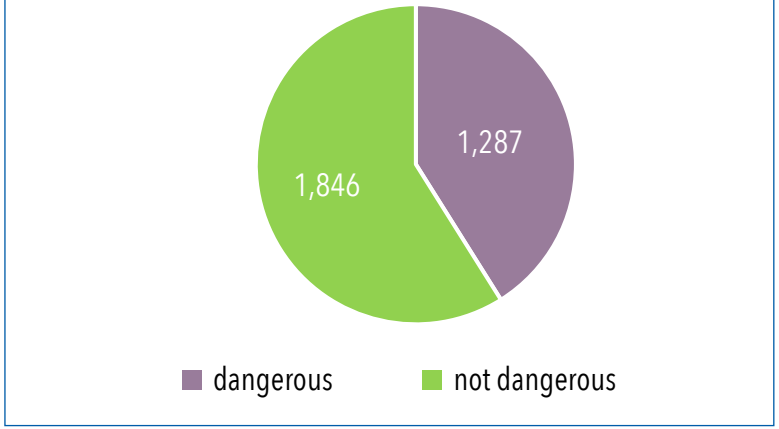
Furthermore, we have the ability to directly send certain types of waste to their final destination. An example is the disposal of chloro-aromatic products by thermal combustion at our Pieve Vergonte plant.

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

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

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

Waste produced (t) in 2024



3 Attention to people

We have always based our business decisions and corporate strategies on values of individual and social responsibility.

This is why today we stand out for our responsibility, expertise, and financial stability, focused on the prosperity of our ecosystem of shareholders, customers, employees, and local communities.

We consider workers the main resource for our success and their well-being our first priority.

For us, even downstream customers and consumers are people whose safety we must protect and to whom we wish to offer quality and innovation.

Finally, we actively promote the social and economic growth of the communities in which we operate, recognizing the importance of contributing to local development.

3.1 Each of us

At the end of the reporting year, our workforce included 188 direct employees, 99% of whom were employed on permanent, full-time contracts. Compared to the previous two years, the overall number of employees remained stable. These data are particularly significant because they clearly reflect the company vision aimed at:

- **Providing security and stability for employees:** The prevalence of permanent contracts offers greater peace of mind and long-term career prospects, contributing to a positive work environment and staff loyalty.
- **Promoting a high level of engagement and productivity:** Full-time employees with permanent contracts tend to be more engaged and productive, as they feel an integral part of the organization and are more likely to invest their energy and skills in achieving company goals.
- **Reducing staff turnover:** Investing in long-term contracts reduces the need for frequent selection and training processes, optimizing costs and maintaining a wealth of internal knowledge and skills.
- **Conveying the company's long-term vision:** Investing in long-term contracts reduces the need for frequent selection and training processes, optimizing costs and maintaining a wealth of internal knowledge and skills.

With the aim of fully protecting the well-being of our staff, we formalized the "**Essecorriamo**" project, developed at the Division level to combat a sedentary lifestyle and promote physical activity as a daily habit.

Our focus on our employees is also reflected in our termination rate, calculated as the ratio of annual terminations to total employees, which will stand at 5% in 2024, in line with the figures recorded in the previous two years: this highlights the solidity of our employment dynamics.

Reinforcing our commitment to quality work, it is important to point out that the National Collective Bargaining Agreement (CCNL) for industrial chemists is applied to all our employees.

This means that every member of our team enjoys the guarantees and protections provided by one of the most structured collective bargaining agreements in the country, ensuring fair working conditions and pay that comply with industry standards.

In addition to adopting the National Collective Bargaining Agreement (CCNL), we signed a Tier 2 supplementary agreement with the unions that provides for a performance bonus for the entire workforce, payable via payroll or available through the active company welfare platform.

We have implemented remuneration mechanisms that incorporate ESG targets. Specifically, the supplementary agreement that establishes the production bonus includes both energy saving and sustainability parameters.

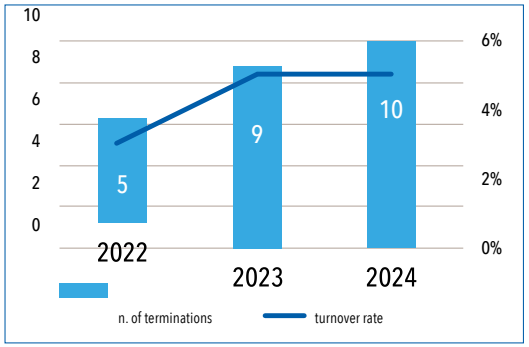
Furthermore, starting in January 2023 and continuing throughout 2024, we allocated part of our resources to salary increases for our employees, equal to 5% above the national collective bargaining agreement for the chemical-pharmaceutical sector, as a measure to counter the effects of the rising cost of living.
We monitor pay dynamics through two indicators to ensure transparency and point out any gender pay gap.

The former is the ratio between the highest salary and the company median rate, which in 2024 was 88.1%: this result represents good pay equity within our organization.

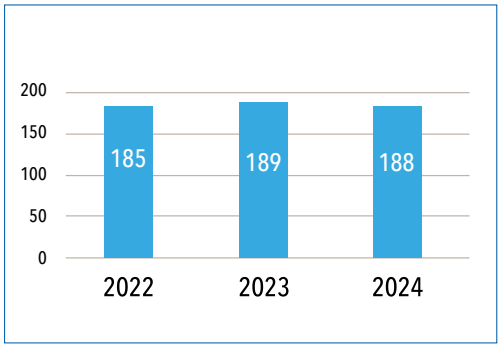
The other indicator is the gender pay gap, which measures the gender pay gap, calculated as the percentage difference between the average earnings of male and female employees.

The analysis shows that in 2024, the pay distribution will favour men by 13% for base salary and 17% for gross salary, reflecting internal dynamics related to experience and professional seniority.

Terminations trend



Number of employees



We pay attention to this aspect, being aware that due to the very nature of our activities, many roles (for example in production, packaging, maintenance, internal logistics departments) have historically been less attractive to women.
In 2024, our workforce will still be predominantly male (88%), a figure consistent with the trend of the last three years. There are currently no women in management positions.

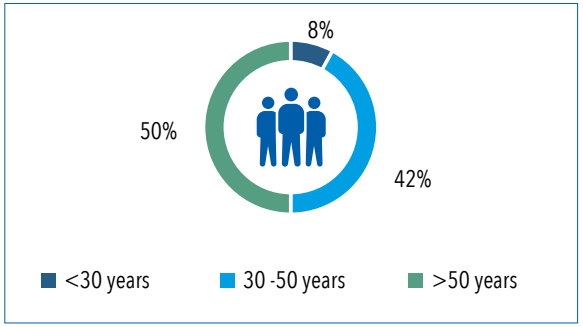
These numbers point out a deeply rooted structural challenge in our sector: the underrepresentation of women. We are aware of this and are working resolutely to promote cultural and organizational change that will make our work environment increasingly inclusive.

Analyzing the age distribution, we may notice that the majority of the workforce is concentrated in the over-30 age group. This figure is influenced by various factors, including seniority within the company, career path, and growth within individual departments.

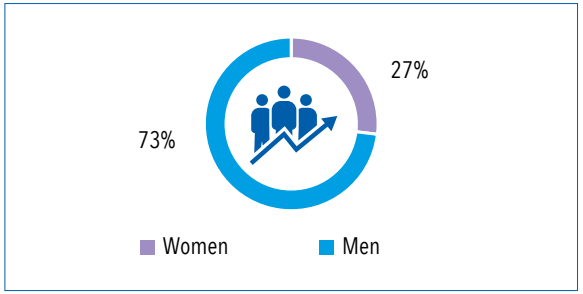
In this regard, we are also committed to encouraging a greater presence of young people, promoting projects and initiatives with schools and universities[10] aimed at introducing younger generations to our industry.

Another tool linked to equal opportunities is the guarantee of parental leave, to which 100% of our employees were entitled in 2024. Namely, 20.7% of the eligible employees took advantage of it for family reasons, with a distribution of 79.5% among men and 20.5% among women.

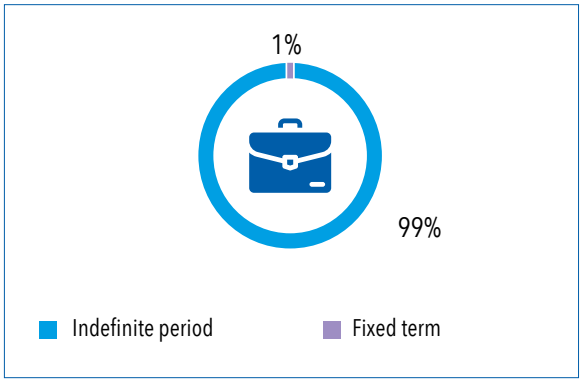
Employees by age



Involvement in performance reviews and career development



Type of contract



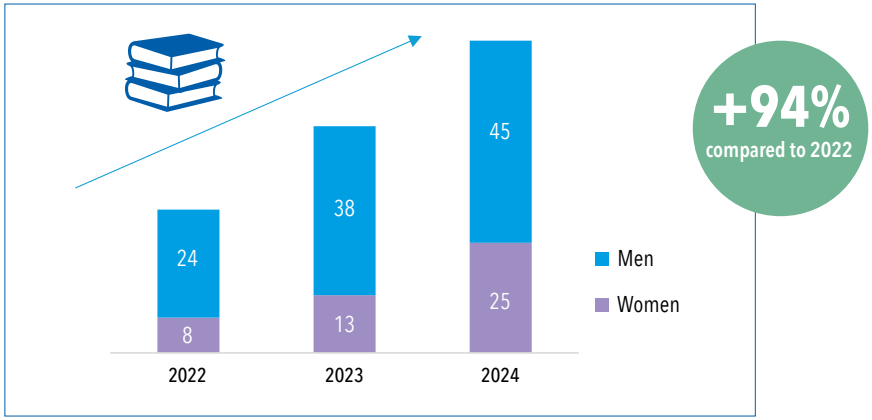
[10] We offer internships for students, scholarships, dissertations, PhD and university internships, and career days. For further information please refer to Section 3.3.

We base our relationships with our employees on their full appreciation by conducting company climate surveys to understand the specific expectations and needs of our employees. Furthermore, we conduct regular performance and career development reviews: in 2024, we involved 26 employees (19 men and 7 women).

Corporate training represents a fundamental pillar for the professional development of our employees and, more generally, for the growth of our organization. For this reason, we promote numerous training initiatives, offering all our employees the tools and skills necessary to achieve company goals.

In 2024, we recorded a significant quality leap in training, with an average of 43 hours per employee and a 94% increase compared to 2022. This data places us among the most exemplary companies in our sector, confirming our commitment to developing skills and valuing our people.

Average hours of training divided between men and women



Welfare package for employee well-being

In addition to direct incentive mechanisms, we have invested significantly in our welfare platform, designed to offer an even broader range of benefits to our employees. This platform represents a step forward in our vision of supporting people's overall well-being, offering:

- *Comprehensive healthcare: to facilitate access to quality care and support in case of medical needs for employees and their families.*
- *Contributions to supplementary pension schemes: to help build a more peaceful future after a working career.*
- *Reimbursement of care expenses for elderly and/or non-self-sufficient family members (home care, care facilities): to support employees who need assistance for their loved ones.*
- *Reimbursements for education and training expenses (nursery, school fees, canteen services, study holidays, textbooks, summer camps, school buses): to contribute to the training and education of employees and their families.*
- *Services for educational, instructional, recreational and social-health purposes (sports, culture, leisure, babysitting and caring services, medical check-ups, training courses): to contribute to improving the quality of life of employees and their families.*
- *Reimbursement of public transport passes: to contribute to the well-being of employees and their families and promote sustainable mobility.*
- *Purchase cards (e.g., supermarket vouchers): to support employees and their families in their daily lives, helping to improve their standard of living.*

3.2 Personal health and safety

We believe protecting the health and safety of our workers is essential, which is why we constantly invest time and resources in this area.
In autumn 2024, the Pieve Vergonte plant successfully completed the certification project for its occupational health and safety management system, according to the UNI EN ISO 45001:2023 standard. This important milestone was achieved by confirming full compliance with occupational health and safety regulations[11], as well as the Seveso Directive, relating to the control of major-accident hazards[12].

With the achievement of the health and safety certification by the Pieve Vergonte site, **all our Italian factories are now certified**.

A Prevention and Protection Service (PPS) is active at each of our company sites, comprising internal and external resources, systems, and resources dedicated to protecting against occupational risks. Each PPS includes the site's employer, the Prevention and Protection Service Manager (PPSM), and the Workers' Health & Safety and Environment Representative (WHSER), elected directly from among the plant's employees.
With the role of WHSER, we ensure the direct involvement of employees in the development, implementation, and evaluation processes of the health and safety management system.

Furthermore, we rely on a company doctor and the presence of an emergency and first aid team equipped with specific training that is periodically updated. All workers undergo regular health monitoring and we provide extraordinary medical examinations upon request.
In compliance with Legislative Decree no. 81/2008, we have implemented procedures for the preventive analysis of workplace organisation to identify potential sources of risk and associated hazards. Following this analysis, we then estimate the extent of the risks and define preventive and protective measures, reporting the results in the Risk Assessment Report (RAR).

The RAR (in Italian, DVR) is a corporate document that contains the analysis and assessment of risks to worker health and safety arising from operational activities carried out within the company. It identifies the safety measures to be adopted to prevent and contain such risks. We update it periodically, requiring its signature by all key personnel within the SPP: the employer , the company physician, PPSM, manager and WHSER.

Additionally, we adopt specific procedures for assessing the operational context and risks, accompanied by rigorous controls, such as managing work permits for external personnel and implementing protocols for managing emergencies that may occur on site.

With a view to continuous improvement, we have developed the "Business Area Project," focusing on the areas and procedures reserved for contractors. The goal is to optimize logistics, improve accessibility, and ensure safer and more efficient working conditions

[11] The main regulatory reference in Italy is the Consolidated Law on Occupational Health and Safety, Legislative Decree no. 81/2008 and subsequent amendments.

[12] Directive 2012/18/EU, implemented in Italy with Legislative Decree no. 105/2015, better known as the Seveso Directive.

for the companies operating within our facilities.

Training plays a fundamental role in this area too: we schedule general health and safety training sessions for new hires and specific training events that depend on the tasks performed or organizational and/or structural changes.

Similarly, we inform and train all plant visitors about potential risks, the safety measures to adopt, and the correct behaviours to follow, also involving them in final tests to verify the effectiveness of the training received.

We actively welcome reports of dangerous situations and near misses through the appropriate personnel, protecting each employee from potential retaliation. A dropbox for anonymous reporting is also available at our Pieve Vergonte office. In managing workplace accidents, we follow a procedure that includes a thorough analysis of the incident and the implementation of corrective measures to prevent future occurrences.

In 2024, no reports of occupational diseases were recorded. However, three non-serious injuries involving our employees were recorded: one at the Saline di Volterra plant and two at the Pieve Vergonte plant. The accident rate[13] stood at 9.6.

In general, all accidents and near misses, regardless of their outcome, are investigated with the utmost care through a structured and documented process, in accordance with INAIL guidelines and the highest health and safety management systems. The results of the investigations are regularly reviewed by management and shared in meetings with the company physician and key health and safety figures.

[13] The accident rate for ESRS standards, corresponding to the INAIL frequency index, is calculated as: number of accidents/hours worked multiplied by one million.

3.3 Support to the local community

Throughout the reporting year, we confirmed our commitment to strengthening relationships with local governments and communities, as well as academic institutions, while promoting initiatives of social, cultural, and educational value. Our financial contributions continued to support artistic, cultural, scientific, and sporting initiatives promoted by local communities. Among the most significant interventions, we recall:

- A €50,000 contribution donated to the Municipality of Volterra for the safety and restoration of the medieval walls of Porta San Felice, which collapsed on 5 May 2024 due to a sudden subsidence;
- A €25,000 donation intended to support the future school activities of "Cicoletti" nursery school in Pieve Vergonte

Using the government's Sports Bonus scheme, which supports business investments in new construction or renovations of existing facilities, we allocated €1.6 million for the construction of a new stadium in Saline di Volterra. Work began in 2024 and represents an important step towards enhancing the area.

We are proud to promote this project, which aims to offer new generations a healthy, inclusive, and engaging space where to grow and practice sports. We also continued to support cultural projects and events organised by the Municipalities of Montecatini Val di Cecina and Volterra.

The company canteen at the Pieve Vergonte plant has also been renovated and now serves the local community. We believe that solid exchange with local institutions and authorities is essential to ensuring development, transparency, and mutual trust.

For this reason, we renew our interest in organizing and participating in community meetings to promote entrepreneurial culture and foster a live understanding of our reality.

Medieval walls of Porta San Felice, Volterra

New stadium in Saline di Volterra

We also discussed geothermal energy as a strategic opportunity for sustainable development in Tuscany.

We have also further strengthened our partnerships with universities and schools in the areas where we operate, resulting in numerous training projects: work-based learning programmes, career days, and scholarships.

Starting with the **University of Pisa**, our involvement has included schools at all levels, with the aim of promoting career guidance and skills development among younger generations.

Within this scope, we are proud to co-fund a scholarship for a National Research PhD in "Photoinduced Processes and Technologies" for a total of €30,000. The three-year project is headquartered at the **University of Perugia** and involves the **University of Turin** as a participating institution.

As proof of our tangible commitment, the PhD student conducted part of the applied research directly at our facility in Pieve Vergonte, where he was able to conduct studies and field experiments.

Pact for the Sustainable Development of Piedmont

In November 2024, together with the other companies of the Esseco Industrial Division, we participated in the presentation event of the Piedmont Sustainable Development Covenant.

The initiative aims to promote a sustainable transition through collaboration among institutions, businesses and the territory, in line with the United Nations 2030 Agenda.

During the event we had the opportunity to share our achievements as to sustainability and innovation.

3.4 Attention to customers and users

Our dedication to quality is a promise we keep, validated by a robust system of certifications that attest to our operational excellence and product compliance. We are proud to have been operating under a **UN EN ISO 9001:2015 certified Quality Management System** for several years.

This certification is not just a certificate, but a fundamental guarantee that every phase of our work – from research and development to production, from logistics to customer service – is meticulously managed to ensure excellence, maximize customer satisfaction, and pursue constant improvement.

It is our daily commitment to efficiency and quality in everything we do. In addition to system certifications, a wide range of our products boasts **specific certifications**, validating their suitability and compliance for applications in highly specialized and regulated sectors.

These certifications are the result of rigorous testing and inspections, allowing us to offer safe and effective solutions, significantly expanding their scope of application.

Our key product certifications include:

- ✓ **Kosher**: many of our products are Kosher certified, which means they comply with the strict dietary rules of the Jewish religion, making them suitable for a specific customer segment.
- ✓ **Halal**: Similarly, we have Halal certifications for products that comply with Islamic dietary laws, further expanding our ability to serve diversified markets.
- ✓ **GMP+**: for products classified as "feed materials".
- ✓ **FSSC 22000**: Globally recognized certification for the safety of food additives.

All our products undergo rigorous checks to ensure their safety for people and the environment, in compliance with both the specific regulations of the sectors they are intended for (e.g., the food sector and the regulations applicable to the chemical sector[14]).

Product labelling and the accompanying technical and safety data sheets provide our customers with all the necessary information on chemical and physical characteristics, quality properties, packaging, primary uses, as well as any precautions to be followed during use and disposal.

Appointed professionals, including experts in the transport of dangerous goods (ADR), ensure that the information and labels are monitored and consistent with current regulations.

We have also started impact analyses of several of our products with the aim of life cycle (*Life Cycle* Product[15] *Carbon Footprint Assessment* and Management) to monitor and reduce the impacts that our products may generate along the entire value chain.

Thanks to the hard work and commitments we make every day, in 2024 we recorded no non-conformities regarding the health and safety impacts of our products or our information and labelling procedures.

[14] The main applicable legislation refers to EU Regulations: REACH, concerning the Registration, Evaluation, Authorization and Restriction of Chemicals; CLP, concerning the classification, labelling and packaging of chemical substances and their mixtures; and ADR, for the requirements relating to the transport of dangerous goods by road within the European Community.

[15] For further information on the analyses conducted on the product Carbon Footprint (CFP) and Life Cycle Assessment (LCA) please refer to environmental Section, paragraph 2.4.

4 Governance and sustainability safeguards

We have integrated sustainability into our daily operational management with an ever-deeper commitment, transforming it from a guiding principle into the true driving force of our decision-making and strategic processes.

In the following paragraphs, we will outline our organizational model and its main players, who operate according to clear rules and established practices to ensure effective and accountable governance.

Internal control systems and risk and opportunity management are essential tools for guiding our decisions and monitoring our priorities. Among these, supplier selection plays a key role: a crucial process for ensuring quality products and a responsible approach, right from the initial stages of our value chain.

4.1 Our Governance

Our corporate organization is headed by the holding company **Esseco Group SpA**, which manages and coordinates the various entities of the group and owns 100% of our company. We, in turn, control Altair Chemical Iberica SL. The Board of Directors (BoD) governing our company includes a Chair, a Chief Executive Officer, and three Directors. The Board of Directors is appointed by the Esseco Group shareholders' meeting and holds office for three financial years.

Composition of Altair Chemical Srl Board of Directors

Francesco Maria Nulli	Chairperson	A chemical engineer, he possesses the highest organizational and functional skills, including legal representation of the company	Chair and CEO also in other companies of the Esseco Group
Roberto Vagheggi	Chief Executive Officer	An electronic engineer with advanced skills in resource management and planning, as well as business risk management	Esseco Srl Advisor, Esseco Group and Esseco Industrial General Manager
Alberto Cambieri	Director	Degree in Economics and Commerce with a specialization in Business Management and Administration	Director in other companies of the Esseco Group
Filippo Coffele	Director	Chemical Engineer with a Master's Degree in Project Management	General Manager and Employer of Altair Chemical. Purchasing Director of the Esseco Group
Fabio Mosca	Director	Chemical Engineer	Esseco Group

In addition to the Board of Directors, there is a Board of Statutory Auditors consisting of five members: three standing auditors, one of whom is the Chair of the Board, and two alternate auditors. The statutory audit is entrusted to an external firm that certifies the accuracy of the financial statements (Ernest & Young SpA).

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

It is the board of the joint-stock company that supervises compliance with the law and the by-laws, compliance with the principles of correct administration, and in particular the adequacy of the organizational structure and the proper functioning of the Company (Article 2403 of the Italian Civil Code). It meets at least every ninety days, and minutes are kept in a dedicated meeting and resolution book.
Within this organisational structure, we identify a cascade of senior positions with special powers of attorney at each operational site, each with specific responsibilities and representation authority towards the Public Administration and regulatory bodies.
As required by our management systems for quality, food safety, the environment, energy, and workplace health and safety, we define roles and responsibilities in clear organizational charts, featuring highly qualified internal organizational units with expertise in monitoring particularly critical areas.
In accordance with Organizational Model 231 and the UNI ISO 45001: 2023 certification, the control of a Supervisory Body (SB) is also provided, which includes professionals who monitor the operation, effectiveness and compliance with our organizational model and code of ethics in an impartial manner.

In accordance with our organizational model, code of ethics, and applicable privacy legislation, we offer the opportunity to report any alleged unlawful conduct. Employees and internal and external collaborators may submit a report regarding material conduct pursuant to Legislative Decree no. 231/2001 (e.g., corporate, environmental, health, and safety offences) and/or the reasonable/likely occurrence of even potential unlawful situations, such as, for example, any conflicts of interest.

To facilitate reporting, we have set up a specific communication channel with the Supervisory Body, accessible online anonymously and in compliance with current whistleblowing legislation, which can be accessed at the following link: https://essecogroup.segnalazioni.net/.

In general, all stakeholders may report any critical issues through the official channels accessible in the contact section of our website and/or via direct communication with the contact persons of the individual areas. As required by company procedures, we process all reports by recording the opening, response, and closing dates, as well as any corrective actions taken.

In 2024, we did not detect any corruption or discrimination incidents, nor did we record any significant penalties[16] for violations of environmental, social, or economic laws and/or regulations.

[16] This sustainability report only reports significant penalties, i.e., for amounts exceeding €50,000.

4.2 Sustainability is key to our strategy

We operate in a diverse and complex environment, which is why we have clearly defined the set of values we recognize, embrace, and share. This commitment is implemented through an approach based on transparency, integrity, and sustainability, key elements for our growth and our impact on the local community.

ESSECO INDUSTRIAL

To ensure compliance with our principles, we have set out our commitment in key documents that guide all our actions and decisions: ***Esseco Industrial*** *policy, Code of Ethics and Organizational Model.*

The **Policy shared within our Industrial Division**, published on 10 May 2024, defines the areas of our focus and growth objectives by placing "SUSTAINABILITY AT THE CORE OF OUR STRATEGY" and assigning a key role to our ESG approach. Specifically, we are committed to:

- Optimising energy efficiency, favouring supplies from renewable sources and promoting circular economy projects;
- Ensuring an inclusive and peaceful work environment by investing in employee training and supporting valuable initiatives for local communities;
- Adopting principles of integrity, transparency, and legality, ensuring impartiality, anti-corruption, and compliance with both mandatory and voluntary rules and regulations.

In addition to the Division Policy, we have dedicated Policies for our certified management systems, which consolidate and strengthen our commitment to a responsible development model, fully aligned with international reference standards.

The **Code of Ethics** sets out our guidelines in relation to essential aspects such as:

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

The **Organizational Model** complies with the provisions of Legislative Decree No. 231/2001, which introduced a specific form of liability known as "administrative liability of the entity" into the Italian legal framework. This liability arises when underlying offences occur, including those related to conflict of interest in the conduct of business activities nd in the corporate interest.

We ensure the utmost possible disclosure of the contents of our key documents to internal and external stakeholders and are committed to ensuring that the relevant guidelines are complied with by employees and suppliers.

We present our corporate principles to new hires and provide them with information on the procedures to be followed, and we verify their understanding by submitting them a test: this is the starting point for our employee training and awareness campaigns

This way, both the governing body and all our employees are adequately trained and informed about our policies and procedures.

The company's constant commitment to promoting corporate ethics has ensured the absence of any active or passive corruption. Furthermore, in accordance with the principles of transparency and independence, no lobbying or political influence activities have been conducted.

To tangibly demonstrate our commitment, we have chosen to undergo several independent assessments:

EcoVadis Rating - Since 2019, we have been a member of the EcoVadis rating, a prestigious agency that analyzes company sustainability performance by considering four key areas: environment, labour practices and human rights, ethics, and sustainable procurement. Thanks to our commitment, we were awarded a silver medal. Being among the top 15% of companies evaluated by EcoVadis is a source of pride; as a symbolic gesture, this organization planted a tree on behalf of Altair Chemical thanks to its partnership with *One Tree Planted*.

Open-es Rating - We have also chosen to measure ourselves against Open-es, an ESG rating platform that assesses company sustainability based on four key pillars: care for the planet, care for people, economic prosperity, and corporate governance principles. In 2024, we achieved a score of 9/12.

Legality Rating - Our dedication to the stringent principles of ethics and transparency leads to tangible results: in 2024, we achieved a ★★+ (out of a maximum of 3 stars) legality rating, a recognition certified by the Italian Competition Authority.

To strengthen collaboration with companies in our sector and spread our approach to sustainability, we are associated with **Federchimica** (National Federation of the Chemical Industry) – **Confindustria** and joined ***Responsible Care***.

Responsible Care[17] is a voluntary plan promoting sustainable development in the global chemical industry.

Signatory companies commit to strengthening their operations to protect the environment, ensure safety, safeguard health, better manage logistics and production, and share corporate best practices.

Sustainability Report for the Tuscan chemical industry with the Saline di Volterra plant. This initiative joins the chemical companies operating in the region, promoting shared monitoring and a joint focus on sustainability issues.

[17] To view the latest report and further information about the plan: https://www.federchimica.it/servizi/sviluppo-sostenibile/responsible-care.

4.3 Responsible sourcing

We guarantee quality, sustainability, and safety throughout the entire supply chain, ensuring that the principles set out in our Policy are respected both internally and externally.

The procurement of raw materials and supplies needed for the production and sale of our products follows rigorous practices, based on a Supplier **Code of Conduct** and a structured selection and evaluation process. This allows us to collaborate with partners who share our commitment and are willing to take the same steps towards responsible excellence.

For this reason, we adopt a **supplier qualification procedure** that accurately establishes the criteria, responsibilities, and operating methods for managing all phases of the assessment, qualification, and monitoring process. The procedure applies to suppliers of:

- raw materials, finished products, packaging materials and critical materials in the production process;
- essential services for product quality and/or food safety;
- outsourced activities (e.g., transportation).

Supplier selection is based on objective criteria, including technical specifications, quality, services, pricing, and environmental and social impact. To ensure compliance, we periodically request them to fill out an assessment questionnaire. To further get to know our new suppliers, we conduct on-site inspections to verify their ability to meet the requirements agreed upon. Audits are conducted at least every three years

The outcome of this process is not limited to a list of qualified suppliers, but constitutes a structured set of information that allows us to classify them into different categories: unqualified, suspended, occasional, conditionally qualified, and potential.

We source almost exclusively from local suppliers. Our supplies come primarily from Italy. This responsible approach is also reflected in our strict compliance with deadlines and contractual agreements.

In 2024, all undisputed invoices were paid within the established deadlines, ensuring a balanced relationship with suppliers and minimising any financial impact along the supply chain.

Payment times vary depending on the type of purchase. On average, invoices are paid approximately 10 days after the due date, while some categories of suppliers receive payment exactly on the due date, in accordance with established agreements.

Overall, our standard payment terms are aligned with industry practices and agreements with suppliers, ensuring transparency and accountability in our transactions.

5 Methodological note

This Sustainability Report presents information and data referring to Altair Chemical Srl for the period from 1 January 2024 to 31 December 2024, which matches the financial year of the company's financial statements. It also provides a representation of our company's results by reporting sustainability performance over a three-year period, considering that non-financial reporting began in FY2022.

The document is not subject to audit by an external company and was drawn up in compliance with the *European Sustainability Reporting Standards* (ESRS) in their December 2024 edition.

In fact, although we are not subject to sustainability reporting obligations, we have chosen to continue communicating these aspects by adjusting to the requirements of the new *Corporate Sustainability Reporting Directive* (CSRD), thus supporting Esseco Group's path towards compliance with EU non-financial reporting regulations.

The report does not contain any classified information, or information related to intellectual property, know-how, or innovation results that would require omissions under the ESRS guidelines. Likewise, no exemptions were used for the disclosure of information regarding upcoming developments or matters under negotiation.

5.1 Managing impacts, risks and opportunities

Being our first year of reporting according to the ESRS standards, we introduced the Impact, Risk, and Opportunity (IRO) assessment process in sustainability areas.

Specifically, the analysis was developed based on assessments conducted at Group level and was structured into five phases, applied to both impact and financial materiality:

I. Context analysis

It was implemented through a review of company documentation and operating practices, complemented by external sources, to map the areas of impact and risk relevant to our sector.

II. Preliminary impact and risk assessment

This was achieved thanks to the active participation of management and key company executives, and allowed us to first pinpoint the most significant impacts our activities might have on the planet and people. As required by the ESRS criteria, the assessment was conducted based on two criteria: severity and likelihood. After assessing the impacts, we then identified any associated risks and opportunities, as well as other unrelated ones.

III. Scoring and evaluation

We assigned a quantitative score to each impact, risk, and opportunity based on ESRS criteria: for materiality, we assessed the magnitude, scope, irremediable nature, and likelihood of impact; for risks and opportunities, we focused on severity and likelihood of occurrence.

IV. Determination of the relevance threshold

The fourth phase of the process defined the materiality threshold, based on our corporate priorities and industry standards, for selecting significant impacts, risks, and opportunities. This threshold will be reassessed annually to ensure that it consistently and accurately reflects our priority sustainability topics.

V. Results of double materiality

For the overall analysis, we only considered those impacts, risks, and opportunities that exceeded the identified thresholds. This allowed us to identify a list of sustainability aspects[18] that were relevant to us, both in terms of issues and sub-issues, across the entire value chain.

Through this process, we confirmed substantial consistency between our Italian company's double materiality and the Group's. The only differences we found concern biodiversity protection and privacy issues, which our analysis found to be irrelevant.

This result further confirms the shared vision and common goals we have set for ourselves, guiding us with even greater determination in the years to come.

[18] A list of issues and sub-issues relevant to us is given in Section 1.4.

5.2 Interests and opinions of stakeholders

In a corporate sustainability journey, a listening and involvement process dedicated to stakeholders is essential, implemented through stakeholder engagement activities.

Our process was conducted following the *AA1000 Stakeholder engagement standard* (AA1000SES: 2015), the most widely used framework worldwide. We began by identifying the most relevant stakeholders for our company, based on the following principles.

1. Accountability: Stakeholders to whom we have, or may have, legal, financial, and operational responsibilities in the form of regulations, contracts, policies, or codes of conduct.

2. Influence: Stakeholders with the power to influence or make decisions about company operations.

3. Proximity: the stakeholders with whom we interact most.

4. Dependency: Stakeholders who depend on the organization's activities and operations in economic and financial terms.

5. Representativeness: Stakeholders who, through regulation or by custom and culture, can legitimately represent an issue.

As with the identification and assessment of IROs, senior management and heads of key company departments were also involved in this phase.

Thanks to their input, we identified our significant stakeholder categories, ranked by ascending priority:

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

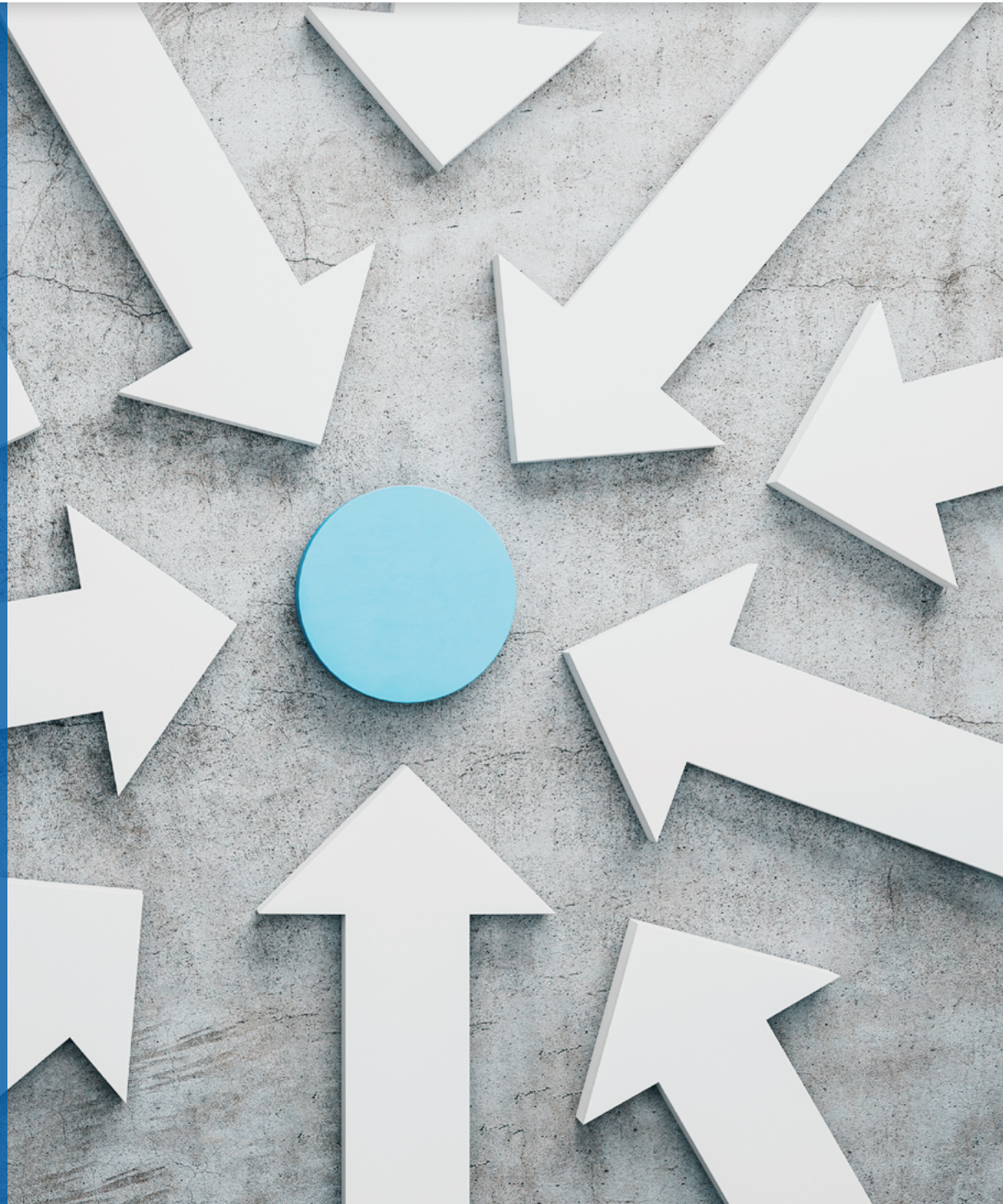
For each of the following categories, we identified the key representatives, with whom we conducted indirect stakeholder engagement, reviewing the documentation and reporting that allow us to understand their sustainability expectations.

Stakeholder engagement activities have enabled us to achieve results that provide direction and guidance.

Overall, stakeholder priorities are largely consistent with the company's for most issues and sub-issues, confirming that we have successfully identified key issues for our stakeholders.

As we continue our journey towards increasing sustainability, we plan to expand our engagement by initiating more structured interactions with stakeholders to broaden our perspective and increasingly identify their expectations in order to include them into our future objectives.

6 Goals



Colour Key - Progress on 2024 Goals

- Goal achieved
- Ongoing goal
- Goal not achieved

Environmental

Issue	Long term goal	Target by 2025		Progress report to 2024
Energy.	*Increasing the share of self-produced energy, improve energy efficiency.*	Feasibility study for reducing specific consumption for compressed air production.		In 2024, preliminary design for a new compressed air layout was completed. The purchase of a new high-efficiency compressor was evaluated. The project will be completed in 2025.
		40% of energy consumed comes from renewable energy.		Goal achieved.
		Increased LED lighting.		The existing lighting is gradually being replaced with LED lighting when light bulbs need replacing.
		Increase in electricity production from photovoltaic panels at the Saline di Volterra site by 70%.		Evaluations for the expansion are underway.
		A feasibility study was set up to increase self-generation of electricity at the Pieve Vergonte site and a related authorization request was submitted.		Initially, the construction of a new hydroelectric plant was considered, but this proved to be unfeasible. A feasibility study was therefore conducted into an alternative that involves revamping the Ceppo Morelli hydroelectric plant.
		ISO 50001 certification achieved for the Pieve Vergonte site.		In 2024, the implementation process of the management system based on the principles and methods of ISO 50001 commenced. Certification is expected to be achieved in 2026.
		Launch of a feasibility study for a plant for the production of synthetic hydrochloric acid through waste steam generation and related authorization request.		The study involved both plants. Initial investigations began in 2024 and will continue throughout 2025.

Issue	Long term goal	Target by 2025		Progress report to 2024
Circular economy approach.	*Reducing the environmental impact of our products*	Development of alternatives to chloroparaffins from plant-based feedstocks , with less environmental impact, for the Saline site.		In 2024, authorization was obtained for the storage of plant-based raw materials. LCA studies were initiated on organochlorine products derived from plant-based feedstock. A dedicated tool was implemented to facilitate these assessments. The raw materials found to have the least impact are currently more difficult to source. We have continued with studies to improve the thermal stability of our organochlorine product derived from plant-based raw materials.
		Feasibility study for a project to recover CO_2 emissions from the Saline plant.		The feasibility study was completed in 2024, and the new potassium carbonate production plant will begin operations in 2025.
Protection of water resources.	*Managing water resources more effectively, avoiding waste and reusing it in production processes*	Feasibility study to reduce water consumption at the Saline site.		The feasibility study pointed out the possibility of implementing operations that include the recovery of wastewater at the production plants involved, reducing water consumption. Furthermore, in collaboration with DREWO, modifications were carried out to the water treatment system of the cooling towers, with the aim of reducing the purging amount required to remove salt build-up and deposits and consequently reducing the withdrawal of make-up water from the Cecina River.
		Recovery of process water from the chloroparaffins plant for the Saline site.		The project began in 2023, resulting in the recovery of an initial 50% of the wastewater. Recovery work on the second step is scheduled for 2025.
		Revamping of the wastewater treatment plant, with partial reuse of wastewater in production cycles.		The feasibility study was completed in 2024, and the plant design process to rationalize and reduce wastewater production continued. The new wastewater treatment plant will be built in 2025.
		Increased process condensate recovery for both sites.		The project was started for the Pieve Vergonte site and will be completed in 2025. For the Saline di Volterra site, the project for the recovery of condensate produced in the flaked potash plant has been continued.

Issue	Long term goal	Target by 2025		Progress report to 2024
Emissions into the atmosphere.	*Reduction of greenhouse gas emissions (GHG).*	Reduction of Scope 2 emissions by 35%.		Scope 2 emissions recorded in 2024, calculated with a market-based approach , decreased by 49% compared to 2022.
		Evaluation of projects for the reduction of direct emissions (Scope 1).		A project has been submitted to revamp the hydrochloric acid plant in Saline, including the installation of a steam recovery line, which will eliminate the need for fossil fuel-fired steam generation. The outcome of the tender is pending.
		Launch of a project to calculate the organization's indirect emissions (Scope 3), for the purpose of monitoring and reducing them.		The feasibility study was successfully concluded in 2024 and will begin in 2025.
		Increased rail traffic at the Pieve Vergonte site to replace road transport.		The project started in 2024, with the resumption of rail transport of liquid chlorine.
		Feasibility study for the use of electric trucks between Pieve Vergonte and San Martino Trecate for the transport of raw materials, and between Saline and neighbouring suppliers/customers.		The feasibility study has been completed and the project has been started.
	Applying the best available technologies (BAT) for the treatment and reduction of atmospheric emissions.	Reduction of volatile organic compounds (VOCs) in channelled and diffused emissions into the atmosphere.		VOC emissions have been reduced by 13% compared to 2022.

Issue	Long term goal	Target by 2025		Progress report to 2024
Employee well-being.	*Ensuring workplace well-being for all employees without discrimination, providing training and resources to ensure professional development and adequate working conditions.*	Ensuring that a target of 30 hours of training per capita per year is maintained.		The average hours of training per capita in 2024 are 30.7.
		Creation of new work environments, such as changing rooms, offices and control rooms.		At the Saline plant, new changing rooms for employees and new offices have been built, and further improvements are planned in the coming years.
		Launching a company climate analysis to understand employee satisfaction and identify any critical issues.		The climate analysis has been. carried out.
		Conducting psychological assessment tests to identify targeted personal and professional development paths.		The tests were conducted in 2024 and are scheduled annually at multiple levels.
Local communities.	*Supporting local cultural and charitable initiatives.*	Maintaining all existing support initiatives for the local area and communities with a minimum annual spending target of 0.25% of profit.		Spending to support local communities in 2024 amounted to 0.73% of profit.
		Construction of the Saline di Volterra stadium and the creation of a new playground begin.		The stadium project has been started (work is underway) and a play area has been donated and built at the Saline di Volterra nursery school.
		Construction of a company canteen for the Pieve Vergonte site, which will also serve the community and will also serve as a cooking centre for students.		A company canteen has been created within the existing structure, which can also be used by outsiders.
		Launch of work-based learning activities at both production sites.		An agreement has been signed with the Technical Institute for Commerce and Surveyors of Volterra, and with the technical institutes of Verbania and Domodossola.
Occupational Health and Safety.	*Ensuring a safe and healthy workplace for our employees.*	Continuing the OHS policy aimed at ensuring, through dedicated investments: • the goal of "zero injuries" • maintaining the level of occupational diseases at zero.		Security policy is constantly pursued.

Issue	Long term goal	Target by 2025		Progress report to 2024
		Health and safety management system certification obtained for the Pieve Vergonte plant.		UNI EN ISO 45001:2023 certification was obtained in 2024.
		Asbestos roofing removal operations.		The operations were completed in Saline di Volterra and are underway in Pieve Vergonte.
Innovation and Quality.	*Pursuing continuous improvement in the development of innovative and safe products, made with advanced technologies.*	Participation in research and development calls for projects related to sustainability.		The use of resources has been implemented. The outcome of the "Industrial Transition" call for proposals, which includes energy efficiency measures and the installation of renewable energy sources, is also pending. At the Pieve Vergonte site, the "RE-BORN" project was completed, which involved the transformation of a high-impact mercury electrolysis plant into a highly innovative and technologically advanced membrane plant capable of exceeding industry BATs.
		Application of the new software for energy and production monitoring.		Licences for use have been purchased and the new monitoring system is being set up.
Ethics and compliance.	*Communicating to all stakeholders and promoting the choice of conducting one's business in a transparent and ethical manner, in compliance with mandatory and voluntary regulations.*	Drafting a Sustainability Policy, integrated at Group level and communicating it to all stakeholders.		The Group Policy was developed in 2023 and published in 2024.
		Integration of the Organizational Model pursuant to Legislative Decree No. 231/01 for the Pieve Vergonte site.		The Organizational Model has been integrated and made public.
		Environmental certification obtained for the Pieve Vergonte site.		The management system has been structured in accordance with the principles of the UNI EN ISO 14001:2015 standards and the EMAS Regulation. The first environmental certification is expected in 2025.

Issue	Long term goal	Target by 2025		Progress report to 2024
Responsible supply chain management.	*Communicating compliance with sustainability principles within your supply chain.*	Publication of a Supplier Code of Conduct that includes ESG aspects.		The Industrial Division's Supplier Code of Conduct was published in 2024, incorporating ESG principles and requirements, confirming the organization's commitment to a responsible and sustainable supply chain.
		Incorporating ESG issues into the supplier qualification process.		The new questionnaire for the qualification of suppliers with ESG criteria has been designed and is currently in use.
Risk Management.	*Ensuring the continuity of our business over time to fuel positive economic impacts on stakeholders and the territory where we operate.*	Hydrochem and Altair would merge to create a more competitive company.		The merger was effective on 01/01/2024.

Appendix

Environmental data

Energy		Measurement Unit	2022 (baseline)	2023	2024	2022-2024 Trends
Consumption of fuels from non-renewable sources	Diesel	litri	30,039	30,775	30,094	-0,2%
	Natural Gas	m^3	28,028,008	28.572,264	25,429,185	-9%
Electricity purchased from the grid		MWh	132,799	118,461	119,857	-10%
	covered by guarantees of origin (GO)	MWh	21,097	48,400	60,796	188%
Self-produced electricity from renewable sources	*Used on-site*	MWh	58,284	60,034	74,149	27%
	Fed into the grid	MWh	7,591	11,216	18,917	149%
Self-produced electricity from non-renewable sources	Electricity	MWh	44,732	48,838	39,440	-12%
	Used on-site	MWh	44,675	48,479	39,145	-12%
	Fed into the grid	MWh	57	359	295	418%
Self-produced and sold energy	Electricity	MWh	7,648	11,575	19,212	151%
	Steam	t	5,172	5,201	5,125	-1%
Electricity from Renewable Sources – Solar power	Electricity	MWh	315	304	276	-12%
Electricity from Renewable Sources – Hydroelectric power	Electricity	KWh	57,969	59,730	73,873	27%

Greenhouse gas emissions		Measurement Unit	2022 (baseline)	2023	2024	2022-2024 Trends
Scope 1 emissions[19]	Diesel	t CO_2eq	80	82	80	0,04%
	Natural gas	t CO_2eq	55,759	57,034	52,465	-6%
	CO_2 capture and recovery	t CO_2eq	4,140	6,154	6,122	48%
Total direct emissions (Scope 1)		t CO_2eq	51,699	50,962	45,967	-11%
Location-based indirect emissions from energy consumption (Scope 2)[20]		t CO_2eq	36,605	33,058	26,968	-26%
Market-based indirect emissions from energy consumption (Scope 2)		t CO_2eq	51,065	35,070	26,046	-49%
Scope 3 emissions	Category 3.1: Purchased goods and services	t CO_2eq	-	-	166,498	-
	Category 3.2: Capital goods	t CO_2eq	-	-	3,103	-
	Category 3.3: Fuel and energy activities (not included in Scope 1 or 2)	t CO_2eq	-	-	12,766	-
	Category 3.4: Upstream transport and distribution	t CO_2eq	-	-	36,321	-
	Category 3.5: Waste generated by company operations	t CO_2eq	-	-	662	-
	Category 3.9: Downstream transport and distribution	t CO_2eq	-	-	3,145	-
	Total Scope 3 Emissions	t CO_2eq	-	-	222,496	-
Total Scope 1, 2 and 3 location-based GHG emissions		t CO_2eq	-	-	295,431	-
Total Scope 1, 2 and 3 market-based GHG emissions		t CO_2eq	-	-	294,509	-

[19] Source for Scope 1: DEFRA, UK Government GHG Conversion Factors for Company Reporting, 2024
[20] Sources for Scope 2 and Scope 3: Ecoinvent 3.11 and DEFRA, UK Government GHG Conversion Factors for Company Reporting, 2024

Emissions into the atmosphere	Measurement Unit	2022 (baseline)	2023	2024	2022-2024 Trends
NOx	kg	33,000	39,333	35,300	7%
SOx	kg	2.287	351	240	-90%
Volatile Organic Compounds (VOCs)	kg	1.6	1.4	0.5	-66%
Powders	kg	1,934	5,148	6,048	213%

Waterfall	Measurement Unit	2022 (baseline)	2023	2024	2022-2024 Trends
Withdrawals	m^3	9,833,879	9,895,166	10,608,065	8%
From surface waters	m^3	0	0	0	-
From groundwater	m^3	9,826,964	9,882,836	10,601,125	8%
From mains water supply	m^3	6,915	12,330	6,940	0%
Discharges	m^3	7,664,083	7,710,963	8,350,853	9%
Into surface waters	m^3	7,664,083	7,710,963	8,350,853	9%
Into the sewer system	m^3	0	0	0	-
Consumption	m^3	2,169,796	2,184,203	2,219,326	2%

Emissions into water	Measurement Unit	2024	2022-2024 Trends
COD	kg	7,000	-
Suspended solids	kg	3,000	-
Hydrocarbons	kg	1,000	-

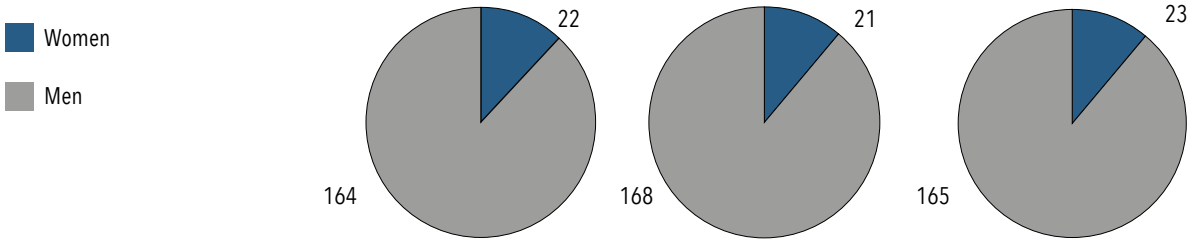
Materials used	Measurement Unit	2022 (baseline)	2023	2024	2022-2024 Trends
Raw materials used	t	181,114	172,634	195,186	8%

Waste produced by hazard and fate	Unità di misura	2022 (baseline)	2023	2024	Trend 2022-2024
Dangerous	t	1,797	2,186	1,287	-28%
Recovery	t	0.00	225	51	100%
Dump	t	496	1,380	878	77%
Other disposal operations	t	48	581	358	644%
Not dangerous	t	1,492	1,574	1,846	24%
Recovery	t	21	1,052	1,080	5006%
Dump	t	86	521	766	786%
Total	t	3,289	3,760	3,133	-5%

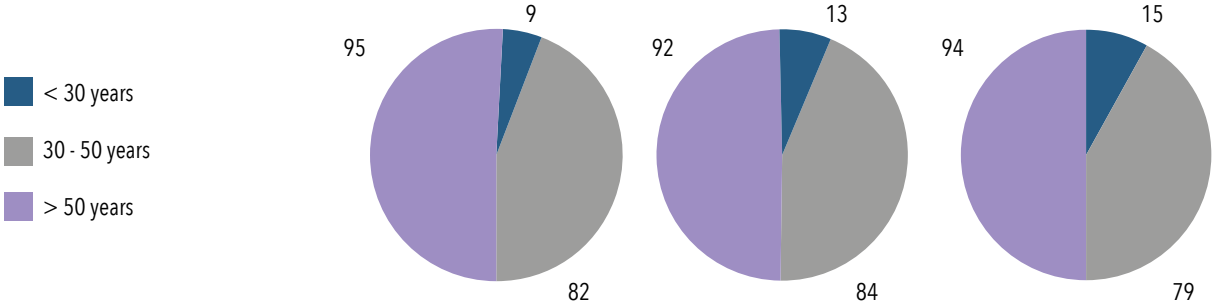
Waste produced by EER category	Unità di misura	2022 (baseline)	2023	2024	Trend 2022-2024
06 - waste from inorganic chemical processes	t	704	462	774	10%
07 - waste from organic chemical processes	t	827	825	415	-50%
08 - waste from the MFSU of coatings (paints, varnishes and glass enamels), adhesives, sealants and printing ink	t	0.05	0	0.12	144%
12 - waste produced by the processing and physical and mechanical surface treatment of metals and plastics	t	13	26	11	-19%
13 - spent oils and liquid fuel residues	t	5,1	1.4	4.9	-4%
15 - packaging waste, absorbents, rags, filter materials and protective clothing	t	210	179	209	-0.3%
16 - waste not otherwise specified in the list	t	149	558	176	18%
17- construction and demolition waste (including soil from contaminated sites)	t	868	1,266	998	15%
19 - waste from waste treatment plants, off-site wastewater treatment plants	t	498	438	504	1%
20 - urban waste (domestic waste and similar waste produced by commercial and industrial activities as well as by institutions)	t	15	6.1	41	176%

Social data

Distribution of employees by gender	2022 (baseline)	2023	2024	2022-2024 Trends
Women	22	21	23	5%
Men	164	168	165	1%
Total	186	189	188	1%



Distribution of employees by contract type	2022 (baseline)	2023	2024	2022-2024 Trends
< 30 years old	9	13	15	67%
30 - 50 years old	82	84	79	-4%
> 50 years old	95	92	94	-1%
Total	186	189	188	1%



Distribution of employees by contract type		2022 (baseline)	2023	2024	2022-2024 Trends
Permanent	Women	22	21	23	5%
	Men	161	164	164	2%
	Total	183	185	187	2%
Fixed term	Women	0	0	0	-
	Men	3	4	1	-67%
	Total	3	4	1	-67%
Full time	Women	22	21	23	5%
	Men	164	166	163	-1%
	Total	186	187	186	0%
Part-time	Women	0	0	0	-
	Men	0	2	2	-
	Total	0	2	2	-

Turnover	2022 (baseline)	2023	2024	2022-2024 Trends
Terminations	5	9	10	100%
Turnover rate	3%	5%	5%	67%

Parental leave		2022 (baseline)	2023	2024	2022-2024 Trends
Employees who were entitled to it	Women	22	21	23	5%
	Men	164	168	165	1%
	Total	186	189	188	1%
Employees who have benefited from it	Women	3	5	8	167%
	Men	1	23	31	3000%
	Total	4	28	39	875%

Distribution of Senior Management by Gender		2022 (baseline)	2023	2024	2022-2024 Trends
Managers	Women	0	0	0	-
	Men	7	8	10	43%
	Total	7	8	10	43%
Percentage of managers	Women	0%	0%	0%	-
	Men	100%	100%	100%	0%

Gender pay gap		2023	2024	2022-2024 Trends
Basic salary	Men	43,101	44,992	4%
	Women	36,447	39,343	8%
Average gross wage levels	Men	48,545	50,618	4%
	Women	42,478	42,226	-1%
Basic salary difference (men vs women)		15%	13%	-19%
Difference in average gross earnings (men vs women)		12%	17%	33%

Compensation metric	2023	2024	2022-2024 Trends
Ratio of the highest-paid individual's earnings to the median earnings of all other employees	85,3%	88,1%	3%

Training		2022 (baseline)	2023	2024	2022-2024 Trends
Training hours	Women	167	270	567	240%
	Men	3,944	6,355	7,476	90%
	Total	4,111	6,625	8,043	96%
Average hours of training	Women	8	13	25	208%
	Men	24	38	45	89%
	Average total hours of training per year	22	35	43	94%

Accidents at work		2022 (baseline)	2023	2024	2022-2024 Trends
Employed workers	Total hours worked	304,539	318,509	310,922	2%
	Recorded injuries	2	1	3	50%
	Serious injuries	0	0	0	-
	Fatal accidents	0	0	0	-
	Injury rate	6.6	3.1	9.6	47%
	Serious injury rate	0.0	0.0	0.0	-
	Fatal accident rate	0.0	0.0	0.0	-
Non-employee workers	Total hours worked	9,380	8,017	12,676	35%
	Recorded injuries	0	0	0	-
	Serious injuries	0	0	0	-
	Fatal accidents	0	0	0	-
	Injury rate	0.0	0.0	0.0	-
	Serious injury rate	0.0	0.0	0.0	-
	Fatal accident rate	0.0	0.0	0.0	-

ESRS Disclosures

The tables below list all the disclosure requirements set forth in ESRS 2 and the thematic standards deemed relevant to Altair Chemical Srl, which guided the preparation of the Sustainability Report. The Section and/or paragraph where each disclosure is addressed is provided.

Information	Section/Paragraph
BP-1 General criteria for the preparation of the sustainability statement	Section 5
BP-2 Information in relation to specific circumstances	Par. 4.1
GOV-1 Role of the administrative, management and control bodies	Par. 4.1
GOV-2 Information provided to the administrative, management and supervisory bodies of the company and sustainability issues addressed by them	Par. 4.1
GOV-3 Integration of sustainability performance into incentive systems	Par. 4.1
GOV-4 Duty of Care Statement	Par. 5.1
GOV-5 Risk management and internal controls over sustainability reporting	Par. 4.1
SBM-1 Strategy, Business Model and Value Chain	Section 1
SBM-2 Stakeholder interests and opinions	Par. 5.2
SBM-3 Significant impacts, risks and opportunities and their interaction with the business strategy and model	Par. 5.1
IRO-1 Description of processes for identifying and assessing relevant impacts, risks and opportunities	Par. 5.1
IRO-2 Disclosure obligations of ESRSs covered by the corporate sustainability statement	Par. 5.1
MDR-P Policies adopted to address relevant sustainability issues	Section 6

ESRS E1 Climate Change

Information	Section/Paragraph
E1.GOV-3 Integration of sustainability performance into incentive systems	Section 2
E1-1 Transition plan for climate change mitigation	Section 6
E1.SBM-3 Relevant impacts, risks and opportunities and their interaction with the business strategy and model	Par. 5.1
E1.IRO-1 Description of processes for identifying and assessing relevant climate-related impacts, risks and opportunities	Par. 5.1
E1-2 (MDR-P) Policies related to climate change mitigation and adaptation	Section 2
E1-3 (MDR-A) Actions and resources related to climate change policies	Section 2
E1-4 (MDR-T) Objectives relating to climate change mitigation and adaptation	Section 6
E1-5 Energy consumption and energy mix	Par. 2.1
E1-6 Gross GHG emissions from Scope 1, 2, 3 and total GHG emissions	Par. 2.1

ESRS E2 Pollution

Information	Section/Paragraph
E2-1 (MDR-P) Pollution policies	Section 2
E2-2 (MDR-A) Pollution-related actions and resources	Par. 2.2
E2-4 (MDR-T) Pollution objectives	Par. 2.2
E2-4 Air pollution	Par. 2.2

ESRS E3 Water and Marine Resources

Information	Section/Paragraph
E3-1 (MDR-P) Water policies	Section 2
E3-2 (MDR-A) Water-related actions and resources	Par. 2.3
E3-3 (MDR-T) Water-related objectives	Section 6
E3-4 Water consumption	Par. 2.3

ESRS E5 Resource Use and Circular Economy

Information obligation	Section/Paragraph
E5.IRO-1 Description of the processes for identifying and assessing the relevant impacts, risks and opportunities related to the use of resources and the circular economy	Par. 5.1
E5-1 (MDR-P) Policies related to resource use and the circular economy	Par. 2.4
E5-2 (MDR-A) Actions and resources related to resource use and the circular economy	Par. 2.4
E5-3 (MDR-T) Objectives related to resource use and the circular economy	Section 6
E5-4 Incoming resource flows	Par. 2.4
E5-5 Outgoing resource flows	Par. 2.4

ESRS S1 Own workforce

Information obligation	Section/Paragraph
S1.SBM-2 Stakeholder interests and opinions	Par. 5.2
S1.SBM-3 Significant impacts, risks and opportunities and their interaction with the strategy and business model	Par. 5.1
S1-1 (MDR-P) Policies relating to own workforce	Section 3
S1-2 Processes for involving own workers and workers' representatives on impacts	Par. 3.2
S1-3 Processes for remediating adverse impacts and channels for workers to raise concerns	Par. 3.2
S1-4 (MDR-A) Actions on impacts relevant to the own workforce and approaches for mitigating relevant risks and pursuing relevant opportunities in relation to the own workforce, as well as the effectiveness of such actions	Par. 3.1
S1-5 (MDR-T) Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities	Section 6
S1-6 Characteristics of the company's employees	Par. 3.1
S1-7 Characteristics of non-employee workers in the firm's own workforce	Par. 3.1
S1-8 Coverage of collective bargaining and social dialogue	Par. 3.1
S1-9 Diversity Metrics	Par. 3.1
S1-10 Adequate wages	Par. 3.1
S1-11 Social protection	Par. 3.1
S1-13 Training and Skills Development Metrics	Par. 3.1
S1-14 Health and safety metrics	Par. 3.2
S1-15 Work-Life Balance Metrics	Par. 3.1
S1-16 Compensation Metrics (Pay Gap and Total Compensation)	Par. 3.1
S1-17 Serious human rights incidents, complaints and impacts	Par. 3.1

ESRS S3 Communities concerned

Information obligation	Section/Paragraph
S3.SBM-2 Stakeholder interests and opinions	Par. 5.2
S3.SBM-3 Significant impacts, risks and opportunities and their interaction with the strategy and business model	Par. 1.6, 5.1
S3-1 (MDR-P) Policies relating to affected communities	Par. 3.3
S3-2 Processes for engaging affected communities on impacts	Par. 3.3
S3-3 Processes for remediating adverse impacts and channels for affected communities to express concerns	Par. 3.3
S3-4 (MDR-A) Interventions on significant impacts on affected communities and approaches to manage significant risks and achieve significant opportunities for affected communities, as well as the effectiveness of such actions	Par. 3.3
S3-5 (MDR-T) Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities	Section 6

ESRS S4 Consumers and end-users

Information obligation	Section/Paragraph
S4.SBM-2 Stakeholder interests and opinions	Par. 5.2
S4.SBM-3 Significant impacts, risks and opportunities and their interaction with the strategy and business model	Par. 5.1
S4-1 (MDR-P) Consumer and end-user related policies	Par. 3.4
S4-2 Consumer and end-user engagement processes on impacts	Par. 3.4
S4-3 Processes for remediating adverse impacts and channels for consumers and end-users to express concerns	Par. 3.4
S4-4 (MDR-A) Actions on impacts relevant to consumers and end-users and approaches for mitigating relevant risks and achieving relevant opportunities in relation to consumers and end-users, as well as effectiveness of such actions	Par. 3.4
S4-5 (MDR-T) Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities	Section 6

ESRS G1 Conduct of Businesses

Information obligation	Section/Paragraph
G1.GOV-1 Role of the administrative, management and control bodies	Par. 4.1
G1.IRO-1 Description of processes for identifying and assessing relevant impacts, risks and opportunities	Par. 5.1.
G1-1 (MDR-P) Policies on corporate culture and business conduct	Section 4
G1-2 Management of relationships with suppliers	Par. 4.3
G1-3 Prevention and detection of active and passive corruption	Par. 4.2
G1-4 (MDR-A) Confirmed cases of active or passive corruption	Par. 4.2
G1-5 Political influence and lobbying activities	Par. 4.2
G1-6 Payment practices	Par. 4.3

ALTAIR CHEMICAL

Company subject to
Esseco Industrial S.p.A.'s direction and control

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