

**PHF** Ltd.



**SUSTAINABILITY REPORT**

**2021**

**POZZI INDUSTRIES**  
GROUP

**SUSTAINABILITY REPORT**

**2021**



# Summary

Letter to the Stakeholders	6
<b>1. The Sustainability Report</b>	8
1.1 Methodological Note	8
1.2 Objectives	9
<b>2. Group Profile</b>	12
2.1 The Group	12
2.1.1 Economic dimensions	19
2.1.2 Governance	19
2.2 Mission and values	20
2.3 Vision	20
2.4 Stakeholders	23
2.5 Sustainability Strategies	23
<b>3. Reporting on Materiality Aspects</b>	26
3.1 Economic responsibility	26
3.2 Environmental responsibility	27
3.2.1 REPUR®	30
3.2.2 BioPUR – 2030	31
3.2.3 BUTTERFLY	33
3.2.4 Environmental impact reduction plan	34
3.2.5 Small initiatives for the environment	38
3.3 Social responsibility	39
3.3.1 Gender inclusion and diversity project	39
3.3.2 Commitment to the local community and territory	40
3.3.3 Commitment to young people	40
3.4 Responsibility towards employees and collaborators	41
3.4.1 Commitment to the development and training of one's own resources	41
3.4.2 Commitment to the well-being and security of one's own resources	45
3.4.3 Commitment to supplier relationship management	47
<b>4. Appendix</b>	48
4.1 Sustainability Highlights	48
4.2 GRI Standards 2021	49

# Letter to the Stakeholders



**The history of the Pozzi family** is an example of Italian entrepreneurial history that has now lasted for more than seventy years.

My father, Alfredo Pozzi, founded the first company in the 1950s and, not by chance, chose to combine his surname with that of the town of Arosio, located in the province of Como, where

the first plant was inaugurated; this showed, from the very beginning, an indissoluble bond with the territory and its inhabitants.

Pozzi-Arosio began its activity, still in the chemical sector, producing paints for an industrial district, that of furniture production, which for decades has been a worldwide reference point. Despite his dedication to his work as an industrialist, my father, who certainly was a forerunner in being aware of his duty to social values, found the time to serve as mayor of the municipality of Arosio for several years, and in civil capacities as conciliating judge. In the same way, he was able to help and support his fraternal friend and peer, the Blessed Don Carlo Gnocchi, in his countless projects to ensure care, rehabilitation and social inclusion of young amputees and polio sufferers.

In pursuing our father's project, along with my brothers Abramo, Alessandro and Carlo – and constantly supported by our six sisters, who are also entrepreneurs in Distillerie Pozzi, another of our family's industrial enterprises, founded by my father – we worked to develop a social project. That of a company where job providers and lenders must live in absolute harmony, respecting the principles of seriousness, commitment and mutual respect.

This undoubtedly ambitious project however lasting for decades has continued with the contribution of the third generation and, in particular, Alfredo junior, who died prematurely, and Walter.

The fourth-generation great-grandchildren are about to join the company to replicate, I am convinced, our founder's dream come true, and, confirming the Group's geographic openness, international nature and vocation for networking, the Merino family – of Spanish origin – has also recently joined the company, bringing an important contribution in the management of international realities.

This synergy gave rise to the **Pozzi Industries Group**, whose *board directors referring* are Walter Pozzi and Juan Antonio Merino.

Pozzi Industries Group is a company that operates in full respect of values and traditions and constantly looks at the evolution of business, markets, territory, people and the world we live in.

Our management is deeply convinced that the growth of the group is not only linked to economic and commercial results, but also to the way in which these results are achieved; one cannot look to future development without having a strategy of responsibility and respect for one's own organisation and the context in which it operates.

For this reason, the Group's companies have been pursuing sustainability goals for many years now, in the belief that investing in this project will give them a greater competitive edge by means of a new, more sustainable approach:

- internal benefits, resulting in a better working environment, better organisation and process management and thus greater efficiency;
- external benefits, such as increased transparency and, thus, accountability for its stakeholders;
- benefits at system level, as the involvement of other companies in a growth of sustainable awareness creates value in the area and, consequently, greater benefits for all those operating there.

In 2021, Pozzi Industries Group wanted to be accountable to its stakeholders for its commitment and achievements in making our group – and the contexts in which it operates – more responsible, sustainable and inclusive.

In 2022, we would like to continue our efforts to consolidate our activities, remaining consistent with our traditions and faithful to our values, which have enabled us to achieve our goals over the years, as well as to gain recognition both nationally and internationally.

President  
Angelo Pozzi

## 1.

# The Sustainability Report

## 1.1 Methodological note

The reporting scope of the Report extends to all Group companies and activities until 2021.

In order to identify the most relevant issues to be included in the report, the Group's management has

- identified its stakeholders; collected and assessed their expectations and issues of interest through interviews with managers, staff, consultants, institutions and local communities;
- drafted the materiality analysis on the most relevant sustainability issues for the Group and its stakeholders.

The contents of the Sustainability Report were defined in accordance with the GRI standard.

The choice of the GRI - Global Reporting Initiative standard is because it is the most widely adopted international standard and

the proposed disclosure covers all aspects required by the Decree. The Global Reporting Initiative is an independent standing institution based in Amsterdam (The Netherlands) and a collaboration centre of UNEP and works in cooperation with the United Nations Global Compact in relation to policies related to the pursuit of sustainable development objectives. The GRI-4 Standard is structured by specific guidelines to shape the basic principles of reporting through general and specific areas.



The general and specific areas are also reported by quantitative indicators (KPIs) of economic (EC indicators), environmental (EN indicators) and social (LA, HR, SO and PR indicators) nature. Additional reporting is also provided for 10 specific sectors.

Currently, in the for-profit sector, the reporting of non-financial information is mandatory for listed companies and the large banking-insurance sector, while it is voluntary for the rest of companies.

Pozzi Industries Group has chosen to prepare its Sustainability Report because it believes, in carrying out its business activities, to always focus on certain fundamental principles such as the fight against active and passive corruption, the environment, staff, welfare and human rights.

## 1.2 Objectives

The sustainable development strategy undertaken by the Group has led us to identify the priority Sustainability goals:

economic well-being	responsible production and consumption	respect and cooperation with the system	people's well-being
commercial and economic growth	reduction of emissions	commitment and support to the realities on the ground	health and safety
research and innovation	waste management and recycling	relationship with the community	human capital and diversity
	water consumption	engagement with customers and suppliers	decent work
	Supply chain	respect for human rights	

These are the benchmarks of the strategy that will guide us in the coming years.



## 2.

# Group Profile

## 2.1 The Group

Not just a group of companies, but a solid and well-defined group: Pozzi Industries Group is the synergy of skills in the chemical sector – where it was born – developed over the decades in the distinctive field of polyurethanes by creating polyurethane systems and building special plants, combining, for a long time, research activities aimed at the creation of special finishes for decorations.

Since the 1950s, the Group has been firmly linked to the Pozzi family and is now in its third generation of entrepreneurs.

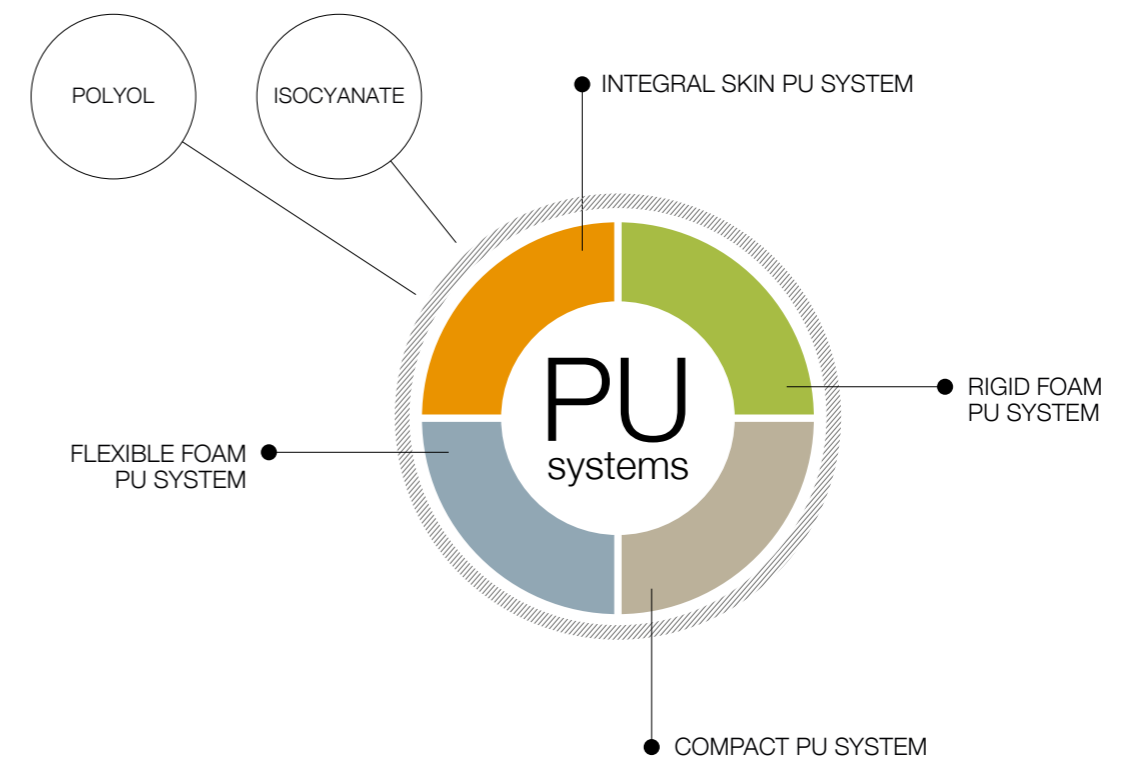
It has always been part of the economic context of the area in which it was born, Brianza, and over the years it has been able to consolidate a stable prosperity, becoming a recognised and esteemed entity by Italian and international companies.

Established in Arosio, in the province of Como – also under the same ownership – the first company, named “Pozzi-Arosio”, developed rapidly and made a name for itself over decades all over the world, where it opened operations.

When founded, Pozzi-Arosio produced and marketed furniture paints for manufacturing companies that were national and international leaders in the 1970s. Subsequently, the range of products offered was quickly expanded and diversified into highly customised and specialised products and solutions, through collaboration with leading players such as the Montedison Group and Ciba-Geigy.

It is also thanks to these partnerships that Pozzi-Arosio has become a leading company in the polyurethanes sector.

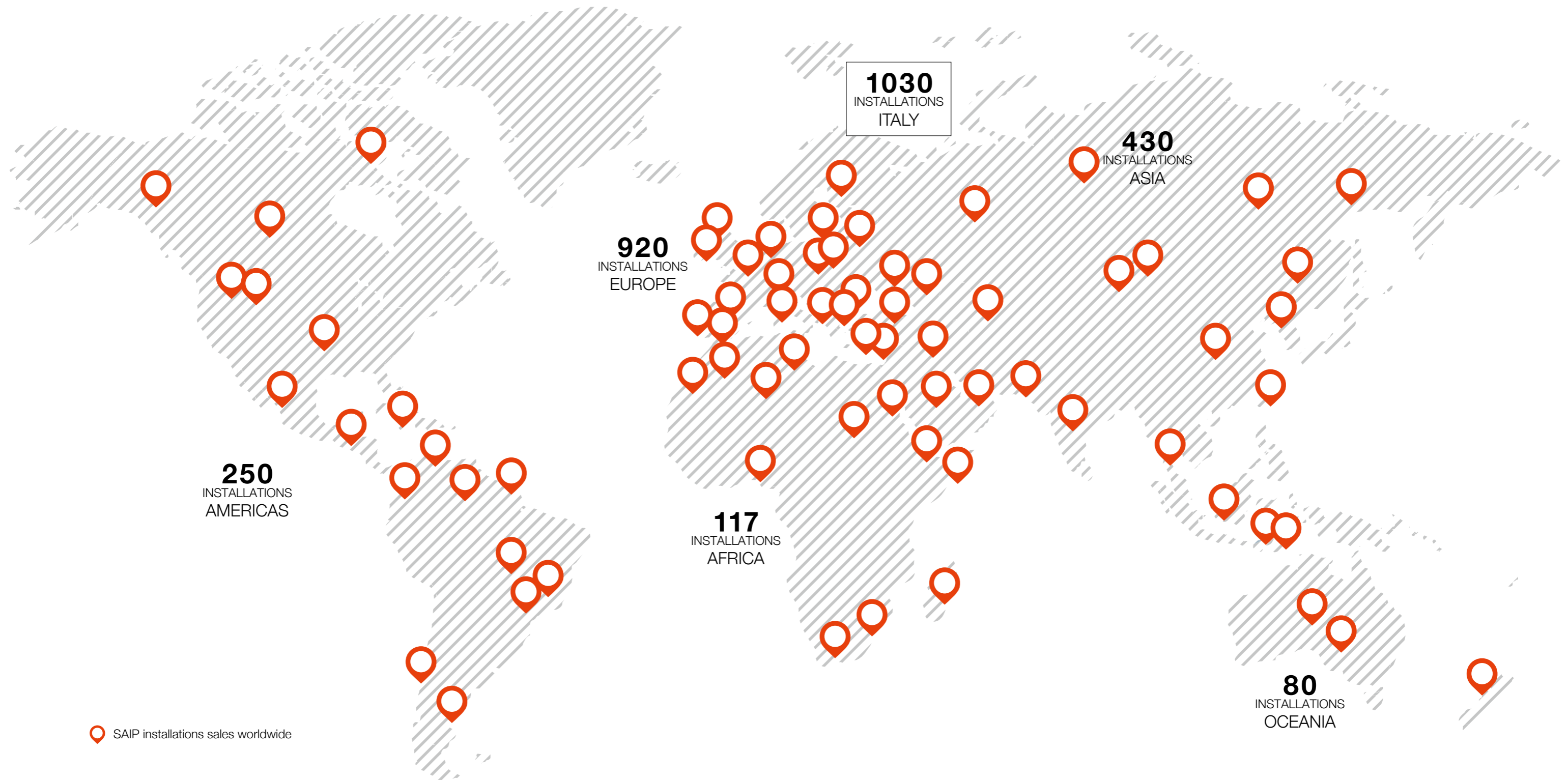
After signing a distribution agreement with one of the largest international companies, Pozzi-Arosio started marketing epoxy resin for the production of moulds for use in its polyurethane systems.

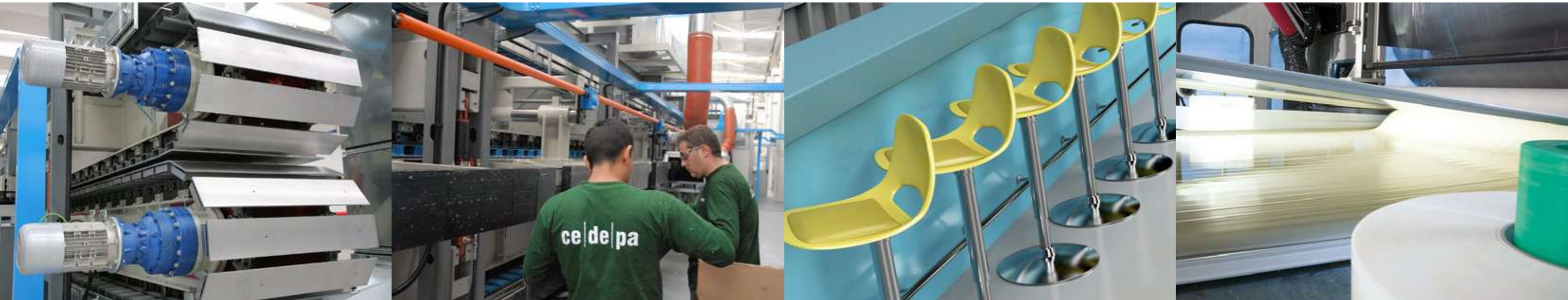


In 1978, Pozzi-Arosio took over SAIP, a company specialising in the production of polyurethane systems for various fields of application. Pozzi-Arosio familiarity with multiple product categories increased its natural inclination towards research and development. Today, SAIP is a world leader in the production of facilities and dosing machines for the use and treatment of polyurethane.

The company operates in the global market reaffirmed with the recent opening of the US subsidiary.

# The Pozzi Industries Group footprint in the World





In 2011, Pozzi Industries Group, aware that it is from synergies that the best solutions emerge, in partnership with Dow Chemical Company, in Tudela, Spain, on an area of 4,000 sqm, created CE.DE.PA., the world's largest centre for the technological development of panel production methods, equipped with a continuous production line, for any kind of testing and technical and practical training activities. An extremely innovative project that, thanks to research and information exchange, produced results that are more than appreciated by customers.

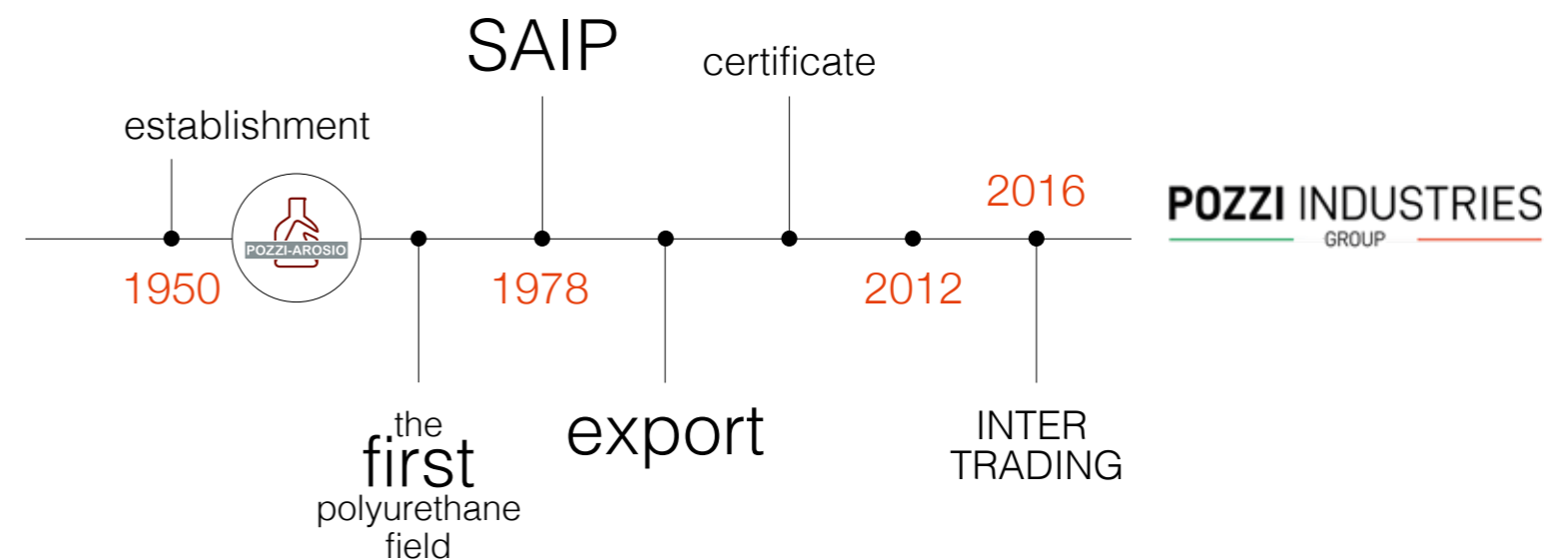
In 2013, Pozzi Industries was founded with the aim of offering customers the best of the Group's companies technical expertise, translating their ideas into concrete projects.

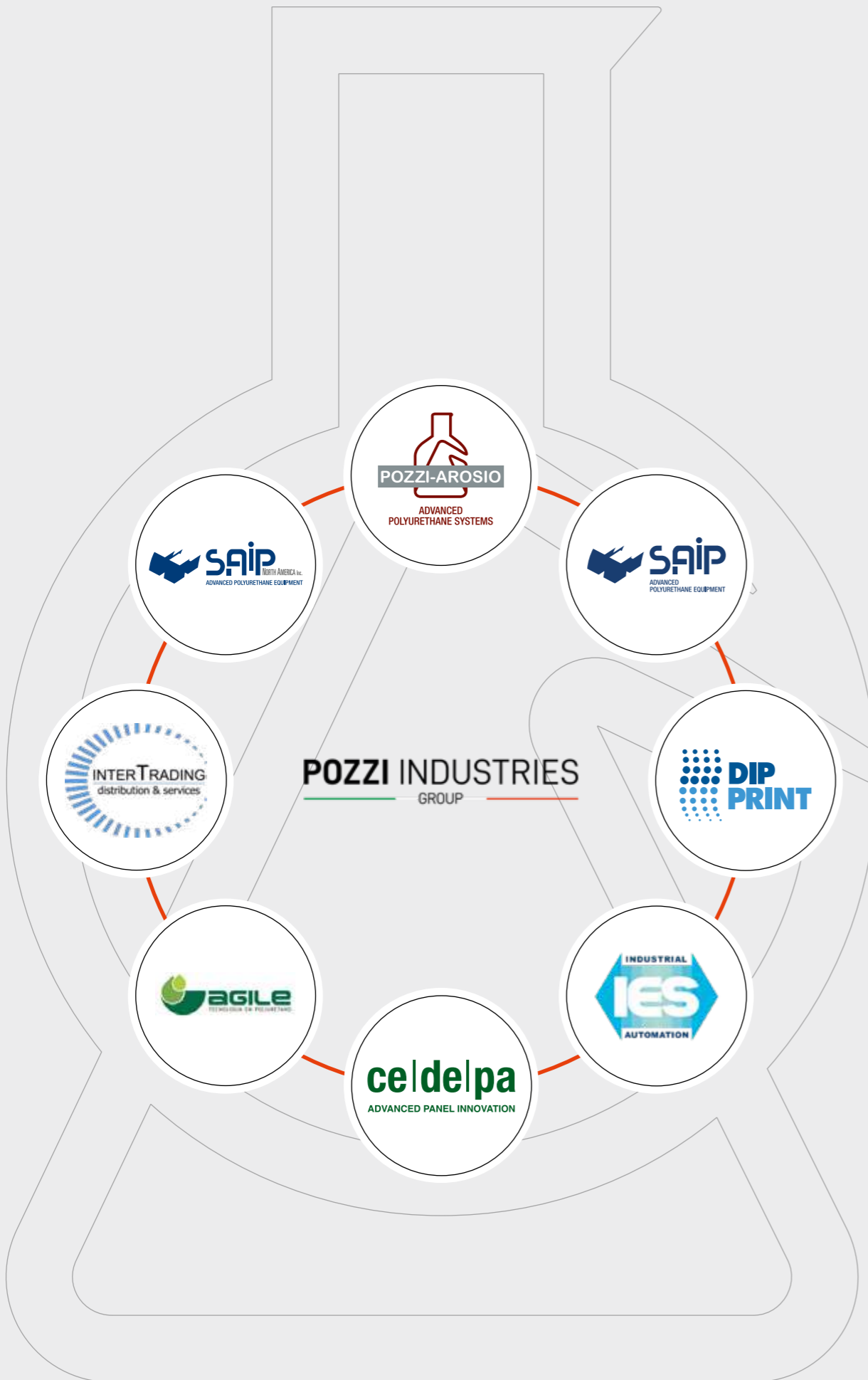
In 2016, the Pozzi Industries Group took over INTER TRADING, a company with many years of experience in trading isocyanates, polyols and chemicals in general, and at the same time reorganised its companies, which are now part of the holding PHF S.r.l.

Pozzi Industries Group's subsidiaries include AGILE, set up to develop joint ventures in the South American market, and IES, a company operating in Italy to develop solutions for the automation of chemical plants.

Very recently established is SAIP NORTH AMERICA INC., which was created to further develop the Group's activities in the American market, where, however, it had already been operating for many years.

Today, each company in the Group is an excellence in its own industry and, together, they contribute to the development of Made in Italy excellence in the world for polyurethane applications and technologies.





## 2.1.1 Economic dimensions

Currency	2020	2021
Turnover	36.732.641	53.369.453
EBIT	1.583.506	3.596.706
Net Income	1.444.294	2.562.361
Purchases	30.334.416	47.921.577
Wages and salaries	4.608.983	5.505.766
Amortization	435.757	798.137
Financial expenses	18.327	5.598
Equity	11.486.439	13.671.968
of which registered capital	1.817.800	1.817.800
Non-current assets (net)	1.041.155	935.940
Inventories	6.633.674	10.705.533
Accounts receivable	12.168.065	13.671.685
Cash & cash equivalent	13.289.341	14.590.954
Total assets	33.153.105	39.918.487
Total debt	33.153.105	39.918.487
Financial debt	764.300	2.116.084
Accounts payable	15.712.250	16.719.500
Headcount	68	71

## 2.1.2 Governance

The Group is characterised by a predominantly family-owned governance; the corporate governance model adopted in all companies is the one-tier model with the administration entrusted to a Board of Directors and the management and accounting control entrusted to statutory auditors and/or auditors.

The Board of Directors is vested with the broadest powers of strategic guidance for the proper and efficient management of the Group. A fundamental aspect for the Group, which has a predominantly family-owned shareholder structure is the issue of generational transition: the new generation is the pillar for its continuity.

For this reason, with the help of specialised consultants, the “Next Generation” project was initiated during 2021, to include the “juniors” of the family into the Group.

There will be three basic steps:

1. involve and inspire
2. probe and deepen
3. guide and support

The intention is to explore the universe of the new generation to identify the right tools for awareness and growth that can accompany the future generational transition.

## 2.2 Mission and values

The polyurethanes industry aims at sustainable growth and the conservation of available resources, while at the same time promoting high living standards.

The Group's production facilities are at the heart of the polyurethanes industry as they develop, produce and market various two-component polyurethane systems designed for many fields of application.

Pozzi Industries Group's policy is to achieve the highest technical performance in its formulations with extreme attention to consumer health and ecology: we use two-component formulations based on the use of MDI (diphenylmethane diisocyanate).

The production of raw materials in the Pozzi-Arosio plants is constantly monitored and kept under control by means of a certified quality system, which assures customers of the quality of services provided, striving for improvement as far as possible.

## 2.5 Vision

We are a family-owned international group that has been operating for more than 40 years in the polyurethane sector, offering state-of-the-art technologies, innovative products for our own, and our customers' growth. We have a dimension that combines production rigour with flexibility of action, and our customers recognise human value in our behaviour, creativity in our solutions, and balance in our decisions and reliability in our actions.

We take care of sustainability in our choices, aware of their impact on people and the environment.

We invest in continuity with the generations to come and see the prosperity generated as the means by which we honour our commitments.

Our guidelines for future development focus on four values:

### Expertise

We aspire to be competent and capable people, careful to develop our knowledge at all times, aware of its deterioration if not constantly updated.

We love to share our knowledge with each other to multiply its value. We know how to think outside the box and recognise the importance of insight and creativity, always combining it with the rationality that comes from experience.

We consider the appreciation of merit to be a powerful managerial tool for motivation, developmental drive and organisational well-being, and we encourage the pursuit of excellence in organisational behaviour and processes.

### Sense of belonging

We acknowledge our unambiguous identity that outlines our style and engage in serious and equal relationships, ensuring that our communication is clear and nurtures mutual trust.

We value debate and the rapid processing of differences, explaining the reasons and ensuring a rapid and fruitful reconciliation. We practise conscious listening, giving the other person the right space to express him/herself, and refrain from generating hasty and unsubstantiated judgements that could stigmatise people.

We are part of a large, cohesive and collaborative team, and we are aware that personal and collective satisfaction, when combined, always leads to growth and valuable results.

### Responsibility

We are personally accountable for our actions, acting with common sense and taking action with energy and initiative to ensure things run smoothly.

We pay attention to the results we achieve by ensuring that every action we take generates more value than what is required to achieve it. We love to elevate our vision, but we keep our feet firmly on the ground and aspire to grow as a Group, developing stable and lasting

prosperity through the success of the people and organisations we interact with.

We are persistent in our actions and take care of what we do with the rigour, attention and sensitivity we devote to our personal affairs.

### Balance

Our actions are guided by a sense of integrity and we operate in a transparent, traceable and ethically unambiguous manner.

We act with a strong sense of duty, confidently adhering to directives and rules, aware that we are part of a choral design that, when properly supported, produces prosperity for all.

We are polite in our relations, appropriate in our behaviour, light-hearted in our interpretations, avoid gossip, and endeavour to clarify misunderstandings as quickly and appropriately as possible.

We respect and esteem others and ourselves and act seriously and fairly, considering our reputation as the most valuable asset to safeguard.



## 2.4 Stakeholders

In 2021, the Group implemented a stakeholder engagement process and identified and analysed the issues of greatest interest to them through interviews and specific engagement initiatives, and drew up a materiality analysis on the sustainability issues that are most relevant to them.

### External

Partners

Suppliers

Customers

### Internal

Managers

Human Resources

## 2.5 Sustainability Strategies

The guiding thought behind the Pozzi Industries Group's sustainability strategy is:

**// investing in Sustainability to create value over time. //**

This translates into a system of goals that the Group aims to achieve by implementing sustainable and responsible behaviour.

### Green reputation established over time.

A strong sustainable reputation of the company improves relations with stakeholders directly involved with the business process:

- better relationship with lenders (improved bank rating);
- greater bargaining power with customers and suppliers;
- better management of human resources.

# INVEST IN SUSTAINABILITY TO CREATE VALUE OVER TIME.

**Lower staff turnover.**

The adoption of a sustainability strategy and its clarification in the annual report is a process that also involves the employees of the Group companies; this process creates a favourable working climate, increases employee motivation, builds loyalty and attracts new resources.

**Reduced operating costs.**

The identification of sustainability targets allows continuous monitoring and improvement of performance with a consequent reduction of operating costs.

**More efficient risk management.**

Focusing on social, environmental and governance risks improves the ability to identify threats and, consequently, improves operational effectiveness and efficiency.

**Creation of value in the territory.**

Involving other companies in the area in the objectives of a sustainable growth consciousness brings greater benefits to all players.

A Materiality Analysis was carried out to find out which sustainability aspects are most relevant for Pozzi Industries Group and the following areas of responsibility emerged as priorities:

- Economic responsibility
- Environmental Responsibility
- Social Responsibility
- Responsibility towards employees and collaborators

## 5.

# Reporting on materiality aspects

## 3.1 Economic responsibility

// We set ourselves the priority goal of sustained economic growth for the Group //

without which the development of a sustainable strategy, responsible consumption and production and full and decent employment for all employees would not be possible.

In recent years, Pozzi Industries Group has increased its commitment to research and innovation: in the two-year period 2020-2021, it has invested more than one million euros in scientific and technological research.

Faced with the growing demand for quality in terms of processes, products, services and relationships from consumers, customers, employees, suppliers, local authorities, the financial world and civil society, our Group has for some time now been setting up an internal working group to study the best solution for dealing with all these issues.

Group companies hold the most important accreditations in the field of certification, such as UNI EN ISO 9001:2015 issued by the prestigious international institute TUV.

## 3.2 Environmental Responsibility

// We want to defend our most precious heritage: the environment. //

The challenges that environmental protection poses to the industrial sector are many and urgent. These challenges have led the Group to focus on initiating and developing specific actions, at all levels of the organisation, to achieve a sustainable production and consumption model.

Pozzi Industries Group's research and innovation efforts have increasingly focused on energy sustainability projects and the possibility of recycling production waste.



**WE WANT  
TO DEFEND  
OUR  
MOST PRICELESS  
HERITAGE:  
THE ENVIRONMENT.**



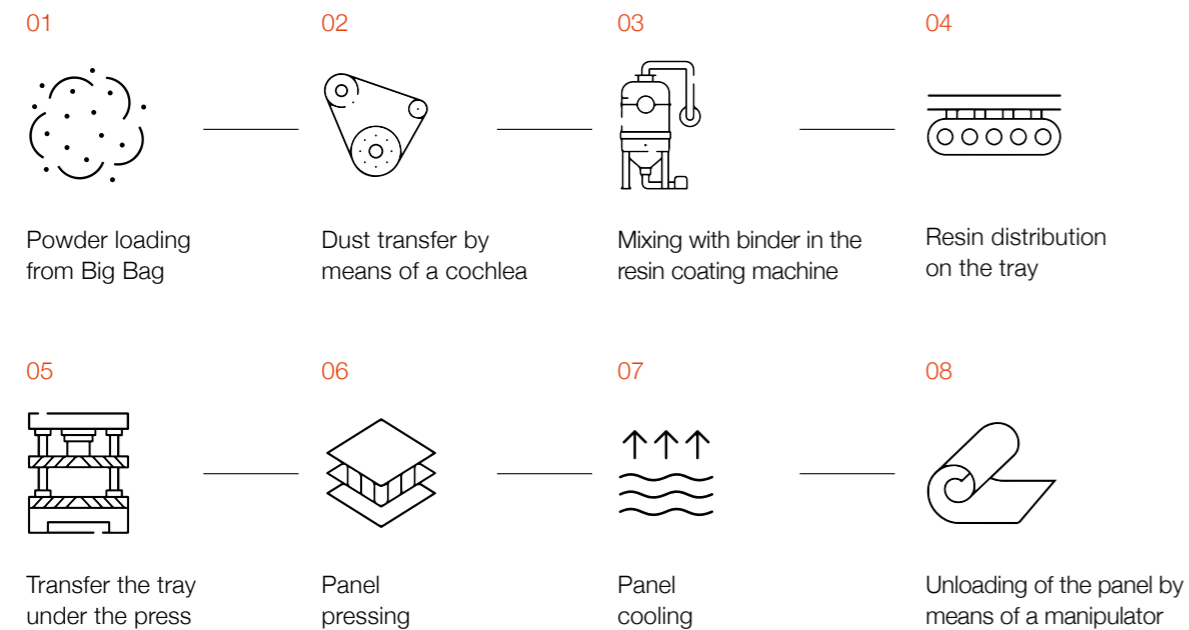
### 3.2.1 REPUR®

During the last few years, the attention of the technical-scientific community has increasingly focused on polyurethane recycling, due to both regulatory changes and the end-of-life status of more and more materials in use. The costs of disposal are increasing and

it is estimated that the space allocated for this purpose is decreasing more and more, with a corresponding increase in costs.

SAIP, sensitive to this issue, decided to develop REPUR®, a technology that allows PU waste to be reused as raw material for the production of PU foams.

**REPUR®** saves up to 76% of the raw material needed in the production process.



### 3.2.2 BioPUR – 2030

It is an international project under the Oryzon 2025 programme in cooperation with the University of Salerno and numerous organisations from different countries (France, the Netherlands, Spain, Russia, and Poland).

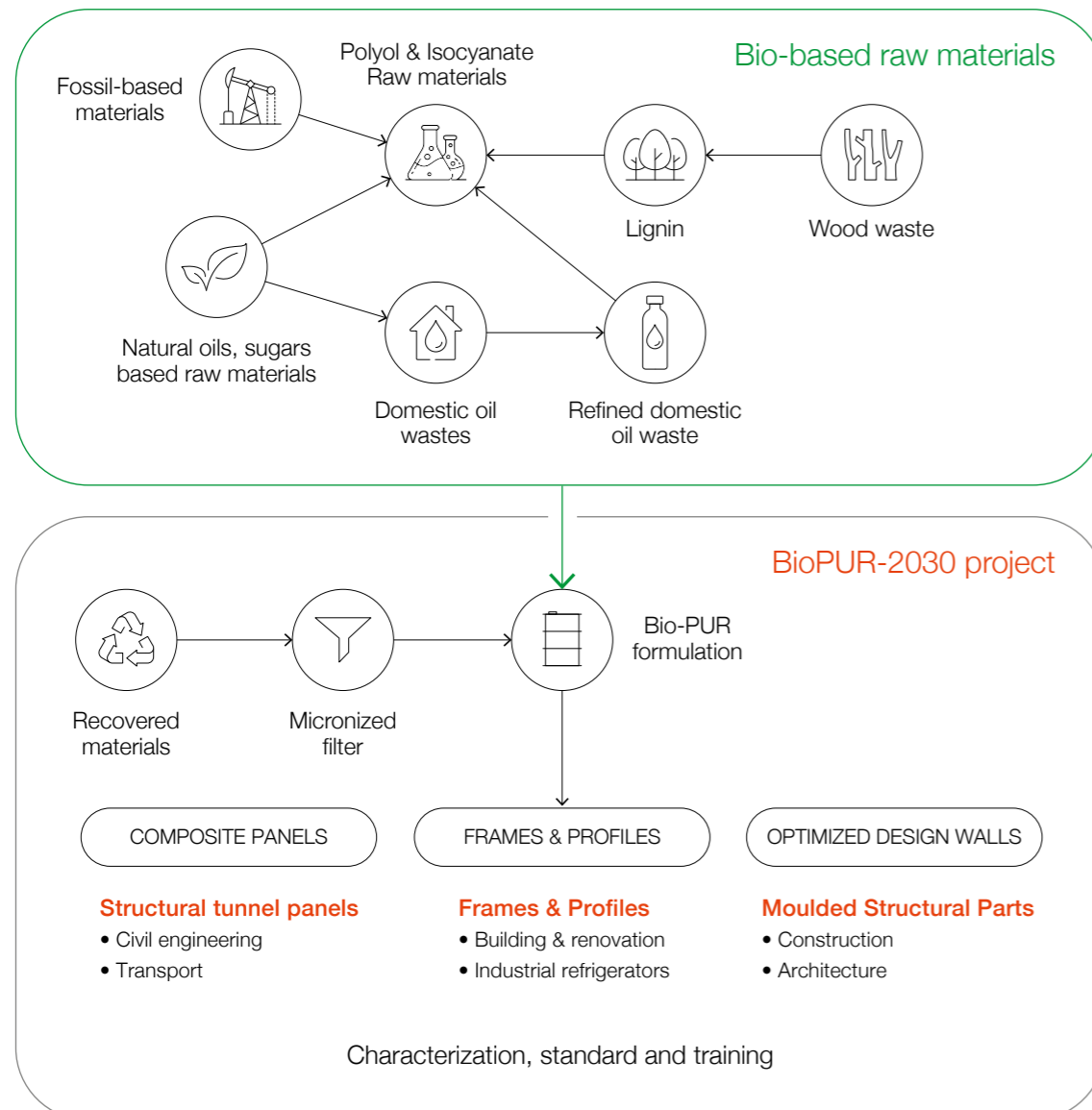
The aim is to demonstrate the unexplored possibilities of bio-based polyurethanes through three value chains, related to structural applications (structural materials for civil engineering, building and retrofitting products and optimised architectural solutions).

In addition to the inherent sustainability value of BioPUR – 2030 (low carbon footprint, recyclability, etc.), its high technical characteristics make it possible to obtain multiple products with improved performance, as well as the replacement of certain plastics with the same effects and benefits.

The main specific technical objectives of BioPUR – 2030 are:

- Identify sources of petroleum-derived raw materials and develop 3 families of BioPUR materials with different functionalities:
  1. BioPUR resins for pultrusion
  2. BioPUR foams for reactive injection moulding
  3. BioPUR foams for slab moulding and injection moulding
- Develop three automated MVP processes that integrate continuous and discontinuous technologies from different large-scale plastic applications such as:
  1. Integrated pultrusion-injection foam (IFIP) for BioPUR fibre-reinforced composite panel
  2. Serial reactive injection moulding (sRIM) for frames and profiles
  3. Advanced free-form cutting technology (AFCT) for shaped foam blocks

- Developing products with improved performance compared to existing applications:
  1. Bio-PUR fibre-reinforced composite panel with mechanical properties increased by 15 per cent, epoxy or vinyl ester counter resins and pultruded composite panels with thermal and acoustic insulation improved by 20 per cent respectively and 50%.
  2. BioPUR profile frames with an increase in thermal performance of over 140% and durability of over 50%, compared to conventional frames and profiles (PVC, aluminium or wood).
  3. BioPUR-shaped blocks with 30% improved lightness.



### 3.2.3 BUTTERFLY

In 2021, the Butterfly project was continued – and developed – with the aim of digitising polyurethane processing plants for the production of insulation panels, through the development and implementation of digital technologies, in order to facilitate usability, security and management of data and information during the production process.

**Butterfly** is a top-level technology that helps achieve more efficient production processes. **Efficiency** is a key factor in achieving **sustainability**, as an efficient process requires less energy, raw materials and maintenance.

By exploiting digital technologies, an innovative digital platform was created comprising four macro packages:

1. Maintenance management of the machines that make up the production line.
2. Control and reduction of energy consumption.
3. Improved product quality achieved through defect detection tools and an innovative system of “Cruise Control” to ensure a more solid and effective continuity of production for customers.
4. Management of traceability of the manufactured product and the entire productivity chain.

The aim is to create a “bridge” between production management (MES) and the machine: to collect and process data from the field, automate the control of the product being processed, the plant operation, and measure energy consumption in compliance with legal obligations for energy-intensive companies.

### 3.2.4 Environmental Impact Reduction Plan

With a view to continuous improvement of our environmental performance, we started a project with the Spanish company DCycle to measure the environmental impacts of our organisation.

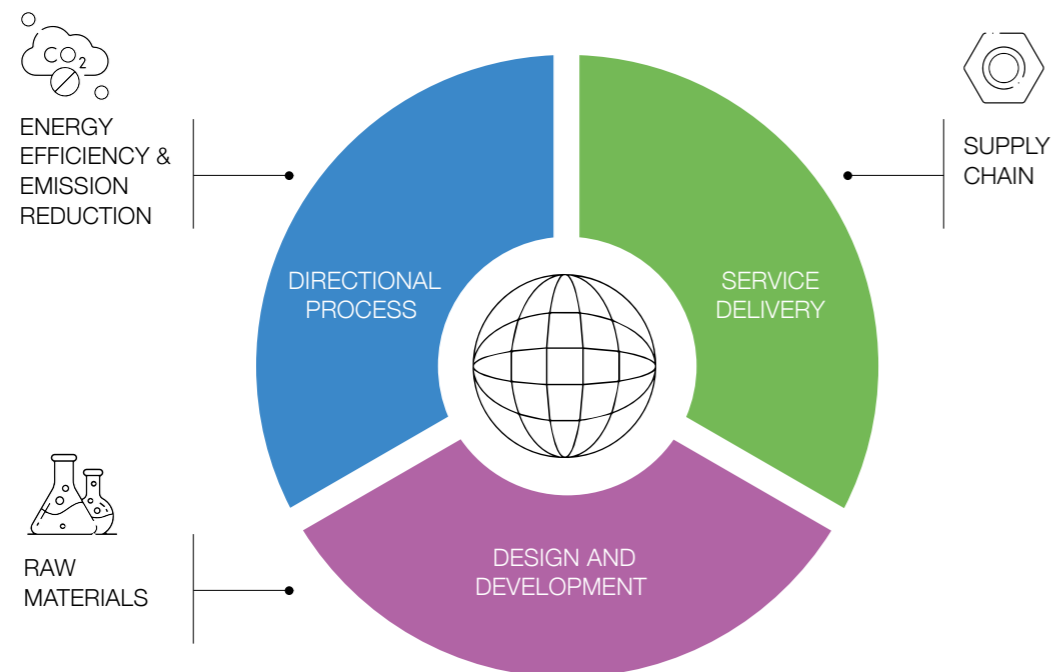
The objective is to elaborate a plan to reduce this impact and to develop the business more efficiently, thus avoiding not only environmental risks, but also economic and social risks, promoting the adaptation to the relevant regulations on these issues and trying to provide benefit to our stakeholders accordingly. The analysis was carried out with the Beta version of the DCycle software, based on the UNE-EN ISO 14064-1:2019 methodology.

In 2020-2021, the results were as follows:

- Total CO<sub>2</sub> emission of Pozzi Industries Group: 369 tonnes
- Arosio Wells impact: 13% below industry average
- SAIP impact: 21% above industry average.

In the short term, the scope of monitoring and reporting will be extended to all Group companies; **the aim is to become an industrial group with ZERO impact overall.**

The Environmental Sustainability Plan will focus on the following areas:



Main energy efficiency initiatives planned:

- Reducing GHG emissions.
- Renewable energy in all energy sources.
- Improving energy efficiency in production processes.
- Modernising infrastructure by making it more sustainable.

Main emission reduction initiatives:

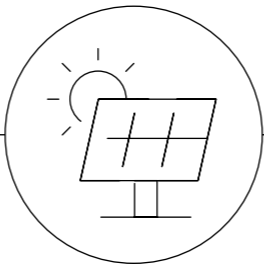
- Reducing GHG emissions.
- Improving education, awareness and human and organisational capacity for climate change mitigation.
- Strengthening the global partnership for sustainable development.



# Agreed actions for energy efficiency and energy reduction 2022

Action 1

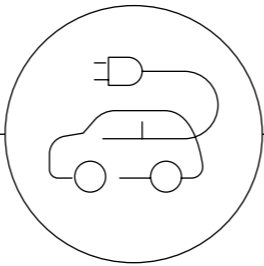
INSTALLATION OF SOLAR PANELS



Target 2023-2024  
consumption incentive  
in installations exceeding 50 per cent

Action 2

NEW CAR FLEET CONSISTING  
OF SUSTAINABLE MODELS:  
HYBRIDS AND/OR ELECTRIC CARS



Target 2023-2024  
Reducing emissions  
by 10% per year

Action 3

NEW EMPLOYEE MOBILITY PLAN  
TO RAISE AWARENESS  
ON SUSTAINABLE MODELS



Target 2023-2024  
Reducing emissions  
by 10% per year



### 3.2.5 Initiatives for the environment

In order to spread and consolidate a sustainable mentality at all levels of operational management of offices and work spaces, Pozzi Industries Group promotes and adopts a series of small initiatives such as: reducing paper consumption, eliminating plastic by using water dispensers, using LED lamps for outdoor lighting.

The next goal will be to adopt, exclusively, hybrid vehicles.

Plans are already underway to build a new headquarters that will house all administrative and technical staff of the Group companies.

The new building will consist of materials that allow, as much as possible, respect for the environment and the development, therefore, of a sustainable building project.

## 3.5 Social Responsibility

In a context of limited resources and strong inequalities,

// our Group wants to be increasingly committed, both in promoting initiatives for environmental protection and responsible consumption, and in respecting human rights. /

Collaboration with the local communities in the area is fundamental for creating a better working and living environment for the new generations.



The aim is to be a company that makes its resources available to positively intervene in problematic social situations with the desire to set an example for other companies in the area: if each player makes a small contribution, the overall contribution becomes larger.

### 3.3.1 Gender Inclusion and Diversity Project

The pandemic crisis has triggered serious social consequences by increasing inequalities and lesser access to equal opportunities. Women have been particularly affected by this situation.

With this in mind, Pozzi Industries Group wants to become a reality in which there are no gender gaps to be bridged; the commitment is – and always will be – aimed at adopting measures that will increasingly allow the elimination of any obstacles to the inclusion of women in all company processes.

In 2021, the Group hired eight new employees, three of whom were women, two between the ages of 36 and 50 and one over 50, with administrative tasks.

### 3.3.2 Commitment to the local community and territory

We have always been close to the local authorities engaged on the health and social front.

We mention, among others, the donation of a defibrillator to the SOS, the local Red Cross.

During the pandemic, we tried to provide relief to the area through a series of small actions, including contributing to the aforementioned SOS for the purchase of masks and protective instruments, which were difficult to obtain during the pandemic period.

These initiatives are also an opportunity for us to deepen our knowledge of the local realities operating in the area. Through these collaborations, needs sometimes emerge that have become particularly acute during this crisis.

Always with the aim of respecting and enhancing our region, we mainly refer to the local supply chain when choosing suppliers.

The selection of personnel is also carried out by giving priority to co-workers resident in the area, through work developed in synergy with schools and local employment agencies, as well as through active cooperation with Confindustria Como.

### 3.3.3 Commitment to young people

Our Group believes that young people are the protagonists of the future of the region and the economy; that is why it has been cooperating for years, through various means, with training institutes active in the region by offering work placements.

Every year we welcome to internships young people attending university or training courses organised by local institutions.

## 3.4 Liability towards employees and collaborators

// Intangible factors such as safety, the intellectual, professional and relational growth of employees and collaborators are, for us, key determinants of our success over time. /

Our growth is closely linked to the people who work with us. For this reason, our employees have always played a central role in our business: development, training, well-being and safety of workers are the principles that inspire our management and relations with staff.

The relationship between the company and the workforce is collaborative; the company climate is positive, so much so that the relationship with employees remains active with regard to staff who cease working with the Group having reached retirement age.

### 3.4.1 Commitment to the development and training of its resources

Our commitment to staff training starts at the time of candidate **selection**, when a special form is drawn up indicating the competences and the most suitable training path to enhance and implement them. The training is followed by a dedicated working group consisting of a member of the board, a figure from the administrative sector, one from the technical sector and one from the quality sector who, in synergy, also through an initial shadowing phase with more experienced colleagues, initiate the new employee to participate in specialisation and refresher courses.

We have always offered our employees **training** courses in line with their corporate role to improve their personal and professional skills and performance.

In 2021, we delivered approximately **1,500 training hours** with an average of 40 hours per employee with customised modalities and topics.



**INTANGIBLE FACTORS  
SUCH AS SECURITY,  
INTELLECTUAL, PROFESSIONAL,  
RELATIONAL GROWTH  
OF EMPLOYEES AND  
COLLABORATORS,  
ARE FOR US ELEMENTS  
DETERMINANTS OF OUR  
SUCCESS OVER TIME.**

#### **Mentoring and internal training**

- Operational support to UTE staff, PRO manager, QA manager and UTM to perform tasks related to the production process, technical support and procedures related to req. 8.5 ISO9001:2015

#### **New requirements**

- General training and information course for workers according to DL81/2008 art. 37 on health and safety in the workplace
- Training course: Machinery Directive 2006/42/EC.
- Apprenticeship training 2020-21 framework
- Training course: ADR regulations basic course and updates

#### **Other training planned during the year**

- Training Course: 'Strategic Purchasing and Supplier Management
- Fire-fighting team training course
- Training course: Legal framework for machinery compliance and innovations 2022
- Refresher course for workers operating self-propelled forklift trucks with driver on board
- B.L.S.D. refreshercourse
- Internationalisation Course

### **3.4.2 Commitment to the well-being and security of one's resources**

In order to improve the work-life balance, we made a number of initiatives available to our employees, including a corporate welfare programme, free medical examinations for the prevention of specific cancer diseases (melanoma), the possibility of access to so-called agile working (*smartworking*), and transformation of existing employment contracts to facilitate employees in special family situations (transformation of full-time employment contracts into part-time contracts).

### Corporate Welfare Programme

For the past three years, a bonus paid through welfare services to all employees has been in place.

For the access to the bonus, a system of distinct goals was constructed for each individual company area, and shared with all employees. With the prize, worth € 2,500 completely tax-free, employees can purchase various services such as access to training courses, school transport, school books, pay medical expenses, and family sports expenses.

### Medical Prevention and Occupational Safety Programme

Also with a view to promoting the well-being of its workers, the Group has implemented a number of initiatives to protect the health of its employees, such as:

- voluntary (non-compulsory) scheduled medical examinations. A dermatological screening campaign was organised in 2021;
- distribution of masks and other protective devices against Covid-19 to employees;
- installation of a defibrillator and organisation of a special training course to teach staff how to use it correctly;
- access to refresher courses on health and safety in the workplace;
- campaign to replace machinery acquired prior to 1996 with machinery complying with Directive 2006/42/EC, implemented in Italy by Legislative Decree 17/2010, and meeting the general safety requirements of Annex V of Legislative Decree 81/08 as amended.

### Smart working and part-time

Pozzi Industries Group is particularly attentive to the needs of employees with families and, with this in mind, offers those who need it, greater flexibility in working hours and the provision of more contractual collaboration options. For example, working mothers are offered the possibility of choosing an elastic and flexible part-time working relationship.

People who need it are also granted smartworking mode (a mode already used before the outbreak of the pandemic crisis by Covid-19). To facilitate the mobility of its employees, the choice of the new location was strongly influenced by its proximity to the railway station.

### Up-to-date work equipment

Particular care and attention is paid to the choice of software, hardware and all other usual operating tools, which are constantly kept up-to-date to facilitate the work of employees.

## 3.4.3 Commitment to supplier relationship management

In order to improve relations with its suppliers, the Group has set up a **confirmation platform** with Mediocredito Italiano for the financing of trade receivables from suppliers.

By accessing the platform where all their invoices are stored, suppliers can flexibly request the settlement of invoices online and without recourse.

# 4.

## Appendix

### 4.1 Sustainability Highlights

- 45.04% purchased electricity from renewable sources and certified by Guarantees of Origin (in 2020 it was 41.74%).
- Reduction of about 0.5 per cent in tonnes of CO<sub>2</sub> emitted (Scope 2 – market based) from SAIP's production plants compared to 2020. Scope 1 emissions were reduced by 4%.
- 100 % of employees employed on permanent contracts.
- 17 % female presence in the Group's overall workforce.
- Approximately 1,500 total training hours were provided to Group personnel (with an average of about 40 hours per employee).
- About 100 audits carried out at suppliers for product quality and safety.
- A special Code of Ethics applied to the Group is planned to be adopted by the end of 2022.

### 4.2 GRI Standards 2021

<b>GRI 1</b>	Foundation 2021	<b>GRI 306</b>	Waste 2020
<b>GRI 2</b>	General Disclosures 2021	<b>GRI 308</b>	Supplier Environmental Assessment 2016
<b>GRI 3</b>	Material Topics 2021	<b>GRI 401</b>	Employment 2016
<b>Consolidated Set of the GRI Standards 2021</b>		<b>GRI 402</b>	Labor/Management Relations 2016
<b>GRI 11</b>	Oil and Gas Sector 2021	<b>GRI 403</b>	Occupational Health and Safety 2018
<b>GRI 12</b>	Coal Sector 2022	<b>GRI 404</b>	Training and Education 2016
<b>GRI 13</b>	Agriculture Aquaculture and Fishing Sectors 2022	<b>GRI 405</b>	Diversity and Equal Opportunity 2016
<b>GRI 201</b>	Economic Performance 2016	<b>GRI 406</b>	Non-discrimination 2016
<b>GRI 202</b>	Market Presence 2016	<b>GRI 407</b>	Freedom of Association and Collective Bargaining 2016
<b>GRI 203</b>	Indirect Economic Impacts 2016	<b>GRI 408</b>	Child Labor 2016
<b>GRI 204</b>	Procurement Practices 2016	<b>GRI 409</b>	Forced or Compulsory Labor 2016
<b>GRI 205</b>	Anti-corruption 2016	<b>GRI 410</b>	Security Practices 2016
<b>GRI 206</b>	Anti-competitive Behavior 2016	<b>GRI 411</b>	Rights of Indigenous Peoples 2016
<b>GRI 207</b>	Tax 2019	<b>GRI 413</b>	Local Communities 2016
<b>GRI 301</b>	Materials 2016	<b>GRI 414</b>	Supplier Social Assessment 2016
<b>GRI 302</b>	Energy 2016	<b>GRI 415</b>	Public Policy 2016
<b>GRI 303</b>	Water and Effluents 2018	<b>GRI 416</b>	Customer Health and Safety 2016
<b>GRI 304</b>	Biodiversity 2016	<b>GRI 417</b>	Marketing and Labeling 2016
<b>GRI 305</b>	Emissions 2016	<b>GRI 418</b>	Customer Privacy 2016
<b>GRI 306</b>	Effluents and Waste 2016		



SAIP



SAIP

ADVANCED POLYURETHANE EQUIPMENT

[www.saipequipment.it](http://www.saipequipment.it)

**Sustainability report managers Pozzi Industries Group**

Abramo Pozzi

Blanca Merino

**With the collaboration of**

Studio Spiga Commercialisti & Avvocati Associati - Turin

**Graphic design and layout**

VisualGrafika - Turin

Closed for printing in July 2022

**PHF** Ltd.

**2021** BUDGET  
OF SUSTAINABILITY

**POZZI INDUSTRIES**  
GROUP