

SUSTAINABILITY REPORT 2022

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SUSTAINABILITY REPORT

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Letter to the stakeholders



The history of the Pozzifamily example of Italian entrepreneurship 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 as its name the combination of his surname with that of the town of Arosio, located in the province

of Como, and where the first factory opened, proving from the very beginning an unbreakable bond with his own 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 incivil capacities as conciliating judge. Just as he was able to help and support his fraternal friend, his peer, Blessed Don Carlo Gnocchi in the countless projects he carried out to ensure care, rehabilitation and social integration for polio sufferers and for young and very young people who had suffered amputations due to bombing during the war period.

Striving to carry on our father's project, together with my brothers Abramo, Alessandro and Carlo - and with the constant support of our six sisters, who are also entrepreneurs in another industrial reality of our family, also founded by my father, Distillerie Pozzi - we have also worked to develop a social project, namely that of an enterprise in which those who offer work and those who lend it must live in absolute harmony, in the name of the principles of seriousness, commitment and mutual respect. This certainly ambitious but decades-long project has continued with the contributions of the third generation and, in particular, Alfredo Jr. who died prematurely and Walter.

Already, the great-grandchildren of the fourth generation are in the process of joining the company to replicate, I am convinced, that dream of our founder that has become reality. Confirming the Group's geographic openness, internationality and vocation to network, the Merino family - of Spanish origin - recently joined the corporate structure, bringing an important contribution thanks to the experience gained in managing international realities. Pozzi Industries Group is the result of this synergy who sereferring board of directors are Walter Pozzi and Juan Antonio Merino.

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

The Group's management is deeply convinced that growth is linked not only to economic and business results, but also to the ways in which those results are achieved; in fact, we believe that sustainability is an essential element for our long-term success and for contributing to the well-being of the communities in which we operate.

Our commitment to sustainability runs deep and guides our every decision and action as we believe that by investing in it, we can gain a greater competitive advantage through:

- internal benefits, resulting in a better working environment and organization and management of processes from which greater efficiency results;
- external benefits, such as increased transparency and accountability for its stakeholders;
- system-wide benefits, as an involvement of other companies and organizations in the goals of sustainable growth creates value on the ground and greater benefits for all those who operate there.

We recognize that sustainability cannot be achieved alone. We are aware of the importance of engaging and collaborating with our stakeholders in order to address global challenges effectively.

Together with them, we want to listen and carry on an open and constructive dialogue to develop sustainable solutions and co-create value.

The 2021 Sustainability Report was appreciated and shared, and this gave us even more enthusiasm and conviction to pursue the organizational and economic efforts that the sustainability project requires.

We are committed to continuing to improve our sustainable performance, to defining ambitious and measurable goals, and to reporting on our progress in future Sustainability Reports. We are aware that the road to sustainability is long and complex, but we are confident that we can make a difference.

We invite you to read our Sustainability Report and share our ideas. We are open to new perspectives and opportunities to improve and face the challenges ahead together.

We thank all of our stakeholders for their interest, support, and continued cooperation during our journey toward sustainability.

We are confident that, together, we can create a better future for present generations and those to come.

President Angelo Pozzi



The Sustainability Report

1.1 Methodological note

This Sustainability Report has been prepared with the aim of providing transparent and comprehensive reporting of the Group's sustainable performances.

It aims to supplement traditional economic and financial information with environmental and social indicators to enable an assessment of the overall impact.

The reporting scope of the Report extends to all Group companies and activities carried out until 2022. The process of preparing the Sustainability Report is based on the following principles:

- a. *Inclusivity*: the report involves all companies and operating units of the Group and tends to consider relevant stakeholders, seeking to ensure a comprehensive and representative view.
- b. *Relevance*: the topics covered were chosen based on their importance to the organization and stakeholders, reflecting the most relevant and material issues.
- c. Completeness: the report aims to provide complete and accurate information, covering all significant subject areas and using reliable data.
- d. *Transparency*: our goal has been to produce a clear and understandable report to share relevant information in an open and accessible way with stakeholders.
- e. Consistency: a consistent pattern is adopted over time, allowing comparability among reported information and facilitating analysis of performance over the years.

The contents of the Sustainability Report have been defined in accordance with the GRI standard. The choice of the GRI - Global Reporting Initiative standard, is due to the fact that it appears to be the most adopted internationally and furthermore 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 collaborating center of UNEP and works in cooperation with the United Nations Global Compact in relation to policies related to the pursuit of the Sustainable Development Goals.

The GRI-4.

The general and specific areas are also to be reported through the use of quantitative indicators (KPIs - Key Performance Indicators) of economic (EC indicators), environmental (EN indicators) and social (LA, HR, SO and PR indicators) nature.) There is also additional supplementary reporting for 10 specific sectors. Currently, in the forprofit sphere, reporting of non-financial information is mandatory for listed companies and those in the banking-insurance sector, large while it is voluntary for the remaining.

1.2 Objectives

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

economic well-being	responsible production and consumption	respect for and collaboration with the system	people's well-being
commercial and economic growth	reduction of emissions	commitment and support to the economic actors in the area	Health and safety
research and innovation geared primarily toward sustainable solutions	wastemanagementand recycling	active role in communities by promoting social value initiatives	respecting human capital
	energy efficiency and use of renewable energy	commitment to customers and suppliers	decent work
	responsible use of resources	respect for human rights	promoting diversity and inclusion
sustainable supply chain management (sustainability criteria in supplier selection, promotion of socially responsible practices, and respect for human and labor rights along the supply chain)		transparency and reporting	Involvement of stakeholders

These are the cornerstones of the strategy that will guide the Group over the years.





Group profile



2.1 The Group

Not just a set of companies but a solid and well-defined Group: Pozzi Industries Group is the synergy of skills in the field of chemistry - where it was born - developed, over the decades, in the particular field of polyurethanes through the creation of polyurethane systems and the realization of special plants, to this combining, for a long time, research activity also aimed at the realization of special finishes for surface decorations.

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

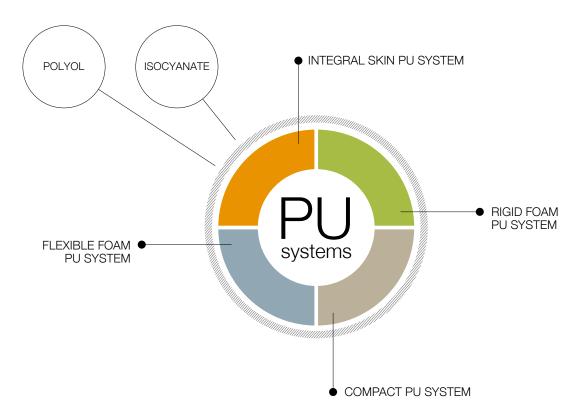
It has always been embedded in the economic environment of the area in which it was born, Brianza, and over the years it has been able to consolidate a stable prosperity, becoming an entity recognized and esteemed by Italian and international companies.

Established in Arosio, in the province of Como - always under the same ownership-the first company, named "Pozzi-Arosio", developed rapidly, making a name for itself, over decades, all over the world, where it proceeded to open operating businesses. When it was founded, Pozzi-Arosio produced and marketed furniture paints for manufacturing companies that, in the 1970s, were leaders nationally and internationally; subsequently, the range of products offered quickly expanded and diversified into highly customized and specialized products and solutions, also collaborating with primary entities such as the Montedison Group and Ciba-Geigy.

Thanks in part to these partnerships, Pozzi-Arosio has become a leading enterprise in the polyurethanes industry.

After signing a distribution agreement with a major international company, Pozzi-Arosio has begun marketing epoxy resins for the production of molds useful for the use of its polyurethane systems. In 1978 Pozzi-Arosio took over SAIP, a company specializing in the

production of polyurethane systems for various fields of application. Pozzi-Arosio's familiarity with multiple product categories increased its natural inclination for research and development. Today, SAIP is a leader, worldwide, in the manufacture of plants and metering machines for the use and treatment of polyurethane.

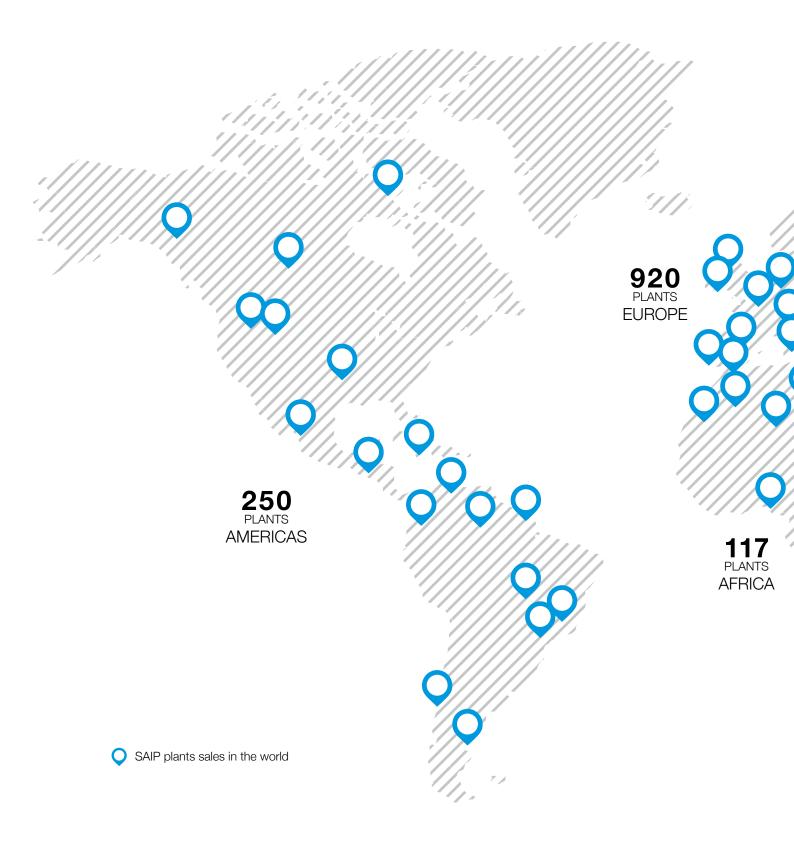


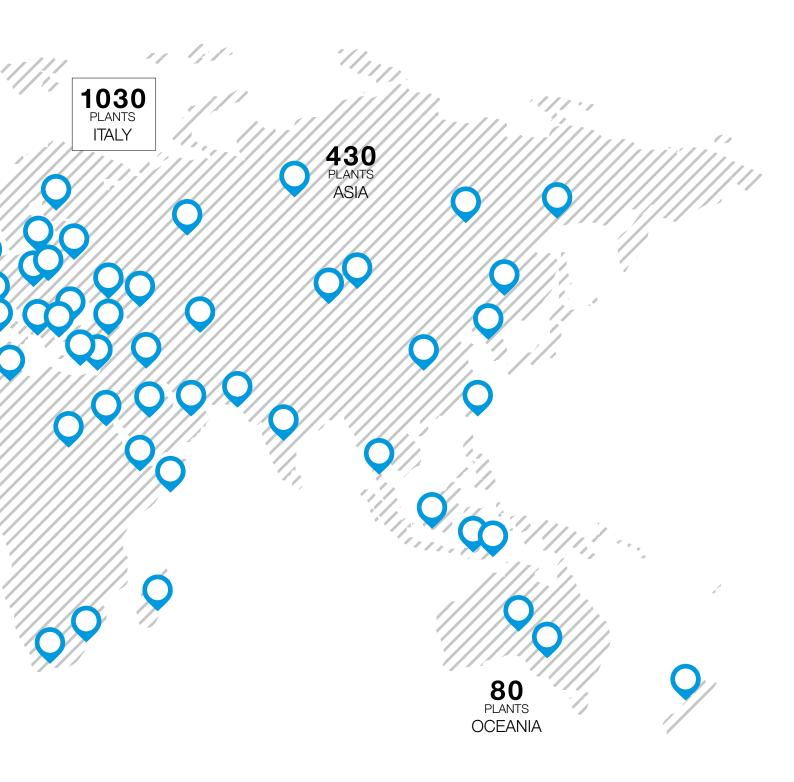
The company operates in the global market worldwide reaffirmed with the recent opening of the U.S. subsidiary.

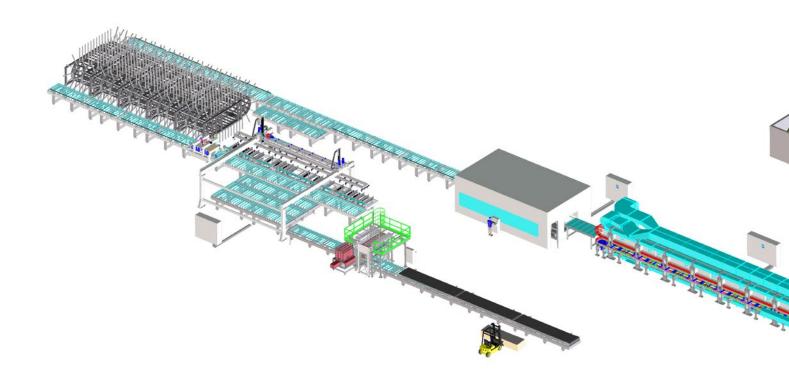
Pozzi Industries Group, aware that it is from synergies that the best solutions arise, in partnership with Dow Chemical Company, in 2011, created in Tudela, Spain, on an area of 4,000 sq. m., CE.DE.PA, the largest center in the world for the technological development of panel production methods, equipped with a continuous production line that can be used for any type of testing and technical and practical training activities.

This was an extremely innovative project that, through research and information exchange, produced results that were more than appreciated by customers.

The Pozzi Industries Group footprint in the World







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

In 2016, Pozzi Industries Group took over INTER TRADING, a multiyear experienced company in the trading of isocyanates, polyols, and chemicals in general, and proceeded, contextually, to reorganize its companies, which, today, makes up PHF S.r.l. holding company.

Pozzi Industries Group counts AGILE, among its participated companies, established 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.

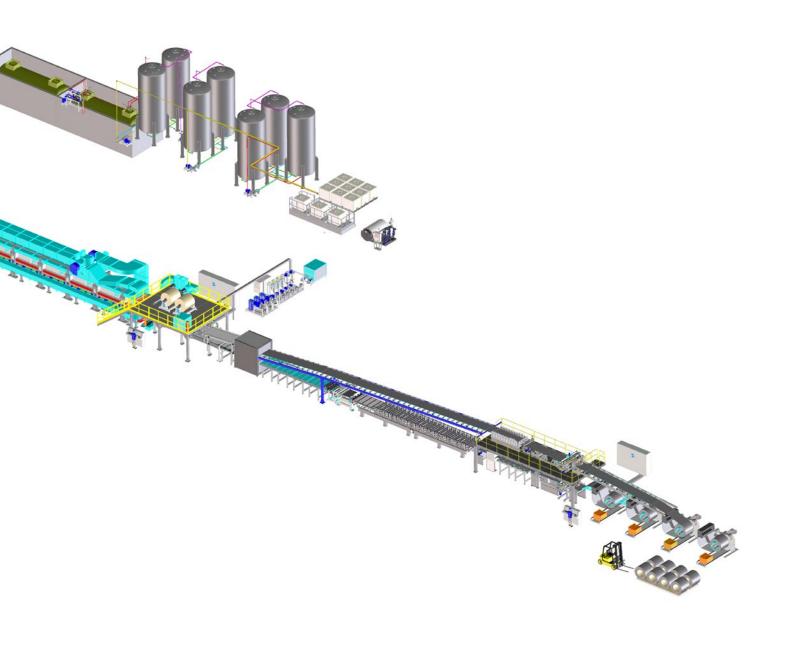
SAIP NORTH AMERICA INC. was very recently established to further develop the Group's activities in the American market where, by the way, the Group has already been present for many years.

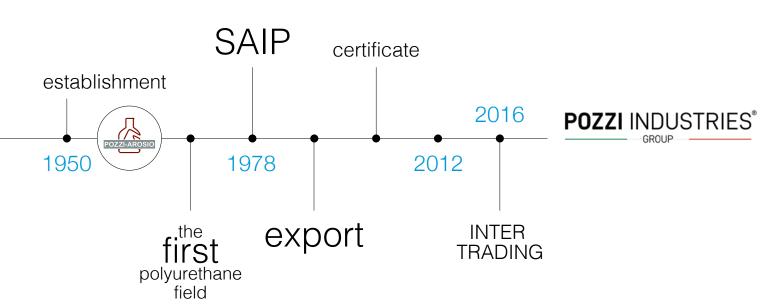
Today, every company in the Group is an excellence in its field, contributing together to the development of Made in Italy excellence in the world for polyurethane applications and technologies.

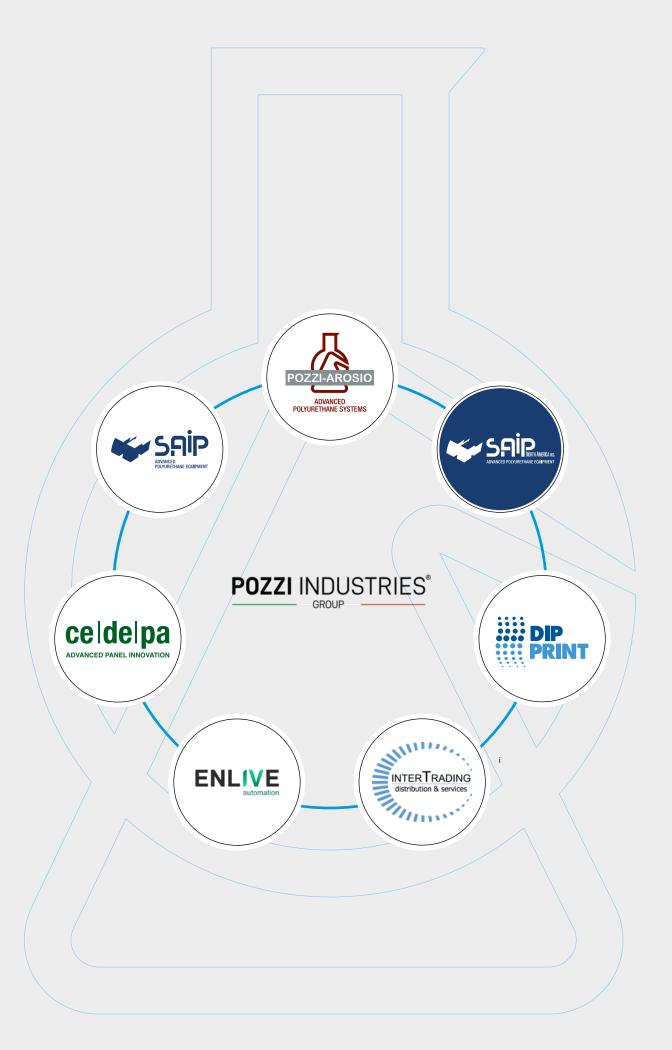
Group company SAIP s.u.r.l. subscribed to a stake in the newco "Enlive Automation S.r.l.", a startup whose purpose is to develop, produce, market and deliver innovative high-tech products and services.

In particular, the company's purpose is to design and market IT services and equipment suitable for industrial automation/digitization in any production field as well as to develop the Butterfly project, which will be discussed below.

For greater protection of our products and to characterize our Group in the world, the trademark "POZZI" has recently been registered both nationally and internationally.







2.1.1 Economic dimensions (€)

Currency	2020	2021	2022
Turnover	36.732.641	53.369.453	49.872.549
EBIT	1.583.506	3.596.706	3.710.298
Net Income	1.444.294	2.562.361	3.212.015
Purchases	30.334.416	47.921.577	42.999.847
Wages and salaries	4.608.983	5.505.766	5.278.470
Amortization	435.757	798.137	439.579
Financial expenses	18.327	5.598	9.667
Equity	11.486.439	13.671.968	15.514.178
of which registered capital	1.817.800	1.817.800	1.817.800
Non-current assets (net)	1.041.155	935.940	1.136.429
Inventories	6.633.674	10.705.533	13.137.915
Cash & cash equivalent	13.289.341	14.590.954	16.667.223
Total assets	33.153.105	39.918.487	45.122.700
Financial debt	764.300	2.116.084	1.067.936
Headcount	68	71	73

2.1.2 Governance

The Group is marked by a predominantly family-based governance; the corporate governance model adopted in all companies is the one-tier model with administration entrusted to a board of directors and management and accounting oversight entrusted to auditors and/or accountants.

The Board of Directors is given the broadest powers of strategic direction for the proper and efficient management of the Group.

A fundamental aspect for the Group, whose corporate structure is predominantly family-owned, is the issue of generational transition: the new generation is the pillar to its continuity.

For this reason, with the help of specialized consultants, the "Next generation" project was launched during the year 2021, which continues to be developed/revised in 2022 as well, for inclusion in the Group of the family's "juniors".

There will be three crucial steps:

- 1. engage and enthrall
- 2. explore and deepen
- 3. guide and support

The intention is to explore the universe of the new generation so as to identify the right tools for awareness and growth that might accompany the future generational transition; with this in mind, the new generations are those most involved in the Group's sustainability strategies and actions, including the preparation of this report.

2.2 Mission and Values

The polyurethanes industry aims for sustainable growth and the protection of available resources while simultaneously promoting ever-high standards of living.

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

Pozzi Industries Group's policy is to achieve maximum technical performance in its formulations while paying extreme attention to consumer and environmental health, using two-component formulations based on the use of MDI (diphenylmethanediisocyanate). The production of raw materials in the Pozzi-Arosio factories is constantly monitored and kept under control through a certified quality system, which assures customers of the quality of the products supplied, striving as much as possible for improvement.

2.5 Vision

We are a family-run international group that has been in the polyurethane industry for more than 40 years, offering state-of-the-art technologies and innovative products for our own and our customers' growth.

Our size allows us to combine production discipline with flexibility of action, and our customers appreciate our human value in behavior, creativity in balance in decisions, reliability in actions.

We invest in continuity keeping in mind the generations to come



and see the prosperity generated as the means by which we honor our commitments.

Our guidelines for future development are inspired by four values:



Competence

We aspire to be competent and capable people, careful to always expand our knowledge, aware of its depletion 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 recognize the importance of insight and creativity, always combining it with the thoughtful rationality that comes from experience.

We consider the enhancement of merit a powerful means of motivational drive, developmental momentum and organizational well-being, and we encourage the pursuit of excellence in organizational behavior and processes.



Fellowship

We identify with an unambiguous identity that outlines our style and engage in earnest and peer relationships, taking care that our communication is clear and nurtures mutual trust. We value discussion and process disagreements quickly, making the reasons for them explicit and ensuring prompt and fruitful reconciliation.

We practice mindful listening by giving the other person the proper space to express themselves and refrain from generating hasty and unsubstantiated judgments that may stigmatize people.

We are part of a great team, cohesive and collaborative, and we understand that personal and collective satisfaction, when they converge, make for growth and always produce valuable results.



Accountability

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

We are results-oriented by ensuring that each of our actions generates more value than is required to achieve it.

We are keen 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 organizations with whom we interact.

We are persistent in our actions and take care of what we do with the strictness, attention and sensitivity that 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 complying with guidelines and rules, knowing that we are part of a choral design that properly supported produces well-being for all.

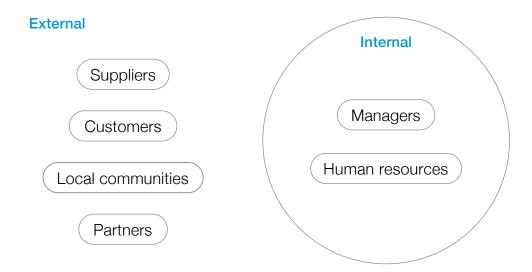
We are polite in relationships, appropriate in behaviors, tolerant in interpretations, avoid gossip, and are committed to clearing up misunderstandings in the quickest and most appropriate ways. We hold others and ourselves in respect and esteem and act seriously and fairly, considering our reputation as the most valuable asset to be safeguarded.



2.4 Stakeholders

Managing stakeholder relations is critical to ensuring the success of the sustainability report and the achievement of our goals. The Group believes that open and ongoing communication with stakeholders can foster collaboration, mutual understanding, and involvement in defining sustainability strategies and decisionmakina.

Therefore, in 2022 it increased the stakeholder engagement process launched in 2021 and identified and analyzed the issues of greatest interest to them through interviews and specific engagement initiatives and drafted the materiality analysis on the Sustainability issues most relevant to them.



Employees, managers and other staff: are directly involved in the Group's operations and culture oriented toward the company's social and environmental impact, workplace safety, training and development opportunities, employee welfare and other workrelated issues.

Suppliers: suppliers are an integral part of the company's supply chain and may have an interest in the Group's sustainability policies, adoption of sustainable practices in materials management or product life cycle.

Customers: critical to the Group's success, may be interested in the sustainability of the products or services offered.

Local communities: the local communities with which the Group interacts are interested in its impact on the environment, Local

employment, health and quality of life. They may be interested in collaborating to promote sustainable initiatives and participate in decisions that affect the community.

Partners, trade associations and other organizations: they can collaborate with the Group to develop shared initiatives and projects and promote the adoption of sustainable practices.

2.5 Sustainability Strategies

The guiding thinking behind the sustainability strategy of Pozzi Industries Group 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 behavior:

Green reputation established over time

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

- improved relationship with funders (improved bank rating);
- improved relationship with customers and suppliers;
- better management of human resources.

Lower staff turnover

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

Reduction in operating costs

Identification of Sustainability goals enables continuous monitoring and improvement of performance resulting in reduced operating costs.

More efficient risk-management

Focusing on social, environmental and governance risks improves the ability to identify threats and, as a result, improve operational effectiveness and efficiency.

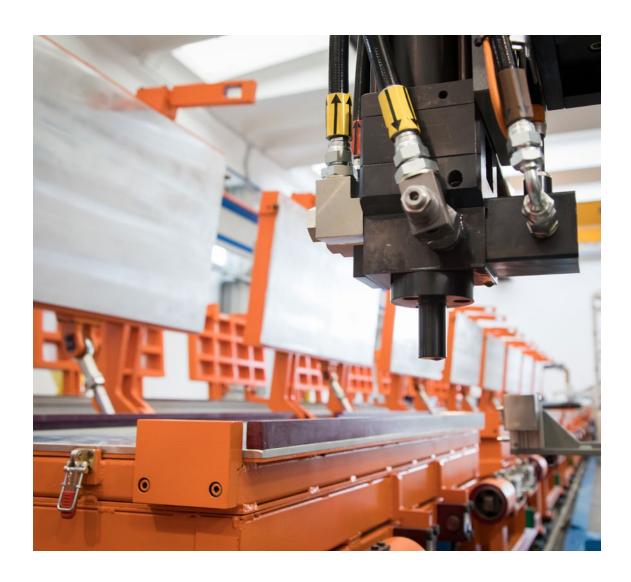
Creation of value on the territory

Involving other companies in the area with the goal of raising awareness about sustainability values brings benefits to all stakeholders.

A Materiality Analysis was done in order to detect which aspects of Sustainability are most relevant to Pozzi Industries Group, and the following areas of responsibility emerged as priorities:

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

These strategies are well integrated into the culture of the Group and are supported by an ongoing commitment to innovation and continuous improvement of sustainable performance.







Reporting on materiality aspects

5.1 Economic responsibility

// We set as our priority goal the sustained economic growth of 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.

Research and Development

In recent years, Pozzi Industries Group has increased its commitment to research and innovation by investing in scientific and technological research projects.

The Group has increasingly focused on developing innovative products and processes that have a lower environmental and social impact with the adoption of sustainable materials and optimizing processes for recyclability and promoting sustainable solutions for customers.

Quality

The following are the R&D projects developed in 2022:

- Butterfly project
- Repur® project
- BioPur project
- Powder Plant prototype building, SAIP internal research activity
- Mineral wool lamellae feeding section, SAIP internal research activity



- Equipment for setting up standing seam panels for insulation roofing, SAIP internal research activity
- Lamellae cutting MW100-130, SAIP internal research activity.
- Meander cutting, SAIP internal research activity
- New Multicomponent Machine for auto formulation and multilayer application, SAIP internal research activity
- HP test with 3rd component with abrasive charges for continuous system, SAIP/CE|DE|PA internal research activity
- Manual two-component low pressure test, SAIP internal research activity
- Low-pressure test 4 abrasive components discontinuously, SAIP internal research activity

Faced with the growing demand for quality, in terms of processes, products, services, and relationships, from consumers - customers, employees, suppliers, local authorities, financial world, civil society our Group has long created an internal work team that studies the best solution to address all these issues.

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

5.2 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.

During the past few years, the attention of the technical and scientific community has increasingly focused on polyurethane recycling, due to, both regulatory changes and the reaching of the end of life of an increasing amount of materials in us. Disposal costs are rising, and it is estimated that the space allocated for this purpose is decreasing more and more, with a related increase in costs.

These challenges have caused the Group to focus on undertaking and developing specific actions, at all levels of the organization, in order to achieve a sustainable production and consumption model. In particular, through SAIP, Pozzi Industries Group's research and innovation efforts have focused on energy sustainability projects and the possibility of recycling polyurethane production waste, through the development of solutions that are very diversified among themselves to better suit the multiple businesses operating in the sector. In 2022, projects already started in previous fiscal years were implemented (REPUR®, BioPUR-2030, Butterfly) and new projects were started (Glycolysis, Roofing, Flexible Project), which will have a major development during 2023.



3.2.1 REPUR®

REPUR® is a technology that enables the reuse of PU waste as raw material for the production of PU foams.

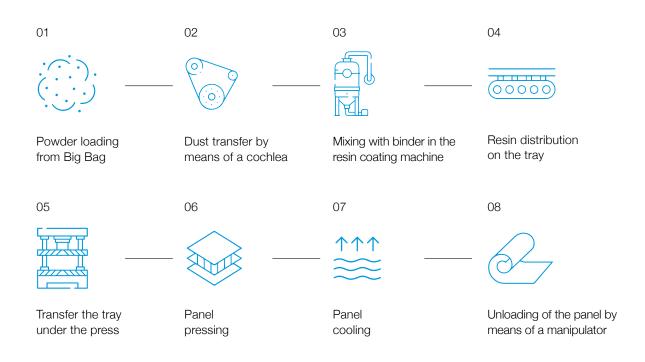
REPUR® saves up to 76% of necessary raw material in the production



process. The project was implemented in 2022 focusing on the heating part to reduce the curing time and thus increase productivity. The goal is to get to continuous production, as opposed to the current batch production.

During the year, research work focused on optimizing the production process with a heating system that would reduce its energy consumption and increase its productivity through the replacement of thermal oil.

The research activity, which began in 2021 with a feasibility study, in 2023 is scheduled to be in the testing phase.



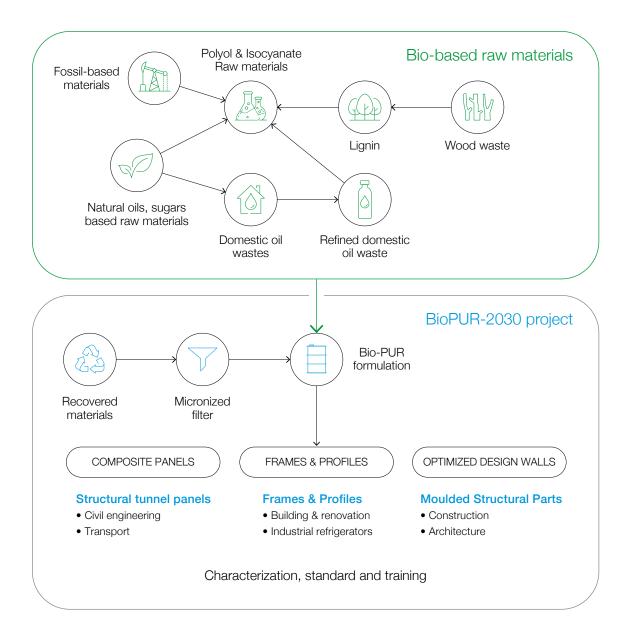




3.2.2 BioPUR – 2030

In 2022, the Group continued to implement the research activity envisaged by this international project carried out under the Horizon 2025 program in collaboration with the University of Salerno and numerous organizations from different countries (France, the Netherlands, Spain, Rumania, Poland).

The goal is to demonstrate the unexplored possibilities of bio-based polyurethanes across three value chains, related to structural applications (structural materials for civil engineering, building and retrofitting products, and optimized architectural solutions). In addition to the inherent value, in terms of Sustainability, of BioPUR - 2030 (low carbon footprint, recyclability, etc.), the high technical





characteristics, enable the production of multiple products with improved performance, as well as the replacement - with the same effects and benefits - of some plastics.

The main specific technical objectives of BioPUR - 2030 are:

- Identify sources of petroleum-derived raw materials and develop 3 families of BioPUR materials with distinct functions:
 - 1. BioPUR Resins by pultrusion
 - 2. BioPUR foam materials for reactive injection molding
 - 3. BioPUR foams for slab and injection foaming
- Develop three automated MVP processes integrating continuous and discontinuous technologies from different large-scale plastic applications such as:
 - 1. Integrated pultrusion-injection foam (IFIP) for BioPUR fiberreinforced composite panel
 - 2. Serial reactive injection molding (sRIM) for fixtures and frames
 - **3.** Advanced free-form cutting technology (AFCT) for shaped foam blocks
- Develop products with improved performance over existing applications:
 - 1. Bio-PUR fiber-reinforced composite panel with 15% enhanced mechanical properties, epoxy counter resins or vinylester, and pultruded composite panels with thermal and acoustic insulation improved by 20% and 50%
 - BioPUR with athermic increase Recovered materials
 Micronized filter of over 140% and duration of over 50%, for
 traditional frames and profiles (in PVC, aluminum or wood)
 - 3. BioPUR blocks improved by 30% in terms of lightweight

3.2.3 Butterfly

Project aimed at the digitization of polyurethane processing plants for the production of insulation panels, through the development and implementation of digital technologies, to facilitate the usability,



safety and management of data information during and production process Butterfly is a high-level technology that helps achieve more efficient production processes. Efficiency is a key factor in achieving Sustainability, as an process requires materials. and energy, raw maintenance.

Leveraging digital technologies, an innovative digital platform was created that includes 4 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 "Cruise Control" system to ensure more robust and effective production continuity for the customer.
- **4.** Traceability management of the manufactured product and the entire production chain.

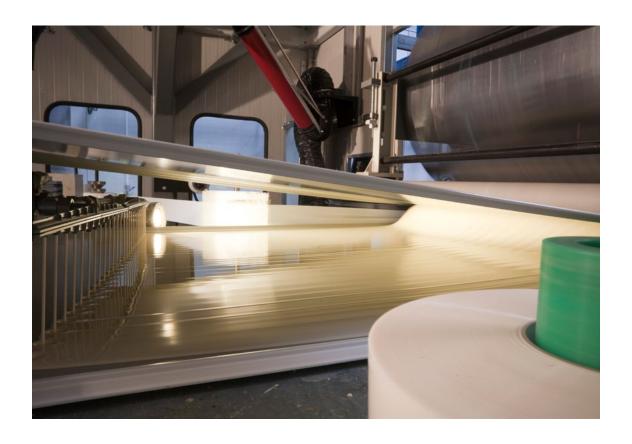
The goal is to create a "bridge" between production management (MES) and the machine: collect and process data from the field, automate the control of the product being processed, plant operation, measure the energy consumption in compliance with legal obligations for energy-intensive enterprises.

Started in 2021, it is in the optimization phase in 2022, and given the scope of the project, the Group has decided to set up an ad hoc company dedicated exclusively to the development of this project - "Enlive Automation S.r.l." in which Saip has a 40 percent stake - to direct it even beyond polyurethane, which is of exclusive interest to Saip.

3.2.4 Glycolysis (GLI)

Plant that aims to produce a raw material that can be reused in foaming machines (polyol) from a mix consisting of a chemical part and polyurethane waste (chemical recycling of polyurethane waste). Repur is a viable and sustainable proposal for polyurethane recycling but it is not exhaustive; GLI is an alternative project with the same purpose but with a use aimed at different producers: the first is an in-house solution aimed at a polyurethane producer who has limited waste and knows how to reuse it in their production cycle; GLI is aimed at producers who have a lot of waste and do not know how to put it back into their production cycle and thus creates new raw material.

Pozzi Industries wants to develop this technology, which already exists, but if applied to polyurethane it requires the development of a new plant.



3.2.5 Roofing

Project that represents a third alternative to Repur aimed at companies that have little production waste.

The idea is to start with polyurethane waste powders that, through a transformation process, will be used to fill the five so-called "frets" during the production of roof panels. This is because the frets do not generate performance from the point of view of thermal insulation but only have structural value.

This improves the bearing capacity of the panel and reduces the use of raw material by reusing waste.

5.2.6 Flexible Project

This project, designed at the end of 2022, aims to involve multiple partners, including the University of Bologna and Enea, with the goal of recovering soft polyurethane production waste (e.g., foam rubber for padding) whose recycling, to date, does not have the same characteristics of flexibility and softness as the raw material. Project leader is Cormatex S.r.l., the other partners, in addition to SAIP, are CNR and Innova D&P.



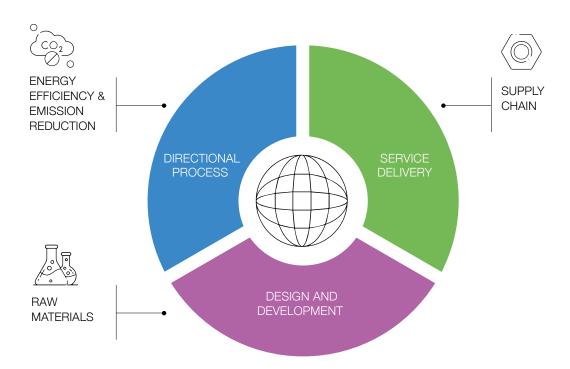
3.2.7 Environmental impact reduction plan

With a view to continuous improvement of our environmental performance, we have initiated with the Spanish-registered company DCycle a carbon footprint analysis of our organization. Basically, this is the measurement of carbon footprint in order to assess the environmental impact of the Group's habits, which is measured in terms of carbon dioxide (CO_2) emitted.

The goal is to develop a plan to reduce this impact and develop activity in a more efficient way, thus avoiding not only environmental risks, but also economic and social ones, promoting adaptation to the relevant legislation on these issues and trying to provide, consequently, added value to our stakeholders. The analysis was performed with the Beta version of the DCycle software, based on the UNE-EN ISO 14064-1:2019 methodology.

In November 2021, Climate neutral Pledge certificates were acquired by SAIP and Pozzi Arosio from the United Nations; committing to reduce their pollutant emissions to zero with an anti-climax of as much as 10 years from the Paris Agreement. Companies that join ClimatePledge are required to:

- regularly measure and report its greenhouse gas emissions;
- implement decarbonization strategies in line with the Paris
 Agreement through real business changes and innovations that
 include: efficiency improvements, renewable energy, materials
 reduction, and other strategies to eliminate carbon emissions;





• neutralize any remaining emissions with additional offsets (that are quantifiable, real, permanent, and socially beneficial) to achieve annual emissions of zero, by 2040.

In 2022 the carbon footprint analysis breaks down as follows:

- Scope 1: calculation of emissions generated directly by the company and by means/property owned by it;
- Scope 2: calculation of the company's indirect emissions, i.e., energy and water purchased and consumed.

Results are as follows:

Pozzi Arosio

- Scope 1: 218.44 t CO₂ eq.
- *Scope 2*: 30.18 t CO₂ eq.

SAIP

- *Scope 1:* 170.8 t CO₂ eq.
- Scope 2: 40.86 t CO₂ eq.

The goal is to become an industrial group, overall, with zero impact; therefore, the environmental sustainability plan will focus on the following areas.

Main energy efficiency initiatives planned:

- Renewable energy in all energy sources
- Improve energy efficiency in production processes
- Modernizing infrastructure by making it more sustainable

Main emission reduction initiatives:

- Reduce GHG emissions
- Improve education, awareness, and human and organizational capacity for climate change mitigation
- Strengthen the global partnership for sustainable development

3.2.8 Construction of a new sustainable office building

In 2022, the construction of the new office building began, with a focus on:

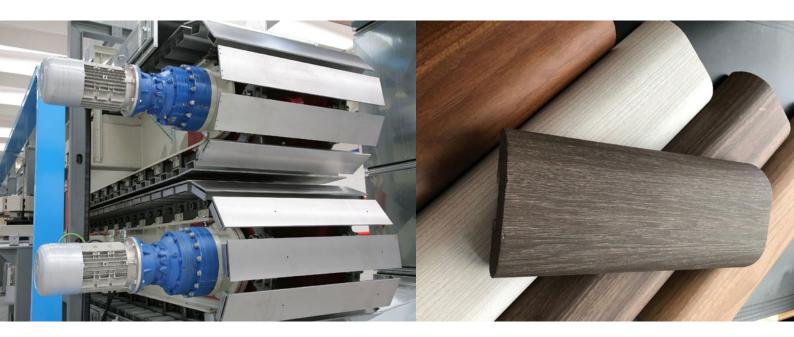
- building consumption
- energy efficiency
- environmental impact
- health impact



The new building will be built not only on the basis of energy and environmental sustainability objectives, but also with a view to the well-being of staff living. Just as an example, Arosio was chosen because it is very well served by public transportation and the railway, and the Group will bear a share of the cost of the train, thus facilitating non-"polluting" means; a bicycle parking lot will also be built, and electric car charging stations will be made available to employees.

3.2.9 Sustainability in day-to-day management

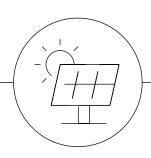
In order to spread and consolidate a sustainable mentality at all levels of operational management of offices and work spaces, Pozzi Industries Group promotes and adopts a series of small initiatives such as: reducing paper consumption, eliminating plastics by using water dispensers, and installing energy-efficient lighting systems. In 2022, Saip expanded its production facility and acquired a new warehouse of about 1,500 square meters equipped with LED lights and more efficient heating, and, again with the aim of reducing the environmental impact related to energy consumed and promoting the transition to more sustainable energy production, in 2023 it plans to build a canopy with photovoltaic panels on the parking lot.



Agred actions for energy efficiency

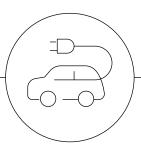
Action 1

INSTALLATION OF SOLAR PANELS



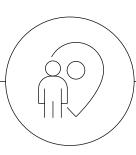
Action 2

NEW CAR FLEET MADE UP OF SUSTAINABLE MODELS: HYBRIDAND/OR ELECTRIC



Action 3

NEW STAFF MOBILITY PLAN TO RAISE AWARENESS ON SUSTAINABLE MODELS



and energy reduction 2023

Objective 2023-2024

Incentive to self-consumption in plants higher than 50%

Objective 2023-2024

10% yearly emission reduction

Objective 2023-2024

10% yearly emission reduction

5.5 Social responsibility

In a context of limited resources and strong inequalities,

// our Group intends to be increasingly committed to promoting initiatives in respect of human rights. /

The goal is to be an entity that makes its resources available to intervene positively on inequalities and problematic social situations with the willingness to set an example for other companies in the area as well: if each actor brings its own small contribution, the overall contribution becomes large.

3.3.1 Commitment to the community and territory

Collaboration with communities on the territoryis crucial to create a better working environmentand improved life perspectives for the next generations.

The Group has always been close to local authorities engaged on the health and social front, through multiple initiatives that contributeto the welfare of local communities, for example through



volunteer programs, to support social projects or investments in training and development of competences among the youngest of the area.

In 2022 with the Administration of the Comui of Arosio and Inverigo, Pozzi Industries Group has begun programming some initiatives with an important territorial impact. The agreement provides economic support to one or more social projects promoted by the municipalities that will have concrete development in 2023.

Pozzi Industries Group also acts as a promoter of the energy Communities of Arosio and Inverigo, to produce and share renewable energy, with advantages for the environment and economic benefits for the community.

3.3.2 Commitment to young people

Our Group believes that young people are the protagonists of the future of the territory and the economy; for this reason, it has been cooperating for years, through different modalities, with training institutes active in the territory with the offer of work internships. Every year we welcome young people attending university or training courses organized by area institutions to internships.

The following corporate internship projects were launched in 2022:

- POZZI AROSIO S.r.I./Istituto "JEAN MONNET" of Mariano Comense
 - No. 1 PCTO training and guidance project with student class 4 economic business focus.
- SAIP S.r.l./Istituto"JEANMONNET" of MarianoComense
 - No. 1 PCTO training and guidance project with student class 4 economic - business focus.
- SAIP S.r.l./Vocational Institute "ENFAPICOMO" Erba Branch
 - No. 3 qualification paths for fulfillment of the right/duty of vocational education and training A.F. with class 3 year students mechanical course.
 - No. 1 qualification pathway for fulfillment of the right/duty of vocational education and training A.F. with class 3 year student mechanical operator.

3.3.3 Inclusion and gender diversity project

Pozzi Industries Group wishes to be a company in which there are no gender gaps to be bridged; the commitment is - and always will be - aimed at adopting measures that allow, more and more, the elimination of any obstacles to the inclusion of weaker categories in all business processes.







5.4 Responsibility towards employees and collaborators

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

Our growth is closely linked to the people who work with us; that is why our employees have always and by family tradition played a central role in the business: development, training, health, welfare and safety of workers are the principles that inspire the management and relations with staff.

The relationship between the company and the workforce is collaborative; the business 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 one's own resources

Our commitment to staff training begins at the time of candidate selection when a special form is drawn up in which the skills and the most suitable training path to enhance and implement them are indicated.

The training path is followed by a dedicated working group composed 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 phase of shadowing with more experienced colleagues, initiate the new staff member to participate in appropriate specialization and refresher courses.

Annually, we offer our employees training courses in line with their corporate role to improve their personal and professional skills and performance. In 2022, 206.5 hours of training were provided to group staff in ways and topics customized for our employees.

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

To improve the work-life balance, we have made available to our employees a number of initiatives including a corporate welfare program, free medical examinations for the prevention of specific cancer diseases (melanoma), the possibility of access to so-called agilework(smartworking), the transformation of existing employment contracts to facilitate the employee who is in special family situations (transformation of full-time employment contracts into part-time contracts).

Corporate welfare program

For five years now, a bonus provided through welfare services has been established for all employees.

For access to the premium, a system of distinct goals has been built for each individual business area and shared with all employees. With the prize, worth 2,500 euros completely tax-free, employees can purchase various services such as access to training courses, school transportation, school books, medical expenses, and expenses for household sports.

Medical prevention and safety at work program

Also, to promote the well-being of its workers, the Group has activated a series of initiatives to protect the health of its employees, such as:

- voluntary scheduled medical examinations (not mandatory).
 A dermatological screening campaign was organized in 2021;
- distribution of masks and other Covid-19 defense devices to employees;
- installation of a defibrillator and organization of a special training course aimed at teaching employees its proper use;
- accessibility to refresher courses in occupational health and safety;
- campaign to replace machinery acquired before 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;
- in collaboration with *Penna Nera* cooperative, a local Non-Profit Organization, aimed at frail and disabled people, a "healthy

snack," will be brought to employees, seasonal fruits and vegetables grown by the cooperative. In addition, workers will also be able to have their groceries delivered directly to the company with their produce;

 the Group will bear a share of the cost of the train with the construction of the new headquarters, thus facilitating non-"polluting" means, a bicycle parking lot will be built and electric car charging stations will be installed for the use of employees.

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 collaborative contractual options. For example, working mothers are offered the option of choosing an elastic and flexible part-time working relationship.

People who need it are also granted the smart working mode (a mode already used before the outbreak of the pandemic crisis by Covid-19).

In order to facilitate the mobility of its employees, the choice of the construction of the new location was strongly influenced by its proximity to the train station.

Upgraded work equipment

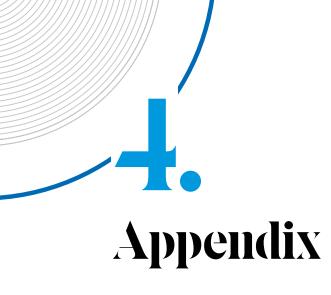
Particular care and attention are paid to the choice of software, hardware, and all other usual operational tools, which are kept constantly updated to facilitate the work of staff members.

3.4.3 Commitment to supplier relationship management

To improve the relationship with its suppliers, the Group has activated with Mediocredito Italiano a confirming platform, active since 2019, for the financing of trade receivables claimed by suppliers. Suppliers through access to the platform where all their invoices have been uploaded, can flexibly request the settlement of invoices online and without recourse.

Two new suppliers were included in 2022, and overall, the number of suppliers reserved for the service is 8.

The total volume of payments made during 2022 through the platform was 605,000.00 euros.





4.1 Hig

Highlights of Sustainability

- 42.32% purchased electricity from renewable sources and certified by Guarantees of Origin (in 2021 it was 44.31%)
- Construction of a new office building in accordance with sustainability criteria
- 100% of employees hired were confirmed with permanent contracts
- 17% female presence in the Group's total workforce
- Total training hours provided by SAIP were 206 hours while those provided by "Pozzi Arosio S.r.I." another Group company, were 364 hours
- About no. 105 audits carried out at suppliers for product quality and safety
- The definition of a special Code of Ethics to be applied within the Group is planned by the end of the year 2023



4.2 GRI Standards 2022

GRI 1	Foundation 2021			
GRI 2	General Disclosures 2021			
GRI 3	Material Topics 2021			
Consolidated Set of the GRI Standards 2021				
GRI 11	Oil and Gas Sector 2021			
GRI 12	Coal Sector 2022			
GRI 13	Agriculture Aquaculture and Fishing Sectors 2022			
GRI 201	Economic Performance 2016			
GRI 202	Market Presence 2016			
GRI 203	IndirectEconomic Impacts 2016			
GRI 204	Procurement Practices 2016			
GRI 205	Anti-corruption 2016			
GRI 206	Anti-competitive Behavior 2016			
GRI 207	Tax 2019			
GRI 301	Materials 2016			
GRI 302	Energy 2016			
GRI 303	Water and Effluents 2018			
GRI 304	Biodiversity 2016			
GRI 305	Emissions 2016			
GRI 306	Effluents and Waste 2016			

GRI 306	Waste 2020		
GRI 308	Supplier Environmental Assessment 2016		
GRI 401	Employment 2016		
GRI 402	Labor/Management Relations 2016		
GRI 403	OccupationalHealth and Safety 2018		
GRI 404	Training and Education 2016		
GRI 405	Diversity and Equal Opportunity 2016		
GRI 406	Non-discrimination 2016		
GRI 407	Freedom of Association and Collective Bargaining 2016		
GRI 408	Child Labor 2016		
GRI 409	Forced or Compulsory Labor 2016		
GRI 410	Security Practices 2016		
GRI 411	Rights of Indigenous Peoples 2016		
GRI 413	Local Communities 2016		
GRI 414	Supplier Social Assessment 2016		
GRI 415	Public Policy 2016		
GRI 416	Customer Health and Safety 2016		
GRI 417	Marketing and Labeling 2016		
GRI 418	Customer Privacy 2016		





Pozzi Industries Group sustainability report managers

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POZZI INDUSTRIES®