



SICIT GROUP
SUSTAINABILITY REPORT
AS OF **DECEMBER 31st, 2023**



SICIT Group S.p.A.

Via Arzignano 80, 36072 Chiampo (VI)

 0444 450946

 0444 453812

 info@sicitgroup.com

 www.sicitgroup.com

 [SICIT Group](https://www.linkedin.com/company/sicit-group)

C.F e P.IVA: 09970040961

Share capital Euro € 3.000.000 i.v.

Vicenza company registration no. 9970040961 – REA VI-388405

CONTENTS

CONTENTS	3
Letter to stakeholders	5
SICIT GROUP	6
<i>Who we are</i>	7
<i>History and evolution</i>	8
<i>Vision and values</i>	11
<i>Activities and markets</i>	15
<i>Group plants</i>	16
<i>Products</i>	18
<i>The circular economy</i>	20
<i>The main stakeholders of the Group</i>	22
<i>Materiality Assessment</i>	24
<i>The sustainability rating</i>	27
<i>Group Policies</i>	29
<i>Sustainability Objectives</i>	31
PROTECT OUR PLANET, MITIGATING IMPACTS FOR FUTURE GENERATIONS	37
<i>Significant KPIs and environmental objectives of the Sustainability Plan</i>	39
<i>SICIT commitment towards the environment</i>	43
<i>Energy consumption and emissions</i>	45
<i>Management of Water</i>	51
<i>Materials and circular economy</i>	53
<i>Annex environmental</i>	56
OUR PEOPLE	62
<i>Significant KPIs and social objectives of the Sustainability Plan</i>	64
<i>The people in the group</i>	66

<i>Development and competence integrity</i>	68
<i>Workplace Health and safety</i>	70
<i>Social Annex</i>	73
OUR POSITIVE IMPACT ON THE COMMUNITY	84
<i>Significant KPIs and objectives to support the local community</i>	86
<i>The supply chain</i>	87
<i>Community relations</i>	89
<i>Annex supply chain</i>	90
QUALITY AND INNOVATION	92
<i>Significant KPIs related to quality and innovation</i>	94
<i>Product quality and safety</i>	95
<i>Innovation, Research and Development</i>	97
GOVERNANCE AND ECONOMICS	99
<i>Significant KPIs and governance objectives of the Sustainability Plan</i>	101
<i>Corporate Governance</i>	103
<i>Economic value generated and distributed</i>	108
<i>Economic Annex</i>	110
METHODOLOGICAL NOTE	111
<i>Methodological note</i>	112
INDEX OF GRI CONTENTS	114
<i>Index of GRI contents</i>	115
AUDIT COMPANY REPORT	124

Letter to stakeholders

We are pleased to announce the publication of the fifth edition of the SICIT Group Sustainability Report, a document that reflects our ongoing commitment to sustainability and provides a transparent and complete view of the Group's social and environmental impacts in 2023.

The successes achieved by SICIT in the past year are even more significant considering our constant contribution to the territory and the community in which we operate, confirming us as a reference point in the circular economy. These results are based on a long sustainability path started in 2019, which has seen a greater commitment to communicating with all our stakeholders and demonstrates our willingness to be a leader in the global chemical industry, including in terms of sustainability. This is crucial to our business model.

This path has been developed through a series of projects in the three ESG dimensions (Environment, Social and Governance):

- **Environment:** Focusing on the creation of environmentally friendly and sustainable products, committing ourselves to the reduction of waste and emissions and increasing the use of energy from renewable sources;
- **Social:** Emphasizing transparency, legality and proper relations with all stakeholders;
- **Governance:** Ensuring full compliance with applicable regulations, codes and best practices.

During 2023, SICIT implemented several initiatives to follow up its first sustainability plan presented in conjunction with its previous sustainability report.

An important achievement in 2023 in the field of sustainability was the Platinum rating from the EcoVadis platform, as well as the fourth ESG rating from Sustainable Rating Agency, an independent sustainability rating agency. This rating confirmed our commitment to the strictest international voluntary directives, with particular attention to the 2022 Sustainability Report.

These results testify to our strong sense of accountability to stakeholders and our determination to improve the transparency and reliability of non-financial information.

In May 2023, the acquisition of control (51%) of Patagonia Biotechnology Spa, ("PatBio") a rapidly growing Chilean company that produces and distributes seaweed biostimulants and is certified by B-Corp. With this transaction, SICIT expands its activity by entering the plant biostimulants segment. The transaction is part of SICIT's strategy, aimed at strengthening its leadership position in the development and production of natural biostimulants dedicated to the B2B market.

The excellent results achieved in 2023, thanks to our business approach, encourage us to look to the future with confidence and determination toward greater sustainability.

Chairman
Rino Mastrotto



SICIT GROUP

SUMMARY & HIGHLIGHTS

VALUES

- Product quality and safety
- Customer satisfaction
- Working conditions based on ethics, trust, mutual respect and professionalism
- Collaboration with customers and with the scientific community
- R&D of new products processes
- Respect for the environment

OBJECTIVES

- Create value through the **circular economy and the recovery of animal and plant residues** for the production of high-quality products.
- **Integrate sustainability principles** into all our operations.
- **Work with integrity and responsibility**, actively contributing to building a more sustainable and resilient future for present and future generations.

SICIT IN NUMBERS



107,4 mln

revenues in € +13,1% vs. 2022



3 active production sites



4 laboratories (chemical, technological, agronomic and quality control)



2,7% of turnover allocated to R&D



72 countries reached

Who we are

GRI 2-28

Founded in 1960 in Chiampo (VI), in the heart of the Vicenza district of the Chiampo Valley, **SICIT Group S.p.A.** (hereinafter also "SICIT") was one of the first companies in the world to use amino acids and peptides in the market of biostimulants for agriculture, of which it is now a world leader.

In its plants in Arzignano and Chiampo (VI), SICIT **transforms the processing residues coming from leather tanning** into protein hydrolyzates, mainly used as **biostimulants for agriculture** and **retardants for the plaster industry**, providing the main players in the agrochemical and industrial sector. The farm also extracts **animal fat** from the tanning residues, which is sold as biofuels. SICIT is **an international excellence of the green and circular economy** that offers a service of strategic importance for different tanning districts, both Italian and European, withdrawing and **transforming residues of processing into products with high added value**, totally biodegradable, without risks to public health and the environment, **by significantly limiting the production of waste**. The activity, based on the *circular economy* model, allows to provide technologically advanced and entirely *green* solutions to customers and, at the same time, to contribute to the management sustainability of the tanning chain. A result made possible by the work of a qualified team, automated and technological production plants, state-of-the-art laboratories and constant investments in Research and development.

In 2023, Sicit Group acquired control of a Chilean company, **Patagonia Biotecnología S.p.A (PatBio)**, which allowed the Group to consolidate its expertise in **the circular economy** sector, expanding its offer also through **new products of vegetable origin**.

SICIT products meet the needs of a **production model** based on **sustainability** and **efficient use of resources**. In this respect, the main **competitive advantages** that characterize the Group as a leading operator in the sector compared to competitors are:

- **Quality** of the product;
- Constant **process and product innovation**;
- **Technical support** to customers;
- Industrialization of the production process of protein hydrolysate that allows to maintain **high standards of service** for important international customers;
- **Privileged access** to the main Raw materials;
- **Direct relationship with the suppliers** of the main Raw materials;
- **Finished product deriving from residues of other processes** in a green and eco-sustainable perspective.

SICIT also believes in collaboration with local and national industry associations and is a member of various bodies such as EBIC (*European Biostimulant Industry Council*), CRA (*Council for Research and experimentation in Agriculture*) and Confindustria Vicenza.

History and evolution

1960

In Chiampo (VI) Dr. **Giuliano Guardini** founded **S.I.C.I.T. S.p.A.** (acronym of Società Industrie Chimiche Italiane).

The company's initial intention was to extract chromium from the residues of the leather tanning to sell it to the tanneries. The idea was not successful and SICIT converts to protein extraction through the hydrolysis process.

1963

Following the analyzes related to the carbuncle problem (fleshings were scattered in the fields as fertilizer), SICIT is indicated as **the only suitable subject to treat the residues of the tanning**: The SICIT protocol becomes a legal obligation and all tanneries begin to deliver their residues to the company. During this period, the farm's products were intended for the industrial farming of calves.

1968-1970

Start-up of the experimental plant to process the fleshings and obtain a protein hydrolyzate for agriculture. SICIT can thus count on **a double market: the zootechnical and the agricultural one**.

Mid-70

Start of **fat** production, then destined to the feed mills.

1989-1991

SICIT goes under the management of Z. Filippi. A short but investment-rich phase, including the start of the project to separate the treatment of fleshings from shaving. This will allow **the construction of two lines to separate the sludge** (for landfills) from the calcium corrective (for use in agriculture).

1991-1996

SICIT is the property of **Intesa**, a company founded by a group of tanning companies in Arzignano to manage the disposal of the residues of the tanning industry. Intesa concludes the restructuring project started with the previous property, including the separation of the two lines.

1996

The diffusion of the c.d. "Mad Cow" involves a period of major restructuring for SICIT: The Research & Development division is dedicated to new products for the agricultural and industrial sectors. Working with the University of Edinburgh, the company manages to **develop a more effective hydrolysis process for processing animal by-products from the tanning industry**. This process becomes the only one allowed to produce protein hydrolyzates of animal origin, also allowed for zootechnical use, and considered the state of the art of the processing of animal by-products.

2000

Start of construction of **the plant in Arzignano** (VI).

2000

Following an internal reorganization, two new companies were created: **SICIT 2000 S.p.A.** and **SICIT Chemitech S.p.A.** The first one dedicated to the production and sale of amino acids and peptides for agriculture: Thanks to the two plants and a total production capacity of 100 MT/day of liquid products and 40 MT/day of powder products, it becomes the world's largest producer of amino acid fertilizers. **SICIT Chemitech**, a company responsible for quality control, product traceability and Research and development (R&D) activities of new formulations and processes.

2004

Inauguration of the new **plant in Arzignano**.

2006-2011

Start of the restructuring project for the renovation and automation of **the Chiampo plant**.

2016

Establishment of **SICIT Commercial Consulting Shanghai Ltd** in Shanghai

2018

Creation of **SICIT USA** (New York), to distribute products directly to the North American market.

2019

Constitution of the SICIT China branch in Shanghai. On May 20, the **business combination** of SICIT 2000 S.p.A. with SprintItaly S.p.A. ended (Italian SPAC). On the same day, the merger by incorporation of the first into the second one becomes effective with the simultaneous opening of negotiations of the title of the new company SICIT Group S.p.A. at **AIM**.

2020

On June 15, SICIT completed the Italian **Telematic Market** (MTA, star segment) of Borsa Italiana.

2021

On 5 August **NB and Intesa Holding**, through the subsidiaries circular Holdco and circular Bidco complete **the takeover bid** on SICIT, which is deleted by MTA.

In October, SICIT (China) Technology Co., Ltd. was established.

2023

In May 51% of **Patagonia Biotecnologia S.p.A.** is acquired, a Chilean company specialized in the production and marketing of marine algae biostimulants and certified B-corp.

Patagonia Biotechnology S.p.A.

The story

The development of **the FERTUM® formula began** in 1998 by the research on extracts of various seaweed from Chilean Patagonia carried out by the current CSO of PatagoniaBio, Marcelo Brintrup, in collaboration with Gotardo Schenkel, a researcher and academic recognized worldwide. After numerous tests and studies, the two researchers have determined that *Macrocystis pyrifera* and other algae on the Chilean coasts contain a high concentration of bioactive compounds. Such compounds, including phytohormones, vitamins, alginic acids and other natural metabolic stimulators, have proved capable of improving plant growth and resistance to stress conditions.

This discovery has led to the definition of a **patented extraction process** that preserves the physical-chemical and biological characteristics of the micronutrients of seaweed. PatBio offers a product whose quality, consistency and effectiveness have been validated at national and international level with analysis at universities, research centers and leading clients in the agri-food sector.

The raw material

PatBio collects seaweed along a **coastal region of 400 miles from Valdivia to the region of Chiloé**, an archipelago whose micronutrient-rich waters remain untouched due to their isolation. This ideal environment provides PatBio with abundant amounts of seaweed, without damaging the marine ecosystem. The FERTUM® formulas contain mixtures of **four algae** selected for their natural abundance and the ability to grow rapidly,



for the high content of active compounds and beneficial effects on cultures.



Macrocystis pyrifera

Algae of the "Regno Protista", also known as giant kelp. It is recognized as the largest and fastest growing alga. It can reach 45 meters and grow up to 16 cm per day in ideal conditions.



Durvillaea antarctica

Brown alga of the Protista Kingdom, abundant on the Chilean coasts, is robust and large, being able to reach the 15 meters of length



Ulva lactuca

Green algae of the Plant Kingdom spread all over the world.



Pyropia

Red seaweed, sometimes brown or slightly purple, of the Plant Kingdom, living in the intertidal zones.

The production process

In the spring and summer months, PatBio collects seaweed from **natural schools or cultures of property**, stimulating their defense mechanisms. The seaweeds are then processed to obtain the liquid extract which forms the basis of the FERTUM® products. PatBio maintains strict supervision at every stage of production, guaranteeing the high quality of the final product. **The Research and development team** regularly monitors the consistency and effectiveness of the products, constantly improving the formulations offered to customers.

Vision and values

GRI 2-16

GRI 2-26

GRI 2-27

CODE OF ETHICS



[For more information, visit the Corporate Code of Ethics web page](#)

SICIT's vision is based on three pillars:

- **Leader in the transformation of organic residues from skin tanning into protein hydrolyzates**

The protein hydrolyzates thus produced are mainly used as biostimulants for agriculture and retardants for the gypsum industry, providing the most important players in the agronomic, agrochemical and industrial sectors.

- **International excellence of the green and circular economy**

SICIT withdraws and transforms residues, which are difficult to dispose of, into products with high added value, totally biodegradable, without risks to public health and the environment, significantly limiting the production of waste.

- **Continued and important investments in Research and development**

In addition to the continuous and important investments in Research and development, SICIT has four internal laboratories: A

quality control laboratory, a Research and development chemical extractive laboratory of product and process, an agronomic laboratory for Research and development of new products for agriculture and a technological laboratory for Research and development of new products for construction.

“SICIT wants to be the ideal partner, supporting its clients in the development of a complete range of products based on amino acids and peptide-based fertilizers”

It is not capital that makes a company grow, but above all the winning ideas and an organizational structure that is flexible and able to adapt quickly to a market environment characterized by uncertainties and turbulence.

SICIT and its subsidiary SICIT Chemitech adopt a **model of Organization, Management and Control** (hereinafter also “Model 231”) in accordance with the requirements of Legislative Decree no. 231/01¹, and has appointed its own single-democratic **Supervisory Board**, composed of an external entity with qualifications of professionalism, honor and independence and able to ensure the necessary continuity of action. The **Supervisory Board**, moreover, annually draws up a report on the activities carried out, which it presents to the Board of Directors and the Board of Statutory Auditors.

Model 231 was adopted at the end of a draft assessment of the risks related to the crime cases provided for in the decree. The 231 model is aimed at preventing the Commission of particular types of offenses

¹ Foreign companies of the Group are excluded. Consolidated revenue coverage approximately 95%.

that generate, alongside the criminal responsibility of the active subjects, also the administrative responsibility of the company and is constantly updated by the Board of Directors.

SICIT and SICIT Chemitech, as part of their professional updating programs, provide dedicated training on the contents of the 231 model and the impacts for their employees and employees. The 231 was updated during 2023 and 2024². The main points of the update concerned the mapping of business processes in view of the internal and external context of the company, the crime risks for each of the mapped processes and the risk assessment and weighting, according to the risk Assessment criteria of ISO 31000:2018, With the preparation of the risk assessment document. In addition, the General part has been updated with new rules and practices including the new European *whistleblowing* legislation, and the contents of the annexs have been rationalized.

The Group conducts internal operational activities and business relations to the outside in accordance with principles of ethics and integrity. As part of the update of the 231 model, the Board of Directors of SICIT has also approved the new **Code of Ethics**, which identifies the Company's responsibilities and ethical commitments to its internal and external *stakeholders*. The Code of Ethics commits social bodies, management, employees, external collaborators, business partners, The suppliers and all those who have a relationship with the Company.

Through the Code of Ethics, the Group undertakes to:

- ensure the maximum dissemination of the Code to personnel and to third parties who maintain relations with the Group;
- to ensure the constant updating of the Code in relation to the change of business requirements and the current legislation;
- to guarantee every possible tool of knowledge and clarification regarding the interpretation and implementation of the norms contained in the Code;
- carry out checks on any news of violation of the Code's rules, assessing the facts and taking, in case of proven violation, appropriate sanctions measures.

The Code of Ethics is published on the company's website and is shared with employees and collaborators. In addition, to ensure the correct understanding of the Code of Ethics, SICIT sets up an information plan to ensure the complete disclosure of the Code.

The Reporting Procedure, entitled "***whistleblowing procedure for reporting offenses and irregularities***", is intended to properly handle reporting any violations and irregularities relating to the Code of Ethics and Model 231, violations of EU law and violations, incompliance, and retaliation in relation to whistleblowing. Employees, or third parties in relation to offenses of EU law violations, are required to report any violations or suspected violations to the immediate manager, or, in cases where the employee's reporting to his/her manager is not effective or

² Last updated March 28, 2024

appropriate, to the Chief Executive Officer or directly to the Supervisory Body. The latter is required to promptly verify the information transmitted and, having established the validity of the report, to submit the case to the company function competent for the application of any disciplinary sanctions or for the activation of contractual resolution mechanisms. Please note that on *the home page* of the website you will find a link to the external web platform for whistleblowing reports. The authors of the reports are protected from any form of retaliation or discrimination in the professional field and their identity is protected to the extent required by law. Platform reporting is only accessible to the supervisory body, which has been identified as the subject to which the reporting is to be handled.

This procedure shall be structured in such a way as to ensure the confidentiality of the signaling agent and the confidentiality of the information received and the validity of the information.

Although the online channel is recommended as a preferred channel, any reports by employees of irregularities or criticalities can also be presented during the regular meetings between the CEO of SICIT and the trade union representatives. As regards environmental issues in particular, reports may also be made to the environmental delegate, appointed special prosecutor with appointment on 12 March 2020. The Special Prosecutor represents the Company in front of all the bodies and bodies responsible for the exercise of supervisory, verification and control functions provided for by the environmental legislation.

No reports were received to the Supervisory Body at 31 December 2023.

In carrying out its activities, SICIT is committed to combating corruption and preventing risks related to illegal practices. In this context, SICIT ensures that the conduct of business is based on the utmost correctness, except for any form of corruption or favoritism, completeness and transparency of information and legitimacy. There were no significant cases of non-compliance with laws and regulations in 2023, resulting in the absence of financial penalties and non-financial penalties. In addition, there are no ongoing or completed actions in the field of anti-competitive behavior, or incidents of corruption that have been established and violations of antitrust and monopolistic laws.

Risk monitoring and management is an integral part of the SICIT business model. Risk exposure by SICIT is managed through appropriate risk analysis.

The **risk Assessment** paper provides an analysis of the main risk categories and outlines response strategies to mitigate identified risks. The Company has identified the following main risk categories:

- external **risks**, connected with the external environment which may have an impact on the Group's ability to achieve strategic and operational objectives;
- **business** risks, related to business activities and critical aspects of the business;
- **operational** risks, connected to the efficiency and effectiveness of the

business operating processes with impact on Group performance;

- risks related to the management of **human resources** and the effectiveness of the organizational structure;
- financial risks, related to **financial planning** processes and **financial reporting** activities, to the management of financial and insurance instruments;
- Risks related to **Information and Communication Technology**, related to availability, accessibility, the integrity of its infrastructures and systems and data security;
- Legal and **compliance** risks with national and international laws and regulations and with Group policies.

The assessment model was defined by assessing both the magnitude of the occurrence of the risky event and the probability of the risk. The summary assessment of the risks identified has finally been reassessed in the light of the mitigation actions put in place at the Company.

Activities and markets

SICIT **sells its products both in Italy and abroad**, on all continents. To date, Europe is the main market for bio-stimulants and fat, while Europe and Asia are the first market for gypsum retardants. To guarantee a global presence, SICIT has a commercial network coordinated by *the headquarters* in Italy and two branches in China (SICIT Commercial Consulting Shanghai Ltd. And SICIT Technology Co., Ltd), which are responsible for the registration of import products on the local market and the development of operations and commercial opportunities on the Chinese market. Sicit USA, not operational since July 2023, is the distribution company for gypsum products dedicated to the North American market.

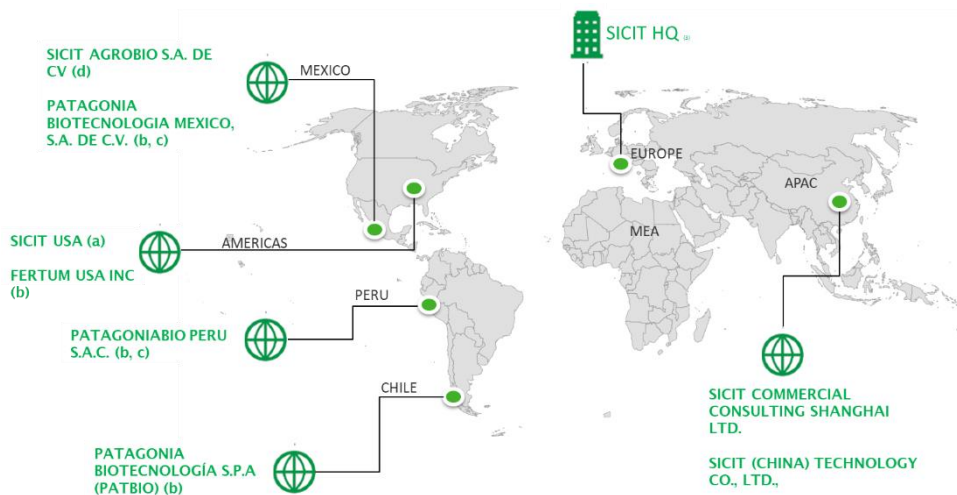
Patagonia S.p.A., Acquired in May 2023 has allowed the Sicit Group to expand the range of biostimulants to those of plant origin.

The distribution model of SICIT differs on the basis of the products and therefore of the sectors of reference. In the biostimulants sector, SICIT distributes its

solutions in the End-use markets through a B2B approach, i.e. developing partnerships with companies active in the nutrition and culture defense market, equipped with capillary sales organizations and their own distribution network in the target countries. SICIT's business partners purchase Finished goods to distribute them as such or to use them as core components of the formulations they produce and market. In most cases customers offer products to the market under their own brand.

In the area of gypsum retardants, SICIT primarily maintains commercial relations with end-users of its solutions, providing manufacturers of gypsum plasterboard and distributors of building material with regard to gypsum retardants. In some countries there are agreements with distributors, who guarantee technical support and logistical service to the production plants.

Finally, the grease produced by SICIT is sold to electricity producers from sources other than fossil ones.



³(a) non-operational since July 2023, (b) acquired in May 2023, (c) non-operational, (d) set up in

October 2023

Group plants

GRI 2-6

SICIT has 3 own plants, 1 located in Chile (Patbio) and 2 located in the heart of the Vicenza tanning district: the Chiampo plant, built in 1960 and renovated in 2006; and the most recent plant in Arzignano, whose first phase of construction was started in 1995 with the creation of the warehouse and the drying plant and, subsequently, the current plant was built, which became operational since 2004. In addition, in the last quarter of 2023, the Group started work on the construction of a new production plant in the city of Leon, Mexico, dedicated to the processing of residues in the local tanning district.

Arzignano plant

In the plant of Arzignano, entirely designed by SICIT Chemitech - which at the time was also involved in Research and development and engineering - **only the animal by-products (ABPs) of the tanning are processed:** flesh and animal hair. From the processing of the waste products coming from the first phase of the tanning process and before the actual tanning is obtained protein hydrolyzate and, from the “carniccio” alone, also fat. The processing of animal by-products to produce protein hydrolyzate is subject to specific European regulations⁴ and requires a specific production process. Animal by-products are in fact putrescible and are typically processed within 48 hours, a circumstance which limits their transportability radius, unless refrigerated transports are used which allow adequate preservation for a longer period.

⁴ Regulation (EC) No Regulation (EC) No 1069/2009, Regulation (EC) No 2011/98.

Chiampo plant

In the Chiampo plant other tanning residues are processed, such as **trimmings and shavings**, consisting of collagen residue coming from the mechanical finishing operations of the hides already subjected to the initial stages of the tanning process, but before the “finishing phases” of the hides and therefore no longer putrescible. Collagen-based protein hydrolyzate is obtained from the hydrolysis process of the trimmings and the scrapings.

Puerto Montt Factory (PatBio)

The Chilean plant processes 4 types of algae to develop a product used in agriculture to improve crop resilience to abiotic stresses and increase crop yield.

The labs

SICIT has **four functionally integrated laboratories:**

- a chemical-extractive laboratory for product and process development;
- a chemical laboratory for the efficacy tests of industrial products;
- an agronomic laboratory for the testing of the effectiveness of biostimulants and the search for new products for agriculture;
- A laboratory in SICIT Chemitech dedicated to the quality control of Finished goods and semi-processed and their production processes, in order to guarantee the respect of the standard characteristics required by the customers. This laboratory supports

customers by providing the analysis necessary for importing products into the relevant markets and provides support to other SICIT laboratories in their product development activities.

Products

GRI 2-6

Biostimulant



For the development and production of its products SICIT Italia uses and manages **production processes characterized by a confidential know-how**. The main products marketed by SICIT are:

Biostimulants of animal origin based on amino acids and peptides, both liquid and solid, and biostimulants based on seaweed, generally suitable for leaf application and/or to the soil for fert-irrigation or radical treatment.

Biostimulants of animal origin are able **to stimulate/accelerate the metabolic activities of plants** in order to:

- resist the ever more frequent conditions of abiotic stress (such as drought, great rains, frost, salinity of the soils, etc.);
- improve crop quality and yield;
- to promote the development of the soil microflora;
- improve the efficiency of nutrient absorption and crop defense so that they can be used in smaller quantities.

The use of biostimulants, integrated with the correct use of the other means of production (nutrition and culture defense) allows **the implementation of production systems based on sustainability criteria**. Furthermore, biostimulants do not involve **any residues on the crops and no problems of environmental impact** since they are of natural origin and completely biodegradable.

The main benefits in the use of biostimulants are:

- Optimization of the metabolic processes of the plant;
- Improvement in nutrient absorption and assimilation;
- Water efficiency;
- Activation of the plant's natural defense mechanisms with consequent reduction of agrochemicals and other chemical substances;
- Improvement of germination and root development;
- Increase in the quantitative or productive yield and quality of the crops;
- Increased resistance and tolerance to abiotic stress.

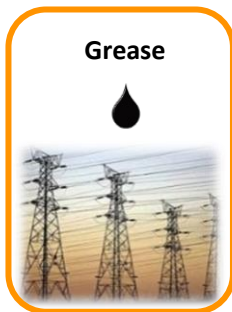
The importance of biostimulants in the European agricultural market was recently formalized in the new Regulation (EU) 2019/1009 laying down “rules for the provision of EU fertilizer products on the market”. In this context, a specific “functional category of products” (PFC) has been created called “biostimulants”, which are defined as products that *“stimulate plant nutrition processes independently of the nutrient content, with the sole purpose of improving nutrient efficiency, tolerance to abiotic stress, quality traits and the availability of nutrients contained in the soil or rhizosphere”*.

This measure, on the one hand, overcomes regulatory fragmentation among EU countries, creating harmonization that facilitates the access of biostimulants to the EU market, and, on the other hand, creates the conditions for the recognition of quality and proven products at the expense of products of dubious origin and quality.



The retardants are products based on amino acids used to **slow down the time of the plaster grip** and **increase its workability**; they are used in the preparation

of plasterboard panels, and in the use of gypsum in building sites. SICIT produces gypsum retardants in both liquid form (*Plast Retard L and Plast Retard XCL*) and powder form (*Plast Retard PE and Plast Retard XCP*). The gypsum formulations contain at least one retardant. **Plast Retard** is generally **used as the only retarders** but can also be combined with others.



The “animal fat” is derived from the processing of animal by-products carried out at the Arzignano plant. The fat obtained from the first phase of transformation can be

further refined with a process of re-esterification of the free fatty acids - in addition to the reduction of the sulfur and other salts content - to make the product directly usable as a biofuel.

Moreover, from the production process SICIT obtains the defecation plaster which is used as soil improvers/corrective calcium for soils whose use is regulated by Legislative Decree 75/2010 on fertilizers.

The circular economy

The SICIT operating model was born over 60 years on the basis of concepts of circular economy before litteram.

The SICIT production process in Italy is divided into three distinct phases:

1. **removal of the tanneries' processing residues**;
2. phases of **treatment and hydrolysis** of the residues;
3. **formulation of finished goods** for biostimulants and gypsum retardants.

SICIT sources waste from tanneries, mainly from the Vicenza district and, secondly, from Tuscany and from other Italian and European production areas, it provides a fee-based service alternative to the cost of treatment and disposal at landfill or other production sites with higher disposal charges. This collection service is therefore an opportunity for the tanning industry to **manage in a sustainable way residues that would otherwise be destined for landfill or destruction** with a high impact on the environment. Through the Quality Control Laboratory and the management teams of SOA withdrawals (in Arzignano) and tanning residues (in Chiampo), SICIT monitors the quality and quantity of incoming Raw materials on a daily basis to intercept potential trends and plan the collection service.

SICIT has established with the tanneries with which it collaborates a stable and long-lasting relationship that has led it to be the reference point in Italy for the treatment of these products. As for **the trimmings and the shavings**, being Raw materials non perishable, SICIT adapts the

withdrawals of material from the tanneries according to its own production needs and can also be obtained from other Italian and foreign tanning districts.

These products⁵ are subjected to **a process of treatment and hydrolysis** by means of which they undergo a thermal treatment in an acid and/or alkaline environment, in order to extract amino acids and peptides from the protein matrix (collagen) present. This process is carried out in the two plants of SICIT in Arzignano for the processing of animal by-products and Chiampo for the processing of post-tanning residues. The treatment and hydrolysis phases give rise to **the protein hydrolyzates** which represent semi-finished products (so-called bases) for the subsequent step of preparation of the finished product. These protein hydrolyzates - singly or, more often, in admixture with each other and/or with other products of organic and/or inorganic origin - give rise to **Finished goods**, sold by SICIT in the B2B channel.

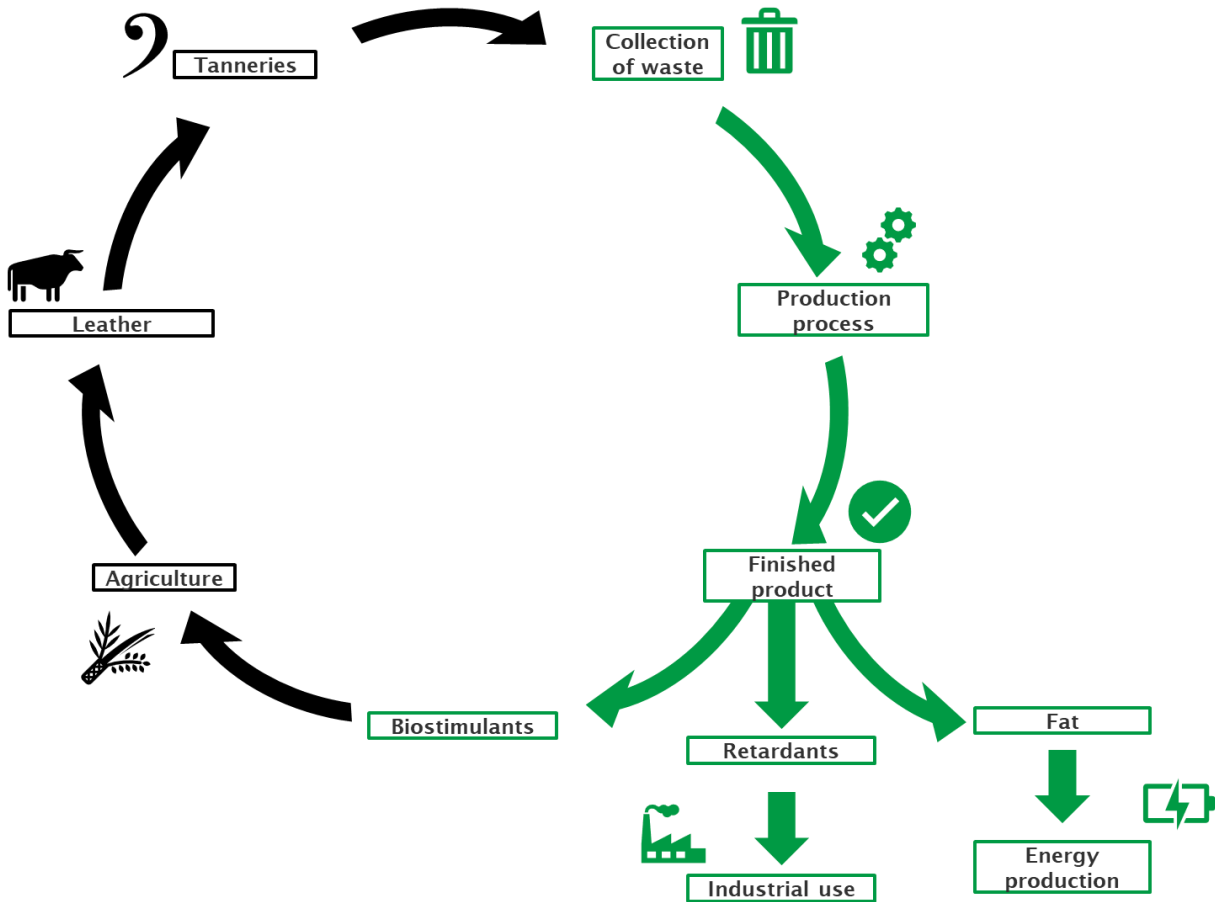
SICIT is also equipped with storage **tanks** for the storage of the hydrolyzed bases produced and not immediately used to produce Finished goods. This allows to have a volume of warehouse suitable to reduce the risk of enterprise deriving from the impossibility to withdraw the residues of the tanning, in the months in which the sales volumes are greater than the volumes withdrawn.

The protein hydrolyzate obtained by the hydrolysis process, which is in **liquid, dense and viscous form**, is subjected to further processing, on the basis of the formulations agreed with the customer, with the purpose of associating additional components with the amino acid

⁵ For the carniccio alone, once the fat has been extracted.

and peptide base and/or modifying their physical state (powder formulation, flakes or granules). The products thus obtained may be sold as such or packaged in industrial packaging and made available for sale to SICIT's customers, who will resell them under their own brand name. Where the product is not sold in bulk, it is

packaged directly in industrial packaging at SICIT plants, i.e. tanks and drums of variable volume for liquid products or industrial sacks for powder products. The packaging of the product for marketing to the end user is generally managed by the customers.



The main stakeholders of the Group

GRI 3-1

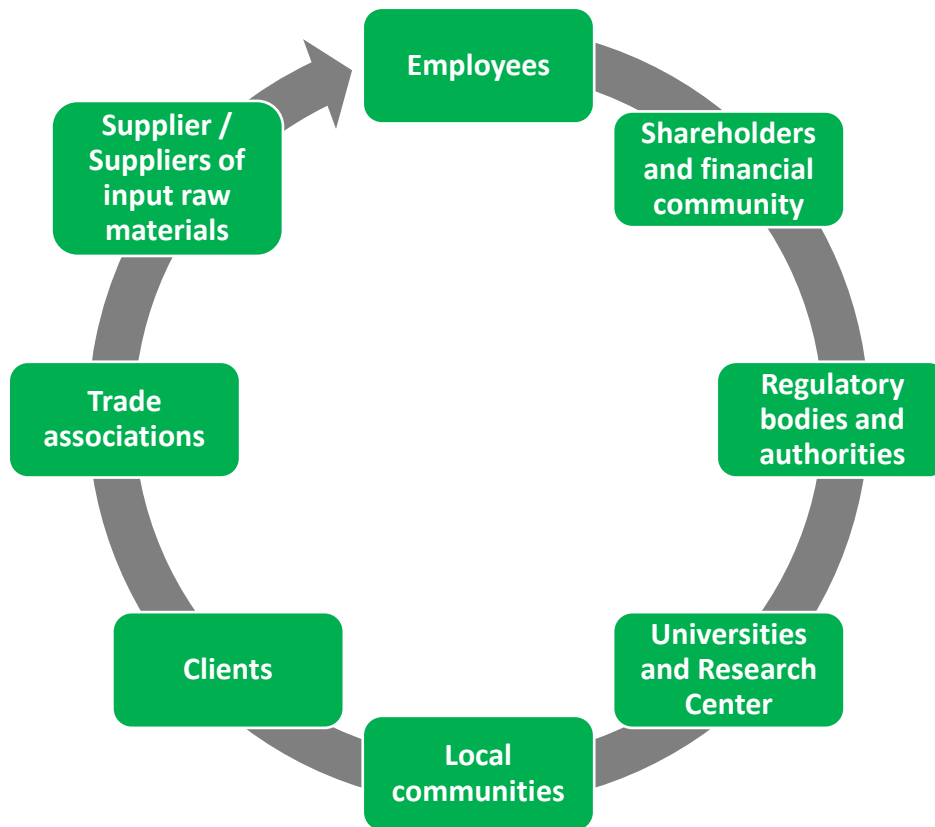
GRI 3-2

GRI 3-3

In the Group's path of growth and sustainable development, stakeholders play a key role. SICIT is committed to taking their needs and expectations into account in defining and implementing its business strategies.

Through an analysis of the context in which SICIT operates, of the reference sector and of the activities carried out, the following main stakeholders of

SICIT were confirmed for 2023 (see image). SICIT also adopts practices of dialog and involvement of the main stakeholders. The main channels of dialog and interaction are summarized below; the modalities and frequency of stakeholder involvement vary according to the topics considered relevant and the opportunities for comparison during the year. The stakeholder comparison also includes the transposition of indications and expectations relating to the process of defining material themes for sustainability reporting purposes, as well as the identification of targets within ESG.



Stakeholders	Engagement/interaction activities
Employees	<p>Projects and/or initiatives for company welfare Breach reporting system Insertion schemes for new employees Company meetings to discuss results and future objectives Training programs Communication boards in the plants and offices</p>
Trade associations	<p>Regular discussions</p>
Clients	<p>Regular meetings Market surveys/research Continuous dialogue through communication channels (e.g., e-mail, telephone, social media, post) Customer service Company website Participation in the main trade fairs Presence at events</p>
Supplier / Suppliers of input raw materials	<p>Regular meetings Relationship with the purchasing department and the quality control laboratory</p>
Shareholders and financial community	<p>Discussion moments organized during the year Company website</p>
Local communities	<p>Projects to support and/or support social initiatives Participation in local events Mass Media</p>
Regulatory bodies and authorities	<p>Meetings with representatives of institutions</p>
Universities and Research Center	<p>Internship and development of thesis Collaborations with schools and the academic community to develop new product and process Research and development</p>

Materiality Assessment

GRI 2-25

GRI 2-29

GRI 3-1

GRI 3-2

GRI 3-3

During 2022, SICIT updated the Materiality analysis in line with the requirements of GRI 3 material topics 2021, in order to identify the significant impacts of the organization (impact materiality) – negative or positive, current or potential – on the economy, the environment and/or on people, including their human rights, caused by the activities and investments of the organization, its products and/or services or its value chain, in the short, medium and long term. In particular, the analysis of Materiality yes is carried out through the following phases:

1. Context analysis which included a benchmarking activity that reviewed the main players in the sector, the main sustainability reporting frameworks and specific industry publications;
2. On the basis of this analysis, identification of the positive and negative, current and potential impacts that the Group could generate with its business on the economy, the environment and people, including those on human rights, in its direct activities and business relationships;
3. Impact assessment through the involvement of top management;
4. Prioritization of impacts and aggregation in material themes.

In this regard, it should be noted that the issues that emerged as relevant from the Materiality analysis of 2022 were in line with the Group's priorities for the present reporting year as well.

The following are the material themes and their impacts, which are reported in this Sustainability Report.

MATERIAL TOPIC	GENERATED IMPACTS	IMPACT NATURE	IMPACT BOUNDARY	SICIT INVOLVEMENT
Environmental impact management	Generation of direct and indirect GHG energy emissions (scope 1 and 2)	Negative Actual	Group and suppliers of electricity	Caused by the Group
	Indirect GHG emission generation (scope 3)	Negative Actual	Group by its value chain	Caused by the Group and related to the Group through its business relations
	Energy consumption	Negative Actual	Group	Caused by the Group
	Polluting emissions into the atmosphere	Negative Actual	Group	Caused by the Group
	Recycling and reuse of production waste and generated waste	Positive Actual	Group	Caused by the Group
	Waste generation	Negative Actual	Group	Caused by the Group
	Reduced availability and quality of water	Negative Actual	Group	Caused by the Group
	Raw materials consumption	Negative Actual	Group	Caused by the Group
Innovation, Research and development	Contribution to the reduction of the use of mineral fertilizers in agriculture	Positive Actual	Group	Caused by the Group
	Technological innovation of processes and products	Positive Actual	Group	Caused by the Group
Occupational Health and Safety	Accidents in the workplace	Negative Actual	Employees of the Group ⁶	Caused by the Group
Economic performance and value creation	Generating and distributing economic value	Positive Actual	Group	Caused by the Group

MATERIAL TOPIC	GENERATED IMPACTS	IMPACT NATURE	IMPACT BOUNDARY	SICIT INVOLVEMENT
Employee development and well-being	Violation of human rights within the Group	Negative Potential	Employees of the Group	Caused by the Group
	Training and growth of workers	Positive Actual	Employees of the Group	Caused by the Group
	Unfair or discriminatory remuneration	Negative Potential	Employees of the Group	Caused by the Group
	Discrimination and non-inclusive practices at work	Negative Potential	Employees of the Group	Caused by the Group
Business ethics, anti-corruption and regulatory compliance	Anti-competitive behavior and monopolistic practices	Negative Potential	Group	Caused by the Group
	Unethical conduct of business	Negative Potential	Group	Caused by the Group
Local communities	Local development and community relations	Positive Actual	Group	Caused by the Group
	Contribution to local economic activity	Positive Actual	Group	Caused by the Group
Product quality and safety	Violation of regulations or standards relating to product quality/safety	Negative Potential	Group	Caused by the Group
Sustainable supply chain management	Environmental impacts generated by suppliers	Negative Actual	Group suppliers	Caused by the Group and related to the Group through its business relations
	Human rights violations along the supply chain	Negative Potential	Group suppliers	Caused by the Group and related to the Group through its business relations

⁶ The perimeter of health and safety data includes employees only. The Group assesses the possibility of collecting data from employers of external employees working at the Group's headquarters in order to report any accidents.

The sustainability rating

Following the voluntary preparation of the Group's first Sustainability Report 2019, SICIT started its activities to obtain its first Environmental, Social and Governance (ESG) sustainability rating.

The Group has voluntarily submitted itself, on an annual basis, to the independent evaluation of Sustainable Development, a rating agency for extra-financial sustainability, which assesses the level of adherence to the strictest voluntary institutional and international guidelines on sustainability and governance aspects. Also, with reference to the 2022 Sustainability Report, **SICIT has requested and obtained its fourth public sustainability rating ESG from Sustainable Development.** In the comparative ESG risk ratings of Sustainable Development for the 2022 Sustainability Report, **SICIT Group achieved an average position among the companies of the global chemical industry and in the chemical sector for agriculture, achieving a score of 23,0, ranking first in the agro-chemical industries.** The Company's ability to manage these risks, which follows best practices, has also been confirmed as high, demonstrating a strong sense of responsibility toward investors and all stakeholders. **The ESG impact categories considered are “low”** (emissions, effects and waste; Resource use; Community Relations; E&S impact of Products and Services; Corporate Governance) or even **“negligible”** (Human Capital; Product Governance; Occupational Health and Safety; Business Ethics) with only one category with **“average” risk** (carbon - own Operations). Furthermore, no specific

potentially hazardous event has been identified that could have a negative impact on the Company's stakeholders, the environment or operations. Aware of its role as market leader, the Company has launched a structured and formalized path to strengthen its approach to sustainability, implementing projects in each of the three ESG areas, including:

- **Environment:** realization of green and sustainable products, reduction of residues and emissions, certifications, increase of the use of renewable energy;
- **Social:** transparency, legality and correct relationship with all stakeholders;
- **Governance:** fully comply with all applicable regulations, codes and best practices.

During 2023 SICIT also submitted to the evaluation of its sustainability performance by **the EcoVadis** platform, one of the world's leading providers of enterprise sustainability assessments, information and collaborative tools for improving performance for global logistics chains. As a result of the EcoVadis assessment of the environment, labor and human rights, ethics and sustainable procurement, SICIT received a **“platinum”** scorecard, ranking among **1% of the most virtuous societies.**



**Reporting,
Framework**



Standards, and



**International Organization for
Standardization**

9001 – Quality Management Systems

14001 – Environmental Management Systems

45001 – Occupational Health and Safety Management Systems

14064 – Carbon Footprint management

14067 – Greenhouse gases - carbon footprint of products

Ratings



Group Policies

GRI 2-23

GRI 2-24

ORGANIZATIONAL POLICIES AND GUIDELINES



[For more information, please visit the Group Policy corporate web page](#)

Aware of its responsibility to implement corporate social responsibility actions consistent with Group guidelines, SICIT has approved **six Group policies on sustainability, respect for human rights, protection of health and safety at work, environment, diversity and anti-corruption**. Policies are published on the Company's website and shared with all subsidiaries, in order to bring to knowledge and strengthen the Group's commitment to these areas, as well as consistency between the actions undertaken and the values pursued. Policies are based on international standards and best practices.

Below is a summary of the policies relating to ESG themes, approved by the Board of Directors of SICIT Group S.p.A. on 29 January 2021.

Sustainability Policy: Identifies those values that inspire and guide the SICIT Group and its strategies in all dimensions of Sustainability: Environment, society and governance (ESG). The purpose of this policy, together with the Code of Ethics, is to establish guidelines for directors, executives, employees, agents, consultants, Intermediaries and other third-party representatives of SICIT and its subsidiaries and affiliates in the field of Sustainability, with the aim of protecting respect for people, the natural environment and communities; the policy is an

integral part of the vision, the Mission and the day-to-day activities of SICIT Group.

Human rights policy: the objective is to ensure compliance with applicable human rights laws and regulations. The policy applies, in addition to SICIT and its subsidiaries, to the entities in which it holds a majority shareholding and to the structures managed by it. The Company has also committed itself to working with its business partners and encouraging them to uphold human rights principles and to adopt similar policies within their companies.

Health and Safety Policy: the objective is to ensure compliance with applicable health and safety laws and regulations, considering that the protection of human health, safety and well-being are fundamental values for the sick Group. The long-term objective of the policy is to achieve a zero, as far as reasonably possible, of the number of work-related injuries and their impact on the working environment, by leveraging investment in technology, new active human-factor policies and employee training.

Environmental policy: the objective is to ensure compliance with applicable environmental laws and regulations, given that SICIT attaches the utmost importance to the protection of the environment in which it operates and encourages the development of initiatives aimed at progressively reducing the impact of its activities and improving the awareness and sensitivity of all interested parties.

Anti-Corruption Policy: contains the principles of conduct and practices to be followed in interactions with public officials, private individuals and their families with the aim of ensuring compliance with applicable anti-corruption laws.



Sustainability Objectives

GRI 2-23

At the same time as the Sustainability Report as of 31st December 2022, SICIT approved its first sustainability plan for the period 2023-2026⁷, taking into account the 17 objectives of the United Nations Agenda 2030 for Sustainable Development (SDGs), aimed at meeting the expectations and interests of stakeholders, identify areas in which to strengthen your commitment and those in which to continue to pursue your approach.

The United Nations has defined the 17 Sustainable Development Goals as a “strategy to achieve a better and more sustainable future for all.” They are also known as Agenda 2030, which recognizes the close link between human well-being, the health of natural systems and the presence of common challenges for all countries.

The following are the objectives that the company is committed to achieving, associated with the reference SDGs and the various results achieved during 2023:

Table Legend	
	Goal achieved
	Work in progress objective









⁷ It should be noted that the objectives of the 2023-2026 Sustainability Plan refer only to the previous perimeter of the Sicit Group, prior to the acquisition of PatBio.

Macro-Area	SDGs	Objectives	Progress	Timeline
Governance	-	Establishment of an internal committee on Sustainability, with the various function leaders (i.e., Operations, HR, Finance, Environment etc.)		Achieved in 2023
	-	Identification of an ESG responsible		Achieved in 2024
	-	Definition of MBOs tied to the achievement of ESG objectives		2nd half of 2024
	-	Continuation of sustainability reporting (annual report prepared on a voluntary basis) subject to limited assurance by external auditors		Achieved, 2023 Sustainability Report subject to Limited Assurance by an external entity
	-	Update of the existing Group risk Assessment model with incorporation of ESG risk factors		2nd half of 2024
		Inclusion of environmental aspects as part of the evaluation of new investments and in the due diligence process, as part of acquisition transactions		2nd half of 2023
	-	Ecovadis rating improvement from Bronze to Gold		2 nd half of 2026 - achieved , the Company obtained Ecovadis Platinum during 2023

Macro-Area	SDGs	Objectives	Progress	Timing
Governance	-	Involvement of the most significant suppliers in the Ecovadis evaluation process by obtaining timely data on the most significant materials		2nd half of 2025
	-	Implement a policy for selecting the most significant suppliers including the definition of a decarbonization path as part of the selection criteria		2nd half of 2025
Social	4 QUALITY EDUCATION 	Defining three-year training plan consistent with the outlined career pathway		Achieved , a three-year training plan was established in 2023
	4 QUALITY EDUCATION 	Increase by 100% in the per capita non-mandatory training hours figure at Group level compared to 2022 data (4,8 hrs), with a minimum increase of +10% to be achieved in 2023 already.		Achieved , 2nd half of 2026 - +145% hours of training per capita in 2023
	3 GOOD HEALTH AND WELL-BEING 	Definition of welfare/well-being plan		2nd half of 2024
	-	Review of the ESG-related policies in place		2nd half of 2024
	11 SUSTAINABLE CITIES AND COMMUNITIES 	Identification of three ongoing projects to support local communities		2nd half of 2024

Macro-Area	SDGs	Objectives	Progress	Timing
Social	5 GENDER EQUALITY 	Assessment of the Group's gender diversity maturity and further definition of an improvement plan		2nd half of 2024
	8 DECENT WORK AND ECONOMIC GROWTH 	Formalization of a performance evaluation process		2nd half of 2024
	-	Extension of the UNI EN ISO 9001:2015 certified Quality Management System to SICIT Group S.p.A.		2nd half of 2024 - achieved , the Company has obtained ISO 9001:2015 certification
Environment	7 AFFORDABLE AND CLEAN ENERGY 	Feasibility study on a self-sufficiency project for electricity consumption		2nd half of 2024
	13 CLIMATE ACTION 	Implementation of carbon footprint of organization with Scope 3 inclusion and certification obtained		2nd half of 2024 - achieved , the Company has obtained scope 1, 2, 3 emission certification for the 2022 emissions inventory.

Macro-Area	SDGs	Objectives	Progress	Timing
	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	10% reduction (compared to 2022) in the amount of sludge (waste) produced per ton of semi-finished product		2nd half of 2026 - achieved a 14% reduction in the quantity of sludge produced per ton of semi-finished product in 2023.
	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	15% reduction (compared to 2022 data) in the amount of ammonium bicarbonate (raw material) purchased per ton of semi-finished product		2nd half of 2026 - achieved a 32% reduction in the quantity of ammonium bicarbonate purchased per ton of semi-finished product in 2023
	<p>6 CLEAN WATER AND SANITATION</p>	15% reduction (compared to 2022 data) in water discharge per ton of semi-finished product		2nd half of 2026
	<p>6 CLEAN WATER AND SANITATION</p>	15% reduction (compared to 2022 data) in water discharge per ton of semi-finished product		2nd half of 2026

Macro-Area	SDGs	Objectives	Progress	Timing
Environment	13 CLIMATE ACTION 	A 5% reduction (compared to 2022 data) in methane gas consumption (and related emissions) per ton of semi-finished product		2nd half of 2026 - achieved an 8% reduction in consumption and methane gas emissions per ton of semi-finished product in 2023.
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Evaluation of the possibility of using recycled/reused material (tanks and bags) for packaging		2nd half of 2024
	13 CLIMATE ACTION 	Identification of additional direct and indirect emission reduction targets (Scope 1, 2) and identification of Scope 3 emission reduction targets		2nd half of 2025
	13 CLIMATE ACTION 	Join the Science Based Target Initiative (SBTI) regarding our decarbonization strategy, to promote the best-in-class target setting approach in the market and demonstrate the Group's alignment to limit global warming to 1.5°C.		2nd half of 2026

PROTECT OUR PLANET, MITIGATING IMPACTS FOR FUTURE GENERATIONS

SUMMARY & HIGHLIGHT

VALUES

SICIT considers of primary importance the protection of the environment in which it operates and promotes the investment of resources and the development of initiatives that gradually reduce the impact of its activities and increase the awareness and sensitivity of all stakeholders involved. In line with this commitment, the two plants of Chiampo and Arzignano adopt a system of environmental management UNI EN ISO 14001:2015, periodically certified.

OBJECTIVES

- Promote environmental protection responsibilities
- Minimize resource consumption and waste generation.
- To reduce the impact of activities on the environment, to anticipate the possible impacts of new activities, in order to prevent and manage possible emergency situations.
- Ensure environmental protection when designing new products and processes.
- Define environmental goals and objectives consistent with plant operational management and business development strategies.

SICIT IN NUMBERS⁸

⁸ The numbers 2023 include the new company PatBio



Energy consumption
In GJ

vs 2022

402.783

-7%



GHG emissions
Scope 1 & 2 market based (in Ton CO₂eq)

919

from photovoltaic

+67%



Water resource management
Discharges in ML

253

-3%



Circular economy
Animal products derived from tanneries

141.536 tons removed from
waste and introduced into the production
process



“Respect for the environment is an essential value for the SICIT Group.

For this reason, the Group is committed to implementing transparent practices, through projects aimed at reducing its environmental impact. A shared vision, guided by a single awareness: Sustainability is the new compass, capable of pointing us in the direction toward the future.”

MATERIAL THEMES

Environmental impact management

Innovation, Research and development

Health and safety at work

Economic performance and value creation

Employee development and well-being

Business ethics, anti-corruption and regulatory

Local community and territory

Product quality and safety

Sustainable supply chain management

SDGs



Significant KPIs and environmental objectives of the Sustainability Plan

SDGs	Objectives	Progress	Timing
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	Feasibility study on a self-sufficiency project for electricity consumption		2nd half of 2024
<p>13 CLIMATE ACTION</p>	Implementation of carbon footprint of organization with Scope 3 inclusion and certification obtained		2nd half of 2024 - achieved , the Company obtained scope 1, 2, 3 emission certification for the 2022 emissions inventory in the first months of 2024.
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	10% reduction (compared to 2022 data) in the amount of sludge (waste) produced per ton of semi-finished product		2nd half of 2026 - achieved a 14% reduction in the quantity of sludge produced per ton of semi-finished product in 2023.
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	15% reduction (compared to 2022 data) in the amount of ammonium bicarbonate (raw material) purchased per ton of semi-finished product		2nd half of 2026 - achieved a 32% reduction in the quantity of ammonium bicarbonate purchased per ton of semi-finished product in 2023

SDGs	Objectives	Progress	Timing
6 CLEAN WATER AND SANITATION 	15% reduction (compared to 2022 data) in water discharge per ton of semi-finished product		2nd half of 2026
6 CLEAN WATER AND SANITATION 	15% reduction (compared to 2022 data) in water discharge per ton of semi-finished product		2nd half of 2026
13 CLIMATE ACTION 	A 5% reduction (compared to 2022 data) in methane gas consumption (and related emissions) per ton of semi-finished product		2nd half of 2026 – achieved an 8% reduction in consumption and methane gas emissions per ton of semi-finished product in 2023.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Evaluation of the possibility of using recycled/reused material (tanks and bags) for packaging		2nd half of 2024
13 CLIMATE ACTION 	Identification of additional direct and indirect emission reduction targets (Scope 1, 2) and identification of Scope 3 emission reduction targets		2nd half of 2025
13 CLIMATE ACTION 	Join the Science Based Target Initiative (SBTI) regarding our decarbonization strategy, to promote the best-in-class target setting approach in the market and demonstrate the Group's alignment to limit global warming to 1.5°C.		2nd half of 2026

KPIS RELATED TO THE OBJECTIVES OF THE SOSTENIBILITÀ PLAN ⁹	UOM	2022	2023	Baseline goal progress 2022	Objective as at 2026
<i>Quantity of sludge (waste) produced per ton of semi-finished product produced</i>	ton/ton	0,56	0,49	-14%	-10%
<i>Quantity of ammonium bicarbonate (raw material) purchased per ton of semi-finished product</i>	ton/ton	0,15	0,11	-32%	-15%
<i>Water discharges per ton of semi-finished product</i>	ML/ton	0,0080	0,0078	-3%	-15%
<i>Water withdrawals per ton of semi-finished product</i>	ML/ton	0,0083	0,0075	-10%	-15%
<i>Methane gas consumption (and related emissions) per ton of semi-finished product</i>	SMC/ton	363,26	332,76	-8%	-5%

⁹ These KPIs are currently monitored only on the previous perimeter of the Sicit Group, before the acquisition of PatBio

MAIN HIGHLIGHTS ¹⁰							
GRI indicator ¹¹	Description	UM	2022	2023 ¹²	Δ 22 /23	2023 A DJ ¹³	Δ ADJ ¹⁴
Environmental							
301-2	<i>Raw materials used</i> ¹⁵	ton	177.688	171.299	-4%	170.432	-4%
	<i>of which from renewable sources</i>	%	82	83	1%	83	1%
302-1	<i>Energy consumption within the organization</i>	GJ	433.528	402.783	-7%	401.567	-7%
	<i>of which from renewable sources</i>	%	6	8	2%	8	2%
302-3	<i>Energy intensity</i>	GJ/€ Thousands	4,57	3,75	-18%	3,87	-15%
303-3	<i>Water withdrawal</i>	ML	269	246	9%	244	-9%
305-1	<i>Direct greenhouse gas emissions (scope 1)</i>	tCO2eq	23.583	24.949	6%	21.803	-8%
305-2	<i>GHG indirect energy emissions (scope 2 - Location based)</i>	tCO2	1.978	2.281	15%	2.262	+14%
	<i>Indirect emissions (scope 2 - Market based)</i>	tCO2	-	19	-	-	
305-4	<i>Intensity of greenhouse gas emissions</i>	tCO2eq (Location based)/€ Thousands	0,27	0,25	-7%	0,26	-4%
306-3	<i>Waste produced</i>	t	20.082	16.804	-16%	16.794	-16%
NA	<i>Water intensity</i>	ML/€ Thousands	0,0028	0,0023	-18%	0,0024	-14%
NA	<i>Waste intensity</i>	t/€ Thousands	0,21	0,16	-24%	0,16	-24%

¹⁰ Please refer to Annex Ambientale for the complete information regarding GRI indicators relating to the environmental performance of the Group.

¹¹ If applicable

¹² In column "2023" the data including the company PatBio from the date of entry into the reporting period are reported, and in column "2023 ADJ" the data excluding the company PatBio in order to make them comparable with the data 2022. As regards ADJ revenues, reference is made to the financial statements (PatBio revenues 3,6 million euros). It should also be noted that, in view of continuous improvement, the calculation of intensities in 2022 has been improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

¹³ Value excluding from the perimeter the company PatBio.

¹⁴ Value excluding from the perimeter the company PatBio.

¹⁵ Value excluding packaging and considering only Raw materials.

SICIT commitment towards the environment

GRI 3-3

ORGANIZATIONAL POLICIES AND GUIDELINES



[For more information, please visit the Group Policy corporate web page](#)

Also in 2023, as in previous years, an internal audit was carried out between July and August in EHS, using a verification checklist, carried out in synergy between the two internal functions Environment and Safety. The outcome of this internal audit was shared with the certification body of ISO 14001 and with the director with health and safety delegations. In addition, it should be noted that twice a year audits are carried out on environmental and health and safety issues by the ODV.

SICIT is committed to **integrating the UNI EN ISO 45001:2018 and UNI EN ISO 14001:2015 certifications with ISO 9001.**

Sicit has also obtained the Bioagricert certification for organic production since it respects the Reg. EU 848/2018, which defines the system of production, processing, labeling, control and certification in the European Union.

As regards risk management, a module has been implemented dedicated to identifying the problems and risks associated with a new plant. Although there are no particularly significant risks arising from the activities carried out, SICIT identified among the possible environmental impacts **the consumption of natural resources** (*electricity, natural gas, water,*

Raw materials) and **emissions into the atmosphere** (*greenhouse gases and pollutants*). Risks are considered to be associated with any spillage of chemicals that could cause problems related to emissions into the atmosphere. These impacts are constantly monitored and managed to ensure compliance with the relevant requirements in force where SICIT operates and will be dealt with during this chapter.

SICIT believes that promoting employee participation and individual responsibility in environmental actions is important to its success. Therefore, it encourages its employees to participate actively by sharing information on environmental and sustainability issues. In the SICIT Code of Ethics, it States that the Group has as its primary values policies linked to respect for environmental issues. Specifically, it pursues the continuous improvement of its environmental performance, committing itself to:

- maintain compliance with all applicable environmental laws and regulations;
- to pursue continuous improvement, minimizing, where technically possible and economically sustainable, any negative impact on the environment of its activities and preventing pollution.

To confirm SICIT's commitment to minimize the environmental impacts of its business, it is noted that the biostimulants and retardants marketed by the Group are 100% biodegradable.

Even fat, which is marketed by SICIT for the production of biofuel, which is an eco-friendly fuel alternative to diesel fuel that allows to reduce significantly the emissions of CO₂e in the atmosphere. The use of 1 liter of diesel fuel, indeed, contributes to a carbon dioxide emission in an atmosphere that is approximately 15 times higher¹⁶ than that generated by biodiesel.

During 2023, inside the Chiampo plant **two new plants** were installed, one with **osmosis** and one with **filtration**. The first plant allows the Group to **recover the ammonium carbonate** by separating it from the water which is subsequently recovered and **reused**.

The second allows the Group to **recover calcium bicarbonate** by reducing the amount of **waste generated**.

A further innovation, concerning the introduction of new plants, involves the **recovery process** at the **Arzignano** plant where the **lime solubilization** takes place using a **protein substance**, thus reducing the **consumption** of water and **methane**.

¹⁶ The emission factors used are for diesel 2,51206 kgCO₂e/lt, and for biodiesel 0,16751 kgCO₂e/lt (DEFRA 2023).

Energy consumption and emissions

GRI 305-2

GRI 305-4

GRI 305-7

GRI 302-1

GRI 302-3

GRI 305-1

SICIT has been promoting for several years, in line with its Environmental Policy, a careful and responsible management of its energy consumption (electricity and methane gas); these are mainly derived from production plants, and apparently residual from lighting, heating and cooling of work environments. To these consumptions are added the fuel consumption of the logistic means of ownership. Electricity and natural gas are used as the main sources of energy used in production processes.

In 2023, the total energy consumption of SICIT was **402.783 GJ¹⁷**, a 7% reduction compared to 2022. The main source of energy used is natural gas, which accounts for 92% of the total energy consumption because it is used as the main source in the production process¹⁸, while electricity represents 8% of the total energy consumption. It is noted that, following the improvement in production facilities, 2023 recorded a reduction in natural gas consumption per ton of protein hydrolyzate of 8% compared to 2022.

Electricity is supplied from the grid by a **cogeneration plant for electricity and heating** installed at the Arzignano plant. This plant is functional to the reduction of the energy costs of the plant. The energy produced by the co-generator is

in fact entirely self-consumed, reducing the supply from the grid.

In 2022, confirming SICIT's commitment to reducing energy consumption, the installation was completed at the Arzignano plant and a **photovoltaic plant** with a capacity of about 190 kWp was put into operation for industrial use. It can produce about 262.000 kWh of electricity every year. During 2023, the share of electricity generated and consumed internally was 255.284 kWh. This plant, together with the co-generator, has ensured the site of Arzignano, almost self-sufficiency for electricity consumption (ca. 78% of the total consumed). In order to reduce its CO2 emissions, SICIT has also signed an agreement with Enel Energia for the supply of **100% renewable electricity for the Italian perimeter**, which since 2021 has increased to 100% of electricity purchased from the "green" certified grid by **GSE**. In 2023, the purchase of electricity from non-certified sources was also recorded following the acquisition of PatBio, even for negligible quantities within the Group's perimeter.

¹⁷ 401.567 GJ for the same perimeter as SRS22, not considering PatBio.

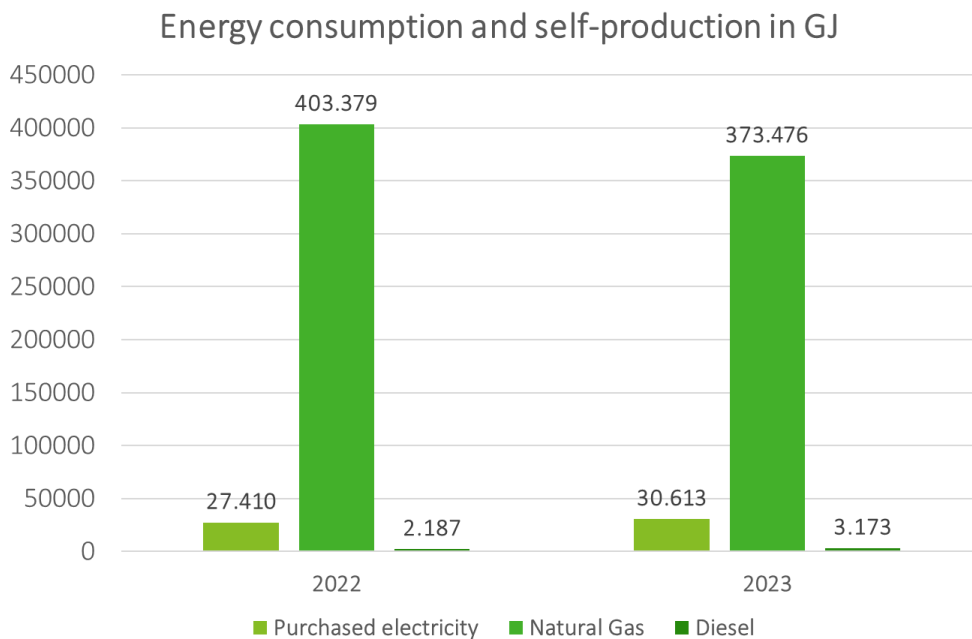
¹⁸ Natural gas is mainly used to power steam boilers,

a cogeneration plant (electricity and steam), some plants for the removal of fumes and emissions from odorigene, and the drying plant.

In 2023, the total energy consumed by the Group **from renewable sources was about 8%.**

In addition, the installation of a new photovoltaic system with a power of 200 kW at the Chiampo plant is under design. This installation is scheduled to start in 2024.

With the determination n. 1624 of December 29, 2020 the province of Vicenza has granted to SICIT the integrated environmental authorization (AIA n.13/2020) in accordance with Legislative Decree 152/06 for the Arzignano plant. In addition, SICIT has obtained the renewal of the sole environmental authorization (AUA) for the Chiampo plant (obtained on 17 April 2019), valid until 2029. This authorization shall include waste management, water discharge and emissions to the atmosphere and shall specify the requirements to be adopted.



With the aim to achieve maximum treatment potential, SICIT has carried out a series of plant and structural interventions over the years at the Chiampo plant and has decided, on a voluntary basis, to subject the plant modification to THE EIA procedure (“Environmental impact Assessment”), Concluded with a favorable opinion of environmental compatibility issued by the Province of Vicenza in 2015. In 2019 the Province of Vincenza granted the authorization to operate the plant approving all the changes required in previous years. In 2020, the Province of Vicenza issued the n.1380 of 11/11/2020 in which the ownership of the authorization was updated.

The SICIT production plants (Arzignano and Chiampo) are covered by the Emission *Trading System (ETS)* legislation (Directive 2003/87/EC) and are registered in the register of companies authorized to emit greenhouse gases.

SICIT carefully monitors greenhouse gas emissions, aware of the implications they have on the climate, by drawing up the **monitoring and control plan** (PMC) annually.

The following are the main types of emissions related to the above-mentioned energy sources, according to **the greenhouse Gas (GHG) Protocol**, which provides for the distinction of emissions in categories or “*scope*”:

- Scope 1: **direct emissions**, associated with sources of ownership or under the control of the Company, such as fuels used for heating and for the operating means necessary for the activities of the undertaking;

- Scope 2: **Indirect emissions**, resulting from the consumption of electricity purchased by the Company. In particular, in compliance with the requirements of the GRI reporting standards, they are calculated according to *the Location and Market based* methodologies, using appropriate emission factors.

SICIT has also taken steps to measure the overall emissions impact of both its products and the organization. In particular:

- Since 2021, he has produced *a carbon Footprint* product project and obtained the certification of the CFP systematic approach in accordance with ISO14067:2018, for all Finished goods from protein hydrolyzate. Thanks to this result, SICIT is able to calculate the emissions of CO₂eq deriving from the life cycle of its products in accordance with the requirements of ISO 14067:2018;
- Included among the objectives of its sustainability plan the drafting of the organization’s carbon footprint, including the GHG emissions of scope 3 (emissions generated downstream and upstream of the Group’s production activity, such as the emissions generated by logistics and products during their use by end customers), and the corresponding certification by the second half of 2024. In this context, the Group achieved this certification for emissions for 2022 during 2024 and is completing the calculation of scope 3 emissions for 2023.

In 2023, the direct emissions of SICIT were **24.949 tCO₂** (scope 1)¹⁹ from natural gas, diesel, petrol and LPG. The indirect emissions (scope 2)²⁰ deriving from the electricity purchased were equal to **2.281 tCO₂** based on the *Location based* calculation method, and equal to **19 tCO₂** calculated using the *Market based* method, in view of the presence of certificates of guarantee of renewable origin of 100% of the electricity purchased in 2023 for the Italian perimeter. The largest share of emissions is generated by natural gas consumption, followed by the component resulting from the use of electricity. The total emissions (scope 1 and scope 2 *Location-based*) were **27.230 tCO₂**, an increase of about 7% compared to 2022.

In 2023, SICIT Group recorded an energy intensity index²¹ of 3,75 GJ/€ thousand for thousand

of euros of revenues, down by about 18% compared to 2022 (4,57 GJ/ € thousand). While²² the emission intensity index recorded in 2023 at the Group level was 0,25 tCO₂/€ thousand considering the total direct and indirect location-based emissions for thousands of euros of turnover down by about 7% compared to 2022 (0,27 tCO₂/€ thousand).

In addition to the overall energy and emission intensity data, calculated on turnover at Group level, the energy and emission intensity indices relating to the total production of protein hydrolyzate have also been determined, for this purpose, only consumption and emission data from the Chiampo and Arzignano plants are considered. Protein hydrolyzate is used as the basis for

¹⁹ Direct emissions from combustion sources, including fixed, mobile, process and fugitive sources, were considered for the calculation of Scope 1 emissions. For the calculation the emission factors “ISPR - National Inventory Report 2023” were used for the calculation of the emissions of Sicit and “DEFRA - UK Government - GHG Conversion factors for Company Reporting 2023” for the calculation of the emissions of PatBio. Scope 1 emissions are expressed in tons of CO₂, as the source used does not report emission factors for other gases other than CO₂.

²⁰ The GRI Sustainability Reporting Standards provide two methodologies for calculating scope 2 emissions, the “Location-based method” and the “Market-based method”. Both calculation methodologies were used to calculate scope 2 emissions, in line with GRI Sustainability Reporting Standards. The Market-based is based on the CO₂ emissions emitted by the energy suppliers from which the organization buys electricity through a contract and can be calculated by considering: Certificates of guarantee of origin of energy and direct contracts with suppliers, supplier specific emission factors, emission factors related to the “residual mix”, i.e. energy and emissions not monitored or not claimed (methodology used, with Italian emission factor for the year 2023: 457 gCO₂/kWh - source: AIB 2023 - European residual

mixes 2022). The Location-based method is based on average emission factors related to the generation of energy for well defined geographical boundaries, including local, subnational or national boundaries (methodology used, with Italian emission factor for the year 2023: 2679 gCO₂/kWh - source: ISPR 2023 - atmospheric emission factors of greenhouse gases in the national electricity sector and in the main European countries). The same calculation was carried out for PatBio, using the emission factor 318 gCO₂/kWh - source: “Terna” for both the Market-based calculation and the Location-based calculation. Scope 2 emissions are expressed in tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents) as can be deduced from the technical reference literature.

²¹ With a view to continuous improvement, the calculation of energy intensity in 2022 was improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

²² With a view to continuous improvement, the calculation of the emissive intensity of 2022 was improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

producing the finished product, common to both such production sites, and consequently can be used to calculate the energy and emission intensity of the Italian perimeter of the Sicit Group.

It should therefore be noted that in 2023 SICIT registered an energy intensity index of **12,37 GJ per ton of protein hydrolyzate produced** (32.455 tons total in 2023), a decrease of about 7%. Compared to 2022 (13,36 GJ/t).

The intensity of methane gas consumption for the **Italian perimeter** of the SICIT Group for 2023 (expressed in terms of SMC per ton of protein hydrolyzate produced) is **332,76 SMC/ton**, a reduction of **8%** compared to 2022 of **363,26²³ SMC/ton**.

The emission intensity index recorded in 2023 for the Italian perimeter was **0,74 tCO₂/t** considering the total direct and indirect location-based emissions on the tons of protein hydrolyzate produced, down by about 7%. Compared to 2022 (0,79 tCO₂/t).

SICIT, in order to guarantee health protection and respect for the environment, **constantly monitors all emissions of pollutants into the atmosphere** produced by its production plants.

In line with current regulatory requirements, each emission is regularly monitored to comply with legal limits; chemical analyzes on emissions measured

from chimneys are carried out by a third-party laboratory.

As regards the quantification of other emissions in the atmosphere other than CO₂ emissions, for 2023 **NO_x** and **Sox** emissions are **57,07 tons** and **9,46 tons** respectively; as regards other emissions, the plants produced **38,50 tons** of other emission categories identified by the applicable legislation (NH₃) and **1,66 tons** of volatile organic compounds (VOC).

²³ With a view to continuous improvement, the calculation of the intensity of methane gas consumption in 2022 was improved. For the above values, please refer to the 2022 Sustainability Report.

Odorous emissions

In 2023 the samples taken were subjected to olfactory analysis for the determination of the odor concentration, according to UNI EN 13725:2004, both for the Chiampo and Arzignano plants. The analysis showed an average value of 648 units (EUO/m³).

SICIT, in order to reduce considerably its emissions generated by odor, installed regenerative post-combustion plants in both plants, as well as continuous monitoring and recording of the fumes emitted.

Sicit also periodically carries out evaluations relating to the acoustic impact generated by the Chiampo and Arzignano plants.

Management of Water

GRI 303-1

GRI 303-2

GRI 303-3

GRI 303-4

SICIT is constantly looking for activities aimed at reducing water consumption in the various production phases.

The Chiampo plant is supplied with drinking water for hygienic sanitary use from the municipal aqueduct, while the industrial water used for the supply of the fire-fighting water network, the production process and irrigation are taken from two wells located at the plant.

The plant **carries out** on a voluntary basis **the analysis of the heavy metals and the bacterial load of the water taken from the wells. The analyses of PFAS** (perfluorooctanesulfonic acid) **are also carried out annually.**

From the last analysis carried out, no criticality was found. In addition, the optimization of water resource management has been achieved through the introduction of the osmosis system, bringing significant improvements in the long term.

The Arzignano plant is supplied with drinking water for hygienic sanitary use from the civil aqueduct, while the industrial water used for fire-fighting water, the production process and irrigation are taken from the industrial aqueduct.

In 2023, the total water withdrawals from SICIT amounted to **246 megaliters** (of which 2 megaliters from PatBio), of which

127 were taken from wells, 118 were taken from aqueduct and the remaining 1 came from surface waters. The overall figure is a 9% reduction with respect to the 2022 sampling and is linked to the process optimization that took place during 2023 despite the product hydrolyzate.

In 2023, the intensity of water withdrawals²⁴ by the SICIT Group was 0,0023 ML/€ thousand for thousands of euros, a decrease of about 18% compared to 2022 (0,0028 ML/€ thousand).

As far as the water discharge is concerned, the Chiampo plant has two separate discharge lines: A line for rainwater from the rainwater of the roof and the second rainwater and a line for the industrial/wastewater. The site has obtained an authorization for the discharge of wastewater from the production process and rainwater from the first rain into the industrial sewerage network managed by Chiampo S.p.A. waters.

The water discharges of the Arzignano plant are of the sanitary, meteorological and industrial type and a contract is in force for the sewerage and purification service of industrial wastewater with Chiampo S.p.A. waters Industrial discharges are subject to laboratory analysis for the monitoring of the quality of the discharged water which must comply with a series of parameters, among the main chemical parameters, chlorides and sulphates²⁵. It should be noted that there has never been any

²⁴ With a view to continuous improvement, the calculation of the intensity of water in 2022 was improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

²⁵ Regulations of the management company of the

Integrated water Service concerning the sewerage and purification of the waste water delivered to the industrial sewerage network of 23.07.2018, in accordance with Legislative Decree 152/2006.

overruns of these parameters for sewage discharges.

In 2023, a total of **253 megaliters of water** were discharged from SICIT (-3% compared to 2022).

The intensity of withdrawals for the **Italian perimeter** of the SICIT Group for 2023 (expressed in terms OF ML per ton of protein hydrolyzate produced) is **0,0075 ML/ton**, a **10% decrease** compared to the 2022 figure of **0,0083 ML/ton**.

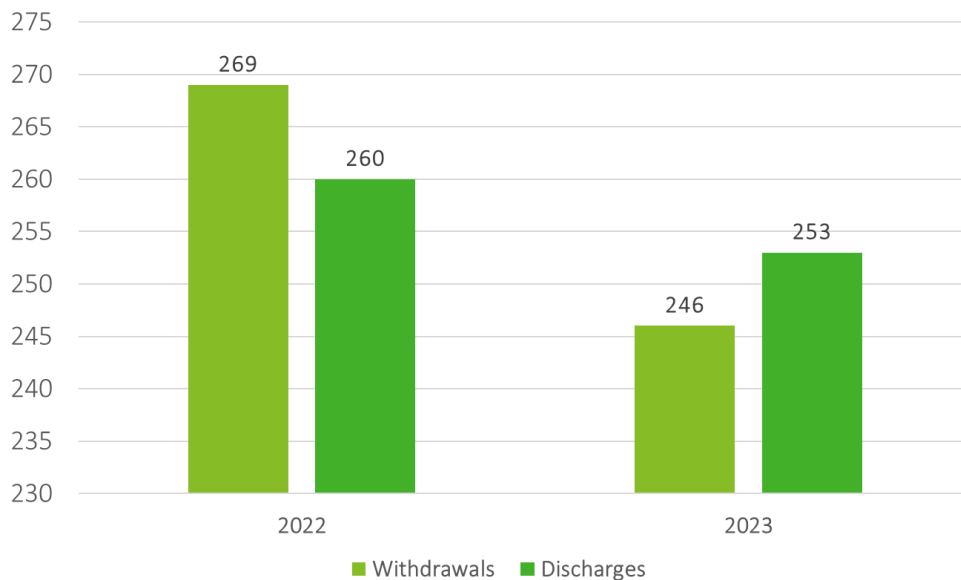
The intensity of the water discharges by SICIT Group 2023 per Italian perimeter (expressed in terms OF ML per ton of protein hydrolyzate produced) is equal to **0,0078 ML/ton**, a reduction of **3%** with respect to the 2022 value of **0,0080 ML/ton**.

The reduction in discharges, despite the increase in water withdrawals, is mainly due to the different production mix between the Chiampo and Arzignano plants.

With regard to the collection and discharge of water in areas subject to water stress, SICIT uses *the Aqueduct Tool* developed by the World Resources Institute²⁶ to identify potentially hazardous areas. According to this analysis, **Italian and Chilean production plants are not located in water-stress areas.**

It is also stressed that no cases of accidental loss or release of dangerous substances into the environment have been recorded during the year.

Water consumption in megalitres



²⁶ The WRI tool is available online at: <https://www.wri.org/our-work/project/aqueduct>.

For the analysis, the results from the “baseline water stress” column were taken into account.

Materials and circular economy

GRI 301-2

GRI 306-1

GRI 306-2

GRI 306-3

SICIT was born to face the problems of recycling of solid waste in the district of the tanning of Arzignano (VI) and is affirmed as **international excellence of the green and circular economy** that, by withdrawing and transforming waste, **significantly limits the production of waste.**

SICIT fully embraces the principles of a circular economy, an economic system designed to reuse materials in subsequent production cycles, minimizing waste.

The intensity of the quantity of ammonium bicarbonate purchased for the **Italian perimeter** of the SICIT Group for 2023 (expressed in terms of tons per ton of protein hydrolyzate produced) is **0.11 ton/ton**, a decrease of **32%** compared to 2022 of **0,15²⁷ ton/ton.**

The biostimulants, retardants and animal fat produced by SICIT are a typical example of a circular economy, in which operators are supplied with waste from the tanning industry which is processed in Finished goods and used in the agricultural and industrial sectors. Various residues derive from the processing of the skin, some of which can be recovered in various ways,

with consequent environmental and economic benefits. Indeed, through the hydrolysis process of animal proteins, free amino acids or short peptide chains are obtained to be used in the production of protein hydrolyzates, in addition to the separation of animal fat. This plant and market solution is the one used in the SICIT plants for the treatment of animal sub-products and other residues of tanning activities.

Out of a total of nearly 172.726 tons of materials used by SICIT in 2023, **83% comes from recycling** of animal sub-products, other residues of tanning activities and plant sub-products.

It is also important to point out that **the waste materials** for which SICIT supplies and recycles come from the production cycle of meat and leather processing and processing.

Through its activities SICIT contributes to **zero waste** and **environmental impact:**

- and of the upstream production sectors (meat production and leather processing), since such materials should be disposed of by producers at a cost and environmental costs higher than those incurred by SICIT;
- and its own production sectors (production of bio-stimulants for agriculture, production of industrial additives and production of biofuel from alternative sources to oil, such as animal fat), drastically reducing the need for specific ex-novo production of Raw materials to feed its production flow.

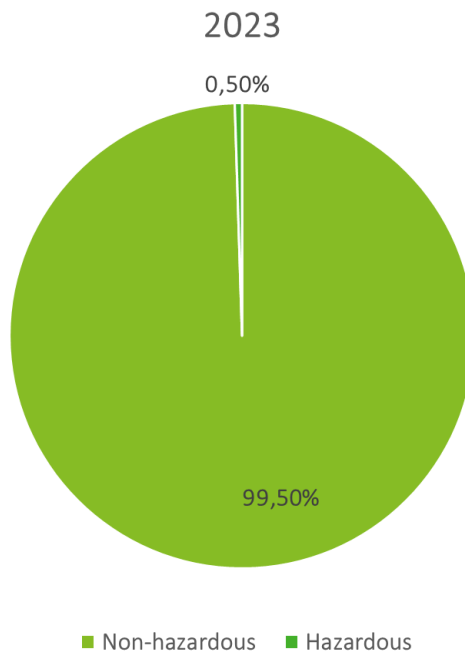
²⁷ With a view to continuous improvement, the calculation of the intensity of the quantity of bicarbonate in 2022 was improved. For the above

values, please refer to the 2022 Sustainability Report.

SICIT is attentive to the methods of waste management and disposal in accordance with current regulations and within its commitment to the protection of the environment. The waste is disposed of in compliance with Legislative Decree 152/06 and is sent to appropriate treatment plants and/or landfills.

In 2023, the waste generated was **16.804 tons**, down 16% compared to the previous year. Moreover, the constant commitment of Sicit to the circular economy is reported as a 28% reduction in the intensity index of waste produced²⁸ for thousands of euros of turnover, from 0,21 to 0,16 in 2023.

Hazardous waste represents a negligible proportion (0,5% of the total) and consists mainly of used engine oil, packaging containing residues of hazardous substances and organic waste containing hazardous substances, usually resulting from the disposal of production facilities. Waste comparable to municipal waste, coming from the canteen and from the offices, is collected in a differentiated way and delivered to the municipal collection service.



²⁸ With a view to continuous improvement, the calculation of the intensity of waste produced in 2022 was improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

The intensity of the waste produced for the **Italian perimeter** of the SICIT Group for 2023 (expressed in terms of tons per ton of protein hydrolyzate produced) is **0,52 ton/ton**, a decrease of **17%** compared to 2022 of **0,62 ton/ton**.

The intensity of sludge produced for **Sicit's Italian perimeter** for 2023 (expressed in terms of tons per ton of protein hydrolyzate produced) is **0,49 ton/ton**, down **14%** from the figure in 2022 of **0,56²⁹**.

Within the framework of the Environmental Management System UNI EN ISO 14001:2015, SICIT periodically and independently carries out specific **audits** at landfills **in order to verify the correct disposal** of **waste** according to the law. This audit of the main disposal facilities was planned in 2023. This is indicated for each new disposal facility the audit will be planned.

²⁹ With a view to continuous improvement, the calculation of the intensity of the sludge produced in 2022 was improved. For the above values, please

refer to the 2022 Sustainability Report.

Annex environmental

GRI STANDARD DISCLOSURE 301-2: Recycled input materials used³⁰

Materials	2022		2023	
	Quantity in tons	% recycled input material ³¹	Quantity in tons	% recycled input material
Animal products derived from tanneries	145.117	100%	141.536	100%
Chemicals	27.707	-	23.465	3%
Acids	5.864	-	6.207	-
Packaging	1.327	12%	1.426	9%
Vegetable products	-	-	90	-
Total	180.015	81%	172.726	83%

³⁰ With a view to continuous improvement, the calculation of packaging materials in 2022 has been improved. For the above values, please refer to the 2022 Sustainability Report.

³¹ The percentages indicate the quantity of recycled material with respect to the total of the materials of the same type.

GRI STANDARD DISCLOSURE 302-1: Energy consumption within the organization

GRI STANDARD DISCLOSURE 302-3: Energy intensity

Energy consumption	GJ	
Types of consumption	2022	2023
NON-RENEWABLE FUELS	405.566	373.476
Natural gas	403.379	370.303
Diesel fuel for automotive use	2.187	2.176
<i>of which generator set</i>	7	5
<i>of which owned and leased long-term</i>	2.180	2.171
Automotive gasoline (indicate consumption only for proprietary and long-term leasing vehicles)	-	923
LPG for motor vehicles (indicate consumption only for proprietary and long-term leasing vehicles)	-	8
Diesel for steam	-	66
Electricity³²	27.410	30.613
Electricity purchased	27.410	30.613
<i>of which from renewable sources</i>	27.410	30.394
<i>of which from non-renewable sources</i>	-	219
TOTAL CONSUMPTION		
Total energy consumption	433.528	402.783
Renewable energy	27.962	31.313
Non-renewable energy	405.566	371.470
ENERGY INTENSITY FOR € THOUSAND	4,57³³	3,75

³² In 2022 and 2023, the Group used certificates of origin for the purchase of energy from renewable sources for the Italian perimeter.

³³ With a view to continuous improvement, the calculation of energy intensity in 2022 was improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

GRI STANDARD DISCLOSURE 303-3: Water withdrawal

Water withdrawals	Megaliters			
	2022		2023	
	All areas	Areas with water stress ³⁴	All areas	Areas with water stress
Surface water (total)	-	-	1	-
Surface water (≤ 1000 mg/L total dissolved solids)	-	-	1	-
Groundwater (total)	132	-	127	-
Fresh water (≤ 1000 mg/L total dissolved solids)	132	-	127	-
Other water (> 1000 mg/L total dissolved solids)	-	-	-	-
Third Party water (Total)	137	-	118	-
Fresh water (≤ 1000 mg/L total dissolved solids)	137	-	118	-
Other water (> 1000 mg/L total dissolved solids)	-	-	-	-
Total water withdrawal	269	-	246	-

³⁴ With regard to the collection and discharge of water in areas subject to water stress, SICIT uses the Aqueduct Tool developed by the World Resources Institute to identify potentially hazardous areas. According to this analysis, neither of the two production plants was found to be located in water-stress areas. The WRI tool is available online at: <https://www.wri.org/our-work/project/aqueduct>. For the analysis, the results from the “baseline water stress” column were taken into account.

GRI STANDARD DISCLOSURE 303-4 water discharge

Water discharges	Megaliters			
	2022		2023	
Water discharges destination	All areas	Areas with water stress	All areas	Areas with water stress
Groundwater (total)	-	-	-	-
Fresh water (≤ 1000 mg/L total dissolved solids)	-	-	-	-
Other water (> 1000 mg/L total dissolved solids)	-	-	-	-
Third Party water (Total)	260	-	253	-
Fresh water (≤ 1000 mg/L total dissolved solids)	260	-	253	-
Other water (> 1000 mg/L total dissolved solids)	-	-	-	-
Total water discharges	260	-	253	-

GRI STANDARD DISCLOSURE 305-1: Direct (scope 1)³⁵ GHG emissions

Direct emissions scope 1	GJ	
	2022	2023
Scope 1		
Natural gas	23.422	21.643
Diesel fuel for automotive use	161	160
Automotive gasoline (indicate consumption only for proprietary and long-term leasing vehicles)	-	2.912
LPG for motor vehicles (indicate consumption only for proprietary and long-term leasing vehicles)	-	23
Diesel for steam	-	211
Total emissions scope 1	23.583	24.949

³⁵ Direct emissions from combustion sources, including fixed, mobile, process and fugitive sources, were considered for the calculation of Scope 1 emissions. For the calculation the emission factors "ISPRA - National Inventory Report 2023" were used for the calculation of the emissions of Sicit and "DEFRA - UK Government - GHG Conversion factors for Company Reporting 2023" for the calculation of the emissions of PatBio. Scope 1 emissions are expressed in tons of CO₂, as the source used does not report emission factors for other gases other than CO₂.

GRI STANDARD DISCLOSURE 305-2: Energy indirect (scope 2)³⁶ GHG emissions

Indirect emissions of brooms 2	GJ	
Scope 2	2022	2023
Purchased electricity - Location based	1.978	2.281
Electricity purchased - Market based	-	19

TOTAL EMISSIONS

TOTAL EMISSIONS	TCO2	
	2022	2023
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)	25.561	27.230
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	23.583	24.968

GRI STANDARD DISCLOSURE 305-4: GHG emission intensity

EMISSIVE INTENSITY ³⁷	TCO2/ € thousands	
	2022	2023
Emission intensity (scope 1)	0,25	0,23
Intensity of emissions (Scope 1 + scope 2 - Location based)	0,27	0,25
Intensity of emissions (Scope 1 + scope 2 - Market based)	0,25	0,23

³⁶ The GRI Sustainability Reporting Standards provide two methodologies for calculating scope 2 emissions, the "Location-based method" and the "Market-based method". Both calculation methodologies were used to calculate scope 2 emissions, in line with GRI Sustainability Reporting Standards. The Market-based is based on the CO₂ emissions emitted by the energy suppliers from which the organization buys electricity through a contract and can be calculated by considering: Certificates of guarantee of origin of energy and direct contracts with suppliers, supplier specific emission factors, emission factors related to the "residual mix", i.e. energy and emissions not monitored or not claimed (methodology used, with Italian emission factor for the year 2023: 457 gCO₂/kWh - source: AIB 2023 - European residual mixes 2022). The Location-based method is based on average emission factors related to the generation of energy for well defined geographical boundaries, including local, subnational or national boundaries (methodology used, with Italian emission factor for the year 2023: 2679 gCO₂/kWh - source: ISPRA 2023 - atmospheric emission factors of greenhouse gases in the national electricity sector and in the main European countries). The same calculation was carried out for PatBio, using the emission factor 318 gCO₂/KWH - source: "Terna" for both the Market-based calculation and the Location-based calculation. Scope 2 emissions are expressed in tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents) as can be deduced from the technical reference literature.

³⁷ With a view to continuous improvement, the calculation of the emissive intensity of 2022 was improved, changing the denominator used to € thousand. For the above values, please refer to the 2022 Sustainability Report.

GRI STANDARD DISCLOSURE 305-7: Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions

Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Tons	
	2022	2023
Pollutant gases		
NOX	64,17	57,07
SOX	5,53	9,46
Volatile organic compounds (VOC)	2,36	1,66
Other emission standard categories identified in applicable law (NH3)	22,85	38,50

GRI STANDARD DISCLOSURE 306-3 (2020): Waste generated

Waste produced	Tons	
	2022	2023
Hazardous waste referred to	120	84
Aqueous washing solutions and mother liquors	49	59
Packaging containing residues of dangerous substances or substances contaminated by such substances	13	15
Other hazardous waste	58	10
Non-hazardous waste referred to	19.962	16.720
Sludge produced by the on-site treatment of effluents	18.219	15.772
Absorbents, filter materials, rags and protective clothing	455	561
Other non-hazardous waste	1.288	387
Total	20.082	16.804

OUR PEOPLE

SUMMARY & HIGHLIGHTS

VALUES

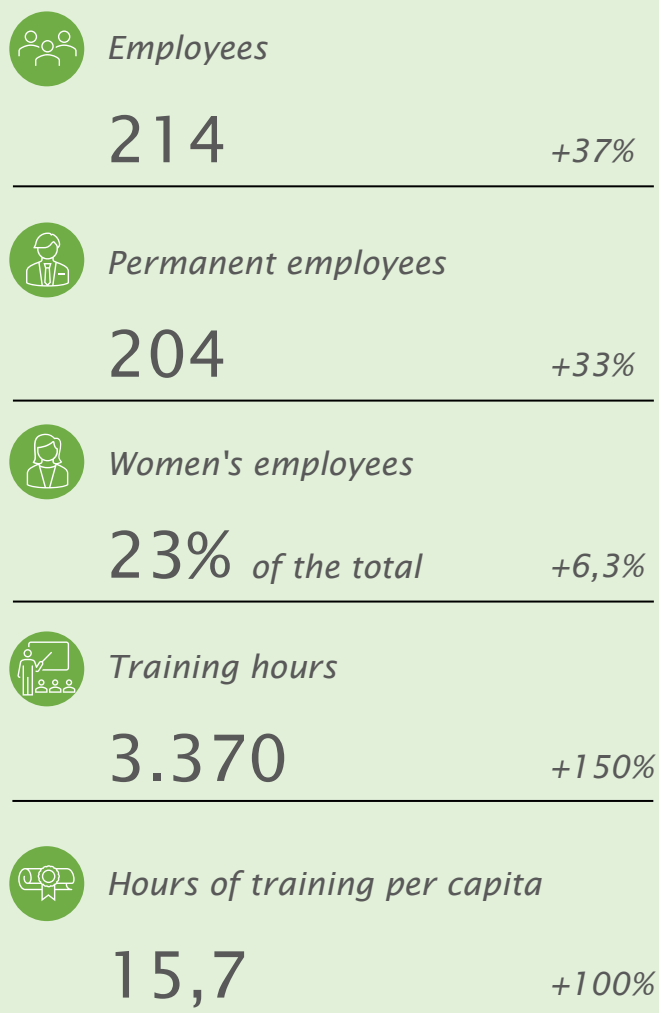
Sicit actively promotes **professional and personal development**, offering support and **opportunities for growth**.

SICIT supports an **inclusive and safe environment**, where **physical and mental well-being is a priority**, maintaining an **open and constructive dialog with employees**.

OBJECTIVES

- To promote an **inclusive and respectful work environment** where every individual feels valued and supported.
- To foster the **professional and personal development of employees**, offering opportunities for training and continuous growth.
- Create a **business culture based on trust and transparency**, where communications are open and honest.
- To ensure a **healthy balance between work and private life**, by promoting **policies of flexibility** and support for the well-being of employees.
- Recognize and **reward merit** and individual contribution, encouraging a climate of gratitude and motivation.

SICIT IN NUMBERS³⁸ vs 2022



³⁸ The numbers 2023 include the new company PatBio



“Our employees are at the heart of our company. We guarantee a respectful and transparent working environment, where sustainable practices are not limited to nature, but extend to the well-being and respect of our employees. Sustainability is not only a direction for the future, but also a commitment to those who make our day-to-day success possible.”

MATERIAL THEMES

Environmental impact management

Innovation, Research and development

Health and safety at work

Economic performance and value creation

Employee development and well-being

Business ethics, anti-corruption and regulatory

Local community and territory

Product quality and safety

Sustainable supply chain management

SDGs

4 QUALITY EDUCATION



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Significant KPIs and social objectives of the Sustainability Plan

SDGs	Objectives	Progress	Timing
4 QUALITY EDUCATION 	Defining three-year training plan consistent with the outlined career pathway		Achieved , a three-year training plan was established in 2023
4 QUALITY EDUCATION 	Increase by 100% in the per capita non-mandatory training hours figure at Group level compared to 2022 data (4,8 hrs), with a minimum increase of +10% to be achieved in 2023 already.		2nd half of 2026 – achieved , +145% hours of training per capita in 2023
3 GOOD HEALTH AND WELL-BEING 	Definition of welfare/well-being plan		2nd half of 2024
-	Review of the ESG-related policies in place		2nd half of 2024
5 GENDER EQUALITY 	Assessment of the Group's gender diversity maturity and further definition of an improvement plan		2nd half of 2024
8 DECENT WORK AND ECONOMIC GROWTH 	Formalization of a performance evaluation process		2nd half of 2024
-	Extension of the UNI EN ISO 9001:2015 certified Quality Management System to SICIT Group S.p.A.		2nd half of 2024 – achieved , the Company obtained ISO 9001:2015 certification at the level of the Italian perimeter in 2023.

KPIS RELATED TO THE OBJECTIVES OF THE SOSTENIBILITÀ PLAN ³⁹	UOM	2022	2023	Baseline goal progress 2022	Objective as at 2023	Objective as at 2026
<i>Increase in non-mandatory training hours per capita at Group level compared to 2022</i>	Nr.	4,8	11,8	+145%	+10%	+100%

MAIN HIGHLIGHTS ⁴⁰							
GRI indicator	Description	UOM	2022	2023 ⁴¹	Δ 22/23	2023 ADJ ⁴²	Δ ADJ
THE PEOPLE IN THE GROUP							
GRI 2-7: Employees	<i>Number of employees as of 31 December</i>	Nr.	156	214	37%	159	2%
	<i>of which under permanent contract</i>	%	99	95	-4%	97	-2%
GRI 401-1: Employment 2016	<i>Recruitment rate</i>	%	10,9	15,9	46%	12,6	16%
	<i>Turnover rate</i>	%	7,7	8,9	2%	10,7	39%
DEVELOPMENT AND PROTECTION OF PROFESSIONALISM							
GRI 404-1: Training and Education 2016	<i>Average training hours per year per employee</i>	Nr.	8	16	100%	19	138%
GRI 405-1: Diversity and equal opportunities 2016	<i>women</i>	%	17	23	35%	19	12%
	<i><30 years</i>	%	21,8	22,4	3%	22,6	3%
HEALTH AND SAFETY AT WORK							
GRI 403-9: Health and safety at work 2018	<i>Number of employee work-related injuries</i>	Nr.	2	5	150%	1	-50%

³⁹ These KPIs are currently monitored only on the previous perimeter of the Sicit Group, before the acquisition of PatBio

⁴⁰ Reference is made to the Annex Sociale for the full disclosure in relation to the GRI indicators relating to the environmental performance of the Group.

⁴¹ In column "2023" the data including the company PatBio from the date of entry into the reporting period are reported, and in column "2023 ADJ" the data excluding the company PatBio in order to make them comparable with the data 2022.

⁴² Value excluding from the perimeter the company PatBio.

The people in the group

GRI 3-3	GRI 2-7	GRI 2-8
GRI 401-1	GRI 401-2	GRI 405-1
GRI 405-2		

ORGANIZATIONAL POLICIES AND GUIDELINES



[For more information, please visit the Group Policy corporate web page](#)

SICIT protects and promotes the value of its human resources, considered fundamental for the pursuit of business objectives, by committing itself to avoid discrimination of any kind and guaranteeing equal opportunities for professional growth, offering working conditions respectful of individual dignity and safe and healthy working environments.

As of December 31st, 2023, **SICIT employees were 214** (+37% compared to 2022⁴³).

SICIT is committed to **enhancing the professional contribution of each employee and to building long-term relationships** based on principles of loyalty, mutual trust and collaboration. Almost all employees are employed on an indefinite contract (95% of the total employees of the Group).

The most represented professional category is workers (46%), followed by employees (40%), managers (9%) and managers (5%). The demographic composition of SICIT's staff has a predominance of the age group, ranging

from 30 to 50 years (51%), while the under 30 represent 22% of the staff and the over 50 represent 27%.

Since 2023, SICIT has started a collaboration with schools, implementing a school-work alternation program during the summer season for students.

The Group's commitment to respect **diversity, equal opportunities and non-discrimination** is expressed in **the Code of Ethics, Diversity Policy and Human Rights Policy**.

In this respect, gender differences do not have any importance in the determination of wages and salaries; possible average wage differences between men and women are due to situations of professional seniority and above all of a role within the Group. The ratio between the average gross salaries of women on the men of the Group as a whole varies according to the professional qualification and is, in 2023, for the framework qualification to 0,81 while for the qualification to 0,84. These values increase, with a consequent reduction in wage diversity, considering the ratio of the basic salary of women to men for each category of employees: 0,87 for the category of managers and 0,92 for the category of employees⁴⁴.

These results show that the male presence, given the industrial sector of membership, is historically prevalent and constant in time with consequent higher average seniority, which therefore entails higher wages. Moreover, to justify the above data, it is noted that the work in

⁴³ 2% on the same perimeter as in 2022, excluding employees deriving from the acquisition of the company PatBio

⁴⁴ The ratio of the basic salary and the salary of women to men for each category of employees is

calculated by considering the only full-time employees of the companies SICIT Group S.p.A., SICIT Chemitech S.p.A. and Patagonia Biotecnología S.p.A. chand have worked for a period of 12 months.

production (in Italy organized on 3 shifts of a total of 24 hours a day is carried out only by men. The remuneration of shift workers involves an increase in remuneration, as a shift allowance, of about 24% compared to the basic salary.

The company adopts a procedure for checking data during the recruitment phase, by requesting documents for the identification of the population, with particular attention to the control of compliance with the regulations concerning child labor.

It should also be noted that during 2023, the Group adopted software for the Italian perimeter that allows employees to receive up-to-date information and company documentation, eliminating the use of paper for coupons or other types of paper documentation.

Development and competence integrity

GRI 3-3

GRI 406-1

GRI 404-1

GRI 2-30

SICIT is committed to developing the skills and competences of its employees by pursuing a policy based on equal opportunities and merits, considering professionalism as a decisive condition and a guarantee for the whole community. Research, selection, recruitment, and career development respond to objective assessments of job quality, without any discrimination.

In 2023 no actual or alleged instances of discrimination were reported.

With the aim of developing the skills of each staff member, training activities are carried out in the field of worker safety, development of specific skills for operational staff, language courses for employees in non-operational roles, specific language courses (e.g. English, French, Spanish, Portuguese, German, etc.) for commercial customers and specific refresher courses for laboratory technicians regarding the use and maintenance of plants. In addition, specific courses on the organizational model 231 and the Company's Code of Ethics are periodically provided; in 2023, these courses were carried out by all employees of Italian companies. In particular, the course on the organizational model 231 has aimed at the development of general skills, with the intention of further deepening more specific themes in the new year.

Part of the courses provided during 2023 were delivered remotely.

During 2023, SICIT adopted a **three-year training plan** for all employees in Italy, in order to formalize the commitment to the training of all employees.

In 2023, thanks to this commitment, more than **3.370 hours of training** were provided⁴⁵, of which **1.312 are mandatory** and **2.058 are non-mandatory**. The professional category that received the highest number of hours of non-mandatory training per capita is that of managers, with 15 hours of training per capita, followed by employees who received 13 hours of training per capita.

SICIT is committed to **attracting, motivating, and retaining** key resources. To this end, a **loyalty premium** of the amount of a canteen granted in June, a **discretionary premium** as an additional benefit and a **production premium** variable according to the results which, if not fully paid, were introduced. It is set aside by the Company and used to support workers in emergency situations, such as the payment of funeral fees or medical examinations. In addition, employees can convert this premium into a welfare plan, benefiting from a further 30% increase over cash.

In 2023, SICIT implemented additional **welfare initiatives** for the benefit of its employees. These include the introduction of the fuel bonus of 200 euro

⁴⁵ With the same perimeter as the previous financial statements, thus excluding the newly acquired

company PatBio, the total training hours would be 3.073 (+128% compared to 2022)

for all employees and the provision of a gift card worth 250 euro. In addition, the flexibility of entry was introduced from 8:30 to 9, incentives were provided for employees working on holidays, awards for service workers during bridge days and an 80% contribution for canteen service.

With regard to performance evaluation, SICIT takes an informal approach, in which managers of each function assess employee performance at the end of each year.

The approach in industrial relations adopted by SICIT has always been based on respect for each other's roles and positions in the constant search for constructive dialog. In this regard, it is noted that no internal strikes have ever taken place and that the corporate choices made by SICIT have never been the subject of any employee complaint. Depending on the countries in which SICIT is present and the different regulations in force, employment relationships are governed by national or company collective agreements or by the legislation in force. Almost all (73%) employees of the sick Group are covered by collective labor agreements. It should be noted that for the same perimeter as the previous year, thus excluding the new Chilean company, PatBio, collective bargaining would be equal to 98% of employees.

Employees operating in Chinese subsidiaries (3 resources) and in PatBio (55 resources) are engaged in business or individual contracts with local market standards and practices as their reference.

Workplace Health and safety

GRI 3-3	GRI 403-1	GRI 403-2
GRI 403-3	GRI 403-4	GRI 403-5
GRI 403-6	GRI 403-7	GRI 403-9

SICIT's primary values are policies for safety and protection of the working environment, with the objective of reducing and, eventually, eliminating the number of accidents in the workplace, leveraging technological investments, new policies and on worker training.

Since 2013, the company has adopted a **Health and Safety management system** for workers at work for both the **Chiampo and Arzignano plants, certified first according to OHSAS 18001:2007 and, since December 2021, in accordance with the international standard ISO 45001:2018**. In 2023, SICIT carried out the renewal of all the certifications, defining processes and procedures that have allowed to obtain also the quality certification according to the international standard ISO 9001 for both Italian plants. It is important to note that no non-compliance was found, thus confirming the effectiveness and compliance of the management system with standards.

SICIT takes a preventive approach by providing active involvement of all stakeholders and a thorough **assessment of health and safety risks**. For this purpose, the risk Assessment Document (DVR) has been prepared for both Italian production plants. The document identifies risks by department and work activities (tasks/locations) as well

as their prevention and protection measures. Due to the plant and structural changes affecting the sites, the Head of the SICIT Prevention and Protection Service (**RSPP**) is responsible for updating the DVR and for assessing certain specific risks. The general DVR is constantly updated with reference to installations, new offices and the laboratory; while the updating of specific DVRs has concerned the updating of carcinogenic and electrical risks. In 2023 the general DVR, the work-related stress DVR and the fire DVR were renewed, specifically for the new warehouse in Arzignano. In addition, the RSPP will carry out an inspection every 15 days and then produce a report containing any improvements or updates to be implemented.

In addition, it should be noted that there is an ASPP (person in charge of the Prevention and Protection Service), which assists the RSPP in carrying out activities concerning health and safety in the company.

SICIT has set up a specific organization to ensure the correct and proper conduct of activities aimed at the elimination or minimization of risks, in order to guarantee the correct flow of information between the employer and the worker regarding risks in the workplace. In particular, emergency situations are managed through annual evacuation tests for all three shifts and for all workers, planned by the RSPP.

The role of Prevention and Security Service (RSPP) is held by an external consultant. The competent physician of SICIT remained unchanged and, during 2023, carried out 142 medical examinations, found 58 fitness for the job, 82 fitness with

prescriptions and/or limitations and 2 ineligibilities. In addition, 8 medical examinations were carried out at the end of the employment relationship for retirement. The competent doctor also has the task of *performing the Drug Test* to those involved in the use of the forklift, the mechanical blade, the mobile elevating work platform (PLE), and the spider. Furthermore, the Sicit Group for the Italian perimeter has joined two health care programs for employees, specifically Faschim and Fonchim.

The **periodic safety meeting** is held annually for both production plants, in which the health and safety issues under Art. 35 of Legislative Decree 81/2008. In 2023, workers appointed new workers' representatives for Safety, Health and Environment (RLSSA).

A **process of reporting and management of accidents and hazards** involving the drawing up of a paper form, thus enabling the identification of problems that can expose workers to health and safety risks, is in place. And report them to the RSPP and the ASPP, who commit to promptly assess and resolve them, improving safety levels at work overtime.

The training of personnel in the field of health and safety is managed through a specific software with which are monitored the training hours provided and the possible need to update the training according to the foreseen deadlines, also considering the legislation in force. Sick workers have followed the mandatory health and safety training sessions and training sessions related to the use of

equipment (e.g. lift trucks and mobile work platforms (PLE)) under the State/Regions Agreement. An appropriate number of workers responsible for implementing fire prevention and fire-fighting measures and first aid measures have been designated and trained, capable of ensuring sufficient coverage on all shifts. Specifically, in 2023, **1.312 hours of mandatory health and safety training** were provided for the updating of the ASPP / RSPP, the forklift, the mobile crane, the shovel and the updates of PLE (mobile elevating work platforms), PES (skilled person with instruction, Knowledge and experience to analyze risks and avoid hazards arising from electricity) and BLS (Basic Life Support Defibrillation).

It should also be noted that SICIT has implemented a new form for reporting the training of new hires. They are accompanied by a specialist during the initial period and an assessment of their performance and training is conducted every month and a half. Subsequently, the results are recorded in the dedicated module.

Working relationships with third parties not directly dependent on SICIT are governed by art. 26 Legislative Decree 81/08 concerning obligations relating to contracts for the procurement, work or administration of contracts.

During 2023 there were no cases of occupational diseases, while there were 5 cases of minor accidents at the workplace⁴⁶, 4 of which are attributable to PatBio and 1 to the Italian headquarters of Sicit. In view of the 4 accidents in 2023, the⁴⁷ Group's injury rate was 15⁴⁸, an increase compared to the 2022 rate of 8.

⁴⁶ Minor injuries related to injuries, burns, cuts and crushing.

⁴⁷ The accident rate was calculated as the ratio between the total number of injuries and the total hours worked, using a multiplication factor of 1.000.000. There were no cases of occupational disease during 2023. The data includes accidents on the journey home-work only in the case where the transport has been managed by the organization. It should be noted that the injury rate recorded by the

Group in 2023 relates to the companies SICIT Group S.p.A., SICIT Chemitech S.p.A., SICIT Commercial Consulting Shanghai Ltd. And Patagonia Biotecnología S.p.A.

⁴⁸ With the same perimeter as the previous financial statements, therefore excluding PatBio data, the recorded accidents become equal to 1 with an accident rate of 4, a sharp decrease compared to 2022.

Social Annex

GRI STANDARD DISCLOSURE 2-7: Employees

Total number of employees by employment contract (permanent and temporary) and gender						
Employment contract	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total	Men	Women	Total
Permanent	129	25	154	161	43	204
Temporary	1	1	2	4	6	10
Total	130	26	156	165	49	214

The total number of employees by employment contract (permanent and temporary), by gender and region						
Employment contract	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total	Men	Women	Total
Italy	128	24	152	126	30	156
Permanent	128	24	152	126	28	154
Temporary	-	-	-	-	2	2
Abroad	2	2	4	39	19	58
Permanent	1	1	2	35	15	50
Temporary	1	1	2	4	4	8
Total	130	26	156	165	49	214

Total number of employees by employment type (full-time and part-time) and gender						
Full-time / part-time	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total	Men	Women	Total
Italy	128	24	152	126	30	156
Full-time	128	20	148	126	24	150
Part-time	-	4	4	-	6	6
Non-guaranteed hours	-	-	-	-	-	-
Abroad	2	2	4	39	19	58
Full-time	2	2	4	39	18	57
Part-time	-	-	-	-	-	-
Non-guaranteed hours	-	-	-	-	1	1
Total	130	26	156	165	49	214
Percentage part-time	-	15,4%	2,6%	-	12,2%	2,8%

GRI STANDARD DISCLOSURE 2-8: Workers who are not employees

Total number of employees by contract type and gender						
Employment contract	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total	Men	Women	Total
Trainees	-	-	-	2	2	4
Other collaborators	-	-	-	1	-	1
Total	-	-	-	3	2	5

GRI STANDARD DISCLOSURE 2-30: Collective bargaining agreements

Percentage of employees covered by collective bargaining agreements		
Number of employees	as of December 31 st , 2022	as of December 31 st , 2023
Total employees	156	214
Number of employees covered by collective bargaining agreements ⁴⁹	152	156
Total percentage	98%	73%

GRI STANDARD DISCLOSURE 401-1: New employee hires and employee turnover⁵⁰

New employees hire by gender, age groups and region												
Number of people	2022											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	9	3	2	14	-	-	-	-	9	3	2	14
Women	2	1	-	3	-	-	-	-	2	1	-	3
Total	11	4	2	17	-	-	-	-	11	4	2	17

New employees hire by gender, age groups and region												
Number of people	2023											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	3	4	2	9	1	5	2	8	4	9	4	17
Women	5	3	2	10	4	1	-	5	9	4	2	15
Total	8	7	4	19	5	6	2	13	13	13	6	32

⁴⁹ Reference should be made to the CCNL for the chemical, pharmaceutical, chemical fiber, abrasive, lubricant and LPG industries and to the CCNL for the managers of goods and services companies.

⁵⁰ It should be noted that the delta between entry and exit was derived from the acquisition of the new Chilean company, PatBio, which saw, thanks to the acquisition, an increase of 55 employees.

Outgoing employees by gender, age groups and region												
Number of people	2022											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	2	3	3	8	-	1	-	1	2	4	3	9
Women	-	3	-	3	-	-	-	-	-	3	-	3
Total	2	6	3	11	-	1	-	1	2	7	3	12

Outgoing employees by gender, age groups and region												
Number of people	2023											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	3	2	6	11	1	-	1	2	4	2	7	13
Women	-	3	1	4	-	2	-	2	-	5	1	6
Total	3	5	7	15	1	2	1	4	4	7	8	19

Hire rate by gender, age groups and region												
Number of people	2022											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	6,9%	2,3%	1,5%	10,8%	-	-	-	-	6,9%	2,3%	1,5%	10,8%
Women	7,7%	3,8%	-	11,5%	-	-	-	-	7,7%	3,8%	-	11,5%
Total	7,1%	2,6%	1,3%	10,9%	-	-	-	-	7,1%	2,6%	1,3%	10,9%

Hire rate by gender, age groups and region												
Number of people	2023											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	1,8%	2,4%	1,2%	5,5%	0,6%	3,0%	1,2%	4,8%	2,4%	5,5%	2,4%	10,3%
Women	10,2%	6,1%	4,1%	20,4%	8,2%	2,0%	0,0%	10,2%	18,4%	8,2%	4,1%	30,6%
Total	3,7%	3,3%	1,9%	8,9%	2,3%	2,8%	0,9%	6,1%	6,1%	6,1%	2,8%	15,0%

Turnover rate by gender, age groups and region ⁵¹												
Number of persons	2022											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	1,5%	2,3%	2,3%	6,2%	-	0,8%	-	0,8%	1,5%	3,1%	2,3%	6,9%
Women	-	11,5%	-	11,5%	-	-	-	-	-	11,5%	-	11,5%
Total	1,3%	3,8%	1,9%	7,1%	-	0,6%	-	0,6%	1,3%	4,5%	1,9%	7,7%

Turnover rate by gender, age groups and region												
Number of persons	2023											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	2,3%	1,6%	4,7%	8,6%	0,6%	-	0,6%	1,2%	2,4%	1,2%	4,2%	7,9%
Women	9,7%	6,5%	19,4%	35,5%	-	4,1%	-	4,1%	-	10,2%	2,0%	12,2%
Total	-	1,9%	0,6%	2,5%	0,5%	0,9%	0,5%	1,9%	1,9%	3,3%	3,7%	8,9%

⁵¹ With a view to continuous improvement, the calculation of the 2022 foreign turnover rate has been improved. For the above values, please refer to the 2022 Sustainability Report.

GRI STANDARD DISCLOSURE 404-1: Average hours of training per year per employee

Hours of mandatory training by professional category and gender - 2022						
Employee category	Nr. Hours Men	Nr. hours per capita men	Nr. Hours Women	Nr. hours per capita women	Nr. Hours Totals	Nr. total per capita hours
Executives	-	-	-	-	-	-
Middle Managers	12	1	-	-	12	1
White Collar	206	5	46	2	252	4
Blue Collar	330	4	2	1	332	4
Total	548	4	48	2	596	4

Hours of mandatory training by professional category and gender - 2023						
Employee category	Nr. Hours Men	Nr. hours per capita men	Nr. Hours Women	Nr. hours per capita women	Nr. Hours Totals	Nr. total per capita hours
Executives	-	-	-	-	-	-
Middle Managers	48	3	12	2	60	3
White Collar	262	5	63	2	325	4
Blue Collar	906	10	21	3	927	9
Total	1.216	7	96	2	1.312	6

Hours of non-Mandatory training by professional category and gender - 2022						
Employee category	Nr. Hours Men	Nr. hours per capita men	Nr. Hours Women	Nr. hours per capita women	Nr. Hours Totals	Nr. total per capita hours
Executives	47	24	--	-	47	24
Middle Managers	148	11	-	-	148	9
White Collar	416	11	60	3	476	8
Blue Collar	80	1	-	-	80	1
Total	691	5	60	2	751	5

Hours of non-mandatory training by professional category and gender - 2023

Employee category	Nr. Hours Men	Nr. hours per capita men	Nr. Hours Women	Nr. hours per capita women	Nr. Hours Totals	Nr. total per capita hours
Executives	48	5	-	-	48	5
Middle Managers	225	16	51	10	276	15
White Collar	879	17	218	6	1.097	13
Blue Collar	600	7	37	5	637	6,4
Total	1.752	11	306	6	2.058	10

Total hours of training by professional category and gender - 2022

Employee category	Nr. Hours Men	Nr. hours per capita men	Nr. Hours Women	Nr. hours per capita women	Nr. Hours Totals	Nr. total per capita hours
Executives	47	24	-	-	47	24
Middle Managers	160,5	12	-	-	161	9
White Collar	621,5	16	106	5	728	13
Blue Collar	410	5	2	1	412	5
Total	1239	10	108	4	1347	9

Total hours of training by professional category and gender - 2023

Employee category	Nr. Hours Men	Nr. hours per capita men	Nr. Hours Women	Nr. hours per capita women	Nr. Hours Totals	Nr. total per capita hours
Executives	48	5	-	-	48	5
Middle Managers	273	19	63	12	336	18
White Collar	1.141	22	281	8	1.422	17
Blue Collar	1.506	17	58	7	1.564	16
Total	2.968	18	402	8	3.370	16

GRI STANDARD DISCLOSURE 405-1: Diversity of government bodies and employees

Total number of employees by employee category and gender						
Employee category	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total	Men	Women	Total
Executives	2	-	2	9	1	10
Middle Managers	14	3	17	14	5	19
White Collar	38	20	58	51	35	86
Blue Collar	76	3	79	91	8	99
Total	130	26	156	165	49	214

Total number of employees by employee category and gender (percentages)						
Employee category	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total	Men	Women	Total
Executives	100,0%	-	1,3%	90,0%	10,0%	4,7%
Middle Managers	82,4%	17,6%	10,9%	73,7%	26,3%	8,9%
White Collar	65,5%	34,5%	37,2%	59,3%	40,7%	40,2%
Blue Collar	96,2%	3,8%	50,6%	91,9%	8,1%	46,3%
Total	83,3%	16,7%	100%	77%	23%	100%

Total number of employees by employee category and age group								
Employee category	as of December 31 st , 2022				as of December 31 st , 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	-	1	1	2	-	2	8	10
Middle Managers	-	9	8	17	1	11	7	19
White Collar	11	32	15	58	23	45	18	86
Blue Collar	23	35	21	79	24	51	24	99
Total	34	77	45	156	48	109	57	214

Total number of employees by employee category and age group (percentage)						
Employee category	as of December 31 st , 2022			as of December 31 st , 2023		
	Men	Women	Total Category/Total employees	Men	Women	Total Category/Total employees
Executives	100,0%	-	1,3%	90,0%	10,0%	4,7%
Middle Managers	82,4%	17,6%	10,9%	73,7%	26,3%	8,9%
White Collar	65,5%	34,5%	37,2%	59,3%	40,7%	40,2%
Blue Collar	96,2%	3,8%	50,6%	91,9%	8,1%	46,3%
Total	83,3%	16,7%	100,0%	77%	23%	100%

Board composition by gender and age group								
Number of people	as of December 31 st , 2022				as of December 31 st , 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	1	1	8	10	-	2	8	10
Women	-	-	-	-	-	-	-	-
Total	1	1	8	10	-	2	8	10

Board composition by gender and age group (percentage)								
Number of people	as of December 31 st , 2022				as of December 31 st , 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	10,0%	10,0%	80,0%	100,0%	-	20,0%	80,0%	100,0%
Women	-	-	-	-	-	-	-	-
Total	10,0%	10,0%	80,0%	100,0%	-	20,0%	80,0%	100,0%

GRI STANDARD DISCLOSURE 405-2 Ratio of basic salary and remuneration of women to men⁵²

Ratio of basic salary of women to men by category						
	as of December 31 st , 2022			as of December 31 st , 2023		
Employee category	Men	Women	Ratio	Men	Women	Ratio
Executives	91.539	-	0,00	98.995	88.352	0,89
Middle Managers	61.724	54.552	0,88	50.359	43.966	0,87
White Collar	35.776	31.568	0,88	31.370	28.895	0,92
Blue Collar	30.304	23.233	0,77	20.900	16.903	0,81

Ratio between overall women to man remuneration by category						
	as of December 31 st , 2022			as of December 31 st , 2023		
Employee category	Men	Women	Ratio	Men	Women	Ratio
Executives	158.213	-	0,00	156.107	107.482	0,69
Middle Managers	85.571	68.054	0,80	65.449	53.286	0,81
White Collar	43.518	35.105	0,81	37.569	31.402	0,84
Blue Collar	43.540	26.820	0,62	26.995	19.239	0,71

⁵² The ratio of the basic salary and the salary of women to men for each category of employees is calculated by considering the only full-time employees of the companies SICIT Group S.p.A., SICIT Chemitech S.p.A. and Patagonia Biotecnología S.p.A. who have worked for a period of 12 months.

GRI STANDARD DISCLOSURE 403-9 Work-related injuries⁵³

Employees of the Group		
Work-related injuries		
Number of injuries	2022	2023
Total number of fatalities as a result of work-related injuries	-	-
Total number of high-consequence work-related injuries (excluding fatalities) ⁵⁴	-	-
Total number of recordable work-related injuries	2	5
Rate of work-related injuries		
Rate of fatalities as a result of work-related injuries	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of recordable work-related injuries ⁵⁵	8	15
Number of hours worked	263.507	329.613

⁵³ The perimeter of health and safety data includes employees only. The Group assesses the possibility of collecting data from employers of external employees working at the Group's headquarters in order to report any accidents.

⁵⁴ work-related injuries that have led to damage from which the worker cannot recover, resume or it is unrealistic to expect to recover completely back to the state of health prior to the accident within 6 months.

⁵⁵ The accident rate was calculated as the ratio between the total number of injuries and the total hours worked, using a multiplication factor of 1.000.000. The data includes accidents on the journey home-work only in the case where the transport has been managed by the organization. There were no cases of occupational disease during 2023.

OUR POSITIVE IMPACT ON THE COMMUNITY

SUMMARY & HIGHLIGHTS

VALUES

Sicit's mission is to be a pillar in the **community in which it operates**

Sicit is actively committed to supporting **the development and well-being of people**

OBJECTIVES

- Economic and social development initiatives for the **local community**.
- Promote **environmental sustainability** and the protection of local natural resources.
- Work with **local authorities** and non-governmental organizations to address the specific challenges and needs of the community.
- Create **employment opportunities** and local economic development to support the economic well-being of residents.

SICIT IN NUMBERS⁵⁶ vs 2022



Spent on chemicals
In €

16.476

-9%



Spent on packaging
In €

3.293

+15%



Spent on services
In €

1.922

+37%

⁵⁶ The numbers 2023 include the new company PatBio



“Our local communities are at the heart of our mission. We are committed to creating an inclusive and supportive environment, where mutual support and the well-being of all members are top priorities. Sustainability is not limited to the environment, but also embraces the respect and support of our neighbors. Every day, we work to build a better future for all, guided by our commitment to those who make our growth and our common success possible.”

MATERIAL THEMES



SDGs

11 SUSTAINABLE CITIES
AND COMMUNITIES



Significant KPIs and objectives to support the local community

SDGs	Objectives	Progress	Timing
	Identification of three ongoing projects to support local communities		2nd half of 2024

The supply chain

SICIT strives for maximum competitive advantage in the purchasing processes, promoting criteria of conduct in relations with its suppliers based on mutual loyalty, transparency, and collaboration.

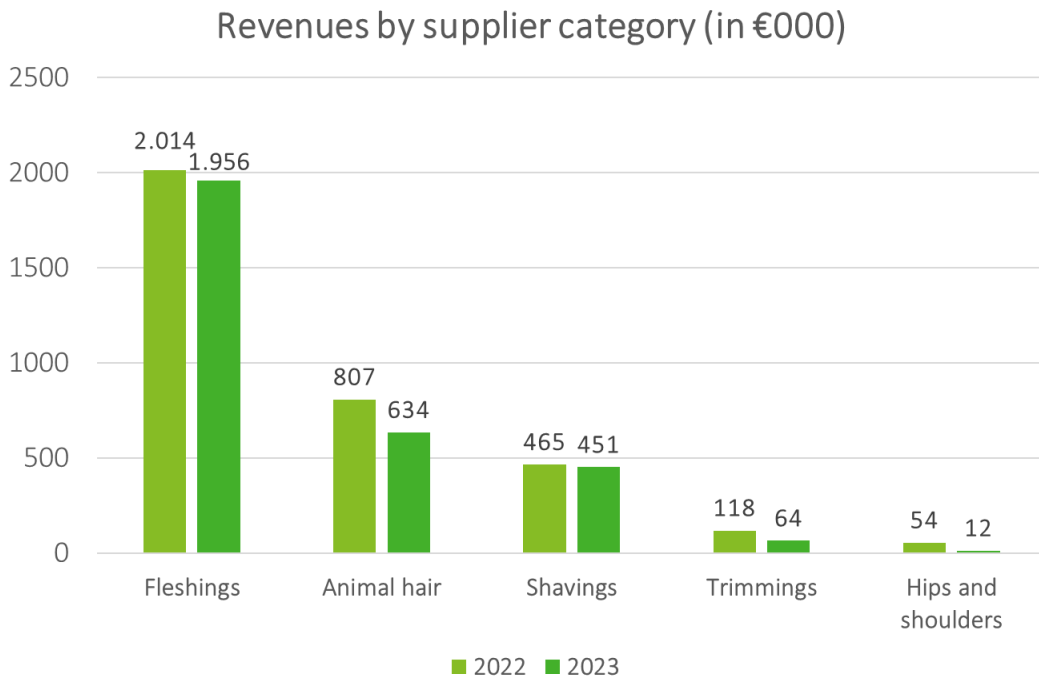
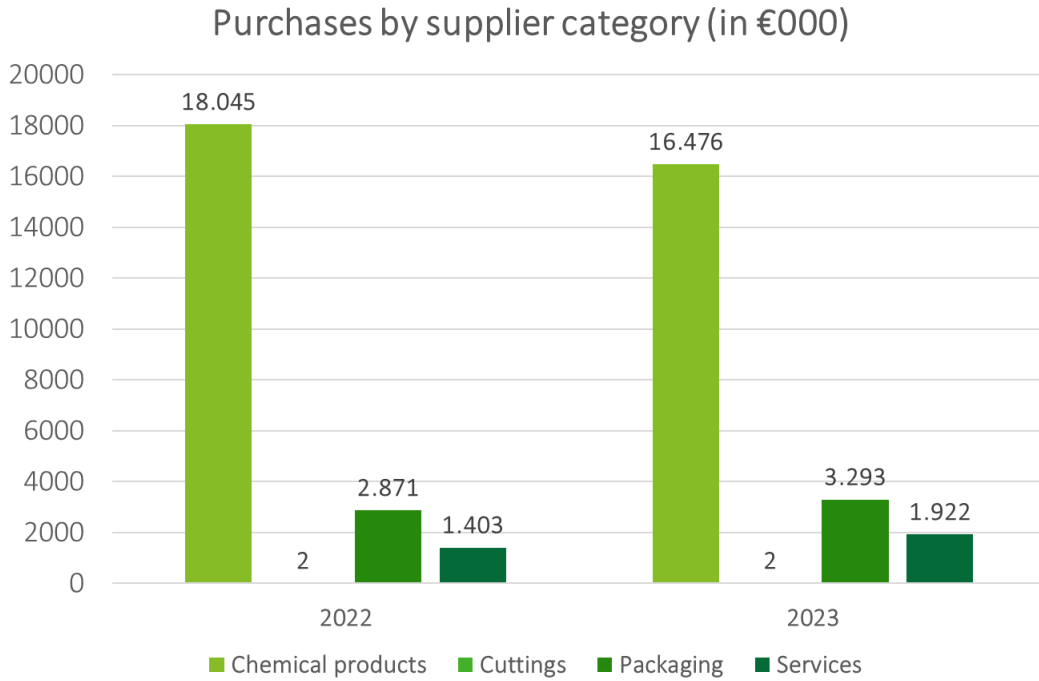
At present, no social and environmental criteria are adopted in the evaluation of suppliers, but the Group, as evidenced by its sustainability objectives, is committed to implementing a policy of selection of the most significant suppliers that provides for the definition of a decarbonization path as part of the selection criteria.

On the supply side, the suppliers of non-recycled materials (such as chemicals mixed with protein hydrolyzate, packaging, etc.) and the so-called “input Raw materials suppliers”, those subjects, typically tanneries, that confer the “input Raw materials” object of recycling, must be distinguished (Sub-products of animal origin and other tanning residues) and for which SICIT provides the collection service, subject to compensation.

In 2023 SICIT used **108 suppliers** and **suppliers of input Raw materials** that served not only both Italian production plants but also the Chilean production plant of PatBio, for this circumstance there is a 29% increase in suppliers in 2023 compared to 2022. Of these latter, 30 are suppliers of chemical products, with a purchase value of 16,5 million Euro, 23 are suppliers of packaging (3,3 million Euro) while 7 are engaged in services (for the collection and transport of materials from tanneries) For a purchase value of 1,9 million Euros.

In 2023, **85% of the purchases of input materials worth Euro 18,4 million** were made by **local suppliers or based in Italy**. Moreover, in 2023 **all the input materials of PatBio came from Chilean suppliers**.

In 2023 SICIT withdrew waste material from the tanning of skins from **40 Raw materials input suppliers**.

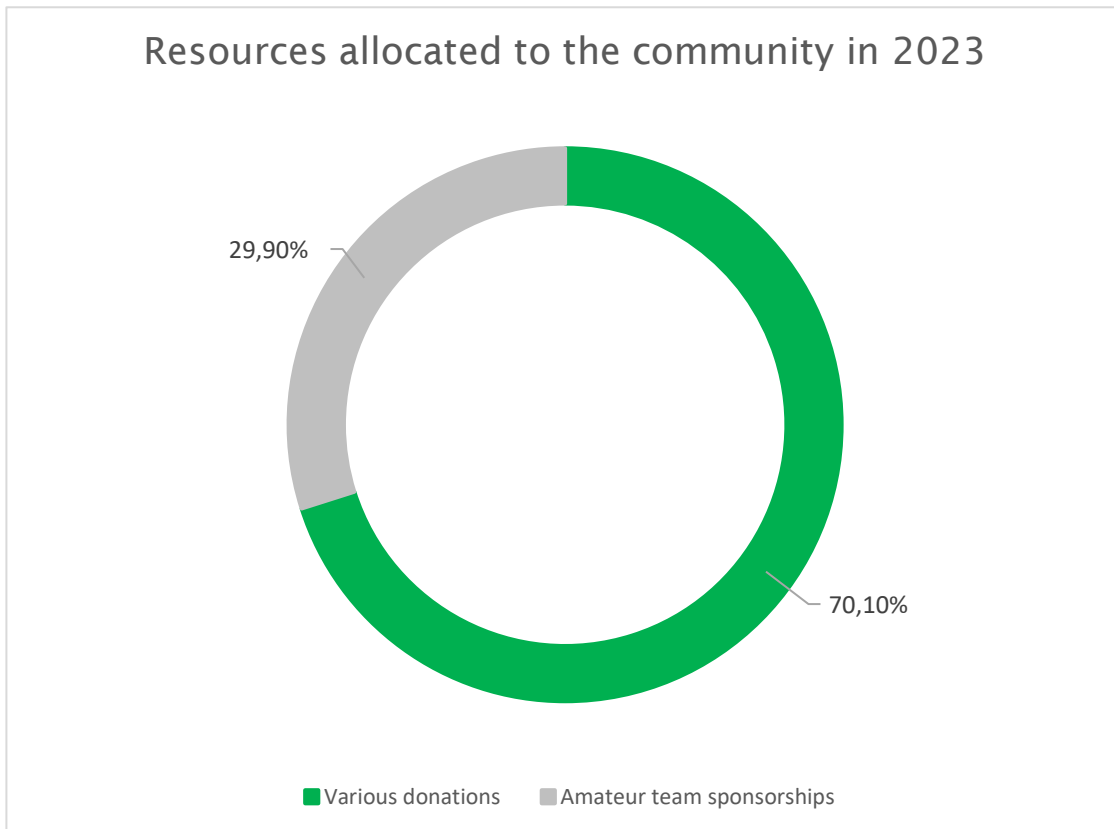


Community relations

Over the years, SICIT has built up a close relationship with the areas where it operates, promoting solidarity and support to the local communities with which it relates daily and contributing to social, economic, and environmental development. SICIT supports several projects of a socio-welfare nature and of valorization of the territory. This commitment was expressed in support for Onlus, foundations and charitable projects.

During 2023, the SICIT Group recorded a value of 0,2 million euros in support of the local community.

Donations focused mainly on sponsorship of amateur teams, hospitals and medical research foundations, and other miscellaneous donations, including rest homes, protocols, and municipalities.



Annex supply chain

GRI STANDARD DISCLOSURE 2-6: Activities, value chain and other business relationships

Categorization of suppliers by type of purchase				
Type of purchase	2022			
	spend in €	Number of suppliers	€ %	N%
Raw materials	18.045.036	25	96%	30%
Cuttings	2.858	1	0,02%	1%
Removal of animal sub-products and other tanning residues	-3.458.597	44	18%	55%
Packaging	2.871.583	11	15%	13%
Services (paid for collecting fleshings and shaving)	1.403.594	3	8%	4%
Total Group	18.864.474	84	100%	100%

Categorization of suppliers by type of purchase				
Type of purchase	2023			
	spend in €	Number of suppliers	€ %	N%
Raw materials	16.476.236	30	88%	28%
Cuttings	2.066	1	0,01%	1%
Removal of animal sub-products and other tanning residues	-3.117.596	40	-17%	38%
Products of vegetable origin	67.804	3	0,4%	3%
Packaging	3.293.105	23	18%	21%
Services (paid for collecting fleshings and shaving)	1.922.253	7	10%	6%
Other	42.653	4	0,2%	4%
Total Group	18.686.521	108	100%	100%

GRI STANDARD DISCLOSURE 204-1: Proportion of expenditure on behalf of local suppliers

Distribution of purchases								
Type of purchase	2022				2023			
	spend in €	Number of suppliers	€ %	N%	spend in €	Number of suppliers	€ %	N%
Region - purchased input materials								
Italy	19.409.250	37	87%	93%	18.446.528	39	85%	57%
EU	2.913.821	3	13%	8%	2.471.190	2	11%	3%
Extra EU	-	-	-	-	886.399	27	4%	40%
Total	22.323.071	40	100%	100%	21.804.117	68	100%	100%
Region - Input materials with pick-up service revenue								
Italy	-3.452.755	44	100%	100%	-3.111.386	40	100%	100%
EU	-5.842		-	-	-6.210		-	-
Extra EU	-	-	-	-	-	-	-	-
Total	-3.458.597	44	100%	100%	-3.117.596	40	100%	100%
Geographic Area - Total materials								
Italy	15.956.495	81	85%	96%	15.335.142	79	82%	73%
EU	2.907.979	3	15%	4%	2.464.980	2	13%	2%
Extra EU	-	-	-	-	886.399	27	5%	25%
Total	18.864.474	84	100%	100%	18.686.521	108	100%	100%

QUALITY AND INNOVATION

SUMMARY & HIGHLIGHTS

VALUES

Sicit places **quality** and **innovation** as fundamental pillars of its corporate values. Sicit is constantly committed to guaranteeing **products of excellence**, through rigorous **quality standards** and **continuous improvement processes**. At the same time, it embraces **innovation as a driving force for progress**, investing in **research and development** to anticipate **market needs**. These values are the foundation on which society builds its **long-term success**.

OBJECTIVES

- Maintain and continually improve the **quality standards** of the products offered.
- Promote an **innovation-centric corporate culture**.
- Invest in **Research and development** to drive **innovative solutions** that meet **emerging market needs**.
- Closely monitor **customer feedback** to identify areas of **improvement and innovation opportunities**.

SICIT IN NUMBERS

vs 2022



Intermediate checks

10.170

+3%



Raw materials controls

10.101

+266%



Search Controls

17.134

+37%



Total controls

92.326

+6%



Incidents of non-compliance Health & Safety of customers

0



“Our company is committed to quality excellence and the relentless pursuit of innovation. The quality of our products is a top priority, and we are committed to continually exceeding existing standards. Our mission is to integrate quality and innovation into every aspect of our work, to maintain leadership in our industry and create lasting value for our customers.”

MATERIAL THEMES

Environmental
impact management

**Innovation,
Research and
development**

Health and safety at
work

Economic
performance and
value creation

Employee
development and
well-being

Business ethics,
anti-corruption and
regulatory

Local community
and territory

**Product quality and
safety**

Sustainable supply
chain management

Significant KPIs related to quality and innovation

MAIN HIGHLIGHTS					
GRI indicator	Description	UOM	2022	2023	Δ
Product quality and safety					
GRI 416: Customer Health and Safety 2016	<i>Incidents of non-compliance concerning the health and safety impacts of products and services</i>	Nr.	-	-	-

Product quality and safety

GRI 3-3

GRI 416-2

ORGANIZATIONAL POLICIES AND GUIDELINES



[For more information, please visit the Group Policy corporate web page](#)

The health and safety of products has always been a central aspect of SICIT's approach to sustainable development.

The quality control laboratory of SICIT Chemitech S.p.A. provides analytical support to the Group's activities and carries out checks on incoming chemical products to verify their compliance with contractual standards, and on semi-finished products and finished goods products during the end of production cycles. It also ensures compliance with the technical specifications and quality standards of the products agreed with the customers, as well as the correctness of the production process and provides support to the customers for the activities related to the analyzes to be carried out in collaboration with the local authorities of the importing countries. SICIT Chemitech S.p.A. has adopted the quality management system according to the **UNI EN ISO 9001:2015** standard. It should be noted that since 2021 the laboratory has benefited both from a significant expansion of the working space and technological modernization. Indeed, thanks to the new spaces, there has been a renewal of laboratory instrumentation with the replacement of historical equipment as well as the introduction of new instruments. Specifically, during 2022, a

new generation LC (liquid chromatography) mass spectrometer and an ICP (inductively coupled plasma) mass spectrometer were purchased, which became operational from 2023. In the same year, additional instruments were acquired, which were planned to be operational in 2024.

The new instrumentation, used for research, has enabled the technology and quality of the controls to be enhanced. To confirm this, research and development's expenses increased by approximately 0,2 million Euros from 2,7 million Euros in 2022 to 2,9 million Euros in 2023, due both to higher external costs for the development of new products and to higher personnel costs, in strengthening the structure, rather than depreciation, for the introduction of new equipment and laboratory machinery.

In 2023, the following checks were carried out:

Controls as of 31/12/2023	Number
Work in progress	10.170
Semi-finished products	7.090
Finished products	30.777
Raw materials	10.101
Environmental audits	8.172
Support for R&D activities	17.134
Analysis to customers	1.759
Total	92.326⁵⁷
Certificates issued	3.906

⁵⁷ It should be noted that the total of the checks does not correspond to the sum of the intermediate checks, bases, finished product, Raw materials and

environment, research and external because other extemporaneous checks are carried out by the laboratory.

In line with the **Quality Policy**, the laboratory is committed to defining, involving process managers, the strategies increasingly aimed at technological innovation, favoring the competence, awareness and involvement of staff with internal and external training plans. The adoption of this policy ensures that the quality system adopted complies with the specifications of the UNI EN ISO 9001 standard. During 2023 the recertification audit was carried out for the renewal of ISO 9001 certification. In this regard, it should be noted that no non-conformity has been recognized by the certifying body, confirming how much SICIT considers quality to be an essential element in its business activities.

The SICIT Chemitech laboratory has developed over all these years a high expertise in analytical determinations to be carried out for the characterization of protein hydrolyzates, superior and more cost-effective than protocols performed by external analytical laboratories.

The traceability procedure used in the plants allows to identify each single batch of finished product, allowing to trace back to the corresponding batch of raw material through the registers managed by the production department, providing detailed information on the associated chemical analysis. In this way the complete traceability of the production process is guaranteed. The traceability system not only provides the customer with detailed product information, but also enables timely management of any non-compliance.

The reports received from the customers are managed by the Commercial Office,

which involves the Quality Control laboratory for any analytical or organoleptic non-conformity.

SICIT is constantly committed to providing an effective and timely response to its customers; it should be noted that there were no incidents of non-compliance during 2023 regarding the health and safety impacts of products and services.

REACH Regulation

The “REACH” regulation (Registration, Evaluation, Authorization of Chemicals) regulates the registration, evaluation, authorization and restriction of chemicals in the European Union, including, in particular, that the manufacturers and suppliers of these substances should provide information on the risks associated with these substances and on how they are handled throughout the supply chain.

SICIT, in accordance with reach, registers new chemicals to the European Chemicals Agency (ECHA) with the aim of promoting the safe use of chemicals. In 2023, software was introduced to manage the multilingual Finished goods safety data sheets (EPY). in compliance with the European legislation in force. The automation allowed by the introduction of the new software has reduced the time and the risk of error deriving from the previous manual management, in the updating of the product labels.

Innovation, Research and Development

GRI 3-3

Product and process innovation has been one of the main growth factors for SICIT in recent years and will be one of the strategic elements for its future development.

Product R&D.

Product R&D is aimed at **designing new products with high added value** that meet the needs of customers and **optimizing the yields of Raw materials** to reduce resource consumption while ensuring the excellence of product quality. The function carries out research activities for new formulations and Raw materials, product improvement, sampling, preparation of instructions for use, production support, verification of product regulations, testing and validation.

Research and development's product activity is carried out, for the chemical, physico-chemical and bacteriological control phases in the SICIT laboratories in collaboration with the quality control laboratory of SICIT Chemitech S.p.A. In particular:

- the **chemical-extractive laboratory** for the development of formulations, both new and modifications to the formulations already made, and developed internally and defined by customers;
- the **chemical laboratory** of SICIT for the efficacy tests of industrial products;

- the **agronomic SICIT laboratory**, where the various phyto-toxicity and efficacy tests are carried out;
- the **quality control laboratory** of SICIT Chemitech, to support the previous ones.

Basic and applied research activities are carried out by the R&D function on its own.

The development of new products is always carried out in close collaboration with the “commercial” and “operations” functions in order to verify, from the first stages of conception, the actual interest of customers to potential new products and the purchase for volumes sufficient to justify the increase in complexity in the planning of production and purchases.

Process R&D.

Process R&D is dedicated to **the basic design and development of plants** with laboratory tests and trials with pilot plants, in order to increase efficiency and production yield, as well as to introduce new processes with consequent new commercial outlets. The area collaborates with the technical office of internal design or with external technicians for the definition of the executive project of the production plants. The activity is carried out by engineers and internal processors.

The development of new production processes is carried out in close collaboration with:

- the **“Operations”** and **“Purchasing”** functions, to verify, from the early stages of development, the actual potential industrialization of the project and thus reduce the risk that the

project will not be implemented after the early stages of development.

- the “**Operations**” and “**Commercial**” functions, in order to reduce the risk that any variations in production processes will cause substantial variations in the characteristics guaranteed to customers in the Finished goods;
- the “**Environment**” function, to ensure that the introduction of new processes complies with the regulations in force from time to time and thus reduce the risk of *non-compliance*.

In addition to the three laboratories at the site of Arzignano (chemical-extractive, agronomic and quality control), the **current laboratory of chemical**

research, transformed into a technological laboratory (experimentation and testing for materials for the building industry and biodegradable plastic materials) remains active at the Chiampo site. It is divided between research activities for the preparation of samples in quantities higher than kilo and Control activities Quality of the intermediates of Chiampo production.

In relation to the training, during 2023, about 260 hours of training were devoted to quality control, covering aspects both related to health and safety and to technical training (the use of new equipment, webinars on specific analytical determinations and specific analysis techniques, etc.).

GOVERNANCE AND ECONOMICS

SUMMARY & HIGHLIGHTS

VALUES

SICIT is committed to promoting a solid and transparent Corporate Governance in line with the principles of the circular economy. The core values that guide our governance practices include environmental and social responsibility, transparency, innovation, ethics, and integrity.

OBJECTIVES

- Promote a culture of **transparency** and **accountability** at all levels of **the organization**.
- Ensure **responsible risk management**, identifying, evaluating, and addressing **risks** in a timely and effective manner.
- Promote **environmental sustainability** and **society** through company policies and practices.
- Provide an **effective mechanism** for **resolution** of complaints and appeal in the event of breaches of corporate governance principles

SICIT IN NUMBERS



5th *Sustainability Report*



0 *significant cases of non-compliance with laws and regulations*



0 *confirmed corruption incidents*



0 *legal actions for anti-competitive behavior, anti-trust and monopoly practices*



“At the heart of our mission of leadership in the circular economy, Corporate Governance plays a key role. In addition to our financial goals, we are committed to nurturing a corporate culture of integrity, transparency and accountability.”

MATERIAL THEMES













SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Significant KPIs and governance objectives of the Sustainability Plan

SDGs	Objectives	Progress	Timing
-	Establishment of an internal committee on Sustainability, with the various function leaders (i.e., Operations, HR, Finance, Environment etc.)		Achieved in 2023
-	Identification of an ESG responsible		Achieved in 2024
-	Definition of MBOs tied to the achievement of ESG objectives		2nd half of 2024
-	Continuation of sustainability reporting (annual report prepared on a voluntary basis) subject to limited assurance by an external auditors		Achieved, 2023 financial statements subject to Limited Assurance by an external entity
-	Updating the existing risk management model (Group Risk Assessment) with incorporation of ESG risk factors.		2nd half of 2024
	Inclusion of environmental aspects as part of the evaluation of new investments and in the due diligence process, as part of acquisition transactions		2nd half of 2023
-	Ecovadis rating improvement from Bronze to Gold		2 nd half of 2026 - achieved , the Company obtained Ecovadis Platinum during 2023
-	Involvement of the most significant suppliers in the Ecovadis evaluation process through obtaining timely data on the most significant materials		2nd half of 2025
-	Implement a policy for selecting the most significant suppliers including the definition of a decarbonization path as part of the selection criteria		2nd half of 2025

MAIN HIGHLIGHTS ⁵⁸							
GRI indicator	Description	UOM	2022	2023 ⁵⁹	Δ 22/23	2023 ADJ ⁶⁰	Δ ADJ
GOVERNANCE AND ECONOMICS							
GRI 2-27: Compliance with laws and regulations 2021	<i>Established cases of non-compliance with laws and regulations</i>	Nr.	-	-	-	-	-
GRI 205-3 Confirmed incidents of corruption and actions taken 2016	<i>Confirmed corruption</i>	Nr.	-	-	-	-	-
GRI 206-1: Legal actions relating to anti-competitive behavior, trust activities and monopoly practices 2016	<i>Legal actions for anti-competitive behavior, anti-trust and monopoly practices</i>	Nr.	-	-	-	-	-
GRI 405-1: Diversity in governance bodies and among employees 2016	<i>Women in Board of Directors</i>	%	-	-	-	-	-
	<i><30 in Board of Directors</i>	%	10%	-	-	-100%	-

⁵⁸ Reference is made to the Economic Annex for the full disclosure of GRI indicators relating to the environmental performance of the Group.

⁵⁹ In column "2023" the data including the company PatBio from the date of entry into the reporting period are reported, and in column "2023 ADJ" the data excluding the company PatBio in order to make them comparable with the data 2022.

⁶⁰ Value excluding from the perimeter the company PatBio.

Corporate Governance

GRI 2-2	GRI 2-9	GRI 2-10
GRI 2-11	GRI 2-12	GRI 2-13
GRI 2-14	GRI 2-15	GRI 2-17
GRI 2-18	GRI 2-19	GRI 2-20
GRI 2-21		

SICIT Group S.p.A. operates at the headquarters of Arzignano and Chiampo (VI) and is focused on the production and marketing B2B of biostimulants for agriculture and acid and peptide-based gypsum retardants, as well as on the sale of animal fat obtained from the processing of tanning residues, as a product for biofuels. As of December 31st, 2023, the Group was composed as follows:

SICIT Chemitech S.p.A., a company established in Chiampo (VI) in 2000, is active in the quality control and traceability of products and operates almost exclusively in favor of the Parent Company. It carries out quality control services (in particular laboratory tests and analyzes), production and issue of technical documentation and certificates, and technical consultancy to the commercial sector. In addition, it supports the Research and development laboratories of SICIT.

SICIT Commercial Consulting Shanghai Ltd., a company incorporated under Chinese law in Shanghai, established in 2016, which deals, on behalf of the Parent Company, with brokerage activities in sales on the Asian market and registration of biostimulants in China.

SICIT (China) Technology Co., Ltd., a 78%-owned company that was established in October 2021 for the development of

operational activities and business opportunities on the Chinese market. It is based in Tianjin, China.

Patagonia Biotecnología S.p.A., acquired in May 2023 is an agricultural biotechnology company based in Patagonia. Using seaweed as the raw material, the company develops products that improve crop resilience to abiotic stresses and increase crop yield.

It should also be noted that, together with the acquisition of PatBio, its subsidiaries Fertum USA, Inc (distribution of bio-stimulants in the USA), Patagonia Biotechnology Mexico, S.A. de C.V. and Patagoniabiobio Perú S.A.C. (the latter two non-operating during 2023) also entered the Group's consolidation scope.

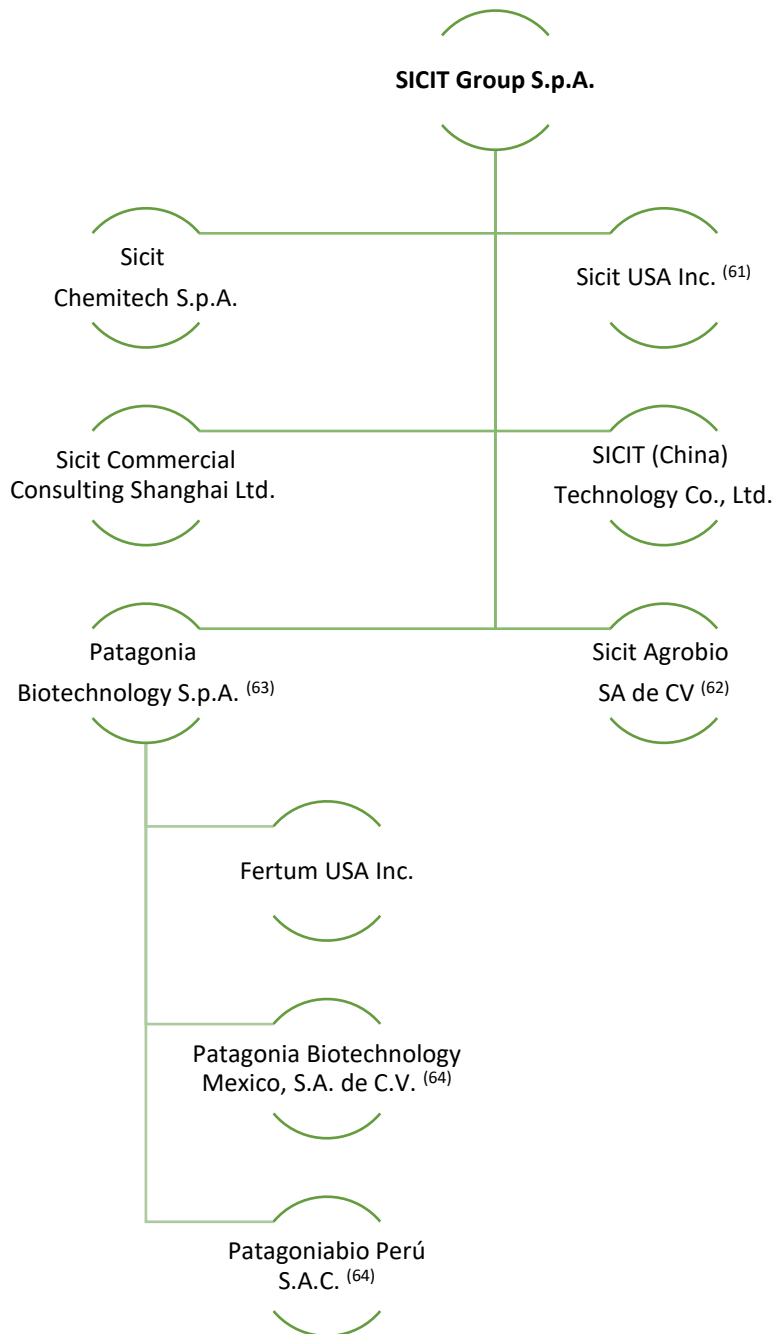
Sicit Agrobio S.A. de CV in October, SICIT established a new company, Sicit Agrobio S.A. de CV, in the city of Leon, in the state of Guanajuato, Mexico, with the aim of building a new production plant dedicated to the collection of residues of the local tanning district, one of the most significant in the world.

Owner attitude

SICIT Group S.p.A. is a public limited company incorporated in Italy in the Company Register of Vicenza.

The current shareholders of SICIT are INTESA HOLDING S.p.A. which holds 50% of the share capital and GALILEO OTTO S.A. r.l which holds the remaining 50%. In order to respond effectively to the interests of its *stakeholders*, SICIT has adopted a **form of administration and control of a traditional type**, which includes the presence of the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors and the Audit Company.

Therefore, the management of the company is entrusted to the Board of Directors, the supervisory functions to the Board of Statutory Auditors and the statutory audit of the accounts, as well as the accounting control, to the auditing company appointed by the shareholders' meeting of SICIT.



⁶¹ Not operational since July 2023

⁶² Established in October 2023.

⁶³ Acquired in May 2023 (51%)

⁶⁴ Not operational

Board of Directors

The Board of Directors consists of a number of directors between 7 and 11, appointed by the Shareholders' Meeting also among non-members. The Shareholders' Meeting, from time to time, before making the appointment, determines the number of directors.

On August 6, 2021, the Ordinary Shareholders' Meeting of SICIT Group S.p.A. appointed the Board of Directors, made up of 10 directors, who will remain in office until the approval of the financial statements for the year ended December 31st, 2023.

As of December 31st, 2023, the Board of Directors was composed as follows:

Board of Directors at 31.12.2023	Appointment	Executive / non-executive	Date of appointment	Number of other significant offices held
Rino Mastrotto	Chairman	Non-executive	06/08/2021	13
Massimo Costantino Neresini	Chief Executive Officer	Executive	06/08/2021	-
Mario Peretti	Chief Executive Officer	Executive	06/08/2021	4
Giuseppe Walter Peretti	Councilor	Non-executive	06/08/2021	16
Richard Grotto	Councilor	Non-executive	06/08/2021	4
Gianfranco from the month	Councilor	Non-executive	06/08/2021	7
Fabio Cosmo Domenico Canè	Councilor	Non-executive	06/08/2021	13
Thomas De Bustis Figarola	Councilor	Non-executive	06/08/2021	3
Matteo Perugi	Councilor	Non-executive	06/08/2021	-
Andrea Paolo Maria Vallini ⁶⁵	Councilor	Non-executive	25/05/2022	6

⁶⁵ The Director Andrea Paolo Maria Vallini has competence with regard to the impact of the organization in the ESG field, being among other things the ESG manager of the NB Renaissance Fund, having, as operating Partner, responsibility for the

coordination of the ESG activities of the Fund and of the companies in portfolio. SICIT is also the objective for the following years, training in the ESG area, to be addressed also to the members of the Board of Directors.

The Board of Directors is composed of 100% male councilors, among which there are no independent directors. Moreover, the Board of Directors express only the expression of the social structure and therefore do not represent third parties or other categories of social subjects or groups.

The procedure for appointing and selecting the Board of Directors is governed by the Shareholders' Agreement. The Agreement provides that the Board of Directors shall consist of 10 members, to be designated as follows:

- i. 4 Directors appointed by the investor Galileo Otto S.A.r.l.
- ii. 4 Directors appointed by Intesa Holding S.p.A.
- iii. 1 Director (who will be Managing Director in the person of the current Managing Director) jointly appointed by Galileo Otto S.A.r.l. and Intesa Holding S.p.A.
- iv. 1 Director appointed by Intesa Holding S.p.A. who will be Chairman.

Moreover, it should be noted that the “industrial” extraction partners with experience in the sector are represented by the directors of Intesa Holding S.p.A., while the members representing Neuberger Berman Renaissance Partners Holding S.A. r.l. have financial, M&A, strategy and ESG skills. It is specified that the Chairman of the Board of Directors does not have any operational powers within the Company.

There is no formalized procedure to prevent and mitigate conflicts of interest concerning the highest governing body. The relations with the Related parties regulated by an internal procedure are constantly monitored also for financial reporting purposes.

The Board of Directors is responsible for

controlling the impacts of the organization on the economy, the environment, and people. The latter is also entrusted with the task of preparing and approving this document, as well as defining the Group’s medium-long-term sustainability objectives.

The working Group appointed by the Board of Directors to support the Chief Executive Officer in the implementation of the sustainability plan and coordinated by the Company's CFO and includes the Director of Human Resources, the Environmental Delegate, the Head of operations, the Commercial Director, in addition to the Chief Executive Officer himself, it interfaces with the Board of Directors for the implementation of the above-mentioned aspects. There are currently no intra-consiliar committees.

At present, the Group has not provided itself with specific formalized processes for evaluating the performance of the Board of Directors in supervising the management of the organization's impacts on the economy, the environment and people.

Remuneration for the Board of Directors is reserved for the two CEOs: The former receives fixed compensation, and the latter is fixed and variable compensation. The rules on remuneration are not related to ESG objectives. The fees reserved for the members of the Board of Directors are defined by the Shareholders’ Meeting.

Between December 2022 and December 2023, the Board of Directors of the Parent Company implemented the “Stock option Plan 2022-2028” approved by the Shareholders’ Meeting of November 16, 2022, which is a long-term Incentive (LTI) plan, Intended for executive directors and employees of the Company and its

subsidiaries who are invested with the most strategically important functions within them.

The plan provides for the right of beneficiaries to receive from the Company a variable remuneration that encourages shares.

The right to receive the incentive remuneration will accrue based on specific conditions such as:

- that there is a divestment on the part of the current shareholders;
- that, as a result of the divestment, the divestment shareholders achieve a certain multipole on the investment;
- remaining in service on the date of the divestment.

The plan thus defined has the function, among other things, of aligning in the medium to long term the interests of shareholders and managers with apical or strategic functions.

The total annual compensation rate⁶⁶ of the SICIT Group for 2023 was 17,13⁶⁷ (12,08 in 2022). This value represents the ratio between the annual salary of the most paid individual (CEO) and the median salary of the employees (excluding the most paid person). The indicator is intended to represent the difference in pay between the most paid individual and the working population. Pay levels can be influenced by various factors such as the size, sector,

geographical area, and employment strategy of the Group. In 2023, the ratio between the percentage increase in the total remuneration of the most paid person and the median percentage increase in the total annual remuneration of all employees was 2,42.

Board of Statutory Auditors

The Board of Statutory Auditors of SICIT consists of 1 Chairman and 2 Statutory Auditors and was appointed on 6 August 2021 and will remain in office until the approval of the Financial statements for the year ended 31 December 2023. All the members of the Board of Statutory Auditors are in possession of the eligibility, honorability and professionalism requirements laid down by law.

As of December 31st, 2023, the Board of Statutory Auditors was composed as follows:

Board of Statutory Auditors as of 31.12.2023		Appointment
Maurizio Salom		Chairman
Manfredo Turchetti		Standing auditor
Sergio Zamberlan		Standing auditor

⁶⁶ The annual compensation of the most paid individual includes fixed and variable remuneration (premiums, incentives, MBO). For the median of employees (excluding the most paid individual), they were always considered

Fixed salary and variable elements (overtime, rewards, incentives, MBO, welfare benefits)

⁶⁷ 15,48 for the same perimeter as 2022 data, not considering PatBio

Economic value generated and distributed

The global market of bio-stimulants for agriculture is driven by global phenomena, capable of creating favorable growth prospects such as: the increase in the world's population and food demand, the reduction in the quantity of arable land per capita, the evolution, of agri-food systems towards sustainability and the increasing focus on issues related to the circular economy.

The biostimulants market is strongly driven by agricultural production and operators' propensity to use biostimulants to supplement agrochemicals and chemical fertilizers, as natural and environmentally friendly products, capable of improving crop yields, both in quantitative and qualitative terms, making them more resistant to abiotic stress.

Modern agriculture's growing interest in biostimulants is driven by rising consumer demand for sustainability and ongoing regulatory and legislative interventions in Europe, the US, China, and India, whose local governments are setting ambitious targets for reducing the use of synthetic chemicals.

Globally, the biostimulants market is estimated at around \$2,81 billion, with a CAGR (weighted average annual growth rate) expected in the next 5 years of around 12%. It is estimated that the sector involves more than 500 companies in the world, ranging from start-ups to the most historic companies, operating both exclusively in the biostimulants sector, but also in the fertilizer sector.

The global market for gypsum and plasterboard, where plasterboard

retardants are used, is driven by the evolution of the construction sector and in particular by the growing use of these products in construction. Plasterboard walls are preferred by building builders to traditional masonry walls due to their lightness, speed of construction site and the greater fireproof and insulating properties. In addition, the demand for plasterboard walls is supported by the following macro-trends: (i) population growth; (ii) urbanization growth; (iii) higher disposable income and increasing demand for higher-quality housing; (iv) an increasingly international regulatory framework focused on the introduction of sustainable housing standards as a result of increasing consumer attention to environmental impact.

The world gypsum market was worth around \$7,85 billion in 2023, up 83% from 2022, and with CAGR's expectation in 2033 of around 6,2% (\$13,76 billion in 2033).

Worldwide construction production is expected to be substantially stable in 2024 (+1,2%, 0,1% excluding China), due to high construction material costs and labor shortages.

The deceleration reflects difficult conditions in most markets around the world in the form of high inflation and a tightening of monetary policy that has held back investment.

As far as animal fat is concerned, the product is essentially a commodity, the sale price of which is typically indexed to the price of the Milan granary stock exchange. Prices decreased significantly in 2023 compared to the previous year, with an average annual fall of -30%.

The development of the fat industry, primarily understood as raw material in the

production of, among others, biofuels, is linked to the development of the use of renewable energy sources (RES).

The following are the main economic data reached in 2023 by the Group.

The creation and distribution of value for its stakeholders is a constant commitment of SICIT.

Economic value represents the wealth produced by SICIT, distributed to stakeholders. Through its activities, SICIT contributes to the growth of the social, economic and environmental context in which it operates. The economic value generated by SICIT, as shown below, is distributed to employees (salaries), suppliers (Cost of sales, business expenses, R&D expenses and general and administrative costs), public administration (taxes), shareholders (dividends), banks (financial charges) and communities (liberal sponsorships and donations).

The economic value directly generated by SICIT in 2023 is approximately Euro 111 million, driven

mainly by the share of the consolidated revenues of SICIT which in 2023 amounted to Euro 107,4 million.

For further details on the economic performance of SICIT and the balance sheet and financial position of SICIT, see the consolidated financial statements of the SICIT Group on December 31, 2023.

The distributed economic value amounts to 79,4 million Euros, of which approximately 73% derives from the remuneration of the suppliers, which is composed of cost of sales, Research and development costs, commercial costs and distributed general and administrative costs. staff remuneration represents about 17% of the economic value distributed. Over 0,2 million Euros were allocated by SICIT to support the community in 2023. Finally, the retained value of the Group determined by the difference between the directly generated economic value and the distributed economic value was 31,7 million Euros.

Economic Annex

GRI STANDARD DISCLOSURE 201-1: Direct economic value generated and distributed

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2023	
	€000	%
Direct economic value generated	111.056	
Economic value retained	31.695	
Economic value distributed, of which:	79.361	
Remuneration to suppliers	58.008	73,1%
Remuneration to collaborators	13.728	17,3%
Remuneration of lenders	5.239	6,6%
Remuneration of investors ⁶⁸	-	-
Remuneration of Public Administration	2.174	2,7%
Community investments	213	0,3%

⁶⁸ Reference is made to the proposal for the allocation of operating income in the Notes on the separate financial statements of SICIT Group S.p.A. at December 31, 2023, which does not provide for the distribution of dividends.

METHODOLOGICAL NOTE

Methodological note

The SICIT Group's Sustainability Report, in its fifth edition, is a tool for describing, in a transparent and articulated way, the results achieved by SICIT in the financial year 2023 (from 1 January to 31 December) in the economic field, social and environmental issues and shows the commitment and initiatives taken in favor of sustainable development. The reporting period coincides with that of the SICIT Group's consolidated financial statements.

This document, published annually, has been prepared by reporting in accordance with the "GRI Standards" published by the Global Reporting Initiative (GRI), as stated in the "GRI Content Index" under the "in accordance" option.

As required by the GRI Standards, SICIT identified sustainability issues deemed relevant through a Materiality analysis, described in the paragraph "Materiality Analysis".

The perimeter of economic, financial and social data and information corresponds to that of the SICIT Group's consolidated financial statements on December 31, 2023. The environmental data and information refer only to the three production plants in Chiampo, Arzignano and Puerto Montt in Chile, since those relating to the other offices of the companies included in the reporting perimeter are not considered significant.

The information relating to the reference period is compared with that of the previous year, where available; any restatements of data relating to previous years with respect to published ones, due to the refinement of the collection and reporting process, are clearly indicated as such. In order to ensure the reliability of the data, the use of estimates has been limited as far as possible, which, if present, are appropriately reported and based on the best available methodologies. In some cases, the data may show rounding defects due to the representation in thousands/million; it should be noted that the variations and the percentage effects are calculated on the point data.

In 2023 there were no significant changes in the size, organizational structure and supply chain of the SICIT Group, with the exception of the acquisition in May 2023 of Patagonia Biotechnology Spa (PatBio), with the entry into the Group's integral consolidation scope of its subsidiaries Fertum USA Inc. (distribution of biostimulants in the USA), Patagonia Biotechnology Mexico, S.A. de C.V. and Patagoniabi Perú S.A.C. (not relevant to the environmental, social performance of the Group and therefore not included in the reporting perimeter).

For the sake of completeness, the creation in October 2023 of the company Sicit Agrobio S.A. de CV, which was not operational in 2023, is also noted.

It should be noted that the data relating to the company PatBio refer to the period June-December 2023 except for the data expressly requested by the GRI on 31 December 2023.

As a result of the acquisition of PatBio, the data for 2023 are not directly comparable with the 2022 data; in these Sustainability Report, therefore, it was shown, where appropriate, of *the* adjusted 2023 data in order to exclude the impact of PatBio and allow direct comparison with the data for the previous year.

This Sustainability Report on December 31, 2023 was approved by the Board of Directors of SICIT Group S.p.A. on March 27, 2024.

The Sustainability Report was the subject of a limited review (“limited assurance engagement” according to the criteria set out in the ISAE 3000 revised principle) by Deloitte & Touche S.p.A., which will end with the release of the “Report of the Auditing Company”.

For further information and suggestions regarding the SICIT Sustainability Report, please contact info@SICITgroup.com or visit www.sicitgroup.com.

INDEX OF GRI CONTENTS

Index of GRI contents

Statement of use	The SICIT Group has submitted a report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023
GRI 1 used	GRI 1 - Basic principles - Version 2021
Applicable GRI Sector Standard	N.A.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
General Disclosure						
GRI 2: General disclosure 2021	2-1 Organizational Details	2; 7-10				
	2-2 Entities included in the organization's sustainability reporting	104-105; 112-113				
	2-3 Reporting period, frequency and contact point	112-113				
	2-4 Restatement of information	49-57; 60; 77; 112				
	2-5 External Assurance	113; 124-125				
	2-6 Activities, chain of the value and other business relationships	7-10; 15-21				
	2-7 employees	66; 73-74				
	2-8 Workers who are not employees	74				

	2-9 Governance structure and composition	103-107			
	2-10 Nomination and selection of the highest governance body	105-107			
	2-11 Chair of the highest governance body	105			
	2-12 role of the highest governance body in overseeing the management of impacts	103-107			
	2-13 Delegation of responsibility for managing impacts	103-107			
	2-14 role of the highest governance body in sustainability reporting	103-107			
	2-15 conflicts of interest	106			
	2-16 Communication of critical concerns	11-14			
	2-17 collective knowledge of the highest governance body	103-107			
	2-18 Evaluation of the performance of the highest governance body	103-107			

	2-19 Remuneration policies	106-107			
	2-20 Process to determine remuneration	106-107			
	2-21 Annual compensation ratio	107			
	2-22 Statement on sustainable development strategy	5; 22-26			
	2-23 Policy commitment	11-14; 29-36			
	2-24 Embedding policy commitments	11-14; 29-36			
	2-25 processes to remediate negative impacts	24-26			
	2-26 Mechanisms for seeking advice and raising concerns	11-14			
	2-27 Compliance with laws and Regulations	13			
	2-28 Membership associations	7			
	2-29 approach to stakeholders engagement	22, 23			
	2-30 collective bargaining agreements	69; 75			

Material topics

GRI 3: Material Topics 2021	3-1 process to determine material topics	24-26				
	3-2 List of material topics	25-26				
Economic performance and value creation						
GRI 3: Material topics 2021	3-3 Management of material topics	108-110				
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	108-110				
Business ethics, anti-corruption and regulatory compliance						
GRI 3: Material topics 2021	3-3 Management of material topics	11-14				
GRI 205: Anticorruption 2016	205-3 confirmed corruption incidents and actions taken	13; 102				
GRI 206: Anticompetitive behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust and monopoly practices	13; 102				
Management of environmental impacts						
GRI 3: Material topics 2021	3-3 Management of material topics	37-55				
GRI 301 materials 2016	301-2 recycled input materials used	53; 56				
GRI 302: Energy 2016	302-1 Energy consumed within the organization	45-49; 57				

	302-3 Energy intensity	45-49; 57				
GRI 303: Water and effluents 2018	303-1 interactions with water as a shared resource	51-52				
	303-2 Management of water discharge-related impacts	51-52				
	303-3 water withdrawal	51-52; 58				
	303-4 water discharge	51-52; 59				
GRI 305: Emissions 2016	305-1 Direct GHG emissions (scope 1)	48-49; 60-61				
	305-2 indirect GHG emissions (scope 2)	48-49; 60				
	305-3 other indirect GHG emissions (scope 3)	49	Indirect GHG emissions (scope 3) in tons of CO2e	Information not available/incomplete	The information required to calculate indirect GHG emissions (scope 3) is not currently available. The Group undertakes to include these data	

					from the 2024 Sustainability Report	
	305-4 GHG emissions intensity	49; 60				
	305-7 nitrogen oxides (NOx), sulfur oxides (SOX) and other relevant air emissions	61				
GRI 306: Waste 2020	306-1 waste generation and significant waste-related issues	53-55				
	306-2 Management of significant waste-related impacts	53-55				
	306-3 waste generated	53-55; 61				
Local communities						
GRI 3: Material topics 2021	3-3 Management of material topics	84-89				
GRI 204: Procurement Practices 2016	204-1 proportion of spending on local suppliers	87				
GRI 413: Local Communities 2016	413-2: Operations with significant actual and potential negative impacts on local communities	87-89				
Employees development and well-being						

GRI 3: Material topics 2021	3-3 Management of material topics	62-72				
GRI 401: Occupation 2016	401-1 new employee hires and employee turnover	75-77				
	401-2 Benefits provided to full-time employees, that are not provided to temporary or part-time employees	68-69				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	71; 78-79				
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	66; 73-74; 80-81				
	405-2 Ratio of basic salary and remuneration of women to men	82				
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	68				

Occupational health and safety						
GRI 3: Material topics 2021	3-3 Management of material topics	70-72				
GRI 403: Occupational Health and safety 2018	403-1 Occupational health and safety management system	70-72				
	403-2 Hazard identification, risk assessment and incident investigation	70-72				
	403-3 Occupational health services	70-72				
	403-4 Worker participation, consultation, and communication on occupational health and safety	70-72				
	403-5 Worker training on occupational health and safety	70-72				
	403-6 Promotion of workers' health	70-72				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	70-72				

	403-9 work-related injuries	70-72; 83				
Product quality and safety						
GRI 3: Material topics 2021	3-3 Management of material topics	92-98				
GRI 416: Customer Health and Safety 2016	416-2 incidents of non-compliance concerning the health and safety impacts of products and services	96				
Innovation, Research and development						
GRI 3: Material topics 2021	3-3 Management of material topics	92-98				
Sustainable supply chain management						
GRI 3: Material topics 2021	3-3 Management of material topics	84-89				
GRI 308: Supplier Environmental assessment 2016	308-1 new suppliers that were screened using environmental criteria	87				
GRI 414: Supplier Social Assessment 2016	414-1 new suppliers that were screened using social criteria	87				

AUDIT COMPANY REPORT

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of Sicit Group S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Sicit Group (hereinafter also "Group") as of December 31, 2023.

Responsibility of the Directors for the Sustainability Report

The Directors of Sicit Group S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Sicit Group objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720230 | Partita IVA: IT03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

Deloitte.

2

We conducted our work in accordance with the criteria established in the *“International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information”* (hereinafter *“ISAE 3000 Revised”*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (*“reasonable assurance engagement”*), and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods of analysis and understanding of the context, identification, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph *“Economic value generated and distributed”* of the Sustainability Report with those included in the Group’s consolidated financial statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Sicit Group S.p.A. and with the employees of Sicit Chemitech S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group’s activities and characteristics:

- at the parent company’s and subsidiaries’ level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;

Deloitte.

3

- for the Arzignano and Chiampo production plants of Sicit Group S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Sicit Group as of December 31, 2023 is not prepared, in all material respects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padova, Italy
April 29, 2024

This report has been translated into the English language solely for the convenience of international readers.

