

SIR Industriale S.p.A.

ESG Company Profile 2022



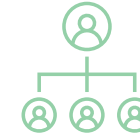
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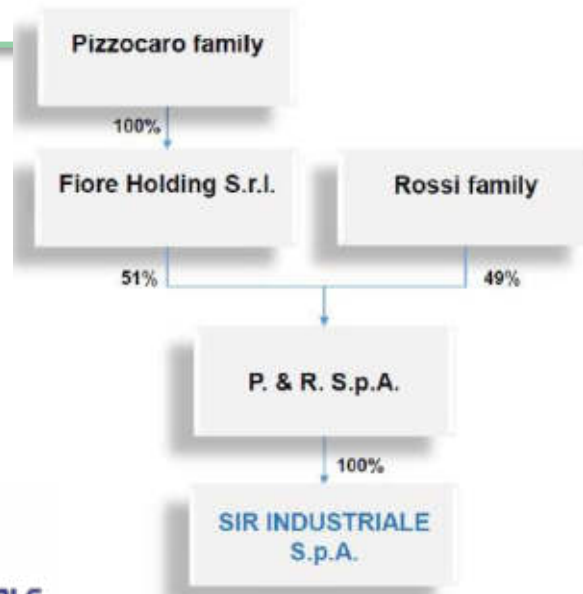
1. COMPANY PROFILE



About us

SIR Industriale S.p.A. is an Italian family-owned company that produces thermosetting resins **since more than 60 years ago**

The headquarter is in **Macherio (MB)**, where one of its two production plants is located. The second manufacturing site is in **Castelseprio (VA)**.



Our 2022

**€ 12
millions**

Operating profit up 31st of December

**+€ 23
millions**

Turnover vs 2021



Our drivers

- **Innovation, research and development and engineering**
- **Consistency** in production process
- **Customer satisfaction**
- Constant business **growth** and **expansion**



Our mission

Contributing to the modernization of the industrial sectors in which we operate by addressing the needs of all stakeholders and searching the best solutions to support the evolution of society in all its aspects, with a particular focus on the well-being of future generations.

2. OUR JOURNEY TOWARDS SUSTAINABILITY



Where we are today

In 2022, SIR Industriale made the decision to develop its first **Sustainability Report** to share its commitments, activities, and objectives in terms of sustainability with its stakeholders.

The company conducted its first materiality analysis, which has **identified a list of priority topics and the relative effects on the economy, environment and society**. The process consisted of three phases:

- 1. Analysis of key sustainability trends in the chemical industrial sector**, nonetheless a benchmark analysis against the accountability practices of adopted by SIR Industriale's direct competitors;
- 2. Workshops with key stakeholders of SIR Industriale** and the involvement of a sample of **suppliers** and **employees** to assess the topics and their effects;
- 3. Prioritization of the material topics** based on the significance external impacts.

During the analysis, a **materiality threshold** was defined, under which certain topics, such as Cyber Security, Data Management and Community Support, were considered for this year.



SIR Industriale's 2022 materiality topics

Environment

- Climate change and emission reduction
- Circular economy and Waste Management
- Water Management
- Air Quality

Social

- People Management, Training and Development
- Health and Security
- Diversity and Inclusion
- Customer Protection, Satisfaction and Safety

Governance

- Business Ethics and Integrity
- Responsible supply chain
- Innovation, Digitalization and Product Sustainability



3. GOVERNANCE

3.1. GOVERNANCE AND ETHICS



Where we are today

The company operates according to the **Organizational, Management, and Control Model** adopted under Legislative Decree 231/2001.

The control over the functioning and compliance with the Organizational Model, as well as its constant updating, is entrusted to the **Supervisory Body (SB)**, appointed by the Board of Directors through a resolution. Any behaviors or actions contrary to the provisions within the Organizational Model can be reported by anyone, ensuring complete anonymity.

SIR Industriale S.p.A. has also implemented its own **Code of Ethics**, the compliance to its principles is essential for the proper functioning, reliability, reputation, and image of the company.

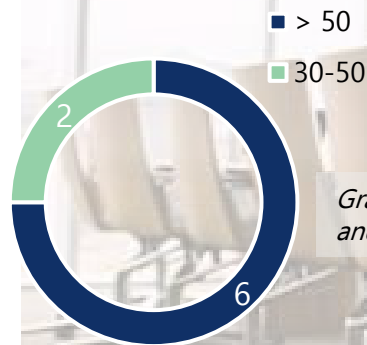
To ensure the correct understanding of the Code of Ethics, as well as the Management and Control Model, **specific training** courses are organized to promote their dissemination, knowledge, sharing, and application.



Our 2022

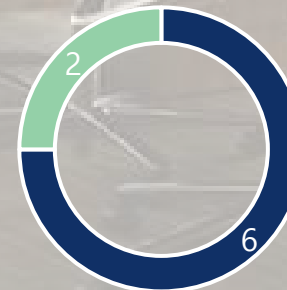
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Number of members of the Body of Governance and Control



Graphic 1. Distribution of the Body of Governance and Control members based on age

■ Uomini
■ Donne



Graphic 2. Distribution of the Body of Governance and Control members based on gender



Our future goals

For 2023, SIR Industriale has planned the establishment of an **ESG Committee**, whose task will be to identify sustainability objectives, introduce initiatives to achieve them, and annually monitor their progress.

3.2. CATENA DI FORNITURA RESPONSABILE



Where we are today

SIR Industriale acknowledges the crucial role of reliable and qualified partners and suppliers in ensuring the production of high-quality products that meet customer expectations. We are committed to establishing collaborations that seek maximum **competitive advantage, provide equal opportunities for every supplier**, and uphold **principles of loyalty and impartiality**.

The supplier evaluation process is managed by the purchasing department with the support of the responsible individuals for material usage or the relevant activity.

Between late 2021 and early 2022, the company completed the **Ecovadis questionnaire**, which assesses the sustainability maturity level of companies across four macro-areas: environment, labor and human rights, ethics, and sustainable procurement.



Our 2022

Total number of suppliers

Over
500

34%

Purchase percentage from Italian suppliers

Score of SIR Industriale in the Ecovadis survey

56/100



Our future goals

ESG questionnaire to be administered to its suppliers. This questionnaire aims to evaluate not only the quality of products and competence but also the ethical, environmental, and social performance of our suppliers.

3.3. INNOVATION, DIGITALIZATION, AND PRODUCT SUSTAINABILITY



Where we are today

The **Research & Development** department is divided in four research and innovation laboratories, which enable us to maintain a high level of innovation and ensure technological leadership.

Throughout 2022, the company intensified its **investments to support research and development activities for the development of more sustainable materials**. SIR Industriale initiated a collaboration to analyze the use of bio-based raw materials as substitutes for fossil-based raw materials. The project aims to identify new raw materials for more sustainable production and develop a new family of polyesters for the production of coatings and composites with a bio/renewable carbon content of at least 50% or higher.

Furthermore, in 2022, SIR produced the first batches **of FS 0993 AT/S resin using recycled PET**, achieving a product with a lower environmental impact by utilizing recycled PET of plastic bottles.

Finally, to ensure the quality and safety of its products, SIR Industriale conducted **screening activities on the solid epoxy resins currently produced** to monitor and update the declaration regarding the presence of free-Bisphenol A (BPA) in its products.



Our 2022

20

Tons of products derived from recovered PET sold



A photograph of a forest with sunlight streaming through the trees, creating a bright, hazy atmosphere. The sun is positioned in the upper center, casting rays of light across the scene. The trees are tall and thin, with green foliage. The ground is covered in fallen leaves and some green plants.

4. ENVIRONMENT

4.1 CLIMATE CHANGE AND EMISSIONS REDUCTION



Where we are today

The company's main energy consumption is attributed to the use of **natural gas and electricity**.

Both sites are equipped with a cogeneration plant that produces both electric and thermal energy, improving the overall **efficiency of energy utilization**.

SIR Industriale has adopted a **Safety, Quality, and Environment Policy** and has implemented numerous **energy efficiency initiatives** over the years.

Additionally, the company is committed to **raising awareness among all employees** about the proper use of energy and reducing energy waste within office spaces.

Since 2022, the company has initiated the monitoring of **direct greenhouse gas (GHG) emissions (Scope 1) and indirect GHG emissions (Scope 2)** in order to control and enhance its carbon footprint.



Our 2022

50,000

Annual tons produced

Total GJ energetic consumption

393,000

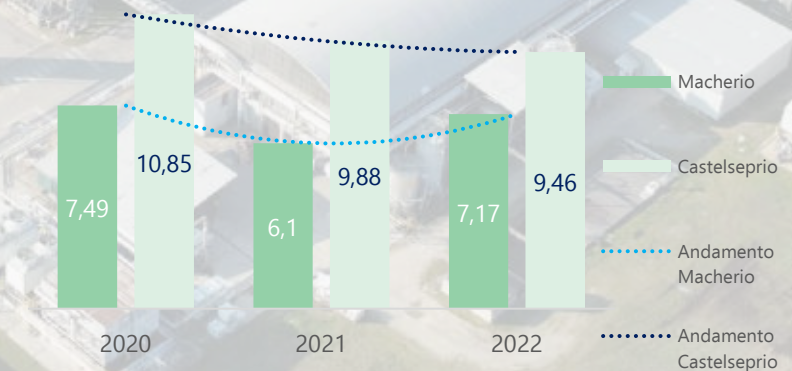
19,059

Tons of CO_{2e} Scope 1 emissions



Our future goals

Starting from 2023, SIR Industriale will be able to rely on a **photovoltaic system** that will contribute to meeting the energy consumption of the company, thus introducing a share of renewable sources.



Graphic 3. senergetic intensity per site (Gj/t)

4.2. CIRCULAR ECONOMY AND WASTE MANAGEMENT



Where we are today

The company is committed to ensuring proper waste management through systematic and efficient handling of waste materials, combined with appropriate disposal of hazardous waste.

The waste management process is supervised by **adequately trained personnel** and includes stages such as waste generation, classification according to the European Waste List, storage and handling in designated areas while complying with safety conditions, and finally the actual waste disposal.

Additionally, the company conducts annual **monitoring actions** on the quantities of hazardous waste, non-hazardous waste sent for disposal, and non-hazardous waste subject to specific controls (known as mirror code waste).

In 2022, SIR Industriale initiated a series of studies supported by **the Ministry of Economic Development** aimed at **developing innovative technologies to give a new life to production waste** as by-products.



Our 2022

Tons of waste generated
(excluding all by-products)

3,223

-24%

Reduction of waster intended for disposal compared to 2021

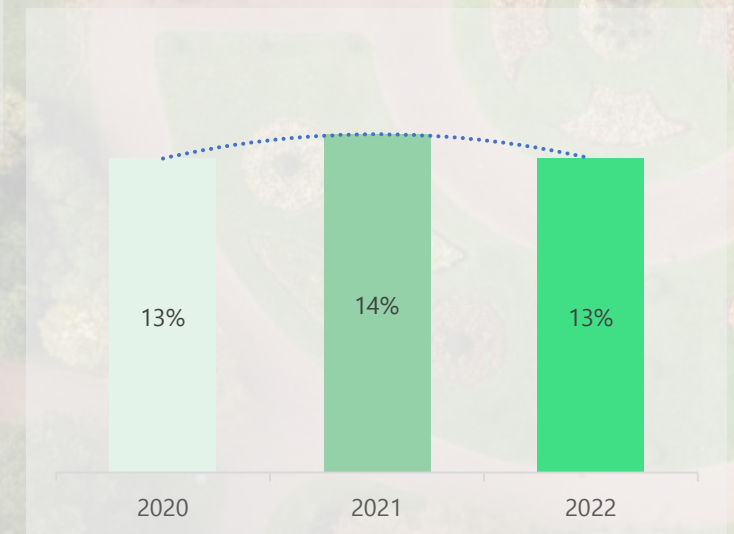
Increase of waste not intended for disposal compared to 2021

+36%



Our future goals

As for the upcoming activities, SIR Industriale is evaluating the possibility of implementing an **incentive system for management linked to waste production Key Performance Indicators (KPIs)** with the aim of taking a leading role in promoting a more sustainable future.



Graphics 4. Percentage of waste generated by the total production capacity

4.3 WATER MANAGEMENT



Where we are today

Water withdrawal occurs both through **the public water supply service** and **three private wells**.

To ensure proper water resource management, SIR Industriale **implements measures to reduce** the volumes of water used and discharged. This is achieved through the use of a cooling tower, and it is integrated through strategies for wastewater management and treatment to reduce pollutant production.

As for the Macherio facility, the company has planned the installation of a **thermal oxidation plant** for reaction water. This system, combined with a steam production unit at 12 barg and a dust removal unit, allows for the complete elimination of odoriferous compounds in the water discharged into the public sewage system.

To further improve its management, SIR Industriale has initiated a **network upgrade project**, which includes:

- Separation of industrial water and domestic wastewater
- Separation of rainwater and runoff from surfaces

In compliance with the Integrated Water Service Regulation, all discharge lines will be sampled separately.



Our 2022

m³ of total water withdrawal

351,125

Percentage the total water withdrawal deriving from underground water

94%

m³ of total water discharge

248,000

4.4. AIR QUALITY



Where we are today

SIR Industriale relies on an external **specialized laboratory** for the verification of odorous emissions and **containment systems**. The monitoring and analysis of emissions are carried out in accordance with the provisions of Legislative Decree 152/2006 and additional nationally and internationally recognized sampling methodologies, including, in order of priority:

- CEN technical standards;
- National technical standards (UNI, UNICHIM);
- ISO technical standards;
- Other international or national standards (EPA, NIOSH, etc.).

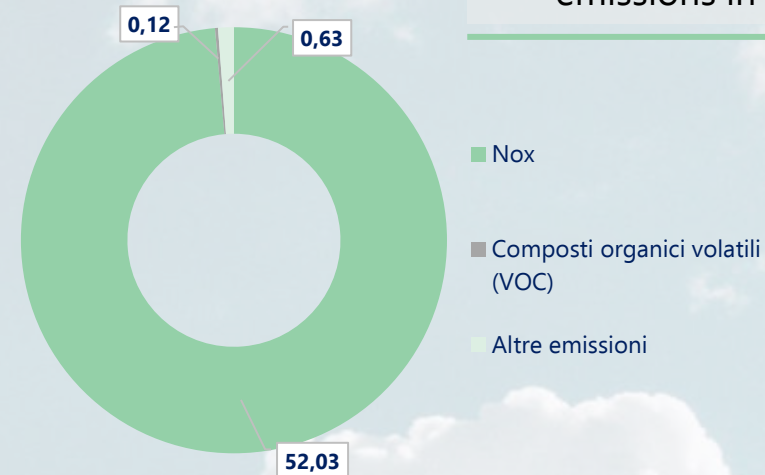
In 2021, SIR Industriale conducted an investigation aimed at **identifying and estimating the olfactory impact generated by odorous emissions** resulting from the manufacturing process at the Macherio site.



Our 2022

-13%

Reduction of atmospheric emission generated compared to 2021



Tons of considerable emissions in the air

52,78



5. SOCIAL

5.1 PEOPLE MANAGEMENT, TRAINING AND DEVELOPMENT



Where we are today

The company's selection process is structured to ensure **impartiality, equal opportunities, and non-discrimination**. Its aim is to enable each individual to **contribute to the development of the company's objectives** and ensure that these objectives are pursued in accordance with ethical principles and the company's values.

SIR Industriale provides employees with the **knowledge, skills, and resources necessary** to perform their work effectively, efficiently, and, above all, safely. The company invests in the development and training of its staff. Each year, the human resources department identifies training needs based on requests received from employees, categorized by thematic areas.

The company ensures safe working environments, working conditions that respect individual dignity, and provides tools to facilitate and strengthen *work-life balance* for employees. It offers **welfare services** that improve well-being both within and outside the workplace, enhance job satisfaction, and reduce employee turnover.



Our 2022

193

Employees

Percentage of hired employees under a full-time contract

99%

55%

Percentage of under 30 employees

Training hours provided

884



Our future goals

Our future goals

In 2023 new **training activities** are foreseen for all employees.

For the first time a survey has been shared with all employees to identify the **company values**, in order to engage people in the discovery and definition of the company's mission and target all the company's future activities towards it.

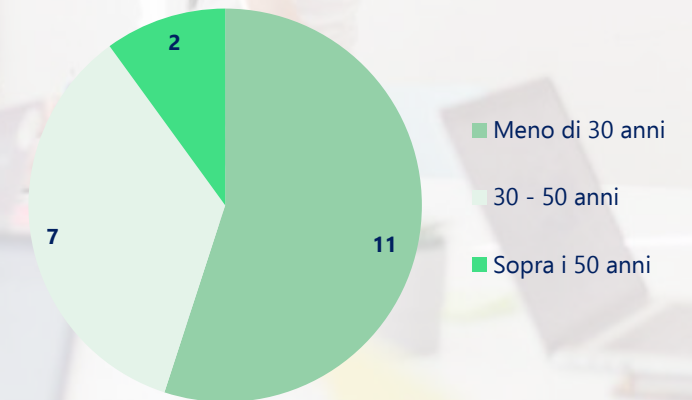


Grafico 6. Dipendenti assunti per fasce d'età

5.2. HEALTH AND SECURITY



Where we are today

In addition to the **Safety, Quality, and Environment Policy**, SIR also adopts an **Accident Prevention Policy**. To this end, the company has implemented a **Management System for the Prevention of Major Accidents (SGS-PIR)**, as prescribed by Legislative Decree 105/2015. The Management System is **audited by technical officials** (ARPA Lombardia in Castelseprio and the Ministry of the Interior in Macherio) to assess the adequacy of the major accident prevention policy and verify the correct application of accident prevention tools.

SIR Industriale has also developed an **Internal Emergency Plan (PEI)** that identifies provisions, information, procedures, and organizational methods for identifying emergencies that may occur on-site and planning the necessary actions. Additionally, an **External Emergency Plan (PEE)** defines the emergency management phases, information, and behavioral norms to be disseminated to the potentially affected population.

To ensure that all personnel are trained and capable of effectively managing emergency scenarios, the company has developed an **Information, Training, and Education Plan** for all employees, including those newly hired, covering mandatory and specialized safety training topics.

Furthermore, **Periodic Safety Meetings** are scheduled for all company levels on a quarterly basis. These meetings, organized by the Plant Prevention and Protection Service, are conducted in a classroom setting or through e-learning on the Sicurpoint platform.

Lastly, with the aim of monitoring the health of its employees and ensuring workplace safety, SIR Industriale carries out **health initiatives**, such as blood and urine analyses, and electrocardiograms for night workers, overseen by a competent physician.



Our 2022

Workplace injuries

3

1,95

Workplace injury rate*

5.3 DIVERSITY AND INCLUSION



Where we are today

For SIR Industriale, **diversity among individuals** is a crucial aspect within the company's reality. In this regard, the company intends to **develop future initiatives** aimed at promoting a managerial work model that ensures an inclusive work environment, where the needs of employees are recognized and respected, and where diversity, respect for differences, and equal opportunities are valued.

The **protection of diversity** and the **commitment to fostering inclusion** are applied from the initial hiring phase, and the subsequent management of employment and collaborative relationships is guided by the respect for workers' rights and the full appreciation of each individual's talent, with the aim of fostering their development and professional growth.

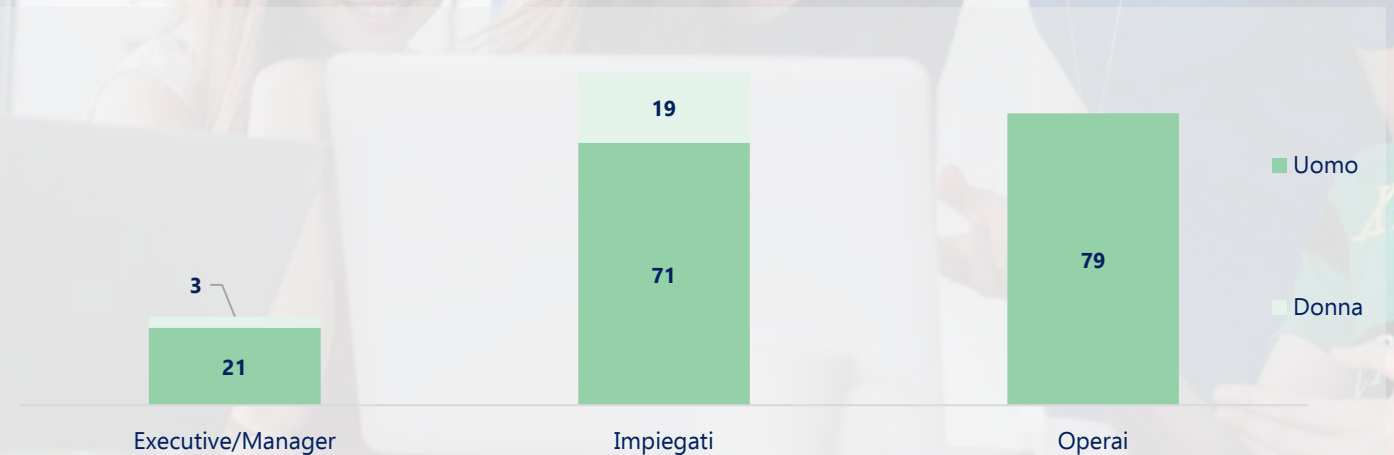


Our future goals

SIR Industriale has acknowledged two main themes in which it intends operating:

- The **promotion and development of a managerial work model**
- Placing greater emphasis on workers' needs

For each, the tools needed for the development of goals in a more productive and stimulating workplace have been identified



Graphic 7. Employees categorized by role and gender

5.4. CUSTOMER PROTECTION, SATISFACTION AND SAFETY



Where we are today

SIR Industriale adopts an **ISO 9001** certified **Quality Management System**. For the management of its operations, the company utilizes:

- SAP software for management
- SIAS software for management

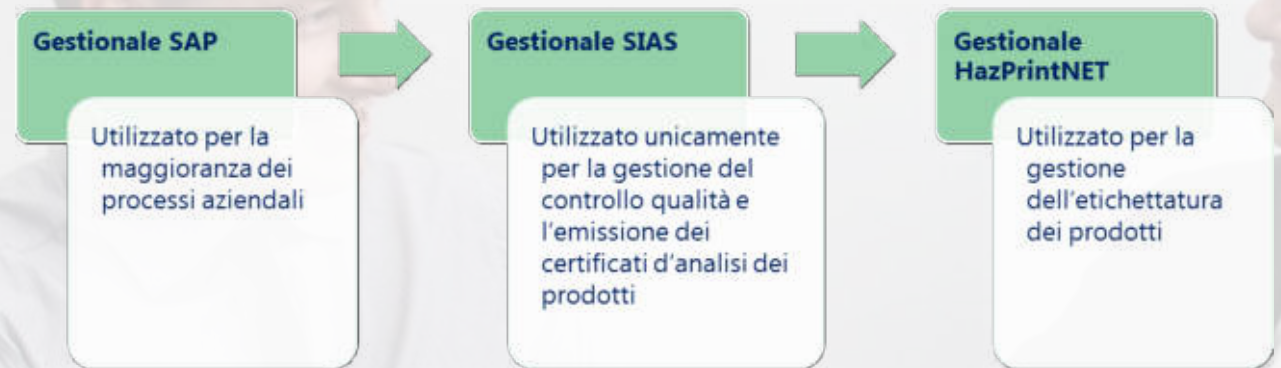
The company provides the **HazPrintNET software** for effective labeling of outgoing goods, which are always accompanied by safety data sheets and analysis certificates.

The Quality Control Laboratory (LCQ) is responsible for monitoring and analyzing the quality parameters required by regulations.

During product shipment, a **Quality Certificate** declaring the product's conformity to the specified range is attached to the accompanying documentation. Through this rigorous process, SIR Industriale is able to provide high-quality products that meet the expectations of its customers.

In the spirit of **continuous improvement**, the company recognizes the importance of listening to **customer feedback** with the aim of creating **versatile and high-quality products** that specifically address their needs.

Quality Management System



Management of non-conformity



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