



**SUSTAINABILITY REPORT**

**2023**

**SUSTAINABILITY REPORT**

**2025**



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# Letter to stakeholders



**The history of the Pozzi family** is an example of Italian entrepreneurship that has lasted for more than seventy years. My father, Alfredo Pozzi, founded the first company in the 1950s and, not surprisingly, chose as its name the combination of his own surname and that of the town of Arosio, in the province of Como,

where the first plant was opened, demonstrating, from the very beginning, an unbreakable bond with its territory and its inhabitants. Pozzi-Arosio began its activity in the chemical sector, producing paints for an industrial district, the furniture district, which for decades was a world reference. In spite of the effort, he put into his industrial activity, my father, a forerunner in the sense of his duty towards social values, found the time to serve for many years as mayor and, in a civic capacity, as arbitrator for the municipality of Arosio. So too did he manage to help and support his close friend, his peer, Blessed Don Carlo Gnocchi in the countless projects he carried out to ensure care, rehabilitation and social integration for polio sufferers and young and very young people who had undergone amputations as a result of bombings during the war period.

Wanting to continue our father's project, together with my brothers Abraham, Alessandro and Carlo - and with the constant support of our six sisters, who are also entrepreneurs in another family industrial reality, the Distillerie Pozzi - we have worked to develop a social project, namely that of a company in which those who offer work and those who receive it must live in absolute harmony, in the name of the principles of seriousness, commitment and mutual respect. This ambitious project, which has lasted for decades, has continued with the contribution of the third generation, in particular Alfredo junior, who died prematurely, and Walter.

The great-grandchildren of the fourth generation are already in the process of joining the company in order, I am convinced, to make our founder's dream come true.

In addition, the Merino family, of Spanish origin, has recently joined the Group, confirming the geographical openness, internationality and vocation for networking of the Group, making an important contribution thanks to its mature experience in managing international realities. This synergy has given birth to the Pozzi Industries Group, with Walter Pozzi and Juan Antonio Merino as directors.

The establishment of the investee company SAIP North America, INC. during 2023 was predicated on the Group's long-standing presence in the U.S. market, which has been consolidated through a commitment to a policy of constant openness to the international markets.

Pozzi Industries Group confirms itself to be a reality that operates in full respect of values and traditions by constantly looking at the evolution of business, markets, territory, people and the world in which we live. The Group's management is increasingly aware that growth is not only linked to economic-commercial outcomes, but also to the ways in which these results are achieved; in fact, we believe that sustainability is an essential element for our long-term success and for contributing to the well-being of the communities in which we operate.

We are dedicated to sustainability and strive to incorporate it into every aspect of our business. We believe that by investing in this area, we can gain a competitive advantage through:

internal benefits, resulting in a better working environment and improved process management which should ultimately lead to greater efficiency;  
external benefits, such as increased transparency and accountability for its stakeholders;

system-wide benefits, as an involvement of other companies and organizations in the goals of sustainable growth creates value on the ground and greater benefits for all those who operate there.

The Group's sustainability values are based on an unequivocal commitment to environmental protection, social responsibility and business ethics.

This document has been prepared with the aim of providing a comprehensive overview of our initiatives and related performance in terms of sustainability, in order to support corporate decision-making and ensure greater transparency and accountability to all our stakeholders.

The Sustainability Reports from the previous fiscal years (2021 and 2022) have been well-received and shared, which has further reinforced our enthusiasm and conviction in pursuing the organizational and economic efforts that the sustainability project requires.

We will therefore continue to strive to improve our sustainable performance, set ambitious and measurable goals, and be accountable for our progress.

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

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

President  
Angelo Pozzi



# 1. Group profile

## 1.1 The Group

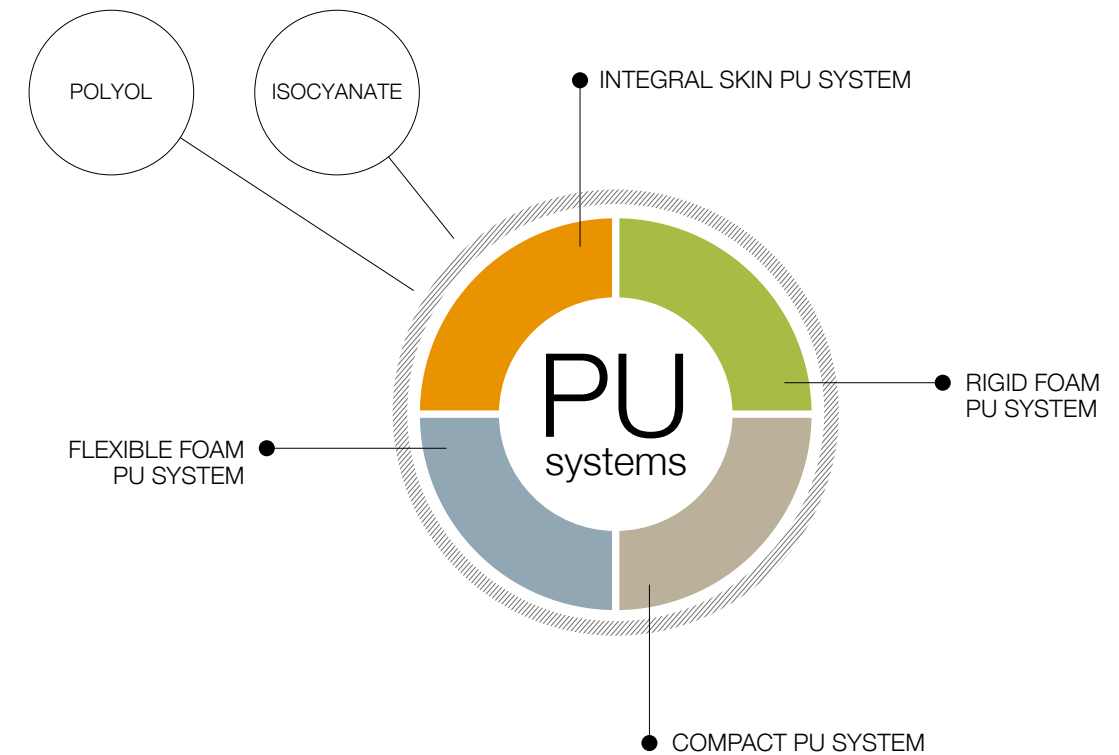
The Group is not just a collection of companies; it is a solid and well-defined entity in its own right. The Pozzi Industries Group is the result of decades of expertise in the field of chemistry, particularly in the development of polyurethane systems and the creation of special plants. Additionally, we have a long-standing commitment to research and development, with a focus on creating innovative surface finishes.

The Group has been associated with the Pozzi family since the 1950s and is currently in its third generation of entrepreneurs.

The Group has consistently operated within the economic context of its origins in Brianza, consolidating a stable and prosperous position over time. It has become a highly regarded entity within the Italian and international business communities.

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

Thanks to these partnerships, Pozzi - Arosio has become a market leader in the polyurethanes industry. Following the signing of a distribution agreement with a major international company, Pozzi-Arosio began marketing epoxy resin for the production of molds useful for the use of its polyurethane systems.



In 1978, Pozzi - Arosio assumed control of SAIP, a company with a focus on the production of polyurethane equipment for a range of applications. Given Pozzi - Arosio's extensive experience with a range of product categories, there was a natural inclination towards research and development. SAIP is currently a global leader in the production of plants and metering machines for the use and treatment of polyurethane.

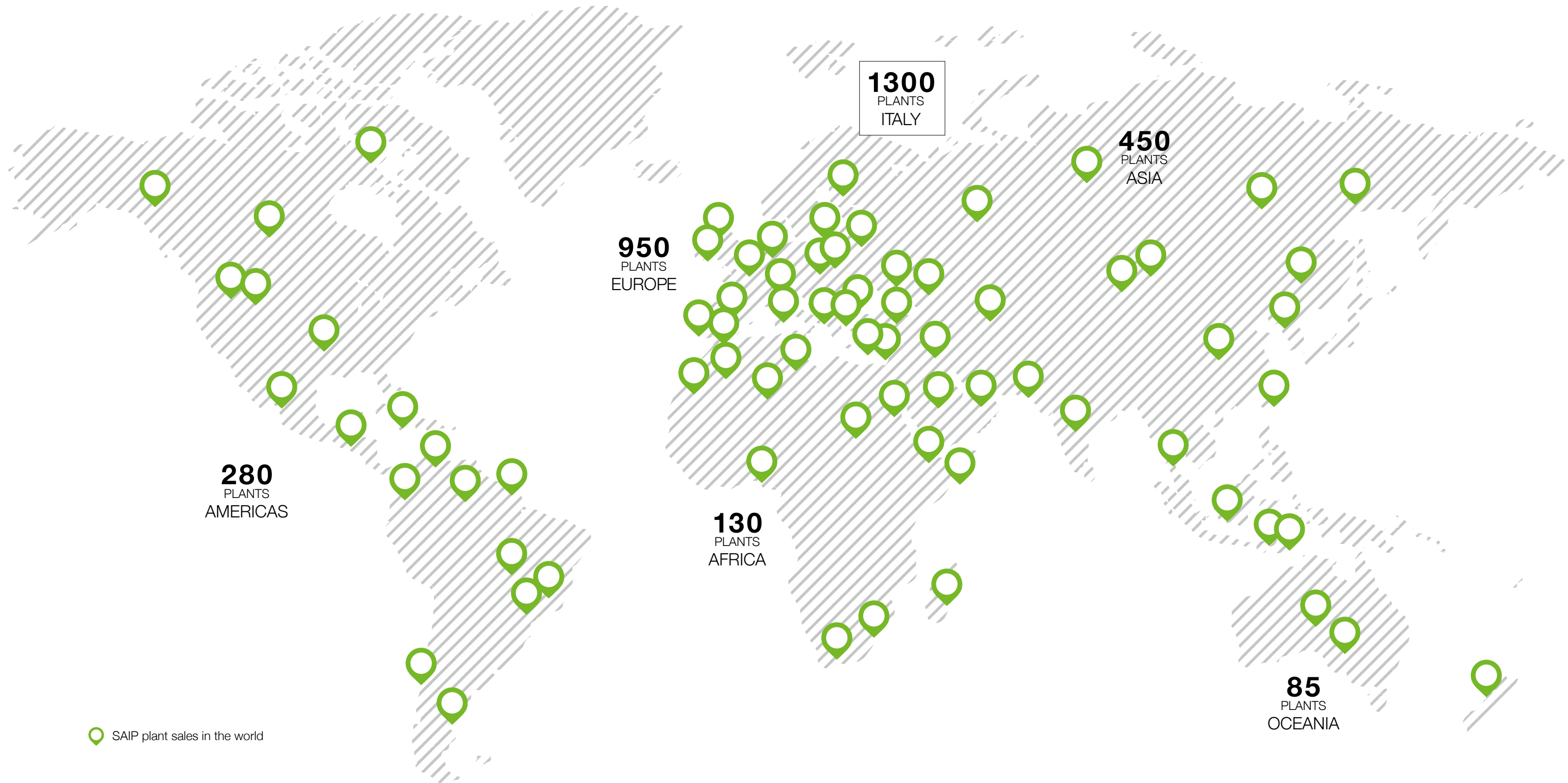
The company operates in a global market, strengthened by the recent opening of its U.S. subsidiary.

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

This groundbreaking project has yielded remarkable outcomes through rigorous research and knowledge sharing, greatly exceeding customer expectations.

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

# Pozzi Industries Group's Footprint in the World



In 2016, Pozzi Industries Group acquired INTER TRADING, a company with extensive experience in the trading of isocyanates, polyols, and chemicals in general. Concurrently, the company initiated a corporate restructuring, which is now overseen by the holding company PHF S.r.l.

The Pozzi Industries Group has two investee companies: AGILE, which was established to develop joint ventures in the South American market, and IES, a company operating in Italy that develops solutions for the automation of chemical plants.

SAIP NORTH AMERICA INC. has recently been established with the objective of further developing the Group's activities in the American market, where it has already been present for many years.

The Group's companies are leaders in their respective sectors, collectively driving the advancement of Made in Italy excellence in polyurethane applications and technologies on a global scale.

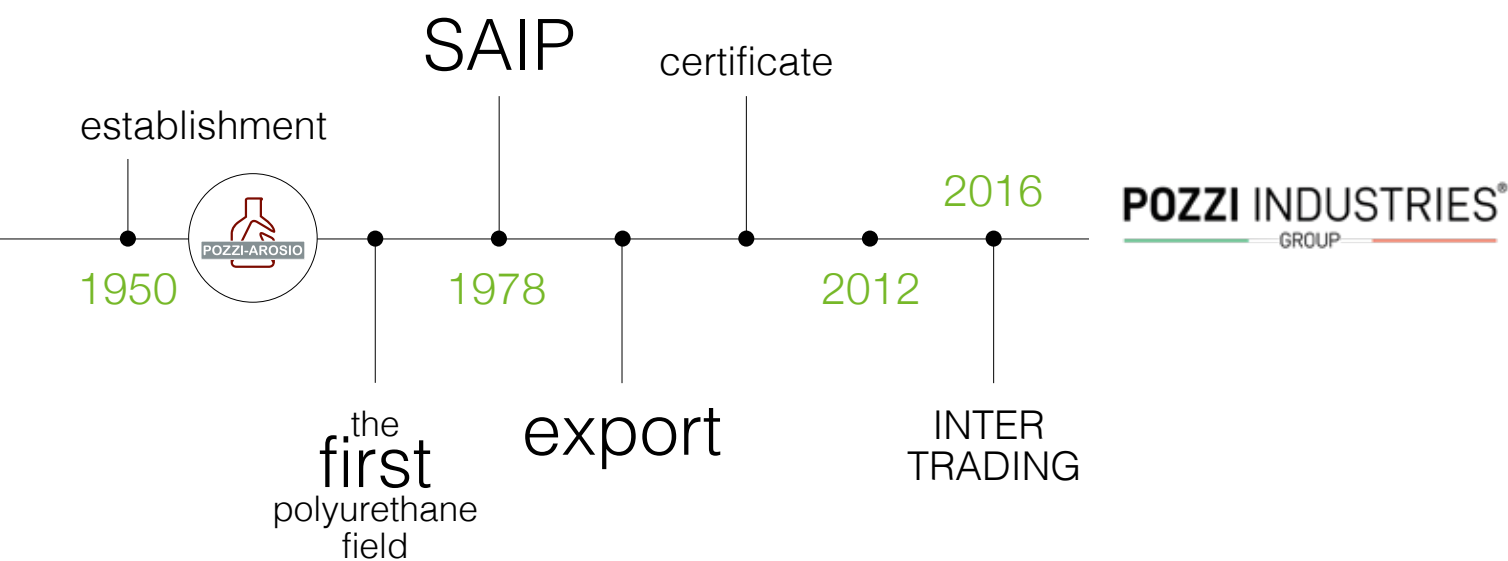
The SAIP S.u.r.l. Group company has subscribed a share in the newco "Enlive Automation S.r.l.," a start-up whose purpose is the development, production, marketing and delivery of innovative products and services with high technological value. In particular, the company's purpose is to design and market IT services and equipment suitable for industrial automation/digitalization in any production field as well as to develop the Butterfly project, which will be discussed below.

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



### 1.1.1 Economic dimensions

Currency	2021	2022	2023
Turnover	53.369.453	49.872.549	56.119.775
EBIT	3.596.706	3.710.298	4.926.189
Net Income	2.562.361	3.212.015	5.911.388
Financial expenses	5.598	9.667	17.761
Equity	13.671.968	15.514.178	19.757.671
of which registered capital	1.817.800	1.817.800	1.817.800
Non-current assets (net)	935.940	1.136.429	1.354.980
Cash & cash equivalent	14.590.954	16.667.223	15.602.008
Total assets	39.918.487	45.122.700	49.204.571
Financial debt	2.116.084	1.067.936	1.037.484
Accounts payable	16.719.500	22.366.622	21.158.298
Headcount	71	73	74





## 1.2 Governance

// The development of integrated and factual sustainability actions is based on a robust and efficient governance structure //

The Group is distinguished by a governance structure that is predominantly family-owned. The one-tier model is adopted across all companies, whereby the Board of Directors oversees management and accounting control is delegated to auditors and/or accountants.

The Board of Directors is entrusted with the broadest powers of strategic guidance for the proper and efficient management of the Group. A significant challenge for the Group is the issue of generational transition. The new generation plays a pivotal role in ensuring the Group's continuity. To address this challenge, the Next Generation project was initiated in 2021 with the support of specialized consultants. This project is currently undergoing continuous evolution to facilitate the inclusion of younger family members in the Group.

Tre sono le fasi fondamentali:

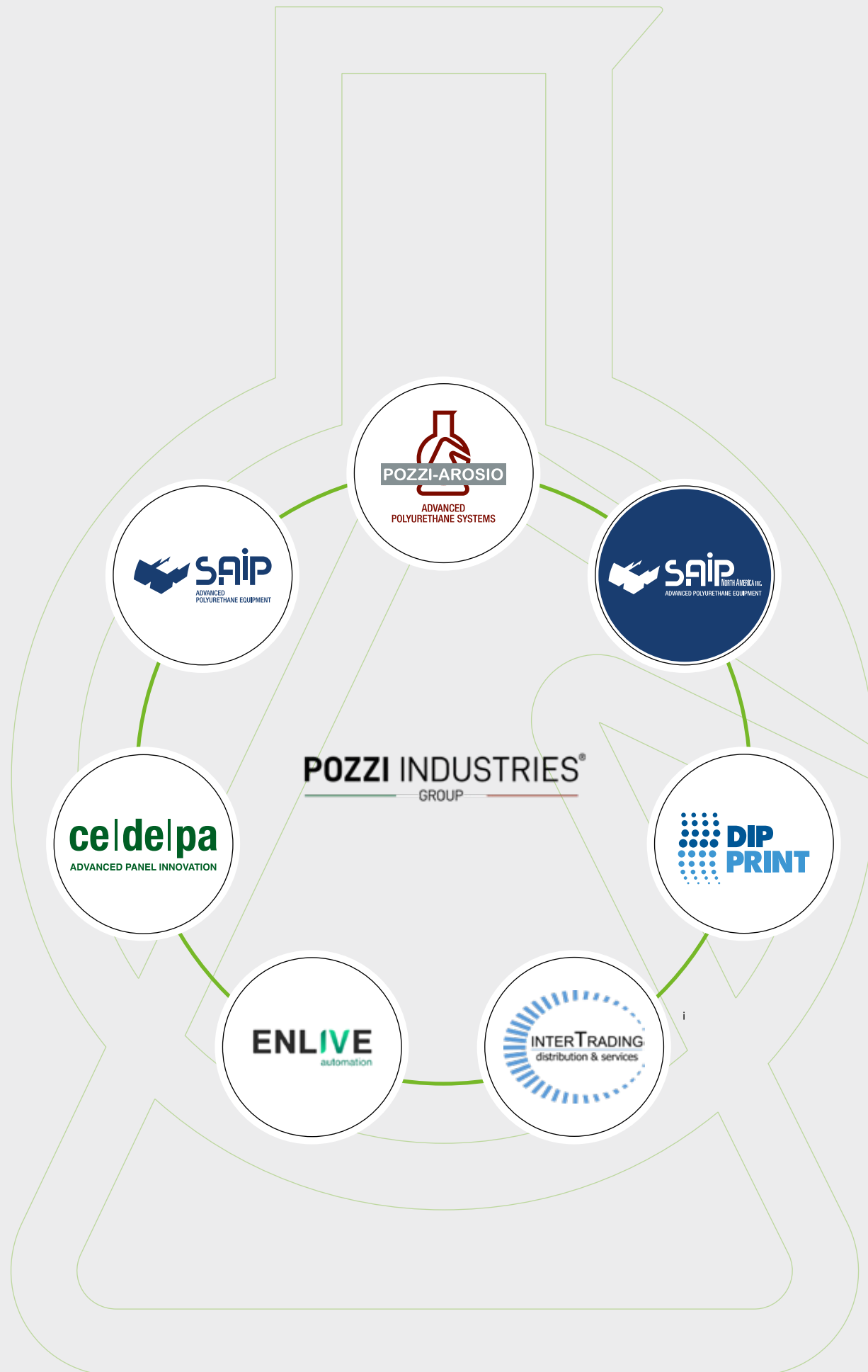
1. engage and inspire
2. probe and deepen
3. direct and support.

The objective is to examine the universe of the new generation in order to identify the optimal tools for awareness and growth that can facilitate the future generational transition. With this in mind, the new generations are the most involved in the Group's sustainability strategies and actions, including the drafting of this report.

Furthermore, the growing complexity of the Group's management structure, which encompasses multiple family units, necessitated enhanced coordination. In 2023, a **Council of Families** (referred to in the plural to underscore the involvement of numerous family units) was established. The Council convenes four times a year, with two representatives from the fourth generation in attendance. These representatives will rotate annually, gradually introducing younger individuals from the family units into the operational structure.

The goal is for fourth-generation representatives to become acquainted with the Group's operation and to assess their interest in the Group accordingly.

In 2024, the Group will define the **Family Agreement** with the inclusion of fourth-generation representatives.





## 1.5 Mission

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

Our production facilities stand at the center of the polyurethanes industry as they develop, produce and market various two-component polyurethane systems designed for many fields of application.

The Pozzi Industries Group's policy is to achieve maximum technical performance in its formulations while paying extreme attention to consumer health and the environment, using two-component formulations based on the use of MDI (diphenylmethane diisocyanate). The production of raw materials in our plants is constantly monitored and controlled by a certified quality system, which assures customers of the quality of the products supplied, stretched as far as possible to continuous improvement.



## 1.4 Vision and values

// We are a family-owned international group with a strong local focus, operating in the polyurethane industry for more than 40 years, providing leading-edge technologies and innovative products for our growth and that of our customers /

We have a dimension that allows us to combine productive rigor with flexibility of action, and our clients recognize human value in our behavior, creativity in our solutions, balance in our decisions, and reliability in our actions.

We invest in continuity with future generations in mind, and see the wealth we create as the means to fulfill our commitments.

Four values guide the way forward:



### Expertise

We strive to be competent and capable people, careful to always develop our knowledge, aware that it will be exhausted if it is not constantly updated. We love to share our knowledge with each other to multiply its value.

We know how to think outside the box and recognize the importance of intuition and creativity, always combined with the reflective rationality that comes from experience.

We view performance improvement as a powerful generative tool for motivation, development and organizational well-being, and encourage the pursuit of excellence in organizational behaviors and processes.



### Belonging

We identify with a clear identity that outlines our style and engage in serious and equal relationships, making sure our communication is clear and fosters mutual trust. We embrace confrontation and quickly work through disagreements, explaining the reasons and ensuring a quick and fruitful reconciliation. We practice mindful listening, allowing the other person the appropriate space to express themselves, and refrain from making hasty and unfounded judgments that can stigmatize people. We are part of a large, cohesive and collaborative team, and we recognize that personal and collective satisfaction, when transformed, allows for growth and always produces valuable results.



### Responsibility

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

We pay attention to the results we achieve by ensuring that every action we take creates more value than it takes to achieve. We love to elevate our vision, but we keep our feet firmly on the ground, striving to grow as a group and develop stable and lasting prosperity through the success of the people and organizations with whom we interact. We are persistent in our actions, and we take care of what we do with the same rigor, the same attention, and the same sensitivity that we devote to our personal affairs.



### Balance

Our actions are guided by a sense of integrity and we operate in a transparent, accountable and ethically unambiguous manner. We act with a strong sense of duty, confidently complying with policies and rules, knowing that we are part of a choral design that, properly supported, produces well-being for all.

We are courteous in our relationships, appropriate in our behavior, thoughtful in our interpretations, avoid gossip, and strive to resolve misunderstandings in the most expedient manner. We cultivate respect and esteem for others and ourselves, and act seriously and fairly, viewing our reputation as an asset to be protected.

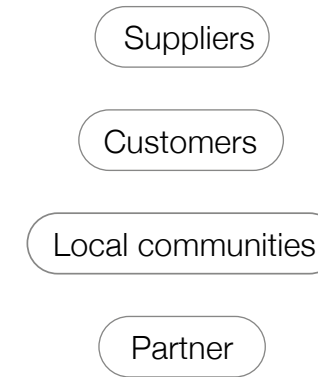
## 1.5 Stakeholders

**// Open and ongoing communication with our stakeholders fosters cooperation, mutual understanding and involvement in sustainability policy development and decision-making /**

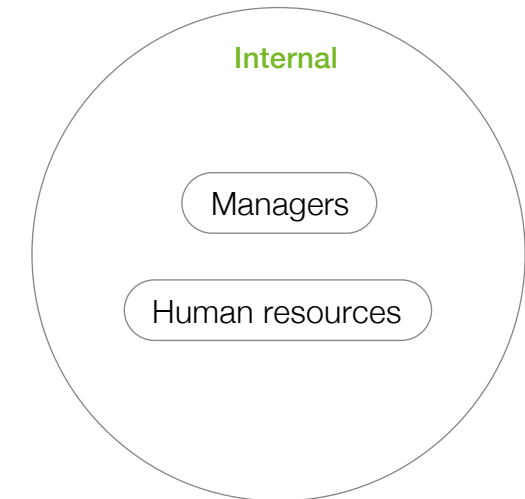
The Group strongly believes that stakeholder relationship management is critical to ensuring the achievement and success of sustainability goals.

For this reason, in 2023 we will continue to strengthen our stakeholder engagement process, identify and analyze the issues of greatest interest to our stakeholders, and prepare a materiality analysis on topics of sustainability most relevant to them.

### External



### Internal



*Partner, associazioni di settore e altre organizzazioni:* collaborare con queste realtà è fondamentale per dare vita ad iniziative e progetti condivisi e promuovere l'adozione di pratiche sostenibili

*Employees, managers, and other staff:* are directly involved in the Group's operations and culture, which focuses on the company's social and environmental impact, workplace safety, training and development opportunities, employee well-being and other work-related issues.

*Suppliers:* suppliers are an integral part of a company's supply chain and may be interested in the company's sustainability policy, adoption of sustainable practices in materials management or product life cycle.

*Customers:* they are critical to the success of the Group, they may be interested in the sustainability of the products or services offered.

*Local communities:* the local communities with which the Group interacts are sensitive to its impact on the environment, local employment, health and quality of life. They may be interested in collaborating to promote sustainable initiatives and participate in decisions that affect the community.

*Partners, industry associations and other organizations:* collaborating with the with the Group to develop shared initiatives and projects and promote the adoption of sustainable practices.





SAIP

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# 2. The Sustainability Report

## 2.1 Methodological note

The scope of the report covers all Group companies and activities up to 2023, complementing traditional economic and financial information with environmental and social indicators to enable an assessment of the overall impact. The process of preparing the Sustainability Report is based on the following principles:

- a. *Inclusiveness*: the report involves all companies and business units of the Group and tends to consider relevant stakeholders, seeking to ensure a comprehensive and representative view.
- b. *Relevance*: issues covered were chosen based on their importance to the organization and stakeholders, reflecting the most relevant issues.
- c. *Completeness*: the budget aims to provide complete and accurate information, including all significant subject areas, using reliable data.
- d. *Transparency*: the goal is clear and understandable financial statements to communicate relevant information to stakeholders in an open and accessible manner.
- e. *Consistency*: a consistent pattern is followed over time, allowing comparability of reported information and facilitating analysis of performance over the years.

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

The choice of the GRI - Global Reporting Initiative standard, is due to the fact that it appears to be the most widely adopted internationally and furthermore the proposed disclosure covers all the aspects required by the Decree.

The Global Reporting Initiative is an independent standing institution based in Amsterdam, the Netherlands, it is a collaborating center of

UNEP and works with the United Nations Global Compact on policies related to the pursuit of the Sustainable Development Goals.

The GRI-4 Standard is structured through specific guidelines that compose the basic principles of reporting through a general area and a specific area.

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

## 2.2 Sustainability Strategies

The guiding thought of Pozzi Industries Group's Sustainability strategy is:

*// Investing in Sustainability to create value overtime //*

We strongly believe that implementing sustainable and responsible behavior will achieve strategic goals, such as:

### **Green reputation established overtime**

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

- better management of human resources;
- better relationship with customers and suppliers;
- better relationship with financiers, institutions, local communities and other organizations.

### **Lower staff turnover**

Adopting a sustainability strategy and explaining it in the annual report is a process that also involves the employees of the Group companies; this process creates a favorable working climate, increases employee motivation and loyalty, and attracts new resources.

**Reduction in operating costs**

Setting sustainability goals enables continuous monitoring and improvement of performance, resulting in lower operating costs.

**More efficient risk management**

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

**Creation of value in the territory**

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

- *Economic responsibility*: we recognize the importance of responsible financial management and the creation of shared value for all stakeholders, to ensure the long-term economic sustainability of our company.

These values form the foundation of our commitment to sustainability and guide us as we pursue our mission to make a lasting positive impact on the planet and its people.

## 2.5 Goals

// The Group's core values reflect our commitment to integrate sustainability into every aspect of our operations and to drive change towards a more sustainable future /

Sustainability goals include:

- *Environmental responsibility*: we are committed to minimizing the environmental impact of our operations by adopting sustainable practices and technologies and reducing polluting emissions.
- *Community involvement*: we actively support the communities in which we operate, seeking to make a positive impact through social initiatives and targeted investments to improve social welfare and education.
- *Sustainable innovation*: we are committed to fostering innovation as a driver for developing sustainable solutions that create value for our customers and reduce the environmental impact of our operations.
- *Diversity and Inclusion*: we value diversity and promote an inclusive work environment where each individual is respected, supported and given the opportunity to reach his or her full potential.

Economic well-being	Responsible production and consumption	Respect and collaboration with the system	people's well-being
Commercial and economic growth	Research and Innovation geared primarily toward sustainable solutions	Commitment and support to the economic realities in the area	Health and safety
Research and Innovation geared primarily toward sustainable solutions	Waste management and recycling	Active role in communities with promotion of initiatives with social value	Respect for human capital
	Energy efficiency and use of renewable energy	Engagement with customers and suppliers	Decent work
	Responsible use of resources	transparency and accountability	Promotion of diversity and inclusion
	Sustainable supply chain management (sustainability criteria in supplier selection, promotion of socially responsible practices, and respect for human and labor rights along the supply chain)		Stakeholder engagement

Sustainability strategies are well integrated into the Group's culture, support corporate decision-making, and are strengthened by an on going commitment to innovation and continuous improvement in sustainable performance.



An aerial photograph of a winding asphalt road cutting through a dense, lush green forest. A white car is driving on the road, moving away from the viewer. The road has yellow and white lane markings. The text 'INVEST IN SUSTAINABILITY, CREATE VALUE OVER TIME' is overlaid in white, bold, sans-serif font on the right side of the image.

**INVEST  
IN SUSTAINABILITY,  
CREATE VALUE  
OVER TIME**



## 5.

# Reporting on materiality aspects

## 5.1 Economic responsibility

// We have made sustainable economic growth of the Group a priority /

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

A consistent commitment to R&D and quality control of our processes and offerings are inseparable from economic results.

### Research and Development

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

We have increasingly focused on developing products with less environmental and social impact by using sustainable materials and optimizing processes for recyclability, as well as promoting sustainable solutions for our customers.

All research projects initiated in previous fiscal years continue to evolve and refine, demonstrating our consistency and commitment to these important issues.

The following are the key sustainability research projects active in 2023:

- *Butterfly Project*
- *Repur<sup>®</sup> Project.*
- *BioPur-2030 Project*
- *Glycolysis Project*



- *Roofing Project*
- *Flessibile Project (S.U.P.E.R.)*

In addition to multiple in-house R&D projects, including:

- *Meanders cutting*, SAIP internal research activities
- *New Multicomponent Machine for auto formulation and multi layer application*, SAIP internal research activity
- *HP head with 3<sup>^</sup> component with abrasive charges for continuous plant*, SAIP internal research activities - CE.DE.PA
- *Special Application Machine + Storage (OILAND GAS)*, SAIP internal research activities
- *Adapting Facilities to ATEX Regulations*, SAIP Internal Research Activities
- *Double rubber belts - COMM 61-22*, SAIP internal research activity
- *Internally designed discharger-COMM 31-22*, SAIP internal research activity
- *Continuous hooks*, SAIP internal research activities

### Quality

Faced with the growing demand for quality, in terms of processes, products, services, and relationships, on the part of consumers-customers, employees, suppliers, local authorities, the financial community, and civil society-our Group has long since set up an internal work team to study the best solution to address all these issues.

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

## 5.2 Environmental Responsibility

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

The environmental challenges facing industry are many and pressing. In recent years, the recycling of polyurethanes has received increasing attention from the technical and scientific communities due to both regulatory changes and the end-of-life of a growing number of materials in use. The costs of disposing too are growing

and it is estimated that the amount of space available for this purpose is decreasing, with a corresponding increase in costs.

These challenges have led the Group to focus on initiating and developing specific actions, at all levels of the organization, in order to achieve a sustainable production and consumption model. Through SAIP, the Pozzi Industries Group's commitment to research and innovation has focused on energy sustainability projects and the possibility of recycling polyurethane production waste, through the development of very different solutions to better adapt to the multiple realities operating in the sector.

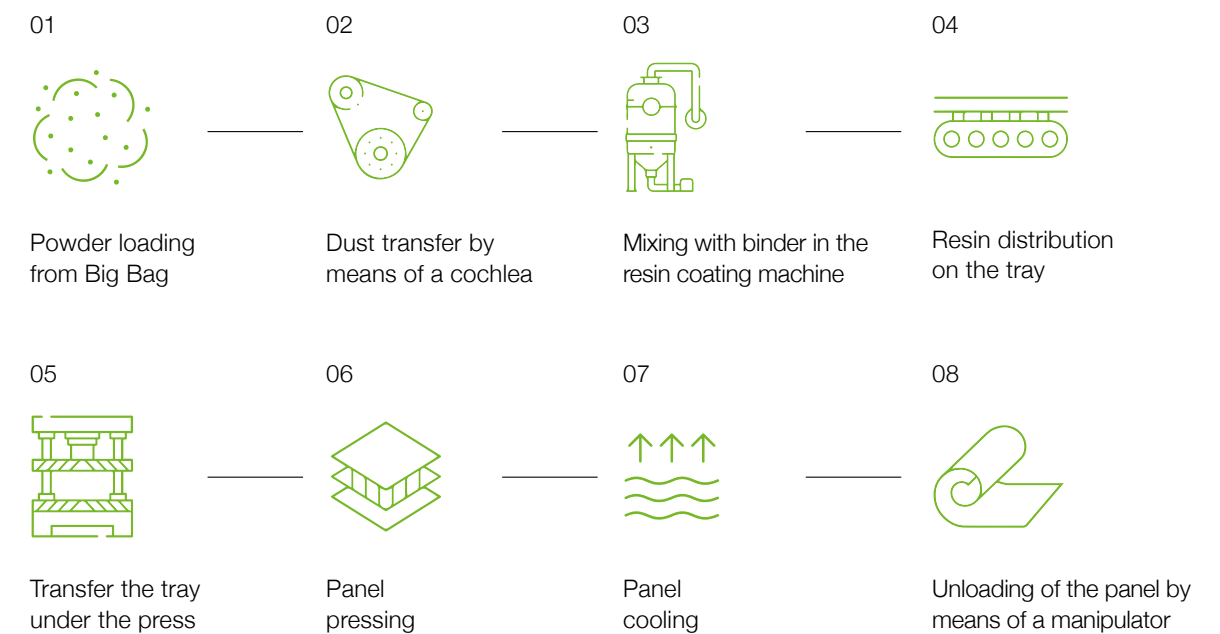
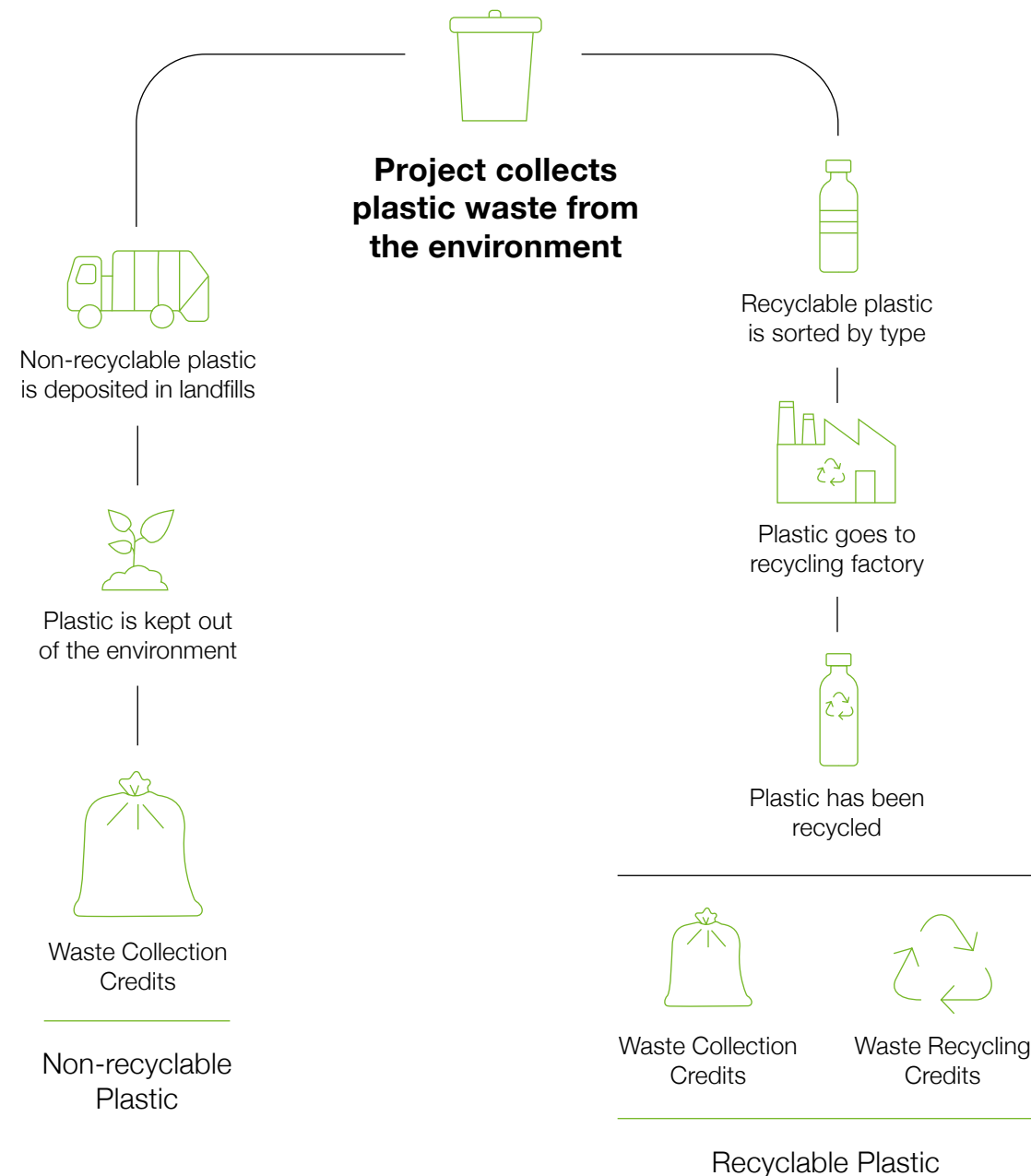
In 2023, projects already started in past fiscal years were implemented and will continue in 2024.

Some projects, notably Butterfly, were presented in April 2024 in Maastricht at the **UTECH exhibition**, an international event for the global polyurethanes industry organized by Crain Communications' Global Polymer Group and in association with Uranthropes Technology International).

### 3.2.1 REPUR<sup>®</sup>

REPUR<sup>®</sup> is a technology that allows polyurethane waste to be reused as a raw material for the production of polyurethane; it saves up to 76 % of the raw material needed in the production process.

In 2023, the project was further developed, and a first industrial plant was installed, thus fixing the cornerstones of the technology and opening up studies to possible upgrade to implement its productivity and utilization.





**WE WANT  
TO DEFEND OUR  
MOST VALUABLE  
HERITAGE:  
THE ENVIRONMENT**





### 3.2.2 Butterfly

Project aimed at the digitization of polyurethane processing plants for the production of insulation panels, through the development and implementation of digital technologies, to facilitate the usability, security and management of data and information during the production process.



In summary, Butterfly is a top-notch technology that helps keep more efficient production processes, and efficiency is a key factor in achieving sustainability, as an efficient process requires less energy, primary materials, and maintenance.

Taking advantage of digital technologies, a digital innovative platform was created including 4 macro packages:

1. Maintenance management of the machines that make up the production line;
2. Control and reduction of energy consumption;
3. Improved product quality achieved through defect detection tools and an innovative "Cruise Control" system to ensure more robust and effective production continuity for the customer;
4. Traceability management of the manufactured product and the entire production chain.

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

Started in 2021, it is in 2023 in the testing and sales phase; it is one of the projects that has had more development than the others in this year.

Given the scope of the project, the Group decided to create an ad hoc company dedicated exclusively to its development and commercialization - "Enlive Automation S.r.l." - in which SAIP holds a 40% stake. The purpose of this operation is to direct research activity to other areas besides polyurethane, which is SAIP's exclusive interest.

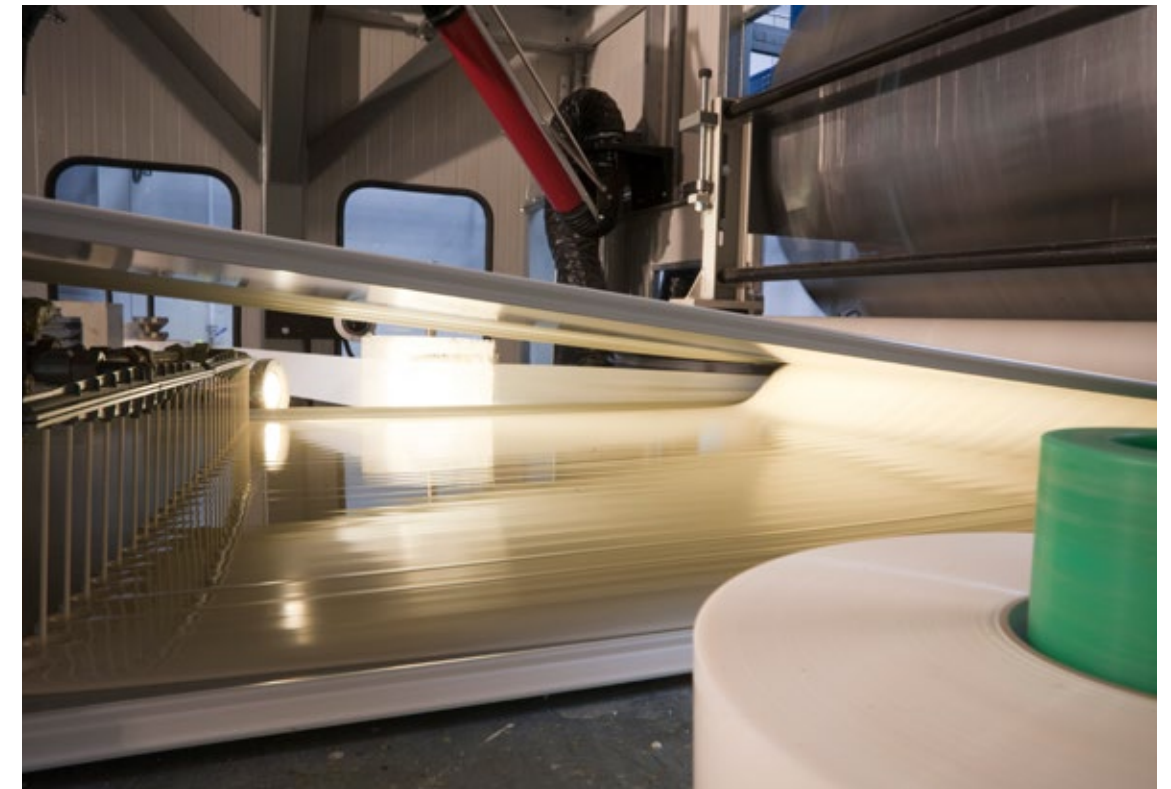
### 3.2.3 Glycolysis (GLI)

A plant that aims to produce a raw material that can be reused in foaming machines (poly-oil) from a mix consisting of a chemical part and polyurethane waste (chemical waste recycling).

REPUR is a viable and sustainable proposal for polyurethane recycling but is not exhaustive; GLI is an alternative project with the same purpose but with a use aimed at different producers: the former is an in-house solution aimed at a polyurethane producer who has a limited amount of waste and knows how to reuse it in their production cycle; GLI, creating a new raw material, is aimed at producers who have a large amount of waste and do not know how to reintroduce it into their production cycle.

This technology already exists, but applying it to polyurethane requires the development of a new plant.

In 2023, the conceptual design will be completed by sizing a pilot plant that can be installed and tested.





### 3.2.4 Roofing

This project represents a third alternative to REPUR, aimed at companies that have little production waste.

The idea is to start with polyurethane waste powders that, through a transformation process, will be used to fill the five so-called "frets" in the production of roof panels. This is because the cores have no thermal insulation performance, only structural value. This improves the load-bearing capacity of the panel and reduces the use of raw materials by reusing waste.

In 2023, a pilot plant underwent initial testing at CE.DE.PA. The results provided insights for process improvement and refinement that will lead to modifications to the plant itself and further testing in 2024.

### 3.2.5 Flexible Project (S.U.P.E.R.)

This project, conceived at the end of 2022, involves several partners, including the University of Bologna and Enea, and aims to recover the production waste of soft polyurethane (e.g. foam rubber for upholstery), which until now has not had the same characteristics of flexibility and softness as the raw material. The project leader is Cormatex S.r.l., the other partners, in addition to SAIP, are CNR and Innova D&P.

The actual research activity began in October 2023, when the parameters for the objectives to be achieved in terms of the characteristics of the final product were defined.

In 2024, the testing of different technical solutions will begin in the laboratory to validate two of them and continue with the construction of pilot plants to process the product on a laboratory scale.

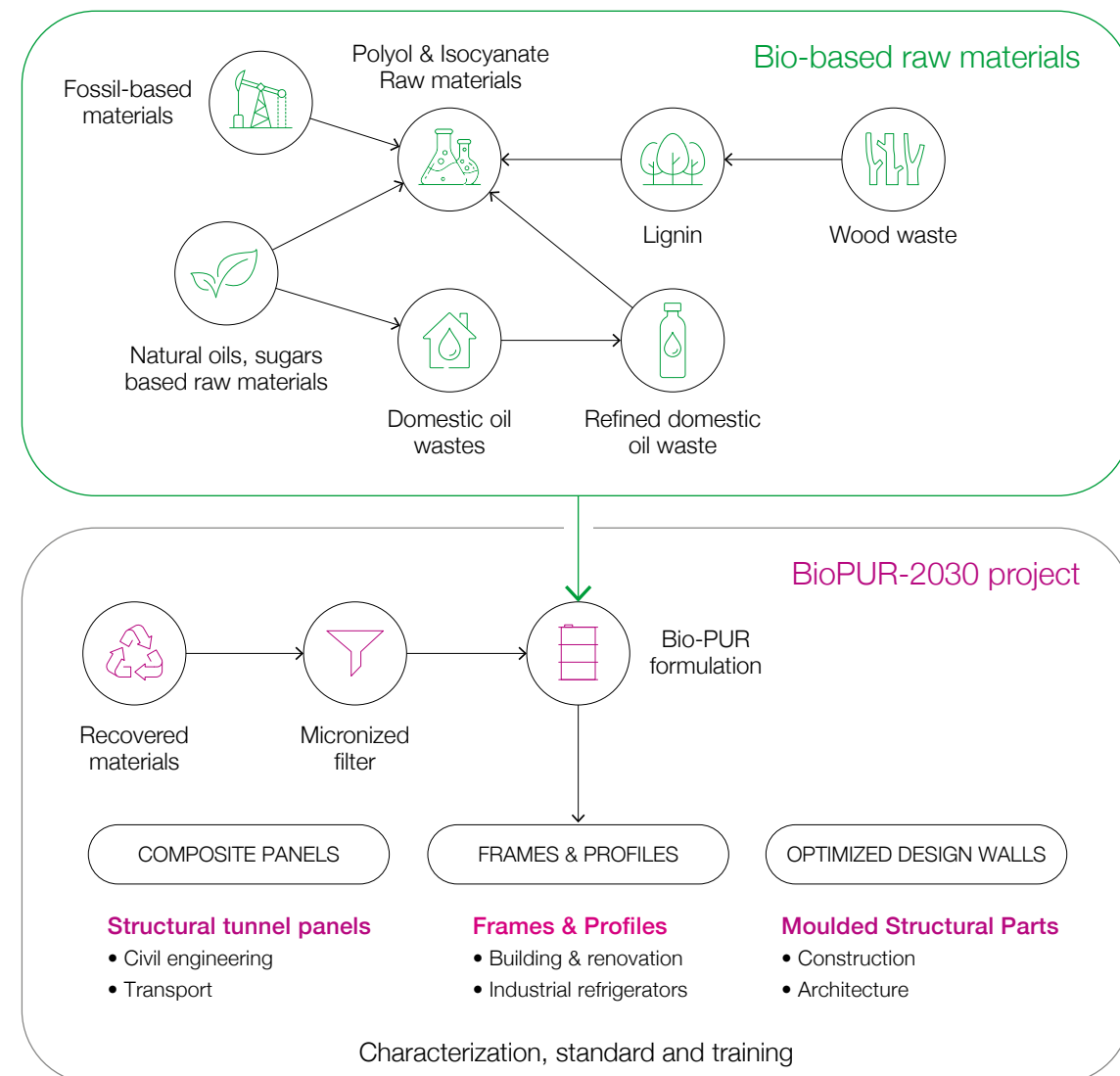
This will be followed by the construction of the industrial facilities to be installed at CE.DE.PA. to carry out large-scale industrial testing.



### 3.2.6 BioPUR - 2030

In 2023, the Group continued the research activity envisaged by this international project carried out under the Horizon 2025 program in collaboration with the University of Salerno and numerous organizations from different European countries (France, the Netherlands, Spain, Romania, Poland).

The objective of the research is to demonstrate the unexplored possibilities of bio-based polyurethanes across three value chains, related to structural applications (structural materials for civil engineering, building and retrofitting products, and optimized architectural solutions). In addition to the intrinsic value of BioPUR-2030 in terms of sustainability (low carbon footprint, recyclability, etc.), its high-technology processes allow for a wide range of products with improved performance, as well as the replacement - with the same effects and benefits - of some plastics.



### 3.2.7 Environmental impact reduction plan and environmental certifications

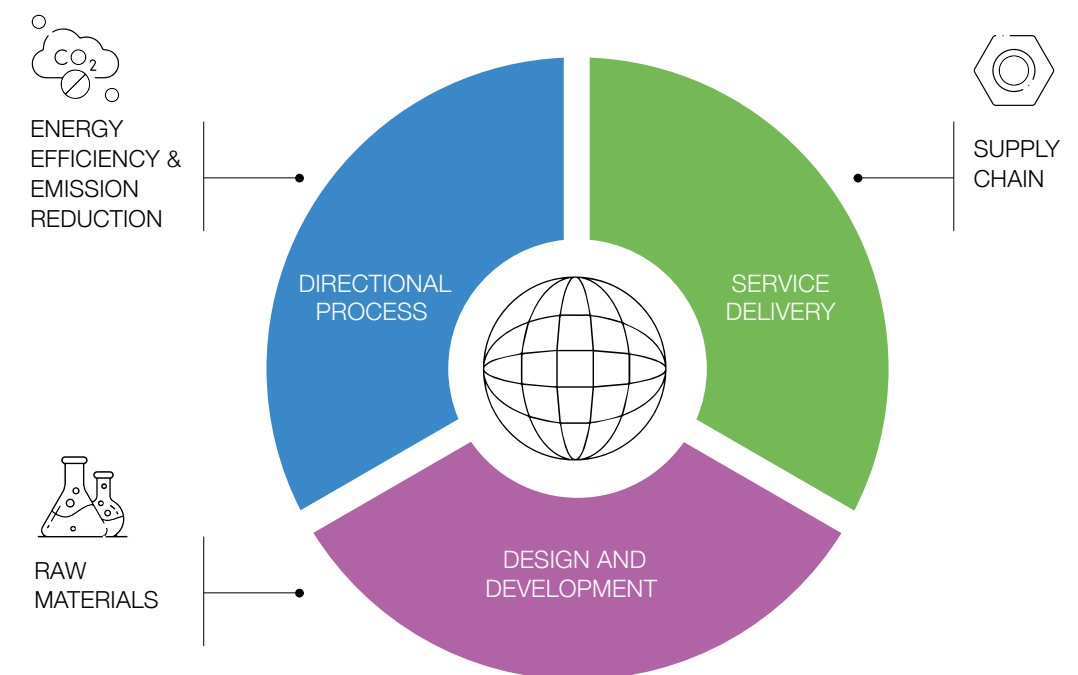
With the aim of continuously improving our environmental performance, since 2021 we have been carrying out a carbon footprint analysis of our organization with the Spanish registered company DCycle; this is the measurement of the *carbon foot print* in order to assess the environmental impact of the Group's habits, which is measured in terms of carbon dioxide (CO<sub>2</sub>) emitted.

The goal is to develop a plan to reduce this impact and develop the business more efficiently, avoiding not only environmental risks, but also economic and social risks, promoting compliance with relevant legislation on these issues, and thus seeking to provide added value to our stakeholders.

The analysis was performed with the Beta version of DCycle software, based on the UNE-EN ISO 14064-1:2019 methodology.

In November 2021, SAIP and Pozzi Arosio acquired the Climate Neutral Pledge certificates from the United Nations, committing to reduce their pollutant emissions to zero, up to 10 years after the Paris Agreement. Companies that join the Climate Pledge are required to:

- Regularly measure and report their greenhouse gas emissions;





- implement decarbonization strategies in line with the Paris Agreement, through real business changes and innovations that include efficiency improvements, renewable energy, materials reduction, and other strategies to eliminate carbon emissions;
- neutralize any remaining emissions with additional offsets (that are quantifiable, real, permanent and socially beneficial) to achieve zero annual emissions by 2040.

The goal is to become an industrial, overall, zero-impact group. The main **energy efficiency** initiatives planned by the Group are:

- renewable energy in all energy sources
- improve energy efficiency in production processes
- modernize infrastructures by making them more sustainable.

Major **emission reduction** initiatives:

- reduce GHG emissions
- improve education, awareness, and human and organizational capacity for climate change mitigation
- strengthen the global partnership for sustainable development.

During the year 2023, the *carbon foot print analysis* consisted of the following steps:

- *Scope 1*: calculation of emissions generated directly by the company and by means/property owned by it;
- *Scope 2*: calculation of the company's in direct emissions, i.e., energy and water purchased and consumed;
- *Scope 3*: calculation of indirect emissions from the company's value chain.

The results are:

Pozzi Arosio S.r.l.

- *Scope 1*: 139.91 t CO<sub>2</sub> eq.
- *Scope 2*: 48.57 t CO<sub>2</sub> eq.
- *Scope 3*: 25.29 t CO<sub>2</sub> eq

Saip S.r.l.:

- *Scope 1*: 132.21 t CO<sub>2</sub> eq.
- *Scope 2*: 39.89 t CO<sub>2</sub> eq.
- *Scope 3*: 21.82 t CO<sub>2</sub> eq

When scopes 1 and 2 have reached a more evolved stage, our Group's next focus will be on scope 3, involving customers and suppliers as well.

In addition, activities to obtain environmental certificates from the **Parco della Valle del Lambro**, established by Regional Law No. 82 of September 16, 1983, began in 2023.

The Parco della Valle del Lambro is also present in the area of Arosio and Inverigo, where some of the Group's production plants are located, and has as one of its institutional objectives the promotion of important environmental projects in the area.



### 3.2.8 Construction of a new sustainable office building

In 2022, construction began on a new office building in Arosio, built not only with energy and environmental sustainability goals in mind, but also with a view to the well-being of employees. The building, which is still under construction, is based on four cornerstones:

- Building consumption
- Energy efficiency
- Impact on the environment
- Impact on people's health and well-being.

As an example, Arosio was chosen because it is very well served by public transport and by rail; the Group will bear part of the cost of the train, thus facilitating "non-polluting" means of transportation. As of today, the new offices are equipped with bicycle parking and charging stations for electric cars, as well as a system of 10 Kw solar panels, with the goal of increasing to 20 Kw in the next few years.

### 3.2.9 Sustainability in day-to-day management

In order to spread and consolidate a sustainable mentality at all levels of office and workspace management, Pozzi Industries Group promotes and adopts a series of small initiatives such as: reducing paper consumption, eliminating plastic, using water dispensers and installing energy-efficient lighting systems.

In 2022, SAIP expanded its production facility and acquired a new warehouse of about 1,500 square meters equipped with a more efficient heating system and LED lights with lower consumption and more suitable intensity/color of light to provide more comfort to production workers.

Also, with the aim of reducing the environmental impact related to the energy consumed and promoting the transition to more sustainable energy production, a canopy with photovoltaic panels over the parking lot was built in 2023.

The car fleet of the Group companies is constantly changing with the aim of having the entire fleet composed of electric cars in the shortest possible time.

In 2024, the new mobility plan will be operational for all employees with incentives to use public transportation to get to the company.

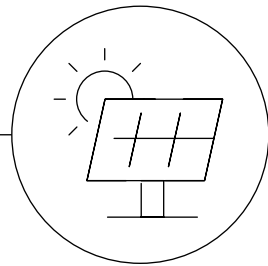




# Agred actions for energy efficiency and energy reduction 2023

## Action 1

INSTALLATION OF SOLAR PANELS

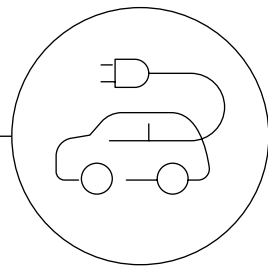


Target 2023-2024

Incentive for self-consumption  
In installations greater than 50%

## Action 2

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

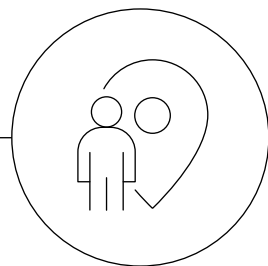


Target 2023-2024

Reduce emissions  
by 10% per year

## Action 3

NEW EMPLOYEE MOBILITY  
PLAN FOR THE AWARENESS  
OF SUSTAINABLE MODELS



Target 2023-2024

Reduce emissions  
by 10% per year



## 3.5 Social responsibility

In a context of limited resources and high in equality,

**// our Group is committed to increasing its support for human rights initiatives. /**

The goal is to be a reality that makes its resources available to positively intervene in inequalities and problematic social situations, with the desire to set an example for other companies in the area: if each actor makes its own small contribution, the total contribution becomes great.

### 3.3.1 Commitment to the local community and local area

We believe it is essential to work with local communities to create a pleasant working environment and better life prospects for the younger generation. The Group has always worked closely with local authorities in the areas of health and social welfare, and has implemented numerous initiatives that contribute to the well-being of local communities, such as volunteer programs, support for social projects, and investment in the education and skills development of local youth.

In 2022, Pozzi Industries Group, together with the Municipalities of Arosio and Inverigo, began planning some initiatives with a significant social impact on the area.

In 2023, the Group hired a new resource dedicated to both the management of *social sustainability projects* and the coordination of relations with the municipalities of Arosio and Inverigo and the cooperatives for the implementation of the *Energy Community* project. The evaluation of a project presented by the City of Arosio related to autism, a pathology that has a high impact on the social fabric with the aim of inclusive actions for young people with these issues and programming of workshops and educational meetings on the topic of polyurethane is underway.

### 3.3.2 Commitment to young people

Our Group believes that young people are the protagonists of the future of the territory and the economy; for this reason, it has been collaborating for years, through various modalities, with educational institutions operating in the territory, offering internships in the company.

A number of courses have been organized in 2023 in partnership with schools and training institutions in the area (ENFAPI, Jean Monnet) and an apprenticeship program that will end in 2024.

Specifically:

- SAIP S.r.l. has 4 active apprenticeship contracts and started in 2023:
  - 3 hires over the age of 50
  - 6 hires between 36 and 50 years old
  - 3 hires under the age of 30.
- POZZI AROSIO S.r.l. has an active apprenticeship contract and has started the following hires in 2023:
  - 1 laboratory technician apprentice (under 30 years old)
  - 1 person for the administrative office between 36 and 50 years old
  - 1 person in the production department between 36 and 50 years old.

### 3.3.3 Gender inclusion and diversity project

We want to become a reality where there are no gender gaps to be bridged; the commitment is, and will always be, to adopt measures that increasingly enable the elimination of all barriers to the inclusion of weaker groups in all business processes.

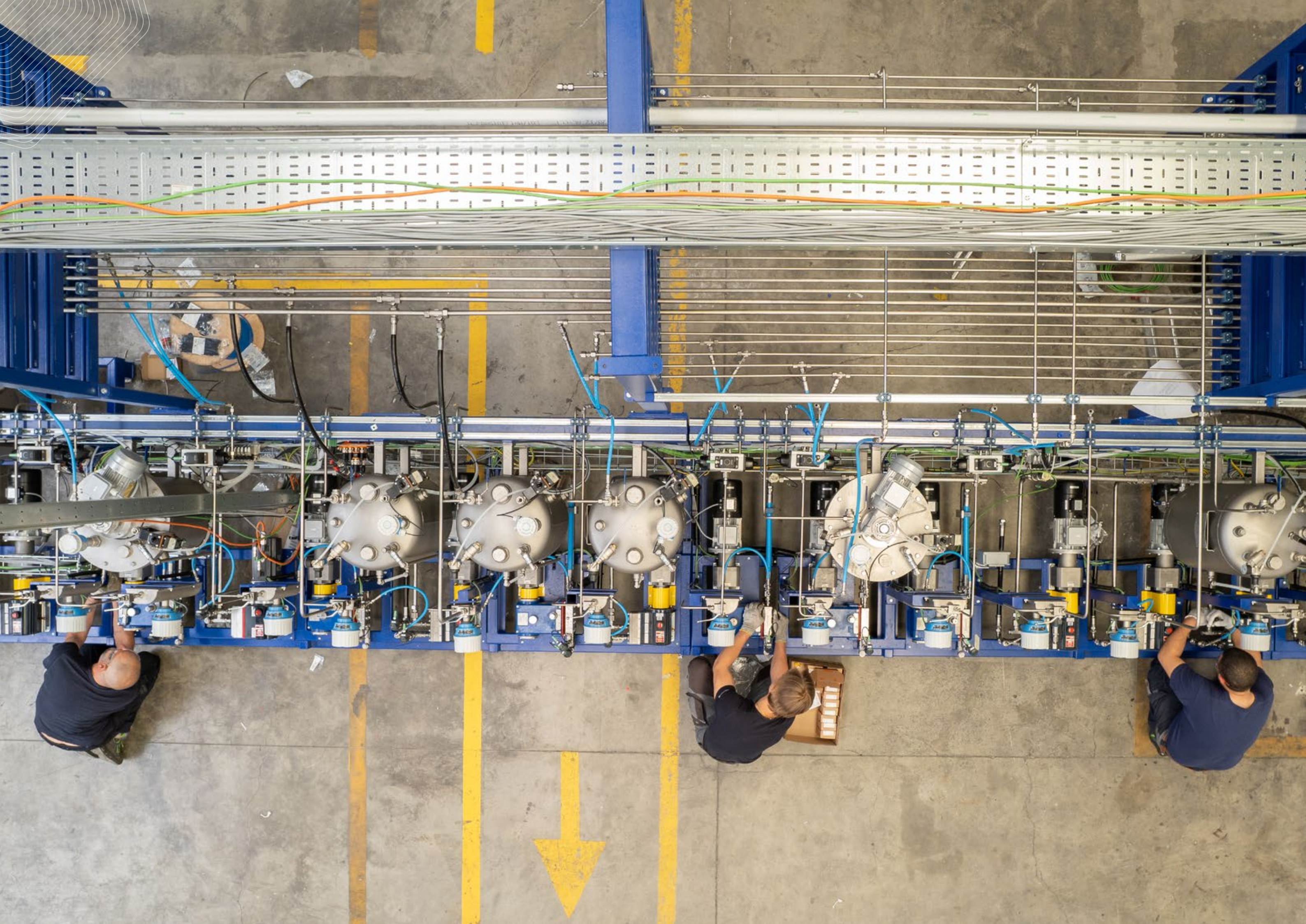
## 3.4 Responsibility to employees and contractors

**// Intangible factors such as health, safety, and the intellectual, professional, and relational growth of our employees and collaborators define our success over time /**

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

The relationship between the company and its employees is cooperative; the climate in the company is positive, so much so that the relationship with employees who have left the company often remains active.









**HEALTH, SAFETY  
AND GROWTH ARE  
DETERMINANTS  
OF OUR SUCCESS  
OVER TIME**

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

Our commitment to employee training begins at the time of candidate selection, when a special form is prepared that identifies skills and the most appropriate training path to enhance and implement them. The training course is followed by a special working group made up of a member of the Board of Directors, an administrative manager, a technical manager and a quality manager, who, in synergy, also through an initial period of shadowing with more experienced colleagues, initiate the new employee to participate in appropriate specialization and refresher courses.

Each year, we provide our employees with training relevant to their role in the company to enhance their personal and professional performance and skills.

In 2023, 864 hours of training were provided to Group employees with customized modes and topics.

#### SAIP / STAFF TRAINING CARRIED OUT DURING 2023

	executives	middle managers	clerks	workers
participants	3	2	12	14
Training hours	120	46	310	180

#### POZZI AROSIO / WELLS/STAFF TRAINING CARRIED OUT DURING 2023

	executives	middle managers	clerks	workers
participants	0	3	13	4
Training hours	0	18	152	38

### 3.4.2 Commitment to the welfare and safety of its people

In order to improve the work-life balance of our employees, we have implemented a number of initiatives, including a corporate welfare program, free medical check-ups for the prevention of certain cancers (melanoma), the possibility to access so-called agile working (smart working), and the conversion of existing employment contracts to facilitate employees with special family situations (conversion of full-time employment contracts into part-time contracts).



**Corporate welfare program**

For the past six years, a bonus has been paid to all employees through the social services.

Access to the bonus is based on a system of objectives set by each business unit and communicated to all employees. The economic bonus, which enjoys a particularly favorable tax treatment, allows employees to purchase various services, such as access to training courses, school transportation, school books, medical expenses and household sports expenses.

**Medical prevention and occupational safety program**

To promote the well-being of its employees, the Group has also launched a series of initiatives to protect their health, such as:

- voluntary scheduled medical examinations (not mandatory).  
A dermatological screening campaign was organized in 2021;
- installation of a defibrillator and organization of a special training course to teach the staff how to use it properly;
- possibility of access to refresher courses in occupational health and safety;
- distribution of masks and other protective devices to employees against Covid-19 and other diseases;
- campaign to replace machinery acquired before 1996 with machines complying with Directive 2006/42/EC, implemented in Italy by Legislative Decree 17/2010 and meeting the general safety requirements of Annex V of Legislative Decree 81/08, as amended.

Planning began in 2023 for a project to educate employees about cigarette/smoking use. The project will be active in the coming years.

**Smart working and part-time**

We pay close attention to the needs of employees with family responsibilities, offering greater flexibility in working hours and more contractual options for those who need it. For example, employees with children are offered the option of *flexible part-time work*.

Smart working is also available to those who need it.

To facilitate the mobility of its employees, the decision to build a new site was strongly influenced by its proximity to the train station.

**Up-to-date work equipment**

Special attention is paid to the selection of software, hardware and all other common operational tools, which are constantly updated to facilitate the work of employees. In 2023, a corporate digitalization project will be implemented, initially in SAIP and then in all Group companies, to make document and process management more efficient and easier. This will also have a positive impact on the environment by reducing paper consumption.

**3.4.3 Commitment to supplier relationship management**

In order to improve the relationship with its suppliers, the Group has activated a confirmation platform with Mediocredito Italiano, active from 2019, for the financing of trade receivables owed by suppliers. Through access to the platform, where all their invoices have been loaded, suppliers can more flexibly request the demobilization of invoices online and without recourse.

Two new providers were added in 2023, and overall, the percentage of providers with reserved services is approaching 5 percent.



# 4. Appendix

## 4.1 Sustainability Highlights 2023

- No. 6 projects on energy sustainability and the possibility of recycling polyurethane production waste are active
- The results of **carbon footprint analysis** in 2023 are:
  - POZZI AROSIO S.r.l.
    - Scope 1: 139.91 t CO<sub>2</sub> eq.
    - Scope 2: 48.57 t CO<sub>2</sub> eq.
    - Scope 3: 25.29 t CO<sub>2</sub> eq.
  - SAIP S.r.l.
    - Scope 1: 132.21 t CO<sub>2</sub> eq.
    - Scope 2: 39.89 t CO<sub>2</sub> eq.
    - Scope 3: 21.82 t CO<sub>2</sub> eq.

When scopes 1 and 2 have reached a more advanced stage, our Group's next focus will be on scope 3, also involving customers and suppliers.
- Start of activities aimed at obtaining environmental certificates issued by the **Parco della Valle del Lambro**, established by Regional Law No. 82 of September 16, 1983.
- Sustainability projects were presented in April 2024 in Maastricht at the **UTECH trade fair**
- A **new office building** was built in deference to sustainability criteria
- Numerous **courses with in-company internships** have been organized in partnership with schools and training institutions in the area (ENFAPI, Jean Monnet) and an apprenticeship program that will end in 2024
- Total **training hours** provided by SAIP were 656 hours while those provided by Pozzi Arosio S.r.l. were 208 hours

- A **Council of Families** has been created with the presence of two fourth-generation representatives who will rotate each year to gradually introduce young people from the families into operations
- A new resource (woman) was hired with a strategic role in project management with municipalities on **social sustainability** and to the coordination of the energy community's project
- About 5 percent of suppliers have used the service of **confirming platform** for financing trade receivables owed by suppliers
- A special **Code of Ethics** is being planned for application within the Group

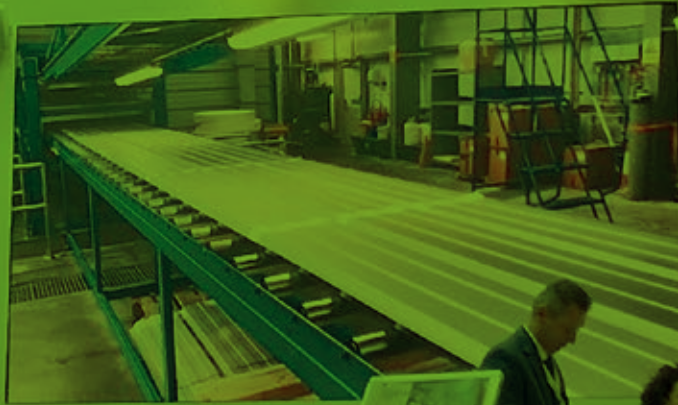
## 4.2 GRI Standards 2023

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





POZZI INDUSTRIES®  
GROUP



THE VALUE OF  
BEING A GROUP



POZZI INDUSTRIES®  
GROUP

ENLIVE

SAIP

POZZI-AROSIO

POZZI INDUSTRIES®  
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