

we are.

Sustainability



Going further, together.

Sustainability
Report 2022





Statement from our General Manager:



We're publishing the **fourth** Sustainability Report which is a good opportunity to evaluate the status of our journey.

I'm proud to underline our progress in many fields of Lamberti sustainability strategy.

In 2019, we took the engagement to reduce the water withdrawing used in our production process.

This objective is particularly important because, due to the climate change, the availability of fresh water is becoming a dramatic issue in many countries.

Thanks to the strong effort of our production team in optimizing processes in combination with investments from the company, **we've been able to achieve a reduction of -14%** Vs 2019. Obviously, we don't want to stop at this level and we've further improvement in progress.

At the beginning of January 2023, **Aquatrols®** became member of the Lamberti group. We wish a warm welcome to all employees and customers of **Aquatrols®**. The mantra of this company is "**respect the drop**": this team is strongly committed to reduce the use of water in the turf market. We're fully engaged to support **Aquatrols®** team objective.

In 2022, we've defined and approved a plan of investment to reduce GHG mainly in Europe and we're progressively enlarging this action plan to industrial facilities in Americas and Asia.

we are.

Patrick



In relation with PCF calculation, researchers are trained to calculate this parameter. Therefore, we're pleased to answer to the increasing number of requests coming from our customers.

Concerning business development, all Divisions and R&D have integrated sustainability in their strategic development. Only as example:

- **Energy Solutions Division** has a leading position in specialties for water-based muds for O&G drilling;
- **Agriculture and Personal Care Division** have a clear commitment to develop bio-based and biodegradable surfactants
- **Ceramic Division** is successfully promoting Tenagreen® range offering to our customers to reduce gas consumption;
- **Surface Treatment Division** is fully committed to develop a range of binder for barrier coating which is key to replace single-use plastics and an increasing range of bio-based polymers

In few years, we've progressed positively into our sustainability program. Lamberti is fully committed to achieve further improvement.

I want to thank our customers and partners for their support and all Lamberti employees for the proactive and positive contribution to achieve our objectives.

P. Balletto, General Manager

we are. Commitments

| Materiality Impact Area | Commitments & Targets | Comment Status | Associated SDGs* |
|---|--|---|----------------------|
| Planet: Water conservation | We maintain our 2019 commitment of a 15% water consumption reduction by 2023 (base year 2019). | In progress, 2022: 14% reduction | 6 & 12 |
| Planet: Waste reduction | Given difficulty to manage specific site projects given pandemic situation, we extend our 2019 expressed commitment by one year; therefore, our new target is to achieve 30% reuse, recycle, or recovery (RRR) of total waste by 2023. | In progress, 2022: 12,4% RRR | 12 |
| Planet: GHG Emissions | Maintain limit Group's scope 1 and 2 GHG emissions below 2019 levels. | Achieved | 13 |
| | Complete internal analysis of Group's GHG emissions data and design specific action plans to reduce corporate emissions by 2021 with the commitment to implement action plans once approved and publish Group's specific reduction target in SR-22. | Achieved. Reduction target identified and announced | |
| Planet: ISO 14001 sites certifications | We maintain our 2019 commitment to achieve 40% of our manufacturing sites certified ISO 14001:2015 within year 2022. | Achieved | 13 |
| Planet: Engage Nature program | The "Reforest Albizzate" project announced in our 2019 Sustainability Report is now part of a global tree-planting project called "Engage Nature". Therefore, "Reforest Albizzate" is the Italy chapter of our Engage Nature global reforestation project to be completed in 2022 consisting in the planting of 124 trees near our Albizzate plant in northern Italy covering a total area of approximately 4.200 square meters. | Achieved | 13 |
| People: ISO 45001 sites certifications | We are committed to occupational health and safety management aligned with international standards, thus we maintain our commitment to add two additional sites to ISO 45001 in 2021 and two more in 2022. | Achieved | 12 |
| People: Social Projects (Brazil) | Social Sustainability projects "Lamberti Transforma I and II" and "Lamberti Acele- ra" started in 2020 and have continued into 2023. These social projects, in partnership with Brazil NGO AdC, directly engages various local Lamberti Brasil staff with entrepreneur women in area of Nova Odessa to help them transform their business models to compete in the digital space. | Achieved | 1, 4, 5, 8, 10, & 17 |

| Materiality Impact Area | Commitments & Targets | Comment Status | Associated SDGs* |
|---|---|-----------------|----------------------|
| People: Social Projects (India) | Continuing with our social sustainability commitments, despite all the challenges presented by the Covid-19 pandemic, in 2021 we started a collaboration with local NGO PANS India on a project called "She Dares" on women empowerment through skills training towards economic support and self reliance and "We Dare" to support local farmers. This projects takes place within a farming community setting in which we operate in that country and will expand well into 2023. | Achieved | 1, 4, 5, 8, 10, & 17 |
| Product: LCA Expert Team | Our commitment with Sustainability at product level has included the creation of a Product Sustainability Team (PST) which completed internal LCA and PCF projects for our Natural and Synthetic Polymer technologies throughout 2021 and 2022. The PST is engaged to scale up its capabilities to expand PCF calculations across all technologies. | Achieved | 12 |
| Product: Renewability content of Raw Materials (RRM) | Improve our products' renewable content using standard EN 16785-2 by 10% by year 2025 (base year 2021) | Achieved | 12 |
| People: Group Code of Ethics (CoE) | Full Group-wide implementation of the Global CoE by 2022. | Achieved | 8 |
| People: Groupwide HR Policy | Design of Group-wide "Welcome Kit" for new employees to be implemented globally in 2021. (Extended to 2023) | Achieved (2023) | 8 |
| Product: New Project Sustainability Indicators | Inclusion of Key Sustainability Indicators in our internal new R&D project intake procedures. Upon implementation in 2021, all new R&D projects would be required to define specific Sustainability related targets. | Achieved | 9 |



*Sustainable Development Goals (United Nations 2030 Agenda for Sustainable Development)



*Sustainable Development Goals (United Nations 2030 Agenda for Sustainable Development)

we are.
People



Moving forward.

Moving forward.

Our employees and collaborators who, every day, through hard work and commitment **advance our company's purpose and keep us moving forward and finding ways to improve every aspect of our organization.** We understand that organizations are not products, buildings, or brands – **people make up our organization.**

Our people are the driving force behind our scientific research, manufacturing expertise, commercial acumen, and a long list of attributes that makes our organization unique. It is at the intersection of these attributes that our organization thrives and ultimately creates value to its stakeholders.

Please read about our values here

Our Code of Ethics approved by our Board of Directors, is an active and binding document for the conduct of all stakeholders and particularly shared with all employees regularly via trainings, questionnaires, and personal statements of adherence.

Ethics and Integrity, as described in our Code of Ethics, are engrained in our **Group's value system**, we believe in and recognize the value of everyone by establishing relationships based on mutual respect and honorable behavior. We believe in developing the potential, professionalism and skills of each person and **boosting the individual's sense of pride in belonging to a winning international group.**

Additionally, our Code of Ethics describes specific evaluation mechanisms such as appointment of a Surveillance Board, list of duties, communication and training, whistleblower tool, as well as disciplinary provisions.

We have a stated goal to achieve 100% Code of Ethics training to all Group employees in 2022.

Additionally, we are working on implementation of a Group wide **Welcome Aboard Kit** with objective to have similar onboarding experience for new hires globally starting from January 2023.

| N° Employees by type of employment and region | | | | | | |
|---|------------|----------------|------------|--------------|----------------------|--------------|
| 2022 | Italy | Rest of Europe | Americas | Asia Pacific | Middle-East & Africa | Total |
| Total n° of employees | 773 | 52 | 365 | 105 | 6 | 1301 |
| of which temporary employment | 40 | 1 | 1 | 0 | 0 | 42 |
| of which permanent employment | 733 | 51 | 364 | 105 | 6 | 1,259 |
| Total Employees Full time + Part time | 773 | 52 | 364 | 105 | 6 | 1,301 |
| Part-Time | 30 | 1 | 0 | 1 | 0 | 32 |
| Full-Time | 743 | 51 | 365 | 104 | 6 | 1,269 |

Note: any differences would be attributable to specific times when data were collected at various sites globally

There have been no significant fluctuations in the number of employees and there were 160 total workers who are not employees whose work was controlled by the organization during reporting year 2022 performing works such as civil construction, repair, cleaning and security services. There are no seasonal or temp-to-hire employees. Workers that are not employees are contracted to perform certain tasks our employees are not licensed or certified to do and to perform in-frequent tasks such as cleaning.

| N° Employees by type of employment and gender | | | |
|---|------------|------------|--------------|
| 2022 | Female | Male | Total |
| Temporary Employment | 5 | 37 | 42 |
| Permanent Employment | 309 | 950 | 1.259 |
| Totals | 314 | 987 | 1.301 |

| N° Employees by type of employment and gender | | | |
|---|------------|------------|--------------|
| 2022 | Female | Male | Total |
| Part-Time | 21 | 11 | 32 |
| Full-Time | 293 | 976 | 1.269 |
| Totals | 314 | 987 | 1.301 |

Note: any differences would be attributable to specific times when data were collected at various sites globally

Enhancement, skills development and talent attraction

We are looking for resources located in our territories **to reduce mobility and environmental impact.**

We implement a **selection process based on equal opportunities.** Personnel selection for each position is based solely on potential, individual skills and competencies which must be aligned with what is required by the role.

We encourage every employee to nurture their potential and build their self-esteem by taking responsibility for their work. Employees have equal opportunities for professional development and growth based on their skills, performance and flexibility. We focus on the **development and training** of our people starting with **an onboarding program** so that new employees feel immediately part of our community.

Once placed in the company, we provide a series of training opportunities in line with the requirements required to best cover the job position. Based on these principles, the company is equipping itself with a **learning & communication platform** aimed at

guaranteeing access to educational and informational content to the entire population worldwide, as well as the possibility for each employee to independently and freely identify learning paths and topics. This platform represents a tool to ensure equal opportunities in training and professional growth and constantly monitors the turnover rate of its personnel.

In terms of goals and targets, we continue the development and evaluation of the worldwide learning & communication platform, effects of the **reduction of face-to-face training** to mitigate the effects of mobility, monitoring of training hours and turnover index.

The company has become aware of **the importance of equipping itself with digital tools** aimed at consolidating and growing the corporate culture and identity. We have involved our stakeholders by informing and training them on the new onboarding process, and we will proceed with a similar activity (by the second half of 2023) regarding the learning & communication platform.

| 2022 Employment Category | Total training hours | | Total |
|-----------------------------|----------------------|---------------|---------------|
| | Female | Male | |
| Executives & Managers | 1.805 | 4.500 | 6.305 |
| Office Workers * | 4.151 | 6.752 | 10.903 |
| Non-office Workers ** | 481 | 8.476 | 8.957 |
| Totals | 6.437 | 19.728 | 26.165 |

*defined as white collar
**defined as blue collar

Regarding programs for upgrading employee skills, our training programs are divided into three areas:

- transversal training** (soft skills)
- technical-scientific training** (training for the development of technical role skills and scientific training)
- health and safety training in the workplace**

Percentage of total employees covered by **collective bargaining** agreements in 2022 was **70,33%.**

We provide a variety of **benefits** to our employees that includes **insurance for accidents** during and beyond working hours as well as **medical coverage.** Every year we offer the option of free **flu vaccination** to many employees and have plans to expand this option in the coming years.

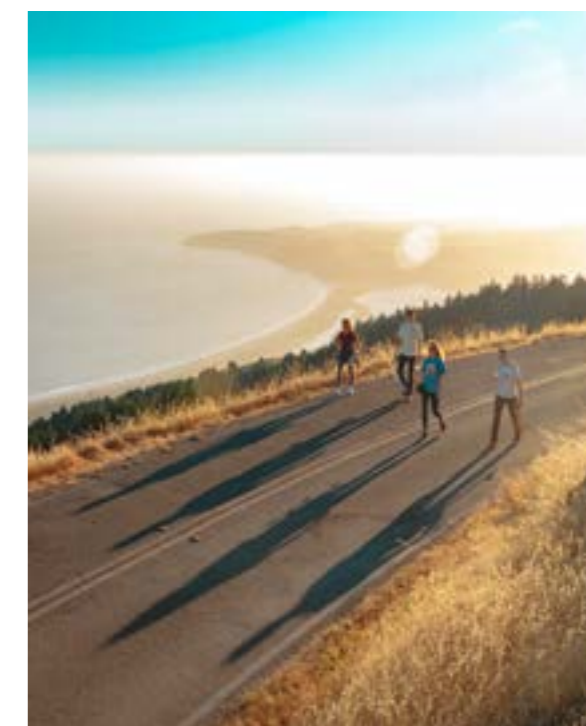
| Parental Leave (PL), 2022 | Male | Female | Total |
|--|------|--------|-------|
| Employees entitled to PL | 987 | 314 | 1301 |
| Employees that took PL | 16 | 18 | 34 |
| Employees returned to work in the reporting period after PL ended | 13 | 15 | 28 |
| Employees returned to work after PL ended that were still employed 12 months | 42 | 34 | 76 |
| Employees still on PL | 0 | 3 | 3 |
| Return to work rate | 81% | 83% | 82% |
| Retention Rate | 0% | 20% | 11% |

| 2022 Employment Category | Average training hours | | Total |
|-----------------------------|------------------------|--------------|--------------|
| | Female | Male | |
| Executives & Managers | 30,08 | 26,00 | 27,05 |
| Office Workers * | 20,44 | 25,86 | 23,49 |
| Non-office Workers ** | 28,31 | 19,53 | 19,86 |
| Total Average | 22,99 | 22,72 | 22,79 |

*defined as white collar
**defined as blue collar

Over time, we have also set up a **well-structured corporate welfare system** that provides economic and social benefits throughout our organization. We make sure to offer additional health insurance for managers and employees: the first is mostly paid by our Group, while the second is partially paid.

Moreover, we offer special rates with medical centers and laboratories, as well as with gyms, physiotherapy studios and wellness centers. Additionally; each year we offer the possibility of taking parental leave.



Employee welfare and well-being

In addition to professional development, we support initiatives to improve the **work-life balance** and **personal well-being** of our employees, for example: part-time for new mothers returning to work, smart-working, flexible hours, etc. This leads to environmental and private life benefits.

In implementing the remote-working method, it is expected that each employee **will still have presence in the office for interactions** needed to facilitate the exchange between team members as well as different teams, to maintain the sense of belonging and face to face collaborations.

The company, where it is possible and local legislation in force provides for it, **facilitates the possibility of working remotely through individual agreements**. Our experience with remote work has been positive to the point that it has led us to expand it in different ways.



Occupational health and safety management system

Our occupational health and safety management system programs constantly analyze and keep track of the main potential risks through employee engagement and using new technologies in extensive and dedicated training sessions for our entire workforce on emergency scenarios. We dedicated and certified employee-training sessions on emergency preparedness.

Our Safety, Health, Environmental Protection and Quality Policy, highlights how workers shall **“assume respect for Safety, Health and the Environment as a guiding element in corporate decision-making processes, both in protecting workers and respecting the needs of surrounding communities.”** Additionally, we ensure that only workers who have received an adequate instruction and specific train-

ing on work-related hazards of their respective work areas that expose them to a serious, specific risks.

We promptly take measures to control risk situations and require workers, in the event of serious, immediate and unavoidable danger, to leave their workplace or dangerous area.

Our Italian plants have a **representative of workers for health, safety and environment** (RLSSA) who liaises with the employer concerning H&S matters. The representative is informed of the planned and ongoing projects and their progress and is consulted on the drafting and updating of the HSEQ Policy and Plan, updates the Emergency Plan and is directly involved in the analysis of accidents / near accidents, and non-conformities.

The representative is also involved in the preparation of the **Risk Assessment Document** and is part of the working group that evaluates the changes / modifications. Similar representatives and committees exist at Group level namely as we comply with **OSHA and ISO standards** for management systems of occupational health and safety at various global sites.

The main purpose of a **health and safety management system** is to provide a systematic approach to managing safety risks in operations. It also aims to **improve safety by building on existing processes, demonstrating corporate due diligence, and reinforcing the overall safety culture**. Effective safety management is crucial in continuing to operate and grow the business. Employee participation is a key element of successful safety management. It is the

intent of this program that all employees will participate in all aspects including reporting hazards, incidents, and injury/illness without fear of reprisal.

Our manufacturing sites have a health and safety management system, based on internal procedures, trainings and inspections. These activities are carried out with the support of a dedicated external consultant. Keeping up with our commitments, **in 2022 we had a total of seven sites (36,8% of total) ISO 45001 certified**.

From our Trissino (Italy) plant:

*“All workers at the Trissino site are managed according to **ISO 45001 standards integrated with ISO 14001 and 9001**, including one worker who acts as a technical consultant with a special contract with Lamberti. The employees involved are the following: office workers, production/warehouse workers, QC/RS laboratory workers and application laboratory workers.”*

Trissino
Plant
Italy

With regards to hazard identification, risk assessment, and incident investigation, **our HSE colleagues at the Wharton (USA) plant report:**

“Workers are involved in continuous in-house safety and job function specific training and the incident reporting process and maintenance work order system.

Workers are trained to report work-related hazards, situations, conditions by many means: verbally, electronic mail, and/or formal incident report. Employees are urged to report incidents and hazards promptly by the above means and may do so anonymously if they desire.

Workers are protected from reprisal when reporting hazards or dangerous conditions by the **“Know your rights”** regulation by the federal government. This is part of new-comer orientation training and briefed during the annual Hazardous Communication training class.

We use OSHA Incident Investigation Guide

1. Preparation
2. On-site investigation/ evidence collection
3. Interviews
4. Development of Report
5. Root Cause determination
6. Recommendations
7. Follow-up

Worker participation is enticed by a **safety incentive program** to reward those who excel in hazard mitigation and reporting, adherence to procedures, training attendance, and mentorship.

The **Safety Committee** consists of department supervisors, including health and safety. This team meets at least quarterly to review and discuss the following including but not limited to: **mishap trends, maintenance work orders, employee morale, new/proposed regulations, overall plant operations.**

Occupational health and safety training are conducted at least monthly. An annual schedule is published to workers. Topics are delivered to cover all workers’ first. More specialized training is given to certain departments and individuals as it required by our company and/or federal government.

The company offers **PPO health insurance** to employees and insurance provider representative visits plant once a year to discuss health risk prevention and treatment options.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships aims to prevent adverse impacts from happening and to keep those that do occur within an acceptable level.

Opportunities for impact mitigation will occur throughout the project cycle. The objectives of mitigation are to: find better alternatives and ways of doing things; enhance the environmental and social benefits of a proposal; avoid, minimize or remedy adverse impacts; and ensure that residual adverse impacts are kept within acceptable levels.”



Wharton Plant USA

Equally committed to employee’s health and safety management, from our Nova Odessa (Brazil) plant:

“The hazard and risk analysis procedure are carried out through the following means:

- **CIPA** (Internal Commission for the Prevention of Occupational Accidents), which complies with the NR - Brazilian Regulatory Norms and covers the elected group of people in the company; this commission carries out inspections and scores any deviations, risks and dangers in the company.
- **internal procedures** for permitting special work such as: height, confined space, electricity, welding, etc.
- **procedure for blocking machines and equipment for maintenance** (lockout/tagout).
- **PGR** - Environmental and occupational risk management program
- **change management procedure**, which assesses potential risks and hazards

Potential risks and hazards are disclosed through a hazard and risk worksheet, safety dialogues, training, and safety service order and notices on boards and signs.

In the **Service Order Document**, which is made available to the worker, there is the right to refuse work that exposes the worker to risk, danger or situation that offends health. Brazilian legislation protects and inhibits against reprisals employees.

The company has a formalized safety procedure within the system - **PRST-05-MD-01 - Accident and Incident Investigation Report**

Lamberti Brazil is in the process of implementing a dynamic and procedure for consultation and participation of employees in health and safety which is mandatory under **ISO 45001 that will be implemented by September 2023.**

The CIPA - Internal Commission for the Prevention of Occupational Accidents, which is made up of employees appointed by the company and elected based on an election registered with the local union has legislation applicability and is active in the company, through monthly meetings, minutes, actions and registration thereof.

The medical area promotes, together with the CIPA, prevention programs (breast and prostate cancer), in addition to lectures during the SIPAT - Internal Week for the Prevention of Accidents at Work, which is held once a year (smoking, alcoholism, sexually transmitted diseases).

The company has the gym pass, a program to encourage the practice of physical activities, with agreements with several places to practice swimming, gymnastics, bodybuilding, etc.).

Impacts are prevented and mitigated through:

- monitoring of the health of employees by a hired occupational physician;
- survey and occupational assessment, through environmental assessments of noise levels, exposure to chemicals, gas emissions, ergonomics, type of personal protective equipment, etc.”



Nova Odessa Plant Brazil

| Coverage by an occupational health and safety management system, 2022 | N° Employees | Employees (%) | N° External Workers | External Workers (%) |
|---|--------------|---------------|---------------------|----------------------|
| Covered by an occupational health and safety management system | 1263 | 97% | 115 | 71% |
| Covered by such a system that has been internally audited | 992 | 76% | 89 | 55% |
| Covered by such a system that has been internally audited or certified by an external party | 797 | 61% | 85 | 53% |

| Main risks of work-related injury | | |
|--------------------------------------|-----------|------------------|
| 2022 | Employees | External Workers |
| Movement | 7 | 0 |
| Traffic (also internal to the plant) | 0 | 0 |
| Chemical Agents | 1 | 0 |
| Thermal Agents | 0 | 0 |
| Fall from above | 0 | 0 |
| Other - bio | 0 | 0 |
| Other - physical | 2 | 0 |
| Other | 0 | 0 |

| Number of hours worked in 2022 | |
|--------------------------------|-----------|
| Employees | 2,125,236 |
| External Workers | 199,474 |

| Work-related injuries | Employees | | External Workers | |
|---|-----------|------|------------------|------|
| | N° | Rate | N° | Rate |
| 2022 | | | | |
| Fatalities as a result of work-related injury | 0 | 0 | 0 | 0 |
| High-consequence work-related injuries (excluding fatalities) | 0 | 0 | 0 | 0 |
| Recordable work-related injuries * | 13 | 6,1 | 0 | 0 |

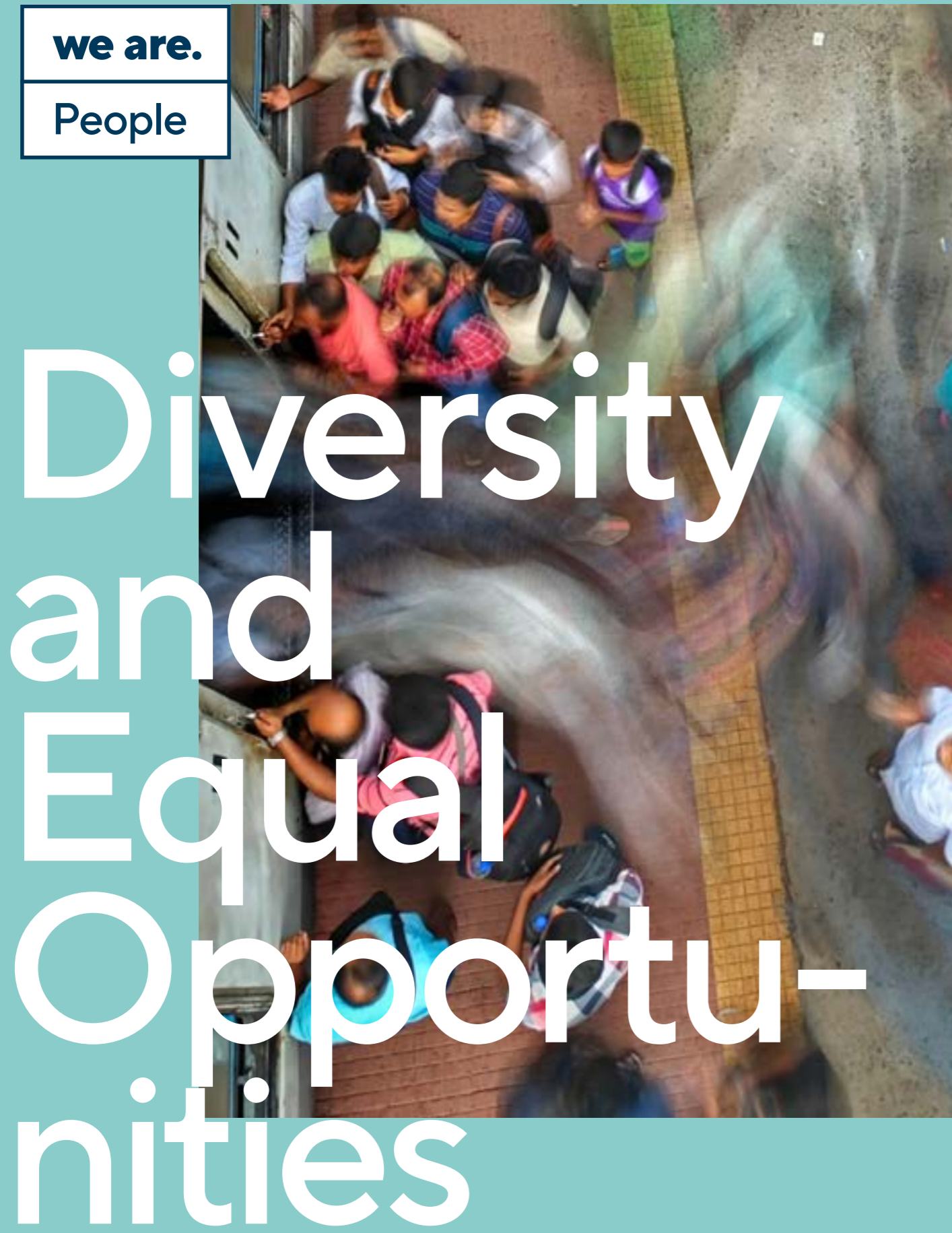
* Rates calculated as follows: (n. injuries/hours worked*1,000,000)

| Main types of work-related injury | | |
|-----------------------------------|-----------|------------------|
| 2022 | Employees | External Workers |
| Death | 0 | 0 |
| Amputation of a limb | 0 | 0 |
| Laceration | 1 | 0 |
| Fracture | 3 | 0 |
| Hernia | 1 | 0 |
| Burns | 1 | 0 |
| Loss of consciousness | 0 | 0 |
| Paralysis | 0 | 0 |
| Bruises, sprains | 2 | 0 |

| Main cause of work-related injury | | |
|-----------------------------------|-----------|------------------|
| 2022 | Employees | External Workers |
| Human factor | 4 | 0 |
| Work Environment | 4 | 0 |
| Plants/Equipment | 0 | 0 |
| Organizational factor | 1 | 0 |
| Communication Factors | 0 | 0 |
| Other | 0 | 0 |

There were no fatalities, cases, or any other types of work-related ill health neither by employees nor external workers. In 2022 there were a total of 18.107,5 HSE training hours.

All Group employees in the perimeter of this report have been included in this disclosure. Regarding contextual information to understand how the data was compiled, for Italian plants, the plant managers are not covered by occupational health and management systems. All data was compiled in accordance with applicable local laws.



we are.
People

Diversity and Equal Opportunities

Our organization is our people, therefore increasing our organization's diversity, equity, and inclusion (DEI) is a key material topic.

As stated in our Group's Code of Ethics:



*"The Group **opposes all discriminatory behaviors** and those intended to harm people, their beliefs and tendencies, with reference in particular to **physical and mental disabilities** and impairments or different forms of diversity based on their **culture, religion or sexuality**. The Group implements appropriate measures in the selection, hiring and internal development phases to guarantee all the people of Lamberti a fair treatment based **on criteria of merit and with no discrimination** whatsoever. Specifically, the Group promotes terms and conditions of staff employment which **do not discriminate between people for reasons of race, ethnic origin, nationality or religion** and strives to provide a workplace free from **harassment**. This not only includes sexual harassment but also harassment based on any one of the characteristics listed above."*

As stated in the value section of our Group’s Code of Ethics, we are **“Building an organization capable of attracting and retaining talented resources; using rewarding systems that promote growth, the sharing of skills, continuous improvements, delegating and group work.”**

Gender equality is a key building block to successfully attract and retain such talented resources. Tracking and reporting on diversity categories such as age and gender by employment category is a way to track progress on equality and inclusion.

| 2022 | < 30 years old | | | | | 30 - 50 years old | | | | | > 50 years old | | | | | Totals |
|-----------------------|----------------|------------|-----------|------------|------------|-------------------|------------|------------|------------|------------|----------------|------------|-----------|------------|------------|--------|
| | Male | | Female | | Totals | Male | | Female | | Totals | Male | | Female | | Totals | |
| | # | % | # | % | | # | % | # | % | | # | % | # | % | | |
| Employee Category | # | % | # | % | Totals | # | % | # | % | Totals | # | % | # | % | Totals | |
| Top Management | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% | 0 | 2 | 67% | 1 | 33% | 3 | |
| Executives & Managers | 0 | 0% | 0 | 0% | 0 | 66 | 67% | 32 | 33% | 98 | 107 | 79% | 28 | 21% | 135 | |
| Office Workers * | 21 | 48% | 23 | 52% | 44 | 137 | 51% | 130 | 49% | 267 | 103 | 67% | 50 | 33% | 153 | |
| Non-office Workers ** | 59 | 91% | 6 | 9% | 65 | 225 | 96% | 10 | 4% | 235 | 150 | 99% | 1 | 1% | 151 | |
| Totals | 80 | 73% | 29 | 27% | 109 | 428 | 71% | 172 | 29% | 600 | 362 | 82% | 80 | 18% | 442 | |

*defined as white collar
**defined as blue collar

| 2022 | Male | | Female | | Totals |
|-----------------------|------------|------------|------------|------------|--------------|
| | # | % | # | % | |
| Employment Category | # | % | # | % | Totals |
| Top Management | 2 | 67% | 1 | 33% | 3 |
| Executives & Managers | 173 | 74% | 60 | 26% | 233 |
| Office Workers * | 261 | 56% | 203 | 44% | 464 |
| Non-office Workers ** | 434 | 96% | 17 | 4% | 451 |
| Totals | 870 | 76% | 281 | 24% | 1.151 |

* defined as white collar
** defined as blue collar

Additionally, the ratio of the average remuneration of women to men is an important metric with regards to gender equality.

| Ratio of basic salary and remuneration of women to men | |
|--|--------|
| Employment Category | 2022 |
| Executives & Managers | 72:100 |
| Office Workers * | 71:100 |
| Non-office Workers ** | 38:100 |

*defined as white collar
**defined as blue collar



Christian Somigliana
Personal Care Director,
visited Ramsar Palawala,
the rural village where
our She Dares and We Dare
projects take place.

Membership of Associations

Since 1980, **Lamberti SpA is part of Federchimica**, the Italian Federation of Chemical Industry Associations of which **Dr. Paolo Lamberti is its current president**. Federchimica is a member of Confindustria (General Confederation of the Italian Industry) and CEFIC (European Chemical Industry Council).

We are members of **AISPEC**, the Association of specialty chemicals producers, of which **Dr. Giuseppe Li Bassi, our company’s Innovation & Technologies Strategies Supervisor is also President** of the association’s Leather, Textile and Paper group.

In 2000, Lamberti SpA adhered into the Responsible Care initiative, an ethical framework which guides organizations towards safe chemicals management and performance excellence. As members, we committed to:

- **Continuously improve** the environmental, health, safety and security knowledge and performance of our technologies, processes and products over their life cycles so as to avoid harm to people and the environment.
- **Use resources** efficiently and minimize waste.
- **Report openly** on performance, achievements and shortcomings.
- **Listen, engage and work** with people to understand and address their concerns and expectations.
- **Cooperate** with governments and organizations in the development and implementation of effective regulations and standards, and to meet or go beyond them.
- **Provide help and advice** to foster the responsible management of chemicals by all those who manage and use them along the product chain.

In 2017, we started to benchmark our own Corporate Social Responsibility performance through EcoVadis, a global platform that helps identify areas of improvement and implement corrective actions. With an **EcoVadis Silver** rating, our collective objective is to reach Gold status on upcoming evaluations.



Digitalization

A digitalization process can bring mostly positive impact in many different areas of our organization. Digitalization will indeed become a more and more crucial driver for a profitable and sustainable growth in the coming years also for the chemical industry where many players have already made significant steps towards digitalizing their most important operations

Considering the projects we are currently working on, the main positive impacts can be addressable to people and environment.

People engagement is crucial for projects like this that involves significant changes as well as new working methods. We have witnessed an extremely high engagement of the people that have worked and are working on this project as they perceive that going through this journey is crucial to improve our operations as well as to maintain our Group competitive on the market. This is a strong signal of the positive impact digitalization has having on people. **The digitalization of certain R&D, sales and marketing activities will indeed improve significantly the way people work making some strategic decision easier and quicker.**

As for the positive **impact on environment**, the digitalization of our industrial activities aims at improving our production processes making them more data driven. It involves also the **implementation of an energy saving platforms** that will allow us to monitor and manage more efficiently the energy resources used further reducing our impact on the environment.

As for the commitment, **in June 2022 the Group has formally launched a Digitalization project which has involved and is involving many people in different areas of our organization.**

Specific KPIs depending on the area and objective of the project will be put in place to measure and manage the impacts of digitalization on our activities. These KPIs are still under consideration and will be defined once the project will be implemented at pilot scale level.

The main indicators currently in use to evaluate the progress are projects' group deliverables and internal deadlines. **The core project teams have adopted an agile working method that allows them to track the progress towards the final target in a very systematic manner.** In addition, checkpoints with other projects' stakeholders and sponsors have been defined to get a third-party feedback and approval.

There are **weekly or bi-weekly sessions** with very specific and defined deliverables that are discussed and consolidated at the end of each session.

In addition to the core teams, for each project there is also a non-core team and the sponsor(s) that are not hands-on on the project but are extremely useful to provide feedback and an external view on the project.

For the time being, **we have measured the internal stakeholder engagement** through the organization of a **webinar with voluntary participation** aimed at bringing the entire Group up to speed with the status of the project and with what has been done so far.

Relationships with local communities

We understand the power of a globally engaged organization that aims to have a real and tangible impact in the communities where we operate.

Our Spanish affiliate, Lamberti Iberia is actively involved and committed with local city of **Castellon NGO "Down Syndrome Foundation"**. We have been collaborating with them for over three years and plan to continue to do so. We see a positive impact on our community by engaging with this NGO as it works to insert people with down syndrome into the working population via education and job/trade trainings. We are very proud to have been awarded the **"Contamos Contigo"** seal for collaborating entity and witnessing first-hand how the Down Syndrome Foundation has been able to continue operating for the well-being of the down syndrome community in the city of Castellon. Direct engagement as helped us focus to maximize real impact.

At Lamberti USA's Wharton site in Texas, the Safety Supervisor is a **member of the Local Emergency Planning Committee**. Lessons learned are compared with company emergency response policy for opportunities of improvement. The Safety Supervisor routinely engages with local emergency responders such as law enforcement and fire department to promote awareness and cooperates with local emergency responders to conduct plant walkthrough and emergency drills. **Charitable Contribution Policy in progress to allow area donations to Wharton County Youth Fair, Lion's Club, Hungerford Fire Department, member of local Chamber of Commerce.**

Part of our goal is to show employees our company is concerned with the local community. Effectiveness is to support a positive place to work in the local community and promote awareness of our company as an engaged local stakeholder. Policies are reviewed on a recurring basis. Inspections and investigations provide a measure of effectiveness.

At our Albizzate plant, near Varese in Italy, actions to prevent or mitigate potential negative impacts are implemented with reference to the following:

- **Safety Management System for the Prevention of Major Accidents** (SGS PIR)
- **Workplace Safety Management System** (SGSL) and **Environment** (EMS)
- **Internal Emergency Plan** (IEP)
- **External Emergency Plan** (PEE)
- **BAT applicable to the plant for preventing and/or reducing impacts** (e.g. emissions, odors, noise, waste production)

Additionally, we engage with our local community through:

- **Environmental agreement with the municipality of Albizzate**
- **"Training Island" project**, implemented with the collaboration of the **Nucleo d'Inserimento Lavoro** (NIL) of the Municipality of Varese and the support of the **Targeted Disabled Placement of Varese**, provides for the use of spaces inside the site to implement a training course for protected categories, aimed at learning a professional activity. Environmental agreement with the municipality of Albizzate.

At Group level, we have been specially committed to **SDG 5 "Gender Equality"**. During the last three years, through the direct involvement and leadership of our colleagues at our sites in **Brazil and India**, we have partners with **local NGOs** at these countries to fully fund and develop projects aimed at contributing towards gender equality. **The projects of Lamberti Acelera in Brazil and We Dare in India work to provide business opportunity to women and disadvantaged communities.** Please stay updated and read more about these projects and meet the real communities involved in [our Stories page](#).

we are.
Planet



Increasing climate resiliency

The impacts brought about by the effects of climate change are undisputable. **Climate change is not a future event it is a present emergency.** Organizations and individuals alike must act decisively to preserve humankind’s only home. **Our planet’s preservation for current and future generations is a moral imperative.** Sustainability is often defined as the “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”, while development and innovation are necessary, both should be achieved responsibly. **At Lamberti**, we understand this balance and it’s why we not only measure and report our environmental impact, **we have specific targets and commitments to reduce our environmental footprint** and increase compliance.

More than twenty years ago we joined the **Responsible Care framework** and at product level we comply with several environmental certifications as reported in the Product Stewardship section of this report. Lamberti SpA 2022 data on [emissions, energy, water and waste management available here.](#)

GHG Emissions

In 2022 an energy reduction plan for the Italian sites was approved. The plan includes specific actions such as **thermal insulations** and **installation of high efficiency motors.** This **energy reduction plan** details for each action the reduction in terms of electricity or fuel, the consequent **CO₂ reduction**, and the investment amount. The plan was presented internally at the **Sustainability Steering Committee** and shared with the site managers and relevant collaborators were also engaged for implementation. Potential issues on the environmental compliance could have serious consequences on business due to the risk of production interruption and/or reputational damage. **A key policy impacting environmental compliance is to increase the number of environmental certifications for our production plants.**

| Energy Consumption from non-renewable Sources (GJ), 2022 | |
|--|----------------|
| Natural Gas | 502.856 |
| Diesel | 12.529 |
| LPG | 1.543 |
| Petrol | 924 |
| Total non-renewable sources | 517.852 |

We are constantly looking to **diversify our energy sources**, namely by working with our local suppliers to apply **certifiable renewable sources of energy** including installation of **solar panels** at our sites for **self-produced renewable energy.**

Our total renewable energy consumed as electricity from renewable sources was 45.791 GJ or 23% of all electricity purchased and 19% of all electricity consumed.

| Electricity Sources (GJ), 2022 | |
|-----------------------------------|----------------|
| Purchased electricity | 198.611 |
| of which renewable-certified | 45.791 |
| Self-produced electricity | 40.403 |
| of which renewable-certified | 115 |
| Self-produced electricity sold | 227 |
| Total electricity consumed | 238.787 |

| Other energy sources | Consumed | Purchased | Self-produced | Self-Produced Sold |
|----------------------|----------|-----------|---------------|--------------------|
| Cooling | 566.446 | 0% | 100% | 0% |
| Heating | 229.706 | 99,96% | 0,04% | 0% |
| Steam | 158 | 0% | 100% | 0% |

| Energy Intensity Ratio within the organization, 2022 | Total Energy (GJ) | Production Output (t*) | Energy Intensity Ratio (GJ/t*) |
|--|-------------------|------------------------|--------------------------------|
| | 946.458 | 285.868 | 3,31 |

* tonnes = metric ton equivalent to 1000 Kg of production output

At our Spanish affiliate, **Lamberti Iberia SAU**, the installation of solar panels are expected to **reduce emissions of 16,16 tons of CO₂/year** at that facility, equal to the annual emissions of 16 standard sized homes. **The solar panels' total output is 63 kWp**, and **on sunny summer days, this power helps us to cover 100% energy needs for the site. Each year**, under normal conditions, these solar panels can reach a **solar energy cover of 37% of all energy needs** in the Spanish plant and offices. From the Lamberti Iberia team, *“Renewable energy is one of the bases for reducing the impact of activities on the environment, and we are ready to challenge ourselves to continue pushing further in our sustainability journey.”*

[Read more on this project here.](#)

| Energy Reduction Achieved (GJ), 2022 | |
|--|--------------|
| Specific Project | 2.620 |
| Conversion and retrofitting of equipment | 811 |
| Operational changes | 2.172 |
| Total reductions achieved | 5.601 |

Energy reductions projects go beyond the solar panel installation in Spain. **At our Albizzate (Italy) plant**, there were operational **energy savings projects** as well as **insulation and new steam trap installation**. **At our Viguzzolo (Italy) plant**, **new cooling tower water distribution pumps, insulation of steam jacketed pipes for raw materials, and HE motors on burners' fan and chilled water pump in EO warehouse were installed.**

Switching of the lighting system to **LED technologies** took place in many of our global sites. We invest valuable resources to collect quality data and KPIs as part of our responsible resource consumption commitment and work at Group and plant levels globally to reduce our environmental impact. We have specific reduction **target commitments with regards to GHG emissions, water consumption, and waste generation** (please refer to our Commitments table).

In 2007 we started the process of certification of our manufacturing sites according to **ISO 14001** standards for environmental management. In our first Sustainability Report for year 2019, we committed to have 40% of our manufacturing sites certified ISO 14001:2015 within 2022. **Our achievement level for ISO 14001 is 42,1% or 8 plants certified globally.**

| GHG Emissions (t CO ₂ e) | 2022 |
|---|----------|
| Scope 1 | 0 |
| Scope 2* Location Based | 0 |
| Total Scopes 1 & 2 GHG Emissions | 6 |

*Includes direct heat scope 2 emissions

Emissions intensity ratios (EIR) are a useful way to define GHG emissions in an industry specific context as well as to track environmental performance with intensity ratios, often called normalized environmental impact data. **GHG EIR express the amount of Scopes 1 and 2 GHG emissions per unit of activity, output, or any other organization-specific metric.**

| Emissions Intensity Ratios* (EIR) | 2022 |
|---|---------|
| Manufacturing EIR (t CO ₂ e/t) | 0,24 |
| Manufacturing Output (t) | 285.868 |

As reported earlier, we have approved and are implementing an energy reduction plan which should reduce our overall GHG emissions. Comparing our latest emissions data against year 2019, first year of published environmental data, we see a 3,2% reduction of our scopes 1 and 2 GHG emissions.

We are committed to reduce 3,5% of our GHG scopes 1 and 2 emissions by year 2025 with respect to 2021 emissions.

| Historical GHG Emissions (t CO ₂ e) | 2022 | 2021 | 2020 | 2019 |
|--|---------------|---------------|---------------|---------------|
| Scope 1 | 29.609 | 33.668 | 29.525 | 38.984 |
| Scope 2* Location Based | 39.657 | 29.881 | 29.797 | 32.575 |
| Total Scopes 1 & 2 GHG Emissions | 69.266 | 63.549 | 59.322 | 71.559 |

*Includes direct heat scope 2 emissions

In terms of emissions of ozone-depleting substances (ODS), we did not produce, imported, or exported such substances. We carefully track other air emissions such as **Nitrogen oxides (NOx), sulfur oxides (SOx), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), particulate matter (PM)**, and other air emissions identified and disclosed.

| Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions*, 2022 | |
|--|--------|
| NOx | 31.869 |
| SOx | 238 |
| Persistent organic pollutants (POP) | - |
| Volatile organic compounds (VOC) | 4.108 |
| Hazardous air pollutants (HAP) | - |
| Particulate matter (PM) | 1.438 |
| Other standard categories of air emissions identified | 5.328 |

* Expressed in KG

| Refrigerant Gases*, 2022 | |
|--------------------------|--------------|
| R-22 | - |
| R-407C | 89,7 |
| R-404A | 5,6 |
| R-410-A | 16,0 |
| R-427A | - |
| R-507A | - |
| Total | 111,3 |

* Expressed in KG

Below is the list of standards, methodologies, assumptions, and/or calculation tools used as well as source of the conversion factors used.

| Starting unit | Conversion unit | Factor | Source |
|-----------------------|-----------------|----------|--|
| Gasoline | GJ/ton | 43,128 | Tabella parametri standard nazionali UNFCC 2021/ISPRA 2021 |
| Gasoline | GJ/ton | 42,817 | UNFCC 2020 |
| Gasoline (Density) | litri/ton | 0,000743 | ISPRA |
| Natural gas (methane) | (GJ/smc)*1000 | 0,035281 | Tabella parametri standard nazionali UNFCC 2021/ISPRA 2021 |
| Natural gas (methane) | (GJ/smc)*1000 | 0,03584 | UK Government GHG conversion factors for company reporting, 2021/DEFRA |
| Diesel fuel | GJ/ton | 42,873 | Tabella parametri standard nazionali UNFCC 2021/ISPRA 2021 |
| Diesel fuel (Density) | ton/litro | 0,000836 | ISPRA |
| LPG (Density) | ton/litro | 0,00059 | ISPRA |
| LPG | GJ/ton | 45,858 | Tabella parametri standard nazionali UNFCC 2021/ISPRA 2021 |
| Biomass | GJ/ton | 13,6 | DEFRA 2021 |
| Fuel oil | GJ/ton | 41,041 | UNFCC 2021 |
| Energy | Kwh/GJ | 0,0036 | DEFRA - Conversion-Factors-2021 |
| Diesel fuel | GJ/ton | 42,873 | Tabella parametri standard nazionali UNFCC 2021/ISPRA 2021 |
| Diesel fuel (Density) | ton/litro | 0,000836 | ISPRA |
| LPG (Density) | ton/litro | 0,00059 | ISPRA |
| LPG | GJ/ton | 45,858 | Tabella parametri standard nazionali UNFCC 2021/ISPRA 2021 |
| Biomass | GJ/ton | 13,6 | DEFRA 2021 |
| Fuel oil | GJ/ton | 41,041 | UNFCC 2021 |
| Energy | Kwh/GJ | 0,0036 | DEFRA - Conversion-Factors-2021 |

With regards to emissions due to transportation, our **logistics teams are fully conscious of their impact on CO₂ emissions** and the importance of implementing a strategy aligned with our overall environmental compliance, with specific actions such as:

- **minimizing Air Freight shipments;**
- **preferring Intermodal transports where possible and feasible;**
- **joining different groupages shipments into Full Truck Load shipments, whenever possible.**

Water Resource Management

Water is a resource with a high impact on the economy, environment and people. Negative impacts would occur if there is the risk that water available would be less than the amount expected. As several of our key manufacturing operations are located in northern Italy, our operations there were very close to being impacted by water shortages throughout 2022. **We have adopted and set specific commitments at Group level for reductions of our water footprint.** We have started engagement with internal stakeholders to promote and explain our water stewardship actions.

Examples of our interactions with water, **our Zanica (Italy) site** uses water drawn from a well and water drawn from the municipal aqueduct. The water from the aqueduct is used for sanitary purposes and partly for production and well water is used for industrial and fire-fighting purposes.

Our site in Chattanooga (USA) uses water to produce steam, cool processes, and clean vessels. The plant has a storm water system that can contain potentially contaminated rainwater if necessary.

At our Viguzzolo (Italy) plant, the main uses of industrial water are:

- production of demineralized water to feed the boilers
- production of demineralized water for the manufacture of products
- reintegration of the cooling tower
- washing of the production departments
- power supply to the fire-fighting water network of the plant

At the same site, the identification of the environmental aspects is performed by carrying out **the environmental analysis of the organization's activities in three successive phases:**

1. examination of all the organization's activities to detect the environmental aspects that can be associated with them from a qualitative point of view;
2. collection and processing of all data concerning each of the environmental aspects;
3. assessment of the environmental impacts associated with the environmental aspects identified to attribute their significance

The significance of the impact is established through the evaluation of the following parameters:

1. Frequency (F)
2. Gravity (G)
3. Substance Factor (S)
4. Control (C)

A weighting coefficient is attributed to each of the parameters mentioned and in relation to the impact examined, which ranges from 1 to 4, except for Control which ranges from 0 to 1.

By adopting a risk analysis criterion, a level is assigned to each parameter for each aspect considered to calculate the Potential Risk. Subsequently, the ability of the organization to intercept the event and/or the impact deriving from the aspect considered is determined, evaluating the presence, effectiveness and application of controls. A Correction Factor of 0.85 is considered which takes into account the possibility of human error. Thus, the level of residual environmental risk is determined.

With reference to the level of environmental risk calculated as above, **the significance of the aspect and associated environmental impact is defined by adopting the following criterion:**

- Low level of significance: $RR < 2$
- Average significance level: $2 \leq RR < 4$
- High level of significance: $RR \geq 4$

The significant aspects are those with $RR \geq 4$ and are taken into consideration in identifying the improvement objectives and the possible actions to be taken to achieve them.

To understand water-related impacts, **at our Nerviano (Italy) site**, the use of water resources is monitored through counters/meters. From their analysis, the site's monthly consumption is recorded.

Our global sites adhere by local and state jurisdictions with discharge requirements where site managers must comply with the limits imposed by the environmental legal authorities. **Wastewater is sent for disposal through authorized plants.** For example, **our Viguzzolo (Italy) plant** is in possession of **Integrated Environmental Authorization** DDAP1-102-2011 currently undergoing periodic renewal. Any discharge must comply with the limits contained in this authorization and any limits that may be established/changed by the competent authority during the period of validity of the authorization. Any changes due to plant modifications must be communicated and agreed in advance with the authority. Additionally, **this plant follows the SAF 4.02 Water Management procedure, with the purpose to:**

- define the methods for managing water discharges, in full respect of the environment, the regulations in force, the prescriptions and the monitoring plan contained in the Integrated Environmental Authorization of the plant
- define how to manage the power sources for the establishment
- define the methods for monitoring the volumes of water withdrawn

The procedure is also applied to:

- water supplies through owned wells
- water supplies carried out by means of connection to the municipal aqueduct used in the plant activity.

Water stewardship is a key commitment to minimize the environmental effect of our operations. Water withdrawal is the sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period (2022).

| Water Withdrawal (ML), 2022 | | |
|-------------------------------|--------------|---------------------|
| Source | All areas | Water-stressed area |
| Surface water (total) | 0,7 | 0,0 |
| Freshwater (1) | 0,7 | 0,0 |
| Other water (2) | 0,0 | 0,0 |
| Groundwater (total) | 546,1 | 0,0 |
| Freshwater (1) | 546,0 | 0,0 |
| Other water (2) | 0,1 | 0,0 |
| Seawater (total) | 0,0 | 0,0 |
| Freshwater (1) | 0,0 | 0,0 |
| Other water (2) | 0,0 | 0,0 |
| Produced water (total) | 0,0 | 0,0 |
| Freshwater (1) | 0,0 | 0,0 |
| Other water (2) | 0,0 | 0,0 |
| Third-party water (total) | 275,7 | 0,0 |
| Freshwater (1) | 274,4 | 0,0 |
| Other water (2) | 1,3 | 0,0 |
| Water Withdrawal (ML), 2022 | | |
| Total Water Withdrawal | 822,4 | |
| Freshwater (1) | 821,1 | |
| Other water (2) | 1,4 | |

(1) Freshwater (≤1,000 mg/L Total Dissolved Solids)
 (2) Other water (>1,000 mg/L Total Dissolved Solids)

Since our inaugural sustainability report for year 2019, we have reduced our water withdrawal footprint by 13,9%.

| Year | Water Withdrawal (ML) | vs. 2019 |
|------|-----------------------|----------|
| 2019 | 955,7 | |
| 2020 | 880,0 | -7,9% |
| 2021 | 871,0 | -8,9% |
| 2022 | 822,4 | -13,9% |

(1) Freshwater (≤1,000 mg/L Total Dissolved Solids)
 (2) Other water (>1,000 mg/L Total Dissolved Solids)

| Water Discharge by Source (ML), 2022 | |
|--------------------------------------|--------------|
| Source | All areas |
| Surface water (total) | 29,6 |
| Freshwater (1) | 29,6 |
| Other water (2) | 0,0 |
| Groundwater (total) | 0,1 |
| Freshwater (1) | 0,0 |
| Other water (2) | 0,1 |
| Seawater (total) | 11,6 |
| Freshwater (1) | 11,6 |
| Other water (2) | 0,0 |
| Third-party water (total) | 314,2 |
| Freshwater (1) | 310,1 |
| Other water (2) | 4,0 |
| Total Water Discharge (ML), 2022 | |
| Total Water Discharge | 355,4 |
| Freshwater (1) | 351,3 |
| Other water (2) | 4,1 |

(1) Freshwater (≤1,000 mg/L Total Dissolved Solids)
 (2) Other water (>1,000 mg/L Total Dissolved Solids)

Water consumption is the difference between water withdrawal and water discharged. Back in 2019 we assumed a specific commitment on water stewardship at Group level to reduce that year's consumption levels by 15% in year 2023. **In year 2022 with total Group water consumption at 467 ML we reduced 2019's by 6,5%.**

| Water Consumption (ML), 2022 | | |
|------------------------------|-----------|---------------------|
| Source | All areas | Water-stressed area |
| Total Water Consumption | 467,04 | 0,0 |



| Year | Water Consumption (ML) | vs. 2019 |
|------|------------------------|----------|
| 2019 | 499,3 | |
| 2020 | 534,2 | 7,0% |
| 2021 | 483,6 | -3,1% |
| 2022 | 467,04 | -6,5% |

Effluents and Waste Management

Our waste management strategy consists of increasing the percentage of our total Group waste that is either Reused, Recycled, or Recovered (RRR). As expressed in our 2020 Sustainability Report, which can be retrieved from our corporate website, our Group decided to have a clear roadmap towards reducing our waste footprint and to accomplish this reduction strategy we set a specific goal to achieve 30% RRR by 2023. **In 2022 our RRR was 12,3%.**

| Waste management (tonnes), 2022 | | |
|---------------------------------|-----------------|-----------------|
| Disposal Method | Hazardous | Non-hazardous |
| Reuse | - | 149,4 |
| Recycling | 68,0 | 1.101,5 |
| Composting | - | - |
| Recovery | 2.397,9 | 1.830,8 |
| Incineration | 489,5 | 112,4 |
| Deep well injection | - | 3.419,0 |
| Landfill | 47,2 | 706,7 |
| On-site storage | 63,8 | - |
| Treatment | 20.105,9 | 8.287,9 |
| Other | 4.429,8 | 1.719,6 |
| Total Waste | 27.602,1 | 17.327,3 |

There have been several initiatives implemented by our Group companies to reduce our waste footprint. **At our Precision Labs plant in Illinois (USA)**, in the production area the main actions that have been taken for wastewater generation are scheduling production runs together that require no washout and reusing totes to minimize wastewater. These areas are reviewed periodically by the lab to determine if additional formulas are needed.

At our plant in Mexico, we are producing larger batches to reduce number of times required for the cleaning of the agitators and thus avoid greater discharge of wastewater.

At our Abizzate (Italy) site, there are waste storage areas identified by the existing **Integrated Environmental Authorization** (IEA). The waste stock is constantly monitored through the loading and unloading registers where the estimated or weighed quantities are reported. All waste is disposed of externally by specialized third parties. The plant implements waste reduction through various management techniques:

- reworking of “out of specification” products - generated by processes in the event of breakdowns or malfunctions of the plants - whenever it is technically possible, or in placing the same products on the market to those who can acquire them as such. These products are only ultimately treated as waste, if it is not possible to reuse them (due to product contamination, or due to an unsuitable chemical-physical state)
- recovery of exhausted solvents through the distillation process
- washing, through specialized external companies, of IBCs for reuse as packaging
- plastic reduction project from bottles through the installation of drinking water dispensers throughout the entire plant

From **our Texas (USA) plants**, tracking of shipment paperwork is key. Regulatory requirement to receive confirmation back from disposal facility ensures receipt of material in addition to confirmation of the quantity. This process is tracked from the time the shipment is requested until the invoice is sent for payment.

Our Spanish site was awarded with the **Zero Waste** standard which establishes an audit process based on the applicable waste legislation and compatible with other standards or systems that an organization may have certified, such as **UNE EN ISO 14001:2015 and 9001:2015**, facilitating its monitoring, measurement and control in relation to them.

The Zero Waste standard, awarded by a third-party auditor to a participating organization, establishes a system that evaluates the correct management of the organization’s waste. The standard highlights legal compliance and the principles of reducing, re-using and recycling, eliminating waste dumping as an option, except for waste that requires a special control or management by legal requirement, such as sanitary waste or waste with special treatment, such as fiber cement or those specified under existing waste legislation. **Zero Waste Standard is based on compliance with 14 principles that will be the subject of the audit process.** Full compliance with these 14 principles determines the highest degree of excellence of the organization regarding waste. To retain the Zero Waste certification, auditors will verify compliance annually in a three-year cycle before new audit process takes place.

Concerning compliance with environmental laws and regulations, there were four non-compliance environmental cases and monetary sanctions amounted to 7.500 EUR for reporting year 2022. The penalties are for presentation of the updated monitoring plan past the legal deadline due to the weakening of two CO₂ emissions sources due to third party delay and exceeding the authorized limit of a parameter for discharge.



| Compliance with laws and regulations, 2022 | |
|--|-------------|
| Number of significant instances of non-compliance with laws and regulations | 18 |
| of which instances for which fines were incurred | 14 |
| of which instances for which non-monetary sanctions were incurred | 4 |
| Number of fines for instances of non-compliance with laws and regulations that were paid | 10 |
| of which fines that occurred in the current reporting period | 10 |
| of which fines that occurred in previous reporting periods | 0 |
| Monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period | 56.173,50 € |
| of which fines that occurred in the current reporting period | 55.973,50 € |
| of which fines that occurred in previous reporting periods | 0,00 € |

we are.

Prosperity



**We
continue
our path**



*“The results for 2022 are **satisfactory** and above all obtained during one of the most difficult and demanding years managed by our Group.*

*We continue our path by **increasingly and systematically** dedicating our thoughts, ideas, skills, projects and concrete actions to sustainable development.*

This approach, in its entirety, must become no longer extraordinary, but rooted in the way we conceive our work.

*I **renew my thanks to all the Collaborators** for their continuous and assiduous commitment to our project.”*

Carlo Lamberti, Vice President and CEO

Whilst Sustainability is not possible without prosperity; profitability should be achieved in a way that is harmonious with the principles of Sustainability to operate responsibly within our planet's limits to ensure ability of future generations to meet their needs.

We are an economically solid company thanks to the **hard work, broad expertise, and demonstrated commitments of our people.** Being economically sound is the basis that allows us to deliver value to our stakeholders across the ESG spectrum. Maintaining our economic solidity is a commitment shared throughout our organization that allows us to keep our value creation proposition to society, the environment, and ourselves.

The damaging effects of climate change have become normal phenomena globally. Record-breaking heat waves, droughts and hurricanes have caused substantial damage, disruptions, and human suffering across the entire globe. Our organization is not immune to these severe weather-related events. These physical events, which are more potent and frequent because of climate change, present a clear risk to the company's operations not only as it relates to its manufacturing activities but also to its workforce regardless of type of work.

Severe events such as air and water pollution, wildfires, sea-level rise, extreme temperatures, and variation in seasonality, all can have a direct negative effect on the company's operations. **Having action plans anticipating such events and ways to minimize related risks to its employee population and production activities is of paramount importance.**

Revenues from the core business totaled €753,5 million, up 39,7% on the €539,5 million for 2021. **This increase is very positive** given the ongoing climate and the continued uncertainty that is not expected to disappear in the short term.

Once again in 2022, the geographical breakdown of revenues confirms that the foreign market was the

Lamberti Group's largest contributor to sales, accounting for 88% of total revenues (2021: 87%). Non-EU markets made up 88,4% of these foreign sales (2021: 86,1%), slightly up on the previous year.

The cost structure shows a slight increase in costs for raw materials as a percentage of turnover (2022: 56,03%; 2021: 55,8%). **This is in line with the global trend.** Beginning in the second half of 2021 and even more evident in early 2022, there was a shortage in raw materials and semi-finished products available against a strong market demand, leading to price increases across the board, nonetheless it has been more controlled and stable in the last quarter of 2022.

On the currency front, 2022 was marked by the appreciation of the US dollar against the Euro, which also fell below parity with the US currency, hitting his lowest level since 2002. The dollar appreciated against FY2021 by 10,09% if average exchange rates for the year are considered, 5,8% if the calculation is made on year-end values.

The cost of services rose considerably to €112,1 million from €78,3 million for 2021. Specifically, the costs of utilities, maintenance and transport increased, as did commissions, consultancy and insurance costs.

Personnel expenses increased from €89,5 million for 2021 to roughly €101,1 million for 2022 due to increase in the number of group employees to 1.362 from 1.315 at the previous year end. For Lamberti SpA in particular, the increased expenses were also due to the use of payroll subsidies, parental leave, frail person illness to the past leave fund and ROL, and the automatism resulting from the July 2021 renewal of the national collective agreements.

The group also reported considerably higher amortization, depreciation and in the cost of using third party assets. The reduction in depreciation and amortization is mainly attributable to the dynamics affecting the **Parent Company**, and this is an expected fact, given that the revaluation pursuant to Article

110 paragraphs 1-7 of Decree Law No. 104 of August 14, 2020, converted with amendments by Law No. 126 of October 13, 2020, significantly produced its effects mainly in the first year of calculation of depreciation on revalued assets (2021), while from the second year onward the economic effect was expected to decrease significantly. Depreciation rates were calculated by applying rates compatible with the expected future usefulness of the relevant assets, and according to their contribution to the future production of economic results.

The operating profit (measured as the difference between production revenues and production cost) **improved** from €33,6 million in 2021 to €86,9 million in 2022 (+€53,3 million), as did the gross operating profit (calculated as the sum of operating profit and amortization and depreciation), up €44,6 million and equal to 15,35% of the revenues from sales.

Net financial income of €4,4 million in 2021 became net financial charge of €5,3 million in 2022, mainly due to the net exchange rate loss (profit of €3,0 million in 2021 compared to net losses of €4,3 million in 2022), mostly recognized by the parent and its American subsidiaries and chiefly due to the negative on balances and cash flows in that currency. In addition, the impact on the interest and other financial expense increased compared with the previous year.

Lastly, value adjustments of the financial assets, positive for €2,1 million, contribute to the determination of the pre-tax profit. Of particular note, as factors that led to this result, a net profit recognized in the current year of €4,4 million concerning the change in fair value of derivative financial instruments held by the parent company, a write-down of equity investments (euros implemented by the Parent Company against the equity investment held in the listed LivaNova Plc (during 2021 a write-back of €183.000), and finally a write-down of securities held by the subsidiary Lamin SA of €2,1 million.

As a result of the factors described above, the pre-tax profit increased from €36,0 million in 2021 to €83,7 million.

The tax burden of the year also increased, rising from a total €12,9 million in 2021 to €19.0 million in 2022.

The caption is broken down as follows:

- current taxes amount to €22,1 million (2021: €11,9 million) and comprise IRES of €19,7 million and IRAP of €0,6 million for the Italian companies and the franchise tax of €1,8 million for the US companies;
- taxes relative to prior years amount to €66;
- deferred taxes decreased to a positive €2,9 million;
- the tax consolidation scheme benefit is €0,2 million, compared to €0,3 million in 2021

Accordingly, the net profit for the year amounts to €64.753.019 (€23.078.371 for 2021) and the profit pertaining to the group is €64.248.409 (€22.256.629 in 2021).



| Direct economic value generated and distributed | | |
|--|---------------|---|
| [€ mln] | 12-2022 | Notes |
| Revenues | 780,04 | Revenues calculated as net sales plus revenues from financial investments and sales of assets |
| Turnover from sales and services Other revenues and income Change in work in progress, semi-finished products and finished goods, change in contract work in progress Financial income Net exchange rate gains and losses Adjustments to financial assets | 753,52 | |
| | 9,23 | |
| | 17,11 | |
| | 2,28 | |
| | -4,23 | |
| | 2,13 | |
| Economic Value Distributed | 687,82 | Calculated automatically |
| Operating costs | 562,81 | Cash payments made outside the organization for materials, product components, facilities, and services purchased. Operating costs can include for example property rental, license fees, facilitation payments (since these have a clear commercial objective), royalties. |
| Raw materials, consumables, supplies and goods Services Use of third-party assets Other operating costs | 439,07 | |
| | 112,09 | |
| | 6,07 | |
| | 5,59 | |
| Employee wages and benefits | 101,07 | Total payroll (including employee salaries and amounts paid to government institutions on behalf of employees) plus total benefits |
| Personnel expenses | 101,07 | |
| Payments to providers of capital | 1,40 | Dividends to all shareholders, plus interest payments made to providers of loans |
| Dividends paid | 1,40 | |
| Payments to government | 19,03 | Taxes plus related penalties paid at the international, national, and local levels. Organization taxes can include corporate, income, and property. Payments to government exclude deferred taxes, because they may not be paid. |
| Current taxes | 21,86 | |
| Deferred taxes | -2,83 | |
| Payments to backers | 3,37 | |
| Interest and other financial charges | 3,37 | |
| Community investments | 0,13 | Voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the organization |
| Economic value retained | 92,21 | Calculated automatically as: Direct economic value generated' - 'economic value distributed' |

The approach to taxation adopted by the Lamberti Group is consistent with what is defined within the Group's Code of Ethics, based on the Lamberti Values underlying the company's mission.

This approach is based on the principles of **prudence, responsibility, consistency and transparency** towards the Company's stakeholders, including the Tax Administrations of the various countries. All activities carried out by the Group comply with the relevant tax regulations and tax planning is always aligned with business activities. Individuals who are assigned the functions of representation towards national and international Tax Authorities must be inspired by the strictest compliance with the applicable legal provisions as well as the principles of fairness, transparency and loyalty, without compromising the integrity or reputation of the Lamberti Group in any way.

Lamberti SpA, the Group's headquarters, operates the Tax Group Department, which is responsible for the coordination, control and monitoring of taxation issues for the entire Group. Lamberti Group pays close attention to the right application and interpretation of new tax rules to always be updated on tax legislation and to avoid future litigations by the tax authority.

At the local level, the subsidiaries' tax provisions are managed by the subsidiary's administrative departments in coordination with local tax consultants. Information is shared with the management of the local entity and the Tax Group Department of Lamberti SpA. To minimize the risk of errors, local administrative departments, together with tax consultants, carry out checks on the accounting and tax relevance of the transactions and operations performed.

Lamberti carries out intra-group transactions at market conditions (arm's length value), complying with criteria of substantive and procedural fairness for the purposes of a transparent and objective assessment: the fees for the exchange of services and/or goods between Group companies are defined on the basis of market conditions and must always be justifiable.

The corporate culture principles underlying the implemented fiscal approach are the following:

- responsible management of the tax variable based on trust, transparency and collaboration with institutions and inspired by the principles set out in the Code of Ethics;
- tracing and measuring of tax risks associated with business processes, aimed to containing them;
- promoting a tax culture and compliance with all tax laws and regulations applicable in the various jurisdictions in which the Group operates;
- promoting within the Group of general principles of conduct in tax matters, based on the values of responsibility;
- adequacy of the organization and related processes (tax governance) in compliance with the defined objectives;
- provision of effective monitoring procedures that allow the identification of any deficiencies or errors in its operation and the consequent implementation of the necessary corrective actions;
- consolidated relationship with the Tax Authorities managed in a professional, transparent and timely manner.

The Group maintains continuous and proactive cooperation relations with the Tax Authorities, based on principles of transparency and mutual trust. The Group considers the adoption of behavior aimed at responding promptly to requests received from the Tax Authorities to be of fundamental importance. This is achieved by disclose complete, correct, accurate and precise information and by always behaving in a transparent and collaborative manner.

| Membership Area | Italy | Europe | Middle East - Africa | USMCA | South America | Asia |
|--|---|--|----------------------|---|--|------------|
| (iii) Employees' number | 775 | 78 | 14 | 249 | 114 | 123 |
| (iv) Revenues from third-party sales | 223.839.285 | 87.203.501 | 21.209.988 | 300.423.958 | 62.281.883 | 60.999.499 |
| (v) Revenues from infra-group transactions with other tax jurisdictions | 147.222.742 | 4.265.516 | 49.903 | 10.099.056 | 6.308.688 | 6.629.704 |
| Revenues from infra-group transactions within the same tax jurisdictions | 516.552 | 24.000 | 0 | 6.666.550 | 0 | 0 |
| Revenues related to other source of infra-group revenue such as dividends, interest and royalties (not included in turnover) | 808.797 | 5.985.116 | 0 | 6.315.954 | 0 | 0 |
| (vi) Profit/Loss before tax | 17.434.823 | 12.396.365 | 1.538.589 | 55.148.473 | 11.511.923 | 1.945.174 |
| (vii) Tangible assets other than cash and cash equivalents | 70.529.450 | 5.796.976 | 37.910 | 57.733.451 | 3.635.487 | 5.226.302 |
| (viii) Corporate on income tax paid on a cash basis | 43.908 | 1.947.265 | 337.197 | 13.485.839 | 6.680.611 | 648.995 |
| (ix) Corporate on income tax accrued on profit/loss income | 1.413.214 | 1.826.371 | 348.491 | 11.711.777 | 6.064.225 | 447.015 |
| (x) Reasons for to the difference between the corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax | <p>The main difference is related to the utilisation of the loss carried forward under the tax consolidation scheme, to other tax incentives (tax credits) for the consumption of electricity and gas for industrial use, and to a minor extent to dividends received (taxable in Italy for 5% of the nominal amount). The energy tax credits received in 2022 by Lamberti SpA represent a non-recurring event.</p> | <p>The main difference is the dividends received, which are not taxable under certain conditions and minor tax adjustments on the basis of local tax law</p> | 0 | <p>The main difference is related to dividend received, not taxable in the year of receipt by the recipient company (already taxed under tax consolidation in the year of generation)</p> | <p>The main differences are:</p> <ul style="list-style-type: none"> - temporary adjustments concerning a tax credit provided by Brazilian Tax Authority; - the deduction of the Interests calculated on shareholders' equity (Juros) in Brazil; and - the application of adjustment for tax inflation in Argentina" | 0 |

| 2022 | Middle-East and Africa | | | USMCA | | | | | | LatAm | | | Asia | | | |
|--|------------------------|--|--------------------------------|------------------------------|---|------------------------------|------------------------------|-------------------------------|-------------------------------|--|---|-----------------|---------------------|---|------------------------------|------------------|
| | Turkey | EAU (Dubai) | South Africa | USA | | | Canada | Mexico | | Argentina | Brazil | Colombia | Hong Kong | China | Indonesia | India |
| (i) Name of resident entity | Lamberti Kimya AS | L. Middle East Specialty Chemicals Fze | L. Specialty Chemicals Pty Ltd | Lamberti USA Inc. | Precision Laboratories LLC | L. Synthesis USA Inc. | L. Canada Inc. | Quimica L. de Mexico SA de CV | Compania de Servicio SA de CV | L. Argentina Srl | Lamberti Brasil Ltda | L. Colombia SAS | L. Asia Pacific Ltd | L. Chemical Specialties Shanghai Co Ltd | PT L. Indonesia | L. India Pvt Ltd |
| (ii) Primary activities of the organization | Distribution | Distribution | Distribution | Manufacturing & Distribution | Manufacturing & Distribution | Manufacturing & Distribution | Manufacturing & Distribution | Manufacturing & Distribution | Service company | Distribution | Manufacturing & Distribution | Distribution | Distribution | Manufacturing & Distribution | Manufacturing & Distribution | Distribution |
| (iii) Employees' number | 4 | 4 | 6 | 131 | 57 | 33 | 7 | 21 | - | 2 | 110 | 2 | 21 | 40 | 29 | 33 |
| (iv) Revenues from third-party sales | 4.961.328 | 6.598.886 | 9.649.774 | 133.605.417 | 72.069.433 | 74.922.826 | 6.054.073 | 13.772.209 | 0 | 3.951.428 | 54.168.771 | 4.161.685 | 30.163.867 | 12.537.162 | 7.762.350 | 10.536.121 |
| (v) Revenues from infra-group transactions with other tax jurisdictions | 0 | 49.903 | 0 | 6.794.967 | 250.031 | 2.980.767 | 43.339 | 29.952 | 0 | 284.610 | 6.024.078 | 0 | 1.458.190 | 2.873.812 | 25.915 | 2.254.808 |
| Revenues from infra-group transactions within the same tax jurisdictions | | | 0 | 2.731.132 | 90.111 | 3.845.307 | 0 | 0 | | | 0 | 0 | | | 0 | 0 |
| Revenues related to other source of infra-group revenue such as dividends, interest and royalties (not included in turnover) | | | | 6.315.954 | | | | | | | | | | | | |
| (vi) Profit/Loss before tax | 515.059 | 221.279 | 802.250 | 26.192.485 | 8.147.735 | 19.014.057 | 710.985 | 1.083.893 | -682 | 597.562 | 10.668.965 | 245.396 | 824.848 | -75.784 | 809.284 | 386.826 |
| (vii) Tangible assets other than cash and cash equivalents | 869 | 1.167 | 35.875 | 26.950.415 | 26.537.945 | 3.658.559 | 119.195 | 467.337 | 0 | 16.558 | 3.617.321 | 1.608 | 13.204 | 3.621.880 | 1.211.418 | 379.800 |
| (viii) Corporate on income tax paid on a cash basis | 146.339 | 0 | 190.858 | 8.824.311 | 14.608 | 4.320.988 | 62.183 | 263.748 | | 41.538 | 6.540.092 | 98.980 | 327.299 | 5.386 | 191.198 | 76.990 |
| (ix) Corporate on income tax accrued on profit/loss income | 122.168 | - | 226.323 | 6.875.124 | 0 | 4.334.363 | 159.666 | 342.624 | | | 5.964.870 | 99.355 | 114.909 | - | 207.151 | 124.955 |
| (x) Reasons for to the difference between the corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax | | | | | The company pays taxes through the parent company L. USA (pass through income, under tax consolidation) | | | | | The main difference is related to the application of adjustment for tax inflation (deductible negative adjustment) | The main differences are: - temporary adjustments concerning a tax credit provided by Brazilian Tax Authority; - the deduction of the Interests calculated on shareholders' equity (Juros) in Brazil; and - the application of adjustment for tax inflation in Argentina | | | | | |

we are.

Product

Chemistry solutions to Chemical challenges.



We are committed to find chemistry solutions to chemical challenges. This is our purpose and greatest contribution. It is an unprecedented opportunity to deliver a real impact.

Since joining the Responsible Care framework more than 20 years ago, our Group has been committed to improve its environmental, health, safety and security for its stakeholders in alignment with Principle 15's Precautionary Approach of the Rio Declaration on Environment and Development.

As a specialty chemical manufacturer, our primary business function is **to develop and successfully market innovative products in this field.** As a responsible business organization, our outlook includes a broader stakeholder¹ community. Our innovative products should not only offer solutions to our customers but should also **assist to combat the effects of climate change, which presents a major opportunity.**

As a global manufacturer of specialty chemicals for various industries and jurisdictions, our stakeholders are vast and diverse. We have always maintained that our organization is firstly our people and collaborators such as customers and suppliers who add value to our operations and final products every day through their hard work and dedication to excellence.

Organizations can neither succeed nor operate as an island. **We are part of a network that through collaboration can become an instrumental part of achieving a greater purpose.**

People are not only responsible for creating and deciding on a common purpose but also work diligently towards achieving such purpose.

Only with engagement we can reach the individual in a way that serves as inspiration to achieve a great and common goal. We are aware that great objectives cannot be achieved alone. It takes all of us to accomplish a common purpose.

Internally, **we have created global chapters of motivated colleagues to work on a voluntary basis to design, promote, and ultimately execute various sustainability-related projects.** This has been of great success since its inception three years ago. Chapter leaders are now in place along our companies worldwide and they can be credited with implementing meaningful projects **such as single-use plastic elimination from most of our global sites, installation of solar panels, LED lighting, and installation of charging stations for electric cars.**

Our approach to stakeholder engagement has external and internal components. Externally, our various teams are constantly engaging customers, suppliers, scientific and academic institutions with whom we collaborate in research and innovation projects, etc. For example, our Product Sustainability Team has collaborated with highly specialized subject-matter experts in the realm of determining environmental impacts at product level by calculating its global warming potential (GWP) or other impact categories as part of a life cycle analysis. Internally, our **Global Sustainability Ambassadors (GSAs) find ways to increase corporate engagement** within our ranks to allow as many employees to participate in Sustainability related projects.

Product stewardship via **innovation, safety, quality, and ultimately product sustainability are key material topics for us.** We fully understand the existing transition in material sciences and products needed in industries at the frontlines of climate change mitigation.

| Innovation | 2019 | 2020 | 2021 | 2022 |
|------------------------------|-------|-------|-------|-------|
| New Products Launched (n) | 90 | 77 | 114 | 98 |
| Patent Driven Sales (%) | 11,2% | 11,4% | 11,0% | 11,9% |
| R&D Investments (% of sales) | 3,6% | 4,0% | 3,6% | 2,6% |

¹Our stakeholders are our employees and their families, customers, suppliers, consumers, shareholders, authorities, associations, financial institutions, trade associations, media, scientific community, academia, competitors, social communities.

Specialized chemistry requires constant innovation. To accomplish a sustainable-by-design approach to product level innovation requires close collaboration with raw material suppliers as well as a careful revision of our gate-to-gate manufacturing processes. Throughout our long history, our customers count on us not only as a reliable supplier but also as a trusted partner to find solutions to current challenges. **Our products as well as our customers' operate** within the context of complex systems where performance and sustainability attributes add value to the entire value chain. Our R&D and Operations teams are working to design and eventually implement multi-tier designs at product innovation and production phases that take performance and sustainability attributes **into consideration at 100% of all new projects.**

We understand that our products are a tangible demonstration of our purpose and therefore have a strong commitment to engage in responsible forms of product design and manufacturing.

Ninety-four percent of the products manufactured in 2022, by volume, were considered **eco-friendly**, demonstrating we are committed to our **ecosystem and the environment.** Additionally, our products comply with various industry-specific international voluntary standards and labeling accrediting their safety, quality, and environmental stewardship.

Chemicals are our core business and we are fully committed to obtain any information to manage the use of chemicals in our plants responsibly, also with regards to the products we put on the market according with current legislations adopted in EU and in various countries and as part of our ethical code, including the **impact for the environment, workers and the general population.** The management of said chemicals and in general of all products part of our industrial activities are followed by internal procedures to define the specific hazard properties, the condition of exposure and finally the definition of risks and the actions to minimize potential hazardous effects on workers and the environment.

| Innovation & IP | 2019 | 2020 | 2021 | 2022 |
|-----------------|------|------|------|------|
| Granted patent | 438 | 431 | 457 | 418 |
| Pending patents | 135 | 104 | 91 | 78 |
| Total patents | 573 | 535 | 548 | 496 |

| Eco-friendly* products manufactured in 2022 | |
|---|--------------------------------|
| 94% (total weight) | 90% (total number of products) |

| Description | 2020 | 2021 | 2022 |
|---|--------------------------|---------------------------|---------------------------|
| % of Eco-friendly products (GSH criteria*) vs. entire product portfolio (number of products sold) | 87,70% | 90,10% | 90,00% |
| % of Eco-friendly products (GSH criteria*) vs. entire product portfolio (volumes sold) | 92,40% | 90,00% | 94,00% |
| Environmental tests performed by our Ecotox lab (number of tests) | 77 | 195 | 187 |
| Products approved under OSPAR** (number of products) | 10 | 15 | 61 |
| Voluntary certification of product for textile application under GOTS, BLUESIGN, ZDHC criteria | 167 | 175 | 350 |
| Voluntary certification of product for paper application under ISEGA | 4 | 4 | 4 |
| Voluntary certification of product for cosmetic application under COSMOS - NATTrue criteria | 12 (8Cosmos - 3 Na-true) | 12 (8 Cosmos - 3 Na-true) | 13 (9 Cosmos - 3 Na-true) |

Customer dissatisfaction has negative impacts on commercial relationships, up to and including the loss of the customer in the event of failure to meet the agreed supply requirements. The supply of non-compliant products/services (out-of-specification materials, incorrect labelling, unsuitable packaging, inadequate transport, etc.) can have potential negative impacts on the customer's processes, including of an HSE nature. However, the 2022 data regarding complaints does not highlight critical issues **that would significantly impact customer satisfaction. Customer satisfaction is a fundamental part of the HSEQ Policy.**

The timely analysis of customer complaints, the identification of the primary causes of the critical issues reported and the implementation of appropriate corrective actions to avoid their recurrence are the main activities implemented to counteract the negative impacts on customer satisfaction, in a perspective of continuous improvement.

The actions implemented to eliminate, mitigate or prevent negative impacts have a positive impact on improving the quality of the products/services provided and, consequently, customer satisfaction, with a view to continuous improvement.

The analysis of critical issues and the management of the resulting corrective/preventive actions are managed via the **RCA&CAPA Portal, active on all Lamberti S.p.A. plants.** The main indicators for monitoring the quality of the products/services provided concern returns, complaints, the level of service and the degree of conformity of the finished products. For returns and compliance, objectives are set annually at individual site level. In 2022 all KPIs relating to the topic improved. The analysis of the causes and the implementation of corrective actions can lead to procedural changes with consequent incorporation of the same into the Management System.

The actions taken to resolve critical issues related to customer complaints (and their effectiveness) can be communicated and shared with the customers

themselves if the disputed non-compliance is accompanied by a request to that effect. Otherwise the process involves only internal stakeholders.

Lamberti Group developed an internal Code of Ethics regulating the strategies undertaken by the company also for material topics part of the management systems adopted for quality, the environment and safety. As part of management systems, different procedures are applied related to actions in case of negative event for our activities. Statistics, reports and other indicators are used to define actions, timeline, targets and the results obtained also for material topics such as product safety. They are part of management systems involving management and the responsible of the area involved. These actions are evaluated for their effectiveness as part of the adopted internal procedures.

Internal and external stakeholders are informed about the activities of the company, including product safety using formal approaches regulated by the current legislation (i.e. Material Safety Data Sheets) or voluntary communications indicated in our internal procedures (i.e. internal reports) or with specific information case by case. The products' safety is part of internal processes and the formal document used to communicate is the SDS.

| Description | 2019 | 2020 | 2021 | 2022 |
|---|-------|-------|-------|-------|
| Safety Data Sheets coverage for products (mandatory and voluntary requirements) | > 99% | > 99% | > 99% | > 99% |
| Italian version Safety Data Sheets coverage for products (mandatory and voluntary requirements) | > 99% | > 99% | > 99% | > 99% |
| Number of Safety Data Sheets (all languages) prepared | 1.593 | 1.700 | 2.483 | 3.913 |
| Number of products for which a Safety Data Sheets (all languages) was prepared | 780 | 779 | 1.011 | 1.318 |

* GSH is The Globally Harmonized System of Classification and Labelling of Chemicals criteria for eco-friendly product classification.
 ** OSPAR is The Convention for the Protection of the Marine Environment of the North-East Atlantic, current legislative instrument for regulating international cooperation on environmental protection in the North-East Atlantic.

There were no incidents resulting in fines, penalties, or warnings of non-compliance with labeling, regulations and/or voluntary codes concerning the health and safety impacts of products and services within reporting year 2022.

We are developing specific actions to achieve a science-based and verifiable efficient use of natural resources and commit to limit and ultimately avoid the use of resources that are proven detrimental to the principles of Sustainability that contribute to climate change.

Understanding and providing useful insight into our products' composition is key to all stakeholders, including our suppliers, customers, even to the end-consumers and ourselves. **We are constantly engaging with our supply partners and innovating ourselves to increase the bio or renewable content in our products** with presents both a formidable challenge and unprecedented opportunity; which is paramount for our product stewardship and ultimately our fiduciary commitment to our planet.

We use the **European Standard EN 16785-2**, which focuses on the material balance method to determine our products' renewable content. Our understanding of measuring renewable content continues to evolve through the years thus in 2021, using that year as baseline, we revised our product stewardship commitment to improve on these results by 10% by year 2025 being confident that in such time period the availability to raw material from renewable resources will significantly increase.

We are pleased to report that for year 2022, using standards mentioned above, the renewable content of our products is measured at 24,2%; which is a 20% improvement over year 2021, doubling our stated commitment that year.

| % of Renewable Content (RC) in Manufactured Products (2022) |
|---|
| 76,4% of products → 0-20% RC |
| 1,5% of products → 20-40% RC |
| 6,7% of products → 40-60% RC |
| 9,5% of products → 60-80% RC |
| 7,7% of products → 80-100% RC |

Renewable content calculations performed internally using EN-16785-2 criteria (water excluded).

Cumulative RC in all manufactured products → 24,4% (2022)

ISO 16128 defines the % of natural sources in the production processes and it is used to differentiate natural and renewable materials compared to fossil sources - This index is limited to products intended for use in Personal Care (NB with NOI > 0.5)

| Description | 2022 |
|---|-------|
| % of Natural Product (according to ISO 16128) vs. total number of Personal Care Products sold | 48,3% |
| % of Natural Product (according to ISO 16128) vs. total volume of Personal Care Products sold | 66,1% |

Material consumption could have a negative actual and potential impact on the economy, environment, and people. We use both natural and synthetic raw materials. At this stage the main negative/positive impact on the organization could be related to the economics aspects. The amount of materials used in the production activities is managed by our ERP systems at most sites. The approval process for new R&D projects includes an evaluation step related to this topic. Starting from 2023 every plant/process modification will be evaluated considering the potential impact on sustainability topics, including the material consumption.

We commit ourselves to be real promoters of change by helping to design a new idea of reliable, safe and responsible value. Our global operations are supported by our sustainable supply chain commitments; sustainability of the supply chain is in fact an integral part of our risk management.

Our supply chain management consists of planning, procurement and logistics management.

Planning - Site Org, reports to the Site Manager: Define and manage the Purchase Requests

Procurement - Headquarters Org. Define and maintain the list of approved suppliers/vendors - Define the purchasing strategy - Negotiate prices and purchasing terms - Monitor KPIs and risk analysis - Manage the Purchase Request - Issue Purchase SAP contracts and Purchase Orders.

Supply Management - Site and Central organization. Define materials requirements and inform Procurement about needs/volumes to be negotiated - Manage multi-site materials - Manage the Purchase Orders and related documentation

Logistic - Central and Site Org. Managing materials handling, inventory, transportation, warehousing In August 2022 the creation of the Corporate Supply Chain Organization merged the activities of Corporate Procurement and Corporate Logistics, Supply Management and Traffic/Distribution.



For our supply chain management, year 2022 has been challenging and all productions, suppliers and supply chain were stressed by global events:

- Energy cost increase (started end 2021) with a pick in Q3 2022
- War in Ukraine
- Shipment and logistic costs increased several times compared to years before
- Shortage of raw materials and block in most of the supply chain
- Price increase for most of raw materials several times compared to years before
- Pick of demand in H1 and a collapse in H2

Lamberti Procurement, Supply Chain, and Businesses reacted with improved internal communication about availability and price changes, increased relationship with supplier moving more to "local" not affected by shipment costs, making stock of strategic raw materials and agreements for a fulfilled supply chain.

Is in place also an increased demand of "Sustainable" raw materials and documentation managed in Lamberti by specific internal Teams and communication processes between Supplier, Procurement, Regulatory, R&D, Businesses.

We have identified and reported in the Supplier Code of Conduct and Sustainability questionnaire:

- Seven relevant topics with a potential negative impact on People and human rights, including child and forced labor, non-discrimination, harassment and violence, health and safety. The impact affect suppliers' employees (directly) as well as Lamberti (indirectly).

- Nine topics with a potential negative or positive impact on the Planet including natural resources and raw materials management, emissions, wastes and transport management. The impact affects the Suppliers (directly) as well as Social Communities, Lamberti and its Customers (indirectly).

- Eleven topics with a potential negative or positive impact on Profit including respect of local laws and communities, respect of competition laws, integrity in business practices, management of conflict of interest and confidentiality of information. The impact affects our Suppliers (directly) as well as Social Communities, Lamberti and its Customers (indirectly).

Provided that at the best of our actual knowledge the negative impacts are potential and entirely related to the activities along the supply chain, our contribution to the impact is only through our business relationship.

We finalized the Group’s Sustainable Procurement Policy to source raw materials, assets, products and services from suppliers who share our principles and corporate values based on integrity and respect for environment, people and local communities.

Our Procurement activities are a pillar is the Lamberti Group’s Code of Ethics which provides a summary of the rules of conduct on which we have always based our activities with a view to disseminating the values and rules of behavior to which the Group aspires. **In 2021 we drew up the Group’s Suppliers Code of Conduct to set the basis for our collaboration along the value chain regarding:**

- Compliance with laws and regulations
- Standards for ethical and responsible business conduct
- Health, safety and quality
- Environmental impact of products, manufacturing processes and services
- Responsible use of natural resources
- Respect for people, local communities and fundamental human rights

We plan to conduct regular reviews based on sustainability risk assessments either by third-party evaluation or by on-site audits. Should a supplier fail to uphold any aspect of our Supplier Code of Conduct, we will develop corrective actions together with the relevant supplier to ensure that the same observes these standards in the future. We reserve the right to

terminate an agreement with any supplier that cannot demonstrate that it is upholding these principles.

Since 2022 Lamberti SpA approved-suppliers are subject to a Risk annual Assessment which include an evaluation of the sustainability risk based on the compliance with our Supplier Code of Conduct. The Suppliers Risk scorecard determines the suppliers’ risk level. For each risk level we set up a specific mitigation action plan which include a 3 years audit program for medium to high risk levels. There are no actions to report because the topic management has started in 2022.

A sustainability risk assessment is realized through a two-years Sustainability Questionnaire which we have addressed to all Lamberti SpA relevant suppliers and an annual turnover threshold of 5.000 EUR. The questionnaire includes the evaluation of the 27 relevant impacts we have identified. The supplier’s score is calculated with an internal method based on percentiles.

We have completed the first suppliers’ sustainability assessment in 2022 based on year 2021 data. We have involved suppliers covering 84% of year 2021 turnover and have received answers covering 45% of the assessed turnover.

It is relevant to underscore that 81% of Lamberti SpA turnover is realized with Low and medium-low risk suppliers scoring above percentile 50 and that only 5% of Lamberti SpA turnover is realized with high risk suppliers scoring below percentile 20.

Responsible material consumption and sustainable supply chain management are material topics for our organization therefore we focus on their impacts. Optimal organization of the supply chain is an essential asset for reaching objectives such as EcoVadis Gold status in which procurement strategy is a key metric. Part of our procurement strategy and responsible management of our supply chain operations consists in prioritizing local suppliers.

Understanding the footprint of our operations in terms of materials used and their renewability is critical to manage its impact. In 2022, the total weight of renewable materials used to produce and package primary products grew by 12% vs. 2021 while our overall material renewability ratios stayed roughly the same as prior year.

| Total weight of materials used to produce and package primary products | | | |
|--|---------|---------|---------------|
| Type of material | 2022 | 2021 | 2022 vs. 2021 |
| Raw Materials (tonnes) | 196.529 | 195.071 | 1% |
| of which renewable (tonnes) | 51.108 | 45.445 | 12% |
| Packaging Materials (k units) | 4.254 | 4.286 | -1% |
| of which renewable (k units) | 212 | 213 | 0% |



| Materials Renewability Ratios | 2022 | | 2021 | |
|--|---------|------|---------|------|
| | Value | % | Value | % |
| Total materials used (tonnes) | 196.529 | 100% | 195.071 | 100% |
| Total non-renewable materials used (tonnes) | 145.421 | 74% | 149.626 | 77% |
| Total renewable materials used (tonnes) | 51.108 | 26% | 45.445 | 23% |
| Total packaging used (k units) | 4.254 | 100% | 4.286 | 100% |
| Total non-renewable packaging used (k units) | 4.042 | 95% | 4.073 | 95% |
| Total renewable packaging used (k units) | 212 | 5% | 213 | 5% |

Our share of recycled input materials increased slightly in the petrochemical downstream output by 0,4% vs. 2021 while our oleochemical output and packaging categories decreased very slightly by -0,1% on both categories.

| % of recycled input materials used to manufacture primary products | | | |
|--|------|------|---------------|
| Type of material | 2022 | 2021 | 2022 vs. 2021 |
| Petrochemical Downstream Output | 1,9% | 1,5% | 0,4% |
| Oleochemical Downstream Output | 0,5% | 0,6% | -0,1% |
| Packaging Recycled | 0,6% | 0,7% | -0,1% |

we are.

Governance

The Challenge and the opportunity



*The knowledge, experience and sustainability culture we have gathered publishing our 4th SR is a sound basis to achieve future targets which involves both regulatory aspects, such as **The European Green Deal** with EU's climate targets for 2030 and 2050 and the yet more stringent customers and stakeholders' requirements.*

*Putting together both these aspects becomes **"the challenge and the opportunity"** for our company, bearing always in mind the thorough balance among three primary aspects of full sustainability: environmental, social and economic.*

*I would like to thank all **Lamberti people**, particularly those involved in this project, aiming at setting up a sustainable and competitive company.*

Paolo Lamberti, President and CEO

Given the present climate emergency affecting our planet, inaction or delay is not an option we can afford. These are generation-defining challenges and we have a moral obligation to do our part. A commitment is a declaration of a pledge or promise. Acting on our stated commitments causes real impact, and that is our Sustainability purpose: **to keep our planet livable for all.**

The Responsible Industrial Manufacturing is one of our funding values. Therefore, all the reasonable precautionary measures are taken, even beyond statutory requirements, when planning, developing and launching products as well as in plant design and operation. The target is to minimize and to avoid negative consequences on the environment and on all the stakeholders.

Our Governance structure, in addition to setting purpose, value, strategy, allows us to set commitment objectives and converts them into actionable projects.

Our Executive Committee (EC) manages and oversees our impact on the Economy, Environment and People, and decides on our strategic direction.

Our Sustainability Steering Committee (SSC) is chaired by our Group’s Sustainability Director and is responsible for analyzing each strategic decision and converts it into actionable projects. The SSC creates subject-matter working groups tasked with project execution.

The SSC reports regularly to the EC and strategic decisions are discussed and projects’ progress are evaluated.

| Governance structure and composition, 2022 | Women (#) | Men (#) | Total (#) | Women (%) | Men (%) | Total (%) |
|--|-----------|---------|-----------|-----------|---------|-----------|
| Total number of members | 0 | 5 | 5 | 0% | 100% | 100% |
| Of which are executive | 0 | 4 | 4 | 0% | 80% | 80% |
| Of which are non-executive | 0 | 1 | 1 | 0% | 20% | 20% |
| Independent members | 0 | 0 | 0 | 0% | 0% | 0% |
| Members from under represented social groups | 0 | 0 | 0 | 0% | 0% | 0% |
| Members with ESG competences | 0 | 0 | 0 | 0% | 0% | 0% |



As Sustainability increasingly becomes more mainstream to our Executive Committee in terms of strategic decisions, discussions on ESG topics are more frequent and broader in scope. Sustainability briefings and progress report meetings on our organization’s impacts on the economy, environment, and people are an opportunity for performance evaluation of all involved.

Specific briefings on ESG topics between the Sustainability Steering Committee and Executive Committee level occur at least twice yearly.

Our company’s Sustainability Reporting Committee was established back in 2019. This committee is representative of our organization’s main functions with diverse and experienced members. The Reporting team area of responsibility is to coordinate, and overview reported data. The Executive Committee is familiar with and reviews reported information including all material topics. The Sustainability Steering Committee, composed of top and senior executives, briefs the EC on progress of all material topics.

In addition to reporting on progress of sustainability projects, etc. to the EC, the Sustainability Steering Committee uses these meetings as training sessions on relevant ESG related topics.

Lamberti S.p.A. is a private company with a traditional governance system in place that delegates specific responsibilities to the Board of Directors, the Board of Statutory Auditors and the Shareholders’ Meeting. As regards the Group’s Board of Directors, the Shareholders’ Meeting held on 29 June 2021 appointed a new Board of Directors consisting of five members who will be in charge until 31 December 2023.

The Board of Statutory Auditors was also re-elected on 29 June 2021. It consists of three auditors and two alternate auditors and will be in office until 31 December 2023.

The Company’s HR policy regarding remuneration consists of ensuring that people receive fair remuneration based on skills, experience, responsibility and performance results.



The variable remuneration policy envisaged for Executives and senior managers includes an objective linked to sustainability.

The process is based on the integration of the remuneration values envisaged by the national contracts where applicable and by the local regulations in force, with the market values and with the recognition of individual merit. Staff can make requests for salary adjustments following the hierarchical chain. All requests are examined by the HR function and evaluated.

Due to our global footprint and various labor related jurisdictions including wide market and country diversity and circumstances related inflation, etc., the indicator consisting of the ratio of the annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees is not a meaningful assessment of our remuneration values as described above.

Policy commitments for business conduct is expressed in the Group Code of Ethics. **We are an organization strongly committed towards respecting human rights.**

In our Group’s Code of Ethics it is specifically written **“The Group opposes all discriminatory behaviors and those intended to harm people, their beliefs and tendencies, with reference in particular to physical and mental disabilities and impairments or different forms of diversity based on their culture, religion or sexuality. The Group implements appropriate measures in the selection, hiring and internal development phases to guarantee all the people of Lamberti a fair treatment based on criteria of merit and with no discrimination whatsoever. Specifically, the Group promotes terms and conditions of staff employment which do not discriminate between people for reasons of race, ethnic origin, nationality or religion and strives to provide a workplace free from harassment. This not only includes sexual harassment but also harassment based on any one of the characteristics listed above. The Group shall not tolerate any form of unlawful, child, forced or obliged labor. It prohibits and strives to counteract sexual harassment, behaviors and words that could offend or embarrass the individual, and the use, even temporary, of alcohol or drugs on the part of individuals when performing the working activity and operating in the workplace.”**

In addition to our Group Code of Ethics, our company has an official statement specifically on the issue of Child and Forced labor.

Child and forced labor are pervasive and extremely severe problems throughout the world. Ending child labor and all forms of forced and compulsory labor is integral to the **Ten Principles of the UN Global Compact initiative.**

The Lamberti Group, as a global employer and player in the chemical specialties industry, is committed to operating responsibly and sustainably throughout the world as well as throughout its entire value chain. For this reason, we have adopted formal policies both at global and local level. In addition, we have also promoted local initiatives aimed at having an indirect impact on child labor reduction.

The Group’s code of Ethics has been made widely available and proactively promoted within all our geographies and affiliates. The promotion has been undertaken through the translation in nine different languages to make it easily available to all the employees working in our affiliates.

The Directors of all the geographical regions where we operate (Americas, EMEA, APAC and India) have personally committed themselves to actively promote the Code of Ethics throughout their entire organization including all new employees. In addition, they constantly monitor and ensure that our own and those of our partners are fully in compliance with our standards.

The Ten Principles of the UN Global Compact initiative is the internationally recognized human rights that the commitment covers. Our policy commitments are communicated via website, social media, and in-person presentations with various internal and external stakeholders. During the last several years, our Group has been committed, worked alongside, and funded projects globally to advance universal human rights issue of gender equality. These policy commitments were approved at most senior level: **Executive Committee.**

Since 2021 in India we are promoting the “She Dares” initiative which is dedicated to women of Ramsar Palawa, a farmers’ village in the state of Rajasthan. This initiative, inspired on **SDG 5 “Gender Equality”**, aims to empower and motivate women to pursue basic formal education and make them financially stronger to support their family needs, advance gender equality and positively impact their child’s education.

Thanks to our contribution, we had a positive impact on 32 families in 2021 and on 77 families in 2022 allowing them to increase their income.

She Dares indirectly impacts also children of these households. Since Lamberti is promoting this initiative, experienced that 11 women from different households resumed their education and reached secondary education in 2022. This brought a mind-set change in these communities and in particular motivated children to prioritize education over manual labor work.

We are glad to claim that 100% of children beneficiary of She Dares study either in government or private school.

“She Dares” Rajasthan India



“Lamberti Transforma” Nova Odessa Brazil



We also support local communities in Brazil, where we established our very first foreign affiliate back in 1981. “**Lamberti Transforma**”, inspired by SDGs 1, 4, 5 and 10, aims to support local women, providing them with technical tools and personal coaching to empower their decision to be an entrepreneur and helping them to take more control of their lives. Throughout 2021 and 2020, 50 families were directly assisted and benefited by the projects.

This initiative also impacted on planning and work organization. This is due to the need for women to manage their time and activities better and is reflected in the guarantee of more intense attention to the family, which in turn helps to prevent children from getting involved in their parents’ work or having to look for other sources of income to complement the family income.

In Brazil, according to official data from 2019, it is estimated that around 1,7 million children and adolescents are in situations of child labor exploitation. Therefore, **Lamberti’s work in partnership with Aventura de Construir plays an important role in combating child labor**, encouraging parents and families to manage their businesses well, avoiding the need for children to work.

The Code of Ethics is how policy commitments are made public and embedded in our organization. Externally, our Code of Conduct is the vehicle we

use to ensure our partners are committed to conduct business in a responsible manner.

In addition to posting the Code of Ethics on our corporate website and translating into nine different languages, we have conducted training globally on the Code of Ethics throughout our Group.

Our commitments are integral to our organizational strategy as they are reflected in key strategic specific documents such as Code of Ethics and Suppliers Code of Conduct. This report, related to our sustainability policy, puts forth our environmental, social, and governance strategies.



In our Suppliers Code of Conduct:

Child and forced labor: The Lamberti Group rejects any form of illegal, child or forced labor. Our suppliers must not engage with any sort of unlawful, child or obliged labor in all their business operations.

Non-discrimination: The Lamberti Group opposes any discriminatory or harmful behavior towards people for physical or mental disabilities, for diversity of culture, race, religion, gender, sexual orientation. We expect our Suppliers not to discriminate their employees on personal characteristics such as illness, disability, religious belief, nationality, skin color, gender, sexual orientation.

Health and safety: The Lamberti Group guarantees health and safety in workplace. We promote the culture of safety and we take care of both employees' and external workers' health and safety. Our Suppliers must comply with all occupational health and safety laws, they must analyze the risk and they must take preventive and safe measures for their employees and sub-contractors.

Harassment and violence: The Lamberti Group fully rejects and opposes all harassment and violence of

sexual, racist, cultural and religious nature. We expect our Suppliers to implement equivalent measures to avoid any kind of harassment and violence in their workplaces.

However, we have not implemented a grievance management system.

Lamberti SpA has implemented a whistleblowing procedure for collecting reports related to its Organizational Model and Code of Ethics.

In compliance with the organizational and management model for the prevention of crimes listed in the Italian Legislative Decree 231/2001 and any related laws, Lamberti appointed a Supervisory Board. It coordinates its activities with other bodies and departments responsible for the correct implementation and operation of control and monitoring. In performing its duties, the Supervisory Board also collaborates with company bodies and managers that have to lead by example and ensure their daily behavior is coherent with the rules of the Code of Ethics. In order to raise awareness regarding the Code, the Group guarantees free access to all documentation regarding the organizational and management model and the Code of Ethics.



There were no incidents of corruption and no legal actions for anti-competitive behavior, anti-trust or monopoly practices, nor non-compliance with laws and regulation in the social and economic area or significant fines and non-monetary sanctions recorded in 2022.

The Lamberti Group is private with a traditional governance system in place that delegates specific responsibilities to the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting. The Group's headquarters are located in via Marsala 38/D; 21013 Gallarate (VA) Italy.

The Group operates in 21 countries and the reporting scope includes the 10 countries where the Group has significant manufacturing operations (Italy, France, Russia, Spain, Brazil, Mexico, USA, China, India and Indonesia) and the commercial offices of United Arab Emirates, South Africa and the site in Canada as far as human resources data is concerned. The impact of all other commercial offices (Hong Kong, South Korea, Germany, Turkey, Poland, Norway, Argentina and Colombia) on the performance indicators at the consolidated level is not deemed significant. For figures related to economic performance, all Group activities are included and the scope of the Report corresponds to the 2022 consolidated financial statements, unless otherwise indicated.

The differences with regards the audited 2022 Group Consolidated Financial Statements and Sustainability Reporting concern the entry into the consolidation area of acquired companies:

- Agro Invest International Holdings Limited (UK)
- Turftech International Holdings Limited (UK)
- Turftech International Limited (UK)

The consolidated financial statements have been prepared on the basis of the financial statements approved by the consolidated companies' share/quota holders or boards of directors, adjusted, where necessary, for alignment with the group's accounting policies, or on the basis of the reporting packages drawn up in accordance with the parent's instructions and submitted by the consolidated companies.

The accounting policies used to prepare the consolidated financial statements are those that the parent has adopted to draw up its financial statements, i.e., those adopted by most of the consolidated companies.

The assets and liabilities with the same or similar names and content which are recognized in the group companies' financial statements and which will be recognized together in the same consolidated financial statements captions are measured using the same criteria.

The consolidated financial statements provide for the line-by-line consolidation of the carrying amounts of the assets, liabilities, costs, revenues and cash flows of the companies under the parent's direct and indirect control.

The line-by-line consolidation method consists of the following steps:

- adjustments for alignment with the group's accounting policies and any other consolidation adjustments, such as reclassifications;
- combination of financial statements or reporting packages to be consolidated regardless of the percentage of investment. The profit and loss accounts of the companies acquired or sold in the year are consolidated based on the period of time of group ownership;
- elimination of the carrying amounts of investments in consolidated companies balancing the group's corresponding portion of their net equity at the acquisition date.

Any consolidation differences, if positive, are allocated to each acquired identifiable asset up to the carrying amount of such assets and, in any case, without exceeding their recoverable amount, and to each assumed identifiable liability, including the related tax effects. If positive consolidation differences are not entirely allocated to the acquired separately identifiable assets and liabilities, the residual difference is recognized as "Goodwill" under intangible fixed assets, unless it must be fully or partially taken to the profit and loss account. The residual consolidation

differences are allocated to goodwill if they meet the requirements for recognition as such under the applicable OIC.

Any additional residual value that cannot be allocated to assets, liabilities and goodwill is taken to the profit and loss account under "Other operating costs".

If negative, the consolidation differences are allocated, where possible, to assets recognized at carrying amounts in excess of their recoverable amount and to liabilities whose carrying amounts are lower than their settlement amounts, net of the tax effect. Any residual negative difference is recognized in the specific "Consolidation reserve" under net equity, unless the difference is not the result of the net losses of the investee but rather the result of a good deal.

Any further additional unallocated consolidation differences that relate, wholly or in part, to the forecast net losses of the investee are recognized in the provisions for risks and charges and will be used in subsequent years to reflect the assumptions made when the investee was acquired and, in any case, irrespective of whether the forecast losses are actually incurred.

The group's portion of the subsidiaries' unallocated profits, other net equity reserves and other post-acquisition changes in net equity is recognized as an increase in net equity, normally under "Retained earnings (losses carried forward)", unless they are attributable to the exchange rate differences of foreign investees, as follows:

- elimination of intragroup balances and transactions between consolidated companies and intragroup profits and losses;
- recognition of any deferred tax assets and/or liabilities;
- elimination of dividends received from consolidated companies and write-downs of investments in consolidated companies, in order to avoid double recognition;
- reclassification of the parent's shares held by

consolidated companies to caption A) X "Reserve for own shares";

- calculation of the portion of minority interests in net equity and the net profit (loss), in order to recognize these amounts separately in the consolidated financial statements;
- measurement of unconsolidated investments in subsidiaries, associates and joint ventures using the equity method;
- analysis and accurate presentation of the acquisition of additional interests in consolidated companies and the sale of investments with or without loss of control, as well as other changes in the consolidation scope;
- preparation of the consolidated financial statements.

Reporting period is 1 January 2022 through 31 December 2022. The frequency of the report is annually. The financial reporting period aligns with the sustainability reporting period: 1 January through 31 December, annually.

Any restatements of the information provided in this report would be clearly disclosed in the appropriate sections.

For more information regarding Lamberti's Sustainability Report, please refer to the following contact: sustainabilityreport@lamberti.com

Lamberti Group has published Sustainability Reports annually starting in 2020 for reporting year 2019. Each installment thus far has been published and submitted in accordance with the GRI standard. For the 2022 report, also in accordance with GRI, our Group's Board and Management Team has decided to perform external assurance, a logical step in our sustainability journey.

The assurance provider is an independent organization which has absolute independence from the Lamberti Group and it is able to reach and publish objective and impartial conclusions.

In the definition process of the materiality analysis,

first, a group of potentially relevant aspects for the company and its stakeholders were identified. The identification included the analysis of internal documentation and external documentation.

Additionally, we performed a benchmarking analysis of industry best practices at national and international levels. Internal and external stakeholder groups responded to the key topics and concerns raised where representatives of each area expressed their point of view regarding relevant issues for the company.

Working alongside the Deloitte & Touche S.p.A. team, we performed our materiality assessment by filtering every step through actual and potential, negative and positive impacts on the economy, environment and people including impacts on their human rights by working on three key phases:

1. understanding our value chain impacts and relevant stakeholders
2. creating a longlist of sustainability topics through stakeholder engagement focused on the single materiality concept of impact risk and assessing the most significant topics to our organization, and lastly
3. integration of the results into reporting and strategy.

Among the topics evaluated, only those with the highest social and environmental impact as well as those with the highest relevance for stakeholders were considered essential for the Sustainability Report.

Given Sustainability's broad reach, to focus on materiality impact a materiality analysis assessment with methodological support provided by Deloitte & Touche S.p.A. was performed in November of 2021.



List of material topics:

| Governance structure and composition, 2022 | Material Topic |
|--|--|
| Economic responsibility & Compliance | Ethics and integrity |
| | Economic performance |
| | Digitalization |
| Products & services | Product safety |
| | Product innovation and intellectual property |
| | Quality of products and services and customer satisfaction |
| | Production optimization |
| Social responsibility | Product sustainability |
| | Enhancement, skills development and talent attraction |
| | Employee welfare and well-being |
| | Relation with local communities |
| Supply chain | Diversity and equal opportunities |
| | Sustainable supply chain management |
| Environmental responsibility | Responsible management of water resources |
| | Responsible materials consumption |
| | Effluents and waste management |
| | Energy and Emissions |
| | Environmental compliance |

Topic Boundaries

| Macro-Area | Material Topic | Website Section | Topic Boundary | Type of Boundary | |
|--------------------------------------|--|---|---|---|------------------------|
| Economic responsibility & Compliance | Ethics and integrity | People | Lamberti Group | Generated by the Group | |
| | Economic performance | Prosperity | Lamberti Group; Investors and financial community | Generated by the Group | |
| | Digitalization | People | Lamberti Group | Generated by the Group | |
| Products & services | Product safety | Product | Lamberti Group, customers and final-consumers | Generated and contributed by the Group | |
| | Product innovation and intellectual property | Product | Lamberti Group | Generated by the Group | |
| | Quality of products and services and customer satisfaction | Product | Lamberti Group | Generated by the Group | |
| | Production optimization | Product | Lamberti Group | Generated by the Group | |
| | Product sustainability | Product | Lamberti Group | Generated and contributed by the Group | |
| | Social responsibility | Enhancement, skills development and talent attraction | People | Lamberti Group | Generated by the Group |
| | | Employee welfare and well-being | People | Lamberti Group | Generated by the Group |
| Relation with local communities | | People | Lamberti Group | Generated and contributed by the Group | |
| Diversity and equal opportunities | | People | Lamberti Group | Generated by the Group | |
| Supply chain | Sustainable supply chain management | Product | Lamberti Group | Generated by the Group | |
| Environmental responsibility | Responsible management of water resources | Planet | Lamberti Group | Generated by the Group | |
| | Responsible materials consumption | Planet | Lamberti Group and its suppliers | Generated by the Group and directly linked through its business relationships | |
| | Effluents and waste management | Planet | Lamberti Group, customers and final-consumers | Generated and contributed by the Group | |
| | Energy and Emissions | Planet | Lamberti Group | Generated by the Group | |
| | Environmental compliance | Planet | Lamberti Group | Generated by the Group | |

| | MATERIALITY TOPICS | POSITIVE IMPACTS | NEGATIVE IMPACTS | ACTIONS TO MITIGATE NEGATIVE IMPACTS | |
|--------------------------------------|---|---|--|--|---|
| Economic responsibility & Compliance | Ethics and integrity | The company is transparent in its operation avoiding case of corruption or money laundry | A lack of transparency could inable of the or- ganisation to respond promptly to the evolving context in the areas of sustainability. | The Code of Ethics defines the rules of conduct in order to prevent negative impacts. The entire Group has performed a Code of Ethics training. In June 2022 the Group has formally launched a Digitalization project which has involved and is involving many people in different areas of our organization. Specific KPIs depending on the area and objective of the project will be put in place in order to measure and manage the impacts of digitalizations on our activi- ties. These KPIs are still under consideration and will be defined once the project will be implemented at pilot scale level. The main indicators currently in use to evaluate the progress are projects' group deliverables and internal deadlines. Projects' groups have adopted an agile working method which allow them to keep track of the progress in a very efficient and systematic manner. In addition, checkpoints with other projects' stakeholders and sponsors have been defind in order to get a third party feedback and approval. | |
| | Economic performance | The company generates economic value in the local supply chains (in areas such as carpentry, mainten- ce, etc.) | A lack of company's value creation would lead to a decrease in the economic value generated in the local supply chains | | |
| | Digitalization | Digitalization and process optimization allows for more efficient processes and energy efficiency | Inefficient processes would lead to increased use and waste of resources. | | |
| Products & services | Product safety | The company's products ensure a longer lifespan, gua- ranteeing performance that are safe and lasts for years thus allowing for less maintenance over time | Negative impact on the health and safety of cu- stomers and workers even in the creation phase | As part of management systems, different procedures are applied with related actions in case of negative event for the activities. Statistics, reports and other indicators are used defining the actions, the timeline, the target and the result obtained also for the material topic. They are part of management systems in- volving the Direction and the responsible of the area involved. Internal and external stakehoderls are informed about the activities of the Company, including the material topic, using formal approaches regulated by the current legislation (i.e. Material Safety Data Sheets) or voluntary communications indicated in our internal procedures (i.e. internal reports) or with specific information case by case. The product safety is part of internal processes and the formal document used to communicate is the SDS In 2022 the situation is: Safety Data Sheets coverage for Lamberti products for mandatory and voluntary requirements >99% Italian version Safety Data Sheets coverage for Lamberti products for mandatory and voluntary requirements >99% Number of Safety Data Sheets(all languages) prepared during the period 3913 Number of product for which a Safety Data Sheets (all languages) was prepared during the period 1318 | |
| | Product innovation and intel- lectual property | | NA | | Different indicators and targets are used in Lamberti Group to evaluate the progress of the actions . All the product in SAP are marked for innovation following internal procedures and periodically evaluated following target identified by the Company. |
| | Quality of products and services and customer satisfaction | | Poor product and service quality leads to custo- mer dissatisfaction | | The analysis of customer complaints, the identification of the primary causes of the critical issues reported and the implementation of appropriate corrective actions to avoid recurrence, are the main activities put in place to counter the negative impacts on customer satisfaction, in a perspective of continuous improvement.The main indicators for monitoring the quality of the products/services provided concern returns, complaints, the level of ser- vice and the degree of conformity of the finished products. Site-level goals are set annually for returns and compliance. |
| | Product sustainability | | An unsustainable product has a greater impact on the environment | | More detailed elements are to be considered for Product Sustainability in addition to the general aspects indicated above, for example reduction of fossil raw materials and the R&D activity for new products with characteristic according the EU Chemical Strategy of the Sustainability |
| Social responsibility | Enhancement, skills develop- ment and talent attraction | The company tends to employ people from the local community, contributing to improving the employ- ment level in the surrounding areas | Poor management of employees leads to a lack of competences and skills growth | The company is equipping itself with a learning & communication platform aimed at guaranteeing the entire population worldwide access to educatio- nal and informational content as well as the possibility for each employee to independently and freely identify learning paths and topics. This platform represents a tool to ensure equal opportunities in training and professional growth. The company will evaluate the increase in distance training hours compared to face-to-face training and the trend of the turnover index | |
| | Employee welfare and well-being | Positive impact on the road network and local traffic due to less travel by employees | NA | In implementing the smart working method, it is expected that each employee will still have moments of presence in the office linked to interaction needs in order to facilitate the exchange between team members as well as among different teams, to maintain the sense of belonging and for funda- mental moments of face-to-face confrontation. We are experimenting with remote work and the results obtained so far have been positive to the point that they have led us to expand the population involved in different ways | |
| | | Positive impact on the organisation of employees' private lives | | | |
| | Relation with local communities | The company tends to employ people from the local community, contributing to improving the employ- ment level in the surrounding areas The company generates economic value in the local supply chains (in areas such as carpentry, mainten- ce, etc.) | Spills into water and emissions of pollutants into the air can expose neighbouring residential or industrial areas to a toxicological risk | L. VIGUZZOLO: The company is fully aware of the possible, albeit remote, repercussions on the territory. In all areas with outward fallout there are no sensitive elements. The company has a good relationship with the local population and authorities. Where involved by local communities, the plant actively participates in the proposed initiatives. L. FIORANO: We have some elements with an impact on the environment (atm emissions, use of refrigeration machines, accidental spills, noise) which are monitored and managed by mitigating them.L. IBERIA: We follow corporate's Code of Ethics and Supplier's Code of Conduct to avoid and mitigate any potential negative impact whether via direct or indirect business activity or relationships. L. VIGUZZOLO: In the event of events having a negative impact on the outside: • Internal emergency plan (PEI) also including emergencies of an environmental nature. • External Emergency Plan (PEE) L. ALBIZZATE: Operational safety measures are underway on the surface aquifer following the detection of previous contamination using a Pump and Treat system. L. WHARTON: Safety Supervisor is a member of the Local Emergency Planning Committee. Lessons learned are compared with company emergency response policy for opportunities of improvement. Safety Supervisor routinely engages with local emergency responders such as law enforcement and fire department. to promote awareness. Charitable Contribution Policy in progress. Charity has to have a tax id number to qualify for donation. Area donations are to Wharton County Youth Fair, Lion's Club, Hungerford Fire Department, member of local Chamber of Commerce. Policies are reviewed on a recurring basis. Inspections and investigations provide a measure of effectiveness. L. IBERIA: Engagement as helped us focus to maximize real impact. For example, the NGO has told us where they need the most assistance and we have acted accordingly. | |
| | | | The promiscuity between facilities and towns le- ads to significant complexity in the management of relations with local institutions | | |
| | | | Some production plants, which generate light and noise pollution, are built close to residential areas in the vicinity of built-up areas. | | |
| Diversity and equal opportunities | The company promotes initiatives aimed at improving the working environment and making it more inclusive and capable of valuing and integrating diversity | Impact on the road network and local traffic due to the movement of employees, raw materials and products. | NA | We focus on the development and training of our people starting with an onboarding program so that new employees feel immediately part of our community. Once placed in the company, we will provide a series of training opportunities in line with the requirements required to best cover the job position.There are moments of feedback on work performance for each employee. This constitutes a moment of discussion between manager and collaborator with the aim of strengthening communication and understanding of strengths and areas for improvement. We have implemented integration projects that have contributed to developing a culture of inclusiveness within the organization, such as Isola Formativa (Italy), Lamberti Transforma (Brasil) and She Dares (India) | |
| | | An accident could affect other industries or inhabited areas. | | | |
| Production optimization | Digitalization and process optimization allows for more efficient processes and energy efficiency | NA | Different indicators and targets on this topic are used in Lamberti Group to evaluate the progress of the actions | | |

| | MATERIALITY TOPICS | POSITIVE IMPACTS | NEGATIVE IMPACTS | ACTIONS TO MITIGATE NEGATIVE IMPACTS | |
|---|--|--|---|--|--|
| Supply chain | Sustainable supply chain management | The company promote the awareness of its stakeholders in the value chain | Lack of company monitoring processes of supply chain performance in the area of human rights and labour rights | Sustainability risk assessment is realized through a two-years Sustainability Questionnaire which we have addressed to all Lamberti SpA relevant suppliers and a turnover threshold of 5.000 EUR/Y. The questionnaire includes the evaluation of the 27 relevant impacts we have identified. The supplier's score is calculated with an internal method based on percentiles. | |
| | | Positive impact on the level of ethical standards in the value chain and respect for human rights, product quality and responsible use of resources | | | |
| Environmental responsibility | Responsible management of water resources | Reuse of water in the industrial production cycle allows less usage of water | Accidents or unforeseen events in production, storage, or other operational activities could result in the release of chemical pollutants into the water. | <p>L. SYNTHESIS USA CHATTANOOGA: We have a storm water system that can contain potentially contaminated rainwater if necessary. KALICHEM: According to the procedure "KAL 34: Water Management". The Quality Assurance Manager evaluates the results of the analysis and allow the use of the water. According to the procedure "KAL 34: Water Management" every type of water used in the Company (production, cleaning, etc.) has its own monitoring plan. L. VIGUZZOLO: Systematic monitoring of both industrial and drinking water consumption. L. IBERIA: Water is part of our production process and is also used for cleaning at the end of the product process. It is managed by a waste manager who recovers part of the water without being contaminated and circulates it for irrigation. Definition of corporate water usage reduction targets. Implementation of actions defined in the energy improvement plan The operating procedures and responsibilities for examining and evaluating the activities, processes and factors that can give rise to impacts on the environment, which can be kept under control and on which an influence can be exercised, as well as documenting the environmental aspects deriving from previous activities and future are defined in Annex 1 of the HSEQ Directive 01 - Analysis of Risks and Opportunities. The identification of the environmental aspects is performed by carrying out the environmental analysis of the organization's activities in three successive phases: 1. examination of all the organization's activities to detect the environmental aspects that can be associated with them from a qualitative point of view; 2. collection and processing of all data concerning each of the environmental aspects; 3. assessment of the environmental impacts associated with the environmental aspects identified in order to attribute their significance. NERVIANO: From the analysis of consumption in recent years, the site has made an investment aimed at reducing the consumption of mains water by installing a membrane system which allows the recovery and reuse of synthesis water from a production department. This investment will be put into operation at the beginning of 2023 and by the end of the first half of the year the opportunity to also recover a part of the washing of the plants will be evaluated. L. SOUTH AFRICA: We repair water leakages immediately, we try to conserve water by the government intervention programs of water shedding schedules. VIGUZZOLO: All the water produced by the plant is sent to the consortium sewage collector in compliance with the parameters defined by law, local regulation and Integrated Environmental Authorization for this discharge.</p> | |
| | | | Poor product and service quality leads to customer dissatisfaction An unsustainable product has a greater impact on the environment | | |
| | Responsible materials consumption | Use of raw materials from renewable sources could have a positive effect on biodiversity | Inefficient consumption of raw materials | | The amount of materials used in the production activities is managed by SAP in most sites. As a consequence it is possible to highlight significant variances. The approval process for new R&D projects includes an evaluation step related to this topic. Starting from 2023 every plant/process modification will be evaluated coconsidering the potential impact on sustainability topics, including the material consumption. |
| | | | Pollution related to the production of synthetic materials | | |
| | Effluents and waste management | The company has a management system that limits negative impacts | Production generates waste, as does the product itself once used. Raw materials and product also have packaging that must be disposed of. | | As a consequence of the policy to reduce waste, the sites identified some actions to reach the company target. This was done especially from the italian sites. |
| | Energy and Emissions | The company purchases part of the energy used from renewable sources avoiding emission impacts | Plants have an energy consumption related to normal production activity. | | |
| Production activities within the value chain (in particular also logistics and product handling) also use energy from fossil sources with emissions that contribute to global climate change. | | | | | |
| Environmental compliance | The company has a management system that limits negative impacts | Accidents or unforeseen events in production, storage, or other operational activities due to non-compliance could result in the release of chemical pollutants into water or air, affecting ecosystems. | ISO 14001 certification, procedures, audits | | |

External Assurance



Independent Auditor's Report on Sustainability Reporting 2022

To the Board of Directors of Lamberti SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of Lamberti SpA (the "Company") and its subsidiaries (hereinafter the "Group" or "Lamberti Group") for the year ended 31 December 2022.

Responsibilities of the Directors for the Sustainability Report

The Directors of Lamberti SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards") updated in 2021, as illustrated in the "Methodological note" section of the Sustainability Report.

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

The Directors are also responsible for defining the sustainability performance targets of Lamberti SpA, as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants 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 (ISQM 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Business Services Srl

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Auditor's Responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, primarily of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1) we analysed the process of definition of the material topics reported on the Sustainability Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
- 2) we compared the financial information reported in the "Direct economic value generated and distributed" section of the Sustainability Report with the information included in the Group's annual consolidated financial statements;
- 3) we obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we inquired of and discussed with management personnel of Lamberti SpA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Sustainability Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Group:

- at group level
 - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.



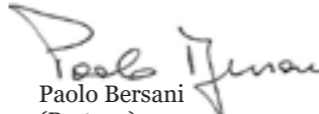
- for the industrial sites located in Albizzate (Italy) and Zanica (Italy), which were selected on the basis of their activities, their contribution to the performance indicators at consolidated level and their location, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Lamberti SpA for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodological note" section of the Sustainability Report.

Milan, 10 novembre 2023

PricewaterhouseCoopers Business Services Srl


Paolo Bersani
(Partner)

Firmato digitalmente da: Paolo Bersani
Data: 10/11/2023 14:10:03

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Sustainability



