

	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		

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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.</p> <p>Definition of corporate water usage reduction targets.</p> <p>Implementation of actions defined in the energy improvement plan</p> <p>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.</p> <p>The identification of the environmental aspects is performed by carrying out the environmental analysis of the organization's activities in three successive phases:</p> <ol style="list-style-type: none"> 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. <p>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		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		