

An aerial photograph of a lush green field, possibly a vineyard or agricultural field, with distinct rows of plants. A single, full-canopied tree stands in the middle-right section of the field, casting a long, dark shadow to its right. The overall scene is bathed in a warm, golden light, suggesting late afternoon or early morning.

**NEO  
DECOR  
TECH**

Decors and surfaces  
for sustainable living.

# **CONSOLIDATED NON-FINANCIAL STATEMENT 2023**

pursuant to Legislative Decree 254/2016



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## Letter to stakeholders




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**Luigi Cologni**  
Neodecortech Group CEO

The year 2023 mirrored the challenges of the prior year, marked by significant uncertainty and macroeconomic hurdles stemming from geopolitical tensions and the direct or indirect fallout of global conflicts

Throughout the year, we witnessed deteriorating market conditions and intensified price pressures, accompanied by a decrease in industry demand.

We navigated through a challenging year at Neodecortech by prioritizing efforts to enhance our competitiveness and readiness for unpredictable conditions.

We approached the increasing global sustainability demands with the same mindset, and within our capabilities, we strive to fulfill them.

**Despite facing numerous challenges, our determination to generate lasting value persists. This value not only satisfies present stakeholders but also utilizes resources in a manner that preserves opportunities for future generations.**

Our commitment to responsible action has been unwavering, whether in energy supply or production processes. We strive to exceed mere compliance with social and environmental standards.

This very Report, which we have voluntarily prepared for 3 years now, stands as testament to our commitment. In an effort to enhance transparency, we have redesigned this year's edition of the document. Projects and activities are now organized into 5 interconnected and complementary areas of intervention, both tangible and intangible, which we view as the Group's Capital: infrastructure, economic-financial, environmental, human, and relational.

The following pages detail the primary accomplishments attained by the Group throughout the year and its support for the United Nations Sustainable Development Goals (SDGs) 2030. These goals are integrated into our corporate strategy alongside the identified material topics

We have also highlighted the Neodecortech Group's innovative prowess, which permeates all facets of our operations and has driven us to achieve significant milestones this year.

**Foremost among these achievements is our attainment of carbon neutrality - Scope 1 and 2 - achieved ahead of schedule, thanks to the initiatives already accomplished in recent years and the current business plan, aligned with the United Nations Sustainable Development Goals.**

Another notable achievement is the significant reduction in our water footprint, attributed to the upgrading of the existing purification plants at the Neodecortech site in Filago, and advancements in water reuse processes.

Additionally, the NDT Energy project, currently under evaluation by the relevant agencies, involves the energy recovery plant situated in Casoli d'Atri (TE). This initiative aims to fulfill the thermal requirements of the laminates division to a large extent.

Once again this year, the company's steadfast dedication to combating climate change was reaffirmed by Neodecortech's "B" score - higher than the global average - awarded for two consecutive years by the Carbon Disclosure Project program. The Group joined this initiative in 2021.

**We ensure that our definition of sustainability encompasses people, empowering them to enact meaningful changes. At Neodecortech, this entails conducting operations with honesty, integrity, and transparency, while respecting human rights and the interests of our community.**

This year we continued to support a number of local causes and dialogue with institutions. In our efforts to gauge corporate culture, we conducted interviews with our employees. In essence, the feedback revealed that individuals at Neodecortech feel respected in the workplace, regardless of their background. We are proud to promote this culture of inclusion.

Adapting to the ever-changing economic and environmental landscape of today necessitates resilience as a crucial component.

Therefore, I wish to extend my heartfelt gratitude to our shareholders, employees, customers, and partners for their unwavering trust and support during this challenging year. Together, we will persist in the ongoing development of Neodecortech, striving to strengthen our company further and consistently generate value for the betterment of both the environment and society.

Filago, 12 March 2024



## Methodological note

The Consolidated Non-Financial Statements (hereinafter also referred to as "Non-Financial Statements" or "NFS") of the Neodecortech Group are designed to transparently communicate the sustainability approach of the Group. These statements outline the Group's performance in environmental, social, and economic sustainability areas.

The NFS was prepared, on a voluntary basis, in accordance with Articles 3, 4 and 7 of Legislative Decree 254/2016 and taking as a reference the "Sustainability Reporting Standards 2021" defined by the Global Reporting Initiative (GRI). Neodecortech S.p.A. has prepared this report in accordance with the GRI 2021 Standards for the period from 1 January to 31 December 2023, and data from prior years are shown where available for comparative purposes.

In preparing the document, CONSOB's 1 March 2021 announcement regarding climate change-related risks and opportunities, as per the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established under the Financial Stability Board (FSB), was taken into consideration. The NFS includes the information required by Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the called "Taxonomy Regulation") and Delegated Regulations (EU) 2021/2178, (EU) 2021/2139, (EU) 2023/2485 and (EU) 2023/2486 related to it.

The preparation of the NFS follows the general principles outlined by the GRI Standard, which include relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, and clarity.

The reporting scope includes Neodecortech S.p.A. and all fully consolidated companies within the scope of the Consolidated Financial Statements i.and. Cartiere di Guarcino S.p.A., Bio Energy Guarcino S.r.l. and NDT Energy S.r.l.. Any limitations regarding the scope of individual data are promptly disclosed and justified based on materiality criteria. To maintain data reliability, the use of estimates has been minimized and, where present, are appropriately indicated in the document.

The NFS comprehensively reports to ensure an understanding of the business activity, its performance, results, and impact. This includes addressing topics identified as material through a materiality analysis process. The analysis involves comparing material topics with industry best practices, as outlined in the "Material Topics" section (prepared based on GRI 3 - Material Topics). The information was reported with careful consideration of the requirements outlined in the GRI 2021 standard. This was essential to provide a comprehensive and consistent portrayal of the economic, environmental, and social impact of the Group's activities. Additionally, these disclosures align with the requirements set forth in Legislative Decree 254/2016.

The document concludes with a summary table illustrating the identified areas as per Decree, the material topics, and their respective GRI Standards. Additionally, a correlation table is provided, detailing the reported indicators.

Regarding the information required by Article 3, Paragraph 2 of Legislative Decree 254/16, it is important to note that data and information pertaining to atmospheric pollutant emissions, apart from greenhouse gas emissions, are not included in this NFS, due to the ongoing definition of the data monitoring and reporting process related to these emissions. Group plants carry out monitoring based on requirements in the environmental permits issued, and the information will be shown from the next reporting year.

This document was submitted for approval by the Board of Directors of Neodecortech S.p.A. on 12 March 2024.

The independent audit of the Non-Financial Statement was conducted by BDO Italia S.p.A.. The audit concluded with the issuance of the "Independent Auditors' Report on the consolidated non-financial statement pursuant to Article 3 of Legislative Decree 254/2016 and Article 5 of CONSOB Regulation 20267". The limited audit conducted by the auditors on the NFS does not extend to the information, provided under the Taxonomy Regulations, contained in the "Taxonomy" section under the "Environmental Capital" chapter of the NFS.

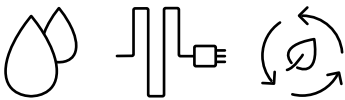
The NFS and related limited audit report is available on the corporate website, sustainability section (I nostri risultati - Neodecortech).

For further information, clarifications or suggestions: [info@neodecortech.it](mailto:info@neodecortech.it)



## Highlights

### Environmental



**-300** m<sup>3</sup>  
of water recovered  
for impregnation

thanks the upgrading of the Filago  
sewage treatment plant (-15%  
versus 2022)

**1.612** MI  
Water withdrawal  
(+6% versus 2022)

**100%**  
electricity from  
renewable sources since  
2017

**1.073.819** GJ  
Energy consumption  
(-15% versus 2022)

**100%**  
purchased pulp  
FSC® certified  
(Mix Credit and Controlled Wood)  
or PEFC

**2**  
columns installed  
for the charging of 2 electric cars  
for business use

**32.609** Tonnes  
CO<sub>2</sub> Scope 1 emissions  
+ Scope 2 Location  
based (+18.77% versus 2022)

**8.006** Tonnes  
Waste generated  
(+5% versus 2022)

Achievement of Group  
Carbon Neutrality  
Scope 1 and Scope 2.

## Highlights

### Social



**390**  
employees at  
**31.12.2023**  
(in line with 2022)

**98.5%**  
of employees  
with an open-ended  
contract at **31.12.2023**  
(in line with 2022)

**54%** of staff eligi-  
ble for smart working  
actually adopts it

**14.354** hours  
of training delivered  
(+277% versus 2022, thanks to  
the call for "New skills" and the  
project related to the  
acquisition of soft skills)

Scholarship program  
extended for children  
of employees for  
another three years: **5**  
scholarships granted  
in 2023

**4** employees  
honoured by the local  
chamber of commerce  
for serving for more  
than 30 years

**51.400** in  
projects supporting  
local communities  
(in line with 2022)

**48%** response rate  
to the first Group busi-  
ness climate survey

**15** new  
hires in 2023

## Highlights

### Governance & Compliance



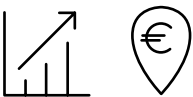
### Balance between genders in the corporate bodies

(for the least represented gender  
44% participation in the Board of  
Directors)

### 0% incidents of cyber security in 2023

Introduction of the Security  
Operation Center (SOC)

### Economic



### 172 Mn in Economic Value directly generated

(-18.9% versus 2022)

### 161,6 Mn in revenue at 31.12.2023

(-17.7% versus 2022)

### 51% of Spending on local suppliers

(-8% versus 2022)

### 6,5 Mn in capital expenditure

### 4,9 Mn reduction in the net financial position



# 1. Identity and strategy

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- 1.1 The Group
- 1.2 Locations
- 1.3 Brands
- 1.4 History
- 1.5 Sustainability strategy
- 1.6 Business model

## 1.1 The Group

Neodecortech S.p.A. is one of the top European players in the furniture world. It is made up of four companies integrated in a 100% Made in Italy supply chain, sharing the same vision and a clear industrial strategy: to provide the interior design industry with decorative surfaces embellished with typical Italian style.

The Group (hereinafter also referred to as "Neodecortech") is leader in Italy in the production of decorative papers for laminated panels and flooring. Neodecortech offers all-round, cutting-edge solutions for the creation of interior design projects, covering all stages of the decorative paper production process: from management of raw materials and surface coating and impregnation, to the end product and end-of-line logistics management.

The Group offers 7 product categories: decorative papers; decorative printings; finish foil; melamine film; printed and laminated plastic surfaces, paper-based laminates, and recycled PET anti-fingerprint surfaces.

The Group's strategy is hinged on guaranteeing excellence and business sustainability through the steady improvement of production and process performance. Policies, management models and internal codes the Group has implemented are tangible proof of its commitment, in line with the strategic approach it adopts.

The Group's structure at 31 December 2023 is shown below.

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### Neodecortech S.p.A

⬇️ 100%

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**NDT Energy S.r.l**

⬇️ 100%

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**Cartiere di Guarcino S.p.A**

⬇️ 100%

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**Bio Energy Guarcino S.r.l**

## 1.2 Locations

### Neodecortech S.p.A. (NDT)



Neodecortech S.p.A. established on 17/3/1947 with registered and operating office in Filago (BG) and their operating office in Casoli di Atri (TE) established on 1/9/2018, implements and develops the Group's core business, focusing on printing and impregnation of paper as well as on the printing and finishing of thermoplastic film and "laminare" produced mainly at the Casoli site. NDT is positioned as a highly proactive decoration partner for its customers in the interior design and flooring industry, through constant monitoring and interpretation of new stylistic trends. The Parent Company performs, for its subsidiaries, the functions of legal and corporate affairs, administration and equity investments, strategic planning and business development, Internal Auditing, Compliance & Risk Management.

### Cartiere di Guarcino S.p.A. (CDG)



Cartiere di Guarcino S.p.A., established on 12/6/1991 and based in Guarcino (FR), specializes in the production of decorative papers that subsequently undergo other stages of processing: printing or directly impregnation with thermosetting resins and hot pressing. The company operates on the domestic and international market through a network of agents. It produces print base and Unicolour papers, Underlay and Backer Papers for the flooring industry. These products are then sold to printers, impregnators, and finishers.



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**Bio Energy Guarcino S.r.l.  
(BEG)**



Bio Energy Guarcino S.r.l. established on 2/8/2006 and based in Guarcino (FR), owns the cogeneration plant in operation since May 2010 for the self-production of electricity and thermal energy that satisfies a large part of the energy needs of CDG. BEG produces electricity through the operation of a generation plant powered by sustainable bioliquids consisting of three endothermic motogenerators with a total capacity of 20 MW, plus in cogeneration, the thermal production capacity of 9 tonnes of steam and 2 MWt of hot water per hour of production.

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**NDT Energy S.r.l. (NDTe)**



NDT Energy S.r.l established on 19 October 2022 with registered office in Filago (BG) and operating offices in Casoli di Atri (TE), currently dormant and awaiting authorization to operate a cogeneration plant, capable of reusing process waste and meeting almost all the thermal needs of the adjacent NDT laminates" division, TEXTE.

## 1.3 Brands

The brands owned by the Neodecortech Group are as follows



CARTIERE DI GUARCINO

The Cartiere di Guarcino products are:

- Print base
- Unicolour papers
- Backer
- Underlay

### CONFALONIERI

The Confalonieri division mainly produces:

- Printed decorative papers (DEC)
- Melamine impregnated papers (MEL)
- Finish-foil primarily intended for the interior design, laminate flooring and campe /caravan (FINISH) industry

### TEXTE

The Texte division produces paper-based laminates for coverings, doors and surfaces:

- Micro Top
- Thin Top
- EOS laminates

### PLANA

La divisione Plana produce:

- EOS thermoplastic films (rPET)
- Printed polymer films (PPF) intended for Luxury Vinyl Tiles (PVC) flooring
- Printed and laminate polymer films (PPLF)



Decorative paper for high (laminates) and low (melamine panels) pressure and for the flooring industry.





## CONFALONIERI

Decorative printed, printed and impregnated melamine papers, finish-foils primarily intended for the interior design, laminate flooring and camper/caravan industry



## **TEXTE**

CPL plastic laminate specially for the covering and lacquering of chipboard and MDF panels.



## PLANA

PVC and PET thermoplastic 1m, printed and laminate  
1ms intended for LVT flooring and the interior world.

## 1.4 History

The origins of the Neodecortech Group date back to 1947, the year when Confalonieri was established in Filago (Bergamo). In the early stages of its activity, the Group specialized in the production of printing inks. In the '60s, it dedicated its business to decorative papers for plastic laminates and the emerging market of laminated panels, branching out to include printing and impregnation.

In 1991, Cartiere di Guarcino S.p.A. (CDG) was established. The Company produces decorative papers for high and low-pressure lamination, with a strong bent towards innovation and an innate attention to environmental sustainability. In 2010, through the dedicated company Bio Energy Guarcino S.r.l. (BEG) and in collaboration with a top energy player, CDG built a bio-mass powered cogeneration plant of electric and thermal energy, in order to meet the energy needs of the paper mill, and in line with the Kyoto Protocol for CO2 emissions reduction.

<p><b>1947</b></p> <p>→ Set up of Confalonieri in Filago (BG), specialized in the production of printing inks.</p>	<p><b>1960</b></p> <p>→ Confalonieri focuses on decorative papers for plastic laminates and laminated panels, starting its printing and impregnation activities.</p>	<p><b>1991</b></p> <p>→ Set up of Cartiere di Guarcino, specialized in the production of decorative paper for lamination.</p>	<p><b>2003</b></p> <p>→ Finanziaria Valentini acquires Confalonieri and Cartiere di Guarcino.</p>
<p><b>2006</b></p> <p>→ Set up of Bio Energy Guarcino, a bio-mass powered cogeneration plant of electric and thermal energy for CDG.</p>	<p><b>2015</b></p> <p>→ Confalonieri starts printing PVC for vinyl flooring and inaugurates its internal studio for décor implementation.</p>	<p><b>2016</b></p> <p>→ Publication of first N S - 2015 of Neodecortech S.p.A.</p>	<p><b>2017</b></p> <p>→ Group reorganization, change of name from Confalonieri S.p.A. to Neodecortech S.p.A. and admission to the Italian stock exchange on the AIM Italia market.</p>



The full integration of the three companies took place in 2017, following the acquisition by CDG of the entire share capital of BEG and the following transfer by Finanziaria Valentini S.p.A. of CDG capital to Neodecortech S.p.A.. on 26 September 2017, Neodecortech was listed on the AIM Italia stock exchange. In 2018, Neodecortech acquired Corbetta FIA S.r.l., which formed a new business unit - TEXTE - specialized in paper-based lamination.

A year later, the Group sold its stake in CDG International and drew up its first NFS. In May 2020, Neodecortech was listed on the regulated MTA market (Electronic Stock Market) and, in March 2021, the STAR (Companies with High Requirement Shares) segment, also managed by Borsa Italiana.

2018	2020	2021	2022
<p>→ Acquisition of the business unit of Corbetta FIA S.r.l., a manufacturer of laminates: establishment of TEXTE. Publication of first NFS of the Neodecortech Group.</p>	<p>→ Admission to trading on the Electronic Stock Market of ordinary shares and warrants of Neodecortech S.p.A.</p>	<p>→ Transition to the STAR segment of the MTA of Borsa Italiana.</p>	<p>→ Establishment of NDT energy S.r.l., to operate a boiler for the recovery of processing waste for the generation of thermal energy at the Casoli plant.</p>
<p><b>2023</b></p>			
<p>→ Achievement of Group Carbon Neutrality Scope 1 and Scope 2.</p>			

## 1.5 Sustainability strategy

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The Group has long prioritized responsible business management, with emphasis on a corporate culture that creates lasting value for stakeholders, rather than simply complying with regulations and mitigating negative externalities. The Group conducts its production activities by adhering to the principles of circular economy. This approach prioritizes responsible and sustainable resource usage, along with the utilization of secondary raw materials. Furthermore, the Group promotes socio-economic development in its operating areas, enhances its human resources, and adopts voluntary FSC® system certifications (9001, 14001, 45001, 50001) and product certifications, all in pursuit of sustainable development.

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### Neodecortech's sustainability guidelines

The Group believes in the value of sustainability and responsible business management and, in addition to complying with legal requirements and containing its own negative externalities, promotes a corporate culture oriented towards the creation of lasting value for its stakeholders.

Neodecortech operates responsibly, adopting a business model in which sustainability is one of the main drivers of a strategy oriented to the medium and long term and focused on excellence, efficiency in resource management and ongoing improvement of all forms of performance, both process and product. The integration of business sustainability principles into corporate strategy and the management of environmental, social, and governance (ESG) aspects fall under the direct responsibility of the Issuer's CEO, who collaborates with the support of the Group's HSE (Health, Safety, and Environment) function in this endeavour.

The cornerstone of the company's business model is characterized by a holistic, practical approach that prioritizes stakeholders' legitimate expectations. This model is grounded in the values and principles of behaviour outlined in the Code of Ethics, which serves as the foundation of the company's culture and governs the Group's interactions with all stakeholders. The Group, in defining its approach to sustainability, is also inspired by the most authoritative international initiatives, such as the Global Compact and the Sustainable Development Goals (SDGs) of the United Nations.

Neodecortech believes that the utmost respect for human dignity in all its forms, the care and the protection of the physical and moral health of workers, the protection of the environment in which it operates and the promotion of ethics and transparency in all relationships are fundamental features. The policies, management models and internal codes the Group has adopted are a tangible sign of this approach.

Consistent with the above, the Group strives to:

**conduct business with fairness and transparency towards all its stakeholders**, through rules of conduct, audit tools and internal procedures capable of ensuring compliance with national and international laws and regulations applicable thereto, adopting, in particular, Model 231. Legality and fairness in business dealings, in fact, have always been considered by Neodecortech the cornerstones to develop and maintain long-lasting relationships with its stakeholders, based on respect and mutual trust;

**ensure the wellbeing and enhance the skills of its human resources** through training programs and professional growth paths, encouraging their active involvement in the process of ongoing improvement within the Group. Neodecortech believes that quality training is a prerequisite for enabling people to update their professional skills, develop soft skills, and operate safely, effectively and efficiently in compliance with relevant regulations;

**guarantee equal opportunities**, rejecting any form of discrimination. Neodecortech considers diversity an element of corporate wealth and is committed to ensuring that it never represents a discriminatory element in staff recruitment or in the professional growth of its employees;

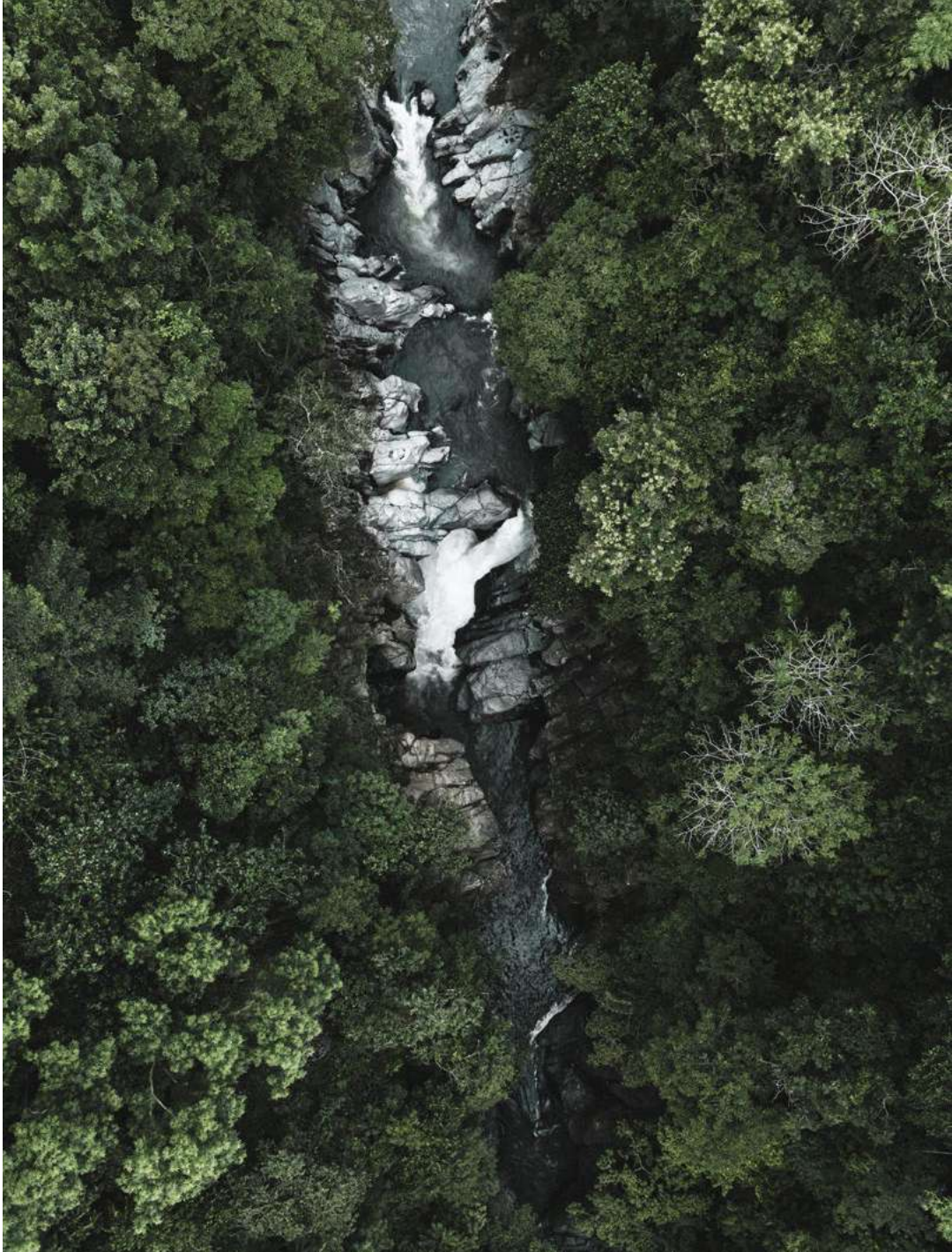
**protect the safety and health of human resources and local stakeholders**, in full compliance with current regulations. Neodecortech promotes responsible and informed behaviour among its employees so that they pay the utmost attention to their own health and safety. Additionally, thanks to effective implementation of its OHSAS 18001:2007/ ISO 45001:2018 certified Management Systems, it identifies and monitors possible risks related to normal and extraordinary activities in the workplace, with the aim of preventing accidents and injuries.

**protect the environment**, promoting virtuous behaviour and the informed and responsible use of the natural resources available, in order to gradually improve its environmental performance. The Group is committed to minimizing its direct and indirect environmental impacts, encouraging the use of alternative energy sources with reduced environmental impact and through the adoption and maintenance of ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems;

**implement sustainable procurement policies**, adjusting its activities in the gradual pursuit of circular economy principles (circularity degree of 45%, figure calculated by Deloitte on 02 April 2023). Neodecortech is well aware of the importance of biodiversity and has set itself the goal of limiting the impacts generated by its supply chain as much as possible. In this regard, the Group confirms its commitment to using 100% FSC® Chain Of Custody certified pulp and paper from responsibly managed forests. Neodecortech promotes the careful and conscientious use of PVC by fully recycling the waste generated. As for PET, the company utilizes 70% recycled raw material, and the end-of-production waste is also fully recycled.

**maintain an open, transparent and trust-based dialogue with the local communities** in which it operates and with all its stakeholders. Neodecortech considers itself a resource and source of opportunity for the territory, and collaborates to achieve shared objectives with local authorities and institutions, offering the utmost willingness to engage in dialogue and discussion with the communities and territories where the Group companies are located.





The River Cosa, whose water is taken by Cartiere di Guarcino and employed in the papermaking process. It is then filtered and returned to the source.

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## **Innovation as a driver of group sustainability**

**Innovation** has long been the driving force at Neodecortech, shaping ideas, projects, products, and development processes. Fueled by research, this commitment to innovation fosters the development and sharing of knowledge, benefiting various market sectors. But innovation also drives sustainable and inclusive development when it benefits people, businesses, communities, and territories while respecting environmental sustainability.

Starting **from innovation**, Neodecortech has developed a sustainability path that specifically aims to pursue the following corporate objectives, which also form the basis of its policies and management systems governing the Company's processes and operations consistent with sustainable development:



## Innovation for Inspiration

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### Innovation for process

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Neodecortech has always developed innovative production processes to optimize the product manufacturing cycle and maximize lead times, including through enabling technologies.

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### Innovation for quality

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Through innovative state-of-the-art systems, Neodecortech is able to ensure the highest level of quality and safety of its products upon which the reputation and perception of the brands in the market and the high level of acceptance by its customers are based.

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### Innovation for design

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The design of Neodecortech products within environments has always been the result of a meticulous search for beauty combined with functionality and the quality of each individual material making up the product.

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### Innovation for energy & water

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Reducing energy consumption, minimizing environmental impact, and promoting conscious water usage have consistently been key priorities driving Neodecortech's development of new projects.

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### Innovation for products

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The Neodecortech Group's technological innovation enables the development of customized products and solutions for each specific need and with materials and raw material percentages that can be freely chosen by the customer. This allows for the creation of unique products to enhance the exclusive design of the environments where they will be used.

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### Innovation for materials

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By seeking the strongest and highest quality materials and utilizing cutting-edge equipment, Neodecortech delivers solutions that are durable and environmentally conscious. This approach helps contain the environmental impact of production and waste management.

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## Sustainable Development Goals

Neodecortech has consistently pursued an industrial development model grounded in sustainability, transparency, and quality. This commitment is reflected in specific management and organizational structures aimed at creating shared value for all its stakeholders, people, communities and territory, while respecting the environment.





Neodecortech strategically aligns its approach with the sustainability path it has followed since 2007, marked by the acquisition of 14001 certification. Since 2016, the company has formalized its commitment further through its first voluntary sustainability report, which progressively integrates the Sustainable Development Goals (SDGs), a component of the United Nations' 2030 Agenda.


Implementing a sustainable development policy within companies, integral to the Group's core business, serves as a lever for achieving the SDGs. This endeavor is further complemented by specific projects and initiatives.

In this context, Neodecortech has conducted an initial analysis of the alignment between its business model and strategic goals with the SDGs. This analysis has enabled the company to identify several SDGs considered priorities, in which its business activities can make a significant contribution



The Sustainability Plan's drivers and Neodecortech's commitment to the Sustainable Development Goals are integrated into the group's activities, projects, and actions, as shown in the chart below.

Driver	SDG	SDG Target	Azioni
<b>Innovation for products</b>		<b>Foster lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>  8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through focus on high value-added and labour-intensive sectors	Develop innovative products and patents that help increase the economic development and local employment of the productive territory
		<b>Build resilient infrastructure and promote innovation and a fair, responsible and sustainable industrialization</b>  9.5 Strengthen scientific research, promote the technological capabilities of industrial sectors in all countries, especially in developing countries, including by encouraging, by 2030, innovation and substantially increasing the number of R&D workers per million people and public and private spending on research and development	Conduct research and innovation programs both internally and in collaboration with leading universities. developing competence centres to expand and enhance the study of innovative products and technologies.

Driver	SDG	SDG Target	Azioni
<b>Innovation for quality</b>		<b>Ensure quality, equitable and inclusive education and promote lifelong learning opportunities for all</b>	<p>Develop initiatives to increase knowledge of innovative technologies to increase product quality, also enhancing the skills of the female population</p>
		<p><b>4.3</b> By 2030, ensure equal access for all women and men to affordable, quality technical, vocational and third-level education, including university</p>	<p>Develop initiatives to promote knowledge sharing of innovative technologies through specialized courses and on-the-job training</p>
		<p><b>4.4</b> By 2030, substantially increase the number of youth and adults who have the necessary skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurial skills</p>	
<b>Innovation for energy &amp; water</b>		<b>Ensure access to affordable, reliable, sustainable and modern energy systems for all</b>	<p>Implement solutions and technologies for the use of clean energy</p>
		<p><b>7.a</b> By 2030, strengthen international cooperation to facilitate access to clean energy technology and research, including renewable energy, energy efficiency and advanced technology, and cleaner technology derived from fossil fuels, and promote investment in energy infrastructure and clean energy technology</p>	<p>Develop initiatives to use clean energy for production and company sites</p>

Driver	SDG	SDG Target	Azioni
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**Innovation  
for process**



**Foster lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all**




Innovate production processes to boost economic growth and increase product development productivity.

**8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through focus on high value-added and labour-intensive sectors





**Build resilient infrastructure and promote innovation and a fair, responsible and sustainable industrialization**

**9.4** By 2030, upgrade infrastructure and modernize industries to make it sustainable, with greater efficiency of resources to be used and greater adoption of clean and environmentally friendly technologies and industrial processes, so that all countries take actions in accordance with their respective capabilities

Driver	SDG	SDG Target	Azioni
<b>Innovation for process</b>		<p><b>Ensure sustainable models of production and consumption</b></p> <p><b>12.1</b> Implement the ten-year framework of programs on sustainable consumption and production, with the collaboration of all countries and the initiative of developed countries, taking into account the degree of development and capacity of developing countries</p>	Develop technological and innovative industrial processes to create sustainable production models with low environmental impact
		<p><b>Promote peaceful and more inclusive societies for sustainable development; provide access to justice for all; and create efficient, accountable, and inclusive bodies at all levels</b></p> <p><b>16.6</b> Develop effective, accountable and transparent institutions at all levels</p>	Develop a supply chain policy to increase responsible governance and fight against corruption
		<p><b>Foster lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all</b></p> <p><b>8.8</b> Protect labour rights and promote a safe and secure work environment for all workers, including migrant workers, particularly migrant women, and those in precarious employment</p>	Ensure workplace safety especially in employees' production processes



Driver	SDG	SDG Target	Azioni
<b>Innovation for design</b>		<b>Foster lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>  8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and foster the formalization and growth of micro, small and medium-sized enterprises, including through access to financial service	Foster economic growth through creativity in the design of environments and the creation of new innovative and functional forms
<b>Innovation for materials</b>		<b>Ensure sustainable models of production and consumption</b>  12.4 By 2020, achieve environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse effects on human health and the environment  12.5 By 2030, significantly reduce the production of waste through prevention, reduction, recycling and reuse	Promote waste reduction and reuse through circular economy initiatives

## 1.6 Business model

Neodecortech leads a Group that provides a comprehensive range of decorative surfaces for the furniture, laminate, and vinyl flooring industries, serving both domestic and international markets. The Group's main business is, in fact, in the production of complete and technologically advanced solutions for the realization of interior design projects, covering all stages of the production process for the creation of the decorative surface, from raw material management, through surface finishing and impregnation, up to the finished product and the management of logistics. As for the use of plastic film, on the other hand, the phases of the production process result in the printing of the film and subsequent embossing, lacquering and lamination (see Infrastructure Capital/ Production Process).

### Decorative papers

Semi-finished products used for high and low-pressure laminates and flooring



### Printed decorative papers

Printed sheets of paper intended for the laminated panels and flooring industries



### Finish Foils

Impregnated decorative papers or pre-impregnated papers subsequently coated with finishing varnishes



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**Melamine Film**

Decorative papers impregnated with melamine or melamine-urea resins for the furniture industry



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**PPF and PPLF for LVT**

Printed plastic film with high resemblance to the natural materials of decorative papers but produced on a plastic substrate



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**Laminates**

Decorative papers impregnated and then laminated with continuous high-pressure equipment (CPL)



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**EOS<sup>TP</sup>**

Plastic rPET film with EOS lacquer for 2D or 3D application. Silky feel, anti-fingerprint and super matte



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**EOS<sup>LAMINATO</sup>**

Silky-touch, anti-fingerprint, super-matte laminate with good scratch resistance



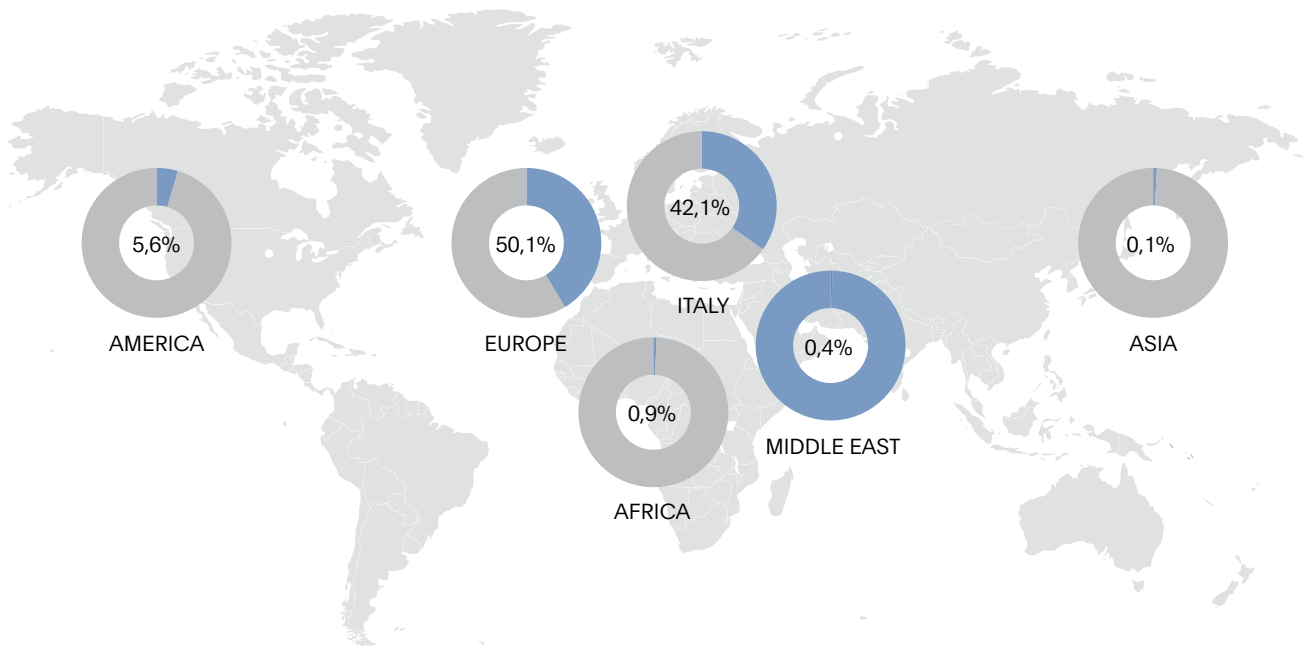
The Group operates on markets based on every continent, but its clients are mainly from Europe and include large domestic groups and multinational corporations that work in the interior design, laminates and flooring sectors, cooperating in the development and supply of new products, and becoming a trusted supplier in a niche market. The strong international bent that characterizes its business allows the Group to better manage possible risks deriving from local incidents, and accounted for approximately 60% of consolidated sales in 2023 excluding the Energy Division.

#### Table by geographical area

(Euro thousands)	31 DECEMBER 2023	%	31 DECEMBER 2022	%	Chg.	% Change
Italy	55.420	34,3%	62.028	31,6%	(6.607)	(10,7%)
Europe	65.981	40,8%	70.162	35,7%	(4.181)	(6,0%)
Asia	1.300	0,8%	1.621	0,8%	(322)	(19,8%)
Middle East	589	0,4%	859	0,4%	(270)	(31,5%)
America	7.335	4,5%	16.978	8,6%	(9.643)	(56,8%)
Africa	1.122	0,7%	1.029	0,5%	93	9,0%
<b>Energy Division</b>	29.857	18,5%	43.796	22,3%	(13.939)	(31,8%)
<b>Total</b>	<b>161.604</b>	<b>100,0%</b>	<b>196.474</b>	<b>100,0%</b>	<b>(34.870)</b>	<b>(17,7%)</b>

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**Percentage of revenue by geographical area**  
(Amounts do not include the Energy Division)





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## Producty lines

Neodecortech provides the domestic and international markets with a wide and coordinated range of products in the field of paper-based decorative surfaces and plastic films. Thanks to ongoing creative and stylistic research, the Group is well-positioned to offer approximately 900 decorations capable of imitating different natural materials such as wood and stone, surfaces such as cement and metal, and textures inspired by fabrics and by abstract geometries. A 100% Made in Italy company that operates in the market with different brands all targeted to the furnishing industry supply chain:

**Cartiere di Guarcino:** Decorative paper

**Confalonieri:** Printed and impregnated decorative paper

**Texte:** Paper-based laminates

**Plana:** Printed and laminated plastic fil

Additionally, the Neodecortech Group operates in power generation with Bio Energy Guarcino.

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## Cartiere di Guarcino

Established in 1991, Cartiere di Guarcino has specialized since its onset in the production of decorative paper for high (laminates) and low (melamine panels) pressure and for the flooring industry. The offices in Latium employ approximately 170 people and stretch over an area of 144,000 m<sup>2</sup>, of which 21,000 covered, producing approximately 40,000 tonnes of paper per year. A firm commitment towards innovation and sustainability underlies the synergy with BEG, the cogeneration plant that produces electricity and thermal energy of the Group, or the virtuous management of water, which represents 99% of water used by the Group: drawn from the River Cosa, close to the Guarcino site, the spring water is used several times for different production processes, purified, filtered and put back into the same waterway. Additionally, the preparation of ad-hoc processes allows the waste that is not retained by the forming fabric to be put back into the production cycles of, for instance, backer papers.



Continuous-cycle machine control of paper at the Cartiere di Guarino plant.



The raw stock at the base of papermaking: pulp, water and titanium dioxide.

## Cartiere di Guarcino offers four product categories to the furniture industry market

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### Print base paper

Smoothed papers that allow the best runnability in the rotogravure and digital system. Wood, fabric and marble surfaces are reproduced on top of them to replace their use. Print base papers are produced using mat on line technologies. The papers are then impregnated through thermosetting resins and transformed in laminates or applied to laminated panels.

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### Unicolour papers

Papers intended for impregnation, and the colour chosen during the impregnation process represents the decoration only. The distinctive feature of these papers is their colour uniformity. These papers too are later transformed in laminated or veneered panels.

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### Underlay papers

Papers created as a support to be placed on particle board. As for Unicolour papers, they are intended for impregnation, and the colour chosen during the impregnation process represents the decoration only.

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### Backer papers

Created to meet the needs of the flooring market, backer papers serve as a layer for the underside of laminate flooring, to avoid possible warping.

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## **Confalonieri**

Confalonieri is a brand that offers printed decorative papers or printed and melamine-impregnated papers or finish- oils mainly for the interior design, laminate flooring and camper/caravan segments.

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### **DEC**

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Printed decorative paper for the production of low pressure laminated panels, finish oils, and high-pressure laminates, as well as decors for flooring. These decorative papers, through the rotogravure printing process, reproduce imitations of wood, marble, granite, fancy and plain colours.

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### **MEL**

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Melamine papers for high and low-pressure laminates produced for the furniture industry. The range includes products suitable for finishing presses for chipboard or MDF panels, or for the production of HPL and CPL laminates. The use of these papers lends the coated surfaces high resistance to abrasion, scratch and chemical agents.

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### **Finish Foils**

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Finished and paintable papers ranging from pre to post-impregnate. This category includes impregnated or pre-impregnated decorative papers. The papers are then lacquered or prepared for painting (paintable variants). This category includes finish papers with different degrees of flexibility, edge-bendings and pre-impregnated papers.





Press control of veneer at the Filago plant.



Impregnation of printed paper at the Filago plant.

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## Texte

This family of products includes paper-based laminates for the covering, doors and surfaces segments.

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### EOS LAMINATE

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Anti-fingerprint OS laminate, made by laminating a special acrylic film onto several layers of impregnated kraft paper. EOS laminate is a phenol-free product, a chemical component that is highly harmful to workers' health, confirming eodecortech's commitment to "green" chemistry.

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### Microtop

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The Micro Top family is obtained by laminating a layer of decorative paper, impregnated with special plastic resins combined with a support layer.

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### Thin Top

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Thin Top is obtained by laminating a decorative paper with several layers of non-phenolic support based on the desired thickness; the decorative paper is impregnated with melamine resins. The antibacterial Thin Top is obtained by using special substances that have a true antibacterial action.

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### Laminex

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Laminex is obtained by laminating decorative papers with various layers of support papers, applying vegetable parchments in between. Both the decoration and the base papers are impregnated with melamine resins.

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### Cover Lac

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Cover Lac is obtained by laminating decorative paper with a support of 130-155 g/sqm. Both the decoration and the support papers are impregnated with special amino-plastic resins that lend the product excellent flexibility. This product will later be lacquered by the user.

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## Plana

The Plana division offers thermoplastic films in PVC and rPET i.and., obtained 70% from recycled material. PVC can also be either printed or laminated. The division produces a wide range of solutions with endless aesthetic potential, intended for LVT flooring and the world of surfaces for interior decoration.

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### PPF

The product consists of a thin printed film that can be coupled with various types of supports (chipboard, MDF, regenerated PVC). The high coupling resistance is guaranteed by a special working process that avoids alterations of the physical characteristics of the film. P C (polyvinyl chloride) combined with pulp, stabilizers, inert fillers, coloured pigments and flame etardants improves its physical features (heat resistance, solidity and fl xibility) and aesthetic characteristics (colour and lightfastness). PVC, once coated with UV resins, is a material with good mechanical properties and resistance to abrasion, wear, aging, chemicals and the attack of fungi and bacteria. It is water repellent and is particularly fi e resistant, with high ignition temperatures, low flame sp ead and self-extinguishing.

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### PPF +

This product is made from a thin printed film that can be coupled with different types of substrates (chipboard, MDF, regenerated PVC, WPC, SPC). The high coupling resistance is guaranteed by a special machining process to avoid any alteration of the physical characteristics of the film. It can be glued to a wooden substrate, with hot melt adhesives for PVC. Plasticizers, stabilizers, inert fillers, colouring pigments and flame etardants combined with PVC (polyvinyl chloride) improve its physical (heat resistance, strength and fl xibility) and aesthetic (colour and lightfastness) characteristics. PVC, protected with UV coatings, achieves good mechanical properties and resistance to abrasion, wear, aging, chemicals, and fungal and bacterial attack. It is water repellent and fi e resistant due to higher ignition temperature, low flame sp ead and self-extinguishing.

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**PPLF**

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The product consists of a thin printed film coupled on top to a transparent vinyl layer (wear layer), then embossed and lacquered. The high coupling resistance is guaranteed by a special working process that avoids alterations of the physical characteristics of the layers. It is a material with good mechanical properties and resistance to abrasion, wear, aging, chemicals and the attack of fungi and bacteria. It is water-repellent and is particularly fire resistant, with high ignition temperatures and low flame spread.

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**EOS TP**

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The product consists of a thin unicolour plastic film of rPET that is subsequently lacquered. It is a material with remarkable mechanical properties and resistance to abrasion, aging, chemicals, fungi and bacteria. The most notable feature is its anti-fingerprint properties, besides being waterproof and with good resistance to fire thanks to the high ignition temperature and low spread rate. The special lacquering gives the surface a special soft touch and typical anti-fingerprint effect.



# 2. Materiality analysis

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2.1 Stakeholder engagement

2.2 Material topics

## 2.1 Stakeholder engagement

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Stakeholders encompass individuals, groups, and organizations with varied interests, expectations, and assessments of a company. These entities engage in ongoing relationships with the company as part of its business operations.

Engagement and dialogue with stakeholders enable the understanding of their needs, expectations, and assessments. Additionally, it facilitates the refinement of business strategy and goals by assessing changes, risks, and opportunities.

Neodecortech longs to maintain and develop a relationship of trust and transparent dialogue with its stakeholders, whose contribution is needed to fulfill the Group's mission, taking account of their needs, expectations and requirements with the aim of creating value in a sustainable way. Over the years, the Group has meticulously mapped relevant stakeholder categories and developed tailored tools and channels of dialogue. These are aligned with the level of interdependence and influence they have on the organization.

Stakeholder Category	Engagement Activities (Projects - Initiatives - Relationships)
<b>Shareholders</b>	Shareholders' Meeting - Board of Directors - participation in investor conferences dedicated to meeting with Investors
<b>Financial institutions and banks</b>	Periodic meetings and events - Press releases Regulatory and supervisory bodies: meetings/sending and sharing communications for compliance or specific requests
<b>Employees and associates</b>	Human Resources Department conducts an ongoing dialogue through informal individual/institutional meetings with single union representatives and provincial trade unions - Training meetings - Corporate welfare initiatives - Corporate intranet - Performance evaluation process - Dissemination of the Code of Conduct
<b>Suppliers</b>	Setting and sharing standards - Business meetings and company visits/meetings at suppliers or laboratories - Direct or third-party audits at suppliers and laboratories.
<b>Direct customers (retail partners, distributors)</b>	Sales meetings and company visits - Interaction through customer service - Organization of dedicated meetings for sales agents - Social media - Other dedicated communication channels - Informational newsletters
<b>End customers</b>	Interaction with sales staff at stores and digital stores - Customer care - Social media - Corporate website - Other dedicated communication channels - Information newsletters
<b>Public Administration</b>	Direct meetings with national and local public bodies/ National/ local authorities
<b>Local community and territory</b>	Meetings with local community representatives - Company visits
<b>Media</b>	Periodic meetings with industry press and those related to financial communication - Dissemination of press releases - Social media



Customers during trade fairs - Interzum Cologne 2019

## 2.2 Material topics

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In compliance with Legislative Decree 254/16 and aligned with the GRI Sustainability Reporting Standards 2021, companies are required to identify material topics based on the primary impacts generated by Neodecortech's activities on the ESG sphere. These topics significantly influence stakeholder assessments and decisions.

The first step in non-financial reporting is to identify, through so-called "materiality analysis", sustainability topics of priority interest to the Group.

These topics are deemed "material" because they are linked to the most significant impacts, whether positive or negative, actual or potential, short- or long-term, that business activities are (or could be) likely to generate on the economy, the environment, and people. This includes impacts on their human rights.

According to the European Union's approach outlined in the European Commission's Communication published in June 2019 regarding guidelines on climate change reporting under the NFRD (Non-Financial Reporting Directive) - Directive 2014/95/EU, material topics refer to areas of sustainability that can significantly impact a company's development, performance, and value. Concurrently, a material topic is defined concerning the social and environmental areas and issues where the company, through its activities, can exert a significant impact. The two "directions" of materiality are interconnected with each other.



Material ESG aspects for the Group were identified through a structured survey, which consisted of the following steps:

Analysis of existing business documentation	Analysis of public documents, articles, statistics and results of observers on the type of international standards and frameworks adopted in sustainability reporting	Analysis of the characteristics of the relevant industry in order to identify the main issues on which the competitor and comparable companies tend to focus on
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With regard to the latter point, considering the absence of the GRI Sector Standard for Neodecortech's target sector, updates were made to the benchmark analysis, conducted in 2022, where the websites and public documents of companies identified as "best-in-class" or "comparable" in non-financial reporting were reviewed. This analysis considered elements such as:

The presence of non-financial documentation/reporting	The type of documentation published (Ex: Sustainability Report, Non-Financial Statement, Integrated Report, Company Financial Statements, etc.);	The reporting standards used and their levels of application	The presence of a materiality matrix or list of material topics	The type of topics that were material for such companies.
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The analysis identified sustainability issues that can be categorized into 4 different macro- areas: Governance and Economic Capital, Relational and Infrastructure Capital, Human Capital and Environmental Capital.

The identified impacts were grouped based on their level of affinity to obtain a condensed list of 22 ESG issues for quantitative evaluation by top management and a representative sample of the company's main stakeholder categories: employees, suppliers, and customers.

A questionnaire was used to assess the topics, with participants asked to prioritize each topic based on its level of relevance.



Specifically, the assessment on the level of "materiality" of ESG impacts related to each topic took into account the following elements:








<b>Scale</b>	Size (in a positive or negative sense, as appropriate) of the impact generated directly or indirectly by business activities
<b>Scope</b>	Geographical spread of the impact (and.g., local level, national level, etc.), considering the number of stakeholders involved, etc.
<b>Remediability</b>	Extent to which the impact can be mitigated or remediated once it has occurred (to be considered only for negative impacts)
<b>Likelihood</b>	Likelihood with which this impact could occur in the short, medium, and long term (to be considered only for potential impacts)

To pinpoint ESG topics and impacts that are truly "material" to the Group, a "materiality threshold" was established. This threshold considered approximately 80% of the topics that received higher prioritization within each macro area.

Upon completion of the entire process, the results achieved were submitted for validation by the Control, Risk and Sustainability Committee and the Board of Directors of Neodecortech S.p.A. on 22 February 2024.

The following table presents, for each identified material topic, the reasons for the topic's relevance (impacts generated on the economy, environment, and people), along with the related KPIs that were subsequently reported.

SDGs	Material topic	Impacts and relevance of the topic	KPI/GRI Standards
 	<b>Business ethics and corporate responsibility</b>	Possibility of positively or negatively affecting the management of financial resources for the benefit of the company and the economic ecosystem in which it operates and the reputation and degree of trust and maintenance of relationships with key stakeholders with whom Neodecortech interacts.	GRI 2-27 GRI 206-1
 	<b>Economic performance and indirect impacts</b>	Possibility of positively or negatively affecting economic and financial performance for the benefit of the company and the economic ecosystem in which it operates, the reputation and degree of trust and maintenance of relationships with key stakeholders with whom Neodecortech interacts, and the retention and attraction capacity and employment stability of human resources.	GRI 201-1 GRI 207-1

	SDGs	Material topic	Impacts and relevance of the topic	KPI/GRI Standards
<b>Governance and economic capital</b>	 	<b>Anti-corruption and compliance</b>	Possibility of having a positive or negative impact on the protection of legality in areas such as the reuse of profits deriving from illicit activities, the occurrence of episodes of corruption and extortion, the adoption of anti-competitive behaviour, etc. and on the reputation and degree of trust and maintaining relationships with the main stakeholders with which Neodecortech interacts.	GRI 205-3
	  	<b>ESG Risk Management</b>	Possibility of positively or negatively affecting business processes and corporate response to emergencies involving situations generated by environmental, social, and governance risks.	GRI 3-3 GRI 2-22
<b>Relational and infrastructure capital</b>	 	<b>Product quality, safety and reliability</b>	Possibility of positively or negatively affecting economic and financial performance for the benefit of the company and the economic ecosystem in which it operates, the performance and safety of products and services offered to customers, and the reputation and degree of trust and maintenance of relationships with key stakeholders with whom Neodecortech interacts.	GRI 416-1 GRI 416-2 GRI 417-1

SDGs	Material topic	Impacts and relevance of the topic	KPI/GRI Standards
         	<p><b>Relational and infrastructure capital</b></p>	<p><b>Research and development</b></p> <p>Possibility of positively or negatively affecting economic and financial performance for the benefit of the company and the economic ecosystem in which it operates and the availability in markets of products that meet customer needs.</p>	<p>GRI 3-3</p>
	<p><b>Customer satisfaction and relationship management</b></p>	<p>Possibility of contributing positively or negatively to the realization and fulfillment of customer needs in terms of product offerings and quality, reputation, and degree of trust and maintenance of relationships with key stakeholders with whom Neodecortech interacts and on the economic and financial performance for the benefit of society and the economic ecosystem in which it operates.</p>	<p>GRI 418-1</p>
	<p><b>Responsible supply chain management</b></p>	<p>Possibility of positively or negatively affecting the management of environmental and social impacts throughout the supply chain, the availability of products/services with sustainability characteristics, and the quality of labour and respect for human rights along the supply chain.</p>	<p>GRI 2-6 GRI 204-1 GRI 308-1 GRI 414-1</p>
	<p><b>Supporting local communities</b></p>	<p>Responsible commitment towards society and local communities, through sponsorships and promotion of initiatives with high social impact for the development of people and the territory where the company operates.</p>	<p>GRI 3-3</p>

	SDGs	Material topic	Impacts and relevance of the topic	KPI/GRI Standards
<b>Human capital</b>		<b>Workplace health and safety</b>	Possibility of positively or negatively affecting the assurance of staff health and safety by reducing accident rates within the Company and the levels of work-related stress experienced by company staff.	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9
		<b>Respect for human rights and protection of workers</b>	Possibility of positively or negatively affecting the protection of the fundamental rights of members of company staff and all associates with whom the Company engages.	GRI 401-1 GRI 401-3 GRI 406-1
				
		<b>Diversity and equal opportunities</b>	Possibility of positively or negatively affecting the protection of the fundamental rights of members of company staff and all the parties with whom the Company engages, on employment stability for corporate staff and opportunities for each employee to achieve their full potential, and on retention and attraction and employment stability of human resources.	GRI 2-7 GRI 2-8 GRI 405-1 GRI 405-2
				
	<b>Employee management and training</b>	Possibility of positively or negatively affecting each employee's opportunities to engage in professional growth and achieve their full potential, on the availability of paths for strengthening and developing professional skills and competencies, and on the retention and attraction capacity and employment stability of human resources.	GRI 404-1 GRI 404-3	
				



	SDGs	Material topic	Impacts and relevance of the topic	KPI/GRI Standards
<b>Capitale naturale</b>	  	<b>Energy, emissions, and combating climate change</b>	Possibility of positively or negatively affecting the protection of ecosystems and preservation of biodiversity and the protection of local communities and land from exposure to extreme weather events (and.g., floods, flooding, hurricanes desertification, e c.).	GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2 GRI 305-4
	  	<b>Circular economy and use of renewable raw materials</b>	Possibility of positively or negatively affecting the protection of the environment and preservation of natural resources and the safeguarding of the health and well-being of local communities through focus on the use of raw materials from recycling or renewable sources.	GRI 301-1 GRI 301-2
	  	<b>Use of water resource</b>	Possibility of positively or negatively affecting the health of water bodies in the territory and the environmental protection and preservation of natural resources.	GRI 303-1 GRI 303-2 GRI 303-3
	  	<b>Waste management</b>	Possibility of positively or negatively affecting the protection of the environment and preservation of natural resources, the preservation of the health and well-being of local communities through proper and responsible waste management, and sensitivity and awareness of staff and consumers on proper waste management and disposal, reuse and recycling practices.	GRI 306-1 GRI 306-2 GRI 306-3

# 3. Infrastructure capital

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3.1 Production process

3.2 Manufacturing plants

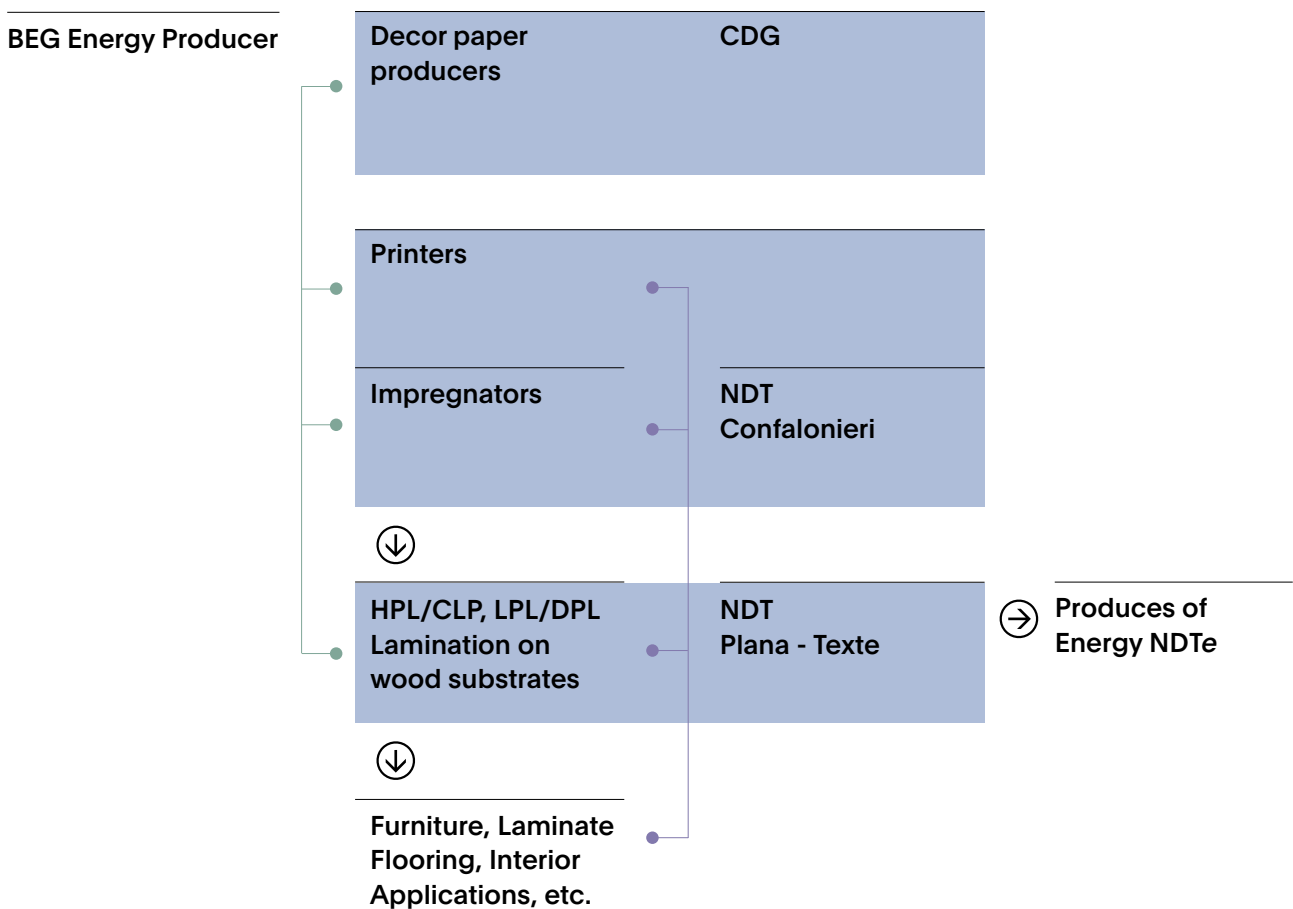
3.3 Innovation and digitization

3.4 Research, development and patents

## 3.1 Production process

The Group's operations are based on an integrated business model where various stages of product development, production, quality control, and finished product assembly are fully integrated. This integration maximizes resources and enables the Group to capitalize on various market opportunities.

The Group's value chain is briefly shown in the image below.



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## Paper production cycle

The Group's papermaking activities follow the following guidelines:

- the production of decorative base paper (CDG);
- the production of printed decorative paper (NDT);
- impregnation (NDT)

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## Thermoplastic film production cycle

The Group's thermoplastic film production follows the following guidelines:

- purchase from the outside of the thermoplastic film on which to print;
- production of printed thermoplastic film (PPF);
- possible lamination (PPLF);
- subsequent lacquering and embossing.

Or, in the case of unprinted rPET films

- purchase from the outside of the thermoplastic film to be lacquered;
- possible priming;
- lacquering and protective film

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## Design and concept of the decorations

Integrated into both of the described flows is the activity of designing and developing decorative surfaces, which serves as the core function of Neodecortech's in-house laboratory. This facility, known as the "Lab", is responsible for creating decors, both printed and unprinted. This activity is conducted continuously by a team of industrial designers who are dedicated to interpreting emerging trends in the industry. They achieve this through interaction with clients and by conducting analysis and research activities in both domestic and international markets.

The result is original renditions and innovative designs that Neodecortech offers to its clients. Typically, the process of creating the decor begins with a sample of natural wood, stone, or fabric, which is then scanned and refined using computer software (cleaning, retouching, contrasts, uniformity). Subsequently, multiple digital printing trials are conducted until the decor meets the stringent quality standards set by the company for all its products.

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## Engraving of cylinders

For a decorative surface intended for printing, the necessary cylinders for paper printing are constructed and photoetched. This activity is outsourced to highly specialized third-party partners. Making files for cylinder engraving also takes up to approximately one month of manpower. Engraving is performed using Neodecortech's proprietary files

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## Paper production

Neodecortech's production of printed decorative paper, conducted exclusively on order and within a weekly schedule, is the activity that truly adds value to the product. It distinguishes itself through a high level of customization. For order production, an advance payment may be necessary, contingent upon the customer's reputation and creditworthiness. In instances involving customers from high-risk countries like Iran, this advance payment might reach 100% of the total order value. Default risk is managed through a meticulous credit management policy, which includes assigning a credit line to each customer. This is further reinforced through surveys aimed at verifying customer reliability. The customer is charged a price list whose unit value (€ per kg of paper) decreases as the quantity ordered increases. In the industry, it is customary for customers to order a quantity for individual decorations that typically equals their consumption for approximately 3 months on average. However, the duration may vary based on the customer's standing and significance to the Group. The time between order and order fulfillment is normally 4 weeks. Production scheduling enables the Group to maintain a controlled and continuously monitored inventory policy, thereby preventing certain products from becoming obsolete. Even the production of base paper in CDG occurs solely on order, following a schedule structured around monthly production cycles. This process necessitates the involvement of highly specialized personnel. On average, the sales order fulfillment time is estimated to be approximately 4 to 5 weeks, and the cost of the order varies depending on the production batch, as well as the cost of raw materials used. This approach enables CDG to implement a controlled and continuously monitored storage policy, thereby preventing certain products from becoming obsolete. CDG's production cycle entails operating the two paper machines at 80% of their theoretical production capacity. There is a tendency for specialization between the two plants, although both production lines are fully interchangeable.

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## The impregnation phase

For paper-based decorative surfaces, the impregnation step involves the use of unicolour or printed paper in stock. The level of these stocks is set according to the individual customer's consumption forecast. Paper impregnation too is conducted only to order, within weekly orders. Therefore, again, both decorative paper and impregnated decorative paper can always be traced back to a specific customer. Specifically, there is no stock policy for the impregnated paper produced, as the product is directly packed and shipped to the customer. For this activity, 4 industrial impregnating machines, operating at an average of 80% of their theoretical production capacity, are utilized, alongside 1 laboratory impregnating machine. In general, it is considered a lower value-added activity and is highly exposed to price competition, despite being a highly technical process.



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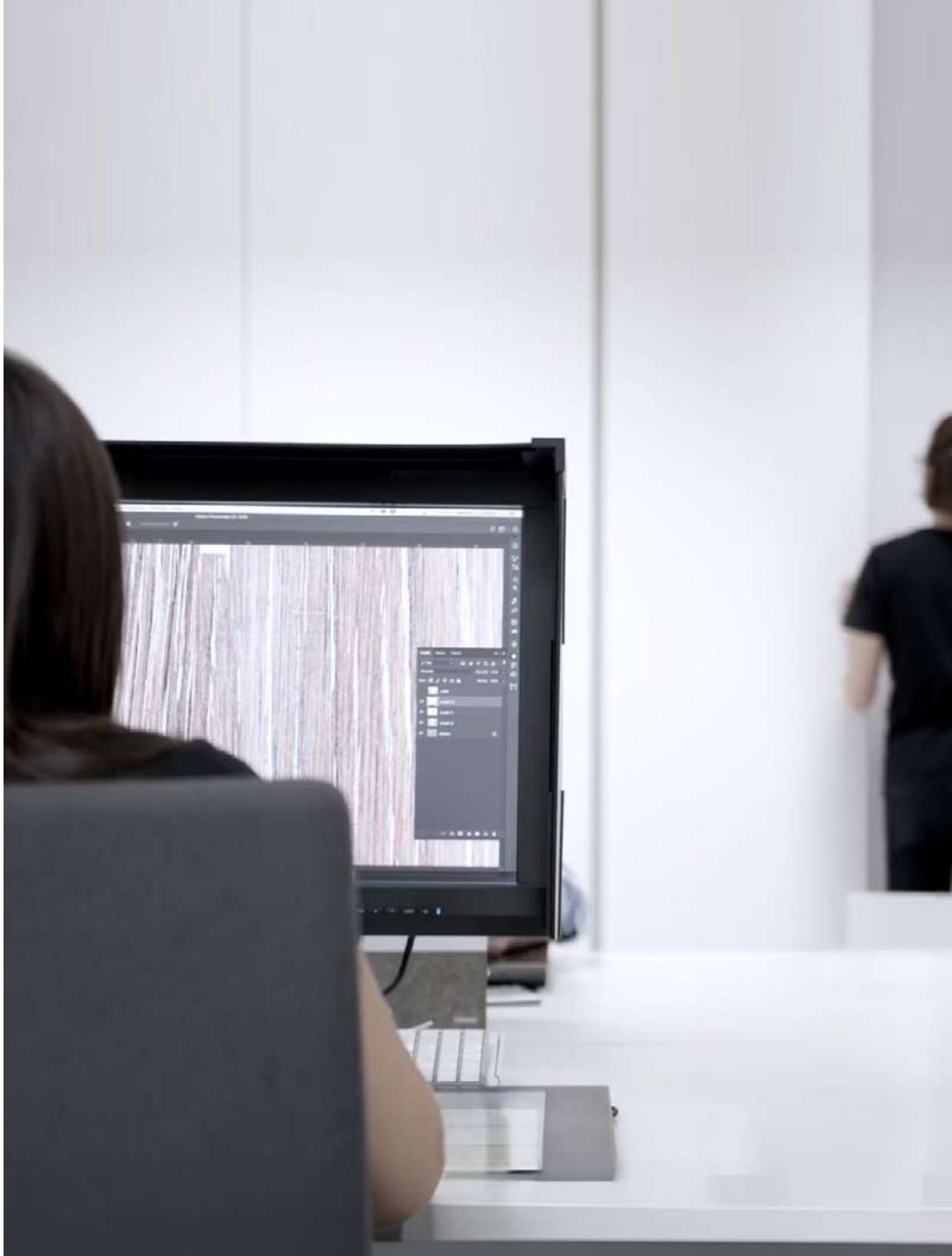
## Plastic films

In the case of plastic films, whether printed or unprinted, the finishing process resembles that of impregnated paper. At the customer's request, it can be laminated with another transparent plastic film, followed by lacquering and embossing, or it can be directly lacquered. There is no stock policy for this type of material too since, generally, the entire production is immediately shipped to the customer.

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## MRP and reliability

The concepts of the Material Requirements Planning (MRP) methodology, which involve determining raw material requirements and procurement time, are applied to all the production processes described above. Considering these factors, relevant raw material orders are defined and placed with respective suppliers. Where efficient, concepts such as reorder point and economic order quantity are applied.





Archive of engraved cylinders for printing.



Print test.

## 3.2 Manufacturing plants

The group's manufacturing operations are distributed across 4 plants.

### Neodecortech

#### Filago Plant (BG)

The Filago plant was established on 1/1/1979 (since its founding in 1947, previously located in the neighbouring town of Madone) and specializes in printing, paper impregnation, and the lacquering and embossing of plastic products.

Site activities are executed using dedicated technological machinery for each processing stage, as outlined below.

#### Machines for the printing stage

- 4 industrial paper printing presses
- 1 industrial plastic polymer printing machine
- 3 printing presses for sampling (experimentation, customer service and product development)
- 4 labo digital printing presses

Sample printing presses boast advanced technology, enabling the production of customized finished products tailored to specific customer requirements. This process generates prototypes that validate all the characteristics of the industrial product, eliminating the need to wait for final production.

This technology additionally permits adjustment of the prototype's features in case they fail to meet the customer's satisfaction before proceeding to production, resulting in significant savings in raw materials, energy, and time..

#### Impregnation


- 3 melamine machines up to 2700 mm wide, including one newly installed, plus one for sampling
- 1 finish foil/melamine machine, width 2270 mm (machine for the production of finish foil)

#### Lacquering and embossing of plastic products

- 1 lacquering machine and 1 embossing machine

 39.177 m<sup>2</sup>  
covered  
area

 177  
employees

 **Activities**  
printing  
and paper  
impregnation

### Casoli di Atri Plant (TE)

The Casoli di Atri (TE) plant became part of the Group on 1/9/2018, specializing in laminating unicolour or printed paper-based papers. Site activities are facilitated by 3 CPL industrial machines, allowing for the production of continuous laminates with widths of up to 1420 mm.




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### Cartiere di Guarcino

#### Guarcino plant (FR)

The Cartiere di Guarcino S.p.A. plant, based in Guarcino (FR), was established on 12/6/1991 and specializes in the production of decorative papers that subsequently undergo other stages of processing: printing or directly impregnation with thermosetting resins and hot pressing.

The plant provides 3 categories of products (for high- and low-pressure lamination and for floorin ): base paper, unicolour paper, and backer paper (underlay and kraft). It operates 2 paper machines capable of producing these products with widths up to 2800 mm.





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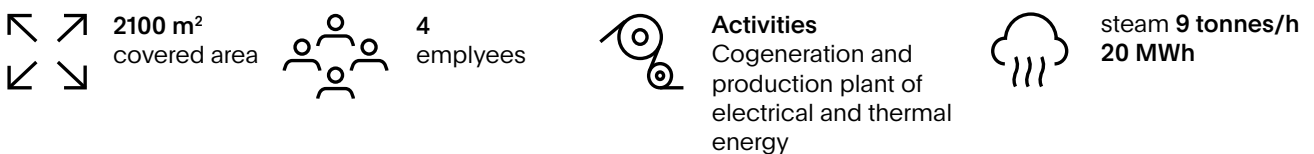
## Bio Energy di Guarcino

### Guarcino plant (FR)

The Bio Energy Guarcino S.r.l. plant, located in Guarcino (FR), owns the cogeneration facility operational since May 2010. This facility enables self-production of electric and thermal energy, fulfilling all the electricity requirements and 30% of the thermal demands of Cartiere di Guarcino.

BEG generates electricity using a sustainable bioliquid-fueled generation plant comprising three endothermic motogenerators, collectively capable of producing 20 MWe. Additionally, in cogeneration, it yields a thermal production capacity of 9 tonnes of steam and 2 MWt of hot water per hour of production.

The 3 engines have a production capacity of 9 tonnes of steam and 20 MWh of electricity.




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## NDT Energy

### Casoli di Atri (TE) registered office

The Casoli site is equipped with a cogeneration plant designed to incinerate process waste and fulfill nearly all the thermal requirements of the neighbouring Neodecortech "laminare" division, TEXTE. However, it is currently inactive and awaiting operational authorization.

## 3.3 Innovation and digitization

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The Neodecortech Group develops highly innovative, customized and top quality products through its creative centre (Lab) and technical offices of the R&D department. Neodecortech's creative projects centre on interpreting significant market trends, from which the most relevant ones are carefully selected.

In 2021, Cartiere di Guarcino successfully participated in a call for EU Horizon "Push 2 Heat". This initiative aims to implement high-temperature heat pumps on an industrial scale, with the objective of sustainably producing steam for industrial purposes. This initiative perfectly aligns with CdG's mission to significantly reduce carbon emissions in Scopes 1 and 2. It achieves this by leveraging additional heat from the nearby Bio Energy Guarcino cogeneration plant.

Cartiere di Guarcino collaborated with other European companies to establish a consortium committed to implementing a heat pump and absorption exchanger. Using low-temperature thermal waste (hot water at 90°C) from the bioliquid-fueled cogeneration plant, the consortium aims to reduce methane gas use by approximately 30% (equivalent to 2800 kWh) and concurrently decrease CO<sub>2</sub> emissions from fossil fuels by approximately 20% (equivalent to 3000 tonnes of CO<sub>2</sub> avoided).

The project aims to achieve certification of its results by 2026.

## 3.4 Research, development and patents

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For Neodecortech, quality means offering consistency, originality and technical perfection of its designs. Quality and customer satisfaction are closely intertwined, driven by both the continual development of new designs in collaboration with customers and research and development efforts focused on creating genuinely innovative products.

Since 2010, NDT's creative R&D creative has turned into the Neodecortech Lab, a technical and stylistic research laboratory dedicated to meeting customer needs and anticipating trends, reproducing woodgrains, marbles, metals, textures inspired by fabrics and abstracts, decors inspired by natural materials or simply envisioned. The creation of a new decor can be sparked by the wishes of a customer or by internal creativeness and the inspiration can come from any material or simply from an idea. Neodecortech Lab works side by side with the sampling department: its digital printers provide meticulous sampling and matching to the sample, offering customers the highest reproduction quality plus fast work time.

In recent years, the Group has embarked on a path of product and market diversification, offering environmentally-sustainable solutions, also in consideration of recent European regulations, such as the SUP directive that establishes a ban on the sale of all single-use plastic products. In response to this law, Neodecortech is working on research projects to experiment lines of decorative papers for new applications and alternative uses, oriented towards environmental protection and produced using cutting-edge and highly efficient technologies, capable of generating productivity increases, lower pollution and lower production of waste, ensuring a sustainable product, from production to disposal.

The pivotal role of innovation in the Group's strategy is underscored in the new 2024-2026 Business Plan. This plan emphasizes the continuation of investments consistent with the previous three-year period. Specifically, investments will be dedicated to introducing new products and processes, enhancing productivity, and solidifying production and management capabilities.

# 4. Economic and financial capital

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- 4.1 Performance of operations
  - 4.2 Economic performance
  - 4.3 Economic value generated and distributed

## 4.1 Performance of operations

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Regarding credit risk, no critical issues were reported, and it remains well-contained.

The Group continued to analyze the main financial and operational risks to which it is exposed, taking into account the prevailing geopolitical landscape within which it operates. In light of the analyses conducted and based on available evidence, no critical issues and uncertainties were found regarding the Group's business continuity.

With regard to the CONSOB notice of 7 March 2022, aimed at compliance with the restrictive measures adopted by the EU in response to the Russian military aggression in Ukraine, it should be noted that the Company is complying with all the measures introduced by the European Union. Additionally, from an IT point of view, the Company has adopted stringent business continuity plans, guaranteeing the full operation of back-ups, including offline solutions, to protect company systems and data from possible cyber-attacks, which could intensify as a result of the Russian-Ukrainian conflict

With regard to the further Warning Notice subsequently issued by CONSOB on 19 May 2022 related to the potential effects of the conflict in Ukraine on the business, operating and financial position and future prospects, it should be noted that the outbreak of the Russian-Ukrainian conflict has certainly affected the continued price increases of electricity and gas and the price of raw materials used.

## 4.2 Economic performance

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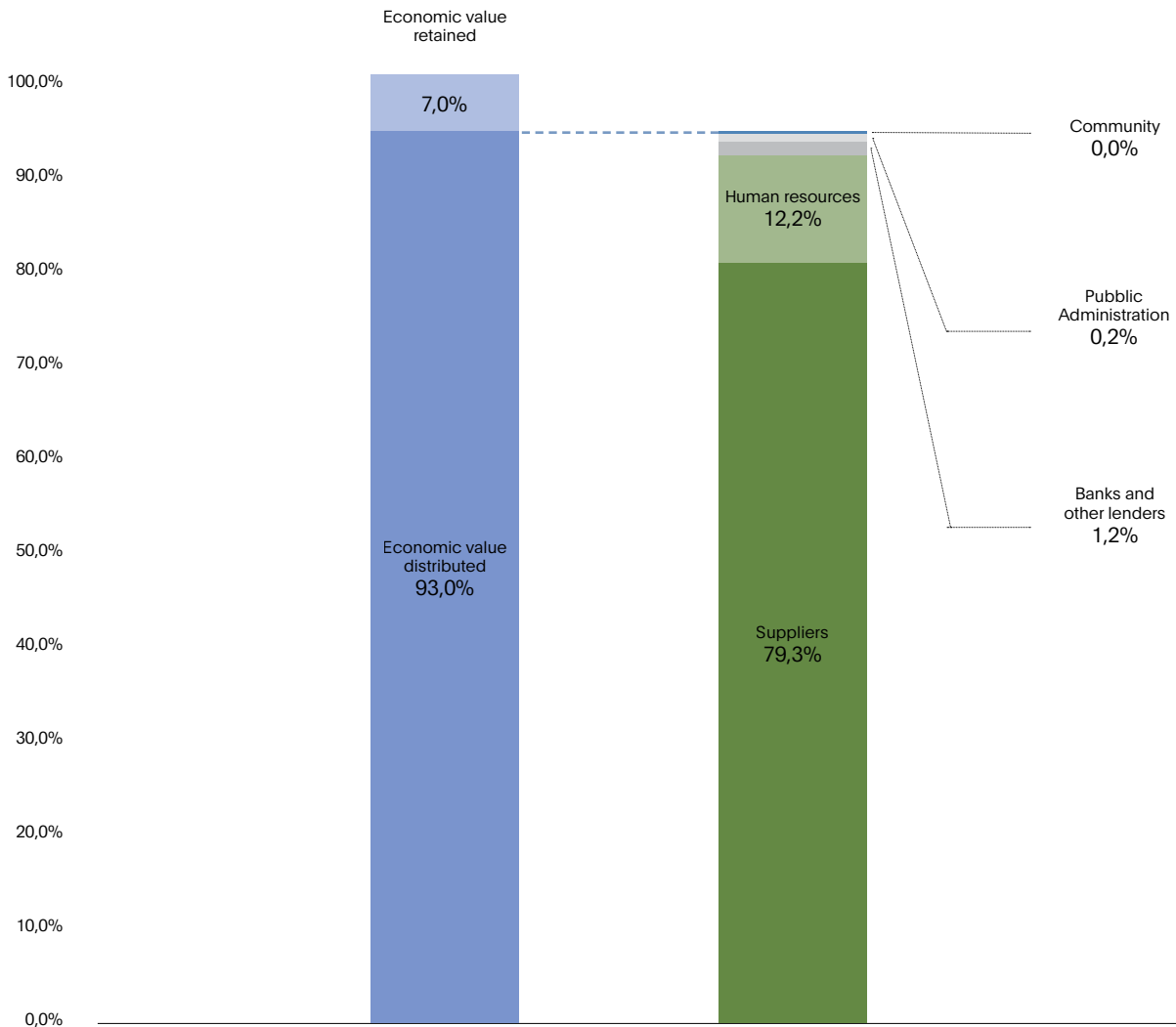
In 2023, total consolidated revenue amounted to € 161.6 million, down by 17.7% versus 31 December 2022. Consolidated EBITDA stood at € 13.9 million (8.6% of sales), up from € 16.0 million (8.1% of sales) in the prior year. Net profit for the year was € 2.8 million versus € 8.4 million at 31 December of the prior year. For a comprehensive overview of the Group's results and financial position, refer to the 2023 Annual Report.

Creating and distributing value for its stakeholders is an ongoing commitment of the Neodecortech Group.

The reclassification of the income statement, shown in the table below, highlights the determination and breakdown of the economic value directly generated and distributed by the entire Group. The economic value generated represents the overall wealth created by the Group and subsequently distributed among the various stakeholders. Conversely, the undistributed portion of economic value represents the retained amount designated to sustain future production operations.



## 4.3 Economic value generated and distributed



	2023	%	2022	%
<b>Economic value generated</b>	<b>172.005</b>	<b>100,0%</b>	<b>212.059</b>	<b>100%</b>
<b>Economic value distributed</b>	<b>159.908</b>	<b>93,0%</b>	<b>195.734</b>	<b>92,3%</b>
Reclassified operating costs	136.382	79,3%	170.043	80,2%
Of which raw material suppliers	105.759	61,5%	136.540	64,4%
Of which other providers (services)	30.623	17,8%	33.503	15,8%
Payments to personnel	20.983	12,2%	20.996	9,9%
Payments to lenders	2.101	1,2%	954	0,4%
Payments to shareholders <sup>1</sup>	-	-	2.000	0,9%
Payments to the Public Administration	391	0,2%	1.683	0,8%
Payments to the Community	51	0,0%	58	0,0%
<b>Economic value retained</b>	<b>12.097</b>	<b>7,0%</b>	<b>16.325</b>	<b>7,7%</b>

The economic value directly generated by the million, down versus 2022 (-18.9%). Most of this materials, energy sources, purchase of services) accounting for 79%, followed by payments to personnel (12.2%). Payments to lenders amounted to € 2.1 million (1.2%); Payments to the Public Administration (0.2%) are made up of tax payments. The Group contributed to social and economic development through donations and sponsorships in support of charitable and cultural associations, amounting to approximately € 52 thousand (0.03%).

Regarding the 2023 results, there are no plans for payments to private shareholders as part of the capital strengthening strategy.

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## Capital expenditure

The Neodecortech Group invests in projects aimed at technological innovation in both products and processes, with a commitment to sustainable development over the long term.

In 2023, Neodecortech made several investments in Industry 4.0, including:

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Electric forklifts

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Discharge treatment system

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Electrical/instrumental revamping and automation of thermal regenerative afterburning plant

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Consumption monitoring system

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Plant for the preparation of mixtures of resins and additives for impregnation

Additionally, the following technology investments were made that were not included in Industry 4.0:

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Photovoltaic power plant Casoli site commissioned in December 2022

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No. 2 22kw electric car column chargers

At Cartiere di Guarcino, the following expenditure in Industry 4.0 related to paper machine 2 were made in 2023 to increase the quality, productivity and efficiency of the machine:

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Revamping of the flat Table for optimization of structure and sheet stability

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Revamping of the press section for technological advancement of the Moisture Profil

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## Tax approach

In line with the Group's principles and values, laid down by the Code of Ethics and the Organizational Model, the tax approach and compliance are inspired by transparency and legality.

The Chief Financial Office (CFO) heading the Administration, Finance and Control Department and aided by external consultants, defines tax strategy and planning policies in order to comply with national and international tax regulations and take advantage of the opportunities granted by national tax authorities (tax credits, patent box, etc.).

The CFO also defines tax risk governance with support from Compliance & Risk Management, thereby minimizing the risks of non-compliance with current tax regulations and avoiding incurring administrative and criminal sanctions, as well as reputational risks. Employees or third parties with knowledge of the facts may report unethical or illegal conduct in tax matters, either directly to the CFO or through the whistleblowing system adopted by the Company.

The Group guarantees transparency and correctness in its dealings with the tax and customs authorities. Specifically, the company engages with the above authorities to obtain tax benefits (patent box), for VAT refund claims and for excise duties and statements of consumption. In managing these dealings, the Group guarantees the utmost transparency and availability in its dealings with the relevant authorities. The CFO is the contact person at Neodecortech to collect tax-related requests from third parties.

The tax part is also closely connected to the sustainable development of the Group. For example, monitoring all tax opportunities in terms of tax breaks and tax credits granted by the Italian government to support 4.0 investments that improve production processes and reduce environmental impacts.



# 5. Environmental capital

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**5.1 Disclosure pursuant to Article 8 under RE 2020/852**

**5.2 Environmental responsibility**

**5.3 Mitigation of environmental impacts**

**5.4 Energy consumption**

**5.5 Emissions**

**5.6 The water resource**

**5.7 Waste generation and management**



## 5.1 Disclosure pursuant to Article 8, RE2020/852

The Neodecortech Group provides the information below in accordance with Regulation (EU) 2020/852 as a company that has opted to voluntarily comply with Legislative Decree 2016/254, which mandates the publication of a Non-Financial Statement (NFS).

The Taxonomy Regulation establishes consistent EU-wide criteria for defining environmentally sustainable economic activities across six environmental targets:

- . Climate Change Mitigation (CCM);
- . Climate Change Adaptation (CCA);
- . Sustainable use and protection of water and marine resources (WTR);
- . Transition to a circular economy (CE);
- . Pollution Prevention and Control (PPC);
- . Protection and restoration of biodiversity and ecosystems (BIO).

For 2023, the plan includes reporting on KPIs such as Turnover, CapEx, and OpEx, as defined by Delegated Regulation (EU) 2021/2178 and subsequent amendments outlined in Regulation (EU) 2023/2486, associated with **eligible** and **aligned** activities regarding **mitigation** and **adaptation** of climate targets. Moreover, this year marks the first instance of reporting solely on **eligibility** for the additional **four environmental targets**.



Eligible activities related to the mitigation and adaptation targets correspond to any activity explicitly included in the list of economic activities in Annexes I and II of Delegated Regulation (EU) 2021/2139 and subsequent amendments provided for in Delegated Regulation (EU) 2023/2485 regardless of whether such economic activity meets any or all of the technical screening criteria set out in the document. Regarding the additional four environmental targets, eligible activities are listed within Annexes I to IV of Delegated Regulation (EU) 2023/2486, which allow the determination of activities associated with sustainable use and protection of water, transition to a circular economy, pollution prevention and reduction, and prevention and restoration of biodiversity and ecosystems, respectively.

Aligned activities correspond to environmentally sustainable activities under Article 3 of Regulation (EU) 2020/852 that jointly meet the following criteria:

<p><b>Substantial contribution</b> to the achievement of one or more of the environmental targets</p>	<p>Absence of significant damage to any of the other environmental targets ("DNSH"<sub>2</sub>)</p>	<p>Compliance with the minimum safeguards<sub>3</sub></p>
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To comply with the Regulations, the Neodecortech Group has initiated the procedure to review its activities conducted in 2023, organizing the process into three primary stages:

<p>Identification of eligible activities</p>	<p>Identification of aligned activities</p>	<p>Calculation of KPIs Turnover, CapEx and OpEx</p>
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<sup>2</sup> "Do No Significant Harm"

<sup>3</sup> The following guidelines can be referred to when assessing compliance with minimum safeguards: OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, International Labour Organization's ("ILO") declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions, International Bill of Human Rights

The Neodecortech Group conducted an analysis of its economic activities, assessing consistency with the descriptions given in Reg. (EU) 2021/2139, Reg. (EU) 2023/2485 and Reg. (EU) 2023/2486 regarding its business activities and activities related to corporate operations.

Following this preliminary screening, the Taxonomy-eligible economic activities were defined. The activities mapped in the table below refer to the Neodecortech Group.

#	ACTIVITIES PURS. REG. (EU) 2021/2139 AND REG. (EU) 2023/2485
CCM 3.17	Manufacture of plastics in primary forms
CCM 4.1	Electricity generation using solar photovoltaic technology
CCM 4.8	Electricity generation from bioenergy
CCM 4.20	Cogeneration of heat/cool and power from bioenergy
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
CCM 7.6	Installation, maintenance and repair of renewable energy technologies
CCM 8.1	Data processing, hosting and related activities

Concluding the analysis conducted in accordance with Regulation (EU) 2020/852, the verification of alignment of eligible activities involves assessing activities against criteria such as substantial contribution, "DNSH" criteria, and criteria related to Minimum Safeguards.

Regarding the **Minimum Safeguards** criterion as outlined in Article 18 of Regulation (EU) 2020/852, the assessment was conducted, considering adherence to prominent international guidelines concerning human rights (including workers' and consumers' rights), corruption, taxation, and fair competition. Opting for a conservative and prudent approach, despite the existence in the Group of a Code of Ethics and a Code of Conduct for suppliers, the current safeguard mechanisms within the supply chain are deemed insufficient to consider the activities classified as eligible aligned with the Minimum Safeguards. In the upcoming years, the Group will undertake measures to formalize its focus on and protection of human and workers' rights throughout the supply chain. This effort will complement the ongoing oversight conducted through existing tools.

The procedure included the analysis of the criteria of **substantial contribution** and the **"DNSH" criteria** (Do No Significant Harm). As previously mentioned, the former are intended to ensure that the company's activities contribute tangibly to the relevant environmental targets, while the latter aim to confirm that none of the other targets outlined in the Taxonomy are adversely affected.

With regard to the targets impacted by the identified activities, a number of substantial contribution criteria were met. Finally, it is clarified that the technical screening criteria outlined in Delegated Regulation (EU) 2021/2139, as amended by Regulation (EU) 2023/2485, and Regulation (EU) 2023/2486 concerning eligible activities identified by the Neodecortech Group, encompass a thorough climate risk assessment. This assessment aims to evaluate the significance of climate and physical risks to economic activity. For the purpose of the analysis, Neodecortech assessed the classification of climate-related hazards, shown in Appendix A of Annexes I and II of Reg. (EU) 2021/2139 and Annex III of Reg. (EU) 2023/2486. The Company does not deem these risks as significant concerning the scope of eligible activities. However, to date, no structured and quantitative analysis has been conducted in this regard.

As a result of these analyses and considerations, conducted with a conservative approach, none of the eligible activities appear to be aligned with the Taxonomy.

### Information on the amounts considered to facilitate the calculation of KPIs

KPIs are calculated in accordance with the accounting criteria outlined in Annex I of Delegated Regulation (EU) 2021/2178 and subsequent amendments provided by Reg. (EU) 2023/2486. The table below summarizes the indicators for eligible activities for all six environmental objectives<sup>4</sup>.

#	ATTIVITÀ AMMISSIBILI EX REG. (UE) 2020/852	2023		
		Revenues	CapEx	OpEx
CCM 3.17	Manufacture of plastics in primary forms	2,86%	-	0,01%
CCM 4.1	Power generation with solar photovoltaic technology	0,06%	5,99%	0,01%
CCM 4.8	Power generation from bioenergy	17,69%	2,51%	0,04%
CCM 4.20	Cogeneration of heat/cool and power from bioenergy	-	0,45%	-
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	-	-	0,01%
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	-	0,13%	-
CCM 7.6	Installazione, maintenance and repair of renewable energy technologies	-	-	0,01%
CCM 8.1	Data processing, hosting and related activities	-	0,09%	0,001%
	<b>Total</b>	<b>20,61%</b>	<b>9,18%</b>	<b>0,07%</b>

Specificall , the denominator of the KPIs corresponds to the items shown below, while the numerator represents the portion of the denominator that aligns with the relevant criteria outlined in the Delegated Regulations.

**With regard to turnover, net revenue within the meaning of Article 2(5) of Directive 2013/34/EU was considered for the denominator calculation. Turnover includes revenue recognized in accordance with International Accounting Standard (IAS) 1, point 82(a), adopted by Commission Regulation (EC) no. 1126/2008<sup>5</sup>. To prevent any potential double counting, intercompany transactions have been eliminated and do not factor into the determination of KPIs.**

To establish the denominator of the CapEX KPI, increases to tangible and intangible assets during the year considered before amortization, depreciation, write-down, and any write-back, including those resulting from restatements and impairments, were included for the year under review, and changes in fair value were excluded.

**For the purpose of establishing the denominator of the OpEx KPI, non-capitalized direct costs for research and development, maintenance and repair as well as any other direct expense related to the day-to-day maintenance of property, plant and equipment required to ensure the ongoing and effective operation of these assets were included<sup>6</sup>.**

5 In accordance with 1.1.1. outlined in Delegated Regulation (EU) 2021/2178.

6 In accordance with 1.1.3. outlined in Delegated Regulation (EU) 2021/2178

With regard to the individual activities considered, below is a summary of the cost items included in the numerator of the indicators:

3.17	<b>Manufacture of plastics in primary forms:</b> the Revenue value shown refers to the sale of plastics, while OpEx refers to maintenance activities implemented by Neodecortech S.p.A.
4.1	<b>Power generation with solar photovoltaic technology:</b> the Revenue value shown refers to the sale of electricity regarding the Casoli and Filago photovoltaic plants, while OpEx reflects the costs associated with the activity conducted by Neodecortech S.p.A.
4.8	<b>Power generation from bioenergy:</b> CapEx costs, OpEx and the Revenue value shown refer to the activity related to energy production from palm oil and animal fat conducted by Bio Energy Guarcino S.r.l
4.20	<b>Cogeneration of heat/cool and electricity from bioenergy:</b> Cartiere di Guarcino S.p.A. implemented in 2023 a district heating network related to the building housing the offices. As part of this activity, associated costs were considered.
7.3	<b>Installation, maintenance and repair of energy efficiency equipment:</b> OpEx shown refers to costs associated with high-efficiency components and LED headlights for Neodecortech S.p.A.
7.4	<b>Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings):</b> CapEx associated with the installation of electric charging stations refers to the Filago site (Neodecortech S.p.A.)
7.6	<b>Installation, maintenance and repair of renewable energy technologies:</b> OpEx shown refers to the repairing of an inverter regarding the solar park of 7.6 Neodecortech S.p.A.
8.1	<b>Data processing, hosting and related activities:</b> CapEx and OpEx costs shown refer to the activity implemented at Neodecortech S.p.A.'s headquarters regarding the air conditioning system for cooling the servers.

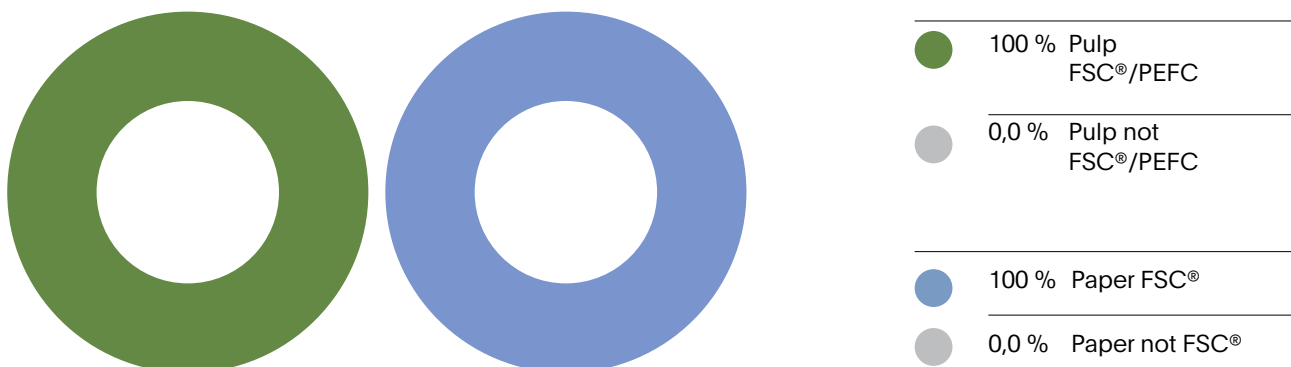


## 5.2 Environmental responsibility

In striving for sustainable development, the Neodecortech Group endeavors to strike a balance between economic progress and environmental preservation. This is achieved by minimizing environmental impact through the adoption of best practices and fostering practical collaboration with suppliers and partners.

With this in mind, the Group has adopted the assessment of the Carbon Disclosure Project (CDP), an international non-profit organization that provides businesses, local authorities, governments and investors with a global system of environmental measurement and reporting. With the "Climate change 2023" questionnaire, based on 2022 data, CDP has placed Neodecortech in the "Management band" with a "B" score. This score places Neodecortech in the European average, with the same score of "B", but slightly better than the average of the Wood & Paper materials segment, its target area, which has a score of B-. Conversely, the world average obtained a score of "C".

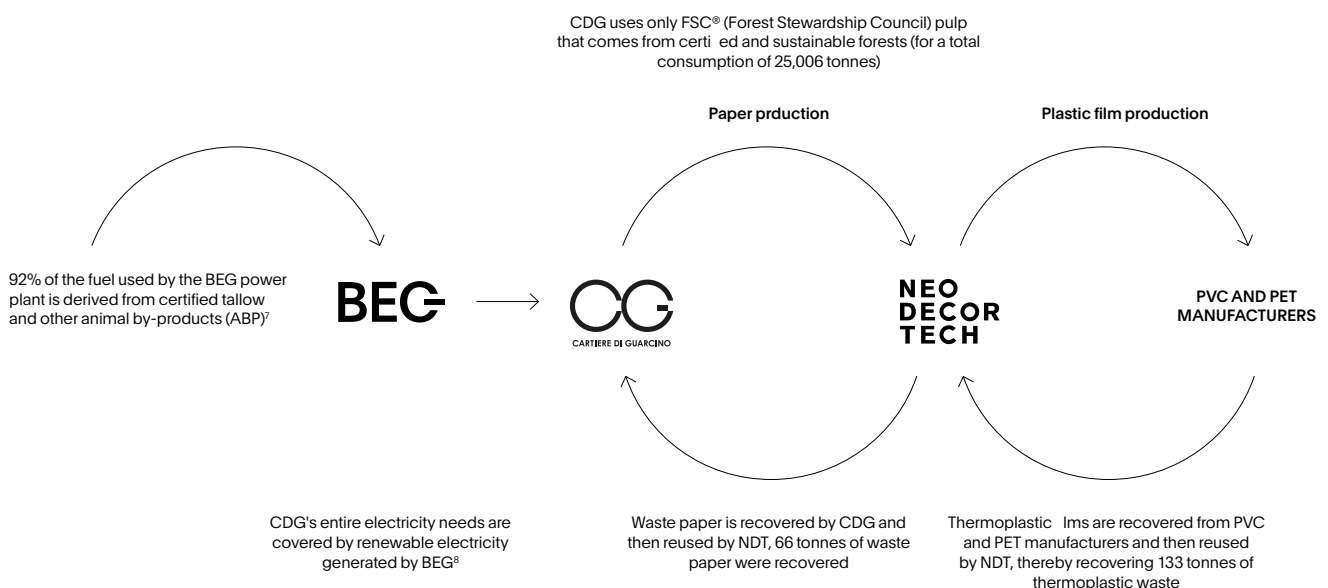
In 2023, Neodecortech also continued its commitment to the responsible and sustainable management of forests, reinforcing its approach to responsible sourcing for the purchase of pulp used in papermaking, the Group's main raw material. Group companies purchase, in fact, exclusively FSC® certified paper and pulp and check the supplier's certification directly on the FSC website. The Group's commitment to the use of renewable raw materials is not restricted only to the materials used for production; all the cardboard used for packaging is also FSC® certified



## Neodecortech Group and the circular economy

CDG products include backer papers, a particular type of product, created to meet the needs of the flooring market. In this case, the main raw material consists of cellulose waste, in particular leaflets recovered from production waste (winders waste, breaks during paper sheet formation and non-conforming end products) and sub-products (first and second production waste made of cellulose fibre). All waste paper generated at the sites of Neodecortech S.p.A. is carefully separated from possible pollutants and then reused in CDG's production processes. The Group relies on a supplier who operates in the waste paper recovery field for the recovery, transport, sorting and compacting of recyclable waste to be reintroduced into the distribution chain.

In 2023, approximately 66 tonnes of waste paper were collected from the Filago offices and delivered for recovery to CDG. However, CDG recovered an additional 1036.34 tonnes of paper from other printers that are its customers, in addition to purchasing 89,125 tonnes of waste paper. The share of the final backer product obtained by using recycled paper and waste paper, out of the total paper produced **was 8.4%**.



7 In calculating the total amount by-products used, the share required to produce the energy.

8 Taking into account any production stoppages at the plant.

The circular economy logic is also applied to printing PVC and rPET. All PVC and rPET waste is in fact delivered to the same company from which Neodecortech purchases it for reuse. In 2023, 133 tonnes of material was recovered and reused out of a total of approximately 1,190 tonnes purchased.

Additionally, regarding rPET used for the new EOS anti-fingerprint surfaces, mention should be made that it is purchased with a component obtained from recycled material (beverage bottles) in the amount of 70%.

All these initiatives underscore the Neodecortech Group's steadfast belief in the significance of reviewing all its production processes through the principles of the circular economy, characterized as "an economy designed to regenerate itself" (Ellen MacArthur Foundation).

The principles of the circular economy are rooted in the recognition that raw materials are finite. It is imperative to establish new models of production and consumption aimed at minimizing waste and maximizing opportunities for reuse and recycling. This entails rethinking all stages of production and meticulously considering the entire supply chain involved in the material's production cycle.

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### **Packaging recovery strategy**

The principles of the circular economy are not solely confined to the raw materials used to produce products sold in the market. In 2023, the mapping of all packaging used in processes continued, with a focus on identifying packaging composed of recycled or certified materials. Furthermore, starting in 2022, the Group initiated communication with customers regarding the composition of various packaging materials. This effort aims to facilitate and enhance recycling and/or recovery practices.

Thanks to the analysis carried out, packaging made of non-recycled material or coming from non-certified forests was identified in the case of wood-based products; research into the market was carried out, in collaboration with the suppliers, for similar packaging made of recycled/certified material.

The new packaging was then incorporated into the production processes, bringing the percentage of recycled/certified packaging to 90% of the total packaging purchased in 2023.

Specifically, 98% of paper and cardboard, and 58% of plastic used as packaging comes from recycled materials. Wooden packaging instead (pallets, crates, panels, etc..) is composed 94% of wood coming from certified forests. This activity will continue into 2024 with the target of phasing out all non-recycled/certified packaging materials.

As mentioned in the previous section, the production of backer papers involves 80% recovered material. Specifically, 40% from printed leaf, 32% from CdG production waste, and 8% from by-product recovery from the impregnation process.

2023				
Product	Total Kg	Virgin Kg	Recycled / Certified kg	%
Cardboard	155.723	2.981	152.742	98%
Plastic	43.142	18.147	24.996	58%
Steel	4.786	0	0	0%
Wood	137.752	7.595	130.157	94%
<b>Total</b>	<b>341.402</b>	<b>28.722</b>	<b>307.894</b>	<b>90%</b>

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## Environmental projects

In line with its **ESG Action Plan** of November 2021, the Group has deployed a great many resources for the development of new projects aimed at energy efficiency and the reduction of CO2 emissions.

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## Developed projects

In 2023, the Neodecortech Group achieved **carbon neutrality**. This significant milestone was made possible by the sustainable initiatives undertaken in recent years and the current Business Plan, which is aligned with the United Nations Sustainable Development Goals.

This achievement is the culmination of efforts that have enabled the Group to reduce CO2 emissions through various means. These include producing electricity from biomass with Bio Energy Guarcino, implementing photovoltaic systems at both the Filago and Casoli plants, and sourcing additional electricity from renewable sources. Moreover, the Group has fully offset the remaining CO2 emissions by purchasing equivalent carbon credits from partner Sendeco.

Carbon credits purchased in 2023 will be sufficient to offset the remaining emissions of the year 2024 as well.

Next steps include evaluating possible ways to participate in projects developed by Sendeco for offsetting residual CO2 eq tonnes starting in 2025.



In 2023, the Neodecortech Group achieved Carbon Neutrality (Scope 1 - Scope 2).



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## Projects to be launched in 2024

A number of new environmental activities were launched in 2024.

A cogeneration project through waste-to-energy of production waste from the Casoli di Atri production site is being evaluated by the relevant agencies. In this regard, the new company NDT energy S.r.l. was established for the specific purpose of installing a biomass boiler fueled by production waste in order to achieve self-sufficiency for thermal consumption. The project, currently in the permitting stage, will use 100% of the powder and laminate waste, allow for almost zero gas consumption (approximately -500,000 m<sup>3</sup>/ year) and eliminate the need to transport waste to landfill through approximately 200 trucks/year.

With the goal of reducing its carbon footprint, the Group has finalized the calculation of its other indirect emissions (Scope 3) and has identified actions to offset these emissions. These actions include promoting the use of intermodal transportation and collaborating with key raw material suppliers.

Through targeted industrial process optimization actions, the Group is working to further reduce the amount of non-recoverable waste disposed of.

Furthermore, the Group's social commitment will be reaffirmed in 2024 through initiatives established in collaboration with local governments of the municipalities where the company's plants are located, as well as with nonprofit organizations operating in those areas.

## 5.3 Mitigation of environmental impacts

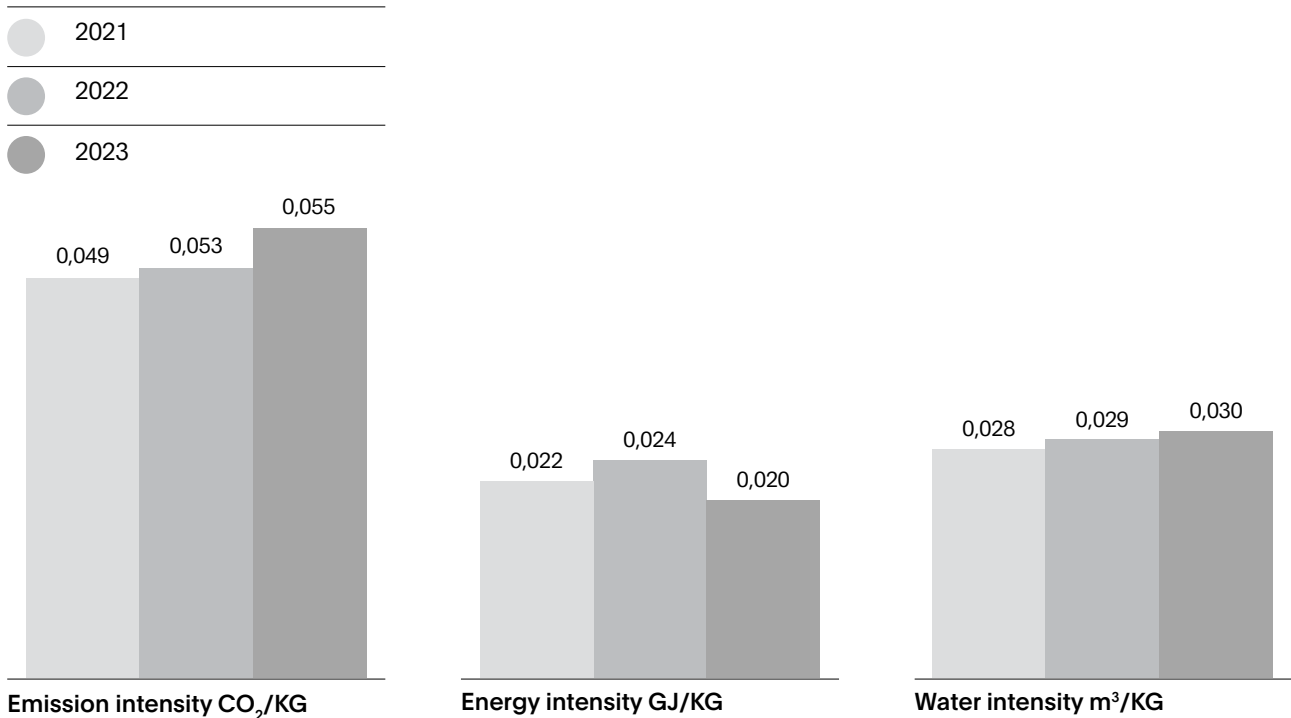
Due to the diverse manufacturing activities of the companies comprising Neodecortech, each activity within the Group generates specific externalities on the surrounding environment. Therefore, specific short-, medium-, or long-term targets and programs are necessary for each plant. These tailored initiatives enable the outlining of a structured and defined path to reduce the environmental impact of each plant. The Group Companies manage these impacts through the implementation and maintenance of certified environmental management systems and innovation paths.

### Climate risk

With regard to the risks related to climate change, the Neodecortech Group has embarked on a structured process of analysis of its environmental impacts and mitigation activities. In addition to the internal analysis of its risks and opportunities, the Group has decided to undergo the CDP - Carbon Disclosure Project assessment as from 2021, with a view to increasing awareness, and has launched a sustainability process aimed at increasingly reducing its negative impacts in this area.

The Group had set the goal of conducting in the three-year period 2021-2023 an optional Offsetting Program that would gradually provide for the achievement of carbon neutrality first for Neodecortech Spa (2021), then for Neodecortech Spa and Beg Srl (2022), and finally for the entire Group (2023). Specifically, over 14,907 tonnes of CO<sub>2</sub> eq (Scope 1 + Scope 2 location based) were offset in 2023.

Energy intensity represents the ratio of total energy consumption, measured in GJ, to industrial output (kg of finished product of CDG and NDT). In 2023, a slight 20% increase in this ratio was reported, due to the decrease in production, batches, and the composition of the mix of more energy-intensive products than in the prior year. Through specific energy efficiency measures, such as optimizing the methane gas consumption of the Filago abatement plant, the value of energy intensity is expected to be reduced from 2024.



Emission intensity is calculated by considering the Scope 2 (Location Based) direct and indirect emissions of the Group, comparing them with the volume of industrial production (kg of end product of CDG and NDT). A slight 3% increase in this ratio was reported in 2023. Indeed, BEG had to halt its power generation operations in 2023. Consequently, the Cartiere di Guarcino plant resorted to the grid to fulfill its power supply requirements.

Water intensity is calculated by considering the Group's water consumption, comparing it with the volume of industrial production (kg of end product of CDG and NDT). Water intensity is reported to have increased slightly from 2022, the increase attributable to a larger number of production changes. In the first half of 2024, the new ozone water treatment plant at the Cartiere di Guarcino plant is scheduled to start operation.

The plant will enhance the quality of water discharged back into the River Cosa by notably diminishing the concentration of critical parameters like surfactants, COD, and total inorganic nitrogen. This will be achieved through the implementation of an advanced oxidation process (AOP). Furthermore, the enhancement of water quality resulting from this treatment will enable increased reuse of the water in the production process, aligning with the provisions of Cartiere's BAT 48. This reduction in fresh water usage is anticipated to be around 28% during the three-year period 2024-2026, assuming constant production volumes.

## 5.4 Energy consumption<sup>9</sup>

Recognizing that the heightened concentration of greenhouse gases in the atmosphere is a primary contributor to the rising average global temperature, Neodecortech strives to enhance the efficiency and production processes of its Companies to mitigate their environmental impact. In fact, while the Group Companies perform production activities that generate significant greenhouse gas emissions per unit of product, the negative impact in terms of climate-changing emissions has been reduced over the years, thanks mainly to the growing use of renewable energy sources and through the adoption and maintenance of ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems.

In 2023, the Group neutralized approximately 15,000 tonnes of CO<sub>2</sub> through the production of electricity from biomass with Bio Energy Guarcino (with GO transfer to the other production sites) and the use of photovoltaic systems at both the Filago and Casoli plants.

The Group's commitment to pursuing its environmental targets is reflected in the Quality, Environment, Safety and Energy Policy adopted by the Group, which undertakes to:

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optimize consumption of raw materials and their reuse where possible

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reduce waste generation

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study and implement an action plan of energy

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define targets of an environmental nature

<sup>9</sup> After refining the calculation methodology concerning the organization's energy consumption, the sources of conversion factors have been updated wherever feasible, with regard to 2023 data. Refer to the Attachement section for the details.

Pursuant to applicable legislation, the Group is required to apply for and obtain the issue of permits and authorizations to carry out its activities, including the Integrated Environmental Authorization (IEA), which authorizes the operation of a plant under certain conditions that ensure compliance with IPPC (Integrated Pollution Prevention and Control) requirements, relating to industrial emissions and environmental performance associated with Best Available Techniques (BAT). In particular, both the Parent Company and its subsidiary Cartiere di Guarcino S.p.A. have applied for renewal of the Integrated Environmental Authorizations issued by the Province of Bergamo, Latium Region and Abruzzo Region.

Additionally, BEG obtained in 2009 the IAFR qualification no. 3682 (Plants Powered by Renewable Sources), which guarantees that it sources exclusively from certified sustainable sources in accordance with Directive 2009/28/EC and Decree of 23 January 2012 on the sustainability of fuels.

Over the years, in pursuit of its sustainability targets, the Group has gradually increased the share of renewable electricity consumed, both through production in BEG and through the purchase of Guarantees of Origin, which, as of 2021, covered 60% of electricity purchases in 2023.

In addition to the cogeneration plant in Guarcino, the Filago plant is equipped with a 999 MW photovoltaic plant. A 500 KW photovoltaic system also went into operation at the Casoli plant in December 2022. Both plants achieve a 20% electricity self-sufficiency. Again with the aim of reducing its emissions, Cartiere di Guarcino has requested its main pulp suppliers to assess a collaboration/partnership for the implementation of shared projects with the gradual aim of fully offsetting the CO2 emissions of the NDT Group possibly over the 2024-2026 Plan.



Guarcino cogeneration plant.



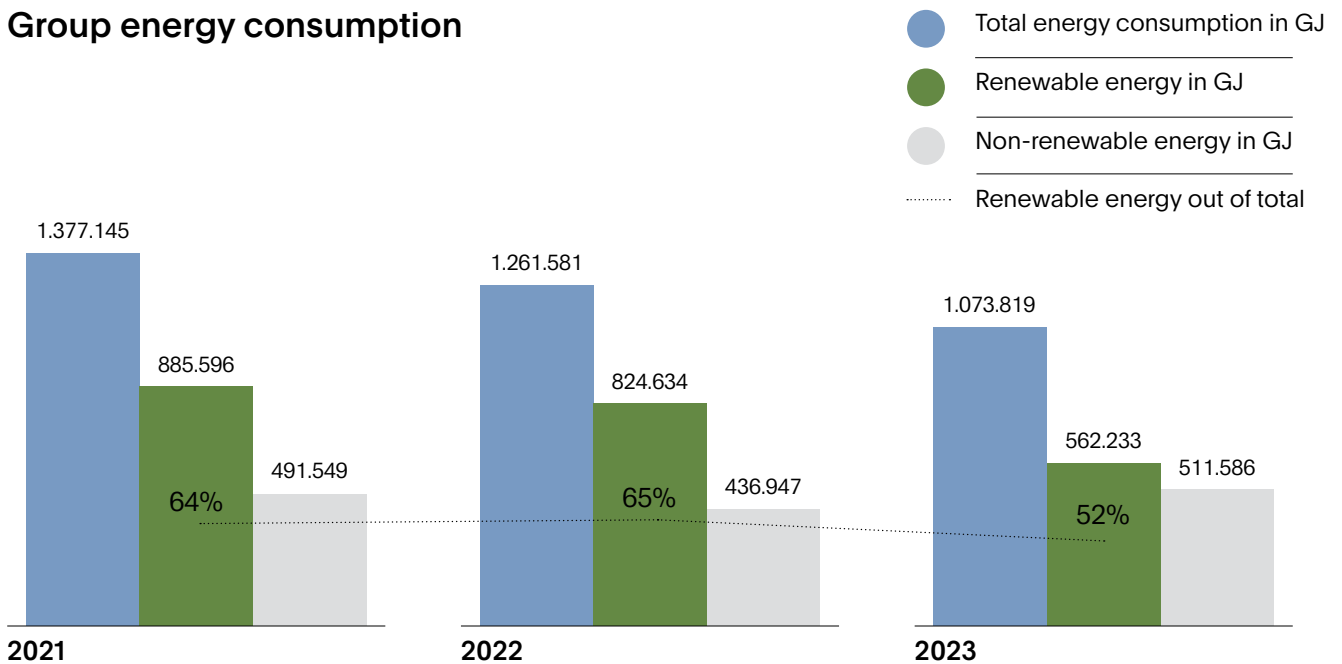


Photovoltaic panels at the Filago and Casoli d'Atri sites.

In 2023, Group energy consumption amounted to 1,073,819 GJ<sup>10</sup> (1,261,581 GJ in 2022), of which 52% is energy from renewable sources. With regard to BEG, the most relevant fuel category needed to obtain the energy source appears to be animal by-product with a consumption in 2023 of 928,293 GJ (986,203 GJ in 2022).

The CDG and BEG plants are subject to the European CO<sub>2</sub> Emissions Trading Scheme (EU-ETS11), a vital tool in the European Union's policy to combat climate change and to reduce greenhouse gas emissions in a cost-effective manner. This legislation envisages a series of rigorous controls and analyses of emissions generated by stationary installations and their disclosure to the competent authorities, which ascertain the data disclosed.

### Group energy consumption

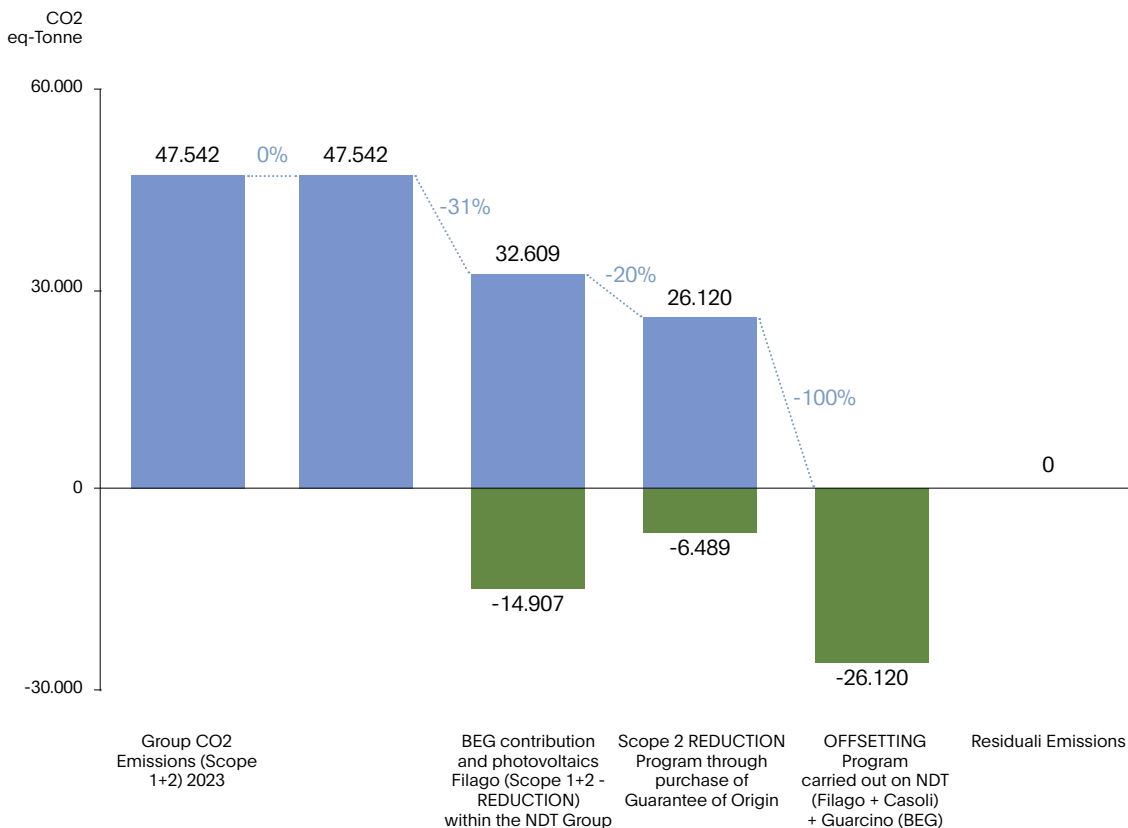


<sup>10</sup> See the Performance Indicators section to this CNFS for the conversion factors used to calculate energy consumption in GJ.

## 5.5 Emissions<sup>12</sup>

In 2023, the Group's direct emissions (Scope 1) amounted to 26,120 tonnes of CO2 resulting from the consumption of methane gas and diesel fuel for manufacturing activities and company vehicles (+2% versus 2022). The Group's targets include the gradual neutralization of Scope 1 emissions across all Group companies through actions to reduce energy consumption and mitigate and offset emissions. In 2023, the neutralization of Scope 1 and 2 (location based) emissions from Filago and Casoli, CDG and BEG amounting to approximately 15,000 tonnes of CO2 was carried out by Neodecortech.

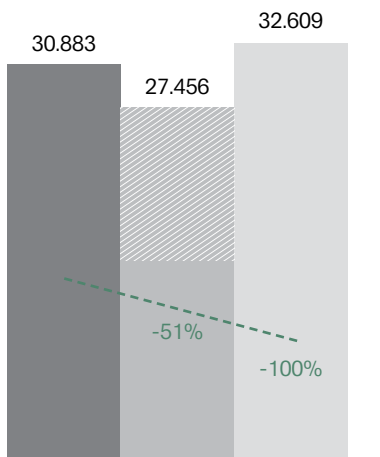
### 2023 Neutralization and Offsetting of Tonnes of CO2 eq



12 After refining the calculation methodology concerning the organization's emissions, the sources of emission factors have been updated wherever feasible, with regard to 2023 data. Please refer to the Attachement section for details.

Indirect emissions from purchased electricity (Scope 2) amounted to 6,489 tonnes of CO<sub>2</sub> according to the Location-based calculation (+18% versus 2022) and zero tonnes of CO<sub>2</sub> according to the Market-based calculation, as all electricity consumed comes from renewable sources. Total emissions (Scope 1 and Scope 2 Location based) were 32,609 tonnes of CO<sub>2</sub>, slightly up from the prior reporting period. As required by the GRI reporting standard, emissions from biomass are shown separately from direct GHG Scope 1 emissions.

### Group energy consumption



- 2021
- 2022
- 2023
- ▨ off-setting emissions (Scope 1 + Scope 2)

**Total emissions**  
 (Scope 1 + Scope 2 Location based)

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## Transportation and Logistics

The issue of emissions intersects that of transportation and logistics. The Group pays the utmost attention when choosing the suppliers of this service, selecting them based on a wide range of factors, such as certification, registration in trade rolls, reliability, price and quality of services proposed and performed. Last but not least, Neodecortech also considers the carbon footprint of product and people transportation: where possible, goods and product transportation takes place at full-load and considering the destinations, to achieve increasingly high levels of efficiency. In 2023, research activities, which started in 2022, were continued to boost the use of intermodal transportation. This system will allow the group to select a transportation pool in order to reduce the carbon footprint of emissions from freight transportation.

## 5.6 The water resource

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Water resources are of fundamental importance to Neodecortech; in the specific case of Cartiere, they are one of the key factors in the making of its products: In fact, CdG is responsible for 99% of the Group's water consumption.

The supply of water for industrial use is mainly by diversion of surface water and groundwater, and represents, therefore, a highly sensitive issue, while respecting the water balance of the territories in which the Group headquarters are located. All the plants, except the one in Filago, are located in water-stressed areas,<sup>13</sup> which, if poorly managed, could lead to a production stoppage. The water withdrawn is used mainly for industrial purposes, and is then purified and returned for the most part to the body of water from which it was withdrawn. It should be noted, as in the prior year, that BEG's process water, amounting to 49.97 MI in 2023, does not count towards the calculation of the total as it comes from consumption already considered in CDG. It partly derives from the CDG sewage treatment plant and partly from the ENEL sub bypass.

Neodecortech's effectiveness in minimizing water consumption is affected by the nature of its production activities: the introduction of new products and the testing of different materials imply an increase in consumption at same production levels.

In order to tackle this problem, the Group is committed, quality requirements permitting, to reusing as much water as possible in several production cycles, both in the pulp preparation and in certain washing activities. In 2023, there was a 6% increase in total water withdrawal versus the prior year, caused by a larger number of production changes.

<sup>13</sup> To evaluate its impact in sensitive areas concerning water withdrawals in water-stressed areas, the Neodecortech Group uses the Aqueduct Tool developed by the World Resources Institute to identify areas potentially at risk. Available at <https://www.wri.org/our-work/project/aqueduct>.



Source del prelievo	UdM	2023		2022		2021	
		All areas	Water-stressed area	All areas	Water-stressed area	All areas	Water-stressed area
Surface water (total) <sup>14</sup>	MI	1.595,6	1.595,6	1.495,0	1.495,0	1.811,0	1.811,0
Groundwater (total)	MI	10,63	-	13,02	-	13,42	-
Sea water (total)	MI	-	-	-	-	-	-
Process water (total)	MI	-	-	-	-	-	-
Third-party water (total)	MI	5,90	3,50	6,04	2,39	6,93	1,44
Third-party water by source of withdrawal (total)	MI	5,90	3,50	6,04	2,39	6,93	1,44
Surface water	MI	-	-	-	-	6,9	1,4
Groundwater	MI	-	-	-	-	-	-
Sea water (total)	MI	-	-	-	-	-	-
Process water	MI	-	-	-	-	-	-
<b>Total water withdrawal</b>	<b>MI</b>	<b>1.612,1</b>	<b>1.599,1</b>	<b>1.514,0</b>	<b>1.497,0</b>	<b>1.831,3</b>	<b>1.812,4</b>

In the first half of 2024, the new ozone water treatment plant at the Cartiere di Guarcino plant is scheduled to start operation.

The plant will enhance the quality of water discharged back into the River Cosa by notably diminishing the concentration of critical parameters like surfactants, COD, and total inorganic nitrogen. This will be achieved through the implementation of an advanced oxidation process (AOP). Furthermore, the enhancement of water quality resulting from this treatment will enable increased reuse of the water in the production process, aligning with the provisions of Cartiere's BAT 48. This reduction in fresh water usage is anticipated to be around 28% during the three-year period 2024-2026, assuming constant production volumes.

14 With regard to CDG draws on surface water for its activities. This is, however, totally transformed into process water. For consistency with prior years, the figure has been included with regard to surface water.

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## Water pollution and biodiversity

Water pollution caused by industrial discharges in rivers, lakes and seas is an extremely relevant issue also in light of other environmental aspects, as for example biodiversity and ecosystem preservation. In May 2021, the Group adopted a biodiversity policy to contribute to the goals of the United Nations Convention on Biological Diversity (CBD-1992), the National Biodiversity Strategy (September 2011), and the associated Aichi Biodiversity Targets.

By engaging with the local communities and analyzing the impacts of activities and investments, the Group is committed to ensuring the survival of animal and plant species with genetic diversity and natural ecosystems. Additionally, the Group has no facilities in the vicinity of protected areas or areas with high biodiversity value.

The proximity to surface watercourses (Dordo stream for Neodecortech S.p.A., River Cosa for CDG and BEG) is, in fact, a key aspect the Group pays close attention to in order to avoid water pollution incidents that may cause environmental damage and risks to people. To this end, the Group has implemented increasingly advanced tools over the years, such as wastewater filtering systems, tanks, detectors and alerts to avoid the potential pollution of surface watercourses and groundwater.

Additionally, the residues intercepted by the filtering systems can be fed back into the production cycle as raw materials for less veneered papers, mainly backer papers. At CDG, 100% of the water used in the process is returned purified and filtered to the river of origin without altering any chemical or physical characteristics. This was achieved through inspection and control interventions, with regular water discharges analysis.

Obviously, the Group Companies' actions on this issue are in compliance with regulations and use the best available technologies. Additionally, in first quarter 2023, the Filago site started to make changes to its production facilities, allowing it to change its water supply by diverting water use for industrial purposes using groundwater, while drinking water consumption remained unchanged for civilian purposes.

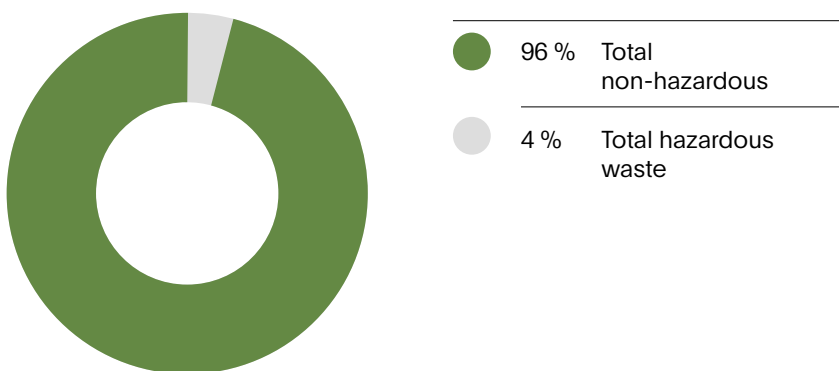
A new wastewater treatment plant was also installed at Filago, and went into operation in first quarter 2023, allowing wastewater to be reused in other production processes, significantly reducing its water discharge emissions by -80%.

## 5.7 Waste generation and management

The Group is well aware of the impact that proper waste management can have internally, in terms of production process efficiency, and externally, in the form of environmental impact. For this reason, the issue is handled with the utmost attention, monitoring the production process waste and carefully evaluating and selecting the waste transport and disposal firms

As proof of this commitment, the Management Models of the Companies include several procedures that govern the management of the issue (classification of service providers, classification and management of waste, ADR waste transport, etc.). Out of the waste generated by the Group, 96% falls into the non-hazardous waste category (7,719,358 kg) and only 4% (287,171 kg) into the hazardous waste category (solvents, lacquers, etc.), which are meticulously managed in compliance with the relevant legal provisions. Most of the waste generated by the Group is recoverable and only a small part is sent for destruction/incineration. The recoverable part of the waste consists mainly of mixed packaging that is then delivered to certified disposers, while the waste intended for destruction consists of certain chemicals that are used in production processes.

### Percentage breakdown of Neodecortech Group's waste in 2023



In 2023, BEG started a virtuous path towards a circular economy of a NON-hazardous and sustainable waste that has fed the biogas and biomethane production chain since 2022.

Additionally, all waste generated is carefully sorted in order to separate recyclable/recoverable materials from those meant for disposal. In order to increase employee awareness on this topic, a target linked to the percentage of waste recovered out of the total waste generated was also included among the parameters of the company's performance bonus at all of the production sites.

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### **Waste-to-energy of production waste from the Casoli di Atri production site**

A cogeneration project through the waste-to-energy of production waste at the Casoli di Atri production site is currently being assessed by the relevant bodies, with the creation of a new company NDT energy S.r.l. for the main purpose of installing a biomass boiler powered by production waste in order to achieve almost total self-sufficiency for thermal consumption. The project, currently in the authorization phase, envisages the use of 100% of the powder and laminate waste as fuel for the biomass boiler: this initiative would lead to significant energy saving, thanks to the replacement of the current methane gas boiler (which would remain in operation only for the ignition and shutdown of the plant - phases that use traditional fuel) and economic saving, due to the reduction of the disposal of powder and laminate, currently managed as waste.

# 6. Human capital

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- 6.1. Staff recruitment policy
- 6.2. Diversity, equal opportunity and welfare
- 6.3. Employees
- 6.4. Training and skills
- 6.5. Remuneration policies
- 6.6. Workplace health and safety



## 6.1 Staff recruitment policy

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The Neodecortech Group places great importance on its human resources, recognizing them as a critical asset; the unique skills and experience of its employees contribute significantly to building a competitive edge, even more so in the Group's international operations.

## 6.2 Diversity, equal opportunity and welfare

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Neodecortech's commitment to the development of a workplace based on equity and the protection of diversity was made formal in the context of a dedicated Diversity and Inclusion Policy, published in 2021. This policy is in line with the principles enshrined in the Code of Ethics, as well as with the United Nations Universal Declaration of Human Rights. Neodecortech's diversity initiatives are applicable to, by way of example, but not limited to, practices and policies related to recruitment and selection; pay and benefits; professional development and training; career advancements; transfers; layoffs and terminations.

However, the composition of Neodecortech's human resources shows a notable male gender bias, a characteristic commonly seen in manufacturing companies within the industry. This bias is largely attributed to the substantial heavy manual labour component. The production department, in fact, sees an overwhelming presence of male workforce: in 2023, approximately 92% of the Group's blue collars were men. This condition is significantly mitigated among white collars.

## Number and percentage of employees by professional category and gender at 31 December

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	8	2	10	8	1	9	9	1	10
Managers	11	2	13	10	3	13	11	5	16
White collars	62	29	91	68	29	97	72	27	99
of which Technical employees	36	5	41	43	4	47	26	23	49
Blue collars	252	24	276	258	23	281	258	23	281
<b>Total</b>	<b>333</b>	<b>57</b>	<b>390</b>	<b>344</b>	<b>56</b>	<b>400</b>	<b>350</b>	<b>56</b>	<b>406</b>
<b>Percentage</b>	<b>85%</b>	<b>15%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>

## Number and percentage of employees by professional category and age group at 31 December

	2023				2022				2021			
	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total
Executives	-	2	8	10	-	2	7	9	-	2	8	10
Managers	-	8	5	13	-	8	5	13	-	11	5	16
White collars	7	42	42	91	6	53	38	97	6	61	32	99
of which Technical employees	2	15	24	41	2	23	22	47	4	31	14	49
Blue collars	20	133	123	276	28	127	126	281	34	129	118	281
<b>Total</b>	<b>27</b>	<b>185</b>	<b>178</b>	<b>390</b>	<b>34</b>	<b>190</b>	<b>176</b>	<b>400</b>	<b>40</b>	<b>203</b>	<b>163</b>	<b>406</b>
<b>Percentage</b>	<b>7%</b>	<b>47%</b>	<b>46%</b>	<b>100%</b>	<b>9%</b>	<b>48%</b>	<b>44%</b>	<b>100%</b>	<b>10%</b>	<b>50%</b>	<b>40%</b>	<b>100%</b>

As envisaged in the Code of Ethics, the Group avoids any form of discrimination against its employees and associates, ensuring that everyone is treated fairly and equally, regardless of gender, age, nationality, religion, ethnicity, when recruiting staff or, subsequently, in their professional growth within Neodecortech. As proof of this, no incidents of discrimination have ever been recorded. Access to roles and assignments is established by taking account of the expertise and skills that the Group undertakes to promote.

In this spirit, Group companies facilitate the inclusion of disabled persons in their activities in accordance with the provisions of Law 68/99 as subsequently amended. There are 19 people belonging to legally-protected categories, including 3 white collars and 16 blue collars, while the number of people with disabilities is 8 blue collars in 2023.

In relation to the composition of its administrative and management bodies, the current composition of the Board of Directors is adequately diversified in terms of age, gender and educational and professional background, as shown in the in the next chapter on Governance.

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## Employee wellbeing

As part of the ordinary management of employees, the company provides support to those who need assistance in tax or social security matters, including for personal and family purposes, therefore outside of the workplace.

A regulation was also prepared for the granting of scholarships to employees and their children, running for the three-year period 2021/2023, to support students in their education and training, which saw the granting in 2023 of a total of 5 scholarships. The same regulation was confirmed for the three-year period 2024/2026. For years, all employees have been given free flu shots.

In addition to the above, both CDG and NDT, as companies belonging to the papermaking and converting industry, have put in place the provisions of the National Collective Labour Agreement, i.e. insurance coverage with the Salute Sempre fund for employees and FASI for Executives.

With regard to performance, the Group has defined, as a second-level economic treatment, a company performance bonus based on the achievement of pre-established targets, with different brackets depending on the improvement achieved for each target, and standardized for men and women covering the same role.

Additionally, with a view to continually improving results, the Group invites employees to suggest proposals for improvements in the management of work processes, paying them a small token of recognition if the proposal is implemented.

Lastly, with regard to employee wellbeing, individual smart working agreements to the extent of one day per week have been concluded for specific types of workers since September 2022 for the Filago and Casoli sites. Additionally, from 2023, employees in service at the offices can enjoy inbound flexibility that must be made up on the same day.

The latter activities were implemented to improve both the work life balance of employees and the corporate climate, in view of the fact that work-life balance is one of the cornerstones for maintaining the level of internal climate at a high standard.

**Parental leave (maternity)**

	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees who took parental leave	1	1	2	1	1	2	1	2	3
Number of employees who returned to work during the reporting period after taking parental leave	1	1	2	1	1	2	1	2	3
Number of employees who returned to work after taking parental leave and who are still employed in the 12 months following return	1	1	2	-	-	-	1	1	2

## 6.3 Employees

At 31 December 2023, the Neodecortech Group's employees totaled 390 resources, 98% of whom hired on open-ended contracts. The presence of 6 fixed-term staff is related to the increasing stabilization period following their hiring. The fixed term normally never goes beyond 12 months. The level of employment over the years has declined slightly. Versus the prior reporting period, in fact, the Group's population has shrunk by approximately 3% (in 2022 there were 400 employees).

### Workforce by professional category and gender at 31 December

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Total employees</b>									
<b>Employees</b>	<b>333</b>	<b>57</b>	<b>390</b>	<b>344</b>	<b>56</b>	<b>400</b>	<b>350</b>	<b>56</b>	<b>406</b>
Executives	8	2	10	8	1	9	9	1	10
Managers	11	2	13	10	3	13	11	5	16
White collars	62	29	91	68	29	97	72	27	99
of which Technical employees	36	5	41	43	4	47	26	23	49
Blue collars	252	24	276	258	23	281	258	23	281
<b>External associates</b>	<b>21</b>	<b>1</b>	<b>22</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>22</b>	<b>1</b>	<b>23</b>
Agency-supplied or other types of contracts	21	1	22	18	-	18	22	1	23
Contractor cooperative staff	-	-	-	1	-	1	-	-	-
Interns	-	-	-	-	-	-	-	-	-
<b>Total workforce</b>	<b>354</b>	<b>58</b>	<b>412</b>	<b>363</b>	<b>56</b>	<b>419</b>	<b>372</b>	<b>57</b>	<b>429</b>



**Employees by type of contract and gender at 31 December**

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Contract type <sup>15</sup>									
Open-ended	329	55	384	343	55	398	321	55	376
Fixed-term	4	2	6	1	1	2	29	1	30
<b>Total</b>	<b>333</b>	<b>57</b>	<b>390</b>	<b>344</b>	<b>56</b>	<b>400</b>	<b>350</b>	<b>56</b>	<b>406</b>

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Type of employment									
Full-time	332	51	383	343	51	394	349	50	399
Part-time	1	6	7	1	5	6	1	6	7
Part time percentage	0,3%	11,8%	1,8%	0,3%	9,8%	1,5%	0,3%	12,0%	1,8%
<b>Total</b>	<b>333</b>	<b>57</b>	<b>390</b>	<b>344</b>	<b>56</b>	<b>400</b>	<b>350</b>	<b>56</b>	<b>406</b>

In 2023, Cartiere di Guarcino made use of 22 external associates, whose activities are governed by specific contracts. These associates perform non-specialized tasks within the organization, are trained as temps and later hired.

In managing employees, Group Companies adhere to current regulations and relevant collective bargaining agreements. Additionally, they abide by the guidelines outlined in their Code of Ethics, while also referencing internal rules and regulations concerning worker safety and health protection. At 31 December 2023, the percentage of employees covered by collective bargaining agreements was 100% of the contracts managed.

The Group has long established a constructive relationship and dialogue with trade-union representatives, keeping a balance between the needs of its human resources and corporate targets.

The Group has adopted a procedure for recruiting, hiring and managing staff.

**Hire rate by gender and age group**

Percentage	2023				2022				2021			
	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total
Men	0,6%	2,4%	0,0%	3,6%	1,5%	5,5%	0,6%	7,6%	4,86%	6,9%	0,9%	12,6%
Women	1,8%	3,5%	0,0%	5,3%	5,4%	5,4%	0,0%	10,7%	1,79%	5,4%	1,8%	8,9%
<b>Total</b>	<b>0,8%</b>	<b>2,6%</b>	<b>0,5%</b>	<b>3,9%</b>	<b>2,0%</b>	<b>5,5%</b>	<b>0,5%</b>	<b>8,0%</b>	<b>4,4%</b>	<b>6,7%</b>	<b>1%</b>	<b>12,1%</b>

The evaluation of staff to be hired is carried out with due regard to equal opportunities of all the persons involved. In 2023, there were 15 hires, of whom 6% under the age of 30.

The Filago site saw a steady hire trend in 2023 versus 2022. In fact, 14 resources were hired compared to 16 in 2022, with 10 distributed mainly in the 30-50 age group (9 in 2022).

Conversely, no new resources were recruited at the Casoli site in 2023 due to a decrease in incoming orders throughout the year, leading to a reduction in work activity. Consequently, there was a need to halt plant operations for one day during certain weeks of the year. These downtime days were covered through CIGO. For the same reason, the 2 terminations in 2023 were not supplemented by as many hires.

As for Cartiere, only one new resource was hired in 2023. BEG, instead, recorded no new entries in 2023.

**Turnover rate by gender and age groups (outgoing turnover)**

Percentage	2023				2022				2021			
	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total
Men	0,9%	1,8%	4,2%	6,9%	2,9%	4,1%	2,3%	9,3%	1,7%	1,7%	4,6%	8,0%
Women	0,0%	0,0%	1,8%	3,5%	1,8%	0,0%	3,6%	10,7%	1,8%	1,8%	0,0%	3,6%
<b>Total</b>	<b>0,7%</b>	<b>1,8%</b>	<b>3,9%</b>	<b>6,4%</b>	<b>2,8%</b>	<b>4,3%</b>	<b>2,5%</b>	<b>9,5%</b>	<b>1,7%</b>	<b>1,7%</b>	<b>3,9%</b>	<b>7,4%</b>

**Senior managers hired from local communities**

All senior managers within the Group are recruited from the local community, specifically from the regions where the individual plants are located. They hold positions characterized by managerial functions and are hired as executives (top managers).





## 6.4 Training and skills

The Group strives to enhance the skills of its human resources through training programs and professional growth paths, encouraging their active involvement, as a means of developing the soft skills and professional competencies of its resources so that its employees operate safely, effectively and efficiently .

At Neodecortech, training activities are performed from a strategic and compliance perspective, aimed at the constant improvement and growth of staff, and refer, in fact, to two macro areas:

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**Technical and professional training and refreshing of individuals and/or groups of employees**

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targets are set by the Company according to different training projects, with customized paths based on the employee's profile and task. They can vary in duration and complexity.

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**Prevention and safety**

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targets are established by regulations as well as according to Neodecortech characteristics and companies.

By their nature, all training activities are aimed to achieve the consolidation and implementation of professional knowledge to improve company performances. The Companies make their resources available to start collaboration or external consulting, to purchase/rent equipment required, and to involve internal functions for teaching activities.

In 2023, employee training included not only the delivery of mandatory training, in line with last year, but also technical training paths to give employees the opportunity to increase their skills also in relation to phases and projects for the reorganization and implementation of production and technological processes.

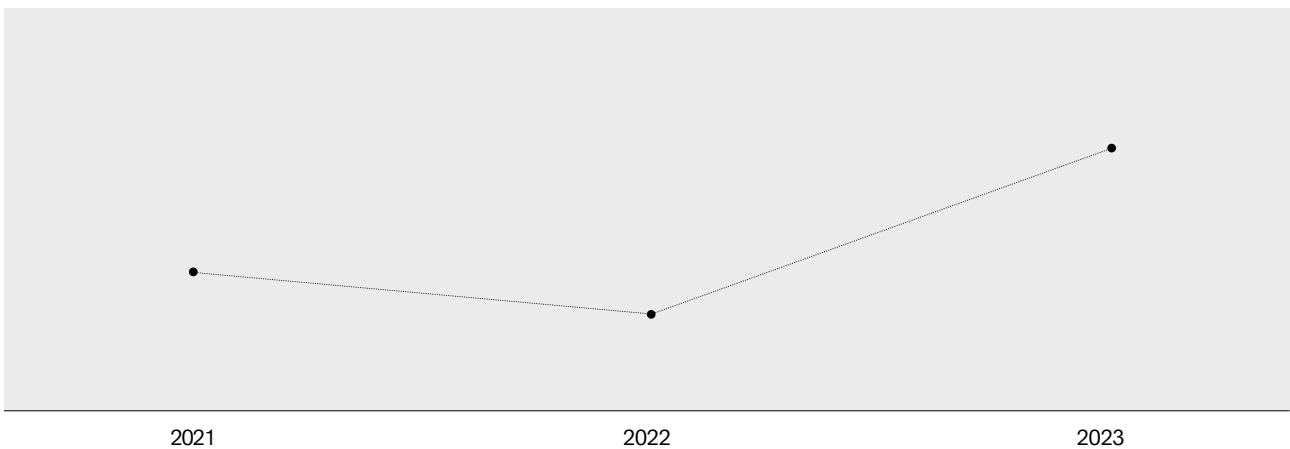
**Training hours by professional category and by gender**

2023						
Professional category	Men	Average men	Women	Average women	Total	Total average
Executives	187	23	267	135	454	45
Managers	388	35	23	12	411	32
White collars	2007	32	1794	62	3800	42
Blue collars	9028	36	661	28	9689	35
<b>Total</b>	<b>11609</b>	<b>35</b>	<b>2745</b>	<b>48</b>	<b>14354</b>	<b>37</b>

2022						
Professional category	Men	Average men	Women	Average women	Total	Total average
Executives	155	19	0	0	155	17
Managers	241	24	44	15	285	22
White collars	1632	24	450	16	2082	21
Blue collars	1298	5	24	1	1322	5
<b>Total</b>	<b>3326</b>	<b>10</b>	<b>518</b>	<b>9</b>	<b>3844</b>	<b>10</b>

2021						
Professional category	Men	Average men	Women	Average women	Total	Total average
Executives	9	49	50	50	493	49
Managers	182	17	44	9	226	14
White collars	1639	22	343	13	1982	20
Blue collars	3685	14	70	3	3755	13
<b>Total</b>	<b>5949</b>	<b>17</b>	<b>507</b>	<b>9</b>	<b>6456</b>	<b>16</b>





In 2023, Group Companies delivered more than 14,350 hours of training (3,844 in 2022). This resulted in more than tripling the number of hours in 2023. Whenever feasible, training is delivered online via a dedicated digital platform.

In 2022, **the Filago site** recorded 1,200 total training hours, and in 2023 this figure more than doubled to 3,500 hours. Training takes place partly online through a dedicated platform. In 2023, the company prioritized intensive training for all personnel, with particular emphasis on operators in production departments (accounting for 70% of the total training hours).

Training was divided between safety and technical. Safety training includes planned refresher courses for staff, with a specific focus on supervisors, emergency teams, first aid responders, and forklift drivers. Short but effective training breaks were organized in departments to provide specific safety information to operational personnel. In second half 2023, with the support of compliance, the company completed the update on the transposition of Leg. 24/2023 "whistleblowing" by involving all personnel.

Technical training has been a crucial pillar for business expansion, as seen in the notable surge in training hours delivered in 2023 (2,500 hours versus 750 in 2022). Specific courses were organized to develop technical skills, with a new initiative taking advantage of downtime periods to train staff, accounting for 70% of technical training hours in 2023.

As for the **Casoli site**, a total of 211 hours were delivered in 2023, in line with 2022. Safety training accounted for 77% of the total, with courses on first aid, fire fighting, and forklift use. The company devoted 64 hours to refreshing on the transposition of Leg. 24/2023 "whistleblowing". Technical training involved all staff for a total of 49 hours (23% of the total), with courses on in-house software and soft skills for coordination professionals.

As for the **Cartiere di Guarcino** site the training plan provided for the participation of 138 people for a per capita number of hours of 80.

The population targeted by the project involves cross-sectional professionals, to be supported in building new skills (ecological transition) and developing additional specialized skills (digital transformation), to streamline internal organizational processes, allowing resources to optimize their time efficiency and enhance the effectiveness of their work. The training project enabled the company's workforce to enhance their existing skills in the areas of environment and sustainability, which have always been sensitive for the Group. This commitment is evident in the attainment of several industry certification

including ISO 14001, FSC® and PEFC. In this sense, all employees received an upgrade, taking advantage of the Anpal Call for Proposals.

Parallel to this training activity, **on-the-job technical training** continued across the Group in 2023, involving junior staff working on production lines and beyond, who have been hired over the past 3 years. This path is part of the comprehensive training program for new hires launched in 2020 and still ongoing.

The objective of this training is to elevate junior resources from entry-level to advanced proficiency, enabling them to effectively manage the plant and allocated workforce. This process is documented with specific periodic reports that outline the progression of acquired skills and achieved levels, through discussions with various senior figures involved in the training process. The training program for junior resources deployed in production departments typically spans over 2 years, concluding at the end of which the associate is equipped to effectively manage the plant and its assigned workforce with a high degree of autonomy. On-the-job training of newly-hired junior staff at staff units is scheduled in the same manner. Training programs are historicized by Neodecortech using special software provided by a leading partner in the provision of HR services.

This **tutoring** project for new hires always involves shadowing an experienced colleague who guides the new resource from company induction to the conclusion of the training process. This journey includes periodic evaluations to assess the skills and professional qualities acquired. The mentor is actively involved in this process through an incentive plan that includes bonuses upon the successful completion of various training milestones by the junior resource under their guidance.

## 6.5 Remuneration policies

The Remuneration Plan launched in 2020 also provides for the presence of non-financial targets and objectives consistent with the "ESG" strategy adopted by the individual Company and/or the Group.

The development of the Remuneration Policy is the responsibility of the Remuneration and Appointments Committee and, subsequently, the Board of Directors.

They also define the compensation payable to other members of the BoD. Directors serving on Board Committees have been allocated specific amounts, which vary according to their respective roles (Chair or member) and functions within the committees

Regarding:

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Two executive directors identified through special proxies represented by the CEO and the Executive Director;

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Six Key management personnel

The remuneration policy outlines the proportion between fixed and variable components (short-term and long-term) to be maintained. Targets are defined for the two variable components with their % weight, as well as the manner in which they are to be achieved and paid. At least one ESG target is consistently incorporated among the short-term and long-term targets. While the STI (short term) incentive plan is set out on an annual basis, the LTI (long-term) plan is defined for the three-year period 2021-2023. In the latter case, the final assessment of the achievement of the targets and their subsequent accrual will take place at the end of the last reporting year of the Plan (2023).

For further details, please refer to the appropriate section on the website:

<https://www.neodecortech.it/investors/corporate-governance/assemblee-azionisti/>

For Middle Managers, the remuneration policy is divided into an annual fixed pay portion and a variable portion (MBO). Variable pay generally involves two quantitative targets and one qualitative target (assessment from the department head in terms of their ability to teambuilding, involvement of their resources, leadership). Targets are set on an annual basis by March, with payment in April of the following year.

Where possible (i.e., technical managers), even the targets set for middle managers include ESG targets. As an alternative to target-based incentive plans (MBOs), some specific professionals are recipients of a three-year Retention plan or assignees of a non-compete agreement.

The remaining company population (direct and/or operational staff) receive a fixed pay commensurate with the provisions of the salary levels set forth in the statement of the relevant National Collective Labour Agreement (paper industry), taking into account the seniority accrued, their professionalism and other specific characteristics inferable from the mapping of skills (skills matrices).

The fixed pay of staff is defined at the recruitment stage taking account of the professional qualities of the resource, the context of origin, and the pay benchmark of company staff in the same level range. A career plan is concurrently identified to map out the employee's growth in terms of assigned tasks, training to be developed, and possible future salary steps.

During the year, there are generally two moments of analysis of the salaries of the staff in force, during which the HR Department assesses possible level upgrades and/or other awards, taking account of the requests received from the Department Managers, the growth path of the employees (skills matrices) of the agreed career plans and any other element beneficial to the analysis. Generally speaking, account is taken of the worker's professional specialization, any organizational role held and responsibilities/activities assigned, benefits granted and/or provided by the National Collective Labour Agreement, in line with the principle of implementing measures to promote equal treatment and opportunities within the company organization.

Starting 2022, the Group began reporting the ratio of the annual total pay of the person receiving the highest pay, i.e., the CEO, to the median annual total pay of all employees (excluding the above person).

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Ratio of the annual total pay of the person receiving the highest pay to the median of the annual total pay of all employees (excluding the above person)

**13,5<sup>16</sup>**

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Ratio of the percentage increase in the annual total pay of the person receiving the highest pay to the percentage increase in the median of the annual total pay of all employees (excluding the above person)

**N.A.**

<sup>16</sup> The ratio was calculated by identifying the median pay paid to group employees in 2023 in relation to the compensation received in 2023 by the highest paid employee. The median pay was calculated by eliminating yearly terminations, re-proportioning the yearly hires to 13 months; for INPS leave, the pay they would have received had they been in service was considered.

## Ratio of basic salary and pay of women to men

Since this year, the Group has started to report the female-to-male ratio respectively with regard to the base salary and the salary paid to the corporate population.

Women/Men Basic Salary Ratio For Each Professional Category	2023
Executives	0,71
Middle managers <sup>17</sup>	0,92
White collars	0,79
Blue collars	0,98

Women/Men Pay Ratio For Each Professional Category	2023
Executives	0,72
Managers	0,88
White collars	0,75
Blue collars	0,94

Please note that, as this is the first year of reporting for this indicator, it is not possible to collect data for the year 2022 as well. The calculation of the remuneration reported in the GRI has been calculated, for each qualification, as the average of the annual remuneration received and includes the basic salary, also adding the following elements: shift increases, overtime, bonuses and one-off payments, proxies and fringe benefits, on-call, retention, MBO.

<sup>17</sup> With regard to the Filago site, the calculation was made excluding an Executive (CEO) and a limited number of male figures (9 white collars and managerial staff), who receive a higher average pay than their colleagues. These individuals are employees with substantial seniority (over 30 years) or possess highly specialized skills in their roles, making them hard to find in the market where we operate. This led Company to grant them special contractual conditions.



## Performance evaluation

Group companies implement an annual performance evaluation process to assess each employee's contribution relative to the organization's expectations. Since 2023, the Group has begun reporting the percentage rate of employees, broken down by professional category, who receive periodic performance evaluations.

Employees who have received a periodic performance evaluation	2023		
	Woman	Man	Total
Executives	2	8	10
Managers	1	9	10
White collars	18	51	69
Blue collars	13	157	170
<b>Total</b>	<b>34</b>	<b>225</b>	<b>269</b>

	Woman	Man	Total
Executives	100%	100%	100%
Managers	50%	82%	77%
White collars	62%	82%	76%
Blue collars	54%	62%	62%
<b>Total</b>	<b>60%</b>	<b>68%</b>	<b>66%</b>

Please note that, as this is the first year of reporting for this indicator, it is not possible to collect data for the year 2022 as well.

## 6.6 Workplace health and safety

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Neodecortech places the health and safety of its employees at the heart of its business activities, encouraging its employees to pay the utmost attention to their health and safety. To this end, the Group promotes compliance with company provisions and legal guidelines on workplace health and safety, as well as with the provisions of the relevant national collective labour agreements.

The Group has implemented an Workplace Health and Safety Management System in all Group plants that complies with UNI ISO 45001. This system certification refers not only to all employees and internal associates, but also to all those who, while considered as external staff, work within the Group's workplaces. Furthermore, the Group has put an Quality, Environment, Safety and Energy Policy in place, committing itself to eliminating, minimizing or monitoring risks to health and safety in the workplace, taking action in all areas and aspects, and investing adequate financial, human and technological resources. Specifically, the Group constantly invests in training, equipment, personal protective equipment, plants, machinery, handbooks, etc.

The Group Companies carry out regular analysis of their work activities, in order to identify the presence of any hazards in the workplace and related risks, using the findings to constantly improve the workplace health and safety management system. The Group prepares and regularly updates the risk assessment document (RAD) to include new risks or new potentially dangerous situations (near misses). In none of the Group Companies are employees exposed to high risks or to occupational diseases.

Workers have the opportunity to report the presence of dangerous situations in the workplace during regular meetings between the RSPP (Prevention and Protection Service Manager), RLS (Workers' Safety Representatives) and company management or within special safety committees. Each Group Company regularly elects RLSs, pursuant to Legislative Decree 81/2008, tasked with receiving and reporting all employee complaints, participating in risk assessment and taking part in regular meetings on issues relating to worker health and safety. It is always ensured that the individual worker can contact the RSPP directly or refer to their supervisor in order to make their own reports either anonymously, by email or through special forms, or by telephone and in-person interviews.

The Group also has a specific procedure for the management of internal and external communications, consultation and participation, which aims to ensure that the integrated management system has a correct and effective flow of information inside the company at the various levels of the organization and towards external stakeholders, as well as a correct management of the consultation and participation of workers.

Continued consultation and participation processes are ensured through:

The representation systems established pursuant to Legislative Decree 81/08, through the RLS persons	The meetings envisaged by Legislative Decree 81/08, Article 35
Safety Committee meetings regulated by internal procedures	The collection of opinions and reports through internal communication channels, concerning workers at all levels
The organization of regular meetings between the RSPP and the RLS where the plan of improvement actions, planned changes and updates of risk assessments are discussed	Extraordinary meetings between the functions involved in the event of incidents

Workers are invited and encouraged, by task and responsibility, to suggest proposals for implementation and improvement related to the areas of quality, environment and safety, through appropriate forms or other written communications to be forwarded to the Department Manager (DM).

The Group guarantees constant and regular health surveillance in the workplace by the Medical Office . The Human Resources Department is responsible for the constant and correct flow of information, to department managers, for the transmission of "fitness for duty" issued by the Medical Office . Deadline management in health surveillance in NDT is fully monitored through a digital HR management platform.

As mentioned, the attention to employee health and safety has led the Group to actively commit to these topics also through training courses: the knowledge and understanding of these topics are the first and most effective form of prevention against accidents.

Staff attends health and safety training and refresher courses, scheduled annually and provided on the basis of legislative requirements. In addition to compulsory training, the Group provides additional in-house training for reducing any risk situations that may be identified and, in the case specific risks, individual workers undergo training and training tailored to their duties. In 2023, training included general and specific training for high-risk workers, fire prevention and first aid, and courses for workers assigned to operate self-propelled forklifts with operator on board. New recruits were also delivered specific training on topics relating to health and safety in the workplace. Additionally, the company's safety culture is disseminated through the organization of training breaks: short training shots lasting approximately 15 minutes on a weekly basis, where personnel are trained directly in the field on the tasks assigned and associated risks.

### Number and rate of employee accidents in 2023

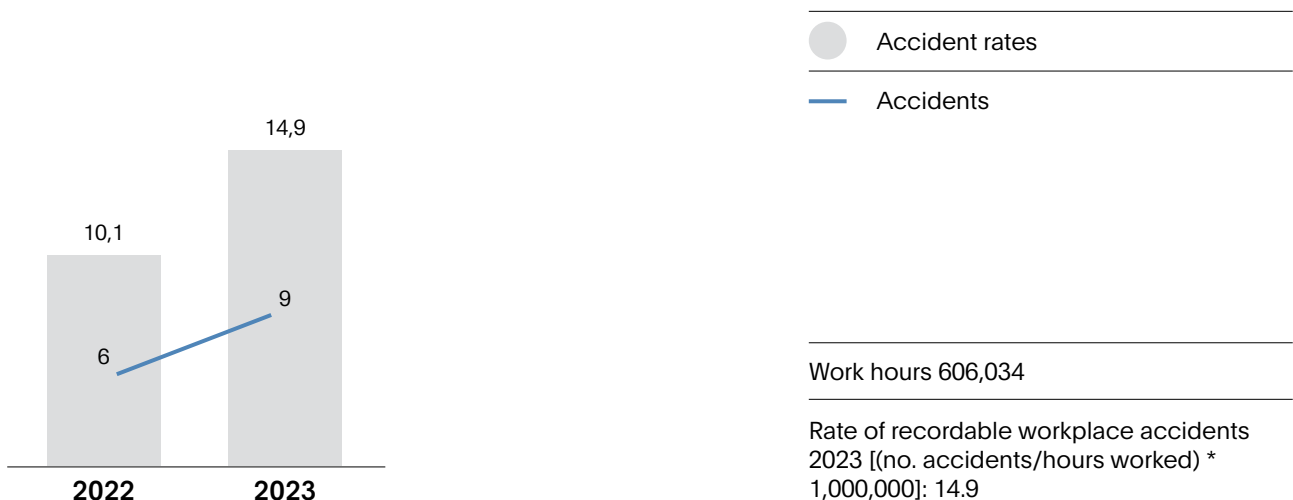
With regard to external workers, no accidents occurred at Group level during the year.

Regarding in-house workers, during the year, the number of reported workplace accidents was 9 (6 in 2022), with a recordable accident rate in the workplace of 14.9 (10.1 in 2022).

All 9 accidents recorded in 2023 initially had a prognosis of less than 30 days. For each injury, a Safety Committee meeting was convened to analyze the incident, identify root causes, and define suitable corrective and/or preventive actions.

No serious accidents were reported.

Lastly, in compliance with the annually renewed asbestos disposal plan, excluding further renewals, the scheduled removal of a number of items containing asbestos at the Filago offices and on buildings not used for production or storage of raw materials or finished products will take place by December 2024.





# 7. Relational capital

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- 7.1 Customer relations
  - 7.2 Customer priorities
  - 7.3 Product quality, safety and reliability
  - 7.4 Sustainable marketing
  - 7.5 Product labeling
  - 7.6 Suppliers: supply chain management
  - 7.7 Relations with the local community

## 7.1 Customer relations

The Group's clients include prominent domestic and international groups, primarily engaged in the production of panels, flooring, or furniture components within the furnishing industry. The business relationship between the Group and its customers is characterized by a continuity in supply relations, typically lasting for long periods. Loyalty is a central element in customer management and serves as one of the main pillars of the Group's business model. Indeed, the Group aims to present itself to its customers as a partner rather than just a supplier. Therefore, customer satisfaction stands as a central component in the value creation process and the Group's success. This is achieved through the consolidation of long-term relationships with customers, tailoring products to their specific needs, and ultimately distinguishing the Group's offerings from those of competitors.

Customers and potential customers are actively engaged in the company's processes through direct contacts, during which sales personnel elucidate the advantages of the company's offerings. More specificall , the most significant customers (class A and B, accounting for 95% of sales) receive an annual satisfaction questionnaire. This questionnaire analyzes various aspects of the offerings, including:

The ability to understand customer needs	Value for money of our products
Response times	Quality and purposefulness of our solutions
Completeness and clarity of feedback	Effectiveness in handling complaints
Punctuality of deliveries	Completeness of documentation provided
Ability to respond to emergencies	Importance to the client of ESG topics



Specific codified company procedures and policies are adopted for handling complaints. Specifically, complaint handling is governed by procedure PG-09\_13 (Noncompliance Management and Control) and any compliance complaints are instead handled through the dedicated email address [compliance@neodercortech.it](mailto:compliance@neodercortech.it).

Lastly, in an indirect manner, the Group pursues customer satisfaction through all the activities aimed at improving performance, including by obtaining specific certifications (see paragraph 2.2 Certification) and implementing management tools (Code of Ethics, Organizational Model pursuant to Legislative Decree 231/2001, Integrated Quality, Environment, Safety and Energy Policy).

To enhance customer loyalty, the Group also creates bespoke printing decors, offering tailor-made solutions to target increasingly high-end customer segments. Normally, the company does not enter into framework supply contracts with its customers but instead proceeds through individual purchase orders.

The area of customer relations identifies two stages:

**First Step:** the terms and conditions of sale are defined, specifically (i) the price list applied; (ii) the length of time the goods are in stock; (iii) the method of returning the goods; (iv) the type of packaging; (v) the method and deferment of payment; and (vi) the period of validity of the terms and conditions of sale;

**Second Step:** an annual target is (eventually) set. Turnover or volume targets to be achieved by December 31 of the current year are determined (by March of the reporting year). Once this target is reached, an additional discount is applied to supplies compared to the previously defined prices

It should be noted that the contractual forms used by the Group do not include customer purchase commitments.

## 7.2 Customer priorities

The ability to meet customer needs and anticipate their expectations is pivotal in Neodecortech's development and is crucial for maintaining and securing trust in the relationship. The Group has embarked on a plan to improve all corporate structures in order to pay greater attention to customer needs, develop innovation and strive for excellence in its products as a response to customer needs.

Based on these assumptions, the Group in customer relations:

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is committed to meeting their expectations, acting in good faith, with loyalty, fairness and transparency;

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conducts its business respecting the customer's right not to receive services or products that do not adhere to what was agreed upon and could potentially harm their business;

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listens to customer requests that can foster an improvement in the quality of its services and products;

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refrains from engaging in conduct that may in any way compromise the integrity, reliability and security of its customer computer or electronic systems and data.

## 7.3 Product quality, safety and reliability

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Neodecortech positions itself in the market as a reliable and proactive partner for high-end decorative surfaces. Such positioning requires care and control of quality aspects that exceed industry standards. The internal TQS (Technical Quality Service) works closely with the sales department to ensure that requirements are consistently maintained.

All incoming raw materials, such as cellulose, titanium dioxide, paper, plastic films, resins, and inks are subject to controls to ensure compliance with the specifications required for their use. These controls are conducted in accordance with international ISO standards relevant to their respective industries and are carried out using specially certified instruments that undergo annual adjustment.

Neodecortech has set a goal to monitor the trend of nonconformities quarterly to assess the effectiveness of corrective actions and reduce the number of nonconformities by 2024. This demonstrates a tangible commitment to ongoing improvement and customer satisfaction. Through data analysis, the main causes of noncompliance are identified, highlighting a proactive approach to problem solving.

The Group also pays special attention to the safety of the end consumer of its products, adopting specific certifications, ensuring that legal requirements are complied with and making constant updates with regard to any new regulations. Specifically, the Group closely monitors the enforcement of regulations related to formaldehyde emission from panels. This is of particular importance for one of the most crucial product families for the group's business: papers impregnated with urea-melamine resins, which fall under category E1 classification. Class E1 legitimizes the use of the panels because the concentration of formaldehyde released into the environment is below the limit set by the World Health Organization.

There were no cases in the reporting period of non-compliance with the relevant legislation on marketing communications or consumer health and safety.

## 7.4 Sustainable marketing

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The Group's sales department hinges on a direct sales model through its area managers, nineteen agents (14 from NDT and 7 from CDG, including two joint agents), and 1 buying agent (NDT). Foreign sales activities are carried out mainly by internal area managers, together with sales agents in a number of areas requiring a direct presence on site (Belgium, Turkey, Iran, Brazil, Far East, North America). Neodecortech's marketing and communication activities comprise direct communication initiatives to the market and its stakeholders, including participation in trade shows, issuing releases through LinkedIn and newsletters, and regularly updating its website.

Marketing and communication activities are aimed at further increasing brand and product awareness in domestic and international markets.

Participation in trade fair events is the most effective way for the Neodecortech Group to meet its customers, potential customers, and domestic and international dealers and to show live the wide range of products and decors available in the collection. Specifically, the Group participated in 2023 in:

**Interzum**, a biennial trade fair held in Cologne in May. The Group participated with 3 booths, with a total of 265 square meters, which respectively showcased the products of Neodecortech, Cartiere di Guarcino and, in an area themed Sustainability Boulevard, with an in-depth space featuring the sustainable characteristics of its products.

**SICAM**, an annual trade fair held in Pordenone in October.

Concurrently, the use of promotional material such as catalogues, brochures, and interactive presentations aims to create an engaging atmosphere, present the application of decors in environments, and provide useful usage tips, accompanied by technical information.





Participation in trade fairs - Interzum Cologne 2023





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## Awards and recognitions

Neodecortech received dual recognition for its commitment to sustainability and economic progress: it attained an "excellent" level in the Plus24-University of Milan Bicocca's ESG Observatory, which assesses the sustainability of companies listed on Piazza Affari. It was also honoured both during the Bergamo Chamber of Commerce's 61st "Recognition of Labour and Economic Progress" competition by awarding recognition for work loyalty to three longtime employees working in the sales area. In 2023, during the "Loyalty to Work" event, the Teramo Chamber of Commerce presented an award to a staff member who has worked in the planning area for more than 30 years.

## 7.5 Product labeling

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The FSC® and PEFC certifications relating to the sustainability of pulp and paper raw materials, which Group companies comply with, require each single purchasing lot to be identified with a special label in order to trace it back to the raw materials of origin. Each unit of finished product stored and then sold is traced according to chain of custody rules and can be traced back to the supplier from which the pulp for CdG and base paper for Neodecortech was received.

There were no cases in the reporting period of non-compliance with the relevant legislation on labeling or customer and consumer health and safety.

### **EUDR (European Deforestation-free products Regulation)**

The Group companies are assessing how to comply with the new regulation represented by Regulation (EU) 2023/1115 of the European Parliament and of the Council, published on 9 June 2023 in the Official Journal of the EU.

This regulation, known as EUDR, introduces significant changes compared to the previous EUTR (EU Regulation 995/2010), expanding the prohibition on importing and exporting products linked to deforestation and forest degradation.

The new legislation will come into effect on 30 December 2024. Until then, Regulation (EU) no. 995/2010, or EUTR, will continue to apply. (see page 175)

## 7.6 Suppliers: supply chain management

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Responsible management of the supply chain is particularly relevant in the case of Neodecortech, since the Group has established itself over time as an integrated supply chain: the selection of suppliers and the responsible management of potentially critical issues of each company are a key element that affects the performance of all Group companies.

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### Selection and evaluation of suppliers

The identification and selection of suppliers is carried out meticulously, balancing the different needs related to the supply of raw materials, technical assistance services on acquired machinery and materials, and disposal of production waste. While Neodecortech has been operating in this spirit for several years now, in 2021 this approach was further enhanced by adopting its own **Supplier Code of Conduct**. In 2023 this Code is administered to all suppliers of class A raw materials (approximately 80% of Group purchases) and B raw materials (17% of Group purchases). More specifically, Neodecortech is well aware that the selection of a supplier is a critical factor that greatly contributes to determining the quality of a production process and/or product. Therefore, the Group Companies aim to establish with each supplier a relationship based on mutual cooperation, sharing quantitative and qualitative goals to constantly improve product quality, and the values and principles that inspire the Group.

Neodecortech requires each supplier to comply with the relevant laws and regulations: it is the starting point and the prerequisite for developing a profitable business relationship based on trust. The processes for the purchase of goods and services, managed by the appropriate company departments, are based on pre-contractual and contractual behaviour based on mutual and fundamental loyalty, transparency and cooperation.

The Group's suppliers are required to provide their employees with working conditions based on respect for fundamental human rights, international conventions and applicable laws. The Group requires its suppliers of goods and services to fully comply with the laws protecting industrial and intellectual property, consumers, free competition and the market, and with the laws to combat money laundering and organized crime, as set out in the Group's Code of Ethics.

By signing the General Terms and Conditions for the Purchase of Goods and Services, Neodecortech requires its suppliers and subcontractors to guarantee compliance with the principles set out in the Code of Ethics and Model 231, in addition to those enshrined in the Supplier Code of Conduct, which is an integral part of the document system brought to the attention of suppliers.

The Code also specifies Neodecortech's right to assess compliance with the principles of the Code and to conduct **compliance audits** even without prior notice. Furthermore, by signing the Code, suppliers undertake to respond transparently to questionnaires and/or surveys promoted by Neodecortech.

As a result, in 2023 the **questionnaire for assessing new suppliers** was confirmed, both during recruitment and for regular performance assessments. In addition to selection criteria based on objective competitiveness of the services and products offered and their quality, the questionnaire includes social and environmental criteria, such as, for example, the presence of ethical-environmental certifications and compliance with the principles enshrined in the Supplier Code of Ethics.

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## Le caratteristiche de fornitori di Neodeocrtech

Overall, the Group supply chain involves **approximately 40** main suppliers, comprising raw materials, auxiliary products and services. They account for **approximately 80% of the annual purchase**. As it is a small and highly-specialized sector, the number of raw materials suppliers the Company relies on is limited. However, supplier concentration allows collaboration with own partners in the developing of innovative products, with the aim of making them more cutting edge and performing and, therefore, of protecting own know-how, while gaining an advantage in the negotiating phase.

The **purchase prices of raw materials** (mainly pulp, titanium dioxide, inks, urea and melamine resins, plastic films, and animal by-products) as well as their fluctuation, owing to the nature of the activities carried out, affect the Group's production costs to a great extent. For this reason, the Group constantly monitors the market prices of the raw materials it procures for its activities in order to promptly anticipate any significant price changes, always having at least two suppliers that are able to supply the same quantity and quality of raw materials.

Furthermore, the specific nature of materials used in the production process (and.g. inks, pulp, titanium dioxide, etc.) implies the need to often look beyond national borders in order to identify the most suitable supplier. Nevertheless, **when possible, the Group Companies turn to local suppliers**, especially for maintenance activities, for transportation and for various types of services offered within the territory, with 59% of total purchases coming from local suppliers (local meaning suppliers based in Italy).

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### Traceability of raw materials: the FSC Chain of Custody®

One of the key raw materials for the manufacture of its products is pulp: it accounts for 59% of total raw material purchases. For this reason, 100% of the material used in paper production comes from properly controlled and managed forests or recycled material. To pursue this goal, the Group has implemented the **FSC® Chain of Custody Policy**, by which it is committed to implementing a multi-site chain of custody management system that ensures the traceability and proper management of this crucial raw material.

**The Group declares that it is not involved**, through its procurement operations, in **activities implying the illegal logging or trade of wood**, which result in the violation of the rules established by the International Labour Organization (ILO) and which damage the environment in an irreversible way. Additionally, since the BEG cogeneration plant uses sustainable bioliquids according to the EU RED directive as acknowledged by Italy, new bioliquid suppliers must necessarily be certified according to one of the approved national or voluntary certification schemes

Additionally, in 2021 the Group put in place a management procedure for the coding and traceability of EOS **rPET**, i.e. recycled, envisaging the assignment of NEODECORTECH company codes to PET products purchased and subsequently processed at the Filago production site. This system provides proof that the amount of recycled material used in the making of the finished product is at least 70%. The references for traceability of the materials used are shown on the freight and sales documents.

## Type of suppliers

The Group's suppliers are classified as follows:

<b>Class A</b>	Suppliers accounting for approximately 80% of purchases;
<b>Class B</b>	Suppliers accounting for approximately 15% of purchases;
<b>Class C</b>	Suppliers accounting for 5% of purchases.

With all major suppliers, i.e. Class A and B suppliers, the Group has long-standing relationships. Therefore, even if purchases are made on an as-needed or forecast basis, there are implicit collaborative arrangements even if in the absence of contractual formalization.

## Percentage of spending on local suppliers

	2023	2022	2021
	Value	Value	Value
Local Spending <sup>20</sup>	64.626.222	91.246.435	85.742.916
Total annual spending	126.769.968	153.939.721	145.031.354
Percentage of local spending	51%	59%	59%

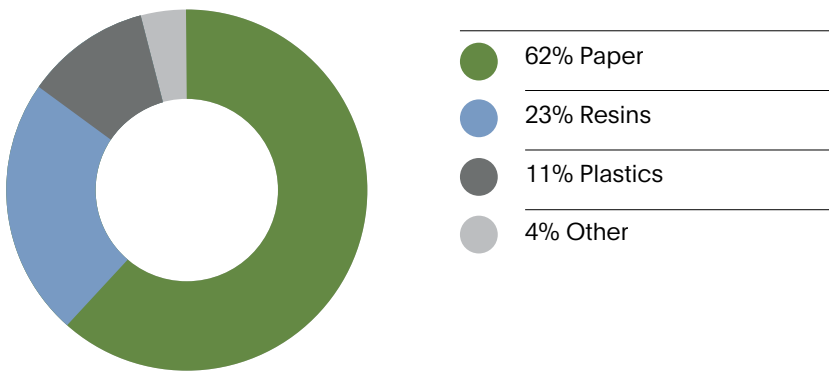
During the reporting period, Group Companies spent a total of 51% of their total expenditure on purchases of goods and services by turning to 21 local suppliers, i.e., located in Italy. This figure, while slightly down versus prior years, shows the ability to create value for the local area and relevant community.

Starting in 2024, a systematic evaluation will be implemented for all suppliers, incorporating social and environmental criteria to promote sustainable and responsible practices in the supply chain.



## Neodecortech suppliers

With the purchase of materials acquired by Neodecortech Spa set at 100, the breakdown is as follows:



For several years now, all strategic suppliers have been monitored and assessed by means of a special check-list, which includes a series of requirements aimed at qualifying the supplier (and.g. product quality, certifications, timeliness of deliveries, reliability, etc.). There is a tacit agreement with these suppliers and a safety stock that allows them to cover any needs/peaks that transcend standard requirements. Suppliers added in 2023 mainly provide maintenance service and/or materials.

The supply chain is broken down **according to the type of product purchased**.

For **raw materials**, the needs analysis triggers the demand for the different products. All orders are entered into the system and approved according to proxies. When placing orders where in addition to requirements, a forecast is made to cover the needs of the cycle. Once the paper is produced, it remains in storage at Cartiere and pickups are arranged according to production needs.

For **decorative paper** there are 2 main suppliers: **78% Cartiere di Guarcino** and the remainder with Munksjo Group and other secondary suppliers.

**Resins** for the impregnation department are supplied **95% from local suppliers**. For the two main resins, monthly contracts are defined, due to price volatility, and then weekly deliveries are arranged.

For **additives and other products** orders are issued on an as-needed basis.

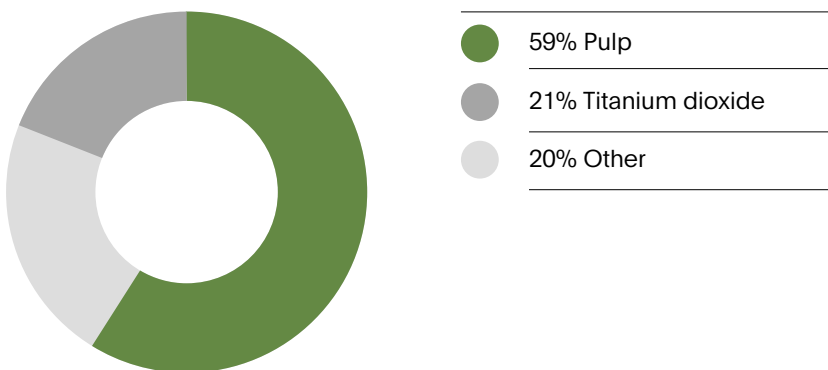
For PVC, rPET, and inks, orders are issued on an as-needed basis as the products are specific and must be tested and approved by the department before they can be entered into the production cycle. A preferred supplier is identified for each product.

All strategic suppliers are monitored and evaluated through a grid of criteria that also takes into account nonconformities in addition to the product provided of the service delivered.

### Cartiere di Guarcino suppliers

In 2023 CDG used 227 suppliers. 182 of these suppliers are local and account for 80% of suppliers and by value cover approximately 16% of purchases. Conversely, there are 45 foreign suppliers accounting for approximately 20% of suppliers but in value they account for approximately 84% of spending. In order to comply with the FSC® chain of custody, all pulp suppliers must be FSC® certified

CDG's supply chain aimed in 2023 at sourcing the following types of materials/services:



**Pulp** and **titanium dioxide** are the main raw materials in CDG's supply chain. Overall they account for approximately 83% of CDG purchases, of which approximately 32% is pulp and 51% titanium dioxide. As far as pulp is concerned, the main suppliers are South American multinationals with trading offices in Europe. Pulp therefore comes mainly from South America. To a lesser but increasing extent, European suppliers from the Iberian Peninsula in particular are employed.

The **purchased pulp** is **FSC®/PEFC** certified, a certification which CDG complies with, and must meet the requirements mandated by the **Timber Regulation** (for non-EU pulp).

As far as **titanium dioxide** is concerned, purchases mainly regard two types of product both specific for use in the production of decorative paper: chloride-based titanium dioxide and sulfate-based titanium dioxide.

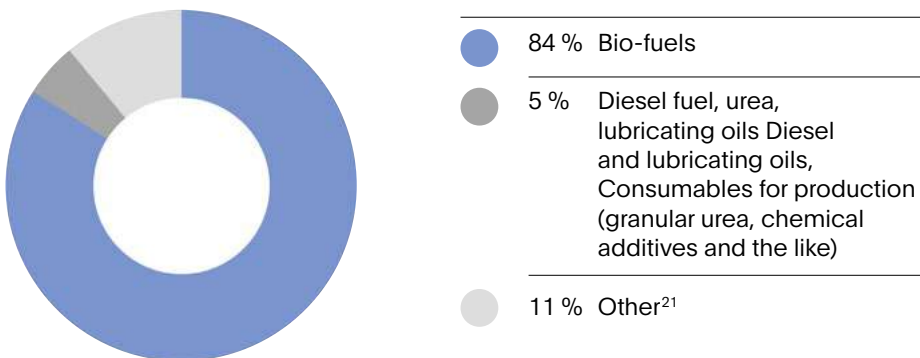
Suppliers of **chloride-based titanium dioxide** are mainly Western multinationals with plants located in Europe or North America. The purchase of **sulfate-based titanium dioxide** instead takes place mainly in China, the world's main producer, and previously from Russia and Ukraine through an Italian import company. Additionally, as a consequence of the Russia-Ukraine war, imports of dioxide from that area have been halted.

Pulp is used for the production of **Backer paper**, used in the production of flooring flooring

### Bio Energy Guarcino suppliers

In 2023, BEG used the services of **102 suppliers based** mainly in the country. There are 2 foreign suppliers, the main being the **supplier of palm oil** worth approximately € 12 million, which accounts for almost all in value.

BEG's supply chain aims at sourcing the following types of materials/services:



The BEG power plant uses mainly **bio-fuel of animal origin from a national supply chain** that gives access to an additional incentive on the production of electricity. This element affects the supply chain and its organization in a significant way. In 2023, as a result of the average energy price in 2022, the incentive was zero. Despite this, BEG has always operated using sustainable bioliquids but with a different fuel mix between animal fats and palm oil. This is due to the need, particularly in the early part of the year, to hedge on forward energy sales, a measure prompted by the high volatility in the electricity market between 2022 and early 2023.

18 Mechanical electrical spare and parts and consumables (Technical Spare and Parts), provision of specialized maintenance and/or technical support services (including long-term technical support agreements), provision of ancillary services (waste and disposal, professional services, transportation services), other types of purchases (IT, stationary, hardware, software, etc.).

## 7.7 Relations with the local community

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Neodecortech deems it essential to be ever-ready for dialogue and discussion with the communities and territories where the Group Companies are located. Over the years, it has pursued the goal of being a reliable, proactive, collaborative and transparent manufacturer. The fair and regular management of all regulatory aspects regarding Group activities, together with the guidelines adopted over time, have helped establish a cooperative dialogue with local Governments, Associations (the local branches of Confindustria in particular) and authorities. In 2023, the Group Companies received inspections by the relevant authorities related to legal compliance, finding no “non-compliance”

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### Local-based training

As mentioned earlier, in addition to the opportunities for discussion arising from compliance requirements, Neodecortech firmly believes in the need to establish a dialogue with the local communities where it operates. In line with such principle, the Group Companies have been offering internships for over twenty years now, for both high-school and university students. Specifically, in order to share its experience as a fast-growing manufacturing organization, the Group is in touch with local schools, especially in the area of computer science and mechatronics. During the year, the Group's technical managers visit local schools to attract interns for various roles in production, maintenance and offices settings

In 2023, there were 7 young people on internship at the Filago office, with 4 in Finance and Marketing, 2 in Mechatronics, and 1 Greek university student from the Milan Polytechnic. During her stay, the student focused on an in-depth project regarding industrial sustainability.

At the Cartiere site, 2 extracurricular internships were initiated by 2 university students, 1 in the chemical field focusing on waste disposal, and the 1 in the administrative field with a focus on human resources. At the end of the internship, the resource engaged in chemistry was subsequently hired.

# 8. Governance

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- 8.1 Responsible business management
- 8.2 Sustainable governance
- 8.3 Code of Ethics
- 8.4 Management systems
- 8.5 Risk management
- 8.6 Engagement in external initiatives and membership
- 8.7 Cybersecurity and Data Protection
- 8.8 Regulatory Compliance



## 8.1 Responsible business management

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The founding values that define the stance of all Group Companies are: integrity, fairness and transparency, attention to the individual, reliability and expertise, ongoing research and improvement, effectiveness and affordability, respect for the environment, quality and timeliness, creativity and originality.

Neodecortech considers it vital to attach the utmost respect to every form of human dignity, the attention and the safeguard of workers' health, physical and moral integrity, fairness in business relations with suppliers and customers, transparency with Public Administration and Supervisory Bodies in every form and expression.

In line with the values enshrined in the Code of Ethics and in accordance with its internal policies, legality and integrity in business dealings are considered the cornerstones to develop and maintain long-lasting relationships with its stakeholders based on mutual trust and respect, and contribute over time to increasing the value, reliability and transparency of Neodecortech. The reputation that Neodecortech can proudly boast, starting from the Group Companies' territory of operation, is the result of its steadfast integrity from an operational and management perspective.

Furthermore, operating within an international context, the Group adopts a rigorous approach to compliance issues, consciously managing the risks it is exposed to by implementing appropriate control systems to reduce the likelihood of unexpected events that could threaten future development and its reputation.

## 8.2 Sustainable governance

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### Adherence to the Corporate Governance Code of Borsa Italiana

Neodecortech S.p.A. employs a dynamic, lean and adaptable organizational structure that encourages interdepartmental communication, leading to improved efficiency and effectiveness in production processes.

Additionally, since December 2020, Neodecortech S.p.A., has complied with the new Corporate Governance Code of Borsa Italiana, addressed to all companies with shares listed on the MTA managed by Borsa Italiana S.p.A..

The new Code defines a number of criteria that the Group must comply with, including the role and composition of the Board of Directors, the presence of independent directors, the treatment of confidential information, the procedures for the appointment of directors and their remuneration criteria, the Board's rules of operation and reporting, and the creation of Board committees (Control, Risk and Sustainability Committee, Related Party Committee, and Remuneration and Appointments Committee).

The number of members of the Board of Directors, the definition and submission of lists of candidates, as well as the timing of the submission of such lists and the appointment process are governed by Article 20 of the Company's Bylaws.

It should be noted that the role of the Company's Investor Relator is held by the Chief Executive Office. By reason of his powers and responsibilities, the Chief Executive Office is the only person designated to receive requests for dialogue. These requests, both those from shareholders or investors and those taken at the Company's initiative, are handled by the Chief Executive Office in an overall manner and in constant coordination with the Chairman of the Board of Directors. Where deemed appropriate, the Chief Financial Office is involved in matters within his specific area of responsibility.

Opportunities for dialogue, which are also held in English, mainly concern financial and non-financial results, the risk management system, the share capital structure, ESG (Environmental, Social and Corporate Governance) issues, as well as the Group's strategy, to the extent deemed shareable.

The Company has long established an active, transparent, and open dialogue with its stakeholders, both internal (and.g., Group employees) and external (and.g., customers, suppliers, government agencies, banking and other financing institutions, labour organizations, insurance companies) through multiple communication channels, including one-on-one meetings, and participation in events.

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## **Board of Directors**

The Company is governed by a Board of Directors whose members are appointed by the Shareholders' Meeting.

The directors are vested with the broadest powers for the ordinary and extraordinary management of the Company without any limits, with the power therefore to perform all acts they deem most appropriate for the implementation and achievement of the corporate object, excluding only those which the law and the Bylaws reserve for the Shareholders' Meeting.

The current 9 members of the Board of Directors were appointed on 27 April 2022 and will serve until the approval of the 2024 Annual Report.

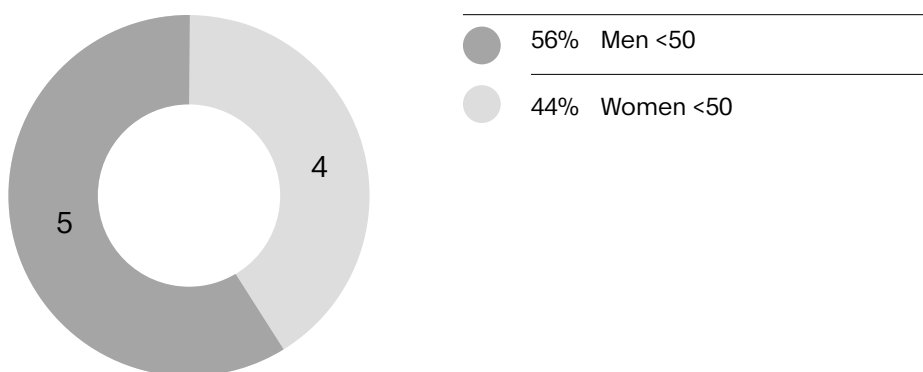
The following is a breakdown of Board members by gender and age group at 31 December 2023.

**Board of Directors**

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Luca Peli	Chairman
Luigi Cologni	Chief Executive Office
Massimo Giorgilli	Executive Director (CDG CEO and BEG CEO) Non-Executive Director
Gianluca Valentini	Non-Executive Director
Vittoria Giustiniani	Independent Non-Executive Director
Ida Altimare	Independent Non-Executive Director
Cinzia Morelli	Independent Non-Executive Director
Sara Bertolini	Independent Non-Executive Director
Adriano Bianchi	Independent Non-Executive Director

**Board of Directors - Diversity (gender - age groups)**



As already mentioned, the Board of Directors has set up internal Committees that assist the Board in the respective remits as envisaged by the Corporate Governance Code suggested by Borsa Italiana:

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## Remuneration and Appointments Committee

The Remuneration and Appointments Committee submits proposals and provides advice to the Board of Directors on the policy of remuneration of directors and Key Management Personnel.

The members of the Remuneration and Appointments Committee will remain in office until expiry of the term of office of the Board of Directors.

The Remuneration and Appointments Committee includes 2 independent members, including the Chairman of the Committee, and a non-independent member.

With regard to the professional requirements of the members of the Remuneration and Appointments Committee provided for in the Code, all members have knowledge and experience in the field of pay policies, which is deemed adequate by the Board of Directors at the time of appointment. In 2023, 6 meetings of the Remuneration and Appointments Committee were held.

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## Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee is tasked with assisting the assessments and decisions of the Board of Directors regarding the internal control and risk management system, as well as those regarding the approval of periodical financial reports.

It also submits proposals and provides advice to the Board of Directors on sustainability issues, meaning the processes, initiatives and activities aimed at overseeing the Group's commitment to sustainable development along the value chain.

The Remuneration and Appointments Committee includes 2 independent members, including the Chairman of the Committee, and a non-independent member.

The members of the Control, Risk and Sustainability Committee will remain in office until expiry of the term of office of the Board of Directors. On 28 April 2022, the Board of Directors determined that it would be beneficial to combine the Control and Risk Committee and the Sustainability Committee into a unified committee, given that, in a company of Neodecortech's size, this would enhance organizational efficiency.

This choice, moreover, appears consistent with the perspective of gradual integration of processes and objectives related to the environmental, social and governance sphere into the Company's current risk prevention, control and management structure, in accordance with both the most recent indications contained in the Corporate Governance Code and with market best practices. During the Year, 9 meetings of the Control, Risk and Sustainability Committee were held.

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### **Related Party Committee**

The Related Party Committee submits proposals and provides advice to the Board of Directors on Related Party Transactions, therefore with potential parties in conflict of interest, in accordance with the provisions of the procedure governing Related Party Transactions, adopted in implementation of the provisions of Article 2391-bis of the Italian Civil Code and the RPT Regulation.

The Committee is appointed by the Board of Directors and consists of three members, all non-executive directors, the majority of whom are Independent Directors. The members of the Related Party Committee will remain in office until expiry of the term of office of the Board of Directors.

6 meetings of the Related Party Committee were held during the year.

## 8.3 Code of Ethics

The guiding element of the Company's business model, marked by a holistic, tangible approach that is mindful of the legitimate expectations of stakeholders, rests on the Code of Ethics, source of the corporate culture that embodies the commitments and ethical responsibilities of the Neodecortech Group in the conduct of business and corporate activities and defines the set of values and principles, as well as the lines of conduct, which must be adopted by the Company's directors, by all persons bound by working relationships with the Company and, in general, by all those who work for the Company, regardless of the relationship that binds them to it. Neodecortech adopted its Code of Ethics in 2009. In 2023, it considered updating it both to align with the contents of the 17 Sustainable Development Goals (SDGs) of the UN 2030 agenda, to reaffirm its commitment, focus and daily contribution to the achievement of the common sustainable development goals amidst the current complex economic, environmental and social challenges; and to incorporate the impact of the recent whistleblowing legislation with its effects in terms of ethical-cultural change in the attitudes of various stakeholders. The values on which the Group Code is based are:

Integrity, fairness and transparency	Personal attention, reliability and expertise	Environmental safeguard	Quality, punctuality, efficiency	Ongoing research and improvement
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and form the basis for ensuring that our behaviour meets the high standards of ethics and integrity that we seek to ensure in all our activities, whether internal or external to the Group Companies.



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## Organizational Model under Legislative Decree 231/2001

Neodecortech has adopted the Group Code of Ethics; each Group Company has also adopted its own Organizational Model pursuant to Legislative Decree 231/2001 (hereinafter also "Model 231"). At end 2023, the Board of Directors, due partly to the entry into force of the new regulations introduced by Legislative Decree 24/2023, transposed Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 (so-called Whistleblowing Directive) into Italian law and thus the need to update the Group's code of ethics.

Pursuant to a recent ruling of the Supreme Court, the Code of Ethics will be an integral part of the organizational, management and control model pursuant to Legislative Decree 231/01 and the Organizational and Management Model general section, in order to adapt the latter to the latest version of Legislative Decree 231/2001, as most recently amended by Legislative Decree 24/2023 and following the guidelines dictated by Confindustria

The adoption of these management instruments is a tangible expression of the commitment to a Governance which is correct, transparent and at high-level management quality standards. The adoption by all the Group companies of Organization, Management and Control Models pursuant to Legislative Decree 231/2001, as early as 2010, is tangible proof of Neodecortech's will to adjust its Governance to the most advanced compliance standards. Transcending the specific purposes set out by Legislative Decree no. 231/2001, an Organizational Model of this kind encourages greater awareness on the part of human resources of their areas of action, also through the constant updating and adaptation of the controls put in place in order to prevent the commission of crimes.

Nevertheless, regarding the corruption topic, the Group Companies' Codes of Ethics stress the need for every activity in their name and on their behalf to be carried out responsibly, legitimately and consistently with their targets and rules of conduct.

Relations with Public Administration fall solely within the remit of deputized functions, which are called upon to observe the principles of independence, impartiality, transparency and fairness reflected in the Organizational Models. In line with the above principles, corruption and bribery is strictly prohibited in the Companies' Codes of Conduct, both towards Public Administration representatives and private parties.

Lastly, all Group personnel have attended specific training programs on Model 231 and the Code of Ethics, and have been properly informed of the Group's policies on anti-corruption issues.

Pursuant to Legislative Decree 231/2001, each Group company has also set up a Supervisory Board tasked with supervising the operation, effectiveness and observance of the Model, as well as ensuring that it is constantly and promptly updated.

Over the reporting period, the Group did not receive any remarks about non-compliance with laws or regulations related to environmental or local community topics, nor any proven cases of corruption or anti-competitive behaviour.

Neodecortech's aspiration is to be regarded by local communities as a source of resources and opportunities for the territory. In this spirit, the Company pays the utmost attention to claims, related to both environmental topics and impacts on the territory.

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## Supervisory Board

In accordance with the provisions of Legislative Decree 231/2001, the Group Companies have also set up the Supervisory Board, which is tasked with supervising the adequacy and effective implementation of Model 231, and the Code of Ethics, seeing to any necessary updates. In accordance with the provisions of Legislative Decree 231/2001, the Supervisory Board carries out its functions in full autonomy, operating without any constraints of dependence on other company functions, on Top Management and on the Board of Directors.

The Supervisory Board acts on the basis of the purposes assigned to it by law and steers its operations towards the pursuit of such purposes. This board was, pursuant to Neodecortech's Model 231, appointed on 5 March 2023 and will remain in office until the approval of the Company's draft financial statements at 31 December 2025. It is made up as follows:

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Ettore Raspadori  
(Chairman)

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Federica Menichetti  
(External Member)

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Laura Bellezza  
(Internal member)

Mention should be made that Ms. Menichetti is also a Standing Auditor of the Group and her appointment as member of the Supervisory Board was deemed appropriate in order to ensure coordination among the various parties involved in the internal audit and risk management system, in compliance with the recommendations of the Corporate Governance Code.

The Supervisory Board maintains constant relations with the Board of Directors and the Board of Statutory Auditors, periodically informing them of the implementation of the Model, the need to modify or update it, as well as the results of the assessment activities carried out and, promptly, of any violations ascertained.

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## Independent Auditors

The Independent Auditors in charge of the statutory audit of the Issuer's accounts are BDO Italia S.p.A., with registered office in Viale Abruzzi 94, Milan. The Nine-Year assignment covers the statutory audit of the financial statements and the consolidated financial statements (including the ascertainment that the accounts are properly kept and that operations are correctly recorded in the accounting records) for the period 2020-2028, as well as the limited audit of both the quarterly and half-year financial reports of the Company at 31 March, 30 June, and 30 September of each year in the above period.

## 8.4 Management systems and certifications

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The Neodecortech Group's strategic approach to ESG issues is reaffirmed by the daily action taken at all levels by every business role and function, in line with the path the Group Companies have embarked on for over fifteen years now, which has rewarded them with certifications that offer tangible proof to stakeholders of the commitment, transparency and fairness that mark the activities carried out. All the certifications adopted have been obtained on a voluntary basis and internationally recognized.

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### UNI EN ISO 9001

It is the certification related to Quality management systems; a guideline that defines the requirements for the implementation of a management system, to conduct company processes on a path of ongoing improvement and efficiency in product creation, as well as in increasing customer satisfaction.

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### UNI EN ISO 14001

It is the certification related to "Environmental Management Systems" that gather the requirements, principles and techniques to support the environmental management system in order to implement, maintain and improve the control system of environmental impacts produced by the Company.

As it requires the Company to constantly improve its performance, it is a commitment to ongoing improvement on the environmental issue.

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### UNI ISO 45001

It is the certification related to "Health and safety in the workplace management systems", a guideline that sets the criteria for implementing a management system to help organizations provide safe and healthy workplaces by preventing workplace accidents and health problems, while proactively improving OHS.

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## **UNI CEI EN ISO 50001**

It is a regulation related to "Energy Management Systems - Requirements and Guidelines for Use". It is the Italian official version of the international regulation ISO 50001. The regulation specifies the requirements for the creation, start, maintenance and improvement of an efficient and effective energy management system.

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## **100% Made in Italy**

Product certification system created by the Institute for the Protection of Italian Manufacturers, which guarantees the Italian original quality of products. To achieve this certification, products must be made entirely in Italy, produced with Italian semi-finished products, made of top-choice, high-quality natural materials, created with Company designs and exclusive projects and developed using typical traditional Italian workmanship.

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## **MED**

The EU Marine Equipment Directive 2014/90/EU provides for the product certification of certain marine equipment and defines basic requirements for manufacturers and products. This conformity assessment procedure applies to the design and production phases.

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## **FSC® – Chain of custody**

FSC® is a forest product certification system that identifies products containing wood from sustainably managed forests. The pulp is obtained from wood to produce paper. Chain of Custody certification guarantees that FSC® certified paper is labelled and stored separately from the non-certified ones, so that end product sustainability can be traced. The Group uses only FSC®-certified pulp.

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## **PEFC**

PEFC, acronym of Programme for Endorsement of Forest Certification schemes, is a certification that guarantees the provenance of cellulose raw materials from certified and sustainably-managed forests. To obtain and use it, companies must certify its "Chain of Custody": if they wish to sell certified products labelled with PEFC tree, all players of a specific supply chain must not only have their own certified CoC, but also purchase certified material to be processed from a supplier with its own certified CoC.

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### **Timber Regulation (EUTR 995/2010)**

In October 2010, the European Union approved regulations to prevent the illegal trade of timber in Europe. Regulation (EU) 995/2010, better known as the EU Timber Regulation (EUTR), came into force in March 2013 and applies to timber and timber products, including paper. For companies introducing wood fiber products into Europe, the regulation prohibits the introduction and trade of products of illegal origin and requires the adoption of an internal "Due Diligence" system. Responsible management of social and environmental impacts along the supply chain is now one of the focus areas required of companies committed to sustainability. Our suppliers are encouraged to certify that the wood products, or products derived from it, supplied to the Neodecortech Group do not come from controversial sources and that the supplier is not directly or indirectly involved in the following ineligible activities:

- Illegal logging or trade in illegal timber or forest products;
- Violation of traditional and human rights in forestry operations;
- destruction of high conservation values in forestry operations;
- significant conversion of forests into plantations or non-forest use;
- Violation of any of the ILO Fundamental Conventions as defined the ILO Declaration on Fundamental Principles and Rights at Work;

### **EUDR (European Deforestation-free products Regulation)**

The Group companies are assessing how to comply with the new regulation represented by Regulation (EU) 2023/1115 of the European Parliament and of the Council, published on 9 June 2023 in the Official Journal of the EU.

This regulation, known as EUDR, introduces significant changes compared to the previous EUTR (EU Regulation 995/2010), expanding the prohibition on importing and exporting products linked to deforestation and forest degradation.

The new legislation will come into effect on 30 December 2024. Until then, Regulation (EU) no. 995/2010, or EUTR, will continue to apply.





2007	UNI EN ISO 14001		
2009	UNI EN ISO 9001		
2010	FSC® CHAIN OF CUSTODY	FSC® CHAIN OF CUSTODY FSC® RECYCLED WOOD	
2011	OHSAS 18001		
2015	100% MADE IN ITALY	PEFC UN ISO 14001	UN ISO 14001
2016	SUSTAINABILITY REPORT		
2017	ISO 50001	UN EN ISO 9001	UN EN ISO 9001
2018		ISO 50001	ISO 50001
2019		UNI ISO 45001	UNI ISO 45001
2020	UNI ISO 45001		
2021	RATING <b>CDP</b> (CARBON DISCLOSURE PROJECT)		

## 8.5 Risk management

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The Group's risk management is based on the principle of accountability that the risk is managed by the person in charge of the business process directly involved.

Major risks are carefully identified and discussed at the top management level, forming the basis for managing, hedging, insuring, and assessing residual risk. A structured (ERM) system is deployed across all Group Companies, with quarterly reporting submitted to the Control, Risk and Sustainability Committee and subsequently to the Parent Company's Board of Directors. This ensures effective and transparent monitoring in accordance with the guidelines of ISO 26000 (Social Responsibility Guide).

The most significant non-financial risks also include risks associated with compliance with environmental, health and safety regulations in the workplace, as well as the risk of climate change.

With regard to the risks related to climate change, the Neodecortech Group has embarked on a structured process of analysis of its environmental impacts and mitigation activities. In addition to the internal analysis of its risks and opportunities, the Group has decided to undergo the CDP - Carbon Disclosure Project assessment as from 2021, with a view to increasing awareness, and has launched a sustainability process aimed at increasingly reducing its negative impacts in this area.

## 8.6 Engagement in external initiatives and membership

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Neodecortech deems it essential to be ever-ready for dialogue and discussion with the communities and territories where the Group Companies are located. Over the years, it has pursued the goal of being a reliable, proactive, collaborative and transparent manufacturer. The fair and regular management of all regulatory aspects regarding Group activities, together with the guidelines adopted over time, have helped establish a cooperative dialogue with local governments, associations (in particular Confindustria Bergamo, Teramo and Latium) and authorities. In 2023, the Group Companies received inspections by the relevant authorities related to legal compliance, finding no non-compliance.

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### Training and Territory

In addition to the opportunities for discussion arising from compliance requirements, Neodecortech firm believes in the need to establish a dialogue with the local communities where it operates. In line with such principle, the Group Companies have been offering internships for over twenty years now, for both high-school and university students.

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### Donations

It is worth noting that Neodecortech S.p.A. has developed a tangible plan of ESG actions for 2023, with a particular emphasis on increasing resources for local communities.

Companies that integrate corporate social responsibility and ESG objectives showcase a dedication to sustainability and proactive engagement within the communities where they operate.

Open communication with affected communities and reporting on progress can foster a positive reputation and strengthen societal backing for the company's endeavors. Specifically, the actions undertaken regard the following areas: training and culture, community and territorial support, which have a significant impact on people's lives and local community development.

Below are the main Group-wide initiatives for 2023:

**Membership in the foundation** of the Ambassadors of Teatro Gaetano Donizetti in Bergamo;

**Economic aid to the Milan Polytechnic;**

**School Transportation Project:** economic aid to the Municipality of Madone (BG) for resident families of Secondary School students;

**Pre-school project:** economic aid to the Municipality of Filago (BG) to reduce the monthly fees charged to the families of registered residents;

**Pre-school project:** economic aid to the Madone Parish (BG) for the support of music education and English language introduction projects;

**"Ti trasporto a pranzo" project:** economic aid to the Municipality of Atri (TE) to support disadvantaged families by allowing them to use transportation and/or the school canteen, raising the threshold of exemption for payment of the costs of these services.

**"Purchase of 9-seater minibus" project:** economic aid to Rurabilandia Srl, a social and educational farm in the municipality of Atri (TE)

**"Welcoming Ukrainian mothers and babies" project:** economic aid to the church body Congregation Daughters of Our Lady of Divine Love in Rome;

**"Adotta un'aiuola" project:** economic aid for maintenance work at the Remembrance park in Guarcino (FR);

**"Gli altri siamo noi" project:** economic aid to the ANFFAS association of Fiuggi and Ciociaria for the autonomy and social inclusion of children and adults with disabilities.

## 8.7 Cybersecurity and Data Protection

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In order to address the risks arising from the management and use of personal data, whether on paper or by means of electronic data processing tools, Neodecortech has put in place appropriate security measures to ensure the protection and safeguarding of personal data and the fundamental rights and freedoms of data subjects. All relevant information is processed in full compliance with the rules adopted by the Company on the protection of personal data and in accordance with the applicable legislation, specifically Articles 13 and 14 of Regulation (EU) 2016/679 on the Protection of Personal Data.

There were no substantiated complaints concerning privacy breaches and/or loss of customer data during the reporting period.

## 8.8 Regulatory Compliance

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### **Compliance with the standard**

To date, the Group has not received any objections or complaints from external parties or regulatory bodies regarding violations of regulations, data subjects' rights, or personal data for which the Company acts as Data Controller.

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### **Compliance with environmental standards**

In 2023, as well as in prior years, no events occurred that resulted in penalties or litigation due to non-compliance with environmental laws, rules, and regulations. Likewise, as of the date of preparation of this NFS, no environmental disputes are pending.

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### **Non-compliance with laws and regulations in social, economic, and tax areas**

No instances of non-compliance with laws and/or regulations pertaining to social, economic, and tax provisions occurred in 2023.

# 9. GRI Content Index

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# 9. GRI Content Index

<b>Statement of use</b>	Neodecortech has prepared this non-financial statement in accordance with the GRI Standards for the period 01/01/2023 - 31/12/2023
<b>GRI 1</b>	GRI 1: Foundation 2021
<b>GRI Sector Standard(s) applicable</b>	N.A.

GRI sustainability reporting standard	Reference chapter / paragraph	Page	Omission			GRI sector standard ref. No.
			Requirements omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational details	1. Identity and strategy / The Group	13		
	2-2	Entities included in the sustainability reporting of the organization	Methodological Note	7		
	2-3	Reporting period, frequency and contact point	Methodological Note	7		
	2-4	Restatements of information	Methodological Note	7		
	2-5	External assurance	Methodological Note	7		
	2-6	Activities, value chain and other business relationships	1. Identity and strategy/ The business model	35		
	2-7	Employees	6. Human capital/ Employees	119		
	2-8	Workers who are not employees	6. Human capital/ Employees	119		
	2-9	Governance structure and composition	8. Governance/ Sustainable governance	163		

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi- rements omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-10	Nomination and selection of the highest governance body	8. Governance/ Sustainable governance	163		
	2-11	Chairman of the highest governance body	8. Governance/ Sustainable governance	163		
	2-12	Role of the highest governance body in supervision of the impacts	2. Materiality analysis / Material topics	53		
	2-13	Delegation of responsibility for managing impact	1. Identity and strategy/ The business model	35		
	2-14	Role of the highest governance body in the reporting of strategy sustainability	1. Identity and strategy/ Sustainability strategy	23		
	2-15	Conflict of interest	8. Governance/ Responsible business management	162		
	2-16	Communication of critical concerns	8. Governance	161		
	2-17	Collective knowledge of the highest governance body	8. Governance/ Responsible business management	162		
	2-18	Evaluation of the performance of the highest governance body	6. Human capital/ Remuneration policies	130		
	2-19	Remuneration Policies	6. Human capital/ Remuneration policies	130		
	2-20	Process to determine remuneration	6. Human capital/ Remuneration policies	130		
2-21	Annual total compensation ratio	6. Human capital/ Remuneration policies	130			

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-rements omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-22	Statement on sustainable development policy	Letter to stakeholders	4		
	2-23	Policy commitments	8. Governance/Code of Ethics	168		
	2-24	Embedding policy commitments	8. Governance/Code of Ethics	168		
	2-25	Processes to remediate negative impacts	8. Governance/Code of Ethics	168		
	2-26	Mechanisms for seeking advice and raising concerns	6. Human capital/ Workplace health and safety	135		
	2-27	Compliance with laws and regulations	8. Governance/ Compliance with regulations	181		
	2-28	Membership associations	7. Relational capital/ Relations with the territory	160		
	2-29	Approach to stakeholder engagement	2. Materiality analysis/Stakeholder engagement	50		
	2-30	Collective bargaining agreements	6. Human capital/ Employees	119		

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi- rements omitted	Reason	Explanation	
<b>Material</b>						
<b>GRI 3: Material topics 2021</b>	3-1	Process to determine material topics	2. Materiality analysis/Material topics	53		
	3-2	List of material topics	2. Materiality analysis/ Material topics	53		
<b>Responsible supply chain management</b>						
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	7. Relational capital	139		
<b>GRI 204: Procurement practices 2016</b>	204-1	Proportion of spending on local suppliers	7. Relational capital/ Fornitori: la gestione della supply chain	150		
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria	7. Relational capital/ Suppliers: supply chain management	150		In 2023, no suppliers were screened using environmental criteria
	308-2	Negative environmental impacts in the supply chain and actions taken	7. Relational capital/ Suppliers: supply chain management	150		
<b>GRI 414: Supplier social assessment 2016</b>	414-1	New suppliers that were screened using social criteria	7. Relational capital/ Suppliers: supply chain management	150		No suppliers were screened using social criteria in 2023

## 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-rements omitted	Reason	Explanation	
<b>Anti-corruption and compliance</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	8. Governance	161		
GRI 205: Anti-corruption 2016	205-3	Confirme incidents of corruption and actions taken	8. Governance/ Responsible business management	162		
<b>Business ethics and corporate responsibility</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	8. Governance	161		
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopolistic practices	8. Governance/ Responsible business management	162		
<b>Economic performance and indirect impacts</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	4. Economic and financial capita	75		
GRI 201: Performance economice 2016	201-1	Economic value directly generated and distributed	4. Economic and financial capital Economic value generated and distributed	78		
GRI 207: Tasse 2016	207-1	Approach to tax	4. Economic and financial capital Economic value generated and distributed	78		

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-remets omitted	Reason	Explanation	
<b>Circular economy and use of renewable raw materials</b>						
GRI 3: Material topics 2021  GRI 301: Material 2016	3-3	Management of material topics	5. Environmental capital	82		
	301-1	Materials used by weight or volume	5. Environmental capital/Environmental responsibility	90		
	301-2	Recycled input materials used	5. Environmental capital/Environmental responsibility	90		
<b>Energy, emissions and combating climate change</b>						
GRI 3: Material topics 2021  GRI 302: Energy 2016	3-3	Management of material topics	5. Environmental capital	82		
	302-1	Energy consumption within the organization	5. Environmental capital/Energy consumption	99		
	302-3	Energy intensity	5. Environmental capital/Energy consumption	99		
GRI 305: Emissions 2016	305-1	Direct GHG emissions (Scope 1)	5. Environmental capital/Emissions	105		
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	5. Environmental capital/Emissions	105		
	305-4	GHG emission intensity	5. Environmental capital/Emissions	105		

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-rements omitted	Reason	Explanation	
<b>Use of water resource</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	5. Environmental capital	82		
	303-1	Interacting with water as a shared resource	5. Environmental capital/The water resource	108		
GRI 303: Water and water discharge 2018	303-2	Management of impacts related to water discharge	5. Environmental capital/The water resource	108		
	303-3	Water withdrawal	5. Environmental capital/The water resource	108		
<b>Waste management</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	5. Environmental capital	82		
	306-1	Waste generation and significant waste-related impacts	5. Environmental capital/Waste generation and management	111		
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	5. Environmental capital/Waste generation and management	111		
	306-3	Waste generated	5. Environmental capital/Waste generation and management	111		
<b>Respect for human rights and protection of workers</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	6. Human capital	113		
	GRI 401: Employment 2016	401-1	New hires and turnover	6. Human capital/ Employees	119	
401-3		Parental	6. Human capital/ Employees	119		
GRI 406: Not discrimination 2016	406-1	Incidents of discrimination and corrective measures taken	8. Governance/ Responsible business management	162		In 2023 there were no incidents of discrimination



# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.	
			Requi-rements omitted	Reason	Explanation		
<b>Workplace health and safety</b>							
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	6. Human capital	113			
	403-1	Occupational health and safety management system	6. Human capital/ Workplace health and safety	135			
	403-2	Identification, risk assessment and incident investigation	6. Human capital/ Workplace health and safety	135			
	403-3	Occupational health services	6. Human capital/ Workplace health and safety	135			
	403-4	Worker participation, consultation and communication on occupational health and safety	6. Human capital/ Workplace health and safety	135			
	<b>GRI 403: Workplace health and safety 2018</b>	403-5	Worker training on occupational health and safety	6. Human capital/ Workplace health and safety	135		
		403-6	Promotion of worker health	6. Human capital/ Workplace health and safety	135		
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6. Human capital/ Workplace health and safety	135		
		403-8	Workers covered by an occupational health and safety management system	6. Human capital/ Workplace health and safety	135		
403-9		Work-related injuries	6. Human capital/ Workplace health and safety	135			

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-rements omitted	Reason	Explanation	
<b>Employee management and training</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	6. Human capital	113		
	404-1	Average hours of training per year per employee	6. Human capital/ Training and skills	125		
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	6. Human capital/ Training and skills	125		
<b>Diversity and equal opportunities</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	6. Human capital	113		
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees	6. Human capital/ Employees	119		
	405-2	Ratio of basic salary and remuneration of women to men	6. Human capital/ Employees	119		
<b>Supporting local communities</b>						
GRI 3: Material topics 2021	3-3	Management of material topics	7. Relational capital	139		
GRI 413: Local communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	7. Relational capital/ Relations with the local community	160		There were no actual or potential significant negative impacts on local communities in 2023.

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-rements omitted	Reason	Explanation	
<b>Product quality, safety and reliability</b>						
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	7. Relational capital	139		
<b>GRI 416: Costumer health and safety 2016</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	7. Relational capital/ Costumer relations	140		In 2023, there were no instances of non-compliance involving health and safety impacts
	417-1	Requirements for product and service information and labeling	7. Relational capital/Sustainable marketing	144		
<b>GRI 417: Marketing and labeling 2016</b>	417-3	Incidents of non-compliance concerning marketing communications	7. Relational capital/Sustainable marketing	144		In 2023, there were no instances of non-compliance involving marketing communications
<b>Customer satisfaction and relationship management</b>						
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	8. Governance	161		
<b>GRI 418: Costumer privacy 2016</b>	418-1	Complaints concerning breaches of customer privacy and losses of customer data	8. Governance/ Cybersecurity and Data protection	180		2023 no complaints regarding violations of customer privacy were reported
<b>Research &amp; development</b>						
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	3. Infrastructure capital	61		
<b>ESG Risk Management</b>						
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	3. Infrastructure capital	61		

# 9. GRI Content Index

GRI sustainability reporting standard	Reference chapter / paragraph	Pag	Omission			GRI sector standard ref. No.
			Requi-rements omitted	Reason	Explanation	
<b>Topics reported but deemed not material</b>						
<b>GRI 202: Market presence 2016</b>	202-2	Proportion of senior management hired from the local community	6. Human capital/ Employees	119		
<b>GRI 304: Biodiversity 2016</b>	304-1	Operational sites owned, leased or managed in (or adjacent to) protected areas and areas of high biodiversity value outside protected areas	5. Environmental capital/ The water resource	108		

# 10. Annexes

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**ANNEX I: KPI TURNOVER**

**ANNEX II: KPI CAPEX**

**ANNEX III: KPI OPEX**

**TEMPLATES PURS. ANNEX XII**

**DELEGATED REGULATION (UE) 2021/2178**

**Performance indicators**

# 10. Annexes

The following is the table showing the correlation between the aspects of Legislative Decree 254/2016, material topics and indicators provided by the GRI Standards Sustainability Reporting Guidelines.

Aspects D.Lgs. 254/2016	Material topic	Scope of material topic	GRI disclosure number and title	GRI Standard
<b>Environment</b>	Energy, emissions and combating climate change	NDT Group	GRI 302: Energy (2016)	GRI 302-1 GRI 302-3
		NDT Group	GRI 305: Emissions(2016)	GRI 305-1 GRI 305-2 GRI 305-4
	Circular economy and use of renewable raw materials	NDT Group	GRI 301: Materials (2016)	GRI 301-1 GRI 301-2
	Use of water resource	NDT Group	GRI 303: Water and effluents (2018)	GRI 303-1 GRI 303-2 GRI 303-3
	Waste management	NDT Group	GRI 306: Water discharges and waste (2016)	GRI 306-1 GRI 306-2 GRI 306-3
<b>Company</b>	Responsible supply chain management	NDT Group	GRI 204: Procurement practices (2016)	GRI 204-1
		NDT Group	GRI 308: Supplier environmental assessment (2016)	GRI 308-1
		NDT Group	GRI 414: Supplier social assessment (2016)	GRI 414-1
	Customer satisfaction and relationship management	NDT Group	GRI 418: Customer privacy (2016)	GRI 418-1
	Product quality, safety and reliability	NDT Group	GRI 416: Customer health and safety (2016)	GRI 416-1 GRI 416-2
		NDT Group	GRI 417: Marketing and labeling (2016)	GRI 417-1
	Research and development	NDT Group	GRI 3: Material topics (2021)	GRI 3-3
Support to Local Communities	NDT Group	GRI 413 - Local communities (2016)	GRI 413-2	

Aspects D.Lgs. 254/2016	Material topic	Scope of material topic	GRI disclosure number and title	GRI Standard
<b>Personnel</b>	Occupational Health and Safety	NDT Group	GRI 403: Occupational health and safety (2018)	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9
	Employee management and training	NDT Group	GRI 404: Training and education (2016)	GRI 404-1 GRI 404-3
<b>Human rights</b>	Respect for human rights and protection of workers	NDT Group	GRI 401: Employment (2016)	GRI 401-1 GRI 401-3
		NDT Group	GRI 406: Non-discrimination (2016)	GRI 406-1
<b>Diversity of governing and control bodies</b>	Diversity and equal opportunities	NDT Group	GRI 2: General Disclosure (2021)	GRI 2-7 GRI 2-8
		NDT Group	GRI 405: Diversity and equal opportunities (2016)	GRI 405-1
<b>Combating corruption</b>	Anti-corruption compliance	NDT Group	GRI 205: Anti-corruption (2016)	GRI 205-3
	Business ethics and corporate responsibility	NDT Group	GRI 2: General Disclosure (2021)	GRI 2-27
Economic performance and indirect impacts		NDT Group	GRI 201: Economic performance (2016)	GRI 201-1
	NDT Group	GRI 207: Tax (2019)	GRI 207-1	
	ESG risk management	NDT Group	GRI 3: Material topics (2021)	GRI 3-3



# ANNEX I: KPI TURNOVER

Financial year 2023	Year	Substantial contribution criteria	DNSH ('Does Not Significantly Harm')										Minimum Safeguards (17)	Quota di fatturato allineata (A.1.) o ammissibile (A.2.) alla tassonomia anno 2022 (18)	Enabling activity category (19)	Transitional activity category (20)		
Economic activities (1)	Code (2)	Quota di fatturato, anno 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Yes; No;	%	A	T
Text	Euro	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No;	Yes; No;	Yes; No;	Yes; No;	Yes; No;	Yes; No;	Yes; No;			
<b>A. ACTIVITIES TAXONOMY ELIGIBLE</b>																		
<b>A.1. Eco-sustainable activities (aligned to the taxonomy)</b>																		
Turnover of Eco-sustainable activities (aligned to the taxonomy) (A.1)	0,00	0,00%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0,00%	0,00%	0,00%
Of which enabling	0,00	0,00%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0,00%	0,00%	0,00%
Of which transitional	0,00	0,00%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0,00%	0,00%	0,00%











## ANNEX III: KPI OPEX

Financial year 2023	Year	Substantial contribution criteria	DNSh ('Does Not Significantly Harm')															
Economic activities (1)	Code (2)	Share of OpEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Minimum Safeguards	Share of taxonomy-aligned (A.1.) or eligible CapEx (A.2), 2022 (18)	Enabling activity category (19)	Transitional activity category (20)
	OpEx (3)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	%	A	T
	Euro																	

A. ACTIVITIES TAXONOMY ELIGIBLE				
Operating expenses of eco-sustainable activities (aligned to the taxonomy) (A.1)	0,00	0,00%	0,00%	0,00%
Of which enabling	0,00	0,00%	0,00%	0,00%
Of which transitional	0,00	0,00%	0,00%	0,00%

A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)									
Production of electricity from bioenergy	CCM 4.8	45.594,00	0,04%	AM	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of plastic materials in primary forms	CCM 3.17	9.791,00	0,01%	AM	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity production with solar photovoltaic technology	CCM 4.1	9.699,00	0,01%	AM	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	10.435,00	0,01%	AM	N/EL	N/EL	N/EL	N/EL	N/EL





# TEMPLATES PURS. ANNEX XII DELEGATED REGULATION (EU) 2021/2178

Nuclear energy activities		
1	The company engages in, finances, o holds exposures toward research, development, demonstration, and implementation of innovative power generation facilities that produce power from nuclear processes with a minimum amount of fuel cycle waste.	NO
2	The company engages in, finances, o holds exposures toward the construction and safe operation of new nuclear power plants for electricity generation or process heat, including for district heating purposes or industrial processes such as hydrogen production, including improvements on their safety using the best available technologies.	NO
3	The company engages in, finances, o holds exposures toward the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements in their safety.	NO
Fossil gas-related activities		
4	The company engages in, finances, o holds exposures toward the construction or operation of power generation facilities using fossil gaseous fuels.	NO
5	The company engages in, finances, o holds exposures toward the construction, redevelopment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The company engages in, finances, o holds exposures toward the construction, upgrading, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

As the Neodecortech Group does not have economic activities listed in Annexes I and II, Sections 4.26, 4.27, 4.28, 4.29, 4.30 and 4.31 of Delegated Regulation (EU) 2021/2139 (i.e. activities related to nuclear energy or fossil gases), it does not submit Templates 2,3,4,5 of Annex XII of Delegated Regulation (EU) 2021/2187.

# PERFORMANCE INDICATORS

## Human Capital

### Disclosure 2-7 Employees

Employees by type of contract, gender and geographical area at 31 December												
	2023				2022				2021			
	Men	Wo- men	Other (gender Total specified by the employee)	Total	Men	Wo- men	Other (gender Total specified by the employee)	Total	Men	Women	Other (gender Total specified by the employee)	Total
<b>Nord</b>	<b>141</b>	<b>36</b>	<b>-</b>	<b>177</b>	<b>145</b>	<b>36</b>	<b>-</b>	<b>181</b>	<b>158</b>	<b>35</b>	<b>-</b>	<b>193</b>
Open-endend	137	35	-	172	144	35	-	179	143	35	-	178
Fixed term	4	1	-	5	1	1	-	2	15	0	-	15
Per hour not guaranteed (e.g., on- call, occasional)	0	0	-	0	0	0	-	0	0	0	-	0
<b>Centre</b>	<b>192</b>	<b>21</b>	<b>-</b>	<b>213</b>	<b>199</b>	<b>20</b>	<b>-</b>	<b>219</b>	<b>192</b>	<b>21</b>	<b>-</b>	<b>213</b>
Open-endend	192	20	-	212	199	20	-	219	178	20	-	198
Fixed term	0	1	-	1	0	0	-	0	14	1	-	15
Per hour not guaranteed (e.g., on- call, occasional)	0	0	-	0	0	0	-	0	0	0	-	0
<b>Total</b>	<b>333</b>	<b>57</b>	<b>-</b>	<b>390</b>	<b>344</b>	<b>56</b>	<b>-</b>	<b>400</b>	<b>350</b>	<b>56</b>	<b>-</b>	<b>406</b>
Open-endend	329	55	-	384	343	55	-	398	321	55	-	376
Fixed term	4	2	-	6	1	1	-	2	29	1	-	30
Per hour not guaranteed (e.g., on- call, occasional)	0	0	-	0	0	0	-	0	0	0	-	0

# PERFORMANCE INDICATORS

## Human Capital

### Disclosure 405-1 Diversity of governance bodies and employees

Percentage of employees by professional category and gender at 31 December									
Percentage	2023			2022			2021		
	Men	Woman	Total	Men	Woman	Total	Men	Woman	Total
Executives	80%	20%	3%	89%	11%	2%	90%	10%	2%
Managers	85%	15%	3%	77%	23%	3%	69%	31%	4%
White collars	68%	32%	23%	70%	30%	24%	73%	27%	24%
Blue collars	91%	9%	71%	92%	8%	70%	92%	8%	69%
<b>Total</b>	<b>85%</b>	<b>15%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>
<b>Percentage</b>	<b>85%</b>	<b>15%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>

Percentage of employees by professional category and age group at 31 December												
Percentage	2023				2022				2021			
	< 30 Years	30-50 Years	> 50 Years	Total	< 30 Years	30-50 Years	> 50 Years	Total	< 30 Years	30-50 Years	> 50 Years	Total
Executives	0%	20%	80%	3%	0%	22%	78%	2%	0%	20%	80%	2%
Managers	0%	62%	38%	3%	0%	62%	38%	3%	0%	69%	31%	4%
White collars	8%	46%	46%	23%	6%	55%	39%	24%	6%	62%	32%	24%
Blue collars	7%	48%	45%	71%	10%	45%	45%	70%	12%	46%	42%	69%
<b>Total</b>	<b>7%</b>	<b>47%</b>	<b>46%</b>	<b>100%</b>	<b>9%</b>	<b>44%</b>	<b>44%</b>	<b>100%</b>	<b>10%</b>	<b>50%</b>	<b>40%</b>	<b>100%</b>
<b>Percentage</b>	<b>7%</b>	<b>47%</b>	<b>46%</b>	<b>100%</b>	<b>9%</b>	<b>48%</b>	<b>44%</b>	<b>100%</b>	<b>10%</b>	<b>50%</b>	<b>40%</b>	<b>100%</b>

Number of employees belonging to legally-protected categories by type of contract									
	2023			2022			2021		
	Category legally- protected	Disa	Total	Category legally- protected	Disability	Total	Category legally- protected	Disability	Total
Executives	-	-	-	-	-	-	-	-	-
Managers	-	-	-	-	-	-	-	-	-
White collars	3	-	3	3	-	3	3	-	3
Blue collars	16	8	24	16	8	24	14	8	22
<b>Total</b>	<b>19</b>	<b>8</b>	<b>27</b>	<b>19</b>	<b>8</b>	<b>27</b>	<b>17</b>	<b>8</b>	<b>25</b>

# PERFORMANCE INDICATORS

## Human Capital

### Disclosure 2-30 Collective bargaining agreements<sup>19</sup>

Employees covered by collective bargaining agreements			
	2023	2022	2021
Employees covered by collective bargaining agreements	100%	100%	100%

### Disclosure 401-1 New hires and turnover

Employees entering by gender and age group												
Number	2023				2022				2021			
	< 30 Years	30-50 Years	> 50 Years	Total	< 30 Years	30-50 Years	> 50 Years	Total	< 30 Years	30-50 Years	> 50 Years	Total
Men	2	8	2	12	5	19	2	26	15	21	3	39
Women	1	2	0	3	3	3	0	6	1	3	1	5
<b>Total</b>	<b>3</b>	<b>10</b>	<b>2</b>	<b>15</b>	<b>8</b>	<b>22</b>	<b>2</b>	<b>32</b>	<b>16</b>	<b>24</b>	<b>4</b>	<b>44</b>

Employees leaving by gender and age group												
Number	2023				2022				2021			
	< 30 Years	30-50 Years	> 50 Years	Total	< 30 Years	30-50 Years	> 50 Years	Total	< 30 Years	30-50 Years	> 50 Years	Total
Men	3	6	14	23	10	14	8	32	0	0	5	5
Women	0	1	1	2	1	3	2	6	0	0	0	0
<b>Total</b>	<b>3</b>	<b>7</b>	<b>15</b>	<b>25</b>	<b>11</b>	<b>17</b>	<b>10</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>

# PERFORMANCE INDICATORS

## Human Capital

### Disclosure 403-9 Workplace accidents

Group employees			
Workplace accidents			
Number of accidents	2023	2022	2021
Total number of deaths due to workplace accidents	-	-	-
Total of serious workplace accidents (excluding deaths) <sup>20</sup>	-	-	-
Total of recordable workplace accidents	9	6	9
<b>Total</b>	<b>9</b>	<b>6</b>	<b>9</b>

Accident rates <sup>21</sup>			
Rate of deaths due to workplace accidents	-	-	-
Rate of serious workplace accidents (excluding deaths)	-	-	-
Rate of recordable workplace accidents	14,9	10,1	13,6

External associates <sup>22</sup>			
Workplace accidents			
Number of accidents	2023	2022	2021
Number total di decessi dovuti a infortuni sul lavoro	-	-	-
Number total di infortuni sul lavoro gravi (escludendo i decessi)	-	-	-
Number total di infortuni sul lavoro registrabili	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Accident rates <sup>23</sup>			
Total number of deaths due to workplace accidents	-	-	-
Total of serious workplace accidents (excluding deaths)	-	-	-
Total of recordable workplace accidents	-	-	-

<sup>20</sup> Workplace accidents that have led to damage from which the worker cannot recover, does not recover or it is unrealistic to expect him to recover completely returning to the state of health before the accident within 6 months.

<sup>21</sup> The accident rate was calculated as the ratio between the total number of accidents and the total hours worked, using a multiplication factor of 1,000,000.

<sup>22</sup> The data relating to the Health and Safety of non-employee workers include only the categories of Neodecortech Group employees and not other types of non-employee workers who work at the Group's sites and/or under the control of the Group, in consideration of their significance and the availability of such data over which the Group does not exercise direct control.

# PERFORMANCE INDICATORS

## Environmental Capital

### Disclosure 303-1 Materials used by weight and volume

Type of waste	UdM	2023	2022	2021
Renewable raw materials <sup>24</sup>	kg	39.087.906	39.493.037	45.799.924
Non-Renewable raw materials <sup>25</sup>	kg	23.953.026	24.328.136	27.561.592
<b>Total</b>	<b>kg</b>	<b>63.040.932</b>	<b>63.821.173</b>	<b>73.361.516</b>

### Disclosure 302-1 Energy consumed within the organization

Type of consumption	UdM	2023	2022	2021
Renewable energy	GJ	562.233	824.634	885.596
Non-Renewable energy	GJ	511.586	436.947	491.549
% renewable energy of total	%	52%	65%	64%
<b>Total Energy</b>	<b>GJ</b>	<b>1.073.819</b>	<b>1.261.581</b>	<b>1.377.145</b>

Type of consumption	UdM	2023		2022		2021	
		total	total GJ	total	total GJ	total	total GJ
<b>Non-renewable fuels</b>							
Methane gas (Natural gas)	Smc	11.330.871	400.399	10.965.861	387.500	12.333.405	435.135
Diesel	litres	1.280.754	58.639	1.318.238	–	1.523.893	54.554
Diesel fuel for vehicles exclusive use	litres	56.730	2.597	58.991	1.972	55.906	1.860
mixed use	litres	38.446	1.746	44.958	1.618	43.152	1.541
	litres	18.284	830	14.033	354	12.754	319
<b>Renewable fuels</b>							
Animal by-products	ton	13.510	493.149	27.019	986.203	31.856	1.162
Vegetable fats	ton	11.921	435.143	3.838	140.091	563	20.536

<sup>24</sup> The data refers to non-certified paper, certified paper, packaging cardboard, FSC certified cellulose, certified wooden packaging.

<sup>25</sup> The data refers to plastic for packaging, inks, resins, lacquers, plastic materials, paints and additives, PVC, rPET, titans, kaolins, organic and inorganic pigments, ethylene glycol, chemical products for water treatment, lubricating oils and granular urea.

# PERFORMANCE INDICATORS

## Environmental Capital

### Disclosure 302-1 Energy consumed within the organization

Type of consumption	UdM	2023		2022		2021	
		total	total GJ	total	total GJ	total	total GJ
<b>Electric energy</b>							
Purchased electricity <sup>26</sup>	kWh	21.007.341	75.626	7.489.054	26.961	8.691.579	31.290
of which from non-renewable sources	kWh	13.881.000	49.972	-	-	-	-
of which from renewable sources	kWh	7.126.341	25.655	7.489.054	26.961	8.691.579	31.290
Self-produced electricity	kWh	117.582.252	423.296	140.301.176	505.084	146.719.589	528.191
of which from renewable sources - produced by photovoltaic plants	kWh	1.400.954	5.043	884.646	3.185	804.386	2.896
of which from renewable kWh sources - produced by bioliquid plants	kWh	116.181.298	418.253	139.416.530	501.900	145.915.203	525.295
Self-produced electricity sold on the grid	kWh	112.363.518	404.509	92.167.925	331.805	92.193.633	331.897

### Conversion factors 2023

Energy consumption conversion factors			
Starting unit	Conversion unit	2023	Source
Electric Energy / Energy termic	GJ/kWh	0,0036	COSTANT
natural gas	GJ/1000*sm3	35,337	Min. Environment - Tabella dei parametri standard nazionali per il monitoraggio and la comunicazione dei gas ad effetto serra
Diesel fuel (CNG) per vehicles	GJ/ton	50,433	UK Government GHG Conversion Factors for Company Reporting 2023 – DEFRA
Diesel fuel (CNG) per vehicles (Density)	kg/mc	0,8	UK Government GHG Conversion Factors for Company Reporting 2021, 2022, 2023 – DEFRA
Diesel for heating	GJ/ton	45,7850	UK Government GHG Conversion Factors for Company Reporting 2021, 2022, 2023 – DEFRA
Diesel fuel for vehicles	GJ/ton	45,4120	UK Government GHG Conversion Factors for Company Reporting 2021, 2022, 2023 – DEFRA
Diesel (Density)	kg/litres	0,8400	FIRE: Guidelines for the appointment of the Energy Manager 2022 – version 2.2

<sup>26</sup> As the energy purchased by CDG from renewable sources constitutes a portion of BEG's self-generated energy, this quantity is omitted when calculating GJ consumption. Similarly, it is excluded when identifying indirect CO2 emissions according to the Location-Based methodology. Considering for the Scope 2 emissions calculation the purchased energy of CDG, would, in fact, mean double counting that amount.valore.

# PERFORMANCE INDICATORS

## Environmental Capital

### Conversion factors 2023

Energy consumption conversion factors				
Starting unit	Conversion unit	2023	Source	
LPG for heating	GJ/ton	49,346	UK Government GHG Conversion Factors for Company Reporting 2021, 2022, 2023 – DEFRA	
LPG for vehicles	GJ/ton	49,346	UK Government GHG Conversion Factors for Company Reporting 2021, 2022, 2023 – DEFRA	
GPL (Density) for heating	KG/mc	2,3	FIRE: Guidelines for the appointment of the Energy Manager 2022 – version 2.2	
GPL (Density) for vehicles	kg/litres	0,560	FIRE: Guidelines for the appointment of the Energy Manager 2022 – version 2.2	
Lead-free petrol for vehicles	GJ/ton	43,128	Min. Environment - Table of national standard parameters for monitoring and reporting of greenhouse gases	
Petrol (Density) for vehicles	kg/litres	0,740	FIRE: Guidelines for the appointment of the Energy Manager 2022 – version 2.2	
Bioliquids	GJ/ton	36,500	Arcadia, The bioliquids supply chain for power generation in Italy, 2023	
Steam	GJ/ton	2,756	Enthalpy value of saturated vapour under the generating conditions (pressure and temperature)	

### Disclosure 302-3 Energy intensity

	UdM	2023	2022	2021
Energy intensity Filago	GJ/kg	0,010	0,011	0,009
Energy intensity Casoli	GJ/kg	0,011	0,013	0,012
Energy intensity CDG	GJ/kg	0,011	0,014	0,013
<b>Energy intensity of the group</b>	<b>GJ/kg</b>	<b>0,020</b>	<b>0,024</b>	<b>0,022</b>



# PERFORMANCE INDICATORS

## Environmental Capital

### Disclosure 303-3 Water withdrawal

Type of consumption	UdM	2023		2022		2021	
		all areas	water stressed areas	all areas	water stressed areas	all areas	water stressed areas
<b>Surface water (total)</b>	<b>MI</b>	<b>1596</b>	<b>1596</b>	<b>1495</b>	<b>1495</b>	<b>1811</b>	<b>1811</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	MI	1596	1596	1495	1495	1811	1811
Other water (> 1000 mg/L solidi disciolti totali)	MI	-	-	-	-	-	-
<b>Groundwater (total)</b>	<b>MI</b>	<b>11</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>-</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	MI	11	-	13	-	13	-
Other water (> 1000 mg/L solidi disciolti totali)	MI	-	-	-	-	-	-
<b>Sea water (total)</b>	<b>MI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	MI	-	-	-	-	-	-
Other water (> 1000 mg/L solidi disciolti totali)	MI	-	-	-	-	-	-
<b>Process water (total)</b>	<b>MI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	MI	-	-	-	1495	-	-
Other water (> 1000 mg/L total dissolved solids)	MI	-	-	-	-	-	-
<b>Third-party water (total)</b>	<b>MI</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>7</b>	<b>1</b>
Fresh water (≤ 1000 mg/L total dissolved solids)	MI	6	4	6	2	7	1
Other water (> 1000 mg/L solidi disciolti totali)	MI	-	-	-	-	-	-
<b>Third-party water by source of withdrawal (total)</b>	<b>MI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>1</b>
Surface water	MI	-	-	-	-	7	1
Groundwater	MI	-	-	-	-	-	-
Sea water (total)	MI	-	-	-	-	-	-
Process water	MI	-	-	-	-	-	-
<b>Total water withdrawal</b>	<b>MI</b>	<b>1612</b>	<b>1599</b>	<b>1514</b>	<b>1497</b>	<b>1831</b>	<b>1812</b>

# PERFORMANCE INDICATORS

## Environmental Capital

	UdM	2023	2022	2021
Water intensity Filago	MC/kg	0,001	0,001	0,001
Water intensity Casoli	MC/kg	0,001	0,001	0,001
Water intensity CDG	MC/kg	0,041	0,039	0,039
Water intensity di Gruppo	MC/kg	0,030	0,029	0,028

## Disclosure 305-1 Emissioni dirette di GHG (Scope 1)

Tipologia di emissione	UdM	2023	2022	2021
<b>SCOPE 1</b>	<b>tCO2</b>	<b>26.120</b>	<b>25.499</b>	<b>28.629</b>
Methane gas(natural gas)	tCO2	22.560	21.883	24.457
for office heatin	tCO2	388	512	702
for thermal power plant	tCO2	22.171	21.321	237.455
Diesel	tCO2	3.389	3.509	4.032
for steam production and plant operation	tCO2	3.389	3.509	4.032
Diesel fuel for vehicles	tCO2	150	145	137
Refrigerants leaks	tCO2	21	11	3

## Disclosure 305-2 Indirect GHG Emissions (Scope 2)

SCOPE 2	UdM	2023	2022	2021
Location based	tCO2	6.489	1.946	2.256
Market based	tCO2	-	-	-

## Direct and indirect GHG emissions (Scope 1 and Scope 2)

	UdM	2023	2022	2021
Total emissions (SCOPE 1 + SCOPE 2 Location based)	tCO2	32.609	27.456	30.888
Total emissions (SCOPE 1 + SCOPE 2 Market based)	tCO2	26.120	25.510	28.629

# PERFORMANCE INDICATORS

## Environmental Capital

### Emissions from biomass (out of scope)

Biomass	UdM	2023	2022	2021
Animal by-products	tCO2	36.209	71.601	84.418
Vegetable oils	tCO2	31.950	10.171	1.493
<b>Total Emissions from Biomass</b>	<b>tCO2</b>	<b>68.160</b>	<b>81.772</b>	<b>85.911</b>

### 2023 emission factors

Emission factors of energy consumption			
Starting unit	Conversion unit	2023	Source
Electricity (Location-based)	kgCO2/kWh	0,30890	ISPRA Report 386/2023
Electricity (Market-based)	kgCO2/kWh	0,45715	AIB - European Residual Mixes 2022 (Ver. 1.0, 2022-05-31)
Natural Gas	tCO2/1000*stdm3	1,991	Min. Environment - Table of national standard parameters for greenhouse gas monitoring and reporting
LPG	tCO2/ton	3,026	Min. Environment - Table of national standard parameters for greenhouse gas monitoring and reporting
Petrol for vehicles	tCO2/ton	3,15200	Min. Environment - Table of national standard parameters for greenhouse gas monitoring and reporting
Heating oil	tCO2/ton	3,169	Min. Environment - Table of national standard parameters for greenhouse gas monitoring and reporting

# PERFORMANCE INDICATORS

## Environmental Capital

### 2023 emission factors

Emission factor - outside of scope				
Starting unit	Conversion unit	2023	Source	
Vegetable oils	tCO2/ton	2,68	UK Government GHG Conversion Factors for Company Reporting 2023 – DEFRA	
Animal by-product	tCO2/ton	2,68	UK Government GHG Conversion Factors for Company Reporting 2023 – DEFRA	

### Disclosure 305-4 Emission intensity

	UdM	2023	2022	2021
Emission intensity Filago	tCo2/kg	0,00061	0,00062	0,00053
Emission intensity Casoli	tCo2/kg	0,00069	0,00077	0,00077
Emission intensity CDG	tCo2/kg	0,00052	0,00039	0,00037
<b>Group emission intensity</b>	<b>tCo2/kg</b>	<b>0,00055</b>	<b>0,00053</b>	<b>0,00049</b>

### Disclosure 306-3 Total weight of waste generated

Type of waste	UdM	2023	2022	2021
Total hazardous	kg	287.171	390.784	407.992
Total non-hazardous	kg	7.719.358	7.209.192	6.868.197
<b>Total</b>	<b>kg</b>	<b>8.006.529</b>	<b>7.599.976</b>	<b>7.276.189</b>

### Intensity of waste generation

	UdM	2023	2022	2021
Intensity of waste generated Filago	kg/kg	0,21	0,20	0,18
Intensity of waste generated Casoli	kg/kg	0,51	0,58	0,54
Intensity of waste generated CDG	kg/kg	0,10	0,09	0,06
<b>Intensity of waste generated Group</b>	<b>kg/kg</b>	<b>0,15</b>	<b>0,15</b>	<b>0,11</b>





