



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FOURTH ITEM ON THE
AGENDA OF THE SHAREHOLDERS' MEETING OF NEODECORTECH S.p.A., CONVENED ON
19 APRIL 2024 IN SINGLE CALL**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF NEODECORTECH S.P.A.
ON THE PROPOSED RESOLUTIONS OF THE SHAREHOLDERS' MEETING**

Shareholders,

you have been convened on 19 April 2024 for the Shareholders' Meeting ("**Meeting**") of Neodecortech S.p.A. ("**Neodecortech**" or the "**Company**") to resolve, *inter alia*, on the following item on the agenda.

4. Presentation of the Non-Financial Statement of the Neodecortech Group at 31 December 2023, prepared pursuant to Legislative Decree no. 254 of 30 December 2016.

This Report - prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the "**TUF**") and Article 84-ter of the Regulation adopted by CONSOB Resolution no. 11971 of 14 May 1999 (the "**Issuer Regulation**"), as amended and supplemented, and in accordance with Annex 3A to the Issuer Regulation (the "**Report**"), was approved by the Board of Directors in its meeting of 12 March 2024 and is made publicly available, within the time limits and in the manner envisaged by law and regulations, at the registered office in Via Provinciale 2, Filago (BG), as well as on the website (www.neodecortech.it Investors – *Assemblee azionisti* section) and on the authorized storage mechanism "*1info*" on the website www.1info.it.

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With regard to item 4 on the agenda of the Shareholders' Meeting, the Board of Directors submits for your review, in accordance with the law, the Consolidated Non-Financial Statement of the Neodecortech Group, prepared in accordance with Legislative Decree no. 254 of 30 December 2016 (the "**NFS**"), which represents a separate report from the financial statements.

In this regard, mention should be made that, pursuant to Legislative Decree no. 254 of 30 December 2016 ("**Legislative Decree 254/2016**"), NDT is required to prepare and publish, for each financial year, a consolidated statement that contains a set of information related to environmental, social, and personnel-related topics, human rights compliance, and the fight against corruption and bribery.

The information contained in the Group's NFS has been defined in accordance with Legislative Decree 254/2016 in a number of non-financial information areas of a social/environmental nature deemed material, taking account of the activities and characteristics of Neodecortech. For each area, a description is given of the relevant business model for managing and organizing activities, policies practiced and results achieved, and key non-financial performance measures.

The information was provided in accordance with the methodologies and principles set forth in the "*Sustainability Reporting Standards 2021*" published by the *Global Reporting Initiative* ("**GRI**") and covers the period from 1 January 2023 to 31 December 2023; figures from prior years are shown where available for comparative purposes.

Additionally, for the purpose of drafting the NFS, account was taken of CONSOB's announcement on 1 March 2021 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). The NFS includes the information required by Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (so-called "**Taxonomy Regulation**") and its delegated regulations.

In defining the structure and content of the NFS, the Company carried out a materiality analysis process aimed at identifying the topics that, in relation to its business profile, strategies, stakeholder expectations, and its context of operations, may be considered relevant in reflecting the economic, environmental, and social impacts of the organization or influencing the decisions of the Group's stakeholders.

As in 2022, the 2023 NFS is based on a materiality analysis. 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. 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.

The NFS for 2023 was reviewed and approved by the Board of Directors at its meeting on 12 March 2024, after review by the Control, Risk and Sustainability Committee at its meeting on 8 March 2024, and then made available to the supervisory bodies (Board of Statutory Auditors and Independent Auditors) for their activities. The NFS was also subject to a limited assurance by BDO Italia S.p.A., which assessed its compliance with Legislative Decree no. 254/2016 and the principles and methodologies of the reporting standard used. The relevant report, separate from the statutory audit report, is attached to the NFS and published at the same time as the NFS.

The full text of the NFS accompanied by its annexes will be made available within the twenty-one days prior to the Shareholders' Meeting, thus by 29 March 2024, at the registered office in Via Provinciale 2, Filago (BG), as well as on the website (www.neodecortech.it Investors – *Assemblee azionisti* section), and on the authorized storage mechanism "1info" at www.1info.it.

All that said, the Shareholders' Meeting of Neodecortech S.p.A. is called to review the Group's Consolidated Non-Financial Statement at 31 December 2023.

Filago, 14 March 2024

For the Board of Directors

The Chairman

Luca Peli