Evolving roots

Sustainability Report 2021







Letter to the stakeholders

Dear Readers,

This is now the second edition of Sirmax Group's Sustainability Report. Once again, this year, it is a source of pride for me to present the many things our Group has been able to accomplish when it comes to environmental protection and responsibility towards people, clients, and the community.

The geo-economic and geo-political scenario we had to face in the aftermath of the Covid pandemic did not discourage us. We overcame difficulties thanks to the strategic choices we made in past years and to the solidity that has always distinguished the Group.

2021 was the year in which we consolidated a precise sustainability plan around certain priority areas and took specific action.

Our responsible management has focused on the key concepts that are fundamental to us: Circularity and efficient use of resources (particularly water and energy), fighting climate change by limiting pollutant emissions, product innovation, employee empowerment, occupational health and safety, support for local communities, and ethics in our business.

In 2021, we continued to invest. We developed our production capacity in the dynamic context of the circular economy. We implemented research and development. We created an internal committee which is 100% dedicated to product inno-

vation with the aim of anticipating market demands. Our efforts have been rewarded by new important certifications, which have enabled us to meet all the quality standards required in different areas of the world.

I would like to mention a Life Cycle Assessment (LCA) study that looked at the environmental impact of two polypropylene compounds for the automotive and household appliance sectors, analyzing their entire life cycle from extraction and processing of the raw material to delivery of the finished product to the client. This was a very important study for us. Showing that our compounds with recycled content can achieve a significant reduction in CO₂ emissions not only rewarded our efforts in terms of sustainability, but also opened new market opportunities.

This is also part of Sirmax Group's brand reputation – a reputation that has grown a great deal this year thanks to our investments in all intangible assets. We have, in fact, paid great attention to the consolidation of internal governance and organizational rigor with a view to a more flexible and sustainable work methodology.

Our employees and collaborators remain center stage. Included in our recent initiatives is a major welfare plan which involves assistance, training, involvement, empowerment, and professional growth. It unites all Sirmax Group stakeholders in a shared cultural project that comes before work. Together with our employees, we have embarked on the journey towards sustainability and belonging to a growing community that believes in the future.

In 2021 our staff increased, and our expertise increased with them thanks to an innovative creative and design synergy. We implemented soft skills and focused on technology and digitalization, keeping in mind the core values of our Code of Ethics: respect, integrity, and innovation.

We also further strengthened our supply chain. Our network of suppliers – downstream and upstream of the production process – shares the Group's priorities and vision. In their regard, we pay meticulous and continuous attention to ensuring that the quality standards that characterize Sirmax products are maintained. Our relationship with suppliers remains one of great cooperation, listening and trust.

The community also remains central to Sirmax – it is our point of reference. Our solidity comes from our active relationship with universities, schools, and training institutions. The people who make up our Group are our family, and our human capital is our most precious asset.

Our local area, supply chain and people anchor us to our values, to which we will remain faithful forever.

Table of Contents

1	Sustainable Ideas		2	The Team	
1.1	The future is made of sustainable ideas	p 08	2.1	A global team	p 31
1.2	Sustainability at Sirmax	p 16	2.2	Continuous growth	p 38
1.3	Responsible management tools	p 22	2.3	Protecting health and well-being	p 40



3 Environmental footprint

- 3.1 Responsible p 46 resource management
- **3.2** Reducing p 54 our impact
- **3.3** The Life Cycle p 59 Assessment of our products

4 Sirmax community

4.1 The value p 64 chain
4.2 A global community

Appendix

Methodological note	p 74
GRI Content Index	p 78

1. Sustainable Ideas

Sirmax means compound evolution

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1.1 The future is made of sustainable ideas

Sirmax S.p.A. (hereinafter also referred to as Sirmax) is the parent company of a global leading Group that produces plastics for a wide range of sectors, with **a particular focus on automotive and appliance.**

The Group is formed by six majority-owned subsidiaries, which manage the activities of eleven plants (six in Italy, two in Poland, two in the USA and one in Brazil) and four commercial companies that operate for the development of distribution activities in the main European markets. In addition, the Group participates in two joint-ventures: the first one was created with Autotech Polymers India to promote the distribution of Sirmax compounds in the East, while the second one is a research spin-off of the University of Padua dedicated to product design.

For the second year of non-financial reporting, the Group has decided to extend the scope of reporting to all fully consolidated companies, thus excluding joint ventures.

"Sirmax is the parent company of a leading global plastics manufacturing Group operating in a wide range of different industries, particularly automotive and appliance."

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COMMERCIAL COMPANIES

JOINT VENTURE

With great flexibility and almost sixty years of experience in the plastics sector, Sirmax is resolutely pursuing the **multi-country and multi-product strategy** that has consolidated its image among the top independent compounders in the world. This strategy has led to a dynamic growth in the Group's partnership and co-design relationship with the market, in which Sirmax recognizes its mission to shape an intelligent and sustainable future.

Sirmax also acknowledges the signals coming from the community and from the market. This is why, in the last few years, the Group has been working with a view to consolidating a **circular economy**. This was initially done by taking over S.E.R.(an Italian leader in the regeneration of post-consumer plastics) and expanding its market to North America, and later by acquiring Microtec, a company that produces biopolymers.

Microtec's experience, acquired over years of processing virgin raw materials, was leveraged in order to develop additional product lines to add to its traditional range, including both recycled plastics (Sertene®PP and Sertene®PE, respectively recycled polypropylene and recycled polyethylene) and plant-derived bioplastics (BioComp®).

Mission

Sirmax is a leading manufacturer of thermoplastic compounds with a deep knowledge of raw materials and a wide range of products to meet all customer needs.

Sirmax is committed to building a sustainable future through innovative co - design solutions that help your ideas come true.

Vision

To play a leading role in the green revolution

by providing innovative, high performance and sustainable materials for the most challenging projects. Close to your ideas, close to the environment.



Highlights 2021

260k 🖽 tons of product factories (+ 2 JVs) for a total surface area of 525k m² 585 and employees (89% on permanent contracts) 61 🔅 production lines and 13 R&D labs 37
countries where customers are based $5 \, \bigcirc \,$ research and development centers and 13 quality control labs 2 🖂 linked universities 480 min illion Euro turnover +207 (S) new employees

Sirmax history

Sirmax's roots go back to 1964, the year Sirte – Industria e commercio termoplastici Spa was founded in Isola Vicentina. The company specialized in the distribution of thermoplastic resins and in the production of polyolefin compounds: polyethylene (PE), polypropylene (PP), and styrenics (ABS). In 1992, Maxplast was founded in Cittadella. The company specialized in auxiliary activities for the production of polypropylene compounds. The merger between the two companies, which took place in **1999**, created **Sirmax**: an industrial conglomerate able to cover both the production and distribution of a wide range of thermoplastic resins.

The structural expansion of the Group began in 2004 with the launch of the new plant in Tombolo (Padua), followed by the opening of sales offices in France (Sirmax France, in Lyon), Spain (Sirmax Polimeros Iberica, in Barcelona), and Germany (Sirmax Deutschland, in Düsseldorf). In 2006, the first overseas plant was opened in Kutno (Poland), specializing in polypropylene compound production. Since 2014, plants have been opened in Brazil (Sirmax do Brasil in Jundiaí, São Paulo), in the USA (Sirmax North America, in Anderson, Indiana, 2016).

The Joint Venture with India Autotech Polymers, which has plants in Mumbai and Delhi, opened the door to the Far East in 2017.

A second Kutno plant was inaugurated in 2019, and the acquisition of Microtec and S.E.R., the two companies that respectively introduced Sirmax to the biopolymer and recycling sectors, also took place in 2019.

Finally, in 2020, the second plant was opened in the USA, again in Anderson, Indiana (SER North America) and the Smart Mold Joint Venture, a spin-off of the University of Padua, was founded.

From the merger of Sirte and Maxplast **Sirmax was born**

New production plant in Tombolo

Foundation of Sales Offices in Germany, Spain and France

New production plant Kutno 1 in Poland Beginning of polypropylene compound production

Sirmax is official distributor of Borealis' PP and PE

New production plant in Jundiaí in Brazil

New production plant in Anderson (USA)

Acquisition of **Nord Color** to expand the range of polymeric resins

JV with **Autotech Polymers** and expansion in Asia

New production plant Kutno 2 in Poland Acquisition of **S.E.R.** for regeneration of post-consumer plastics and **Microtec** for manufacturing of compostable and bio compound

New recycling production plant in Anderson (USA)

JV with Smart Mold

PLANT'S EXPANSION

• EVOLUTION OF THE GROUP'S ACTIVITIES

From an operational point of view, as of 2021 the Group has 61 production lines built up over the years thanks, in part, to the acquisitions of third-party companies like Maxplast, Nord Color, S.E.R. and Microtec, which brought with them new technical skills that allowed Sirmax to expand its core business. The numbers that best encapsulate the expansion of the Group over its **60-year history** are the 525,400 m² of total plant surface area in which over 250,000 tons of plastic material are produced each year.

Alongside the Group's expansion, Sirmax's product portfolio and market offer has progressively widened. The core business mainly focuses on the production of admixed, colored, filled or reinforced polyolefin (PP) compounds and engineering plastics, including styrenics (PS), polybutylene terephthalate (PBT) and polyamide (PA) compounds with significant thermo- mechanical properties.

The properties of the compounds are adapted to individual client requirements based on their final application, which ranges across multiple sectors – mainly automotive and appliance, but also packaging, interior design, construction and machinery. Each year, more than 1100 new formulations are developed. Alongside the historical core-business, Sirmax's product range is expanding to include a series of solutions with a **lower environmental impact**, on which most of the Group's efforts in terms of research and development are focused.

Today, Sirmax offers **circular compounds** obtained from post-consumer plastic and transformed into virtuous materials with special chemical, mechanical and thermal properties. A second line centers around **bio solutions**, which include bioplastics obtained from non-fossil sources and biodegradable plastics with excellent mechanical properties. In addition, to cover sectors that need elasticity and resilience, the production of **thermoplastic elastomers** (TPEs) – natural vulcanized rubber substitutes that can be recycled instead of being disposed of – is growing.





GROWTH OPTIONS

1.2 Sustainability at Sirmax

Sirmax has always been committed to achieving high quality standards, paying attention to the environment and to the areas that host the Group's factories, and establishing transparent and lasting relations with its stakeholders. Sirmax has also been paying close attention to environmental concerns expressed by local communities. This has led to the Group placing the development and promotion of circular solutions (polymers obtained from the mechanical recycling of plastic waste) and organic plastic alternatives from renewable sources (biopolymers) at the center of its research activities.

In order to monitor its environmental, social and governance performance, Sirmax has decided to embark on a sustainability journey that starts with the Group's first Sustainability Report, drawn up according to the standards of the Global Reporting Initiative (or GRI Sustainability Reporting Standards), which are the most recent and most prevalent non-financial reporting standards at the international level.

In addition to its commitment to reporting its sustainability performance within the Annual Report, in 2021 Sirmax also outlined a sustainability plan that structure the Group's approach to sustainability by consolidating it around four priority areas. For each of the identified areas, specific actions and initiatives have been defined, which, according to different timings and modalities will enable the Group to achieve its sustainability goals over the medium term. Specifically, in the context of action to **combat climate change**, the effort will initially be directed towards structuring efficiency solutions such as the purchase of certificates of origin, and more in- depth calculation of the impacts produced by Sirmax along its value chain in terms of CO_2 emissions. In addition, the certifications that are in the pipeline will go a long way toward giving concreteness and solidity to the actions taken.

The Group's actions will have to go hand in hand with improving the impacts generated by the entire industry **along the value chain** in order to be more effective. To this end, the Group's ambition is to search the market for low-impact or recycled raw materials. In this area, expanding **the production of circular compounds** is an essential step and one that has been pursued with great commitment and investment. Simultaneously, a series of initiatives aimed at reducing production waste are also being pursued.

Finally, an indispensable cornerstone of the Group's development and growth is the **constant focus on the people** who make up Sirmax's knowledge and expertise. The commitment to the Group's workforce is therefore geared towards each employee's professional growth while also achieving a balance that can reconcile work requirements with personal well-being. Sirmax's Sustainability Plan, which we started working on in 2022, will be completed in September of the same year, and will be implemented over the three-year period between 2023-2025.

THE PILLARS OF SIRMAX'S SUSTAINABILITY PLAN



Fighting climate change

(TAKE CARE OF THE PLANET)

We believe that collective action and a sense of urgency are needed to address the global challenge of climate change. We are committed to developing solutions that help move the entire industry toward a carbon neutral development model.



Circular materials (RETHINK THE PRODUCT)

(RETHINK THE PRODUCT)

We want to contribute to the realization of a circular model of plastics production. Therefore, we are striving to develop lines for the production of circular compounds and to refine existing mechanisms to achieve zero pellet waste within our operations.



Sustainability along the value chain

(SUSTAINABILITY OF PURCHASING)

Our commitment to sustainability must also engage our suppliers on sustainability issues.



Our people (TAKE CARE OF PEOPLE)

We believe that people are the driving force behind our company, achievable only through enrichment in terms of culture and well- being.

1.2.1 The Group's stakeholders

As a first step in this process, Sirmax has mapped the stakeholder categories that most influence or are influenced by the Group's activities. Stakeholders were identified based on business activities, the value chain, and the network of relationships that exist around the Group. **8 stakeholder categories** have been identified, as well as the main tools of dialogue used by the company to establish and maintain transparent and lasting relationships with each one.



Stakeholder categories	Main channels of engagement	Stakeholder categories	Main channels of engagement
Shareholders and investors	Members meeting Annual and bi-annual budget	Government and Public Administration	Document exchanges Site visits
Employees	Corporate intranet Company policies Dedicated meetings Direct communications Newsletters	Local communities	Corporate website Press releases Donations and gifts
Customers	Corporate website Dedicated documents Direct relations and collaborations Customer service Trade shows	Trade unions and trade associations	Dedicated meetings Document exchange
Suppliers	Audit activities Direct reports Corporate website	Universities and research centers	Research projects Internships Career Day Participations

Materiality assessment

A further necessary step in outlining the content of the Sustainability Report was the materiality assessment, which seeks to identify the material issues on which the reporting should focus. In line with GRI standards, material issues are the most relevant for Sirmax, given its environmental, social and governance impact (internal relevance), and the extent to which this influences stakeholder decisions (external relevance).

For the drafting of its Sustainability Report, Sirmax conducted an assessment aimed at analyzing the context in which the Group operates and identifying the issues that emerge as most significant for stakeholders.

The assessment consists of:

- a benchmark analysis which considers the main issues reported in the public documents of a panel of companies operating in similar sectors in Italy and abroad;
- an industry trend analysis which identifies the issues most frequently discussed in the publications of leading international associations and organizations (RobecoSam, SASB, etc.);
- an analysis of media pressures to examine major articles in local and international news outlets referring to significant events that affected Sirmax in 2021;
- an analysis of sustainability macro-trends at a global level, which involves mapping the main issues considered by key stock exchanges, sustainability rating agencies (DJSI, MSCI, etc.), international organizations (GRI, World Economic Forum, etc.) and national and international government institutions (EU, UN, etc.).



In order to determine the internal relevance of sustainability issues in terms of their environmental, social and economic impact, the list of issues that emerged from context analysis was submitted to the company's top management, who prioritized them on the basis of the Group's strategic priorities and main impact areas. The overall result of the materiality assessment is given by the Sirmax materiality matrix that prioritizes material issues on the basis of their internal relevance (x-axis) and their external relevance (y-axis).



LOW

Significance of Sirmax analyses

HIGH

Of the 16 issues identified in the context analysis, 10 were found to be material for the Group. Specifically, 4 relate to the environment: the sustainable management of water resources, the fight against climate change, circularity and efficient use of resources, and pollutant emissions. 5 themes relate to the social sphere: community support, health

and safety in the workplace, social and environmental compliance, employee development, and product innovation & sustainability. 1 theme relates to corporate governance: business ethics. For each of these themes, the Group provides a description that identifies the perimeter of the theme and its area of impact.

Material Themes	Description
Circulation and efficient use of resources	Guaranteeing transparency in the choice of materials used, ensuring compliance with quality standards and limiting environmental impact. Optimizing production processes in order to promote efficient waste management.
Responsible water resource management	Optimizing water consumption by maximizing recycling and reuse.
Fighting climate change	Limiting energy consumption, promoting efficient solutions and the spread of an energy-saving culture in order to allow the reduction of the Group's overall impact on climate change.
Pollutant emissions	Limiting emissions of air pollutants by adopting the best available technology and complying with environmental regulations.
Social and environmental compliance	Operating within the laws of local and international environmental and social/economic regulations.
Product innovation and sustainability	Encouraging innovation and sustainable product development.
Employee development	Establishing a welcoming, stimulating, and positive work environment by ensuring work-life balance, providing employee welfare programs and promoting appropriate training and skill enhancement programs.
Occupational Health and Safety	Creating a safe and healthy workplace by promoting structured health and safety management processes and programs.
Supporting local communities	Supporting local communities by sponsoring local initiatives, projects and donations.
Business Ethics	Ensuring ethical business is conducted across the board, engaging in anti-corruption and anti- competitive behavior.

1.3 Responsible management tools

Over the last few decades, Sirmax Group has recorded continuous growth in terms of production capacity and market shares, establishing itself as an internationally recognized company. This position rests on the foundations of an internal governance structure capable of conferring the solidity, compactness, transparency, and organizational rigor that guarantee its responsible management. At Sirmax, responsible management means constantly searching for the best solutions to harmonize value creation and sustainable development, pursuing the objectives of environmental protection, social cohesion, consistent communication, and the development of a human-friendly working relationship.



Company organization

Sirmax has developed an organizational structure which reports to a Board of Directors at the top. The BoD is responsible for managing the company and is appointed by the Shareholders' Meeting. In addition, for the areas of safety and environment, this system provides for formal delegations to designated functions. The company's organizational structure is divided into several departments, each headed by a manager who reports hierarchically to the Managing Director.



Each Group company is also headed by a Board of Directors, with the exception of SER, which has a Sole Director, that oversees compliance with the company's mission, strategic decisions, corporate policies, and the setting of social objectives. In order to select the best company representatives, the Group adopts a policy that favors a breadth of experience and expertise among managers and owners in order to promote the widest, most useful dealogue. Moreover, all Italian companies within the Group have appointed Boards of Statutory Auditors (or single auditors as the case may be), with the exception of Smart Mold, that carry out the tasks assigned to them by law and implement the Articles of Association and applicable regulations, making use of the internal audit structures and functions of the individual Group companies to perform the necessary checks and inspections.

* Opportunity to Market includes Marketing and R&D (Polyolefin Compounds, Engineering Compounds, Circular Solutions and Bio Solutions)

Governance tools

The Group's main governance tool is its **Code of Ethics**. Published in 2021, it defines how the Group conducts its business activities and undertakes its responsibilities and communicates it to all relevant stakeholders. The Code is applied to all subsidiaries and is the sole reference for all processes, policies, guidelines, and contractual relationships adopted by the Group. All persons working with the Group and on its behalf – mainly directors, employees, collaborators, business partners, consultants, and representatives – are required to comply with the Code of Ethics and its principles.

The Code contains the principles that inform how Sirmax conducts its daily activities. It focuses on conduct based on good faith, so as to transmit the credibility, solidity and humanity of its actions to all stakeholders, and in order to build a shared sense of belonging and way of working both inside and outside the Group. For Sirmax, sharing these principles is the key to establishing lasting relationships with clients and suppliers, creating transparent relations with third parties and fairly recognizing the work of its employees.

Values that inspire the Code of Ethics

Respect

Respecting others means protecting and preserving the environment in which they live and work. With a view to sustainable business development, Sirmax constantly promotes a culture based on sharing of ethical and sustainability principles which are expressed in the company's health, safety and environmental protection policies.

Integrity

Sirmax is committed to guaranteeing the integrity of the company's assets and will continue to work to reduce the environmental impact of its activities.

Innovation

The Group adopts innovative behavioral models aimed at anticipating changes and new market needs. When looking for targeted, flexible solutions, we consider the skills of our individuals, the quality of our processes and any technological factors to be key tools for continuous improvement and for the development of new strategies. To further safeguard the principles of the Code, Sirmax Spa has also set up an **Ethics Committee**. A point of reference at Group level, it is made up of 3 members who are responsible for defining, amending, updating and distributing the ethical principles in force, as well as checking compliance and monitoring how they are perceived outside and inside the company. A whistleblowing procedure that guarantees anonymity is also in place to report any wrongdoings or suspected violations of the Code.

Particular attention is paid to the integrity of relations with external parties, especially when it comes to preventing crimes such as conflict of interest, money laundering and breaching competition law.

When it comes to relationships with the Public Administration, the Group takes a position of absolute intransigence against any form of corruption, including improper payments to promote or favor the interests of the Group. Furthermore, the Group punishes any behavior that may influence prices or terms and conditions of trade, hindering free, full, and honest competition.

The foundation of Sirmax's governance for the operational activities within the Group's plants is the Integrated Quality, Environment and Safety Policy, updated in 2020. This document underpins the Group's corporate strategy and objective planning in the areas of quality, environment and workplace health and safety. The Policy, which reflects the Group's commitment to compliance with contractual requirements, client expectations and applicable legislation, is implemented through the manual and through the procedures outlined in the Integrated Management System, which is regularly audited.

With regard to quality, the management system for the design, development and production of thermoplastic resins in the Cittadella, San Vito al Tagliamento, Tombolo and Kutno plants is certified according to automotive sector standards UNI EN ISO 9001:2015 and IATF 16949:2016.

Moreover, in addition to certifying its management systems for health and safety in the workplace pursuant to UNI/ISO 45001:2018, Sirmax has prepared and consistently updated the risk assessment document for health and safety in the workplace pursuant to Legislative Decree 81/2008 and subsequent amendments and additions, in compliance with Italian industry regulations. This system makes it possible to comply with the regulations in force, but, above all, to implement the policies, processes and checks needed to guarantee the best possible working conditions within the company, ensuring the health and safety of employees and contractors. The management system is also UNI EN ISO 14001:2015 certified with regard to the environmental management of the Cittadella, San Vito al Tagliamento, Tombolo, Isola Vicentina, Salsomaggiore Terme and Kutno plants.

Plant	ISO 9001	ISO 14001	ISO 45001
Cittadella	\checkmark	\checkmark	\checkmark
San Vito al Tagliamento	\checkmark	\checkmark	\checkmark
Tombolo	\checkmark	\checkmark	\checkmark
Isola Vicentina	\checkmark	\checkmark	\checkmark
Lainate	\checkmark		\checkmark
Salsomaggiore Terme	\checkmark	\checkmark	
Kutno	\checkmark	\checkmark	
Sirmax North America	\checkmark		
Sirmax do Brasil	\checkmark		

Lastly, with reference to the selection and management of partners and suppliers, in 2021, Sirmax achieved the ISCC Plus sustainable supply chain certification for the Cittadella and Salsomaggiore Terme plants.

Also in 2021, the S.E.R. plant in Salsomaggiore Terme, which specializes in the processing and regeneration of plastics from post-consumer waste, obtained two significant certifications in the field of plastic recycling: The Eu-CertPlast certification, which aims to accredit plastic recyclers whose activities meet high quality standards, and the Plastica Seconda Vita product certification, which makes the materials and manufactured goods from plastic waste recognizable.

The effectiveness of the Group's governance structure and tools, combined with scrupulous compliance monitoring, has contributed to achieving a complete absence of cases of noncompliance with environmental, social and economic laws and regulations during the two-year reporting period. Similarly, there have been no ascertained episodes of corruption or legal action for anti-competitive conduct involving Group companies.

Value creation and distribution

The soundness of the governance tools adopted is reflected in the economic and production results recorded by the Group. After the disruptive impact of the pandemic on FY2020 (particularly during the first lock-down), the Covid 19 health emergency seems to be returning to normal at the national and international level, albeit with some variants that have raised concerns during 2021 and, to some extent, in early 2022.

In early 2022, the Russia-Ukraine crisis and ongoing conflict brought further uncertainty. The particularly delicate situation contributed to a high level of volatility in international financial markets, and abnormally amplified the rise in inflation, especially in the costs of energy and petroleum products.

The early months of 2022 therefore witnessed a slowdown in the global economic recovery that had partly characterized FY2021.

The Group has been able to face the most serious global crisis of the post-war period thanks to strategic choices made in past years. These results have been made possible thanks to an ongoing **transformation process**, which started in recent years and was recently accelerated – a process which allowed the Group to diversify both in terms of products (inclusion of elastomers, recycled polymers and biopolymers), and of non-European reference markets (United States, India, Brazil), without jeopardizing the performance of the core business, which has always been the production and marketing of polypropylene compounds and engineering plastics compounds.

Significant investments in new technology and digitalization and the increasing focus on research and development are the reasons that have increased the level of efficiency of the Group's activities. Technological innovation, investments, widespread presence in world markets and proximity to stakeholders will continue to be Sirmax's main drivers for the creation of value, with the goal of actively contributing to an intelligent, even greener and more sustainable future.

A large part of the value generated in 2021 was destined to suppliers, particularly those of raw materials, but also to services and rentals (83.7%, equal to over 396 million Euros). The remainder, which makes up added value, amounted to 77.4 million and a large part (56%) was allocated corporate assets in the form of retained earnings, provisions, depreciation and amortization. A slightly lower percentage (34.2%, or 26.5 million) was allocated to Group personnel, including salaries, benefits, social security costs and severance indemnities. A further 8.2% consisted of the value transferred to the Public Administration, also considering income from tax consolidation and tax credits, and the value transferred to the community and territory as voluntary contributions and donations to local initiatives and associations

Just over 1.5% (1.2 million Euros) was allocated to financial management and was largely allocated to capital remuneration in the form of interest and other financial charges.

Distribution of added values





2. The Team Caring for people

means growing together





Our numbers in 2021

(data at 12/31/2021 and 01/01/2021)

585 % total employees, of which

358 5 in Italy

89% E hired with permanent contracts

+32,7% \checkmark hiring rate in 2020, which translates to

+207 new entries in 2021

A global team

Despite the Group's constant evolution and growth, for a manufacturing company like Sirmax individual expertise and experience are still at the heart of the whole organization. For this reason, responsibly managing and caring for people are crucial aspects, and the Group pays great attention to its employees - people with different life experiences who feed the company's dynamism and contribute to its uniqueness and success.

The management of human resources at Sirmax is based on the principles defined in the Code of Ethics: integrity and protection of the person, fairness in professional relationships, and nondiscrimination. It seeks to maintain a serene, stimulating working environment that respects everyone's needs, and to promote a policy of personal and professional growth that ensures career development is based on skills, professionalism, and merit.

As of December 31, 2021, the Company employed 585 people, most of whom worked in Italy (61%, or 358 employees). The majority (158 employees) were employed in the historical Cittadella headquarters, and to a

lesser extent in San Vito al Tagliamento (80), Tombolo (41), in the Isola Vicentina warehouse (8), and in the Lainate offices (7). In 2019, staff from Microtec and S.E.R. (29 and 35 employees respectively in 2021) was added to the Group. As far as international plants are concerned, most of the workforce was employed at the Kutno plants in Poland (124 in total), followed by the United States (78) and Brazil (25).



Workforce by Geographical Area



Firmly convinced that stability is an essential element for building solid and lasting relationships with its employees, the Group prefers to offer permanent contracts, which currently cover almost 90% of its consolidated employees.

Moreover, to facilitating the reconciliation of company commitments with the needs of its employees as much as possible, Sirmax also issues part-time contracts, which in 2021 involved a small part of the Group's staff (under 1%, 4 women in total).



- CITTADELLA
- 🛑 SAN VITO AL TAGLIAMENTO
- TOMBOLO
- LAINATE
- ISOLA VICENTINA
- MICROTEC
- S.E.R.
- KUTNO 1+2
- 🔵 USA
- BRAZIL



2019									
	Italy Poland USA Brazil							azil	
	М	F	М	F	М	F	М	F	
Permanent Contracts	265	43	45	8	27	4	19	1	
Fixed-terms Contracts	2	1	25	3	0	0	1	0	

2020									
	Italy Poland USA Brazil								
	М	F	М	F	М	F	М	F	
Permanent Contracts	290	44	53	9	38	6	21	1	
Fixed-terms Contracts	2	5	33	6	0	0	1	0	

2021									
	lt	aly	Po	Poland		USA		Brazil	
	М	F	М	F	М	F	М	F	
Permanent Contracts	296	58	52	11	70	8	22	3	
Fixed-terms Contracts	4	0	55	6	0	0	0	0	

At all plants, employment relationships are regulated in accordance with the provisions of the national legislation in force and, in some cases (totalling 12% of staff), by the relevant national collective labor agreement (CCNL). On this note, it is worth noting the Group's excellent relationships with relevant trade unions, marked by maximum collaboration and transparency, and the absence of any cases of strike action in the two-year reporting period.

The Group's retention policy is aimed at maintaining a low rate of terminations and retaining trained talent in Group companies. To this end, the main effort – which is also rooted in the principles of the Code of Ethics – is to create a peaceful, stimulating working environment that respects everyone's needs. **Welfare policies** are also part of this context, and vary greatly depending on the plant. They may include performance bonuses, canteen vouchers, health insurance, and support for vaccination campaigns. Additionally, in order to help build and maintain a pleasant working environment, there is a constant commitment to inform and update employees on the Group's performance, objectives and activities.

To this end, the 'My Sirmax' corporate intranet platform was introduced in 2021. This year, the platform has been used to host 'CEO meets', a cycle of 7 meetings between the CEO and a delegation of 185 employees and supervisors, where information about the company's activities is shared. Also for this purpose, a corporate climate analysis was conducted in 2021 under the Fabbriche attrattive ('Attractive Factories') project involving Italian factories. While still experimental, there are prospects to extend the project and to structure it over the entire corporate population in the coming years. The project's goal is to gather a series of activities aimed at increasing attractiveness degree of factories. Its initial phase has involved employees to gather insights and initiatives to improve training, engagement, work environment, pay and the role of the supervisors. During 2021, the overall hiring rate¹ was 35,4% (up from 30,6% in 2020), for a total of 207 jobs, while terminations increased slightly from 17,9% in 2020 to 22,4% in 2021 (131 exits).

With reference to the gender breakdown, the prevalence of male hires reflects the composition of the workforce shared by many companies in this sector, which is due to the specific nature of certain production line tasks, such as the need to make repeated physical efforts, such as moving weights.

Hiring and termination rates by gender							
	2019	2020	2021				
Hires	30,9%	30,6%	35,4%				
Female	8%	10,3%	13%				
Male	92%	89,7%	87%				
Terminations	16%	17,9%	22,4%				
Female	8,5%	5,5%	9,2%				
Male	91,5%	94,5%	90,8%				

¹ The hiring (or termination) rate is calculated as the number of hires (terminations) that occurred during the year divided by the workforce as of 12/31.

Hires by gender



Terminations by gender



Given its constant growth, the Group is paying increasing attention to its ability to attract new talent, particularly in the younger age bracket.

To this end, in addition to consolidating its presence in the local area by attending conferences and career days at the University of Padua, and by interacting on online social channels such as LinkedIn, Sirmax is active in the world of research, both through the funding of a PhD scholarship at the University of Padua, and by proposing thesis paths geared towards recruitment for final-year students.

Hiring and termination rates by age group							
	2019	2020	2021				
Hires	30,9%	30,6%	35,4%				
Over 50	5,8%	5,8%	6,8%				
Between 30 and 50	45,3%	57%	44,4%				
Under 30	48,9%	37,2%	48,8%				
Terminations	16%	17,9%	22,4%				
Over 50	16,9%	7,7%	13,8%				
Between 30 and 50	45,1%	50,5%	51,1%				
Under 30	38%	41,8%	35,1%				


Terminations by age group



OVER 50
BETWEEN 30 AND 50
UNDER 30

2.2 Continuous growth

Training and continuous growth are essential for the Group to guarantee all employees develop their career based on skills, professionalism and merit, while at the same time constantly updating and consolidating their expertise and technical skills.

Training is therefore a strategic area, managed by the Human Resources Department on the basis of a structured annual training plan whose aim is to address the needs identified by area managers and by employees directly. In addition, a catalog of **courses** held by external providers such as Cesap, Niuko, and Plastics Academy is made available to employees for the improvement of both preparatory and specialized knowledge. **Business** courses held by the CUOA business school and **language** courses on the Speexx platform are also available.

These training courses, mostly held by accredited external trainers, are designed for the entire company, with a focus on laborers. The subjects covered vary each year. In addition to courses on health and safety in the workplace (which are required by law, and essential for the Group to increase awareness of company safety issues), courses on technical production aspects and to improve soft skills are available.

In 2021, training programs were reinstated in line with the pre-pandemic schedule. A new training platform was introduced through which employees can benefit from a wide range of courses for both sotf skills and technical skil-Is, such as computer or machining skil-Is. Outdoor team building and training activities involving the entire company were also carried out. A total of 10,556 training hours were recorded (744 of which took place online) as well as 76 conference hours and 167 'learningby-doing' hours. 'Learning-by-doing initiatives' are practical training programs for new employees that include periods of structured shadowing with more experienced employees, as well as participation in a number of conferences and group training events.

In addition, in order to carry out employee performance appraisals, a new performance management software, Salesforce, was introduced in 2021. Salesforce enables the company to set up structured appraisal processes and specific growth paths aimed at achieving quantitative and qualitative goals. The initiative was launched in 2021 as a pilot project involving around 70 employees, with plans to expand it later to the entire employee population and develop a talent management process.

The evaluation process, specific to soft skills, is made up of several steps: At the end of each year, each employee is required to perform a self-assessment based on their objectives. Performance is simultaenously assessed by management and, following a specific results calibration process, final feedback is received.

Total hours of training provided



2.3 Protecting health and well-being

The health and safety of its employees and collaborators is an absolute priority for the Group, and is managed through specific systems certified in accordance with the UNI EN ISO 45001 standard at the Cittadella, San Vito al Tagliamento, Tombolo, Isola Vicentina and Lainate plants, as well as through Sirmax's commitment to continuous improvement and nurturing of the company's health and safety culture.

The principles relating to the management of health and safety issues can be found in the **Integrated Quality, En**vironment and Safety Policy, through which the Group commits to improving its performance in terms of health and safety in the workplace. It seeks to do so in an integrated manner, implementing quality processes, safeguarding information, and respecting the environment.

As stated in the Policy, the Group is committed to continuously analyzing the context in which it operates. It views this as a pre-requisite for the correct establishment of its Integrated Management System – the tool which allows it to assess and reduce all types of risk and seize opportunities in different contexts. As far as the protection of health and safety at work is concerned, Sirmax complies with relevant legislation (namely, in Italy, Legislative Decree 81/2008). In order to guarantee safe and healthy working conditions for the prevention of work-related injuries and illnesses, and to eliminate risks at source or reduce them to a minimum, the Group has drawn up a **Risk Assessment Document** which identifies potential hazards and their level of risk for each company division. The Risk Assessment Document identifies prevention and protection measures to limit and manage risks by introducing the best available technologies, maintaining those in use, by altering working environments to make them safer and healthier, and by periodically updating operating procedures.

Sirmax considers it essential to inform, train and educate, where required, all its personnel on the prevention of accidents and the protection of their own and others' safety during work

"Sirmax believes that the protection of Health and Safety in the workplace is a primary value without which it is not possible to supply quality products to its clients. For this reason, the Company organizes its activities by adopting measures aimed at safeguarding its employees and any third parties involved."

Sirmax Code of Ethics

activities, and to develop risk awareness by promoting responsible behavior among all its employees. Attention is paid not only to production personnel, but also to office workers, who are not allowed access to production lines.

In addition, during the periodic management review carried out in accordance with the Management System, during the monthly safety committees and during the safety meeting pursuant to Article 35, near misses or possible accidents are analysed, and operations or products considered dangerous are elminated or replaced. At the same time, possible improvements are identified and reported by constantly monitoring potential technological or organizational innovations.

The Management System provides for the close collaboration of several figures and a system of formal delegations. First of all, the Employer (or their delegate) is responsible for the organizational and operational activities related to the management of issues concerning health and safety at work and environmental protection. The persons in charge, based on their professional skills and functional powers, coordinate and control the regular performance of work activities and ensure that instructions are implemented. The Employer, assisted by the head of the prevention and protection service (RSPP), is responsible for assessing all risks to the health and safety of workers and for adopting all measures to mitigate them, as well as for identifying

training needs and planning and providing mandatory safety training.

They are assisted in the assessment of risks by the **Company Physician**, who defines the appropriate health protocols for assessing the workers' suitability to carry out their assigned job and check the health status for each task carried out in the company.

Finally, the Safety Representative (**RLS**), acting as spokesperson for the workers, shares all the risks assessed by the employer, and any issues related to workplace health and safety.

200

Main figures involved in the management of Sirmax's health and safety



The main risks to which Sirmax employees are exposed relate to the manual handling of loads and the internal handling of forklifts, as well as exposure to noise on the production lines, for which the Group constantly strives to adapt the ear protectors supplied to operators, and has introduced new customized resin devices as well as impact-resistant helmets/caps.

2021 also saw a collaboration with an external company on a project to automate the handling of incoming calcium carbonate loads, transporting them directly to the line and avoiding manual operator interaction. Finally, to incentivize workers to use PPE, vending machines have been installed at the Cittadella, Tombolo, and San Vito al Tagliamento plants that allow for timely monitoring of how much PPE is being picked up and by whom.

The system put in place in the plants involves multiple tools and protections that all share the same goal: eliminating occurrences of injury. Over the course of the two-year reporting period between 2019 and 2020, the total number of cases across all plants (excluding the US plant) remained unchanged at 14, including 1 serious case in 2019. The accident rate for each year was, respectively, 18.01 and 17.77. In 2021 there were 32 accidents – an increase compareed to the previous two years. This is due to an increase in production activities and, therefore, in the total hours worked (+33% compared to 2020 and +45% compared to 2019), with an accident rate of 30.57. Furthermore, 2021 data includes the accidents occured in the USA plant (6 accidents in total). Cases are primarily related to injuries, dislocations, sprains, and contusions.

Accidents and illnesses at work ²						
	2019	2020	2021			
Hours worked	721.808	787.870	1.046.696			
Total number of accidents ³	13	14	32			
Of which with serious consequences ⁴	1	0	0			
Accident rate⁵	18,01	17,77	30,57			
Rate of accidents with serious consequences	1,39	-	-			
Number of cases of occupational diseases	0	0	0			

³ Only accidents occurring in areas controlled by the Group are included in the calculation. Commuting accidents, for example, are therefore excluded.

⁴Accidents with serious consequences are defined as accidents involving an absence from work of more than 180 days.

⁵ The injury rate is calculated as the number of injuries occurring during the year over the number of total hours worked, multiplied by 1,000,000.

42

² 2019 and 2020 data includes all Group plants except the USA plant.

Covid-19 Management

Because of the strategic role of Sirmax products along the value chain, even during the most critical periods of the Covid-19 pandemic outbreak, production activities in the Group's plants were never totally suspended. With the aim of managing the emergency in the best way possible and guaranteeing the total safety of all its employees, Sirmax adopted a specific document within its plants, the **Company Protocol against Covid-19**, which aims to summarize and consolidate all the measures shared with RSUs, RLS', company physicians and RSPPs, to counter the spread of the virus and guarantee the safety of people in the workplace.

The Protocol contains general and specific prevention and protection provisions introduced for individual plants, including temperature measurement on entry, the use of masks, maintaining a safe distance wherever possible, and the installation of partitions to reduce the risk of infection. Remote working was introduced where appropriate, especially for office staff, (with a simultaneous effort by the Group to provide the necessary technology to those who needed it) and use of common areas was staggered. Moreover, thorough sanitization of common areas by a specialized external company was carried out on a weekly basis and entrance to the premises was staggered into 2 shifts, with access to the catering area also staggered over 4 shifts to avoid crowding.

An internal process to test all staff in case of Covid-19 cases among employees was set up in Italy and later extended to the overseas offices. Lastly, investments have been planned to make spaces safer, larger, and more welcoming to enable staff to interact with each other when they are present, as Sirmax values teamwork as an essential part of creating innovation.

3. Environmental Footprint

Focusing on a sustainable future

3.1 Responsible resource management

Sirmax has always been strongly oriented towards the future and continuous innovation. The Group does not only understand innovation as synonymous with technological and financial investment, but also as the development of increasingly sustainable solutions which allow it to generate long-term value for all stakeholders. For this reason, it sees the responsible management of natural resources as crucial and pays particular attention to the impact that its operations have on the environment. With this in mind, in recent years it has developed families of high-performance green products (see Virtuous Plastic).

The activities of the Group's plants are regulated by the laws in force in the different countries in which it operates. As far as the Italian plants are concerned, the monitoring and control of pollutant emissions and water and waste management is regulated by the Single Environmental Authorization document issued to each plant.

In addition, the Group has an ISO 14001:2015 certified Environmental Management System, based on the principles set out in the Integrated Quality, Environment and Safety Policy. As of 2016, the management of the Group's environmental performance and the monitoring of related objectives is managed centrally for all Sirmax S.p.A. Italian plants (Cittadella, Tombolo, Isola Vicentina, Lainate, San Vito al Tagliamento).

Also, within the Management System, the Group has defined targets for water consumption, energy consumption and plastic waste on the extruded percentage. These targets are based on the quantity of finished product produced in each plant. These indicators have been actively monitored since 2015, with a view to continuous improvement.

Finally, over the course of 2021, the Group obtained the ISCC supply chain certification, which enshrines the sustainability of certain products, partners, and the entire value chain., S.E.R. was awarded the **EuCertPlast** and **Plastica Seconda Vita** certifications for Sertene®PE and Sertene®PP products. Plastics Seconda Vita is an environmental product certification aimed at companies in the plastics recycling industry. For the S.E.R. plant, it certifies that Sertene®PE and Sertene®PP products contain at least 95% recycled plastic. EuCertPlast, on the other hand, is a certification that targets companies that recycle plastics. It focuses on management systems, environmental and administrative operating standards, and traceability of plastic materials along the supply chain, throughout the recycling process, and when assessing the compliance of recycled content in the product.

In addition, in order to increase the Group's awareness of the sustainability challenges it will be required to face, during 2021 Sirmax organized a mandatory training course delivered online to all employees in Italy. The course, organized thanks to the collaboration with a qualified external partner, included 5 training sessions aimed at providing all employees with the basic knowledge needed to accelerate the fight against climate change and the path to a circular economy. It gave everyone the opportunity to understand and reduce their impact through digital experiences that addressed specific insights related to the main sustainability trends, the challenges brought about by climate change, proper plastic recycling, and good circular practices.

3.1.1 Materials used for production and packaging

Sirmax produces plastic compounds from a blend of polymers, additives, fillers and reinforcers, which are then processed by the client. With more than 500 formulations per year and a dedicated design service, Sirmax is committed to respond to its clients' requests, developing products through careful research and development and by carefully selecting materials in line with the Group's commitment to using raw materials with a lower environmental impact.

To produce its compounds, Sirmax uses raw resins, which account for 76,4% of the total materials purchased and used by the Group in 2021, fol-

lowed by fillers/reinforces (19,6%). The remaining 4% is made up of dyes and additives used in the production process. Total raw materials purchased remained stable over the three years, with a slight increase starting in 2020 due to the Group's acquisition of S.E.R. and Microtec in 2019.

In the last few years, the Group made a series of strategic acquisitions aimed at increasing the circularity of its products and the use of recycled or natural materials with a lower environmental impact. Notably, 100% of the resins used in the S.E.R. plant in Salsomaggiore come from plastic sorting centers for urban solid waste. All the resins used in the Microtec plant, are totally renewable and biodegradable, and – for the most part – of natural origin (corn starch or polylactic acid). In total, the amount of renewable material used by the Group for production is around 15% of the total.

Production Materials (Tons)												
	Additives				Fillers		Dyes			Resins		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total	3.823	5.213	6.320	34.608	41.282	47.821	2.220	2.961	3.416	122.815	155.714	186.490
Cittadella	387	479	704	8.124	7.638	9.320	604	681	761	21.142	17.483	23.863
Tombolo	391	583	670	5.466	5.852	5.714	162	122	203	13.878	14.997	16.806
Isola Vicentina	2	4	7	0	88	0	13	7	14	29.752	33.218	32.301
San Vito al Tagliamento	1.048	1.370	1.679	532	545	717	434	499	548	7.893	9.227	10.337
Microtec	0	238	235	0	1.060	1.491	0	108	86	0	7.556	10.136
S.E.R.	0	12	10	0	294	228	0	77	108	0	15.236	20.432
Kutno 1	1.285	946	995	14.707	17.582	20.089	660	897	887	33.743	32.637	40.614
Kutno 2	96	753	1.193	157	878	1.616	10	68	121	723	4.976	8.123
USA	527	670	604	4.839	5.758	6.850	265	368	502	13.469	16.380	19.311
Brazil	86	158	223	783	1.587	1.795	72	135	186	2.214	4.004	4.567

As far as packaging materials are concerned, the Group mainly uses plastic, which in 2021 accounted for 67% of total packaging, followed by paper and cardboard (19%) and wood (14%). Similarly to the materials used for production, the total materials used for packaging also show an upward trend over the two-year period (+28%) due to the increase in production.

Packaging materials (tons)									
	Рар	er packaging		Woo	oden packagir	ng	Pla	astic packagin	g
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total	101	141	164	85	97	126	405	441	582
Cittadella	30	27	35	17	15	20	52	47	67
Tombolo	19	18	22	22	19	23	141	134	186
Isola Vicentina	16	17	19	5	5	4	90	62	57
San Vito al Tagliamento	20	21	25	10	11	12	54	57	60
Microtec	-	23	24	-	-	5	-	8	9
S.E.R.	-	-	-	-	5	10	-	9	19
Kutno 1	12	18	19	23	29	33	52	69	85
Kutno 2	1	15	15	-	5	9	2	14	50
USA	3	2	4	3	3	5	4	10	19
Brazil	-	-	-	3	6	6	10	31	30

Virtuous Plastics

During the three-year period between 2019 and 2021, Sirmax's strategy focused on acquisitions aimed at increasing production capacity and introducing product lines characterized by a lower environmental impact.

Circular Compounds

In 2019, the acquisition of S.E.R. (Società Europea di Rigenerazione, based in Salsomaggiore Terme) enabled the Group to produce **high-quality polymers from post-consumer and post-industrial plastic materials** such as bottles, automotive scrap, and battery cases. Incoming material is supplied by national consortia or collected directly from plastic processing plants and processed to increase its purity up to 95%. Through a particular formulation made possible thanks to investments in research and development, it is turned into compounds for high value technical applications. Moreover, through Smart Mold, a spin-off of the University of Padua that Sirmax owns 50% of, the Group is able to support its clients through the product design phase, studying its applications and the mechanical characteristics required, and proposing design solutions to reduce its weight and plastic consumption.



The acquisition of Microtec in 2019 enabled Sirmax to meet growing demand in the film and single-use sectors. Microtec specializes in the production of an innovative family of **bio-based compounds with a high content of renewable raw materials**, specifically developed for film, extrusion, thermoforming and injection molding applications. Sirmax's bio-based solutions are not only made of bio-based polymers (i.e. from renewable sources), but are also **biodegradable** – a feature that contributes to the reduction of non-recoverable waste and reduces the environmental impact at the end of the product's lifecycle.



Thermoplastic Elastomers

At the end of 2019, Sirmax inaugurated a new plant in Poland dedicated to 3 product divisions: special compounds (LFT, GF and Flame Retardants), technopolymers, styrenics and polyamides, and bio-based thermoplastic elastomers (TPE). The latter in particular are a valid alternative to vulcanized rubber, which is difficult to dispose of, both in terms of recyclability and mechanical properties.

3.1.2 Waste management

Waste management is carried out by the Group in full compliance with the regulations in force in the countries where it operates. Moreover, the Cittadella, Tombolo, Isola Vicentina, and San Vito al Tagliamento plants, as well as the Lainate offices, are further regulated by the **environmental management system**. With a view to continuous performance improvement, Sirmax has set a target to reduce plastic waste from production that is constantly monitored as total plastic waste per ton of finished product obtained.

The waste produced by the Group is generated by production and warehouse management activities. **Non-hazar**-

dous waste accounts for the largest share of total waste (95% in 2021) and mainly consists of the packaging of raw materials used in production processes, and non-hazardous liquids from washing machinery or post-consumer plastics (particularly for the S.E.R. plant in Salsomaggiore). Hazardous waste, accounts for 5% of the total waste produced and mainly consists of aqueous washing solutions containing oils and packaging containing residues of hazardous substances.

Total waste produced remained stable in 2019 and 2020, decreasing slightly from 7,130 tons in 2019 to 6,693 in 2020. 2021, which recorded 11,211 tons of waste, saw an increase in waste mainly due to the increase in waste produced by S.E.R. and to better data collection, which also includes data from plants in Brazil and the USA.

As required by national regulations, Sirmax regularly disposes of waste through qualified external disposers. 32% of waste in 2021 was sent for recycling to external plants through authorized disposers, while the remaining 68% was sent to landfills or incineration with energy recovery.

(ton)

Total waste



Hazardous waste (ton) by disposal method



Non-hazardous waste (ton) by disposal method



Waste produced and disposed of (ton) ⁵									
			2019			2020			2021
	Recycled	Disposed	TOTAL	Recycled	Disposed	TOTAL	Recycled	Disposed	TOTAL
Total	1.810	5.320	7.130	2.665	4.029	6.693	3.589	7.621	11.211
Cittadella	324	265	589	339	228	567	455	295	750
Tombolo	388	724	1.112	360	371	732	553	402	955
Isola Vicentina	33	7	40	30	11	41	50	-	50
San Vito al Tagliamento	495	96	591	641	85	726	796	37	833
Microtec	140	12	152	134	73	207	111	131	242
S.E.R.	272	3.705	3.977	969	2.568	3.536	619	5.368	5.987
Kutno 1	159	512	671	192	519	711	202	648	851
Kutno 2	-	-	-	-	175	175	35	582	617
Brazil							149	7	156
USA							619	151	770

Waste produced and disposed of (ton)						
	2019	2020	2021			
Total	7.130	6.693	11.211			
Water solutions	3.295	2.924	4.968			
Plastic	1.199	1.260	2.513			
Mixed materials from waste processing	1.101	905	1.445			
Miscellaneous waste	491	631	1.116			
Chemical products	258	27	44			
Wood	195	288	347			
Mixed packaging	190	212	312			
Metal	150	212	166			
Powders	136	114	136			
Paper	100	90	126			
Packaging with residues of hazardous waste	14	29	35			
Glass	1	0,2	0			

⁵ Data for waste produced and disposed of in 2019 and 2020 does not include waste generated & disposed of at Sirmax USA and Sirmax do Brasil.

3.1.3 Water resource management

Another area that the Group monitors to identify any inefficiencies and reduce waste is **water consumption**. Sirmax obtains its supplies mainly from groundwater drawn from wells present in its plants, which account for around 90% of total water withdrawals in 2021. The water taken from the water table is used to cool the extruders and the plastic filaments cooling tanks through a heat exchange circuit, and for the fire-fighting system.⁶

To a lesser extent, the Group also draws water from aqueducts (10% in 2021), which it uses for some production phases and for all common uses. 100% of water withdrawn is fresh water. The water withdrawn by the Group is almost entirely taken from non-water-stressed⁷ areas, with the exception of withdrawals from Sirmax do Brasil, which represent 0.2% of the Group's total withdrawals (1,964 m³ in 2019, 1,408 m³ in 2020, and 1,444 m³ in 2021).

Sirmax's total water withdrawal in 2021 increased compared to 2020 (+17%) due to the full recovery of production activity, but still remains lower than 2019 (-23%) thanks to efficiency initiatives implemented at production facilities, including the installation of an adiabatic cooling tower at the Cittadella plant, which led to a 45% reduction in groundwater withdrawals compared to 2019. The replacement of a damaged evaporative tower at the Kutno 1 plant also reduced consumption by 55% (2021) compared to 2019.

For the Isola Vicentina site, groundwater withdrawals in 2020 and 2019 were higher than those in 2021 because extraordinary activities had been conducted, such as special cleaning of the plant.

For the US plant, however, groundwater withdrawals were higher than 2020 and 2019 because extraordinary maintenance activities (increased cleaning of filters and the introduction of sprinkler systems) were carried out in 2021.



⁶ At the Tombolo and Isola Vicentina plants, water withdrawal from wells is is exclusively for firefighting.

⁷ According to analysis conducted by the World Resources Institute's Water Risk Atlas (WRI, www.wri.org/applications/aqueduct/water-risk-atlas), which ranked the overall water risk level of the world's regions, measuring all water-related risks and aggregating all selected indicators from the Physical Quantity, Quality, and Regulatory and Reputational Risk categories.

Water withdrawals





Water Withdrawal by Source Type (m ³)											
	Aquifer				Aqueduct			TOTALS			
	2019	2020	2021	2019	2020	2021	2019	2020	2021		
Total	850.880	528.122	615.595	38.137	53.127	65.007	889.017	581.249	680.602		
Cittadella	304.984	205.359	210.465	10.588	10.978	9.909	315.572	216.337	220.374		
Tombolo	-	-	-	4.050	7.060	9.444	4.050	7.060	9.444		
Isola Vicentina	101	108	29	366	272	247	467	380	276		
San Vito	112.392	149.765	173.519	-	-	-	112.392	149.765	173.519		
Microtec	-	-	-	962	1.616	1.106	962	1.616	1.106		
Lainate	-	-	-	-	-	-	-	-	-		
S.E.R.	-	-	-	6.062	5.105	7.421	6.062	5.105	7.421		
Kutno 1	433.403	152.069	194.962	9.566	16.118	16.009	442.969	168.187	210.971		
Kutno 2	-	20.821	36.620	674	6.846	9.799	674	27.667	46.419		
USA	-	-	-	3.905	3.724	9.628	3.905	3.724	9.628		
Brazil	-	-	-	1.964	1.408	1.444	1.964	1.408	1.444		

3.2 Reducing our impact

Aware of the impact of its operations, Sirmax is committed to the constant monitoring of its consumption and activities to make its processes more efficient. The Group has carried out an **energy audit** in all its Italian plants, as required by law, and is developing a plan for the constant improvement of its consumption based on the findings.

The total energy consumed by the Group in 2021 amounted to 272,541 GJ, an increase of 23% compared to the previous year. This trend is mainly due to the full start-up of the new Kutno

2 plant in Poland and by increased production in the S.E.R. and Microtec plants, which resulted in increased energy consumption.

The Group's main source of energy is **electricity**, used to power production machinery, cooling systems and lighting in offices and production facilities (89% of total energy consumption). Methane – used for heating and to produce energy through the cogeneration plant in Cittadella, and for the flake drying process in S.E.R. – accounts for 7% of the Group's total energy consumption. The remaining 4% consists of diesel used for the company fleet and emergency generators (1%), and LPG used as fuel for forklifts at the Brazilian plant. The S.E.R. plant in Salsomaggiore is also equipped with photovoltaic panels that produced 863 GJ of electricity in 2021, of which 842 GJ was used and 51 GJ sold. Microtec is also equipped with a photovoltaic system, which went into operation in June 2021 and produced 363 GJ of electricity, of which 327 GJ was self-consumed.

Energy Consumption by Source (GJ)						
	2019	2020	2021			
Total	196.728	221.487	272.541			
Purchased electricity	175.466	196.020	241.389			
Natural Gas	13.340	18.951	20.131			
Diesel	7.519	6.161	10.330			
Petrol	0	0	320			
LPG	403	355	371			



Energy consumption by source



PURCHASED ELECTRICITY

NATURAL GASDIESEL FOR CARS

DIESELLPG

In line with the Group's mission to constantly monitor and improve its environmental performance, in the past few years Sirmax has started to calculate its greenhouse gas (GHG) emissions linked to its production activities.

Consistent with the main international standards⁸, Sirmax's GHG emissions inventory includes:



Indirect emissions (Scope 2) can be calculated using two different methods. The first, called the **Location-based method**, involves applying the emission factor (that reflects the average national energy mix, including renewables and all sources of electricity production in the country) to the electricity consumed. The second method, called **Market-based method**, uses a factor that relates to the grid on which energy consumption occurs, or residual mix. It excludes renewables and therefore yields higher results. With the second method, however, the factor is not applied to any purchases of energy from certified renewable sources. The market-based calculation thus produces a higher result in terms of emissions than the location-based calculation: 34,288 and 27,099 tons of CO₂eq for 2021, respectively. Indirect Scope 2 (Location-based) emissions represent around 94% of total emissions in the three years and follow the trend in energy consumption, increasing by 23% between 2020 and 2021 due to a general increase in production linked to the entry into full-operation of S.E.R. and Kutno 2. Similarly, Scope 1 emissions increased by 24% from 1,532 tons CO₂eq to 1,935 tons CO₂eq in 2021.

⁸ The GHG Protocol, A Corporate Accounting and Reporting Standard, published by The GHG Protocol Initiative.

GHG Emissions (tCO ₂ eq)						
	2019	2020	2021			
Direct GHG emissions (Scope 1)	1.346	1.532	1.925			
Diesel	563	438	718			
Natural Gas	757	1.072	1.130			
Petrol	0	0	22			
LPG	26	23	24			
Refrigerants	0	0	32			
Indirect GHG emissions (Scope 2 - Location based)	19.416	22.012	27.099			
Indirect emissions (Market -based)	24.491	28.272	34.288			
Total GHG emissions (Scope 1 +2 Location-based)	20.762	23.544	29.023			

The most energy-consuming plants and therefore the most significant in terms of GHG emissions are Sirmax's two plants in Poland, Kutno 1 and Kutno 2, which together account for 38% of the group's Scope 1+2 emissions; followed by the Cittadella plant, where the central management offices are located (13% of total emissions); the Sirmax USA plant (14% of total emissions); the Tombolo and S.E.R. plants (respectively 9% and 12% of total GHG emissions); and finally the San Vito al Tagliamento, Microtec, Isola Vicentina and Brazil plants (together 14% of total GHG emissions).

GHG Emissions per Plant (tCO ₂ eq)									
			Scope 1	Scope 2 (Location based)					TOTAL
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total	1.346	1.532	1.925	19.416	22.012	27.099	20.762	23.544	29.023
Cittadella	550	600	453	3.425	2.899	3.604	3.976	3.499	4.057
Tombolo	65	67	92	2.483	2.251	2.549	2.548	2.319	2.641
Isola Vicentina	22	19	20	34	30	32	57	50	53
San Vito al Tagliamento	41	53	53	1.806	1.800	2.179	1.847	1.853	2.233
Microtec	11	9	34	534	1.149	1.290	545	1.157	1.324
Lainate	-	-	-	2	2	-	2	2	0
S.E.R.	237	235	424	2.587	2.232	3.214	2.824	2.467	3.638
Kutno 1	269	254	422	5.104	5.327	5.981	5.373	5.581	6.403
Kutno 2	28	190	256	276	2.940	4.199	305	3.130	4.455
USA	96	82	133	2.837	3.063	3.664	2.933	3.145	3.797
Brazil	26	23	37	328	319	386	354	342	423



Looking forward, Sirmax's primary commitment is to the reduce emissions generated by its own operations. Therefore, as part of its sustainability strategy, the Group is setting some reduction targets for 2030, adopted from 2021.

Finally, the Group's attention to the impact of its activities on the surrounding environment is also reflected in the production of atmospheric pollutant emissions. The Group's approach, as defined in the Policy and in the management system in force, is based on strict compliance with the limits imposed by the relevant regulations and on continuous monitoring as a lever to improve its performance every year.

In accordance with the requirements of the **Single Authorization Document** of each plant, the Group monitors stack emissions through appropriate sampling. In the three-year period between 2019 and 2021, the emissions analyzed were below the emission limits defined by law for all plants subject to analysis. Sirmax's stack emissions are mainly due to the extrusion of plastics and were relatively stable over the three-year period. The table below shows the most significant emission categories for the group.

Atmospheric polititant emissions (ton)							
	Atmospl	heric Particulate		VOC (Volatile	C (Volatile Organic Compounds) 19 2020 2021 19 15,05 4,47 37 2,98 3,33 12 8,93 -		
	2019	2020	2021	2019	2020	2021	
Total	2,40	3,52	3,28	11,49	15,05	4,47	
Cittadella	1,21	0,53	0,65	2,37	2,98	3,33	
Tombolo	0,97	0,46	0,30	9,12	8,93	-	
San Vito	0,22	1,53	1,97	_	2,98	-	
Microtec	_	0,69	-	_	-	-	
S.E.R.	-	0,32	0,35	-	0,16	1,14	

3.3 The Life Cycle Assessment of our products

Sirmax, with the collaboration of Spin Life (a spin-off of the University of Padua), conducted a Life Cycle Assessment (LCA) study which assessed the environmental impact of two of its products. The LCA study was conducted in accordance with the ISO 14040 and ISO 14044 standards and was aimed at increasing the Group's knowledge of the potential **impact of its products on the environment**, in order to identify the most suitable strategies for reducing it. The Group's aim is to strengthen its relationship with its stakeholders, responding to client needs while offering alternative solutions with a lower environmental impact, particularly in terms of raw material circularity, energy consumption, and GHG emissions.

Specifically, the LCA study conducted by Sirmax analyzed the environmental impact of two products' lifecycle 'from cradle to grave', i.e., from the extraction and processing of the raw material to the delivery of the finished product to the client. The products considered were two polypropylene compounds for the automotive and household appliances sectors:

- Polypropylene compound featuring 33.8% recycled post-consumer plastic (henceforth also PF141050)
- Polypropylene compound produced from virgin polypropylene (henceforth also PF140008)

The study focused on some impact categories related to the production of 1 kg of polypropylene compound, without packaging.

Impact category considered	Item analyzed
Depletion of abiotic resources-elements and depletion of abiotic resources-fossil fuels	Protection of human welfare, human health and ecosystems, and extraction of minerals and fossil fuels on a global scale.
Acidification for land and water	Acidifying substances that cause a wide range of impacts to soil, groundwater, surface water, organisms, ecosystems, and materials (buildings).
Ozone depletion	Stratospheric ozone depletion, which can have adverse effects on human health, animal health, terrestrial and aquatic ecosystems, biochemical cycles, and materials.
Global Warming	Climate change that can cause adverse effects on ecosystem health, human health, and material well-being. Climate change is linked to greenhouse gas emissions into the air.
Eutrophication	Includes all impacts due to excessive levels of macronutrients in the environment caused by nutrient emissions to air, water, and soil.
Photochemical ozone creation	Photo-oxidant formation is the formation of reactive substances (mainly ozone) harmful to human health and ecosystems and crops.
Water scarcity	Quantification of the potential for deprivation of the water resource for both human and ecosystem consumption.

As shown in the graphs below, the analysis identified the consumption of raw materials and energy consumption as the most relevant aspects for the environmental impact categories considered. For both products, the most significant contributions are in fact associated with the production of raw materials in the Acidification, Eutrophication, Global Warming, Abiotic Depletion Elements, Abiotic Depletion Fossil Fuels and Water Scarcity categories. Other major contributions in the Acidification, Eutrophication, Global Warming, Abiotic Depletion Elements, Abiotic Depletion Fossil Fuels, and Water Scarcity categories are attributable to energy consumption, primarily due to electricity withdrawal. Finally, only in the Ozone Layer Depletion and Photochemical Oxidation categories are the impacts related to Sirmax's production process predominant.



Assessment of impact by lifecycle stage of PF141050 compound with recycled plastic



Assessment of impact by life cycle stage of compound PF140008 with virgin plastic only

RAW MATERIAL PRODUCTION TRANSPORT PACKAGING One of the main objectives of the analysis is to compare the impact of the two compounds to determine the environmental benefits of producing and using polypropylene compounds containing post-consumer recycled plastic as an alternative to compounds made of virgin plastic material only. The analysis showed that the reduced use of virgin polymer in the production of the PF141050 compound leads to an improvement in all impact categories considered, with the exception of Eutrophication and Ozone Layer Depletion, for which no significant differences between the two products emerged. In

particular, the use of post-consumer recycled polypropylene in the production of polypropylene compounds leads to a 50%+ impact reduction on climate change (Global Warming) compared to the polypropylene compound made of only virgin material.



4. The Sirmax Community

Proudly local, with an eye on the world



4.1 The value chain

Continuous and sustained growth like the one that has placed Sirmax among the world leaders in its sector is only achievable with the support of a strong network of collaborations upstream and downstream from the production phase, with partners who share the Group's vision and strategic priorities. Today, the Group relies on strong ties with a variety of third parties, including suppliers and clients around the world, characterized by transparency and quality.

As far as procurement is concerned, relationships with suppliers are managed by a specific process that sets out qualification and monitoring methods based on the Quality Management System. The process assigns a qualification index to each potential supplier. This index is a weighted average of the supplier's score according to 6 qualification criteria. As well as vetting the financial soundness and technical preparation of a supplier (certifications, level of expertise), Sirmax ensures that potential suppliers are aligned with its ethical and business principles by considering geographical parameters (important for risk and logics) and communication parameters in order to assess how structured its suppliers are and how they present their image.

The index is then cross-referenced with an assessment that considers the level of criticality and ease of management. This determines whether a supplier is included in the Group's pool of qualified suppliers.

Following the qualification stage, qualifying suppliers are supervised and their adherence to requirements is monitored. To this end, each supplier is assigned an index which, in addition to the parameters assessed during the gualification phase, takes into account further aspects such as timeliness of deliveries and the quality of supplies (assessed by the Group Quality Manager on a guarterly basis), the technical documentation received, and the result of any audits carried out during the year. In order to guarantee consistent assessments. audits and checks on incoming goods are carried out using shared Group tools detailed procedures.

Similarly to the qualification phase, any measures taken during the monitoring phase are also based on the overall index achieved by each supplier. In the case of a high score, qualification is maintained without the need for further investigation, while in the case of lower scores, specific audits are planned, or, in the most serious cases, the supplier is excluded from the list.

Beyond auditing, the Group offers its suppliers development opportunities with a view to continuous improvement. In fact, the procedure also regulates the processes for setting and measuring improvement objectives with suppliers, particularly in relation to specific areas of performance and expected results. From an operational point of view, the management of the supplier chain falls under the responsibility of the Global Purchasing Director who directly coordinates a team of centralized Category Managers and Buyers and manages the purchasing teams in production countries (Poland, USA and Brazil). The raw materials purchased can be divided into three macro-groups: 1- Polymers, which account for the largest product percentage, typically supplied by large companies in the petrochemical sector normally present in the market on a global scale. 2- so-called 'fillers' (where talc, calcium carbonate and glass fiber are the main items). 3chemicals/additives and dyes, which are used to a lesser extent.

The last two groups are used to give plastic material (polymer) the necessary chemical/physical properties (strength, flexibility, etc.) for its end application. Sirmax pays particular attention to material logistics, both upstream ('inbound' logistics) and downstream ('outbound' logistics) of its production process. The decision to favor local suppliers whenever possible is also dictated by a commitment to optimizing costs and limiting the impact of inbound materials transportation. The transport of products to clients (outbound) is managed by a cross-function team (purchasing - logistics), coordinated by a Traffic Manager in charge of contracting, planning, monitoring and general management of suppliers of logistics services.





Part of the R&D Team in Kutno 2





Part of the R&D Team in San Vito al Tagliamento

Our continuous and meticulous focus on suppliers is also functional to ensuring that the quality standards that characterize the entire range of Sirmax products are being upheld, and that all stakeholders and clients down the value chain receive the highest quality of service. To ensure this, in addition to the UNI EN ISO 9001:2015 Quality Management System certification, the Group has obtained some specific industry and product certifications.

The Management System of the Cittadella, San Vito al Tagliamento, Tombolo, and Kutno plants is certified according to the IATF 16949 standard, which defines quality requirements for the automotive sector. Moreover, some materials produced by Sirmax are approved for contact with drinking water according to the main reference schemes (ACS, WRAS) and have received the Underwrites Laboratories (UL) product safety certification. Sirmax products also comply with the EU Reach regulation, which regulates the manufacture and use of chemicals in Europe. In 2021, the Group voluntarily applied for and achieved the ISCC PLUS (International Sustainability and Carbon Certification) supply chain sustainability certification for the use of recycled raw materials from waste and residues. The certification attests to the sustainability of these materials along the entire value chain, considering not only the production process, but also guaranteeing compliance with high ecological and social sustainability requirements, greenhouse gas emission savings, and traceability along the supply chain.

Sirmax supplies clients in 37 countries around the world, listening to their needs and identifying the best solutions for them. This approach has driven much of the evolution and innovation of Sirmax products, which have all been developed individually based on specific client requirements. Product customization to our clients' projects and purposes has become a distinctive feature of the Group's offer and the driving force behind its development.

The relationships that Sirmax establishes and cultivates with its clients are therefore characterized by collaboration, listening and absolute trust, particularly given the level of confidentiality of the projects that are jointly handled.

To this end, the Group views data protection as crucial, both when it comes to personal data and the protection of the company's intellectual capital and know-how. Since product design and development occur digitally, the Group has made sure its IT systems are totally secure. All branches are covered by firewalls that guarantee perimeter security, and recently a renovation operation to further secure internal networks has begun. In addition, the Group continuously works to raise awareness among its employees, promoting a culture of security and data protection.

The most frequent opportunities to meet clients and develop projects and solutions according to their wishes are the events, fairs and workshops frequently organized to present products and analyze materials. The large number of audits conducted in Sirmax plants (which are managed by a special team) are another frequent opportunity for in-person meetings.

In addition to the opportunities for meetings and direct dialogue, Sirmax's relationship with its clients is monitored through the satisfaction questionnaire, which is forwarded annually to the entire client portfolio to assess and record the degree of satisfaction with a series of aspects related to the supply of Sirmax products. The questionnaire has 16 questions around 6 aspects covering the level of service, logistics, pricing, and other technical aspects.

4.2 A global community

The results obtained by Sirmax in its almost 60+ years of history are based on its ability to put the territory at the center of its activities. We are convinced that in order to innovate and support the development of solutions that concretely change the way we do business, a deep knowledge of the social and cultural fabric in which one operates is essential.

It is thanks to this approach that today Sirmax can boast a strong bond with the communities around its plants across the globe, while being firmly rooted in the Cittadella area, where it all started. At the heart of the relationship with the community are **research and innovation**, which Sirmax considers to be the key to the creation of products that are more durable, functional and, at the same time, have a lower impact on the environment. Sirmax approaches the development of innovative solutions scientifically and has organized its research activities according to the different polymer matrices that support its production plants. The **five laboratories** in the plants of Cittadella, Kutno, San Vito al Tagliamento, Salsomaggiore (S.E.R.) and Mellaredo (Microtec) are testament to the contiguity between the company's core business and its research activities. Each laboratory focuses on a product class, respectively: polyolefins, technopolymers, thermoplastic elastomers, circular polymers and bio compounds. In total, the plants boast 16 extruders to test new formulations, machinery for material analysis and pilot plants. Thanks to this equipment, the Group is able to carry out tests according to client standards and to experiment and validate hypotheses. The results obtained in terms of efficiency, waste reduction and expansion of the range of sustainable products derive precisely from the



The Smart Mold Team

activities carried out in the Group's laboratories. Local communities, particularly universities and research centers, are essential partners for these activities.

They make it possible for Sirmax to expand and specialize its knowledge and **scientific know-how**, increase its assets, and develop a product traceability strategy to identify areas in which to reduce the consumption of raw materials and energy. The most recent collaboration with the University of Padua, in 2020, led to the birth of Smart Mold, an engineering company that operates in mold design and material selection through the use of dedicated calculation software and advanced CAD systems to help clients achieve optimal results.

Specific mold treatments have also been patented for a better use of circular materials. Less recently, Sirmax became a partner in the research project "TraCE" (Traceability Consistency) of the Fraunhofer Institute for Material Flow and Logistics IML in Dortmund, Germany. The link with the university world is not only aimed at research, but also at encouraging new generations to undertake scientific studies and develop specialized skills for the world of work. This is why the Group funds a scholarship each year for a three-year PhD in Industrial Engineering (Materials Engineering) at the University of Padua, and why it takes part in career days. Sirmax also offers internships and hires final-year university students, while it collaborates with high schools and technical colleges to offer work experience both in Italy and abroad to younger students.



Part of the R&D Team in Cittadella (PD)

SIRMAX



A.S. Cittadella

In the effort to produce positive effects that go beyond economic results and generate value for the entire community, improving competitiveness and the general welfare of the territories in which it operates, the Group seeks to be an active player in the community, promoting projects that enrich young people, enhance artistic and cultural heritage, and have a positive impact on sport and cities.

This commitment is reflected first and foremost in sport. The Group supports a soccer and basketball team with a very similar philosophy and approach to young talent: Cittadella Calcio (second division of the professional championship), and the women's Pro Basket Kutno team in Poland. The involvement stemmed from the shared values that link the two teams with Sirmax: humility, dedication, and strength. The teams help young talents to grow and, despite being small, challenge big opponents with courage and tenacity, capitalizing on the experience acquired over years of competition. This sponsorship initiative seeks to contribute to the diffusion of these values, creating a strong territorial link.



Part of Sirmax Group at the Fakuma 2021 trade fair

Maintaining ties with our local area also means participating in events hosted by local trade associations. Sirmax Group is a member of Confindustria Padua and Confindustria Parma. where it maintains lasting and mutual relationships. The Group's international outlook has also led it to also associate with organizations operating at the European level, such as the Italian-German Chamber of Commerce and, more specifically, with industry bodies such as the TMP (Technicians of Plastic Materials) association, EuMbc (European Masterbachers and Compounders), EuBP (European Bioplastics), and Plastics Industry Association in the US.

The Group participated in numerous events throughout the year, such as trade fairs and conferences in Italy and abroad, to strengthen and develop its knowledge of the industry and build new business relationships. The most important industry event of 2021 was Fakuma (held in Friedrichshafen, Germany), an annual event that alternates with the Dusseldorf K fair, held every 3 years. In addition to this, the Sirmax Group also participated in events dedicated to the automotive world, like the 'PIAE - Plastics in Automotive Engineering - VDI-Congress,' in Germany, and the 'SPE - TPO Global Automotive Engineered Polyolefins Conference' in the US.

Taking part in these events and promoting sustainable technologies and materials was significant during 2021, as evidenced by the Group's participation in the Packaging & Recycling conference in Arese (Italy), the Plastic Recycling Word Expo in Essen (Germany), and Ecomondo in Rimini (Italy), where the main innovations related to circular products obtained from the mechanical recycling of post-consumer waste and compostable biopolymers were presented. Through its constant presence and participation in these international events, Sirmax seeks to position itself as a protagonist in the global debate around the gradual transition to a more sustainable economic model. In order to share its knowledge and highlight the attention the company pays to the issues of circularity and environmental sustainability to its clients and employees, in 2021 Sirmax organized several internal and external webinars.

Deserving of a special mention was the series related to the presentation of the results of the PICSAR Project, a project funded by Regione Veneto's POR-FESR 2014-2020 project. Together with Step Lab and Uniteam, innovative strategies for the introduction of circular polymers in technical applications with particular reference to the automotive sector were developed.



Appendix
SIRMAX.



Methodological note

This document is the second Sustainability Report of Sirmax Group S.p.A. (hereinafter also referred to as "Sirmax Group" or "Sirmax"), headquartered in Cittadella, Via Dell'Artigianato 42. It has been drawn up, with the support of a certified external consultant, on a voluntary basis with the aim of showing the company's commitment to increasingly sustainable growth and to a business model that is increasingly integrated with the social, environmental and economic context in which the Group operates.

The Report is for the fiscal year 2021 (January 1 through December 31) and uses 2019 and 2020 data for comparison. It is specified that 2019 and 2020 data referring to personnel has been restated following a refinement of the data collection methodology.

The document, which will be published annually, has been prepared in accordance with the GRI Sustainability Reporting Standards (hereinafter GRI Standards), published in 2016 by GRI - Global Reporting Initiative, and its updates under the Core option.

With regard to the scope of reporting, the Sirmax Group's Sustainability Report is aligned with the Consolidated Financial Statements for the year ended December 31, 2021, which from an economic point of view includes the data of the subsidiaries Sirmax Polska Sp. z o.o., Sirmax North America Inc., SER North America LLC, Sirmax do Brasil Comercio e industria de plasticos LTDA, S.E.R. S.r.I., Microtec S.r.I.

The content of the Report

This Report has been prepared according to the principles of the GRI Standards. It addresses the issues that emerged from the materiality assessment which significantly influence stakeholder evaluations and decisions, and that are particularly relevant in terms of economic, social and environmental impact. The document was prepared in line with the definitions and content quality principles of the GRI Standards, such as stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability, and timeliness. With regard to the materiality principle, this Report contains Sirmax's results and performance regarding the issues that emerged as material from the materiality analysis. For further discussion, please view chapter 1.2, 'Sustainability at Sirmax'. For accurate reporting, the process of writing the 2021 Sustainability Report involved the corporate management of all Group companies.

Perimeter of material aspects

Material theme	GRI Disclosure	Perimeter		Reporting Limitations
		Internal	External	
Dusinger Fiking	205: Anti-Corruption	Sirmax Group	-	-
Business Ethics	206: Anti-competitive behavior	Sirmax Group	-	-
Circulation and efficient use of resources	301: Materials 306: Waste	Sirmax Group	-	-
Fighting climate change	302: Energy 305: Emissions	Sirmax Group	-	-
Sustainable water resource management	303: Water and wastewater	Sirmax Group	-	-
Pollutant emissions	305: Emissions	Sirmax Group	-	-
Employee development	401: Employment	Sirmax Group	-	-
	404: Training and education	Sirmax Group	-	-
Occupational Health and Safety	403: Occupational Health and Safety	Sirmax Group	Non-employees	-
Supporting the local community	-	Sirmax Group	-	-
Social and environmental compliance	307: Environmental Compliance 419: Socioeconomic Compliance	Sirmax Group	-	-
Product innovation and sustainability	-	Sirmax Group	-	-

Main calculation criteria

Below are the calculation methods used to calculate some of the indicators reported within the 2021 Sustainability Report.

Energy consumption	Sirmax Group's energy consumption (diesel, LPG, natural gas) has been con- verted to gigajoules (GJ) using conversion factors provided by the "UK Department for Environment, Food & Rural Affairs" (DEFRA) in the report "UK Government GHG Conversion Factors for Company Reporting" under table "Fuel properties" for the years 2019, 2020, and 2021.
Greenhouse gas emissions	GHG emissions were reported according to the standard set out in GHG Protocol, A Corporate Accounting and Reporting Standard, published by The GHG Protocol Initiative in terms of CO_2 equivalent.
	Specifically, the following emission factors were used to calculate direct emissions (Scope 1):
	 Fuels (Natural Gas): "UK Government GHG Conversion Factors for Company Reporting - Fuel properties" from the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 from the table "Fuels";
	• Fuels (LPG): "UK Government GHG Conversion Factors for Company Repor- ting - Fuel properties" from the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 from the table "Fuels";
	• Fuels (Diesel): "UK Government GHG Conversion Factors for Company Repor- ting - Fuel properties" from the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021 from the table "Fuels" and "Passenger Vehicles".
	For the calculation of indirect emissions (Scope 2), electricity consumption was converted to emissions using two different approaches: location-based and market-based. The emission factors used were:
	• For the Location-based approach , we used the emission factors published by Terna in the International Comparisons section, Table 49 "Main socio-economic indicators", in the 2019, 2020 and 2021 versions, taking the factor of the country in which the plant is located.
	• For the Market-based approach, for plants in Italy and Poland the factors pro- vided by AIB (Association of Issuing Bodies) in the European Residual Mixes reports published in 2019, 2020 and 2021 were used, while for non-EU plants, the factor provided by Terna in Table 49 ("Main socio-economic indicators") of the section named International Comparisons published in the years 2019, 2020 and 2021 was used, taking the factor of the country in which the plant is located.

GRI Content Index

GRI Standard	Information	Indicator description	Document section	Notes and omissions			
	GENERAL INFORMATION						
	Organization profile						
1(1(1(102-1	Organization Name	1.1 The future is made of sustainable ideas				
	102-2	Activities, brands, products and services	1.1 The future is made of sustainable ideas				
	102-3	Location of head office	1.1 The future is made of sustainable ideas Methodological note				
	102-4	Location of activities	1.1 The future is made of sustainable ideas				
	102-5	Ownership and legal form	1.1 The future is made of sustainable ideas				
	102-6	Markets served	1.1 The future is made of sustainable ideas				
	102-7	Organization size	1.1 The future is made of sustainable ideas				
	102-8	Information on employees and other workers	2.1 A global team				
	102-9	Supply Chain	4.1 The value chain				
1 GRI 102: ¹ General	102-10	Significant changes to the organization and its supply chain		No significant change occurred in the reporting period.			
	102-11	Precautionary Principle		To date, Sirmax does not formally adhere to or adapt its decision-ma- king approach to the precautionary principle.			
Disclosure 2016	102-12	External initiatives	Not applicable				
	102-13	Membership in associations	4.2 A global community				
	Strategy						
	102-14	Statement from a senior executive	Letter to Stakeholders				
	Ethics and int	egrity					
	102-16	Values, principles, standards and rules of conduct	1.3 Responsible management tools				
	Governance						
	102-18	Governance Structure	1.3 Responsible management tools				
	Involvement of	of stakeholders					
	102-40	List of stakeholder groups	1.2 Sustainability at Sirmax				
-	102-41	Collective bargaining agreements		All Sirmax employees based in Italy are covered by collective bargaining agreements, as prescribed by national legislation			
	102-42	Stakeholder identification and selection	1.2.1 Stakeholder Engagement and Materiality Assessment				
	102-43	Stakeholder engagement methods	1.2 Sustainability at Sirmax				
-	102-44	Key issues and criticalities raised	1.2 Sustainability at Sirmax				

GRI Standard	Information	Indicator description	Document section	Notes and omissions		
	GENERAL INFORMATION					
	Reporting practices					
	102-45	Parties included in the consolidated financial statements	Methodological note			
	102-46	Report content definition and topic perimeters	Methodological note			
	102-47	List of material topics	1.2 Sustainability at Sirmax			
GRI 102: General Disclosure 2016	102-48	Review of information	Methodological note			
	102-49	Changes in reporting		No significant changes were made in the list of material themes and theme perimeters compared to previous reporting periods.		
	102-50	Reporting period	Methodological note			
	102-51	Date of most recent report		The previous Sustainability Report was published in July 2022 and referred to 2020 performance.		
	102-52	Reporting Periodicity	Methodological note			
	102-53	Contacts for requesting information about the report	Methodological note			
	102-54	Statement on reporting in accordance with GRI Standards	Methodological note			
	102-55	GRI Content Index	GRI Content Index			
	102-56	External Assurance		This report is not subject to external assurance.		

GRI 200 ECONOMIC INDICATORS

	Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note	
	103-2	Mode of management and its components	1.3 Responsible management tools	
	103-3	Assessment of management modes	1.3 Responsible management tools	
GRI 205: Anti-corruption 2016	205-3	Established incidents of corruption and actions taken	1.3 Responsible management tools	
	Anti-competitive behavior			
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note	
	103-2	Mode of management and its components	1.3 Responsible management tools	
	103-3	Assessment of management modes	1.3 Responsible management tools	
GRI 206: Anti-Competitive Behavior 2016	206-1	Established incidents of corruption and actions taken	1.3 Responsible management tools	

GRI Standard	Information	Indicator description	Document section	Notes and omissions	
	300 ENVIRONMENTAL INDICATORS				
	Materials				
	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note		
GRI 103: Management	103-2	Mode of management and its components	3.1.1 Materials used for production and packaging		
	103-3	Assessment of management modes	3.1.1 Materials used for production and packaging		
GRI 301:	301-1	Materials used by weight or volume	3.1.1 Materials used for production and packaging		
Materials 2016	301-2	Materials used that come from recycling	3.1.1 Materials used for production and packaging		
	Energy				
	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note		
GRI 103: Management Approach 2016	103-2	Mode of management and its components	3.2 Reducing our impact		
	103-3	Assessment of management modes	3.2 Reducing our impact		
GRI 302: Energy 2016	302-1	Energy consumed within the organization	3.2 Reducing our impact		
	Water and Wa	stewater			
CDI 102-	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note		
Management Approach 2016	103-2	Mode of management and its components	3.1.2 Water Resource Management Emissions		
	103-3	Assessment of management modes	3.1.2 Water Resource Management Emissions		
CDI 303-	303-1	Interacting with water as a shared resource	3.1.2 Water Resource Management Emissions		
Water and waste water 2018	303-2	Managing Impacts Related to Water Discharge	3.1.2 Water Resource Management Emissions		
	303-3	Water withdrawal	3.1.2 Water Resource Management Emissions		
	Emissions				
GPI 103.	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note		
Management Approach 2016	103-2	Mode of management and its components	3.2 Reducing our impact		
	103-3	Assessment of management modes	3.2 Reducing our impact		
GRI 305: Emissions 2016	305-1	Direct GHG emissions (Scope 1)	3.2 Reducing our impact		
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	3.2 Reducing our impact		
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other emissions significant	3.2 Reducing our impact	The main emission categories of pollutants generated by Italian plants subject to AUA monitoring are reported.	

GRI Standard	Information	Indicator description	Document section	Notes and omissions	
	300 ENVIRONMENTAL INDICATORS				
	Waste				
	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note		
GRI 103: Management Approach 2016	103-2	Mode of management and its components	3.1.2 Waste management		
	103-3	Assessment of management modes	3.1.2 Waste management		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.1.2 Waste management		
	306-2	Management of significant waste-related impacts	3.1.2 Waste management		
	306-3	Waste generated	3.1.2 Waste management		
	306-4	Waste not intended for disposal	3.1.2 Waste management		
	306-5	Waste for disposal	3.1.2 Waste management		
	Environmenta	I Compliance			
	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note		
GRI 103: Management Approach 2016	103-2	Mode of management and its components	1.3 Responsible management tools		
	103-3	Assessment of management modes	1.3 Responsible management tools		
GRI 307: Environmental Compliance 2020	307-1	Non-compliance with environmental laws and regulations	1.3 Responsible management tools		

GRI 400 SOCIAL INDICATORS

	Employment			
	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note	
GRI 103: Management Approach 2016	103-2	Mode of management and its components	2.1 A global team	
	103-3	Assessment of management modes	2.1 A global team	
GRI 401: Employment 2016	401-1	New hires and turnover	2.1 A global team	
	Health and sa	fety at work		
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note	
	103-2	Mode of management and its components	2.3 Protecting health and well-being	
	103-3	Assessment of management modes	2.3 Protecting health and well-being	

GRI Standard	Information	Indicator description	Document section	Notes and omissions		
	GRI 400 SOCIAL INDICATORS					
	Health and sa	fety at work				
	403-1	Occupational health and safety manage-ment system	2.3 Protecting health and well-being			
	403-2	Hazard identification, risk assessment, and investigation of the accidents	2.3 Protecting health and well-being			
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	2.3 Protecting health and well-being			
	403-4	Worker participation and consultation and communication in health and safety at work	2.3 Protecting health and well-being			
	403-5	Occupational health and safety training for workers	2.3 Protecting health and well-being 2.2 Continued growth			
	403-6	Worker Health Promotion	2.1 A global team; 2.3 Protecting health and well-being			
	403-7	Prevention and mitigation of health impacts and occupational safety within business relationships	2.3 Protecting health and well-being			
	403-9	Accidents at work	2.3 Protecting health and well-being			
	403-10	Occupational Diseases	2.3 Protecting health and well-being			
	Training and E	Education				
	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note			
GRI 103I: Management Approach 2016	103-2	Mode of management and its components	2.2 Continued growth			
	103-3	Assessment of management modes	2.2 Continued growth			
GRI 404: Training and education	404-1	Average hours of training per year per employee	2.2 Continued growth	It was not possible to retrieve data referring to the hours of training provided according to the requirements of the standard.		
	Socioeconomic Compliance					
GRI 103: Management Approach 2016	103-1	Explanation of the material theme and its perimeter	1.3 Responsible management tools; Methodological note			
	103-2	Mode of management and its components	1.3 Responsible management tools			
	103-3	Assessment of management modes	1.3 Responsible management tools			
GRI 419: Compliance Socio-economic 2016	419-1	Non-compliance with social laws and regulations	1.3 Responsible management tools			





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