



SUSTAINABILITY IN OUR *DNA*

ESG Strategy and Agenda
May 2024



Sustainability in our DNA



PURPOSE

Empower collaboration &
champion resilience



VISION

Leverage available talents
as catalyst for a
sustainable future



MISSION

Agility & green
technologies
for value creation

SUSTAINABLE BY NATURE

We provide clean, sustainable, and innovative technological solutions while promoting a circular economy with engaged people who are eager to make a difference.



Our offerings aim to be aligned with the **UN Sustainable Development Goals** and we pursue to reinforce our commitment to the 2030 agenda through our ambitious sustainability strategy and targets.



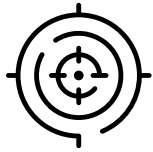


SUSTAINABILITY AT DE NORA

Since our foundation, progress through science has been our polestar, and technological breakthroughs are the driving force of our journey toward sustainable development.

Environmental, Social, and Governance factors (ESG) are at the core of our values and strategy and represent a long-term commitment that we intend to strengthen through several initiatives and projects.

For this reason, our ESG strategy is embedded in our Industrial Plan and guides our strategic decision-making processes.



OUR GOALS

As a leading player in all our business segments, we are firmly committed to shaping the industry:

- Developing **sustainable technologies** that drive economic growth through careful management of **natural resources, circularity**, and the use of **clean energy**
- Promoting a **thrilling** and **inclusive work environment**
- **Giving back** to our local **communities**
- Conducting our activities **ethically and transparently** with strong governance.

OUR MATERIAL TOPICS

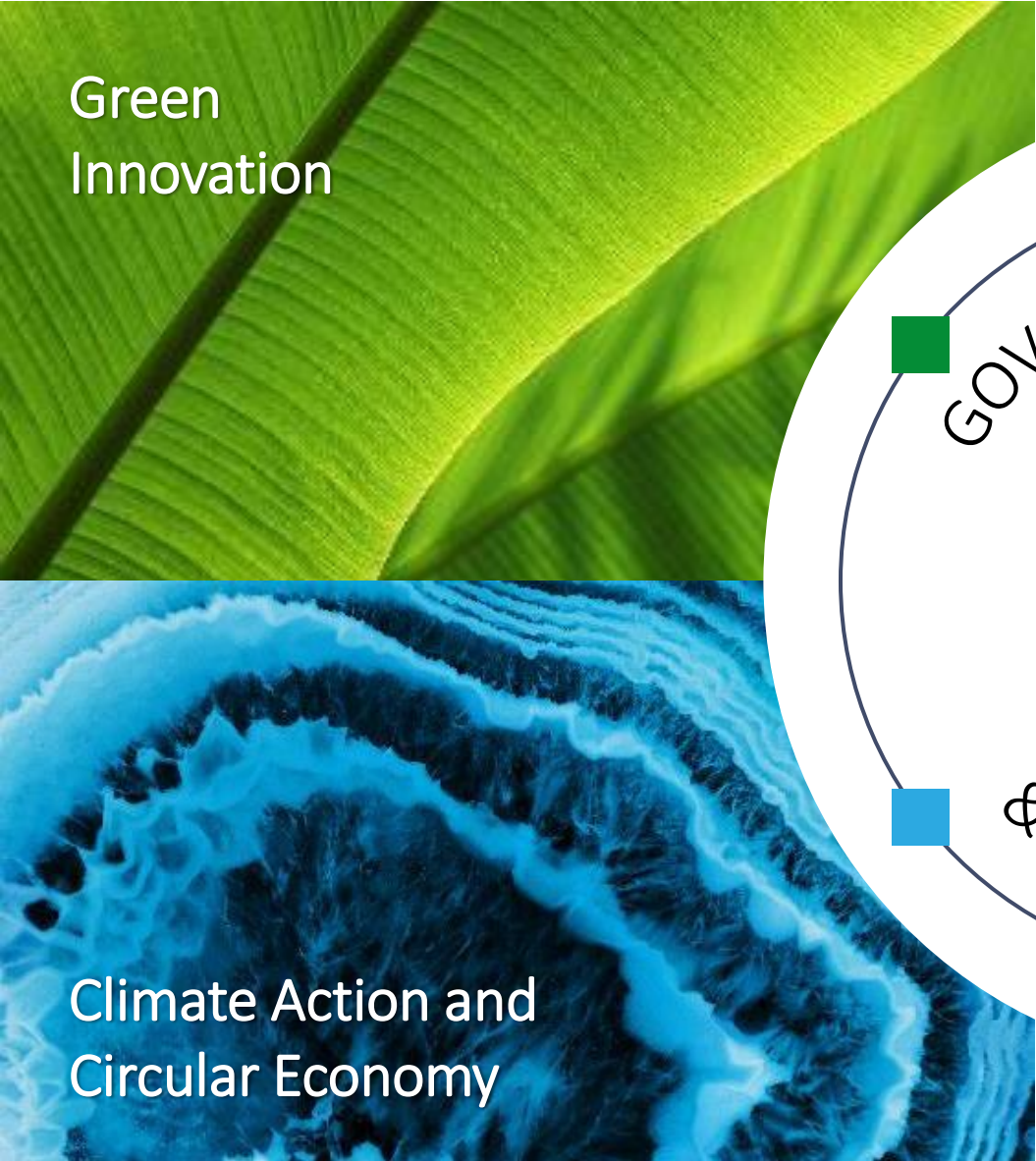
At the base of the Sustainability Plan

10 MATERIAL TOPICS

- Green Innovation
- Circular Economy
- Climate action
- Employee H&S
- Responsible Supply Chain
- Employee Diversity, Equity & Inclusion
- Product Quality & Safety
- Business Ethics
- Water
- Community Engagement

● Environment ● Social ● Governance

***OUR AMBITION IS TO BECOME
A LEADER IN
GREEN INNOVATION
AND CIRCULAR ECONOMY,
WHILE BOOSTING OUR
CLIMATE ACTION PROFILE***





Flagship Initiatives

12 initiatives

In Green Innovation
Climate Action and
Circular Economy



Quick Wins

20 Quick Wins

More Easy initiative
including upgrades in ESG
disclosure



Additional Priority initiatives

16 initiatives

In employees H&S, DE&I,
Community Engagement, Supply
Chain, Product Quality,
Governance

Our **clean** and **sustainable technologies** underpin our strong **handprint**, that is, our capacity to reduce climate change, allowing our customers to increase their energy efficiency, decarbonize hard-to-abate processes, and treat and reuse water.

We are also strongly committed to improving our carbon footprint, that is, **reducing our GHG emissions**, in alignment with the 2030 agenda.

We promote a **circular economy**, boosting our sustainable business models along the entire value chain, **minimizing waste**, optimizing the **use of raw materials**, reusing **noble metals**, and promoting **circular use of water** thanks to our filtration and disinfection solutions.

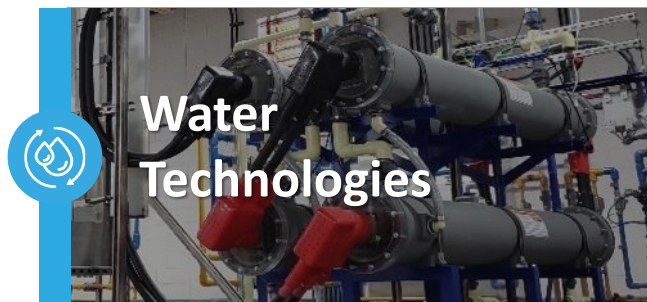




Utilizing our **electrodes** within an electrochemical system enables the attainment of equivalent output with reduced energy requirements, thereby enhancing the overall **energy efficiency** of the process. This has potential benefits in lowering energy costs, promoting sustainability, and mitigating environmental impact.



Our technologies are engineered to support the sustainable generation of **green hydrogen**. This environmentally friendly hydrogen, in turn, will play a pivotal role in **decarbonizing** hard-to-abate sectors



Our water treatment solutions include **disinfection and filtration** technologies designed to ensure the **quality and safety of water** used both municipal and industrial sectors, promoting a sustainable and circular use of such critical resource and protecting the environment.





50%

Scope 1 and 2 reduction by 2030

50%

Scope 3 intensity reduction by 2030



100%

electricity from renewables by 2030

40%

electricity from renewables by 2026

5%

recycled noble metals in our products by 2030

>80%

of deforestation-free wood packaging by 2030

>40%

Of wood packaging reused, by 2026



Our green innovation strategy is all-round and **forward-thinking**: we are committed to **innovating the future** by constantly finding new solutions to improve the efficiency and sustainability of our technologies.

By integrating circular design, LCA principles, sustainability scorecards, and noble metal use optimization, we aim to actively contribute to developing **environmentally responsible products** and foster our vision across the organization.

These initiatives drive industry best practices and will allow De Nora to position itself as a **leader** in green innovation.





Product scorecard

Set up by 2024

Circular Design Guideline

To be introduced in R&D processes by 2024



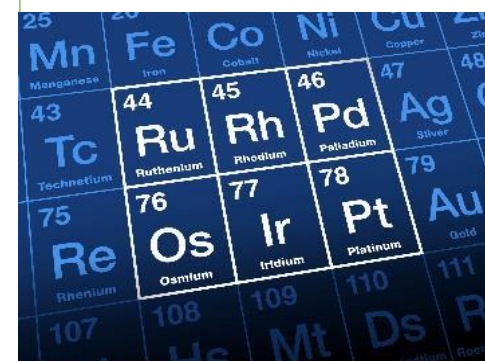
100%

new products assessed with a product Scorecard in 2025 (all products in 2027)



4%

reduction of noble metals in our coating by 2026*



>80%

R&D expenses with a positive impact on SDGs by 2026



PEOPLE: INCLUSION, WELLBEING BEYOND H&S AND CONTINUOUS DEVELOPMENT

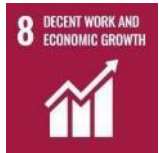
We prioritize a holistic approach to **employee well-being**, emphasizing mental health as a top priority alongside traditional health and safety measures.

Our organization is designing and developing comprehensive solutions, including surveys, training programs, hotlines, psychological desks, health insurance, and in-house medical services.

We actively foster **multiculturalism and diversity** as strategic assets, continually pursuing best processes and practices to ensure **equal opportunities**, respect for diversity, and **inclusion** to tackle any form of discrimination. Employee stories highlight how our commitment to Diversity, Equity, and Inclusion (DEI) is ingrained in our culture, inspiring the dismantling of biases and stereotypes.



Main Targets



DE&I

Policy Adopted *by 2024*

Parental and relocation policy

extended to same-sex couples and single parents *by 2024*



100%

Sites certified ISO 450001 *by 2025*



100%

Plants with safety days and included in quarterly H&S reports *by 2025*



100%

Territories with mental health hotline or other support channel *by 2026*



COMMUNITY ENGAGEMENT AND SUSTAINABLE SUPPLY CHAIN

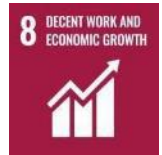
Scientific progress is our polestar, guiding our investments in partnerships with **technical high schools** and **STEM universities**.

We are also deeply committed to fostering relationships and support to **local communities**, actively engaging in projects that align with our values and vision, including dedicated charity initiatives.

Advocating for a **sustainable supply chain** is crucial to our business as we strive to establish a network that aligns with our vision and dedication to ESG principles. We aim to lead by example within our value chain by upholding **human rights and environmental safeguards** and providing active support to our suppliers as they progress toward sustainable practices and growth.



Main Targets



>40%

of female students engaged in programs to support STEM career development *by 2026*



100%

High risk suppliers engaged, *by 2026*

2

Suppliers audited (pilot), *by 2025*

>50%

of suppliers assessed (by spent) *by 2030*



		INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
GREEN INNOVATION	 	Embed <i>Circular Design Guideline</i> in the existing R&D process, reflecting LCA (<i>Life Cycle Assessment</i>) principles	Guideline adoption	To be embedded in 2024	Ongoing
		Increase positive Impact of R&D activities	% R&D Spend with positive Impact on SDGs	80% By 2026	 66% R&D in Energy Transition
		Develop a <i>product scorecard</i> based on LCA and the <i>Circular Design Guideline</i>	Product Scorecard Framework % of products assessed by scorecard	To be developed in 2024 100% new products by 2025 100% products assessed by 2027	Start in 2024
		Optimize noble metals content in products	t noble metals / m2 of electrode ¹	-4% by 2026	 -1%
CLIMATE ACTION	 	<ul style="list-style-type: none"> Reduce our <i>Carbon footprint / Develop Action Plan per Site</i> Submit to SBTi (in 2024) Introduction of GHG emission criteria in investments planning 	Scope 1 and 2 emissions reduction	-50% by 2030 -25% by 2027	 0% 32K tCO ₂ e
			Scope 3 emissions reduction	-50% by 2030 (intensity)	39M tCO ₂ first disclosure
		Use of renewable energy	% electricity from renewables	100% by 2030 40% by 2026	 3% 3.1 GWh, installed photovoltaic plants
		Certifications	ISO 50001 ISO 14001	100% sites by 2027 100% sites by 2025	 13% 27%
CIRCULAR ECONOMY	 	<ul style="list-style-type: none"> Optimize waste management Increase share of wood packaging reused 	% of wood packaging waste reused	40% of wood packaging reused by 2026	 12%
		Wood packaging " <i>deforestation-free</i> "	% of " <i>deforestation-free</i> " wood packaging	>80% by 2030	Ongoing
		Increase/Disclose recycled content in noble metals	% share of recycled content in noble metals (by weight)	5% by 2030	Ongoing
		Strengthen and give more visibility to circular services (re-coating)	% of products (in terms of m2) designed for 2° life		19% of revenues Eu Taxonomy Eligible for the Transition to a circular economy

18 1. KPI measured on 3 main product lines: Membrane, Pools and Electrochlorination, Alkaline Water Electrolysis.

		INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
EMPLOYEE HEALTH & SAFETY		<ul style="list-style-type: none"> Periodic “<i>gemba walk</i>” in the plants Periodic report on H&S Organize “<i>Safety day</i>” in the plants 	# plants with <i>gemba walks</i> Frequency of reports # plants with <i>safety days</i>	All plants by 2025 Quarterly report All plants by 2025	-5% n. of injuries
		<ul style="list-style-type: none"> Introduce mental health training module Introduce mental health first aid training (for a selected number of staff) Establish a mental health hotline or other form of support channel 	% employees trained on general module	25% by 2026	
			# employees trained for mental health 1 st aid	1 person for each major site ² by 2026	
			# territories	100% by 2026	
		Certifications	ISO45001	100% sites by 2025	
EMPLOYEE DIVERSITY, EQUITY & INCLUSION		Extend existing parental and relocation policy to same-sex couples and single parents		To be extended in 2024	
		Enhance methodology for <i>Gender Pay Gap Calculation</i> , to keep and improve the current level of <i>Salary Gender Pay Gap</i> Zero salary gender gap for new Hires	Gender Pay Gap ³	0 Salary Gender Gap for new Hires	Total Gender Gap < 5% 0 in new hires
		<i>Affinity network</i> for LGBTQ+ and women employees across all territories		To be launched in 2024	
		Enhance recruitment processes to ensure inclusion of candidates with diverse abilities	# territories that completed the review	All DN Group by 2026	
		Internal and external comms campaign on DE&I through <i>success stories</i>	# stories per year	4-8 (at least 1 per Quarter)	
		DE&I policy adoption	Policy Adoption	To be adopted in 2024	
		Introduce targets for share of women among new hires (by category)	% of women among new hires (<i>white collar</i>)	Target to be introduced by 2024	20% women in the workforce (19,4% in 2022)
Introduce <i>upskilling</i> , <i>networking</i> and <i>mentorship</i> schemes specifically for women (Valore D).				Ongoing	

2. Defined as site which has more than 100 employees.

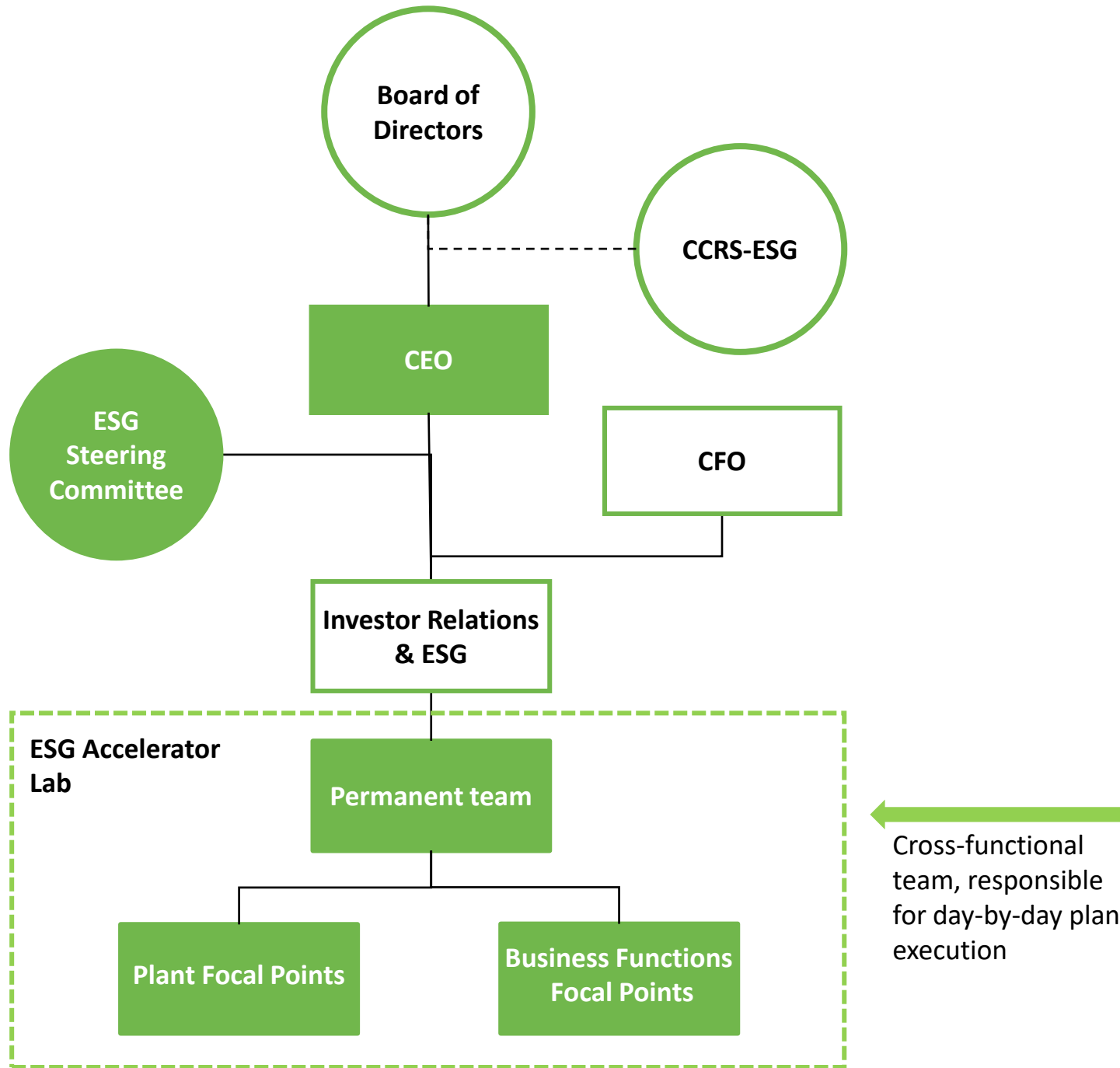
3. The total Gender Pay Gap has been calculated as the weighted average of the Gender Pay Gap KPIs (GRI compliant) for each geography and employee category

	INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
COMMUNITY ENGAGEMENT 8 11 17	<ul style="list-style-type: none"> Launch and promote initiatives of employee donations Employee engagement in charitable or local events in all DN locations 			Donations to local communities € 202K (+4% vs 2022)
	<ul style="list-style-type: none"> Introduce gender considerations in existing partnerships with universities, high schools, research institutes etc. Host visits to laboratories and plants, occupational lectures and problem-solving training 	% of female students engaged	>40% of female students engaged	
		Students engaged	>20 students engaged per major site ⁴ /anno by 2026	
RESPONSIBLE SUPPLY CHAIN 8	<ul style="list-style-type: none"> Increase share of suppliers evaluated on sustainability 	% selected suppliers assessed (by spend)	>50% of suppliers ⁵ by 2030 >25% of suppliers ⁵ by 2026	17% 945 engaged suppliers, 105 evaluated
	<ul style="list-style-type: none"> Engage high risk suppliers Train selected suppliers (e.g PMI) Auditing for high risk suppliers 	% of high-risk suppliers engaged	100% by 2026	
		# suppliers audited per year	2 in 2025 (<i>pilot</i>)	

20 4. Defined as site which has more than 100 employees
 5. Considering a base of suppliers that represent 80% of total spending

	INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
PRODUCT QUALITY & SAFETY 	Track <i>customer satisfaction</i> across the Group (Net Promoter Score)	Net Promoter Score	NPS across the Group by 2025	
	Certification ISO 9001 (<i>Quality Management</i>)	# sites certified	100% by 2025	100% certified sites
GOVERNANCE BUSINESS ETHICS 	Human rights <i>policy</i> adoption	<i>Policy</i> adoption	To be adopted in 2024	Policy adopted
	Roll out a monitoring system on anti-corruption policy and ad-hoc deepening training sessions for each geography	# of <i>white collars</i> that completed the <i>training</i>	100% by 2026	90% dei dipendenti formati su Policy Anti Corruzione
	Adopt a region/country-based guideline for <i>Export Control</i> and economic activities	# region/countries with guideline adopted	100% by 2026	
	Disclosure related to “ <i>Conflict of Minerals</i> ”		To be published in 2024	Ongoing
	Remuneration linked to ESG targets	% target MBO and PSP ⁶	20% CEO 10%+ Top Management	100% 20% CEO 10%+ Top Management
BIODIVERSITY 	Map ecological zones to define Biodiversity targets and plan		Mapping in 2024	6 water-stressed areas identified ⁷
	Partner and adhere to third-party initiatives for biodiversity preservation			

21 6. MBO- Management Business Objectives . PSP – Performance Share Plan
 7. Dubai, Abu Dhabi, India, Shanghai, Suzhou and Jinan



**ESG Steering Committee
Reporting directly to CEO**

- Chief Financial Officer
- Chief Officer People, Organization, Social Communication and Happiness
- Chief Operating Officer
- Chief Legal Officer
- Chief Technologies Officer
- Chief Procurement Officer
- CO Water Technologies
- Latin America Regional CO
- Director of Energy Transition & Hydrogen
- Chief MBD
- Innovation Manager
- IR and ESG Director



DE NORA

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