

🖘 Italchimica

SUSTAINABILITY REPORT 2019

## Sustainability for change, responsibility as a value choice, innovation as a vocation.

Dear customers and partners,

I am very proud to submit Italchimica's first Sustainability Report. This is the first clear depiction of a long journey which began several years ago and, according to me, a story I have long wanted to tell. I wanted to clearly state in black and white not only the actions that the company has been implementing in recent years, but also the historical memory of a company, a family, that has spent all its energy and expertise in the world of cleaning and cosmetics to improve people's quality of life, respecting the environment. The style of this Report reflects a desire to provide data with accuracy and transparency while adhering to the values we believe in. The speed of the change underway and the planet's new sustainability needs requires the utmost responsibility from everyone - including those who, like us, manufacture consumer goods - in dealing with others. This means taking care of the things we do - expressing a sustainable vision of one's goals, in full respect of nature and the world to come. It also means being fully aware of the change taking place. "Change is the future. And we are pulling the strings. Our core value: meeting people's needs while respecting the environment." Italchimica firmly believes that the choices made by its customers are indeed geared towards rewarding products that evoke positive emotions, that can encourage them to pursue their own same values, such as environmental protection and care for quality and health. We are witnessing this right now during 2020, also following the most critical moments of the Covid 19 pandemic. For this same reason, it is essential for consumers and business partners to be given a chance to understand and share the decisions and results underlying the manufacturing processes of the products they are interested in. What is needed is a relationship of trust and confidence that can be elicited only by seeking information transparency and elucidating the values and goals which the company has been pursuing. Italchimica believes that the Sustainability Report can be an important tool to prop up that sharing and mutual exchange relationship underlying social relations. Italchimica is utterly convinced that telling its own story can help others to more strongly believe in the reasons at the root of its purchasing behaviour and consumption choices. The future of the market will also depend on them in the coming years. "At this stage, we feel the responsibility of building a positive model, an example of Italian excellence, a sustainable value." Creating a better future can only go hand in hand with the development of a sustainable business model, aimed at safeguarding people's lives and the environment. Faced with limited planet resources and a need for responsible consumption, our strategy is focused on innovation. In the coming years, our goal is striving to create more and more value for our customers, consumers, partners, staff, the whole community we are active in, and our Company. "We are geared towards innovation, a key word to curb our footprint and produce more shared value." Our horizon encompasses the will to meet people's expectations and ethical values, as well as safeguarding the environment in which we live. We are convinced that the data shown in the Report is the best evidence of the consistency of our path.

Italchimica CEO

**Alessandro Fioretto** 



#### **Table of contents**

	Methodological note	5
1.	Corporate identity	6
	Our background Website description Governance Manufacturing process and product quality Our brand portfolio Membership to Organisations and Associations Certifications and awards	
2.	Dialogue with the Stakeholders	20
	Stakeholder Mapping Materiality analysis	
3.	Environmental responsibility	24
	Raw materials Energy Water Emissions Waste	
4.	Social responsibility	42
	Human capital Personnel safety Staff training	
5.	Economic responsibility	52
	Economic Impact Added value	
	GRI Content Index	58



Italchimica is submitting its first Sustainability Report with a view to highlighting the Company's environmental, social and economic information, and the improvement goals towards all reference Stakeholders. The Report addresses Italchimica SrI, and the reporting scope covers the Company's manufacturing and administrative headquarters based in Padua, Riviera Maestri del Lavoro 10, as well as the logistics centre located in Padua, Corso Spagna 2. The reporting period considered covers the time interval between January 1st, 2019 and December 31st, 2019. **This report has been prepared in accordance with the GRI Standards: Core option.** 

The 2019 Sustainability Report was drawn up in accordance with the "GRI Sustainability Reporting Standards" published in 2016 by Global Reporting Initiative, in compliance with the "core" option with reference to the information contained in the GRI Content Index.

The comparison of the data, where possible, refers to the previous two years. In order to ensure data reliability, using estimates was limited where possible; if any, estimates were appropriately referred to as such. The broad and deep extent to which the topics covered in the Report were recorded reflects the results of the Materiality Analysis, conducted for the first time as described under "Dialogue with the Stakeholders" in the Report. This document was drawn up by the Sustainability Unit and the Marketing and Communication Office. The data and information reported was collected involving all the company's departments, and endorsed and revised by UniSMART - Fondazione Università degli Studi di Padova. For further information, please email: **greenchangematters@italchimica.it** A summary table of the GRI Standards indicators that were analysed is available at the end of the document. The Sustainability Report is drawn up on a yearly basis. External assurance is not foreseen for this first year of reporting.



Over the years, Italchimica has become one of the main international players in the professional cleaning industry with its Sanitec brand. It also offers a line of widely used cleaning and cosmetic products under the Dual Power, Bakterio and Dermomed brands.

#### A 100% Italian company based in Padua, Italchimica has succeeded, in less than 20 years, in gaining credibility and trust in the I&I and HO.RE.CA professional cleaning sectors.

#### **Our background**

Our history began in 2001, when the Fioretto family founded Italchimica with the first Sanitec brand. At the beginning, the three brothers were both the owners and the only workforce of the company. In turn, they mixed, packed and shipped the products, prepared transport documents and managed invoicing practices. Thanks to their hard work and perseverance, and as a result of major insights capable of innovating products and winning increasingly larger market shares, the company developed in terms of both staff and space in a short time. Innovation has always been the secret of Italchimica's success and a driving force behind the company's rapid growth in the large-scale retail market (Mass Distribution), with dedicated brands such as Dual Power and Dermomed. In recent years, Italchimica has devised important intelligent washing systems, raising attention once again on the future of professional cleaning.

#### Website description

Italchimica operates in two separate premises that are both located in Padua's industrial area. The Headquarters, located at 24, Riviera Maestri del Lavoro, include the legal administrative offices and manufacturing plant, whereas the logistics hub is in Corso Spagna.

#### Manufacturing plant & administrative offices

The main facility covers an area of 25,000 <sup>sq. m</sup> and consists of an office building and a manufacturing plant where In-bound logistics processes are also managed, i.e. raw materials procurement and storage ones. Products are implemented and fully managed in-house - from designing through to manufacturing bottles and formulations, up to filling and shipping.

#### Logistics hub

Italchimica's new 20,000 <sup>sq. m</sup> logistics hub manages Out-bound logistics, namely finished product storage and distribution for both corporate divisions. The logistics hub is active 24 hours a day and has a maximum capacity of 20,500 pallet spaces.



#### Governance

Italchimica is the manufacturing company of the NFH holding group, owned by the Fioretto family. In legal terms, the holding structure is a single-member limited liability company. The type of governance structure adopted is traditional. The board of directors devises strategies, sets economic and organisational goals and defines the company's investment policy. At Italchimica, the sound family governance is effectively supported by the Company's management, who the owners share growth and development strategies with, and entrust the planning of medium- and long-term actions, aimed at keeping up the Company's growth as an innovative player in the industry. This approach, in a nutshell the stability of a family business combined with the proactivity of an involved management, results in the creation of value in both the short and long term. The conduct of all company staff is then governed by an integrated organisation and management model that includes the following fields of competence: quality, safety, environment and administrative responsibility. Ad-hoc training is regularly carried out on issues pertaining to the integrated organisation and management model for all employees and any staff working within the company or for the company. A Supervisory Body including three members, one of whom is always external to the company staff and has the role of President, is in charge of checking compliance with the procedures required by the Model. This Body has independent initiative and control powers and is responsible for supervising the Organisation, management and control model for proper functioning and compliance, pursuant to Italian Legislative Decree 231/2001, as well as updating it. All employees and shareholders can contact the Supervisory Body for specific requests, or to report incorrect behaviour or any conduct that is not in line with the corporate culture by people involved in the company. This tool guarantees intra-company transparency and fosters the development of adequate, timely solutions.







Creating professional cleaning and cosmetic solutions improving the quality of life while respecting nature.



We daily respond to our customers' cleaning and personal hygiene requirements by creating effective, see-through brands and solutions that aim at making life easier for people and their children in a clean, healthy world.



Values

Our company is based on Italian spirit, innovation and transparency. It is precisely through these values that we continue offering opportunities to all our customers and staff members.



#### Manufacturing process and product quality

By leveraging a strong investment policy that has been implemented in its various key departments in recent years, Italchimica manages the whole product creation and production chain, from blow moulding bottles, through to mixing products up to points of sale, in-house.



All company departments are coordinated through the SAP HANA ERP management system, thus optimising production and operations management in all facilities.

Italchimica's results are evidence of the long work that we have been carrying out to date, in keeping with high, constant quality standards and in full compliance with relevant regulations. During the various manufacturing stages, Italchimica makes use of specific control systems in order to guarantee high quality levels of the finished products, in terms of reproducibility, completeness and accuracy.

#### F.I.F.O.

Italchimica adopts the F.I.F.O. (First In First Out) management system, which is an inventory handling method in which the first or oldest stock, or the first to expire, is the first to be shipped out. This management prevents stock from becoming obsolete.

#### HOLESS

During the bottle manufacturing process, an automatic system checks for defects on the bottle surface by blowing air.

This guarantees the automatic rejection of the bottle if faulty.

#### SENECA

Automatic dosing system of raw materials into IBCs, creating a closed circuit between raw material storage and the mixer. This system is used to most accurately dose raw materials with a high chemical risk, guaranteeing a maximum error margin of 50 g on 25,000 kg productions.

#### **CTRL EYES**

This system, based on a digital capture tool during the filling stages, checks whether the aesthetic and quality characteristics of the product are complied with: presence and positioning of information on labels and packaging.



#### Our brand portfolio

Italchimica designs and manufactures its products with quality and safety high standards, as well as respect for the environment.

The company brand portfolio is divided into two main areas, namely the Consumer division and the Professional division, which offer cleaning and cosmetic solutions for different distribution channels. Italchimica also manufactures for third parties by offering its know-how in both the cleaning and cosmetics fields.

#### Professional line



#### Consumer line



#### Membership to Organisations and Associations

With a view to being always updated on the developments of reference entities dealing with financial, technical and environmental issues, Italchimica co-operates and benefits from the consulting services of various associations by actively taking part in specific working groups. This network makes it possible for the company and its Stakeholders to make continuous improvements.













#### **Certifications and awards**

The certifications currently held by Italchimica are divided into "System certifications" and "Product certifications".





## The best UNDER 40 COMPANY in the province of Padua

The Premio Industria Felix – L'Italia che compete (Felix Industry Award – Italy competing) is awarded by a Scientific Committee made up of high-profile economists, entrepreneurs and managers, through the assignment of "High Budget Honours", reserved for companies based in the Italian Veneto region boasting the best management performance and financial solvency or safety indicator. The third-edition scientific committee, chaired by Mr Filippo Liverini (Confindustria), analyses the figures of the journalistic investigation carried out on the basis of Cerved data with respect to the 2017 fiscal year financial statements of 14,276 SMEs and large companies with Veneto-based registered offices and turnovers/ revenues between 2 million and 12.5 billion euros.



🖘 Italchimica

# Dialogue with the Stakeholders



Italchimica deems it a priority to rely on steady, sound relationships with all its Stakeholders. They are critical players revolving around the organisation. They are a universe of people and entities interested in the organisation's products, services, status and well-being.



Over the past few years, it has been decided to launch a process engaging the internal and external Stakeholders aimed at exchanging views with them, which became more defined and was made systematic at the time when the report was drawn up.

## Our efforts in the strive to build relationships based on ongoing dialogue and active involvement clearly express how responsible we feel towards the social setting we interact in.

To draft its first Sustainability Report, Italchimica first conducted a mapping of its Stakeholders. Subsequently, a Materiality Analysis was carried out, aimed at identifying the topics to be covered in the report, as well as highlighting the main impacts of our activities and addressing our sustainability strategy and value creation over time.

#### **Stakeholder Mapping**

Stakeholder mapping is defined as a series of activities aimed at identifying the categories of stakeholders that are most significant to an organisation, at a given time and with respect to one or more topics of specific interest. During 2019, an analysis of the Stakeholders was carried out by involving top managers with the administration of a specific evaluation questionnaire. This made it possible to identify the categories of significant Stakeholders for the company, and priorities were assigned based on their importance for the Company in terms of dependence, responsibility, influence, outlook diversity. The mapping results made it possible to address some Stakeholder engagement activities.

#### **Materiality analysis**

The materiality analysis is aimed at identifying the issues that are deemed to be substantial, that is truly significant for Italchimica and its Stakeholders, through a matrix. The analysis was carried out by the Sustainability Unit<sup>2</sup> through a structured process directly involving crucial departments' managers. The analysis was conducted in two steps, a first one focused on evaluating potential issues, and a second one investigating how significant these issues are for Italchimica and its Stakeholders.

## We assessed the Company's current positioning with respect to the various sustainability challenges resulting from the business environment and reference market.

As a first step, an enlarged, transversal work team, coordinated by the Sustainability Unit<sup>2</sup>, was created. Its activity first focused on understanding the social, environmental and economic implications of the Company's business in the specific relevant industry. To this end, the information and data required by GRI was examined, and specific industry reports were analysed, such as the 2018-2019 Activity & Sustainability Report published by AISE (International Association for Soaps, Detergents and Maintenance Products) and various publications by Federchimica Associations outline the sector's contribution to the EU socio-economic development and the main challenges the industry is urged to address, particularly from an environmental standpoint. All potential substantial issues were therefore identified through a complex comparison with the reference sector.

The topics were submitted to in-house managers as well as the internal and external Stakeholders through workshops and the administration of a specific questionnaire.

An ad-hoc social media campaign was also carried out to collect feedback by focusing, in particular, on end consumers. As a result, the spokespersons of Italchimica's vision and various Stakeholders assessed each issue by attributing a vote on a 1 (not important) to 5 (very important) scale.

Following the approach suggested by GRI and commonly adopted within the scope of Sustainability Reporting processes, a Materiality Matrix was created. It outlines the main results of the analysis. All the topics referred to in the Matrix are dealt with in-depth throughout the document.

Italchimica's goal for 2020 is to expand the involvement and consultation process to a greater number of Stakeholders. This will make it possible to increase the wealth of data and information needed to more broadly and diversely address substantial issues. This will be done by engaging the Stakeholders in increasingly effective and structured ways. Strengthening stakeholders' consultation processes will also result in improving the reporting process, thus making it increasingly aligned with the various stakeholders' information needs.

2- The Sustainability Unit is made up of those company figures responsible for disseminating the culture of sustainability within the company and, jointly with major departments, for managing the risk related to sustainability issues, as well as identifying improvement areas and projects, thus contributing to creating long-term value. It also puts forward a sustainability strategy and an annual Sustainability Plan.



## Environmental responsibility



## For years, Italchimica has taken up the important challenge of contributing to environmental sustainability and has been committed to achieving ever more ambitious goals, recognizing in it an opportunity for growth and change.

Responsibility for the company's impact on the environment is core to Italchimica's strategic approach. Climate change and water and plastics management are key challenges of our present and future. Atmospheric carbon dioxide levels are currently higher than they have been in the last 800,000 years, and are on the rise. Cumulative carbon dioxide emissions (CO<sub>2</sub>) and the average increase in the surface temperature of our planet are almost linearly related. The consequence is unprecedented global warming, which is having a significant impact on Earth: violent storms, droughts, fires, floods, melting glaciers and rising sea levels. It is precisely through water that we can observe the greatest effects of climate change. Global warming is already having a measurable effect on water, altering its quantity, distribution, supply timelines and quality. Freshwater ecosystems are the most threatened on the planet. Today, 60% of mainland's water is not in a good "health condition" because its overexploitation has been allowed, thus causing permanent damage to the environment and main sources. Added to that is the problem of poor plastics management. Plastic materials have always been essential components of products and packaging; they have revolutionised all industrial sectors, because they are resistant, lightweight and cost-effective. If not properly handled, however, they will release greenhouse gases into the environment during their decomposition process, and build up in air, soil, rivers, lakes and oceans, causing problems to fauna, flora and man-made habitats. This is why the plastics industry is being the target of a strong denigration campaign which, however, does not properly focus what the real problem is like. To date, plastic cannot be entirely replaced and is a key resource. For this reason, it must be protected, studied, certainly improved but, above all, better managed, by paying greater attention to the products' end-of-life cycles, waste recovery and recycling, as well as by raising awareness among end consumers.

## Italchimica's goals are in line with many of the targets set by the sustainable development objectives included in the UN 2030 Agenda on the environment

In a medium to long term, it goes without saying that Italchimica's commitment will be focused on optimised environmental management; the progressive supply of renewable, recovered and recycled raw materials; the gradual reduction of emissions and energy consumption; optimised waste management and water conservation.



\_\_\_\_2030

Contributing to improving air quality through an emission reduction plan: we envisage a future investment in clean energy from renewable sources, as well as optimising waste management and enhancing future recycling projects.

Italchimica is already contributing to this goal by recovering plastic materials and providing users with clear instructions on product labels about how to separately collect each component of the finished product.



Improving water quality by reducing pollution and the release of chemicals and hazardous materials, as well as enhancing recovery and recycling.

Italchimica is already contributing to this target by recovering the wash water.



#### Promoting investments in clean energy technologies (installation of photovoltaic panels).

Italchimica intends to contribute to this target as soon as possible by including said technologies in the industrial plan



Enhancing procurement practices for renewable raw materials and significantly curb waste production through prevention, reduction, recycling and reuse.

Italchimica is already contributing to this target by currently using renewable raw materials, recovering water and plastic materials, recycling silicone paper, manufacturing concentrated products with low water requirements, and providing the end user with clear instructions for use.



→2020

Take important measures to counter climate change and its consequences, by optimising environmental management and supplier assessment, as well as reducing emissions with clean energy.

Italchimica is already contributing to this target by keeping up and continuously improving an integrated environmental management system.



 $\longrightarrow$  2025

Significantly preventing any kind of marine pollution, resulting, in particular, from land-based activities, including marine litter.

Italchimica is already significantly contributing to this target by committing to progressively removing microplastics from all its products by 2021.

Expected conclusion 4 years in advance

#### **Environmental management and supplier environmental assessment**

With a view to disclosing the guiding principles for quality, product safety and respect for the environment to all its stakeholders, in 2013 Italchimica deemed it essential to implement and maintain a quality management system in accordance with the ISO 9001 standard, which naturally evolved into an Integrated System, with the environmental management being governed by the ISO 14001 standard.

Enabling and keeping up an Environmental Management System within the company means manufacturing with an aim of reducing, preventing and curbing negative impacts on the environment in everyday activities, while respecting the surrounding areas.

With a view to continuously improving sustainable performance, we are constantly committed to promoting and supporting the following operational guidelines:

• conforming product management to the environmental regulations in force in all target countries;

• bringing the company to ever higher levels of process and product quality in compliance with all current legislation, for it to be recognised by its Customers and certified by the relevant accredited bodies;

• control and reduce the environmental impact of business activities (optimised use of resources, water discharges, discharges into the atmosphere, waste production and proper management) in order to prevent the risks of pollution;

• adopting internal management procedures for the company, based on maximum protection of the environment;

• planning environmental performance goals. In particular, pursuing the ongoing improvement of environmental performance by reducing the threshold of acceptable risks;

• planning and implementing plans to achieve the goals set by allocating adequate, qualified resources for this purpose;

- periodically assessing the results obtained;
- disclosing and disseminating environmental performance goals and results to the departments involved;

• taking care of business growth to make it always innovative, flexible and capable of adapting to the needs and requests arising from the market and customers. Along these lines, in 2015, the Company was granted the EU Ecolabel ecological quality brand. It distinguishes products and services which feature a reduced environmental impact throughout their life cycles while ensuring high performance standards;

• enhancing human resources in order to spur staff involvement in the ongoing improvement of company standards in terms of product quality, workplace safety and environmental protection;

• involving suppliers to play an active role in the company's environmental policy.

In 2016, Italchimica adopted the organisational, management and control model envisaged and governed by Italian Legislative Decree 231/2001, with a view to supporting the development of fair relationships between the company, its directors, employees and suppliers. Implementing Model 231 has also contributed to strengthening environmental management: in the last three years, Italchimica has boasted zero environmental non-conformities, in terms of waste, water, discharges and Habitat, flora and fauna protection management.

In the relationships with suppliers, special attention is paid to promoting Quality, Safety and respect for the Environment. For this purpose, mutual co-operation and trust are supported and enhanced in relations. **Suppliers are selected based on the assessment of performance quality and cost-effectiveness, technical-professional suitability, respect for the environment according to the rules set forth in specific regulations and procedures.** 

**Italchimica plans to strengthen the management process aimed at measuring suppliers' performance and promoting the improvement of supplies in line with sustainability parameters.** The sustainability assessment plan includes the following macro-steps:

- analysing and assessing one's own supply needs taking into account the "economic weight" that any sustainable purchase has in relation to the volumes and overall value of purchases;
- identifying supplier selection criteria and defining sustainable purchasing goals to be achieved on a yearly basis;
- planning assessment and monitoring systems for suppliers' sustainability performance.

#### **Raw materials**

Italchimica has been committed to managing raw materials responsibly and, in particular, to contributing to preserving natural resources and biodiversity for many years now. Our business is based on a progressive use of renewable ingredients<sup>3</sup> to improve the overall features of our products.

Renewable raw materials are essential ingredients of our cleaning and cosmetic products. They account for 80% of the total quantity used. Renewable materials include surfactants, additives and natural extracts in addition to water, which is a rapidly depleting primary resource and, as such, requires to be managed and protected in the best possible way.

The procurement of raw materials is based on a system for the assessment and management of suppliers and their products in terms of Quality, Safety and respect for the Environment (Integrated System ISO 9001, ISO 14001 and OHSAS 18001). This assessment involves a key step, namely checking product compliance from a technical and statutory point of view. Over the years, a critical procurement of this type has made it possible for us to establish relationships of mutual co-operation and trust with our suppliers.

From a geographical point of view, 94% of our suppliers are based in Europe.

Once raw materials have been delivered to our manufacturing plant, they are stored in special tanks inside or outside the company, according to their specific categories. The materials used to create packaging are sent to the blow moulding department, where bottles are manufactured. On the other hand, the raw materials needed for formulations, depending on the product to be made, are taken selectively from their specific tanks and sent to the mixing department. The total yearly quantity of raw materials used is in the range of tens of thousand tonnes.

Raw materials (total weight used-tonnes)	2017	2018	2019
Ingredients for mixture formulation (detergents, cosmetics, biocides) *	54,443	57,841	58,254
Ingredients to create packaging and labels	3,445 (2,003 plastic + 1,442 paper)	3,500 (1,840 plastic + 1,660 paper)	3,475 (1,852 plastic + 1,623 paper)
Total	40,055	61,341	61,729

\*solvents, surfactants, emollients, fragrances, acids, bases, salts, additives, sequestering dyes, bleaches, viscosizers, waxes, preservatives, biocidal substances

<sup>3-</sup> Renewable material: material deriving from abundant resources that are quickly reconstituted through ecological cycles or agricultural processes, so that the services provided by these and other related resources are not jeopardised and remain available for future generations (Glossary of GRI standards 2018 -www.globalreporting.org/standards).

In the last three years, there has been a rise in the annual quantity of ingredients used to prepare mixtures (+ 7% from 2017 to 2019). Parallelly, a surge in the materials used to create our bottles, labels and secondary packaging was recorded (+ 0.9% from 2017 to 2019). These increases are in line with an increment in the annual production of company products (+ 7% from 2017 to 2019) as well as an ongoing, progressive development of the Company over the past three years:



Between 2017 and 2019, we increased the number of products with concentrated formulations by reducing the plastic used per dose unit, thereby consequently reducing the number of marketed bottles.

The introduction of concentrated formulation products, combined with the proper, effective transmission of instructions for use to the end user, resulted in a longer duration of use of the same bottle.

Italchimica aims to improve the supply and management of plastic materials for the creation of bottles and labels, by progressively using recycled materials <sup>5</sup> and with a lower environmental impact (such as paper as well as biodegradable and compostable materials).

#### By 2023, achieve a 30% recycled plastic content in our packaging.

In this connection, we are acting well in advance and exceeding the goals recommended by AISE by 2025<sup>6</sup>.

During 2020, an innovative triple-layer bottle with a high content of recycled plastic material (minimum 60% of plastic from recycling) is expected to be launched. With a view to progressively improve the management of plastics, we aim in parallel to continuously promote training and education campaigns for customers and consumers. From 2020, the progressive digitisation of our products' instructions for use is expected, to be also accessed through QR codes directly on each label. Together with renewable raw materials, one of the key principles our sustainable supply strategy is based on is the recovery of materials<sup>7</sup>. Several years ago, Italchimica started a long-term campaign aimed at recovering its products, for both the packaging and mixing sectors.

From 2017 to 2018, a 9% increase in plastics from internal recovery, used to create bottles, was recorded. To date, the recovered plastic used for each of our bottles accounts for about 23%.



Packaging: % of plastic from recovery

In addition to further increasing the use of recovered material, we are focusing on identifying new opportunities especially in the field of recycling. In particular, **we are working on a project for the 0-km collection of plastic waste.** 

5- Recycled material: material that replaces virgin materials, purchased or obtained from internal or external sources and which are not by-products and production waste of the organisation (Glossary of GRI standards 2018 -www.globalreporting.org/standards).

 6- A.I.S.E. has developed a voluntary initiative on plastic packaging for the cleaning product industry, in order to respond to the request for action within the scope of the EU Plastics Strategy. The initiative aims to increase the volume percentage of recycled content in plastic packaging in the next few years, and sets ambitious targets to be achieved by 2025:
\* ensure that packaging can be recycled, reused and reprocessed.

7- Recovered material: refers to a product and its packaging which, at the end of their useful lives, have been collected, reused or recycled (Glossary of GRI standards 2018 -www. globalreporting.org/standards).







#### Energy



As part of its activities, Italchimica uses electricity and methane gas to power systems and electronic devices, light offices, heat premises.

Energy consumed (kWh)	2017	2018	2019
Electric energy	4,140,938	4,854,427	4,850,263
Methane	737,578	662,737	703,499

The amount of consumed methane kWh was calculated by converting natural gas cubic metres. A standard cubic metre of methane gas (scm) corresponds to 10.69 kWh. Energy and gas are consumed in different proportions in two plants. About 90% of the electricity and gas is consumed at the headquarters and is closely linked to manufacture: this consumption varies mainly depending on the work processes (hot or cold) carried out.

Over the past two years, there have been decreases in methane consumption (-5%) and electricity (-0.1%), as a result of a 3% reduction in the number of manufactured bottles.

In the Corso Spagna building there are many variables affecting energy consumption (staff, offices, working hours, external environmental factors, systems). **Italchimica is very sensitive to the issue of clean energy from renewable sources.** This is why the future installation of photovoltaic panels has been set out in the industrial plan. In this way, savings in utility bills can be combined with clear advantages for the environment.

Our manufacturing plant is connected to the Padua municipal aqueduct's network for drinking water consumption. The source is the Brenta-Bacchiglione water catchment area, which is one of the most important basins in the Veneto region for the wide area (5,840 sq. km, including the Trentino region's part) and number of inhabitants covered (1,442,000) as well as the quantity of water carried. Based on the SPI8 index for 2019 (12 months) referred to in the Report on Veneto region's water resources, issued by the Regional Department for Territorial Safety, conditions of normality are mainly recorded throughout the Veneto region. For the February 2019 period, there are signs of overall moderate drought, with signs of severe drought mainly on the southern plain. In 2019, the Veneto region risked a water crisis similar to that recorded in 2017, a year characterised by severe drought. In particular, there was a 54% decrease in the expected rainfall between December 2018 and March 2019, and a 40% reduction in snow cover due to climate change. To counter the drought risk and optimise the irrigation network, the Region made the most substantial financial investment of the last decade. One of the areas which underwent the most significant operations within the scope of the 2019 plan was precisely the Brenta-Bacchiglione basin.

#### Water

Water is a renewable but not inexhaustible resource. It is of key importance for Italchimica. It is one of the main raw materials and as such we are committed to using it with a careful eye.

#### To really achieve water savings, we pursue a policy based on the sustainable management of water resources through targeted measures aimed not only at controlling and reducing consumption, but also at adopting good behavioural practices.

Italchimica's water requirements are as follows:

- osmotized water used as an ingredient for production;
- mains water for heating;
- osmotized water for washing systems as well as filling and packaging lines;
- mains water for civil use in both facilities.

The Company has two separate water meters - one for the offices' requirements (domestic hot water), and another for the manufacturing plant's consumption. The water that is used to create the product, therefore, becomes part of the end product.

#### The reduced increase recorded over the past two years is the result of gradually introducing concentrated formulation products as well as optimising plant and machinery washing processes.

The increase in total water consumption recorded over the last three years stems from a boost in production. Between 2017 and 2018, it accounted for 5.2%, against 2.1% between 2018 and 2019. Italchimica regularly receives bills from the water provider; the RSI (IMSM - Integrated Management System Manager) is responsible for collecting water consumption data and monitoring trends over the years.



The significant consumption percentages recorded in the three-year period examined highlight that it is necessary to act on different fronts to succeed in effectively controlling water consumption. **We try to make our staff aware of the need to reduce waste and to properly use water in toilets (by reporting any faults and malfunctions to the maintenance department). On the other hand, standard practices to minimise waste while washing the manufacturing and filling systems are regularly defined.** In addition, our manufacturing plant is equipped with a closed cycle for the recovery of the water that is used for cooling the manufacturing machinery. In 2019, a reverse osmosis system was installed, with a view to improving the chemical-physical and microbiological qualities for production and industrial processes, such as washing procedures. The treatment is based on a membrane process through which almost all the suspended and dissolved substances contained in water are removed from it. The resulting concentrate containing the removed salts is then discharged. A flow meter quantifies the volume of water discharged. Italchimica was granted the Single Environmental Authorisation, pursuant to art. 3 of the Italian Presidential Decree 59/2013, including the authorisation for discharge from an osmosis system. The company has also an authorisation for civil domestic water discharges (as required by the Environmental Consolidation Act, It. Legislative Decree 152/2006).

8- The SPI, Standardized Precipitation Index (McKeeet al. 1993) is used to characterise meteorological droughts in a given area.



#### Emissions

The starting point for devising an effective strategy to combat climate change is assessing our impact in terms of  $CO_2$  emissions (recognised as greenhouse gas, falling within the GHG "Green House Gas" category in the Kyoto Protocol) and other pollutants.

Italchimica's CO<sub>2</sub> emissions can be divided into:

- Direct, i.e. deriving from the direct combustion of fossil fuels used for heating (methane) and for refuelling transport vehicles (diesel and petrol);
- Indirect, or deriving from electricity consumption. They depend on yield and the fuel used in the power plants owned by the provider companies.

The potential climate-altering impacts generated by greenhouse gas (GHG) emissions was assessed using the "IPCC GWP 100a 2013" impact assessment method. This method proposed by IPCC (Intergovernmental Panel on Climate Change) is by far the most frequently used and recognised method by the international scientific community. The carbon impact of all greenhouse gases ( $CO_2$ ,  $CH_4$ ,  $N_2O$ ,  $SF_6$ , PFC, HCFC), which is translated into  $CO_2$ eq kgs), is taken into account in this model, as required by IPCC through the application of the most updated characterisation factors available.

In order to meet GRI objectives, activity data was recorded through a model created via dedicated software. Please note that HCFCs were not included in the calculation as there were no losses from the cooling system. During the 2017-2019 three-year period, a 17% increase in CO<sub>2</sub> emissions was recorded as a result of a boost in annual production.



#### Italchimica's carbon impact was mainly indirect and is connected for more than 80% to the consumption of electricity purchased from the provider companies. Between 2018 and 2019, there was a 0.5% reduction in the total emissions making up our indirect carbon footprint, that was linked to a 0.1% decrease in electricity consumption.

## Italchimica boasts zero emission of polluting gases such as $NO_x$ and $SO_x$ .

Equivalent CO <sub>2</sub> emissions	2017	2018	2019
Indirect eq CO <sub>2</sub> (Electrical power)	1,696	1,989	1,987
Direct eq CO <sub>2</sub> (Gas)	139	125	133
Direct eq CO <sub>2</sub> (Transport vehicles)	107	186	188

Over the three-year period, the growth in annual production and a rise in staff numbers led to a 2% increase in the direct carbon impact due to the company fleet's fuel consumption (use of a greater number of company cars and an increase in the number of road freight journeys by company lorries). In the manufacturing area there are two chimneys authorised for emissions into the atmosphere pursuant to art. 269 of It. Legislative Decree 152/2006, one in the blow moulding department, another in the mixing/filling department. Dust emissions are checked by an accredited external laboratory on a yearly basis. In addition to a systematic reduction of power consumption, the transition to a more sustainable, less impactful electricity generation system (e.g. with the introduction of photovoltaic panels), characterised by zero indirect greenhouse gas emissions, is expected. We are aware that generating power from renewable sources is contributing, in ever increasing proportions, to covering energy requirements, while significantly reducing climate-altering gas emissions caused by thermoelectric generation.



#### Waste

Italchimica is constantly committed to curbing the amount of generated waste by optimising processes and fostering widespread awareness among staff.



During the three-year period, there was a 26% increase in the annual quantity of generated waste, as a result of a boost in annual production.

Waste is collected and sorted within the company. 25% of the waste produced is not hazardous and bound for recycling. Municipal waste is managed according to the reference Municipality's legislation. Hazardous waste (75%) is always managed carefully, in compliance with mandatory regulations and with a view to minimising environmental risks. It is delivered to an external company in charge of handling and disposing of it.



94% of the waste bound for disposal is made up of the aqueous solutions resulting from the production of mixtures and the storage tanks', mixers' and machinery's washing cycles. Washing/sanitising is performed at each change of formulation. The significant increase in wash water recorded from 2017 to 2019 is a direct consequence of the growth in the number of products placed on the market to fulfil a wider range of specific applications.

#### Italchimica has embarked on the in-house recovery of wash water bound for disposal. Between 2017 and 2019 there was an increase in the percentage of water recovered.

Along these lines, progressively optimising the current recovery efforts in the medium-long term could have a beneficial impact on water conservation.



HAZARDOUS WASTE (kg)	2017	2018	2019
Wash water	1,252,410	1,310,000	1,635,030
Mineral oils for non-chlorin- ated hydraulic circuits	400	900	200
Contaminated packaging	4,140	14,030	33,420
Other contaminated materials	1,420	3,210	1,455
Out of convice equipment	0	400	0
Out-or-service equipment	0	17	0
Laboratory chemical sub- stances	0	73	31

NON-HAZARDOUS WASTE (kg)	2017	2018	2019
Toners	0	0	0
Paper and cardboard packaging	264,465	298,955	270,830
Plastic packaging	74,800	69,890	92,090
Wooden packaging	61,820	63,720	86,982
Metal packaging	0	0	0
Mixed-materials packaging	21,231	3,120	3,120
Out of convice equipment	0	75	240
Out-or-service equipment	0	63	72
Organic waste	0	0	0
Iron and steel	0	8,640	2,380

Recycling is congruent with the company's vision. Employees' and end users' have been sensitised to this issue for years by disseminating waste sorting instructions among them.

During the three-year period examined, Italchimica launched a partnership for the recovery of reel-label silicone paper, which made it possible to reduce the impact of this process step to zero (with approximately 101 tonnes of material recycled and 203  $CO_2$  tonnes saved in 2019).

Italchimica plans to progressively innovate the range of the raw materials currently used while including substances with a low impact on human health and the environment, as well as removing the most hazardous ones. In this connection, a major decrease in the quantity of hazardous wash water is estimated for the coming years.

Italchimica is actively committed to safeguarding the aquatic environment and supports all the guidelines established at European and worldwide levels to significantly reduce the amount of marine macro and micro plastic waste. It has been a long time since we took tangible actions to stop using them.

In 2018, exfoliating microplastics were eliminated from cosmetic formulations. With this choice, the requirements of the Italian 2018 Budget Law were abided by almost two years beforehand<sup>10</sup>.

By 2021, totally replacing intentionally added microplastics with aesthetic and functional characteristics is also planned. This will affect both cosmetic and cleaning products.

> Microplastics are made up of very small particles - generally sized less than 5 mm - of plastic materials. These fragments can be accidentally formed as a result of the deterioration of larger plastic pieces, including synthetic fabrics, or can be intentionally manufactured and added to certain products, such as cosmetics, cleaning detergents, etc., especially as exfoliating agents, stabilisers or in connection with aesthetic functions. Once these fragments have been released into the environment, they can build up in the body of animals, such as fish and crustaceans and as a result be ingested by consumers as food.



Social responsibility is for Italchimica a commitment to guarantee the internal stakeholders' well-being and respect. Particular attention is paid to employees, their involvement and training, ensuring talent growth and retention, as well as optimising personnel selection and training processes.

Improving the company's climate by sharing goals as well as acknowledging our staff members' value and work is essential in a rapidly changing market. To date, there is a change in the way an employee perceives their well-being within a company. Remuneration is losing its central focus. Attention is shifted to factors such as a balance between one's private and working lives, a stimulating working environment based on mutual esteem and enhancement, training, professional growth, sharing of values. Against this backdrop, the issue of corporate welfare is gathering momentum, as certified by the increase in the number of employees concerned, and by the extremely high level of knowledge among the employees themselves. As results from the third Censis-Eudaimon Report on corporate welfare, this is indeed considered a new, potentially more effective tool to improve the quality of employees' lives, counter inequalities as well as cushioning the expected material and psychological effects of the technological revolution.

Italchimica believes that its employees' active involvement in the success of initiatives and in corporate sustainability is a driving, innovating force of the future. Our policy aims to promote employee well-being and improve their health, safety and training. In this direction, we share the vision underlying some of the goals identified by the UN for 2030.



#### Goal 3:

In this direction, new area designed to guarantee better working conditions, were created over the three-year period examined. In particular, new changing rooms were built and inaugurated for the workers, along with a canteen for all employees, a new wing of the office building to enlarge the available space, and a refreshment area. 2019 also witnessed the assignment of staff to a programme focused on human resources, with two specific targets: **improving personnel administration activ-ities and outlining an HR area development plan for the next few years.** First focused on personnel selection and appointment processes, this process culminates in the development of a human resources management plan, including specific actions aimed at:

- Protecting the environment by promoting staff responsibility and reducing their impact;
- Enhancing social responsibility by implementing active development and equity policies within the company and reinforcing a well-being and work-life balance system for all staff;

Over the next two years, Italchimica is committed to making a further significant contribution to its employees' well-being, setting the following goals:

- Implementing an onboarding and induction programme in order to help new employees to more easily integrate into the organisation, by supporting them in understanding in-house processes as well as developing a sense of belonging and insights into the Company's organisational culture;
- Embedding company software to simplify communication to and from staff;
- Introducing a dedicated platform offering affiliated products and services;
- Opening a company store for employees only;



#### Goal 4:

Along these lines, **over the next two-year period, we are planning to implement a skills mapping programme while strategically scheduling training needs in line with staff inclinations.** In parallel, the creation of a company's e-learning platform to encourage employees to get updated on a free, ongoing basis, is currently being studied.

Between 2018 and 2019, the Company's population increased by 8%, thus confirming the positive trend of the past four years.

#### Human capital

People are valuable resources at Italchimica. Focusing on their ambitions and aspirations is core to our social sustainability plan, which is based on a strategy open to exchanging views and fostering dialogue both in-house and externally, in order to enhance involvement and engagement and support the Company in the development process. In that regard, developing human capital is a key factor to carry out, improve and expand business activities, as well as creating sustainable value over time.



In 2019, Italchimica had 164 employees. Between 2018 and 2019, the Company's population increased by 8%, thus confirming the positive trend of the past four years.

Nation of origin	2019 em- ployees	
Italy	123	
Moldova	20	
Romania	13	
Sri Lanka	1	
Albania	2	
Bangladesh	1	
Belgium	1	
Colombia	1	
Germany	1	
Ghana	1	

During the three-year period examined, there was a consistent growth in the number of employees for all categories. Between 2018 and 2019, there was an increase in the blue-collar worker population compared to the previous year. This trend results from a major production growth recorded by the company over the three years under examination, which called for a new workforce in the manufacturing departments. On the other hand, the white-collar population remained almost steady, registering a rearrangement of departments, with some structures being streamlined and new resources acquired in others.

Female employment in the company has averaged around 21% in the past 4 years, despite the growth in the company's population. Said percentage shows an increase in the number of mainly male blue-collar workers, recorded in the last three years.

Category	2019	Women	Men
Blue-collar workers	106 (65%)	2	104
White-collar workers	48 (29%)	28	20
Managers	10 (6%)	0	10

#### The clerical category has the highest female employment numbers. As a matter of fact, the women employee rate reached 58% of the total employees in 2019.

All employees are covered by collective bargaining agreements. Italchimica always applies merit and expertise criteria in the selection of personnel. What is important to us is offering stable positions with chances to grow within the company. For this reason, in 2019 **90% of employees were hired with open-ended contracts**, of which 3% with apprenticeship contracts aimed at fostering growth and training within the company. Italchimica also makes use of agency-supplied staff to cover production peaks, leaving full flexibility to the organisational structure. During 2019, there were fluctuations in the number of agency-supplied resources, ranging from a minimum of 10 to a maximum of 27 resources, simultaneously used in both the company's manufacturing and logistics departments, which are those mainly affected by fluctuating workloads during the year. Only one resource out of the aforesaid number is employed in the offices. In this regard, it should be noted that the periods when agency-supplied resources are more frequently used are those between April to August and November and December, in line with the cleaning and cosmetic products' seasonality effects, according to which an increase in consumption is normally recorded near the holiday periods.



	Em- ployed	Women	Men
< 30 years old	15	3	12
30 < 50 years old	14	3	11
> 50 years old	6	2	4
total	35	8	27

	Termi- nated	Women	Men
< 30 years old	4	2	2
30 < 50 years old	15	3	12
> 50 years old	4	3	1
total	23	8	15

	Overall	Women	Men
< 30 years old	12%	3.1%	8.8%
30 < 50 years old	18.4%	3.8%	14.6%
> 50 years old	6.3%	3.1%	3.1%
total	36.8%	10.1%	26.6%

Italchimica is a young, pro-active company (with an average employee age of 37), taking care to keep up with market trends. Employees under 30 are the majority of the company's workforce, accounting for 43% of the total.

The 2019 turnover rate was 37%. This percentage deviates significantly from the average of previous years. This increase can be explained by two occurrences in 2019: the implementation of a new version of the company management system that significantly impacted on the company staff, testing each employee's ability to adapt to change; the physiological turnover occurring after a few years working in the same company and performing the same jobs. This is confirmed by the fact that figures show that the company's population increased by 85% in 2015 due to several young resources entering the Company who, however, after 4 years were physiologically inclined to look for new jobs.



#### **Personnel safety**

Employee health and safety is a key issue for Italchimica. The Integrated Management System Manual (MSM)<sup>11</sup>, which operationally describes the Company's commitment to curb and, when possible, eliminate the risks to workers' safety and health, was signed in 2016. In this connection, we aim to continuously improve safety performance by constantly promoting the following operational guidelines:

- Optimising safety and health in the workplace;
- Identifying personnel's health and safety hazards and assessing the associated risks. For info, please refer to RAD (Risk Assessment Document);
- Defining prevention monitoring measures;
- Establishing goals and targets through the identification of priorities;
- Defining staff roles, responsibilities and authorities and appointing adequate resources to implement, keep up and improve the system;
- Making sure that staff have adequate skills, training and sensitivity;
- Ensuring worker communication, participation and consultation with regard to safety- and health-related issues in the workplace and in the environment.

Our employees' health and safety are priorities. In 2019, safety courses totalled 650 hours. All staff at Italchimica are involved in managing safety and health issues and urged to co-operate for the sake of protection through periodic training, constant information and daily guidance precisely on the basis of this stake.

Every four months, when periodic meetings are held by company management with each Business Unit, employees are updated on the health and safety improvements adopted or planned, the accidents at work rate trends and staff training plans. On these occasions, all employees are called upon to actively contribute to the development of the prevention and protection system by reporting suggestions for improvement in operating procedures, and suggesting new work methods that can reduce work-related risks. Employees are also required to regularly take part in the Company's safety training courses. All workers are given thorough, proper training on workplace safety, the associated risks and the prevention measures to be taken. The generic training course is the same for everyone, whereas the course on specific risks varies according to one's employee category. In particular, the topics of the training course for white-collar workers, who do not access the manufacturing department and carry out typical office tasks, refer to low-risk situations, possible damage and accidents, as well as the consequent prevention and protection measures and procedures associated with typical office activities (work environment, microclimate, lighting, video terminals, emergency procedures, etc.). On the other hand, the manufacturing department's operators are trained to tackle high-risk situations connected to their specific jobs (chemical risk, electrical risk, mechanical risk, vibration, noise, manual handling of loads, etc.). With regard to prevention, it is essential for operators to be rigorously trained on the use of personal protective equipment and on the regulatory framework governing safety and health in the manufacturing department. In 2019, 21% of accidents were attributable to home-towork travel, while 79% of accidents were caused by accidents in the workplace. Downstream of the accidents, Italchimica conducted an in-depth analysis to improve employees' safety, with a view to reducing accidents, minimising hazards and curbing risks. In this connection, the Company also collaborates with an Occupational health physician to periodically carry out medical examinations and inspections, and to manage prevention, diagnosis and work-related stress treatment as well as, if necessary, professional diseases.

* Rates were calculated	based on 200,0	00 working hours
-------------------------	----------------	------------------

Employee safety data	2017	2018	2019		
Total working hours*	249,555	348,623	361,269		
of which commuting injuries	2	0	3		
INAIL accidents (> 3 days)	8	11	11		
1-to-3 day accidents	2	5	0		
Fatal accidents	0	0	0		

11- The MSM describes and outlines the Company's management system, created in compliance with the standards OHSAS 18001: 2007 and ISO 14001: 2015, as well as the requirements set out in art.30 of It. Legislative Decree 81/2008 and It. Legislative Decree 231/2001.



#### **Staff training**

During the 2017-2019 three-year period, several executive or 2nd level university master's degree courses were funded for company staff in the fields of Administration and Finance, Operations and the Environment, Corporate Management, Human Resources and Project Management. **All company staff, both direct and agency-supplied, are subject to an annual assessment of their work aimed at identifying areas for improvement and the strengths of each employee.** This tool has been implemented with a view to tracing professional growth paths for individual employees and identify the necessary preparatory training actions for them. This assessment, disconnected from the company incentive systems, is intended as an opportunity for bilateral comparison and analysis among employees have an opportunity to report their comments and requests in comparison forms. This feedback tool, already available in the company but still under development, paves the way for an integrated system aimed at analysing and assessing the skills to be implemented by the company over the next three years. The system provides for the implementation of the following points:

- adoption of new IT tools to simplify collected data storage and processing;
- design of a corporate assessment to classify the whole workforce and their skills and training needs;

• adoption of cross-cutting, specific training delivery plans for all company resources, based on the identified needs and with a view to continuous training.

Italchimica supports the training of its employees to ensure that they can grow and bring new knowledge and skills into the company.



Transparent communication to all stakeholders on how to manage the economic resources received and the economic impact on the primary stakeholders are priorities for Italchimica. This is key to building and developing trust relationships as well as generating value for the stakeholders themselves, the community and the area in which the company is active, in a perspective of continuity and interest reconciliation.

### By 2050, the world's population is expected to reach 9 billion people, 70% of whom will live in resource-intensive urban areas.

To date, an extremely delicate challenge is being faced: the global human footprint is already greater than what the planet's resources are able to support. The global economy acceleration will, therefore, determine a steady increase in consumption while progressively depleting resources. Hence, in the coming decades, the population and standard of living increase will go hand in hand with fewer and fewer resources. **Italchimica shares Vision 2050, released by the World Business Council for Sustainable Development (WBCSD): "In 2050, 9 billion people will be living well, within the boundaries of the planet's resources."** 

This way, we will contribute to both Italchimica's economic growth and the progress of Sustainable Development, in line with one of the goals identified by the UN for 2030.





We are committed to achieving higher levels of economic productivity through diversification, technological updating and innovation by 2030.

In this connection, we are devising a 2021-2023 industrial plan based on a concerted strategy for a climatically neutral, resource-efficient and competitive economy. According to a recent study, applying the circular economy principles to the EU economy as a whole could increase GDP by a further 0.5% by 2030 and create around 700,000 new jobs.

Italchimica wants to create more value for customers and consumers by reducing its footprint on the planet. Our commitment aims to provide high quality, functional, safe and efficient products that last longer and are designed to be reused or subjected to quality recycling processes.

Alongside continuously innovating our products, we aim to enhance product-as-service models. In this vein, we promote sustainable services improving the quality of life, increasing knowledge and maximising skills. In the medium-long term, the strategic framework of Italchimica is based on the following key points:

#### Designing sustainable, safe products

By gradually replacing the linear "take-make-dispose" approach with a circularity model, and by encouraging the replacement of hazardous substances to better protect citizens and the environment. Against this backdrop, we are already using tools such as the ecological EU Ecolabel brand, and compliance with Green Public Procurement (GPP) criteria.

Providing the ability to make informed choices Addressing public buyers, end users and consumers. From this perspective, strengthening consumer knowledge and protection together with the purchasing power of public authorities can become a powerful driver of profitability;

#### Optimising waste management

In support of circularity, aiming to invest in the secondary raw materials market. In this respect, it is essential to find tangible solutions to the current issues associated with this kind of raw materials, such as safety, performance, availability and costs.



#### Economic Impact

In 2019, Italchimica recorded a turnover of 62.1 million euros against a total production of 54,319,918 pieces. Turnover and production basically followed the growth trends of previous years, reinforcing Italchimica's role as one of the leading Italian manufacturers of cleaning and cosmetic products.

## Over the past five years, turnover has more than doubled, recording a 123% increase compared to 2015.



Last year's growth trend mainly concerned the margins of products sold, which were increased as a result of optimising and automating in-company processes.



#### Added value

The added value of a company is the wealth produced by it during the year, namely the difference between gross production and the consumption of goods and services. To calculate it, reclassifying the income statement's entries for the year is required, in order to highlight how the company's added value was generated and distributed by expressing the relationships between the company and the socio-economic system it interacts with in monetary quantities, with particular reference to the main stakeholders.

PRODUCTION VALUE	2017	2018	2019
Revenues from sales and services	55,876,182	61,470,675	62,140,725
Changes in inventories of work in progress, semi-finished and finished products, and work in progress to order	1,388,813	764,319	-328,379
increases of non-current assets from in-house production	-	-	0
Other income	159,060	469,790	1,031,529
Total	57,424,055	62,704,784	62,843,875
INTERMEDIATE PRODUCTION COSTS	2017	2018	2019
For raw, ancillary and consumable materials and goods	25,638,813	25,722,863	25,437,385
For services	18,059,893	19,922,270	16,892,056
For leased assets	2,762,815	3,054,861	2,999,647
Changes in the stock of raw, ancillary and consumable materials and goods	-498,175	-630,035	-520,611
Other operating expenses	306,407	914,190	645,409
Total	46,269,753	48,984,149	45,453,886
ADDED VALUE	11,154,302	13,720,635	17,389,989

#### The 2019 increased added value made it possible for the company to gain a larger market share and to further invest in Research & Development and Sustainability.

The aggregate added value generated by Italchimica in 2019 amounted to 17,389,989 euros, with revenues totalling  $\in$  62,140,725, slightly up as against 2018, and costs down 6.3%, reflecting the aforementioned improved margins.

%	Reference
47.65%	Personnel remuneration
16.21%	Payments due to amortisation and write-downs
0.74%	Remuneration of loan capital
9.03%	Payments to public administration bodies
26.37%	Company's remuneration



	GRI standard issues	Sustainability Report
	102-1 Organisation's name	Our background
		Our background
	102-2 Activities, brands, products and services	Manufacturing Process and product quality
		Our brand portfolio
	102-3 HQ location	Website description
	102-4 Business location	Website description
	102-5 Ownership and legal form	Governance
		Our background
	102-6 Served Markets	Our brand portfolio
		Our background
	102-7 Organisation's name	Manufacturing Process and product quality
		Human capital
Profile Organisation		Economic Impact
		Added value
		Governance
	102-8 Information on employees and other workers	Human capital
		Raw materials
	102-9 Supply chain	Environmental compliance and supplier environmental assessment
	102-10 Significant changes to the organization and its supply chain	Website description
	102-11 Precautionary principle	Environmental compliance and supplier environmental assessment
		Membership to Organisations and Associations
	102-12 External initiatives	Certifications and awards
		Membership to Organisations and Associations
	102-13 Membership to associations	Certifications and awards
		Letter to the Stakeholders
		Dialogue with the Stakeholders
Strategy	102-14 Statement by a senior executive	Environmental responsibility
		Social responsibility
		Economic responsibility
Ethics and integrity	102-16 Values, principles, standards and rules of conduct	Governance
Governance	102-18 Governance structure	Governance
	102-40 List of the Stakeholder groups	Dialogue with the Stakeholders
Stakeholder Engage- ment	102-41 102-41 Collective bargaining agreements	Human capital
	102-42 Identification and selection of the Stakeholders	Stakeholder Mapping
	102-43 Stakeholder engagement methods	Materiality analysis
	102-44 Key critical issues raised	Materiality analysis
	102-45 Subjects included in the consolidated financial statements	Methodological note
	102-46 Definition of the report contents and scope of the issues	Materiality analysis
	102-47 List of material issues	Materiality analysis
	102-48 Information reviews	Methodological note
Reporting practices	102-49 Reporting changes	Methodological note
	102-50 Reporting period	Methodological note
	102-51 Date of the most recent report	Methodological note
	102-52 Periodicity of reporting	Methodological note
	102-53 Contacts for inquiries about the report	Methodological note
	102-54 Statement on reporting in accordance with GRI Standards	Methodological note
	102-55 Index of GRI contents	Content INDEX
	102-56 External assurance	Methodological note



	GRI standard issues	Sustainability Report
Management ap- proach	103-1 Material issue explanation and boundaries	Whole Report
	301-1 Materials used by weight or volume	Raw materials
	301-3 Recovered or regenerated products and relevant packaging materials	Raw materials
		Waste
	302-1 Energy consumed within the organisation	Energy
	303-1 Interaction with water as a shared resource	Water
	303 -5 Water consumption	Water
	305-1 Direct GHG emissions (Scope 1)	Emissions
Environmental issues	305-2 Indirect GHG emissions due to energy consumption (Scope 2)	Emissions
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions to air	Emissions
	306-2 Waste by type and disposal method	Waste
	307-1 Non-compliance with environmental laws and regulations	Environmental management and supplier environmental assessment
	308-1 New suppliers that were assessed using environ- mental criteria	Environmental management and supplier environmental assessment
	401-1 New employees hired and employee turnover	Human capital
Social issues	403-1 Occupational health and safety management system	Personnel safety/ Staff training
	403- 2 Hazard identification, risk assessment and acci- dent investigation	Personnel safety/ Staff training
	403-3 Occupational medicine services	Personnel safety/ Staff training
	403-4 403-4 Worker communication, participation and consultation with regard to health and safety at work issues	Personnel safety/ Staff training
	403-5 Training employees on health and safety at work issues	Personnel safety/ Staff training
	403-9 Accidents at work	Personnel safety/ Staff training
	404-1 Average training hours per year per employee	Personnel safety/ Staff training
	404-2 Employee skills updating programs and transition support programs	Personnel safety/ Staff training
	404-3 Percentage of employees whose performance and professional development are periodically assessed	Personnel safety/ Staff training
Economic issues	201-1 Direct generated and distributed economic value	Economic Impact
		Added value



#### Help the environment, use the catalogue in digital format. Thanks.

