2022 Sustainability report

Consolidated Non-Financial Statement
pursuant to Italian Legislative Decree 254/2016

DE NORA

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Letter to Stakeholders

Dear Stakeholders,

I am pleased to present the De Nora Group's first Non-Financial Statement for the reporting year 2022. With this document, we strive to respond to the growing attention that all our stakeholders pay to environmental, social, ethical governance and economic issues. We recognise and take into consideration the growing awareness of 'green' issues in the communities in which we operate.

Our commitment to pursuing an ethical and sustainable business lies at the foundation of our Group and is clearly stated in our vision and mission statement. This commitment is based on the continuous improvement of our green technologies portfolio thanks to the enthusiasm of our talents and the initiatives taken for their development.

Over the past years, the De Nora Group has been committed to a path of improvement focused on sustainable development, confirmed by adhering to the UN Global Compact Principles and committing to the UN's 17 Sustainable Development Goals by 2030. We intend to further strengthen this commitment in the near future.

2022 was a very important year in our history. On 30 June 2022, De Nora made its début on the stock exchange with its listing on the Euronext market in Milan, representing the first IPO of significant size in Europe since the outbreak of the war in Ukraine. The Group achieved significant financial results in 2022, including remarkable growth in sales and adjusted EBITDA, which increased by about 50% year-on-year. We are proud of how we have achieved these goals: by continuing to invest in research and development projects to create environmentally-friendly, cleaner technologies and solutions so that our customers can benefit from reduced energy consumption and consequently reduce their carbon footprint.

We launched a number of energy efficiency projects at our facilities during the year and installed photovoltaic panels at our production site in Germany to increase the amount of self-produced clean energy.

In the context of the IPCEI Hy2Tech funded project promoted by the European Community, we started to cooperate with SNAM, a leading company in the energy sector, to build a Gigafactory with a total surface area of 15,000 square metres in Cernusco sul Naviglio. The factory will deal with the development and production of technologies and components for the electrochemical generation of hydrogen and its subsequent use in fuel cells. Once fully operational, the factory will be able to produce up to 2GW of equivalent hydrogen.

Sustainability also extends beyond environmental issues at De Nora. In fact, people are at the very heart of our project, and in 2022 the workforce grew by 12%.

We pay particular attention to workplace safety in our factories and offices, going further by applying well-being across the board with dedicated policies , training and awareness-raising courses, regulating working hours in the company and remotely in a family-friendly manner in order to increase flexibility and work-life balance, and allocating welfare packages for employees, including insurance and tax-free benefit plans.

We also pay a great deal of attention to those around us: in fact, the entire Group is committed to establishing supportive relationships and partnerships with schools and universities, contributing to the well-being of the community in the areas where we operate through dedicated projects, and supporting various associations and charitable organisations that work in the social field or fund humanitarian projects in various parts of the world.

We assure all our stakeholders of our constant commitment to carry on, as we have done for the last hundred years, the values of continuous improvement and enthusiasm for what we do, engaging in the development of technologies that make our world a better place.

Paolo Dellachà
CEO, De Nora

01 Identity of De Nora

De Nora is a multinational group committed to innovation and sustainable growth in clean energy and water treatment, and has a history of successes and innovations that have revolutionised modern electrochemistry. In fact, De Nora's technologies are recognised as solutions that facilitate transformation processes in many industrial applications: primary chemical production, electronic applications, water purification, galvanic processes, energy storage, cathodic protection of infrastructure and many others.

1,929
Employees

-25%
Energy intensity

+53%
Hours of training in the year

-32%
of injuries in the year

781
Suppliers involved in the evaluation of EGS topics

Adhering to international networks

THE GLOBAL COMPACT
WE SUPPORT

Partnerships with local schools and universities

Università degli Studi di Milano Bicocca

Istituto Maria Consolatrice

Istituto tecnologico “Don Bosco”

Istituto E. Molinari

Partnerships with charities

FAI
I 200 DEL FAI
Noi sosteniamo il FAI

Protection and improvement of Italy’s historical and artistic heritage

ASSOCIAZIONE CAF
Centro Aiuto Minori e Famiglie

Promotion of foster care places for children separated from their families

Associazione contro la leucemia
progetto emo-casa
ONLUS

Fight against leukemia

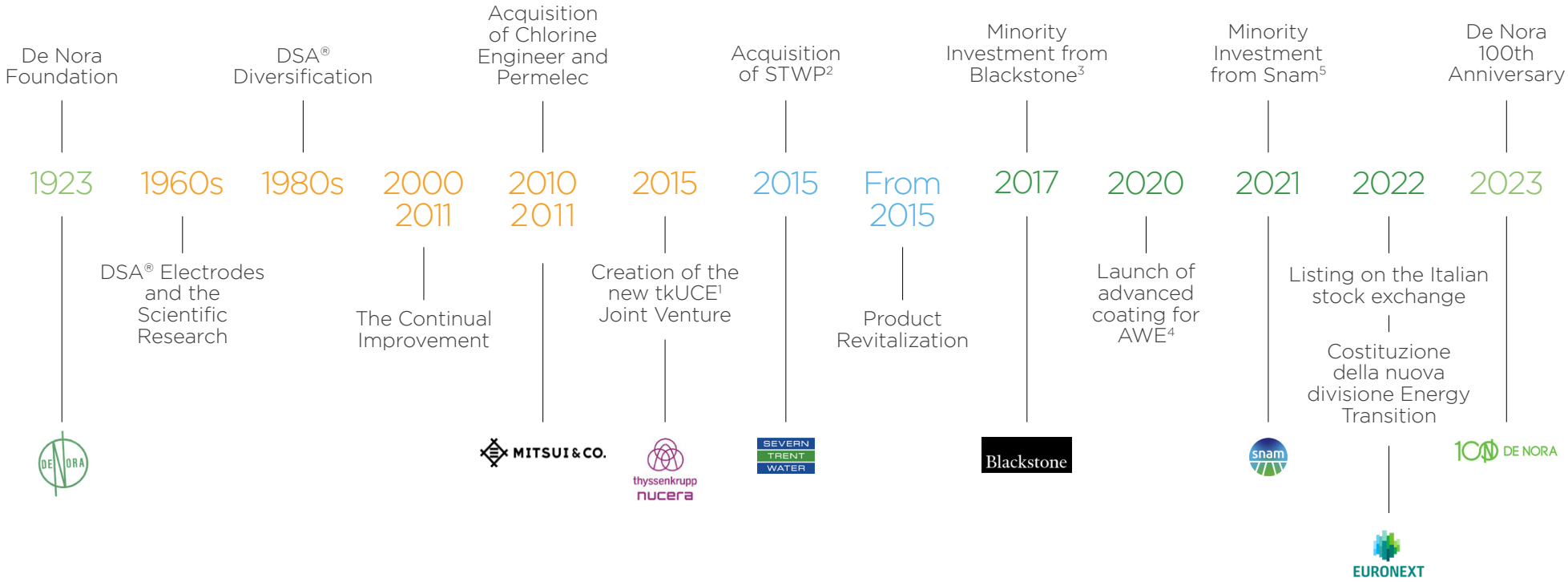
PizzAut
NUTRIAMO L’INCLUSIONE

Supporting the PizzAut Lab, which promotes education and employment for people with autism

AlatHa Onlus

Inclusion of people with reduced mobility

History



- Pioneering Electrochemistry
- Expanding Water Domain
- Entering Energy Transition

[1] First Joint Venture with thyssenkrupp Uhde Chlorine Engineers ("tkUCE") was set up in 2001, renamed tk nucera in 2022.
[2] Acquisition of Severn Trent Water Purification Technologies.
[3] Approximately 33% stake acquired from the De Nora family in April 2017.
[4] AWE: Alkaline Water Electrolysis.
[5] Approximately 35% stake acquired from Blackstone in January 2021.

The history of the De Nora Group began in 1923 with the initiative of Oronzio De Nora, who filed his first patent application for an electrolytic cell for alkali chlorides that year. Since its inception, the Group has focused on the electrochemical sector, with a particular emphasis on technologies in the chlor-alkali sector.

The marketing of electrochemical systems for the chlor-alkali market spread worldwide, and the DSA® brand was registered in 1970. After decades of highly successful product development, the Group initiated an offer diversification strategy and pursued internationalisation, first entering the Japanese market through a joint venture with Mitsui & Co. Ltd., and founded Permelec Electrode Ltd. to market DSA® anodes in Japan.

Thanks to the successes in chlor-alkali plant engineering and DSA® anodes, the Group accelerated its expansion abroad, entering the markets of Singapore, Brazil, India, China, the United States and Germany, setting up joint ventures and subsidiaries to serve the growing number of local customers and provide essential after-sales service.

The Group continued its expansion in the 2000s, beginning a major transformation from a small specialised company to a multinational company with a broad product portfolio, a company committed to growth and driven by the sustainability of its technologies and the goal of providing clean water for all.

In 2015, the process of consolidating and integrating the companies operating in the water and waste water treatment and sanitation sector began with the establishment of the Water Technologies business segment.

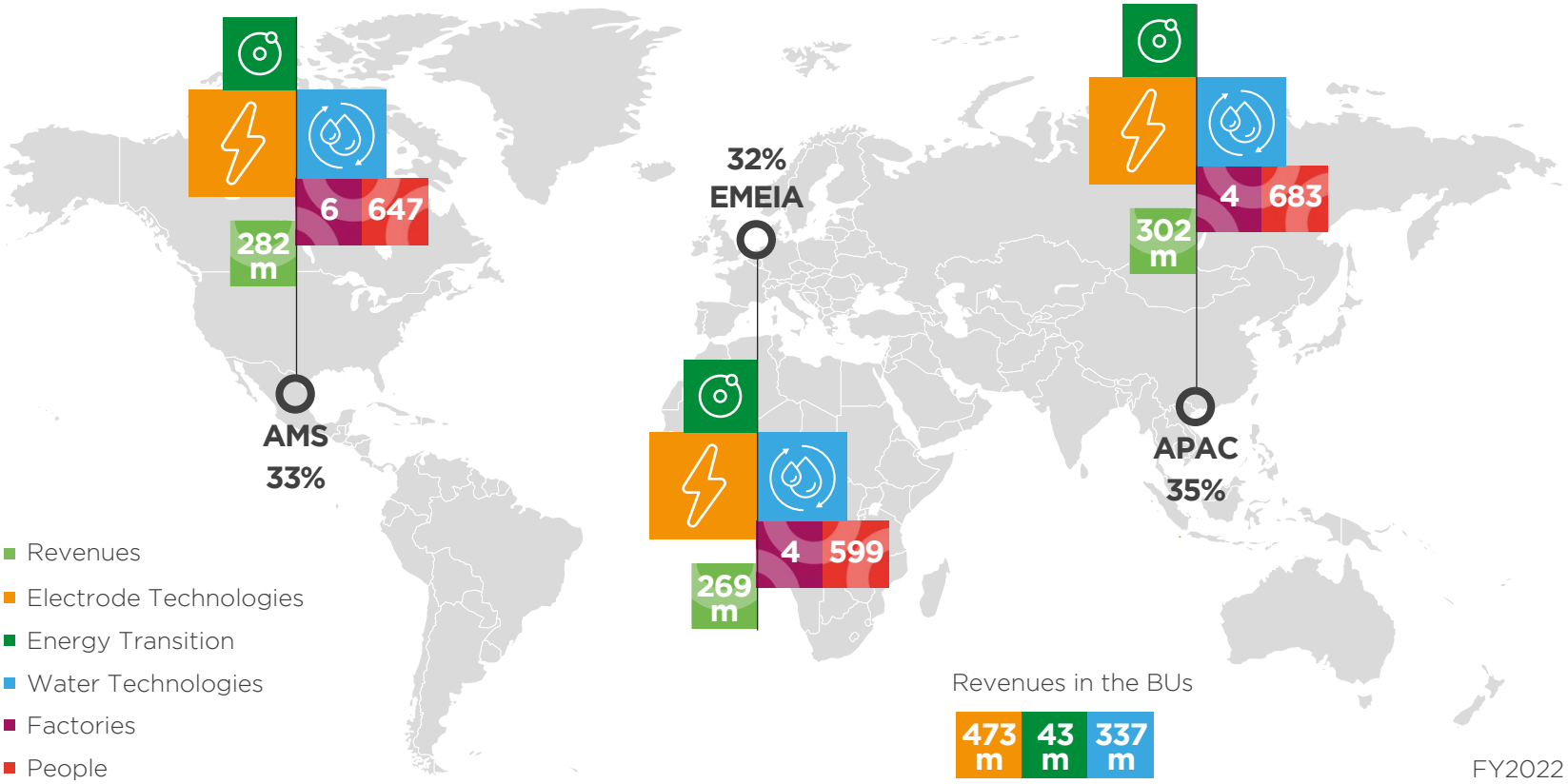
In 2021, Snam S.p.A., one of the world's largest energy infrastructure operators and one of Italy's largest listed companies, bought from funds managed by Blackstone Tactical Opportunities ('Blackstone'), which had previously acquired 32.9% of the share capital from the De Nora family, their entire shareholding.

On 30 June 2022, Industrie De Nora was listed on the Euronext stock exchange in Milan.

De Nora in the World

The Group is present in ten countries through 25 operating sites and subsidiaries, including 14 plants and five R&D centres that ensure the continuous improvement and expansion of proprietary technologies. The Group's intellectual property portfolio currently comprises over 260 patent families with more than 2,800 territorial extensions.

With its widespread presence and broad product portfolio, De Nora can effectively serve customers in over 100 countries, with more than 1,900 employees worldwide. De Nora operates in three macro-regions: EMEIA (Italy, Germany, UK, UAE and India), AMS (USA and Brazil) and APAC (China, Singapore and Japan).



Core Pillars

De Nora's core principles represent how the company approaches the world: what it wants to be and how it intends to lead the future.

Reference Partner - The Approach to Stakeholder Relations

De Nora's main customers are also the Group's reference partners: the solutions developed are successful and unique thanks to the continuous exchange of information and alignment towards common goals. The search for eco-friendly solutions for our planet and the focus on achieving the best quality of life for everyone have been ethical commitments since the organisation's foundation.

Continuous Improvement - The Approach to Business

Continuous improvement is the fuel behind the daily activities in all aspects of business, from identifying a new challenge to implementing its innovative and improved solution.

Sustainability - The Approach to the Environment

The principles of sustainability are embedded within De Nora through the products and services offered by the Group. The objective of De Nora's solutions is to provide electrodes and systems that offer best performance and minimise environmental impact, energy consumption and carbon footprint, treating and recycling water, reducing waste and preventing environmental pollution.

Engagement - The Approach to Daily Work

One of the key commitments is to attract, keep motivated and continue to develop talented individuals within the company. Employees are encouraged to look after themselves, their colleagues and all stakeholders, to meet the needs of the communities in which the company operates, to nurture and support future generations, and to find clean alternatives and new paths towards a circular economy.

Business Model

With almost 100 years of history and consolidated international experience, De Nora is a technology leader in three business segments, each with its own portfolio of specific products and services: Business *Electrode Technologies*, *Business Energy Transition* and *Business Water Technologies*.

Recently, the Group has focused its research activities in the field of hydrogen, developing a new generation of electrodes capable of very high performance with low energy consumption, making the systems in which they are installed extremely competitive. The energy transition appears to be the natural evolution of the core electrode business.

After-sales services are essential for the maintenance or modernisation of systems. Related activities include periodic maintenance and replacement of obsolete technology with better performing products, technology updates with technological improvements, spare parts supply, electrode design and redesign, performance monitoring and laboratory analysis, field and remote technical support services, training programmes, testing agreements and leasing contracts.

The continuous improvement of the product portfolio enables the Group to offer its customers technologies that meet new process targets and market demands.

ELECTRODE TECHNOLOGIES

Worldwide No. 1 electrode supplier with applications in several end markets

- Supplier of electrodes for **chlor-alkali** applications
- Supplier of electrodes for **electronics**
- Supplier of electrodes for **electrofiltration of nickel and cobalt**

ENERGY TRANSITION

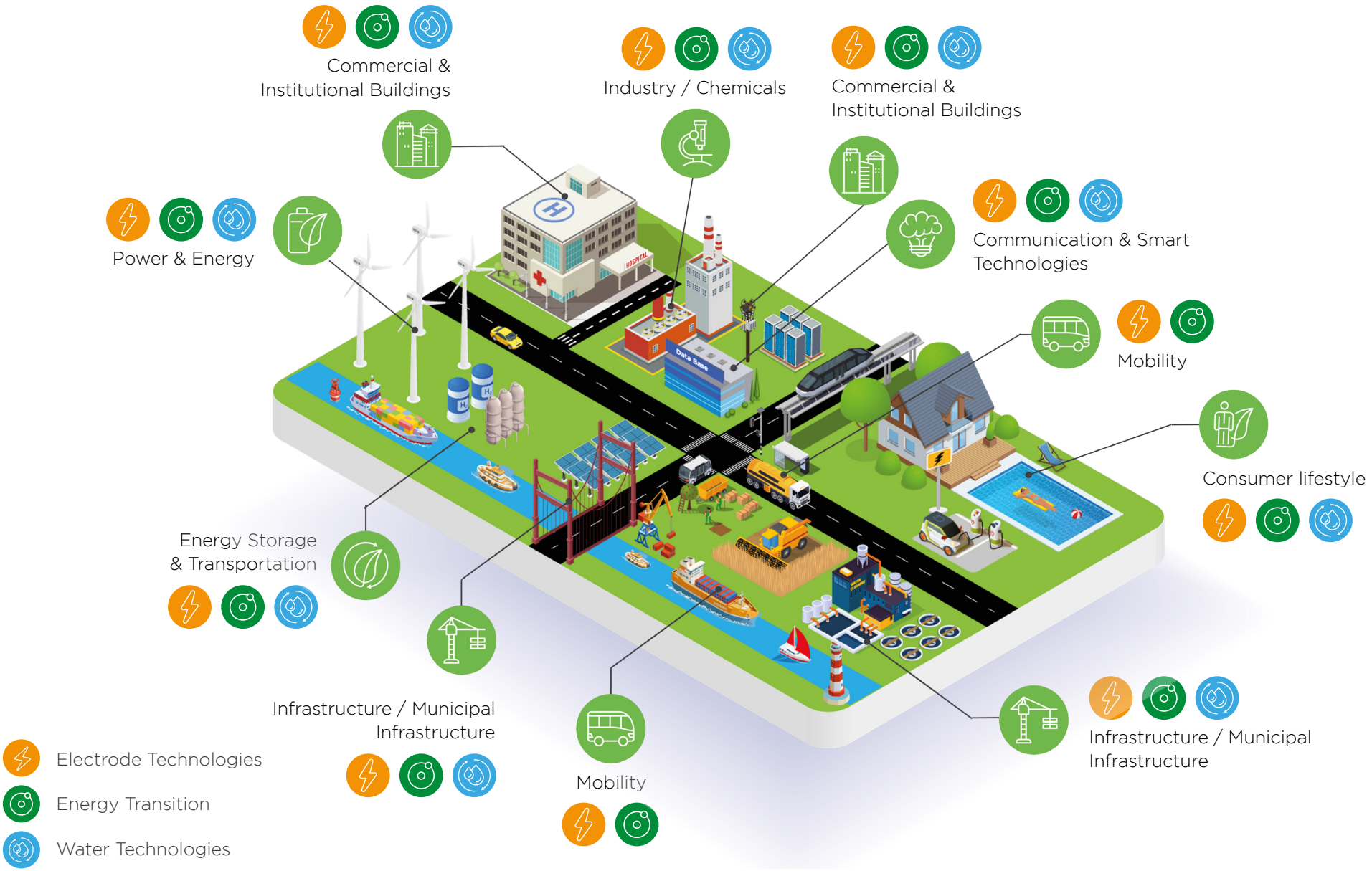
Strategic provider of enabling technologies for green hydrogen

- Leveraging strong technological know-how to achieve performance and economy
- **Production capacity** in place (2 GW equivalent for Electrode, 1 GW equivalent for Nucera Electrolyzer cells)
- **Established footprint** to support strong growth

WATER TECHNOLOGIES

Established position in the water business

- **Supplier of electrodes** for pools
- Player in **industrial chlorination**
- Player in **municipal water disinfection**


Commercial & Institutional Buildings
Industry / Chemicals
Commercial & Institutional Buildings
Power & Energy
Communication & Smart Technologies
Mobility
Consumer lifestyle
Energy Storage & Transportation
Infrastructure / Municipal Infrastructure
Mobility
Infrastructure / Municipal Infrastructure
Electrode Technologies
Energy Transition
Water Technologies

Electrode Technologies

The electrodes business consists of the production and sale of anodes and cathodes, catalytic coatings, electrolysers and related accessories for various electrochemical applications in different industries. The Group's products are mainly intended for the chlor-alkali, electronics and mining markets.

With nine production and assembly plants, De Nora is the leading supplier of electrodes globally. Its leadership is based on its extensive knowledge of electrochemical processes, a broad and constantly evolving product portfolio, and the quality of its services, such as periodic maintenance of electrodes or replacement with state-of-the-art products that improve the performance of the process for which they are intended, the supply of spare parts, and technical support activities.

The applications of *Electrode Technologies* include:

Chlor-alkali

Chlorine and caustic soda are produced by electrolysis of aqueous sodium chloride solutions; the manufacturing industry is one of the main fields of application for the electrodes marketed by the Group. Chlorine, caustic soda and their derivatives are necessary commodities for major chemical industries, whose products are destined for various applications and industrial sectors. De Nora develops innovative solutions for the chlor-alkali industry with high energy performance and lifetime reliability.

Electronics

The electronics market is a large and complex sector, encompassing a significant number of industries. De Nora's core markets are the production of copperplate, a basic raw material mainly used for the production of printed circuit boards and lithium batteries, and the copper plating of printed circuit boards (deposition of copper inside micro-holes to create electrical connections).

Mining and metal refining

The electrochemical refining of non-ferrous metals is a process to remove residual impurities in order to obtain metals of high purity and quality, which are used in various industries. The Group's offer focuses on the segment of titanium anodes with mixed metal oxide coating for the electrolytic refining of nickel and cobalt, with the intention of also developing solutions for copper.

Water Technologies

The Water Technologies business segment is engaged in the development and supply of water treatment, filtration and disinfection solutions for the municipal, residential, industrial and marine sectors.[6]

De Nora has a broad technology portfolio that includes technologies for swimming pool disinfection, electrochlorination of seawater and brine for the on-site production of low concentration sodium hypochlorite, sanitisation and filtration of drinking water and waste water, and water treatment systems for marine applications.

In addition to supplying equipment, products and systems, De Nora provides after-sales services including maintenance, the supply of spare parts, re-engineering of existing systems, on-site or remote monitoring and other services to maintain and improve product performance, ensuring consistency in treated water quality.

[6] In particular, it develops systems for the generation of substances and products currently being registered as biocidal products *in situ*, according to the requirements of Regulation (EU) No. 528/2012 of the European Parliament and of the Council, of 22 May 2012, concerning the making available on the market and use of biocidal products.

The production activity consists mainly of the construction and assembly of systems. The DSA® electrodes used in electrochemical water treatment technologies are produced in the Group's facilities belonging to the Electrode Technologies Business segment.

The applications of water treatment technologies include:

— Swimming Pool Chlorination

— Industrial Chlorination (electro-chlorination)

— Municipal Disinfection and Filtration

— Marine Sector

Swimming Pool Chlorination

De Nora offers electrodes for electro-chlorination systems (salt chlorinators) used to disinfect mainly residential swimming pools. In particular, by using salt and electricity, salt chlorinators guarantee a stable and constant concentration of chlorine used for disinfection, with a prolonged effect over time, eliminating undesirable effects for users due to the presence of chemicals in the water, such as red eyes, hair damage, skin irritation, irritating chlorine odour, etc.

Industrial Chlorination (electro-chlorination)

The Group produces and sells water treatment systems that produce chlorinated solutions from salt water (seawater or brine) through an electrochemical process. In the industrial sector, the products include process water treatment, industrial waste water treatment and recycling systems, systems for sanitising water used in cooling circuits and evaporation towers, and small brackish water desalination systems. In addition, the Group provides power plants, liquefied natural gas (LNG) terminals and offshore oil and gas platforms with solutions for the treatment of process water, fire-fighting water and waste water, in compliance with current international regulations on the discharge of water into the sea and water reuse.

Municipal Disinfection and Filtration

In the municipal market, the Group offers equipment, systems and plants for the disinfection and filtration of water and waste water that comply with current safety and environmental protection regulations. In the area of disinfection systems, the Group is able to offer a complete range of products using chlorine gas, chlorine dioxide, ozone and ultraviolet (UV) technologies. In the filtration systems sector, the Group designs, develops, produces and sells advanced filtration systems for the removal of complex contaminants and filtration technologies for the removal and/or adsorption of contaminants. The complete suite of disinfection and filtration solutions allows De Nora to innovatively combine technologies to meet the needs of customers and the ever-changing market.

Marine Sector

The Group designs, sells and installs ship ballast water management systems, designed according to the most stringent regulations. In particular, De Nora markets both electrochemical solutions and UV systems. In addition, the Group offers on-board systems for the treatment of waste water prior to discharge at sea.

New Application Areas

The Group is expanding into new applications, including removal services of contaminants of emerging interest, including pharmaceuticals and personal care products, and industrial chemicals, increasingly present in drinking water worldwide.

Energy Transition

Green hydrogen is expected to play a key role in the decarbonisation of industries that currently use hydrogen from fossil fuels as a raw material, and for those sectors where there are currently no economically competitive energy alternatives to the use of carbon-intensive power generation and/or where direct electrification is not feasible.

The Group has thus developed a portfolio of technology solutions for the energy transition market, derived from its established electrode business. In particular, De Nora's products are used to build plants for the production of green hydrogen through water electrolysis processes and for the construction of fuel cells to transform hydrogen into energy.

All green hydrogen production methods are based on the electrolysis of water; the main differences between the various technologies stem from the type of electrolyte used and the operating conditions; they also differ in terms of the level of development achieved and commercial maturity. The main technologies for the production of hydrogen are: atmospheric or pressurised alkaline electrolysis ('AWE'), proton polymer membrane electrolysis ('PEM'), solid oxide electrolysis ('SOEC') and anionic polymer membrane electrolysis ('AEM'); of these, only the first two technologies have reached a good level of technological development and are currently marketed.

It is expected that in the medium and long term, as a result of its advantages, alkaline electrolysis will continue to be preferred over competing technologies such as PEM, especially for large-scale projects (to serve both hard-to-abate industries such as metallurgy, and the production of green chemicals such as ammonia, methanol, and green fuels for the aviation sector).

The Group, in particular, has developed electrodes, coatings and catalysts for alkaline water electrolysis (AWE) that guarantee their use at high current densities without compromising their performance and service life so as to ensure a competitive cost of hydrogen produced (*levelised cost of hydrogen*, or 'LCOH').

Fuel Cells

Fuel cells convert chemical energy directly into electrical energy by the reverse process of electrolysis: hydrogen gas reacts with oxygen to produce water and electricity. Similar to electrolysers, fuel cells are highly modular and therefore find applications in various sectors. Among the different types of fuel cells, De Nora's offer focuses on gas diffusion electrodes for different types of fuel cells (PEM, high-temperature PEM and alkaline-fuelled with both hydrogen and methanol).

European Taxonomy

Environmental, social and governance (ESG) factors are at the core of De Nora's values, strategy and technologies.

In fact, De Nora responds to some of the main socio-environmental trends through its products, including clean water with reference to water purification technologies, green energy through hydrogen technologies, and energy efficiency through better-performing and longer-lasting electrodes. With a focus on products in the Energy Transition

segment, the Group is an enabler of its customers' energy transition, in particular through its water electrolysis products that produce hydrogen using electricity and water vapour, and its fuel cell products that produce energy using hydrogen.

The European taxonomy is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards the EU's environmental goals and the green transition.

EU Regulation 852/2020 and its relative delegated regulation require companies publishing the NFS (according to NFRD Directive 95/2014 and related Italian Legislative Decree 254/2016 that transposes it in Italy) to report the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) eligible and aligned with the two environmental objectives published to date, climate change mitigation and adaptation.

De Nora then carried out an analysis to identify the Group's activities that contribute to the two environmental objectives, comparing its activities and investments with the activities defined in the technical reference documentation.

These analyses were based on the interpretation and understanding of the requirements of the applicable Regulation, including the Q&As officially published by the European Commission in December 2021, February 2022 and December 2022.

The interpretations that most affect the eligibility of De Nora's activities for the objectives of the taxonomy include the ineligibility of component manufacturers because, as Q&A number 8 of February 2022 mentions, the manufacture of components could only be eligible if such products/activities are explicitly included in the description of activities. However, according to the Commission's interpretation, some key components such as battery and hydrogen components (with particular reference to activities 3.2 and 3.4) are eligible.

Activities of De Nora

De Nora's activities are divided into three segments (see the *'Business Model'* chapter). In particular, the segments considered relevant to the taxonomy are *Water Technologies* and *Energy Transition*, through which De Nora produces key equipment for water treatment and the production of green hydrogen and energy efficiency, all of which fall under the activities described in the two objectives published to date.

The *Water Technologies* business segment designs and implements technologies for the treatment of water (both drinking water and waste water), although it does not build the complete plant. For this reason, the activities in this segment would seem, on the basis of the information available to date, to be ineligible for activities *5.1 Construction, expansion and operation of water collection, treatment and supply systems* and *5.3 Construction, expansion and operation of waste water collection and treatment systems* and related *5.2 Renovation of water collection, treatment and supply systems* and *5.4 Renovation of waste water collection and treatment systems*. However, De Nora will continue its analyses and carry out further investigations to verify whether water treatment and purification activities can be considered permissible in 2023.

During the use phase, *Water Electrolysis Electrodes & Electrolyzers* consume water and electricity, producing hydrogen, while fuel cells consume hydrogen to produce electricity, releasing water vapour. Neither of these systems directly emit greenhouse gases during their operation.

De Nora then assessed these energy transition products eligible for Activity *3.2 Manufacture of hydrogen production and utilisation equipment*, with reference to the climate change mitigation objective.

A final activity being evaluated by the Group is the product Hydrochloric Acid (ODC-HCL), which allows chlorine to be produced with less energy consumption than similar products on the market and could therefore fall under Activity *3.6 Manufacture of other low carbon technologies*. The technology that enables the reduction of energy consumption, however, is owned by thyssenkrupp nucera AG & Co. KGaA ('*tk nucera*'), a joint venture between the Thyssenkrupp Group and De Nora, in which De Nora holds 34% of the share capital at the date of this Non-Financial Statement. De Nora produces the electrode, which is a component of the technology. Since the joint venture is not fully consolidated, De Nora does not report the KPIs of this activity among its eligible activities.

Following the analysis of the activities considered eligible, the Taxonomy requires identifying which of them are aligned with the requirements of the Regulation. De Nora then assessed all the elements that must be complied with, with particular reference to:

— the technical screening criteria described in the Delegated Acts that ascertain whether the activities under consideration make a substantial contribution to climate change adaptation and mitigation;

— the 'DNSH' - Do No Significant Harm criteria which ascertain whether the activities under consideration do not cause significant harm to any of the other environmental objectives;

— Social Minimum Safeguards.

The audits conducted, particularly with regard to the assessment of the 'DNSH' and 'Social Minimum Safeguards' criteria, revealed the presence of numerous safeguards, some of which are still being formalised (e.g., due diligence on human rights and analysis of physical risks from climate change). Therefore, in order to ensure maximum compliance with Regulation 852/2020, the Group considers it appropriate to carry out further investigations into the assessment of its aligned activities and will work on formalising its compliance with the 'DNSH' and 'Social Minimum Safeguards' criteria.

In addition, De Nora will work in the coming months to further investigate and identify its activities to verify their eligibility.

De Nora Investments

With regard to the Group's investments, photovoltaic panels have been installed at the plant in Germany for the production of renewable energy. This investment is therefore part of the eligible expenditure with respect to economic Activity *7.6. Installation, maintenance and repair of renewable energy technologies* for the adaptation target. These are in particular eligible expenses related to category C 'Purchase of products from other companies' as stated in Q&A number 11 of February 2022. To date, it is not possible to determine whether these investments are Taxonomy-aligned, due to a general lack of information on the suppliers' products.

Calculation of KPIs

Based on the above assessments, the KPIs on turnover, capital and operating expenditure of the Group considered eligible and aligned, have been reported.

The revenues from eligible activities (with respect to 3.2 and for the climate change mitigation objective) are € 42,447,000 for the 2022 reporting period and thus the percentage of Group revenues considered eligible is 5%. For the calculation, net turnover from products or services, including intangible goods, was taken into account.

For CapEx, expenditure on purchases of products from suppliers (Activity 7.6) and expenditure on intangible and tangible assets made during the year related to activities considered eligible were taken into account. The amount of eligible CapEx was € 9,743,000.

As far as operating expenditure is concerned, only the research and development expenses[7] of the eligible activities were considered, as these are the only ones that are allocated directly to each individual product and for which no estimates were made. The amount of eligible OpEx was € 2,055,000.

Values in thousand of Euros	2022			
	Total	Of which not eligible	Of which eligible	Of which aligned
Turnover	852,826	95.0%	5.0%	0.0%
CapEx	46,142	78.9%	21.1%	0.0%
OpEx	12,897	84.1%	15.9%	0.0%

[7] The R&D expenditure considered for the Taxonomy does not currently include staff costs.

The Path of Sustainability at De Nora

Sustainability at De Nora starts, first and foremost, with the continuous improvement and expansion of its product portfolio in the Electrode, Water Technology and Energy Transition business segments.

It aims to provide new solutions that can contribute to the achievement of the UN's 2030 Agenda. Specifically, with respect to the products offered, the organisation has identified the following as the main goals among the 17 Sustainable Development Goals (SDGs) to which it contributes: Affordable and clean energy (7); Climate action (13); Sustainable cities and communities (11); Clean water and sanitation (6); Life below water (14); Industry, innovation and infrastructure (9). Moreover, through the social, environmental and governance initiatives that the organisation carries out within its business activities and along the value chain, De Nora is also committed to achieving other SDGs including: Gender equality (5), Decent work and economic growth (8) and Responsible consumption and production (12).

For 2023, De Nora is working on formalising a plan to define priority guidelines for the continuous improvement of its ESG performance.

Materiality Analysis

As a first step towards defining a structured path on sustainable development, in 2022 De Nora defined a materiality analysis path in line with the GRI Standards, with the aim of identifying the sustainability issues that represent the organisation's most significant impacts on the economy, environment and people, including impacts on human rights ('material topics'). The identification of material topics is intended to define the data and information to be reported in this document and to highlight the most relevant issues on which the organisation must focus in order to define an increasingly sustainable business.

The process for defining the material topics consisted of three main steps:

1) Comparative Analysis

The first step included a benchmark analysis that took into consideration the material topics published by a number of peers and best practices operating in De Nora's sector of reference, which publish sustainability or non-financial reports. In addition, the SDGs considered relevant by the organisation, the topics defined as material by the SASBs in the Electrical & Electronic Equipment sector, and the topic areas required by Italian Legislative Decree 254/2016 were taken into account. This analysis led to

the identification of a set of potentially relevant sustainability issues for the Group. On the basis of these issues, the De Nora value chain was analysed and the Group's main impacts on the external environment and stakeholders were identified, as follows:

2) Impact Assessment

The list of potentially relevant impacts for the organisation was submitted for evaluation by both external and internal stakeholders of De Nora.

In particular, a panel of Group customers and employees was involved in two separate workshops in 2022. During the workshops, the stakeholders were asked to assess the relevance of the different impacts identified against the

Topic	Description	Impact	Nature of the impact
Waste and Materials Management	Responsible management of hazardous and non-hazardous company waste, dissemination of a company culture aimed at correct and responsible waste management, promoting methods and practices such as re-use, re-coating and recycling of waste. Efficient sourcing, utilisation and regeneration of materials throughout the entire product life cycle	Soil pollution	Potential negative
		Promoting a circular economy	Current positive
		Use of raw materials	Current negative
Energy and Emissions	Monitoring, prevention and reduction of greenhouse gases (GHG) and other air pollutant emissions. Developing energy efficiency initiatives at Group sites and increasing the use and production of energy from renewable sources	Climate-changing gas emissions	Current negative
		Damage to community health	Current negative
Water Resource Management	Aware and efficient management of water resources and definition of strategies that reduce water use and improve reusability, particularly in areas at risk of water stress	Use of water resources	Current negative
		Water pollution	Potential negative
Diversity, Equity and Inclusion	Development of appropriate policies, practices and working conditions within the Group to ensure and promote equal opportunities, respect for diversity and inclusion, and to combat all forms of discrimination	Inclusive working environment	Current positive
Skills Development	Adoption of policies to attract and develop talent, encouraging professional development paths that improve technical, managerial and organisational skills accompanied by activities for the well-being of workers	Employee well-being	Current positive
		Developing workers' skills	Current positive
		Decrease in know-how	Potential negative

Topic	Description	Impact	Nature of the impact
Local Community Engagement	Contribution to the socio-economic development of the communities in which the Group operates, through investments, donations, projects, programmes and initiatives	Community development through initiatives and donations	Current positive
		Economic value distribution	Current positive
Health and Safety	Adoption of processes and practices, including beyond current regulatory requirements, aimed at minimising health and safety risks for employees and contractors. Implementation of training plans to improve awareness and knowledge of the risks to which all employees are exposed	Occupational diseases of employees	Potential negative
		Employee injuries	Current negative
Business Ethics	Promotion and dissemination of a corporate culture based on virtuous behaviour, in compliance with the laws and regulations in force in the countries where the Group operates, in the environmental, economic and social fields	Non-compliance with laws and consequent impact on society	Potential negative
		Respect for the law and adoption of virtuous behaviour	Current positive
Cyber Security and Data Protection	Implementation of state-of-the-art IT systems, constant monitoring of potential risks, implementation of awareness and training activities to improve security in the Group	Respect for stakeholder privacy	Current positive
		Loss of sensitive information of the organisation	Potential negative
Innovation	Developing new technologies to improve the services offered and to integrate new business opportunities, devising solutions with benefits for customers, the environment and society	Production of products with innovative design	Current positive
		Production of new technologies	Potential negative
Responsible Supply Chain	Adoption of supplier, contractor and business partner selection policies based on fair and transparent processes that define the integration of sustainability criteria	Negative impacts on the company resulting from failure to manage ESG issues along the supply chain	Potential negative
Product Quality and Safety	Production and sale of high-quality products that are safe in terms of health for the end customer	Production of safe, high-quality products	Current positive
Sustainable Innovation	Creating shared value in the medium to long term for all stakeholders through operational and financial efficiency and economically sustainable business management	Sustainable applications	Current positive
		Advocacy for green technologies	Current positive

criteria of purpose, scale and likelihood[8]. This assessment was then aggregated and brought to the attention of De Nora's top management. Subsequently, a questionnaire was shared with top management to assess the relevance of impacts while considering the three indicators mentioned above. The survey allowed each member of top management to give a rating to each of the three drivers used for the assessment. This top management assessment was then compared with the stakeholder assessments, for which no differences were deemed relevant. The assessments of each impact were then consolidated within the topics representing the different impacts, and the topics were prioritised. No impact submitted for assessment emerged as non-material based on the above.

3) Approval

The list of prioritised topics was brought to the attention of the Control, Risk and ESG Committee on 27 January 2023 and approved by the Board of Directors on 1 February 2023.

[8] The indicators used to assess impacts are: scale, to assess how serious or beneficial the impact is, magnitude, understood as the spread of the impact, and the likelihood of the impact occurring.

Innovation and Research & Development

Inspired by the entrepreneurial spirit of its founder Oronzio De Nora and recognising innovation as a key success and differentiation factor, De Nora has strengthened its international presence through important partnerships and strategic acquisitions and has consolidated its leadership through its skills and know-how.

De Nora's products are at the heart of important industrial sectors and revolutionary processes, including: the production of chlorine and caustic soda (basic substances in organic and inorganic chemistry), water disinfection systems (chlorinators for swimming pools and *in situ* production of disinfectants), the technological evolution of finished or semi-finished products, such as the printed circuit boards used in today's smartphones, tablets and personal computers.

The innovation process at De Nora is based on the 'Ten Types of Innovation®' framework developed by the global innovation agency Doblin in 1998, which helps leading organisations to find people-centred solutions to business problems, providing a way to identify and develop new opportunities.

Two corporate departments are entirely dedicated to the management of innovation processes: the Research&Development Department is responsible for all product-related innovation activities, while the Innovation Department focuses on all other types of innovation.

Innovation Governance

— De Nora seeks to contribute to a sustainable future; to achieve this goal, it has defined an Innovation Governance that guides the company towards value creation according to the following pillars. The purpose of innovation governance is to steer the entire company towards a cultural change that is based on continuous improvement and is able to promote the development of people, also through the hands-on implementation of innovative ideas.

— Global focus involving all regions, companies and departments: every employee has the opportunity and is encouraged to propose ideas for innovation and continuous improvement.

— Recognition: all Group employees receive an award for their ideas that are positively evaluated and successfully implemented.

— The Innovation Department constantly collaborates with the Human Resources Department to communicate global and local initiatives.

— Collaboration between teams and departments so that interactions between different areas of expertise foster innovation.

— Teamwork, a key element in the implementation of complex ideas.

Innovation: Structure and Strategy

In order to ensure the participation of colleagues from all facilities, foster collaboration between colleagues and teams, and improve the innovation culture globally, De Nora relies on a group of 85 Innovation Champions, present in all company locations. The Champions have various responsibilities, such as supporting local colleagues in

proposing, evaluating and implementing innovative ideas, developing and disseminating knowledge on innovation management, and participating in the continuous improvement of Innovation Governance.

The Innovation Champions are also responsible for the local deployment of the Group's innovation strategy. The latter was defined following the Hoshin Kanri methodology for strategy implementation, which involves defining a medium- to long-term vision, annual strategic objectives and targets to improve, all to be achieved through detailed action plans. The strategic objectives of the Innovation Department can be summarised as follows:

— constantly increase the number of ideas proposed by employees;

— increase overall participation in the innovation process, both at the level of individual participants but also at the level of individual Group companies and sites;

— improve the culture of innovation in the company.

Over the past four years, the number of ideas collected has increased significantly, as shown in the nearby graph.

The Department's objectives are closely linked to the strategic objectives of the entire Global Operations and Innovation Department, of which it is a part. The objectives and activities of the Innovation Department are therefore closely linked to other strategic objectives and action plans related to Operations, such as:

— improving the culture and processes related to employee health and safety, moving towards the global target of 'zero accidents';

— improving the environmental performance of the entire Group in terms of energy consumption, greenhouse gas emissions, material consumption and waste management;

— increasing the digitisation level of business processes;

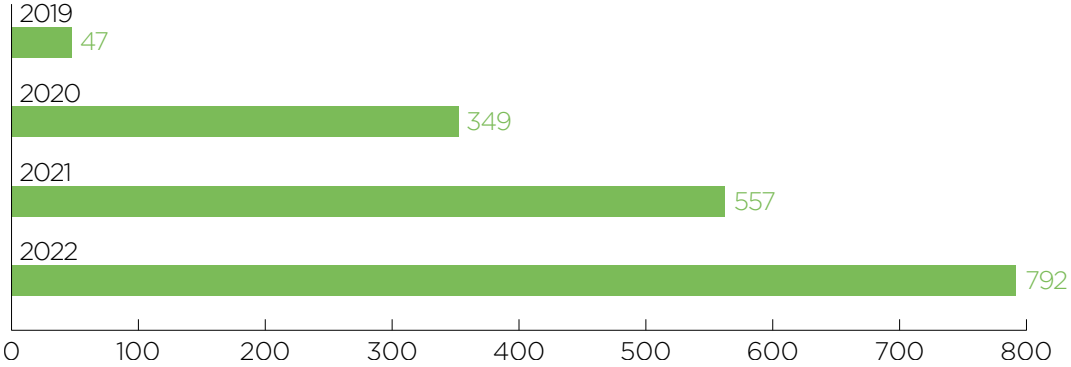
— making every company in the Group active in its own continuous improvement, with a lean perspective.

This shows a very close link between nnovations, Operations, Environmental Sustainability and Health and Safety. In fact, most of the innovation ideas proposed in De Nora concern the latter three areas.

Approaches to Innovation

One of the aims of the Innovation Department is to accompany the Group in researching and learning new approaches and methodologies to foster innovation. Some significant examples are detailed in the next page:

Number of ideas collected per year by the Innovation Department



SYMPOSIO

Since its foundation, De Nora has recognised the importance of building strong ties with universities and national laboratories as a means to develop technologies and further scientific knowledge. For this reason, De Nora hosts an annual symposium, inviting professors and researchers from various institutes. This event was designed to create a sustainable, active and interactive communication network between the main academic communities and the R&D and Innovation groups in the company. Over the years, this has led to the creation of a global network of universities, national laboratories, research centres, technology transfer offices and small and large companies, which has laid the foundations for many important research projects and participation in industrial-academic consortia in the US, Europe and Japan. Both innovative ideas and projects and strategic partnerships have emerged from these events over the years.

IDEAPULSE

The *IdeaPulse* programme is dedicated to stimulating innovative ideas in strategic areas for De Nora. An IdeaPulse 'cycle' consists of six 90-day periods, during which the Innovation Champions share training material with all colleagues. The training material consists of general concepts but also innovative ideas already proposed and implemented in the company. The initiative has multiple purposes:

— maintaining a high focus on innovation issues;
— creating knowledge on issues of strategic importance;
— stimulating the generation of ideas.

The topics currently included in IdeaPulse are: Health and Safety, Waste and Waste Management, Communication, Data Management, Automation, Sustainability.
The programme has been very successful in increasing both the engagement of colleagues and the impact of their ideas on key strategic areas. It has been one of the key elements that has led to a steady increase in the number of ideas and innovation participants.

Research and Development

Excellence in Research and Development is one of the main levers used by De Nora to ensure organic, sustainable growth. The Group is focused on the development of innovative and technologically advanced solutions designed to meet the needs of the markets in order to preserve its competitive edge and defend its margins and market shares.

The Group operates through five research centres with locations in Italy, the United States and Japan:

— the 'R&D USA' unit (Cleveland Area) - Ohio;

— the 'R&D Albuquerque' unit;

— the 'R&D Japan' unit is mainly located in Fujisawa (Tokyo area) and Okayama;

— the 'R&D Italy' unit is mainly located at the Milan office and includes a Process Engineering and Product Development team seconded to the subsidiary De Nora Italy Hydrogen Technologies S.r.l.

In addition to boasting a highly specialised research and development team, De Nora maintains a network of collaborations with leading international research institutes and universities as well as with its customers. Relationships

The R&D function comprises:

109[9]

employees

81

resources covering the Electrode Technologies and Energy Transition business

47	24	10
in Italy	in Japan	in the US

28

Product Technology Management resources covering the Water Technologies business

21	4	2	1
in the US	in Italy	in UK	in China

[9] Number of employees as at 31/12/2022.

with customers originate in many cases from research projects aimed at meeting their specific requirements and in some cases participated in by the customers themselves, which over time can lead to the commercialization of the products developed and, consequently, to the consolidation of the relationship. The strong bond is also the result of the continuous technological renewal of the Group's product portfolio and its ability to guarantee after-sales services and other sales.

De Nora's research and development is focused on both the creation of new electrode components and the engineering of cells and systems for all industrial electrochemical applications, targeting both mature markets to offer up-to-date, efficient, competitive and sustainable products and new markets as enabling factors.

In addition to the development of new products and the continuous improvement of existing ones, the R&D units support Sales and Operations in the different regions with their services.

In support of the corporate strategy, the Group invests, on an on-going basis, in new projects to feed the innovation pipeline. At the same time, product improvement activities continue and the objective of contributing electrochemical solutions to the challenges of a sustainable economy is being pursued.

The allocation of resources takes place through the management of the project portfolio which aims, in accordance with the Strategic Business Objectives, to maximise the value of the portfolio itself, to balance the projects to develop new products or technologies in order to cover the different business lines and comply with the commercial launch roadmap in the short, medium and long term. Overall, Research and Development monitoring is based on 20 KPIs shared by all the Group's Research Centres, which are monitored monthly.

All Research and Development projects are monitored with a Stage & Gate process regulated by the Global *Product Creation Process Policy*. Specific projects that fall within certain complexity parameters are managed with a 'Hybrid Agile' process reported in the same Global Policy.

Compliance with the Gate dates of the Stage & Gate process within the Gantt planning is monitored on a monthly basis and the percentage of projects meeting the scheduled dates is a basic KPI for Research & Development.

Further key KPIs for Research & Development are related to Safety & Environment (EHS) in accordance with the Group's 'Safety First' philosophy. The indicators are monitored monthly and around 300 hours of training on the

subject were provided to all research staff in 2022.

A further set of KPIs is related to the generation of value from new products ('Vitality Index' from new products, its ratio compared to Group turnover, number of new products launched commercially), Research and Development expenditure and the generation of Intellectual Property.

Laboratory and Product Testing

De Nora's laboratories are equipped with advanced instruments and protocols for the testing and verification of electrodes, whether newly developed or commercial back-of-operation. The characterisation is not limited to the performance evaluation of a new electrode, but extends to the prediction/projection of its performance over the entire period of guaranteed operation and the identification/quantification of the main ageing phenomena.

Over the years, De Nora has developed proprietary test methods and protocols, building them on its own knowledge of electrochemistry, materials science and customer processes and then validating them based on feedback from the field. These protocols are part of De Nora's know-how and protected according to Organisational Procedures established by the IP Department.

The Laboratory Cell Rooms and Pilot Electrolyzers Laboratories enable electrode qualification by applying different protocols with a progressive degree of accuracy on the same type of electrode, starting with the fastest and least accurate protocols (called 'screening') and progressing to the most accurate but slowest protocols (called 'Life Tests' with different degrees of acceleration). This test architecture applies to all phases of an electrode product's lifecycle: from laboratory samples produced in the research phase to those scaled by industrial methods, and then on to industrial prototypes, first production batches and return samples after operation in the field. Tests are carried out with highly automated equipment and limited human supervision, operating 24 hours a day, seven days a week. The installed monitoring and control systems allow the recording of all the parameters examined over time, as well as the automatic execution of all safety-related interventions and actions.

Researchers can support customers all over the world in the laboratories, both for technical assistance and for solving specific problems; in Italy, Japan and the United States, there are more than 900 cells in an area of over 2,500 square metres.

In all its laboratories, De Nora has designed, installed and used different types of test cells representative of industrial electrolysers for chlor-alkali, HCl-ODC, water electrolysis (Alkaline, PEM, e AEM) and water treatment to obtain primary data on electrodes, separators and electrode packages in general.

De Nora combines electrochemical tests with advanced instrumental diagnostics, always performed in its own laboratories. These diagnostics include, but are not limited to: electron microscopy, X-ray measurement techniques (fluorimetry, diffractometry, spectroscopy), wet analytical techniques, chemical-physical and metallurgical analyses.

Thanks to the experience of our technicians, the analysis departments within the laboratories solve and answer scientific questions concerning the morphology, type, composition and crystallographic state of the elements forming the electrode structures, whether in the form of a catalytic coating or a porous gas-diffusion electrode.

The analysis departments handle about a thousand requests per year, providing both internal support to the research and development projects and support to production and the technical service.

Product Compliance

Product Compliance is a fundamental input in all phases of product life. From the drafting of specifications, it guides all product phases, from design to the validation of the various design alternatives, up to the construction of the first prototypes, the industrialisation of the production cycle, the different testing and validation phases through to market launch.

This process ensures that the product is suitable with respect to current regulations, ranging from product health and safety issues to the environmental criteria to be met.

De Nora has a dedicated team of three people (two in Italy and one in the USA), who at a Global level are responsible for checking that the product has all the necessary certifications (compliance with national and international product norms, regulations and standards) to be marketed in the target markets. This team interfaces with all the various local managers to make sure that the documentation for the raw materials, semi-finished and finished products is consistent and appropriate, in order to ensure compliance with all applicable regulations.

In addition, an environmental check is carried out on the composition of the product to ensure that there are no substances hazardous to the environment and health beyond the maximum permitted limits. The team is then responsible for reporting on compliance and product conformity to the supervisory authorities.

The work of the team does not end with the launch of the product, but includes continuous monitoring of the requirements throughout the product life cycle, in the event of updates to applicable regulations or changes to the products.

The control activities change according to the business area to which the product being launched belongs:

— Electrode Technologies: this area mainly deals with checking the substances used in the production of electrodes, verifying compliance with standards and regulations, and assessing whether they may harm the environment or the health of customers;

— Water Technologies: during the product development project, the people who will be in charge of the process for obtaining the certifications required for product marketing are appointed, under the guidance of the corporate team. Due to the variety of the products and the markets for which they are intended, the number of conformity requirements, parameters to be met and national and international certifications to be obtained is very high. Once the product is on the market, the compliance team is responsible for monitoring any updates to norms, regulations and standards and verifying that the products remain compliant and the various certifications are up-to-date;

— Hydrogen: in the field of hydrogen products, the team's work is aimed, as in the case of Water Technologies, at ensuring that the products have all necessary certifications for complying with relevant norms, regulations and standards, and at conducting a compliance check in the event of subsequent updates or changes to the product or legislation. This work is conducted in synergy with R&D staff, the Hydrogen Task Force and the team of dedicated consultants and specialists needed to prepare the documents and tests required for the necessary certifications.

Quality control

De Nora's products and technologies must have and maintain quality levels that meet the set requirements and standards, also with regard to customer demands.

The quality control process therefore begins in the phase prior to the product's market launch, during which the prototype undergoes a series of tests and analyses to verify its suitability, and runs throughout the entire production cycle of the technology. Quality controls also have the purpose of monitoring performance and helping to develop improved solutions through controls seeking to analyse the effects of product use and the degree of wear and tear according to standards.

Quality Management System

93%[10] of De Nora facilities have a Quality Management System certified according to UNI EN ISO 9001:2015.

This certification ensures that the management system has certain core principles, including:

— decision-making process based on accurate data and information collection, so that it is as objective as possible;

— process-based planning that follows the Plan Do Check Act (PDCA) model;

— development of quality standards through customer feedback;

— presence of processes to identify risks and opportunities, monitor non-compliance, and measure and track performance;

— establishment of long-term relationships with suppliers and other stakeholders;

— *continuous engagement with all people in the organisation.*

The Assurance Manager is responsible for quality control at the facility level, seeing to quality assurance procedures. The Quality Control Manager is responsible at the local level, overseeing product development procedures to ensure that products meet quality and efficiency standards. There is also a central department that defines the guidelines to be followed and monitors the main quality KPIs on a monthly basis. These principally include the number of internal non-conformities, customer complaints, On Time Delivery metrics to measure the performance of product deliveries, and planned maintenance interventions.

[10] All of De Nora's facilities are certified, with the exception of the facility of the company DNC Jinan.

02 Governance

Governance

De Nora is committed to adopting an approach to business aimed at pursuing sustainable development, which also takes into account the interests of its current and future stakeholders. With this in mind, it chose to adopt a governance structure accompanied by a set of internal policies and procedures in order to manage the organisation according to the principles of ethics, transparency and integrity. For a detailed description of the governance structure and the Committees responsible for decision-making and supervision of management's impact on the Organisation, and the appointment and selection process of the members of the Board of Directors and the Board of Statutory Auditors, please refer to the information contained in the Report on Corporate Governance and Ownership Structure (the '**Corporate Governance Report**'), available on the website www.denora.com in the *'Governance - Shareholders' Meetings'* section.

Corporate Governance

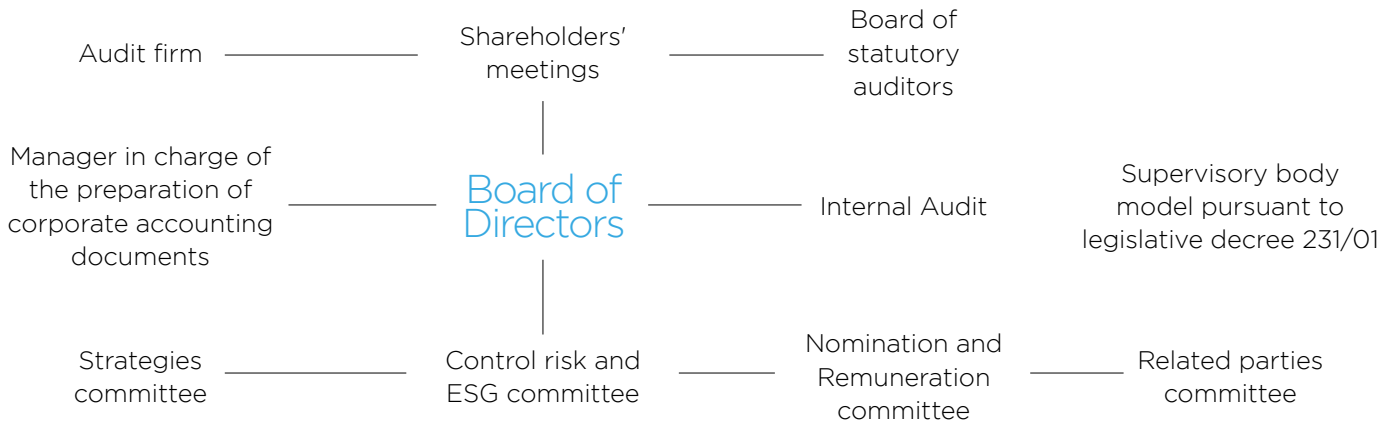
De Nora has defined a corporate governance system capable of creating efficient and sustainable management of its activities, with the aim of creating value for its shareholders and all its stakeholders.

The corporate governance system consists of the corporate bodies and instruments adopted by Industrie De Nora S.p.A. and its subsidiaries, and is based on four pillars:

1. the central role of the administrative and supervisory bodies;
2. the effectiveness and transparency of management decisions;
3. the careful and diligent monitoring of transactions with related parties;
4. the set of values defined, recognised, shared and established in the Code of Ethics and company policies.

The governance model adopted by De Nora was developed in line with the Corporate Governance Code for Listed Companies, promoted by Borsa Italiana S.p.A.

In order to ensure the necessary consistency between conduct and strategies, the Group's governance includes



a system of internal rules defining the segregation of duties and a balanced relationship between management and control.

The Group's Corporate Governance is in fact structured as follows:

The Board of Directors consists of twelve[11] Members, of which 67% are men and 33% women. With regard to age, 8% are between 30 and 50 years old, while the remaining 92% are over 50.

For more details on the roles of the Members of the Board of Directors and the performance assessment processes, please refer to the 2022 Corporate Governance Report.

Sustainability Governance

In line with the best practices on Corporate Governance, the Board of Directors steers the company towards achieving sustainable success by defining the Group's strategies and monitoring their implementation; in fact, 90% of the Members of the Board of Directors have expertise in ESG issues[12] that enable them to oversee the organisation's impacts on the economy, the environment and people.

Position	Name	In office since	In office until
Chair	Teresa Naddeo	30 June 2022	Approval of the 2024 Budget
Internal Member	Giovanni Toffoli	30 June 2022	Approval of the 2024 Budget
Internal Member	Paola Rastelli	13 October 2022[13]	Approval of the 2024 Budget[14]

The Board, and in particular the Nomination and Remuneration Committee, is also responsible for:

— defining the Remuneration Policy for Directors and top management with the aim of contributing to the sustainable success of the company;

— structuring performance targets to which the variable part of remuneration is linked, which are pre-established, measurable, linked to medium- to long-term targets and in line with strategic objectives.

In the preparation of the Governance Model, the Control, Risk and ESG Committee, in addition to the typical functions of the Control and Risk Committee, was also assigned responsibility for sustainability issues.

The Committee is an Internal Board Committee composed of three non-executive Directors, the majority of whom are independent in accordance with the independence requirements set forth in the Consolidated Finance Act and the Corporate Governance Code, and are appointed and dismissed by resolution of the Board of Directors.

[11] One Director resigned with effect from 31/12/2022.
[12] ESG expertise is mainly understood as: participation in the Control and Risk Committees of other companies, experience in foundations or charities, specific educational qualifications, ministerial positions.
[13] It should be noted that following the end of the financial year, on 22 March 2023, the Board of Directors co-opted Paola Bonardini as a member of the Control, Risk and ESG Committee, to replace Director Paola Rastelli, who resigned on 10 March 2023.
[14] Director co-opted pursuant to Article 2386 of the Italian Civil Code. Term of office subject to confirmation by the Shareholders' Meeting called to approve the financial statements as at 31 December 2022.

The Control, Risk and ESG Committee has the task of assisting the Board of Directors with investigative, proposal-making and advisory functions in evaluations and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic and annual financial and non-financial reports.

This Committee is therefore responsible for coordinating and monitoring the activities on sustainability issues that De Nora has in place and promoting the integration of policies on environment, social and governance issues into the Group's activities and individual corporate strategies.

In particular, with respect to sustainability issues, the Committee's tasks, also for the purpose of assessing non-financial reporting containing information pursuant to European Directive 2014/95/EU, are to:

— Provide support and advice to the Board of Directors, including the definition of processes, initiatives and activities aimed at overseeing the company's commitment to sustainable development along the value chain, as well as support and advice in relation to: good governance and compliance with applicable laws and national and international best practices; drafting corporate diversity policies; monitoring the Company's positioning in financial markets with particular attention to its positioning in compliance with sustainability indices;

— analyse the contents of non-financial reporting and assess the standards adopted to be submitted to the Board of Directors for approval;

— assess the sustainability policies aimed at ensuring compliance with sustainable development principles as well as ESG guidelines, objectives and resulting processes;

— oversee international initiatives on environmental, social and governance issues and propose the Group's potential adherence to them.

In 2022, the Investor Relator was also assigned the role of ESG Manager, who is responsible for the preparation of non-financial reporting and the definition of the Group's sustainability strategy.

Another Internal Board Committee (the Strategy Committee) provides certain support, advisory, proposal, evaluation and assistance functions on a non-binding basis to the Company's Board of Directors on a series of aspects relating to the Group's strategy and growth, including sustainable development.

Risk Management

Assessing the factors that can influence the business is essential to direct strategies and operate sustainably in the long term. The proper implementation of the Internal Control and Risk Management System - ICRMS - allows for the identification, monitoring and management of the main risks that arise from the type of business, the activities carried out within the organization and along the value chain, the reference sector and the sustainability trends.

De Nora's ICRMS is inspired by the COSO ERM Framework, which is an international reference model and a guide for companies wishing to adopt robust risk management processes that can best guide performance-based strategies. The Framework proposes a conceptual structure according to which an organization should integrate risk management processes into the management of its business with the aim of creating strategy, improving the measurement of results (performance) and creating long-term value. In addition, De Nora's ICRMS incorporates the elements contained in ISO 31000:2009.

The Internal Control System consists of three levels:

— at the first level, the risk-owner or process manager is responsible for identifying, assessing, managing and monitoring risks, and implementing actions to mitigate them;

— at the second level, risks are monitored and the level of efficiency and effectiveness of measures taken to mitigate them is examined, and support is also provided in the definition and implementation of the risk management systems;

— the third level of control is carried out by Internal Audit, whose task is to independently and objectively assess the functioning of the ICRMS.

Lastly, the Board of Directors of Industrie De Nora retains control of the ICRMS, supported by the Control, Risk and ESG Committee. This Committee plays an advisory role in order to promote the integration of ESG issues into the governance and business strategies of the Group.

For the listing project concluded in 2022, the Company began a process to identify its risks, which it then represented in the prospectus. The risk assessment process was further strengthened in 2022, also by the newly established Internal Audit Department, with the definition of a methodology for the systematic identification, assessment and monitoring of the main current and prospective risks related to the Group's strategy and operations as well as the sustainability trends. In fact, along with strategic, compliance, operational and financial risks, Industrie De Nora has also identified ESG issues that may have an impact on the organisation's sustainable development. Identified through the materiality analysis, some of these issues represent the organisation's potential and current ESG risks. For details on the activities carried out related to the materiality analysis, please refer to the chapter on Material Topics.

The results of the risk identification and assessment activities and related mitigation actions were presented to the Control, Risk and ESG Committee, the Board of Statutory Auditors and the Board of Directors of Industrie De Nora.

The main risks to which Industrie De Nora is exposed are illustrated in the chapter 'Risks and Uncertainties' in the Management Report, to which reference is made for details, also in relation to risks arising from the Russia-Ukraine conflict.

The main ESG risks identified are outlined below.

Workplace Safety Risks

With regard to workplace health and safety, the risks of occupational injuries and illnesses are mainly caused by handling operations in the facilities and the use of chemical and hazardous substances. The Group manages health and safety through centrally coordinated activities and continuous audits at the facilities. In addition, 21% of the Group's production sites are ISO 45001 certified. With reference to Italy, each facility identifies specific risk areas, as the risks are closely related to the tasks performed.

Environmental Risks

The activities of the De Nora Group are characterised by the use of energy and raw materials for the production of components that could negatively impact the organisation from a reputational point of view. In fact, cases of environmental non-compliance could occur. Furthermore, from a financial point of view, the continuous increase in the prices of energy and raw materials (such as noble metals) can impact the company's profitability.

De Nora manages these risks by establishing an ISO 14001-certified Environmental Management System in 21% of the Group's facilities. This certification includes the assessment of risks related to environmental management, the planning of actions to reduce hazards and the implementation of monitoring activities and controls on the adequacy of management systems. All De Nora locations are studying the feasibility of initiatives related to the production of electricity from renewable sources. In particular, a photovoltaic system at the plant in Germany with an annual production capacity of 1.3 GWh will be commissioned in the first half of February 2022. This activity is one of the first building blocks of this strategy, which will involve three more company sites during the year 2023.

This strategy is framed both in the current geopolitical context that undermines fossil fuel supplies and in the broader horizon of the energy transition towards renewable sources while reducing greenhouse gas (GHG) emissions.

It should be noted that with reference to the risks arising from climate change, the Group undertakes in the forthcoming reporting periods to supplement its analyses - and consequently its disclosures - with more in-depth assessments of the effects they may have on the Group. In fact, the physical and transitional risks related to climate change will be assessed as part of the risk analysis and evaluation activities that will lead the organisation to define a Sustainability Plan. In this process, De Nora will also take into account the methodology expressed by the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TFCD) and regulatory developments in this area.

Human Rights Risks

The issue of respect for human rights, contextualised in De Nora's business and working methods, can be applied to both employees of the organisation and external workers in the Group's value chain. As far as employees are concerned, the main risk areas concern employee health and safety (see the previous section) and diversity and inclusion issues. Diversity is managed within the Group through activities and procedures defined centrally and implemented at country level. In fact, several training activities and projects have been carried out in recent years.

With reference to its business partners, De Nora has developed a Supplier Code of Ethics which defines the principles that they must comply with (including those relating to workplace health and safety, environmental protection and business ethics) by requesting that they take note of, adhere to and comply with the provisions of the Code. Moreover, a process of assessing suppliers with respect to ESG issues was initiated in 2022.

Cyber Risks

The potential risk areas are all those involving the use of information and communication technologies, since the use of IT tools is widespread within the Group. De Nora has therefore adopted a set of cyber security procedures in the management of IT processes and has drawn up 'IT Devices and Systems Regulations' governing their use.

Money Laundering and Corruption Risks

The business areas in which financial flows are generated are potentially subject to the risk of money laundering. To mitigate these circumstances, the Group has a set of binding procedures for managing the procurement process of goods and services, so as to regulate all aspects from selection to purchase.

The risk of corruption is mitigated by the control principles contained in the Group-wide Code of Ethics and the procedures contained in the 231 Model applied to De Nora's Italian operating companies. In addition, the Group began developing a specific anti-corruption programme at the end of 2022.

Ethics and Integrity

De Nora is committed to disseminating, at all Group levels and in all relations with third parties, a transparent and ethical management model, in line with the indications of national and international regulations and best practices on the subject.

This is obtained through a series of continually evolving policies issued at Group level which are updated in line with external regulatory scenarios.

In 2022, the Compliance Department was created at the Parent Company level. The Department defines and monitors business ethics and compliance principles and coordinates the local departments of Group companies.

In the reporting period covering the last two years (2021 and 2022), there were neither cases of non-compliance with laws and regulations, nor significant sanctions and fines for non-compliance with laws and/or regulations.

Organisation, Management and Control Model

The Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (hereinafter also referred to as the 'Model') has been adopted by all Italian operating companies of the Group. The Model was adopted for the first time by the Board of Directors of Industrie De Nora S.p.A. by resolution of 20 December 2012, and has been continuously updated since then.

The Model was drafted in accordance with the Confindustria guidelines. By adopting this model, De Nora intends to strengthen its internal organisational and control structures, with specific reference to Italian Legislative Decree 231 of 8 June 2001 (hereinafter also referred to as the 'Decree'), and to raise awareness in Model recipients of virtuous and transparent behaviour, aimed at preventing the risk of committing the crimes laid down in the Decree. The Model is a summary of the main principles, procedures and controls already in place and is part of a broader and more organic system in compliance with applicable laws and regulations and in accordance with Corporate Governance best practices.

The recipients of the Rules and Requirements included in the Model are internal subjects, i.e., top management and company employees, as well as external subjects, i.e., whoever has a para-subordinate, temporary or agency employment relationship with the company, whoever works on behalf of the company or under its mandate, suppliers and third parties operating with the company within the areas of 'sensitive' activities.

The objectives of the Model include increasing awareness in both those who perform managerial roles and those subordinate to such managers, making them aware that in the event of any conduct that does not comply with the provisions of the Model, rules and related procedures, the applicable laws and regulations, and regardless of any personal criminal liability, the Company could be held liable, in accordance with the provisions of the Decree, with resulting application of pecuniary and/or disqualification sanctions.

Following the Group's listing on the stock exchange, the content of the Model was expanded in August 2022 to include certain types of offences specific (and exclusive) to listed companies.

In order to strengthen the control system both in general and in relation to these new offences, the figures of

Composition of the Supervisory Body of Industrie De Nora SpA

Office held	Name	In office since	In office until
Chair	Gianluca Sardo	18 February 2022	When the Board of Directors approves the draft financial statements of the company as at 31 December 2024
Independent Member	Silvio Necchi	18 February 2022	When the Board of Directors approves the draft financial statements of the company as at 31 December 2024
Internal Member	Claudio Vitacca	3 August 2022	When the Board of Directors approves the draft financial statements of the company as at 31 December 2024

Investor Relations, Internal Audit and Compliance Manager were introduced, with an update of the information flows relating to them.

The Model consists of a General Section, which describes the corporate structure, the general principles of the Decree, the functioning of the Model and the mechanisms for its effective implementation, including the functioning and powers of the Supervisory Body ('SB'), information flows and the disciplinary system. There is also a Special Section, divided by type of offence, setting out:

— the description of the cases;

— sensitive corporate activities;

— general and special rules of conduct;

— the tasks of the Supervisory Body.

According to the provisions of the Decree, after obtaining approval of the Model, the Board of Directors appointed an SB, with independent powers of action and control, to monitor the functioning of the Model.

At a general level, the SB is responsible for monitoring:

— compliance with the requirements of the Model and related documents by the recipients, taking any necessary actions;

— the effectiveness and suitability of the Model's requirements, in relation to the corporate structure, to prevent the reporting of the crimes mentioned in the Decree;

— the possibility of updating the Model's provisions and rules of conduct.

For the Group, adequate staff training and awareness of the principles and requirements contained in the Model are the key elements for correct and effective implementation of a corporate prevention system.

In 2022, the training programme designed to promote knowledge of the rules laid down in Italian Legislative Decree 231/2001 and to provide a comprehensive overview of the provisions of the Decree and their practical repercussions involved Italian employees. The Group makes training courses available in digital format on the internal portal or organises in-person training courses if necessary (especially for top management).

Following the updating of the Industrie De Nora S.p.A. Model, the company organised a training course for top management and employees. In-person training sessions were held in September and November with the support of an external law firm and a recording was made available for those unable to attend. At the end of the course, participants were asked to fill in a questionnaire to check their adequate understanding of the reference legislation and the structure of the Model. As at 31 December 2022, approximately 87% of employees (112 out of 130) had completed the training course.

In addition, training programmes on De Nora's Code of Ethics were provided in 2022 as part of the on-boarding courses provided to all newly recruited staff.

Conflicts of Interest

On 18 February 2022, the Issuer's Board of Directors resolved to preliminarily adopt a *'Related Party Transactions Procedure'* (the 'RPT Procedure'), which was subsequently approved by the Board of Directors on 5 July 2022, subject to the favourable opinion of the RPT Committee (as defined below) in implementation of Article 2391-bis of the Italian Civil Code, of Consob Regulation 17221 of 12 March 2010 (the 'RPT Regulation') and Consob Communication DEM/10078683 of 24 September 2010, containing indications and guidelines for the application of the RPT Regulation.

The RPT Procedure contains measures aimed at ensuring that transactions involving related parties are carried

out as transparently as possible, in compliance with the criteria of substantive and procedural fairness and transparency.

As specified in the preceding paragraph, the company has also identified a committee for related party transactions consisting of three independent directors, namely Maria Giovanna Calloni (as Chairman), Elisabetta Oliveri and Teresa Naddeo, to which the functions set forth in the RPT Procedure are assigned (the 'RPT Committee').

It should be noted that the Board did not deem it necessary to adopt any further specific operating solutions to facilitate the identification and proper management of situations in which a Director has an interest on their own behalf or on behalf of third parties; on this point, the Board deemed the existing safeguards adequate by virtue of the provisions contained in Article 2391 of the Italian Civil Code, which establishes that each director *'must inform the other directors and the Board of Statutory Auditors of any interest they may have, on their own behalf or on behalf of third parties, in a given company transaction, specifying its nature, terms, origin and scope'*.

Code of Ethics

All Italian and foreign subsidiaries of Industrie De Nora S.p.A. adopt the De Nora Code of Ethics, which outlines the principles and control measures established at Group level.

The Code of Ethics currently adopted is intended to guide, irrespective of role and responsibility, all those who directly or indirectly, permanently or temporarily, establish relations with De Nora, be they directors, auditors, employees, customers, suppliers or external consultants. The contents of the Code define the conduct to be maintained in order to comply with the principles and rules related to:

- relations with colleagues and external stakeholders;
- anti-corruption and anti-fraud;
- the protection of company information and property;
- health, safety and environment;
- the protection of persons, equal opportunities;
- corporate governance and accounting transparency.

To facilitate the use of the Model and the Code of Ethics by third parties, De Nora publishes the documents on its corporate website and also requires adherence to these principles through contractual clauses.

Whistleblowing

De Nora is committed to conducting its business on the basis of ethical behaviour and a good corporate governance system.

To this end, a Group-wide Whistleblowing Policy[15] was published and implemented in October 2022, guaranteeing a high level of protection to those who report conduct that constitutes or may constitute a violation of the Code of Ethics, internal policies and procedures, laws and regulations.

It is thus possible to report, including anonymously, any irregularity and/or illegal conduct (even suspected conduct) of commission or omission, with respect to the principles laid down in the Code of Ethics, through channels that guarantee the confidentiality of the identity of both the whistleblower and of any persons mentioned in the report.

[15] The policy is available in several languages on the De Nora website at the following address: Whistleblowing De Nora.

The channels set up are diverse and heterogeneous, so as to provide whistleblowers with wide and indiscriminate access:

— IT platform (managed by an independent third party) accessible by all whistleblowers[16];

— ordinary mail[17];

— e-mail address[18].

Training sessions for employees on the features of the new Whistleblowing system are planned for 2023.

De Nora's Internal Audit and Compliance Manager (the 'Recipients') are responsible for receiving the reports.

All reports received will be analysed and classified by the Recipients with the support of the Ethics Committee, an internal inter-departmental body composed of the Chairman of the Board of Directors of De Nora, the Head of Human Resources and a member of top management (e.g., Chief Executive Officers, General Managers and/or the Managers of a local company department, depending on the origin of the report) identified by the Recipients from time to time. A person mentioned in the report cannot be involved. Depending on the case, the Committee may decide whether to entrust the case to the Internal Audit Manager, the Compliance Manager or, depending on the specific nature of the report, to other internal persons or third parties.

Following the assessment and verification of the report, the Recipients send a report to the Ethics Committee in order to define the truthfulness or soundness of the report and to identify the appropriate measures, including disciplinary measures, if misconduct has occurred.

Furthermore, a dedicated communication channel pursuant to the Model is available for the employees of Italian companies, who may send the SB detailed reports of significant illegal conduct pursuant to Italian Legislative Decree 231/01 or reports of possible violations of the Model by e-mail or regular mail, based on specific and consistent facts of which they have become aware due to the functions carried out.

Seven reports were received in 2022, all of which occurred before the introduction of the new Whistleblowing system and were not registered because they did not contain any reports of offences or irregularities.

To improve the dissemination and awareness of the Whistleblowing system, De Nora is preparing a training programme to begin in 2023 for all its employees, which will present the new Policy, its purpose, how it works and how to report.

[16] https://denora.integrityline.com/
[17] DN Internal Audit Director and Compliance Manager, Via Leonardo Bistolfi 35, 20134 Milan (Italy).
[18] whistleblowing@denora.com

Anti-corruption

The De Nora Group is committed to combating corruption and preventing the risks of unlawful practices at any level and in any geographic area through the dissemination and promotion of ethical values and principles, and through the effective development of rules of conduct and implementation of control processes, in line with the requirements set out by current regulations and international best practices.

Considering the wide geographical context in which the De Nora Group operates, general principles of conduct have been adopted and are contained in several documents: in the Code of Ethics, the 231 Model, and the Supplier Code of Ethics. These principles serve to regulate business relations with public and private entities and to ensure compliance with applicable anti-corruption rules.

All the above-mentioned documents have been communicated to employees and third parties (if necessary in the local language) and published on the internal portal and company website.

The Group began developing a specific anti-corruption programme at the end of 2022. In particular, in order to extend the level of control, the Group is carrying out an assessment process and identifying risks and/or potential risk scenarios at a global level (global risk assessment) so as to define, based on the results that emerge, a Policy and related procedure to manage them in a structured and uniform manner throughout the Group. The anti-corruption programme includes the identification of several sensitive areas, such as relations with the public administration, the management of gifts and entertainment expenses, donations, relations with third parties, etc., aimed at defining appropriate control protocols.

No corruption incidents were recorded during the two reporting years 2021 and 2022.

The Group will establish a management system in line with the requirements of ISO 37011 'Management Systems for the Prevention of Corruption' in 2023.

Furthermore, the Policy will follow the provisions of Principle X of the UN Global Compact on Combating Corruption.

During 2021, De Nora Permelec Ltd (hereinafter also DNP) in Japan and De Nora Electrodes Suzhou Co. (hereinafter also DNC) in China obtained TRACE certification. TRACE is a non-profit business association dedicated to fighting corruption and disseminating compliance and good governance practices.

03 Data Protection and Cyber Security

Data Protection and Cyber Security

The protection of data (of both employees and customers) managed by the organisation is a key issue in ensuring business continuity. Moreover, given the increasing amount of information managed through new technologies (software and hardware), the issue of cyber security is increasingly linked to the protection of data managed through corporate channels.

In line with the relevant laws and regulations, De Nora has a number of safeguards in place to ensure the proper management and protection of data and cyber security.

Data Protection

De Nora handles personal data in line with the provisions of EU Regulation 679/2016 (GDPR), and ensures that data is kept only for the time necessary and is never sold or transferred to third parties, in the absence of a suitable legitimate basis.

In order to safeguard the protection of its stakeholders, De Nora has established a Data Protection Officer (DPO), who is responsible for designing and monitoring the data protection programme. The DPO also checks that the company is constantly in compliance with the regulations.

De Nora has adopted a Privacy Policy that contains information on the process for collecting data and information from all users who access the Group's website, the manner in which personal data is collected and processed, and any transfer of such data to third parties.

Furthermore, the Cookies Policy indicates what types of cookies are present on the site, their purposes and the necessary consent of users.

Cyber Security

Managing an organisation's information systems is increasingly crucial in an ever-changing world. The standards in this area are becoming increasingly complex and cyber threats are becoming more and more frequent. In this context, the Cyber Security and ICT Operations Department was established in 2021 to increase security and efficiency in data protection and ICT operations. The Department consists of a manager at the Parent Company level and the managers of various Group regions.

In 2022, following an analysis of the main characteristics of the De Nora Group and the status of the cyber security measures taken, it defined a programme consisting of 16 initiatives for the overall improvement of the company's security. On the one hand, these interventions made it possible to increase corporate defences, and on the other to structure cyber security governance in step with evolving technologies and attack tactics in order to adapt the defence strategy in a timely manner.

In addition, specific interventions were planned to strengthen employees' awareness that they are an important part of the company's IT security and to show them how they can work securely and make informed decisions in their daily work. This was carried out with training activities via a specific platform and phishing campaigns. About 20 hours of training were provided for the white collar and manager categories in December.

A Security Operation Centre (SOC) monitors applications and infrastructures on a 24-hour basis to check the progress of the organisation's protection measures and to define further improvement plans, such as the number of incidents accepted, their type and resolution times.

About 250 reports were received in 2022, from which no security incident resulted. Furthermore, there were no reports of breaches of customer privacy and no leaks, thefts or losses of customer data in the same year. In contrast, there was only one reported case in 2021, from which no data loss or privacy breach emerged.

04 Investor Relations

Investor Relations

The De Nora Group believes in the importance of maintaining communication with shareholders (both institutional investors and retail shareholders) that is transparent, proactive and constructive for all stakeholders. Communications cover all the main topics of the Group, including the ESG Strategy, in particular leveraging the green transition in the hydrogen production industry. In addition, the Board of Directors has identified a person responsible for managing relations with shareholders - whether institutional or retail investors - and other relevant members of the financial community (the investor relator).

As at the date of the NFS, the role of Group's investor relator is attributed to Ms Chiara Locati.

Policy for Managing Dialogue with Shareholders and the Financial Community

De Nora maintains dialogue with investors that is based on the principles of fairness and transparency, in compliance with EU and national regulations on market abuse, and in line with international best practices. With this objective in mind, the Company is committed to disseminating comprehensive and timely information, capable of effectively representing its business strategy and performance, with particular emphasis on the dynamics that ensure the creation of sustainable value over time.

This commitment was formalised with the approval, in February 2022, of the Policy for the Managing Dialogue with Shareholders and Other Relevant Stakeholders (e.g,, financial analysts, institutional investors, rating agencies, and other financial interlocutors), aimed at regulating the traditional means of conducting engagement, as well as the dialogue between the Board of Directors and the Interested Parties on issues within the Board's competence (the 'Engagement Policy'), in implementation of the provisions of Article 1, Principle IV, and related recommendations, of the Corporate Governance Code, to which the Company adheres, and in line with the engagement policies adopted by institutional investors, proxy advisors and active managers, and with international best practices.

The Engagement Policy governs, *inter alia*, the methods of communication with shareholders, the topics of dialogue, the role of the Investor Relator and the involvement of other corporate bodies, as better detailed below.

Communication methods

Periodic Information	For example: annual financial report, sustainability report, periodic accounting information and information connected to the shareholders' meetings (notice calling the meeting, report and Directors' report, Q&A files relating to the items on the agenda for the Shareholders' Meetings)
Shareholders' Meetings	The shareholders' meeting is the decision-making collegial body of the Company and may be held on an ordinary or extraordinary basis in accordance with the matters to be decided upon and approved
Press Releases	Press releases are issued to the public through the regulated information dissemination system SDIR and the Company website
Website	All the information aimed at Shareholders and the Financial Community is promptly made available on the Internet website www.denora.com, [*Investor Relations*] section and [*Corporate Governance*] section; the other sections of the website contain further detailed information that allows informed opinions to be developed regarding the Company and the group
Conference Call/ Audio Webcast	Following the dissemination of a press release relating to the economic-financial data for the period or events connected to 'price sensitive' information, these calls may be accompanied by a presentation promptly published on the above-mentioned Internet website
Roadshow and Investor Conference	Meetings with current and potential investors are usually accompanied by a presentation; the issues discussed relate to information previously disclosed to the market when the results or relevant Company events are published
Meetings upon request/Company visits	Meetings upon request ("Meetings upon Request") - also in accordance with the topic under discussion and according to the cases and subject to assessment by the Company - can be held using a *one-way* mechanism, i.e. providing that it is only the Investors who will express their ideas on specific issues, or using a *two-way* mechanism, i.e. providing for an effective exchange of information between the Investors and the Company, on a bilateral basis (i.e. in the presence of only one Investor) or on a collective basis (i.e. in the presence of a number of Investors). They are usually accompanied by a presentation; the issues discussed relate to information previously disclosed to the market when the results or relevant Company events are published. Company visits - also upon request - may also include a visit to the production and development departments of the Company
Social Channels	In order to permit the Shareholders to stay constantly up to date on most recent Company-related news, the Company is present on a number of social channels managed by the Marketing Department
Contacts with specific Company Departments	Contacts with the Marketing Department, with regard to relations with the media, and with the Legal Department, with regard to the exercise of specific rights of the shareholders and their attendance at shareholders' meetings

The engagement policy assigns the Investor Relations Department the task of interacting with institutional investors, as well as with financial analysts and rating agencies on an ongoing basis.

In managing dialogue with shareholders and the financial community, the company follows the principles of transparency, clarity, timeliness, equal treatment and access to information and compliance, avoiding any form of unjustified selective information. Communications can be made through various channels. For each communication, the most appropriate channel is chosen depending on the stakeholders involved.

During 2022, in addition to investor education and marketing activities related to the listing process and conference calls after the publication of the Company's results (annual results, half-yearly and quarterly results), the company participated in roadshows and industry conferences, meeting a total of approximately 120 investors in person or via video conference. ESG investors account for about 30% of Institutional Investors[19].

For more details, please refer to the text of the Engagement Policy available on the Issuer's website at www.denora.com, Section [*"Governance"*].

Creating Value in a Green Way

De Nora is a market leader in green hydrogen technologies. This is a large and continuously growing market (6x in the period 2020-2050). With such prospects and a business plan that envisages continuous investment in R&D to improve existing technologies and launch new ones, it is estimated that the market position will be maintained and shareholder value will be created. This is also achieved by entering into strategic partnerships to facilitate the planned processes.

[19] Institutional Investors include all the shareholders of Industrie De Nora S.p.a. with the exception of: Federico De Nora S.p.A, Asset Company 10 S.r.l., Norfin S.p.A., De Nora Federico and retail investors (source: Nasdaq insight).

05 Environment

Managing Environmental Impacts in De Nora

De Nora aims to be an active player in the creation of a sustainable future and recognises that we all need to work together. This is why the Group is continuously investing in technological solutions, initiatives with its partners and suppliers, and internal actions to counteract the negative environmental effects of its production activities and stimulate greater awareness among employees.

As an integral part of its strategy, De Nora is committed to continuously improving environmental performance and verifying the accuracy of management systems through internal audits in accordance with applicable legislation.

Specifically, the Group is committed to ensuring that:

— all workers are trained, informed and aware of how to perform their tasks appropriately;

— constant attention to improving and preventing environmental health and safety incidents is promoted;

— all corporate structures participate, according to their roles and skills, in the achievement of objectives and the implementation of new improvement initiatives.

To reduce its impact and improve its environmental performance, De Nora has defined a number of guidelines to focus on:

— preserving and protecting the environment in which it operates by using resources efficiently and ensuring sustainability throughout its value chain;

— complying with all applicable environmental protection laws and further compliance regulations of relevant parties;

— distributing specific responsibilities between all management levels to enforce and monitor environmental protection standards (such as national and international laws and internal regulations);

— promoting training to all staff to enable the professional development of employees, so as to integrate continuous improvement activities into their daily work;

— spreading a corporate culture centred on staff behaviour that respects and encourages environmental protection;

— ensuring the reduction of environmental impacts over time by adopting the latest technical standards, knowledge and techniques, as far as possible;

— defining and adopting specific objectives and KPIs aimed at improving the performance of the environmental management system;

— maintaining open dialogue with suppliers and providing them with the appropriate tools and guidelines to implement and maintain behaviour consistent with the environmental protection policy promoted by the Group;

— carrying out inspections and audits (through internal and external subcontractors as opposed to our own) to detect and prevent any situation of non-compliance with the requirements of the management system;

— monitoring and promoting investments aimed at reducing energy consumption.

De Nora's production facilities are distributed worldwide at 14 sites in Germany, Italy, the US, Brazil, Japan, the UK, China and India. Of these, three of the Group's operating sites have been certified according to ISO 14001 and the sites of De Nora Deutschland GmbH and De Nora India Ltd have been awarded ISO 50001 certification for having implemented an energy management system.

The international certifications related to environmental responsibility obtained by the Group sites are detailed nearby.

Manufacturing capacity does not only include the application of electroactive coatings, but ranges from the synthesis of powdered catalysts to the preparation of asbestos-free separators for the chlor-alkali process, through to the assembly of components, electrolysers, skid-type assembly systems and the assembly of water treatment equipment, all performed within the company's global network of plants.

Material Consumption

The materials used by De Nora include mostly base and noble metals, packaging materials, chemical compounds used for the chlor-alkali separators, and compounds such as acids and bases used for electrode production and metal treatment.

Legal entity	Country	Site	ISO 14001	ISO 50001
De Nora Deutschland GmbH	Germany	Rodenbach		X
De Nora India Ltd.	India	Goa		X
De Nora Permelec Ltd	Japan	Fujisawa	x	
De Nora Italy S.r.l.	Italy	Cologno Monzese	x	
De Nora Water Technologies Italy S.r.l.	Italy	Cologno Monzese	x	

In 2022, the total use of base metals was 2,311 tonnes, an increase of 28% over the previous year. In 2022, noble metal consumption was 10,491 kg, an increase of 32% compared to 2021.

The total materials used amounted to 6,803 tonnes (+70% compared to 2021), 8% of which from recycled material, in line with 2021 results. The amount of materials used by the company is directly proportional to the amount of orders received. 31% of the wood used within the company's processes is reused (some wooden boxes in which De Nora receives raw materials or electrodes are used to ship products). With regard to other materials, 6% of the total cardboard used, 17% of corrugated cardboard, 5% of metals and 7% of film are reused.

It should be noted, however, that there is a circular economy aspect to the regeneration of customers' used electrodes, which when they reach a certain state of wear, are sent to De Nora which then recoats them. In addition to the materials included in the table, the Group used around 500 UV lamps and 3,200 glass tubes in 2022. The data for these materials are only partial for 2021, as they are mainly used at the Pittsburgh site in the USA, which was acquired in 2021.

Table: GRI 301-1; Materials used by weight or volume and 301 -2 Recycled input materials used

Type of material	Unit of Measurement	Materials used by weight or volume[20]			
		2021		2022	
		Non-renewable	Renewable	Non-renewable	Renewable
Wood	kg		809,559		1,262,327
Cardboard	kg		6,384		17,227
Corrugated cardboard	kg		8,150		132,725
Ranpak paper	kg		0		4,950
Metals	kg	1,801,045		2,311,100	
Noble metals	kg	7,957		10,491	
Chemicals	kg	1,368,655		3,051,191	
Film	kg	4,358		4,752	
Bubble wrap	kg	2,781		3,933	
Plastic pallets	kg	0		2,559	
Polystyrene	kg	1,345		1,946	
Total	**kg**	**3,184,796**	**824,093**	**5,386,585**	**1,417,229**

[20] For 2021, the figure for the quantity of ranpak paper and plastic pallets is not available.

Noble Metals

De Nora uses metals as the main raw material within its production.

The upstream activities in the value chain (mining and refining) of metals have negative impacts on the environment, due to their high energy consumption and emissions produced, and consequent reduction in land and land resources.

In particular, De Nora is aware that the noble metals essential for the functioning of its products are among the rarest raw materials in the Earth's crust.

Despite the environmental risks associated with the extraction and refining of noble metals, there are currently no alternative renewable compounds or materials with similar catalytic properties which simultaneously guarantee the same durability and energy consumption. Therefore, decreasing their use and working towards their recycling are crucial in mitigating the risks associated with their use.

In particular, De Nora acts in three main areas in this regard:

1. implementation of projects to increase the efficiency of the electrode coating process used in all production facilities and reduce the use of noble metals;
2. development of coating compositions that involve less material usage without compromising the electrochemical and mechanical properties of the electrode;
3. internal awareness-raising campaigns on waste and material management, also with the aim of gathering ideas on how to (re)use noble metals more efficiently, recover scrap metal and minimise waste in electrode design and manufacture.

Packaging

De Nora is also committed to reducing the environmental impact of the material used for packaging. In its coating activities, the Group reuses the packaging in which it receives the electrodes from its customers whenever possible.

In addition, numerous initiatives are underway to reduce the environmental impact of packaging, including:

— replacement of plastics with more durable recycled plastic or cardboard;

— installation of equipment to convert used cartons - intended for recycling - into practical packaging material, also eliminating bubble wrap.

Waste

At De Nora, all hazardous chemicals are stored, used and disposed of responsibly by authorised third-party operators. This type of waste mainly comes from chemicals and acids used in the surface treatment of metals for the production of DSA® electrodes. Non-hazardous waste instead mainly comes from waste (metal and plastic) and non-reusable packaging (wood and cardboard).

In addition, through the re-coating process, i.e., the deposition of electro-catalysts on metal substrates already in use at some customers' premises, De Nora is able to reuse materials otherwise

Table: 306-3; Waste generated

Total weight of waste generated

	Unit of Measurement	2021			2022		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recovery[21]	kg	1,262,863	282,338	1,545,202	1,448,044	645,057	2,093,101
Disposal	kg	1,073,405	2,035,972	3,109,377	1,207,670	2,129,516	3,337,186
Total	kg	2,336,268	2,318,310	4,654,579	2,655,715	2,771,997	5,427,711

intended for disposal, restoring them to their original shape and strength and allowing them to be reused.

The total waste produced in 2022 amounts to over about 5,400 tonnes, all of which is industrial waste and consists of 51% non-hazardous and 49% hazardous. There is an increase of 17% compared to the previous year.

The weight of waste not sent for disposal is over about 2,093 tonnes, 18% more than in 2021.

At three of the Group's US locations, the data on waste generated by weight was not directly available. Since there is no reference standard for this calculation, average conversion factors for general industrial waste made public by US government agencies were used for the Pittsburgh and Concord sites. For the third site, Colmar, the approximation of the weight of waste generated was calculated directly by the third-party waste management company.

Energy Consumption and Emissions

De Nora's energy consumption is determined by the use of natural gas for heat production (used both for heating and for the heat treatment furnaces), the consumption of electricity and fuel for the movement of trucks, forklifts and company cars.

In 2022, total energy consumption was 359,363 GJ. Compared to 2021, there was an increase of 7,157 GJ (2%).

Electricity consumption from renewable sources in 2022 was 1,146,816 kWh.

De Nora acknowledges that there is still room for improvement in reducing the energy consumption of its operations. Several projects to reduce the Group's energy consumption were therefore initiated in 2022, such as:

— installation of photovoltaic panels in the Germany plant for the on-site generation of renewable electricity;

— installation of LED lighting systems in Colmar, Brazil and Pittsburgh;

[21] With reference to the data on waste sent for recovery, the incineration method with energy recovery is also considered.

— heat recovery during thermal treatment in the Rodenbach plant;

— electrification of the forklift fleet in the plants in Brazil and Germany.

In terms of energy intensity, defined as the necessary energy consumed by the organisation for each unit of activity, production, or any other specific quantity, the Group reported a 26% decrease in energy used per unit of turnover in 2022. The indicator is calculated by dividing absolute energy consumption (i.e., electricity and natural gas) by a specific quantity, which in the case of De Nora is turnover.

With regard to greenhouse gas emissions, De Nora monitors direct and indirect emissions according to the provisions of the GHG Protocol. In particular, emissions are monitored according to the following categories:

— Scope 1: direct emissions from heat generation sources owned by the organisation, from internal handling (trucks and forklifts) and from fugitive emissions of greenhouse gases;

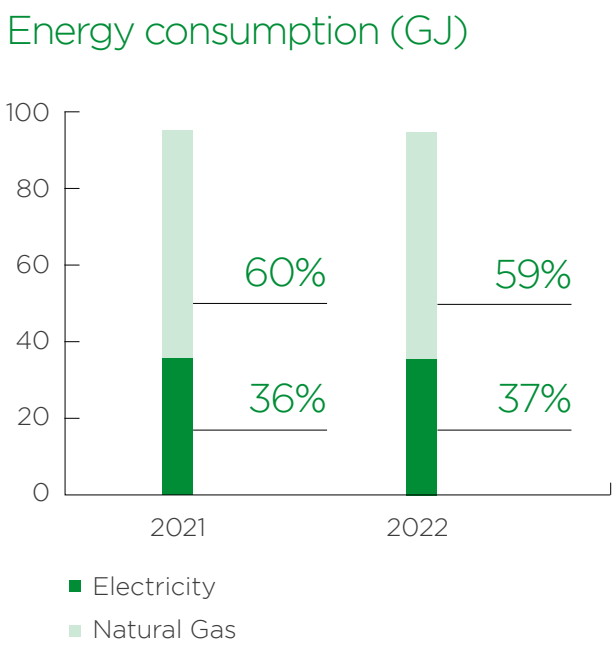
Table: GRI 302-1; Energy consumption within the organisation

Internal energy consumption within the organisation

	Unit of Measurement	2021	2022
Purchased electricity	kWh	34,934,243	37,291,206
of which renewable and certified with GO (Guarantee of Origin)	*kWh*	*1,227,149*	1,146,816
Self-generated electricity	-	0	0
of which renewable	-	*0*	*0*
Electricity sold	-	0	0
of which renewable	-	*0*	*0*
Natural gas (for district heating)	m^3	6,334,763	6,767,246
Diesel (for generation and automotive use)	l	42,353	39,972
Kerosene (for generation)	l	14,886	15,876
Fuel oil (for heating/cooking)	l	269,594	239,629
Wood chips	kg	99,530	130,610
Propane (for automotive use)	kg	5,718	10,701
LPG (for automotive use)	kg	3,733	3,771
Petrol (for automotive use)	l	3,286	4,479

Total internal energy consumption within the organisation (GJ)[22]

	Unit of Measurement	2021	2022
Purchased electricity	GJ	125,763	134,248
Natural gas	GJ	211,839	210,815
Diesel	GJ	1,618	1,529
Kerosene	GJ	550	586
Fuel oil	GJ	9,990	8,865
Wood chips	GJ	1,860	2,442
Propane	GJ	288	539
LPG	GJ	184	186
Petrol	GJ	113	153
Total	**GJ**	**352,206**	**359,363**



— Scope 2: indirect emissions from the purchase of electricity and/or heat consumed by the organisation.

  - Location-based: takes into account the conversion factor of the energy relative to the country where it was purchased. This approach therefore considers the performance of a national average emission factor related to the specific national energy mix for power generation;
  - Market-based: this consists of assessing emissions based on market choice, i.e., whether an organisation chooses to procure energy from renewable or non-renewable sources. This approach considers zero emissions related to the purchase of energy from renewable sources, while using a coefficient defined on a contractual basis with the electricity supplier, where available or through the national residual mix.

[22] DEFRA conversion factors were used for the calculation of energy consumption in GJ, updated for 2021 and 2022 respectively. With regard to diesel, the transport coefficient was used for the consumption related to both transport and heating.

The Scope 1 and Scope 2 emissions are calculated using DEFRA emission coefficients.

In addition to emissions from energy consumption and the use of refrigerant gases, De Nora monitors significant emissions into the air. In fact, some facilities are subject to legal limits on emissions from chimneys and must therefore monitor the data to verify that these limits are not exceeded.

Table GRI 302-3; Energy Intensity

Energy intensity within the organisation

	Unit of Measurement	2021	2022
Revenue	M€	615	852
Energy consumption within the organisation	GJ	352,205	359,363
Energy intensity	GJ/M€	573	422

Table: GRI 305-1; Indirect greenhouse gas (GHG) emissions - Scope 1

Indirect greenhouse gas (GHG) emissions - Scope 1

	Unit of Measurement	2021	2022
Natural gas	tCO_2e	12,769	13,641
Diesel	tCO_2e	106	102
Kerosene	tCO_2e	38	40
Fuel oil	tCO_2e	685	609
Wood chips (emission source)	tCO_2e	7	7
Propane	tCO_2e	17	32
LPG	tCO_2e	11	11
Petrol	tCO_2e	7	10
tCO_2e0 0 F-gas (fugitive emissions)	tCO_2e	395	425
Total Scope 1	tCO_2e	14,035	14,877

GHG emission intensity is calculated with the same principle applied to energy, defined as GHG emissions per unit of activity, output or any other organisation-specific metric. Intensity is calculated by dividing absolute emissions (the numerator) by the specific metric, which for De Nora is revenue (in millions of euros). In 2022, compared to 2021, the Group's GHG emission intensity contracted when considering both the location-based and market-based approaches, recording -24% for both.

Table: GRI 305-4: Intensity of GHG emissions

Emission Intensity (Scope 1 + Scope 2 Location Based)

	Unit of Measurement	2021	2022
Turnover	M€	615	**852**
Emissions (Scope 1 + Scope 2 Location Based)	tCO_2e	30,005	**31,163**
Intensity	tCO_2e/M€	49	**36**

Emission intensity (Scope 1 + Scope 2 Market Based)

	Unit of Measurement	2021	2022
Turnover	M€	615	**852**
Emissions (Scope 1 + Scope 2 Market Based)	tCO_2e	31,436	**33,517**
Intensity	tCO_2e/M€	51	**39**

Corporate Travel Policy

As a global company operating in 10 countries and with customers in more than 100 countries around the world, De Nora has significant air and automotive transport needs. As a result, the need emerged to define a comprehensive internal corporate travel policy, which was drafted in 2018 with the aim of providing guidelines on business travel for all employees in order to limit both expenses and greenhouse gas emissions.

Some key points included in the Policy are:

— trips should only be made when necessary, i.e., when no other means (telephone calls, video conferences, etc.) are suitable for the purpose;

— the trips must be limited to the minimum number of colleagues travelling for the same reason;

— travellers must use public shuttle buses/trains for airport-city centre travel, where applicable;

— travellers must consider using car sharing and use taxis only when this is not available or possible.

Direct GHG emissions - Scope 1 - Refrigerant gases[23]

Type of Refrigerant Gas	2021		2022	
	kg	tCO_2eq	kg	tCO_2eq
R410A	47	98	180	376
R22	105	190	21	38
R134a	0	0	0	0
R407c	0	0	6	11
HFC32	26	18	0	0
HFC125	26	90	0	0
HFC134	0	0	0	0
HFC-134a	0	0	0	0
Total	203	395	207	425

[23] In 2021 and 2022, the emissions of refrigerant gases into the air were declared for five facilities, the DEFRA coefficient was used to calculate the tonnes of CO_2e.

Table: GRI 305-2; Indirect GHG emissions from energy consumption - Scope 2

Indirect greenhouse gas (GHG) emissions - Scope 2 - Location-based

	Unit of Measurement	2021	2022
Purchased electricity	tCO_2e	15,969	16,286
Total Scope 2 Location-based	tCO_2e	15,969	16,286

Indirect greenhouse gas (GHG) emissions - Scope 2 - Market-based

	Unit of Measurement	2021	2022
Electricity purchased from non-renewable sources	tCO_2e	17,400	18,640
Total Scope 2 Market-based	tCO_2e	17,400	18,640

Total greenhouse gas (GHG) emissions - Scope 1 and Scope 2

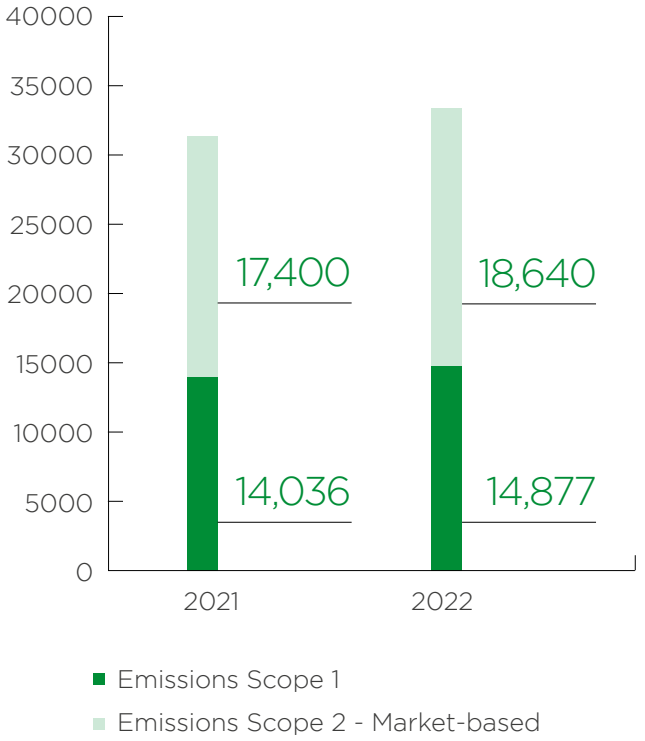
	Unit of Measurement	2021	2022
Emissions Scope 1	tCO_2e	14,036	14,877
Emissions Scope 2 - Market-Based	tCO_2e	17,400	18,640
Emissions Scope 2 - Location-Based	tCO_2e	15,969	16,286
Total Emissions Scope I and Scope II - Market-Based	tCO_2e	31,436	33,517
Total Emissions Scope I and Scope II - Location-Based	tCO_2e	30,005	31.163

Table: GRI 305-7; Nitrogen oxides (NOx), sulphur oxides (SOX) and other significant emissions

Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions into the air[24]

	Unit of Measurement	2021	2022
NOx	Kg	5,664	4,683
HCl	Kg	345	1,035
Persistent organic pollutants (POP)	Kg	0	0
Volatile organic compounds (VOC)	Kg	73,936	82,984
Total C	Kg	29,251	31,189
Formic acid	Kg	17	2
Cl 2	Kg	0	0
Ammonia	Kg	370	51
Particulate matter (PM)	Kg	1,457	985
Other standard categories of emissions into the air identified by relevant regulations (CO)	Kg	65	69

Emissions [tCO_2e]



[24] The calculation of emissions into the air is based on an estimate, given by the value of the harmful gas concentration multiplied by the working hours and the flow rate of the chimney emissions.

Further initiatives to reduce the impact of business travel being evaluated are:

— launch of digital services to provide customers with remote support; this provides faster service and also helps to limit the number of trips to customer sites;

— subscription to Trees4Travel since autumn 2022, which has allowed 160 trees to be planted, thereby offsetting the CO_2 emissions produced by a fraction of company business trips.

Water Consumption

As a world leader in water technology, the Group is fully committed to actively contributing to the preservation of water resources and to using them responsibly for its internal operations.

Water for industrial use is applied to two main processes:

— the treatment of metal surfaces using acidic or alkaline solutions; in this case the water comes from the chemical agents used in the process, which when exhausted, are neutralised to maintain a neutral pH. Once neutrality is achieved, the water is filtered and discharged into the sewerage system;

— the scrubbing operation to remove pollutants from fumes, through the use of scrubbers to abate acidic/basic fumes in production. This process ensures that no pollutants are released into the atmosphere. The water used is treated and discharged in accordance with current regulations governing discharges.

In 2022, total water withdrawal was 224 megalitres.

For the identification of water-stressed areas, the Word Resource Institute's *Acqueduct* website was used[25]. In 2021 and 2022, the sites in Dubai, Abu Dhabi, India, Shanghai, Suzhou and Jinan were found to be operating in a high water-stress area[26].

[25] Aqueduct | World Resources Institute (wri.org)
[27] Areas identified by the tool with high or extremely high risk are considered water-stress areas.

Table: GRI 303-3; Water withdrawal

Total water withdrawal by source

Withdrawal source	UoM	2021		2022	
		All areas	Water-stressed areas	All areas	Water-stressed areas
Third-party water resources (total)	Megalitres	206	70	224	72
Fresh water (≤ 1000 mg/L total dissolved solids)	Megalitres	206	70	224	72
Other water types (> 1000 mg/L total dissolved solids)	Megalitres	0	0	-	-
Third-party water resources (total) by withdrawal source	Megalitres		70		72
surface waters	*Megalitres*		*70*		*72*
groundwater	*Megalitres*				
seawater	*Megalitres*		*0*		*0*
produced water	*Megalitres*				
Total water withdrawal	Megalitres	206	70	224	72

06 Our People

Our People

People are De Nora's most important resource and the 'People Strategy' is the framework that guides the Group's action in attracting, hiring, motivating and developing talents who share the same values and participate in the life of the company. The strategy is based on five fundamental pillars:

— people development;

— diversity, fairness and inclusion;

— communication, reputation and networking;

— well-being and the pursuit of self-fulfilment;

— HR analytics, digitisation, processes and agility.

Fairness and transparency guide De Nora's processes with regard to the assignment of goals, performance evaluation, salary review, skills assessment and people development, through activities for all (both employees and industrial technicians) such as: structured feedback, training plans and job rotation, mentoring, coaching, assignments to international and special projects, international mobility programmes, etc. De Nora promotes internal growth opportunities that offer its employees the opportunity to advance their careers, either by holding managerial positions or, perhaps one day, top positions in the organisation.

De Nora firmly believes in the added value that a diverse workforce can bring to the company and society as a whole. The Group therefore promotes freedom of expression and equal opportunities for all categories of workers. It also encourages the interaction of its employees with local communities to build strong and lasting relationships through partnerships with schools, universities, research centres, institutions and charities.

The Human Resources department covers five main areas. The *Development* function mainly deals with assessment, training and professional and career development plans. The *Reputation* function is dedicated to employer branding aspects, i.e., those activities focusing on the external communication of the values, skills, individuality and beneficial partnerships that the company expresses, through social media and dedicated events (e.g., open and career days and partnerships with schools and universities to introduce De Nora to possible future talents). The *Organisational Development and Internal Communications* function deals mainly with defining and maintaining corporate policies, processes, organisation and related roles and responsibilities, change management processes and internal communication. The *Compensation* function is responsible for the maintenance and management of the fixed and variable, short- and long-term remuneration and incentive processes. Lastly, the *Management* area oversees the active listening of staff, the support and practical application of processes, including administration, and the campaigns defined by the other HR functions.

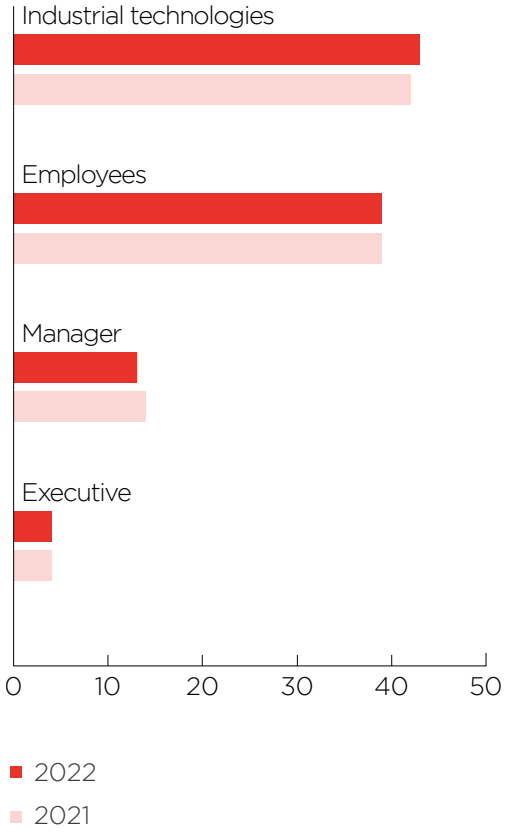
Corporate Workforce

The total number of employees of the De Nora Group is 1,929, an increase of about 12% compared to the previous year. There was also a 9% increase in the total number of workers who are not employees. Almost the entire workforce is employed on a full-time basis and 90,8% with a permanent contract.

Table: GRI 2-7; Employees

Breakdown of staff by contract type (Permanent vs Temporary)

no. of people	2021				2022			
	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total
Temporary	10	43	75	128	2	97	78	177
Men	10	39	60	109	2	90	62	154
Women	0	4	15	19	0	7	16	23
Permanent	580	465	552	1,597	645	502	605	1,752
Men	459	351	454	1,264	516	379	505	1,400
Women	121	114	98	333	129	123	100	352
Total	590	508	627	1,725	647	599	683	1,929



Breakdown of staff by professional type (Full-time vs Part-time)

no. of people	2021				2022			
	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total
Full-Time	496	78	434	1,008	645	586	682	1,913
Men	390	60	347	797	517	469	566	1,552
Women	106	18	87	211	128	117	116	361
Part-Time	94	430	193	717	2	13	1	16
Men	79	330	167	576	1	0	1	2
Women	15	100	26	141	1	13	0	14
Employees without guaranteed contractual working hours	0	0	0	0	0	0	0	0
Total	590	508	627	1,725	647	599	683	1,929

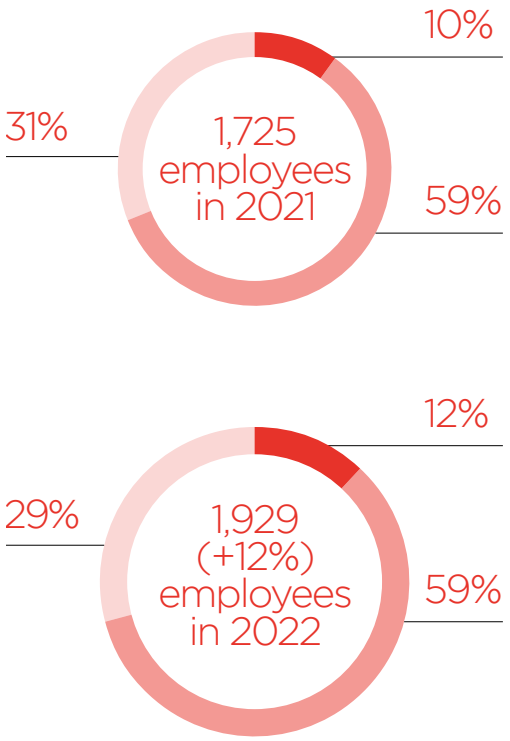


Table GRI 2-8; Workers who are not employees

Number of workers who are not employees by professional category and gender

Professional category	2021			2022		
	Men	Women	Total	Men	Women	Total
Agency workers	193	19	212	220	21	241
Trainees	10	1	11	6	5	11
Other (consultants, other forms of contract, etc.)	92	23	115	91	26	117
Total	295	43	338	317	52	369

Table: GRI 405-1; Diversity of governance bodies and employees

Breakdown of employees by gender

no. of people	2021			2022		
	Men	Women	Total	Men	Women	Total
Executives	69	7	76	69	11	80
Managers	180	56	236	196	59	255
Employees	447	233	680	502	254	756
Industrial technicians	677	56	733	787	51	838
Total	1,373	352	1,725	1,554	375	1,929

Breakdown of employees by age

no. of people	2021				2022			
	<30	30-50	50>	Total	<30	30-50	50>	Total
Executives	0	29	47	76	0	32	48	80
Managers	6	151	79	236	5	171	79	255
Employees	65	424	191	680	90	445	221	756
Industrial technicians	107	416	210	733	134	487	217	838
Total	178	1,020	527	1,725	229	1,135	565	1,929

The workforce is 80.5% male, 59% of whom are between 30 and 50 years old. A 57% increase of women in executive positions in the Group and a 6.5% increase of women among employees was recorded.

In 2022, the average turnover rate in the Group was 26%, with 501 new hires.

Table: GRI 401-1; New employee hires and employee turnover

New employees by age group, gender and region in 2022[27]

no. of people	<30		30-50		>50		Total		Turnover %	
	M	W	M	W	M	W	M	W	M	W
AMS	47	10	77	14	23	9	147	33	31	27
EMEIA	30	10	74	13	21	4	125	27	32	23
APAC	48	2	97	11	6	5	151	18	29	16
Total and average turnover	125	22	248	38	50	18	423	78	31	22

Terminations by age group, gender and region in 2022

no. of people	<30		30-50		>50		Total		Turnover %	
	M	W	M	W	M	W	M	W	M	W
AMS	23	5	42	17	33	3	98	25	21	21
EMEIA	5	3	26	7	15	5	46	15	12	13
APAC	21	1	70	13	7	1	98	15	19	13
Total and average turnover	49	9	138	37	55	9	242	55	18	16

[27] The percentage turnover is calculated on the figure as at 31/12 of the year preceding the reporting year.

New hires by age group and gender

no. of people	2021					2022				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%
Men	88	188	38	314	24	125	248	50	423	31
Women	13	41	9	63	18	22	38	18	78	22
Total and average turnover	59%	25%	9%	377	23	29%	57%	14%	501	29

Terminations by age group and gender

no. of people	2021					2022				
	<30	30-50	>50	Tot	%	<30	30-50	>50	Tot	%
Men	48	136	44	228	18	49	138	55	242	18
Women	9	37	11	57	16	9	37	9	55	16
Total and average turnover	33%	19%	10%	285	17	20%	59%	22%	297	17

De Nora ensures respect for all universal labour rights and specific local legislation, and encourages a positive internal climate and fruitful industrial relations in all countries where it operates.

In 2022, 830 De Nora employees (43%) were covered by collective agreements, which is in line with 42% of the previous year.

Recruitment and Onboarding

De Nora promotes multiculturalism and diversity as strategic assets of its workforce. The selection process therefore aims to select people who are professionals, suited to the role, engaged, motivated, and possibly coming from heterogeneous backgrounds, in order to create the right mix of skills and abilities.

The recruiting procedure was updated in 2021. The stages of the selection process are: 1) definition of needs; 2) definition and sharing of the job description internally and externally; 3) identification of the first list of candidates; 4) short list; 5) finalisation of the employment contract. Efficiency measures (KPIs) are defined for each stage and shared with local HR, for example the quality of the onboarding process, the time taken to fill the vacant position and the ability to retain talent.

Table: GRI 2-30; Collective agreements

Collective agreements

no. of people	As at 31 December 2021		As at 31 December 2022	
	Covered by collective agreements	% of total	Covered by collective agreements	% of total
Executives	34	45%	36	45%
Managers	101	43%	120	47%
Employees	248	36%	277	37%
Industrial technicians	334	46%	397	47%
Total	717	42%	830	43%

De Nora has established a number of principles and steps to be followed for each stage, with the aim of making the process free of bias, efficient, and capable of enhancing the skills of the candidates. In particular:

- neutral and inclusive language must be used in the job description to attract a diverse pool of candidates;
- CVs are examined without taking into account personal information or any data that might prejudice the selection of the most suitable candidate or applicant;
- where possible, persons with disabilities are given priority consideration and applications;
- before open positions are published externally, they are shared internally via the 'Tell a Friend' tool, to allow employees to propose candidates in their own network or to propose themselves so as to encourage internal rotation;
- in addition to complying with all applicable laws, communication with the candidate must be transparent in terms of expectations of the role and future career prospects;

— De Nora offers its employees remuneration packages in line with or exceeding local best practices, ensuring fairness and attractiveness.

New hires are accompanied through a structured onboarding process in the organisation. This includes training and induction activities on the organisational context, including through the support of a 'Buddy,' to make sure that the new recruits can adapt more quickly and feel that they are part of the company from the start.

Employee Well-being

De Nora pays special attention to the health and well-being of its employees. The Group strongly supports work-life balance and, for this reason, each location has the possibility to work remotely (or in hybrid mode), adapted to different local conditions. In Italy, for example, there is a remote work policy in place that has established the guideline of two days of remote work per week for all employees, with the exception of workers employed in Research and Development activities, who are allowed one day of remote work, and workers in production departments whose presence is always necessary.

In addition, at the local level, depending on the country and the categories of staff present, various initiatives have been organised to promote employee well-being. The main initiatives include:

— in the US, all employees are offered an insurance package that also includes extended health coverage outside working hours;

— in Italy, private health insurance is offered to all staff;

— in Italy and Germany, there is a psychological support desk that all employees can use anonymously and free of charge;

— in Italy, Germany and Brazil, De Nora supplies and distributes free flu vaccines;

— in China, regular 'round tables' are organised to promote inter-departmental communication and create opportunities for socialisation and the exchange of ideas between colleagues.

De Nora facilitates the parenthood of its people in all the countries where it is based, and is committed to ensuring further measures to support maternity and paternity, in addition to those already provided by legislation.

In particular, the Parental Leave Policy has been in force throughout the Group since 2017, outlining the measures introduced in the company to support the parenthood of its employees. In particular, in Italy:

— one extra day of paid leave is granted beyond the current regulations, for each employee with children under six years of age;

— pregnant women and new mothers have the option of working remotely full-time for up to five total months before or immediately after their compulsory maternity leave in order to facilitate their return to the office. In this case, the company also pays a monthly contribution of 15 euros for electricity and Internet connection costs;

— at the end of the breastfeeding period established by law, all new mothers who request it can take advantage of six-hour days or a 30-hour week part-time schedule until the child is three years old. Part-time work is only granted if it is compatible with the work performed.

Diversity & Inclusion

De Nora is constantly striving to build a healthy and inclusive work environment, promoting equal opportunities as defined in the Group's Code of Ethics, which emphasises 'attention to people and respect for diversity.'

De Nora's 'Each for Equal' (E4E) Committee, chaired by the *Chief Human Resources Officer* (CHRO) and the CEO of *De Nora Water Technologies* in 2022, was established in 2020 to promote diversity, equity and inclusion, working primarily to raise awareness of the issue among colleagues and on its social channels, also celebrating the many national holidays and cultures present in the countries where De Nora operates, and beyond. The committee works in full transparency: members from all cultural, professional, generational and gender backgrounds can join and are invited to take part in the committee on a voluntary basis. As at 31 December 2022, the committee consisted of 15 employees including Chief Officers (2), Directors/Managers (8) and employees (5).

The first global training course on diversity and inclusion was defined and launched in 2021, made available in the De Nora Academy for mandatory use by all staff. In addition, all industrial technicians were provided with additional face-to-face training in the local language in order to strengthen diversity, equity and inclusion at all levels.

No cases of discrimination were recorded within the Group in 2022.

Performance Evaluations

The annual performance evaluation is based on: 1. assignment of a rating from 1 to 5 in six performance drivers; 2. evaluation of the individual objectives assigned to each employee, including industrial technicians, at the beginning of the year being evaluated; 3. final overall judgement. Each evaluation is carried out by the relevant Manager and then by the latter's Manager, before being checked by the HR Department together with the CEO, to ensure fairness and correct application of the metrics.

Goal setting and performance evaluations are carried out through the digital tool SuccessFactors (SSFF) for all employees and, on a pilot basis in two legal entities, also for industrial technicians.

The performance evaluation is input for the salary review by HR together with local management, as detailed below.

In 2022, 75% of all employees were evaluated, a 12.5% increase compared to the evaluations carried out the previous year (as per the policy, employees who arrived during the second half of the year or employees who had left the company in the meantime, were not evaluated).

Remuneration

The remuneration determination process is also based on the principles of maximum transparency and non-discrimination in order to guarantee fair treatment for all staff. In particular, only the performance evaluation of the previous year (better performers are offered higher bonuses/increases), and the median level of salaries of equivalent roles in the relevant labour market (people who earn less for the same performance are granted higher bonuses/increases) are taken into account to determine the correct salary for each employee.

People who propose innovations are offered one-time bonuses, increasing according to the possible economic and social impact of the idea.

Group Managers and Directors also benefit from an annual variable remuneration scheme based on a combination of Group, company and department objectives. The company is also preparing its first Remuneration Report in line with market best practices and with the support of external advisors. For persons belonging to the Sales Department of the Water Technologies division, a sales-related incentive plan (Commission Plan) is applied.

In addition, Group Managers/Directors are offered a medium-long term incentive plan (LTI), based on cash compensation or, in the case of Executives of Strategic Significance, a Performance Shares plan, based on the Group's share price performance, financial and ESG objectives. The salary review of top positions is monitored and approved by the Nomination and Remuneration Committee of the Board of Directors.

De Nora introduced an annual analysis of the ratio of salaries of female staff to male staff in 2022. The calculation is made by comparing the average basic salary of women with that of men for the same grade/role/location.

In 2022, the ratio of women's basic salary to men's salary is in a range between 0.61 and 1.35, depending on the professional category.

Professional Development

The process of (continuous) development starts with the annual skills evaluation. Its aim is to identify the growth and career needs and aspirations of each employee.

This evaluation is above all an opportunity for discussion between the person, the respective Managers (hierarchical and possibly departmental), and the Human Resources Department, with the aim of structuring an annual individual development plan on which the employee is first engaged and then made responsible.

This moment is just one of countless opportunities for discussion and alignment of expectations that De Nora promotes and encourages as part of its *'feedback culture'*. The company also organises initiatives and events aimed at stimulating continuous communication and socialisation with and between employees, and team building.

To encourage and support communication and information sharing, De Nora has implemented an internal portal where all the main Group information is shared, such as Vision, Mission and Purpose, corporate values, the organisation and its roles, rules (policies, processes, procedures), projects, events, achievements, relevant information and news for staff, available services and tools, and more.

In addition to the portal, many other initiatives have been launched to promote communication, including the company newsletter ('We Are'), events, apps, and the use of social networks to strengthen the company's reputation.

Table: GRI 404-3; Percentage of employees receiving regular performance and career development evaluations by gender and employee category

Employees receiving evaluation

no. of people	2021			2022		
	Men	Women	Total	Men	Women	Total
Executives	52	5	57	54	8	62
Managers	137	51	188	154	53	207
Employees	327	189	516	342	191	533
Industrial technicians	486	39	525	601	44	645
Total	1,002	284	1,286	1,151	296	1,447

People Development Framework

The annual Individual Development Plans in turn refer to a 'People Development Framework,' which indicates typical training and development needs depending on the reference 'cluster' to which the person belongs (students/ apprentices, recent graduates, talents with potential, solid performers, managers, directors, etc.). This framework suggests the type of training actions (general, technical, soft skills, etc.) and development actions best suited to the person, according to the stage of the 'life cycle' in the company and their seniority, including courses, webinars, mentoring, coaching, shadowing periods to be carried out.

In addition, the De Nora Group has developed an application, adopted on a trial basis by the majority of Italian staff since 2022, which requires employees to assess their own and their colleagues' level of motivation, engagement, energy, stress, etc. on a daily basis. This initiative is also part of De Nora's continuous stimulation and search for feedback.

One of the development opportunities offered is the internal (job rotation) and international mobility programme used to enrich employees' skills and

Table: GRI 405-2; Ratio of basic salary and remuneration of women to men

Ratio of women's gross annual salary to men's

Ratio of basic salary	2021			2022		
	AMS	EMEIA	APAC	AMS	EMEIA	APAC
Executives	1.17	0.65	0.75	1.00	0.66	0.72
Managers	0.85	0.96	0.87	0.82	0.93	1.14
Employees	-	-	-	0.90	0.95	0.95
Industrial technicians	1.52	1.24	0.70	1.12	1.16	0.92

Ratio of women's remuneration to men's

	2021			2022		
	AMS	EMEIA	APAC	AMS	EMEIA	APAC
Executives	1.18	0.60	0.77	1.04	0.61	0.74
Managers	0.85	0.94	0.89	0.83	0.91	1.22
Employees	-	-	-	0.89	0.94	0.87
Industrial technicians	1.52	1.24	0.70	1.12	1.16	0.92

know-how, as well as to facilitate communication at an inter-departmental level.

The concept of career in De Nora is articulated in a broader manner, aimed at going beyond the traditional scope of a 'managerial career.' In addition to the above-mentioned processes, employees belonging to professional categories with a predominantly technical background are offered opportunities for advancement, without the need to take on a managerial role.

De Nora monitors the level of employee engagement and alignment with its values through a global survey called the We De Nora (WeDN) survey, which is translated into all languages used at De Nora. 92% of employees participated in the survey in 2022 (+0.73% compared to 2021), registering an average satisfaction of 4.83/6 (+9% compared to 2021). The survey investigates four areas: 'my job', 'my managers', 'my colleagues' and 'the company'. The questions are aimed at understanding the level of employee satisfaction by investigating their understanding and sharing of company values, adopted policies, future goals and priorities of the organisation.

Each employee participates in the survey anonymously. It is managed by an external digital platform, and employees without access to a personal computer or a shared terminal can complete it on paper. The survey is carried out every 12 to 18 months, depending on specific needs. The last survey was launched in May 2022.

To ensure anonymity, the data collection and subsequent processing are carried out by an external provider who aggregates the results into groups of at least five persons. The results of the analysis are shared with employees around the world, together with a global action plan and one for each group company (or its functional subset) to manage the areas for improvement.

Training

The De Nora Group is sensitive to training its employees, with the aim of enhancing their skills. Training is provided centrally through the 'De Nora Academy' (DNA), both for programmes considered necessary for the whole Group and for local programmes that meet the (legislative or business) training needs of multiple people.

The people at De Nora are encouraged to co-design training courses on the technical subjects they are expert in, thus sharing their knowledge with other colleagues. In fact, most of the content in the DNA was developed by the employees themselves. The training courses focus on: how business processes work; technical skills and soft skills. Staff are free to access all the content that is part of their learning programme without any time restrictions, starting with those that are identified as priorities according to their onboarding plan, and their individual development plan. Specifically, all new employees are required to attend mandatory training programmes on:

— Code of Ethics;

— Health and Safety;

— skills evaluation and individual performance;

— communication guidelines in De Nora (CLEARER);

— management of confidential information;

— use of IT devices;

— use of innovation systems.

In addition, there are two programmes in DNA dedicated to leadership development:

— *'Manager De Nora's way'* which, by implementing De Nora Manager Guidelines, provides newly appointed

managers with the fundamentals of expectations, objectives, scope and operational tools to effectively take on their new role;

— *'Leadership De Nora's way'*: with the aim of helping managers develop their leadership skills.

In addition to the on-demand courses made available in DNA, individual development plans can include other training courses, either face-to-face or using e-learning, aimed at filling specific individual gaps, delivered by colleagues or more often by external providers.

In Industrie De Nora (IDN), De Nora Italy S.r.l. (DNIT) and De Nora Water Technologies Italy S.r.l. (DNWTIT), employees are also required to complete training programmes on quality, corporate administrative liability and the General Data Protection Regulation (GDPR).

The training hours shown in the table consider both training delivered through DNA and training delivered locally.

A total of 59,552 training hours were provided to De Nora staff in 2022, a 53% increase over 2021 due to the very high number of new hires during the year, the higher overall number of employees and the organic increase in training hours, which remains a company goal.

The offer of training courses was quite varied in order to meet the different training needs that the different roles of employees require.

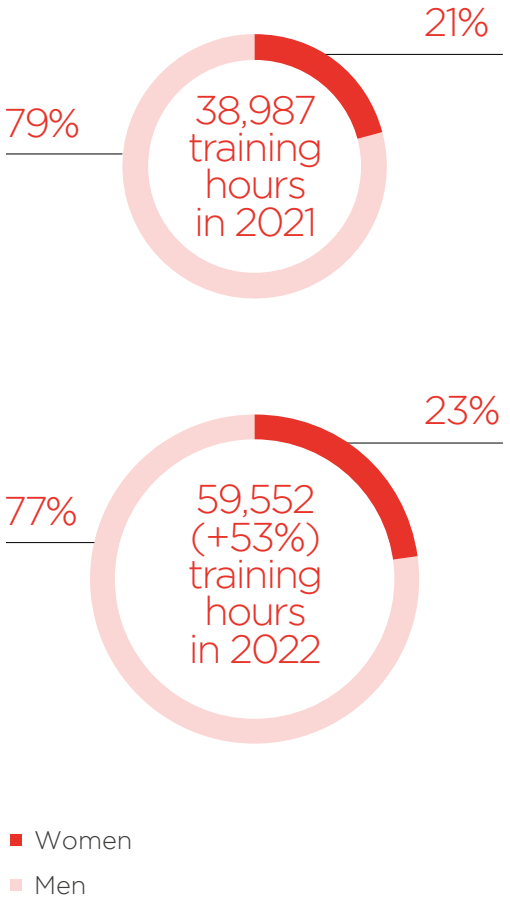
Table. GRI 404-1; Average hours of training per year per employee

Total hours of training in the year

no. hours	2021			2022		
	Men	Women	Total	Men	Women	Total
Executives	975	298	1,273	371	224	595
Managers	3,773	1,092	4,865	3,700	1,480	5,180
Employees	14,930	6,071	21,002	25,722	10,880	36,602
Industrial technicians	11,262	585	11,848	16,462	713	17,174
Total	30,941	8,046	38,987	46,246	13,297	59,552

Type of training provided

Type of training	2021			2022		
	no. of people	total hours	Total	no. of people	total hours	Total
Technical Skills	1,508	15,402	10	1,889	35,880	19
Soft Skills	1,366	2,732	2	1,120	10,859	10
Language Skills	134	7,282	54	319	8,946	28
H&S	1,307	12,196	9	319	530	2
MBA + college	3	991	330	6	3,100	517
Induction + other	56	385	7	236	236	1
Total	4,374	38,987	413	3,889	59,552	576



Relationship with Local Communities

Given its international presence, De Nora has always been committed to supporting local communities by promoting and developing projects and initiatives dedicated to the areas in which it operates.

The Group also invests in relations with high schools, universities and research centres in order to select, identify and activate strategic partnerships with educational institutions in every country where it is present. In particular, the Group sets up cooperation with institutes specialised in teaching STEM disciplines in order to strengthen the exchange of knowledge between the company and schools and to gather ideas for improvement from young students, such as the University of Padua, Bicocca University.

In addition, De Nora has always been involved in charitable activities and in supporting local communities through a number of initiatives.

IN 2022, FOR EXAMPLE, THE FOLLOWING ACTIVITIES WERE ORGANISED AT DE NORA'S PREMISES:

- DNJ's Okayama plant offered support to local residents in the event of a natural disaster, providing its facility as an evacuation site or for parking vehicles;
- DNWT LLC donated school supplies through local assistance programmes and organised food donations for families in financial need;
- DNJ Fujisawa arranged for employees to volunteer at a children's reception centre in the area;
- the DNCP site organised a company bazaar where employees could buy and sell items they no longer use, the proceeds of which were donated to a local social organisation .

Economic Value Distributed to Stakeholders

The statement of economic value generated and distributed is a reclassification of the Consolidated Income Statement and represents the wealth generated and redistributed by De Nora.

De Nora recognises the importance of the fair distribution of the value generated by its activities to all stakeholders who have directly or indirectly contributed to its creation.

The figures in the table show the value generated and distributed and the flows of resources to employees, suppliers, shareholders and lenders, the public administration and the community, and those earmarked for self-financing.

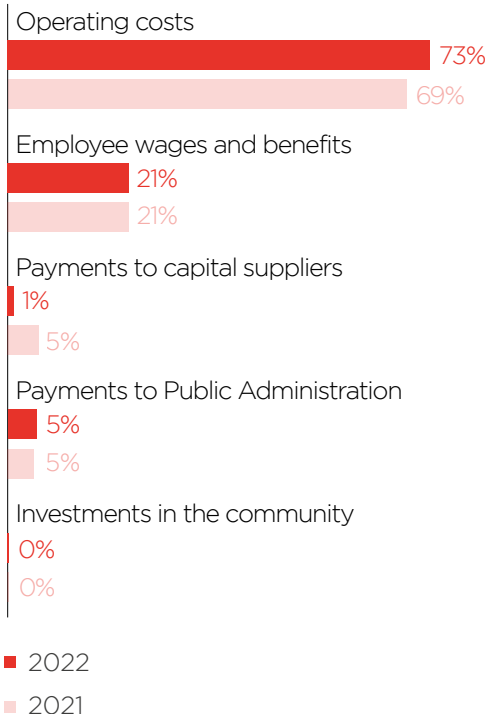
The economic value generated in 2022 is € 863,411,702, an increase of 38% over 2021, while the economic value distributed amounts to € 736,652,525, an increase of 33% over 2021.

The economic value retained was € 126,759,176, an increase of 71% compared to 2021.

Table: GRI 201-1; Economic value directly generated and distributed

Economic value generated and distributed (in thousands of Euro)	2021	2022
A. Economic value generated by the company	627,153	863,411
Total revenues	615,878	852,826
Other income	4,009	6,451
Finance income	2,166	2,805
Exchange rate gains/(losses)	5,100	1,329
B. Economic value distributed by the company	553,000	736,652
Operating expenses	379,645	536,391
Salaries and employee benefits	116,742	154,561
Payments to capital providers	30,140	8,318
Payments to Public Administration	26,244	37,189
Investments in the community	227	193
(A-B) Economic value retained	74,152	126,759

Economic value distributed



The economic value is distributed as follows:

- operating costs amounted to € 536,391,098 and included raw material consumption, service costs and miscellaneous operating expenses;
- the economic value distributed to staff amounted to € 154,561,034 and mainly includes staff-related costs (wages, salaries, contributions and pension costs);
- the economic value distributed to capital providers mainly refers to interest on bonds and debts and amounted to € 8,317,782;
- the economic value distributed to the public administration, mainly in the form of income tax, amounted to € 37,189,588;
- investments in the community, mainly in the form of donations and support to Foundations and Universities, amounted to € 193,022.

Oronzio and Niccolò De Nora Foundation

Founded in Italy in 1998 by the company's founders Niccolò, Michele and Federico De Nora, the Foundation promotes scientific research in the field of pure electrochemistry and its application to industrial production and environmental protection.

In particular, the Foundation:

— grants scholarships and awards to those who have made significant contributions to scientific publications, inventions or who have otherwise contributed to the advancement of electrochemistry;

— assists in the organisation of international seminars and conferences;

— builds cooperative relationships with Italian and foreign universities.

Since its foundation, De Nora has recognised the importance of building strong ties with universities and national laboratories as a means to develop technologies and further scientific knowledge. For this reason, De Nora hosts an invitation-only symposium every year. This event was designed to create a sustainable, active and interactive communication network between the main academic communities and the R&D and Innovation groups in the company. Over the years, this has led to the creation of a global network of universities, national laboratories, research centres, technology transfer offices and small and large companies, which has laid the foundations for many important research projects and participation in industrial-academic consortia in the US, Europe and Japan.

Since 2011, the Oronzio and Niccolò De Nora Foundation and Industrie De Nora S.p.A. have awarded graduate and doctoral students an annual scholarship for research and development projects in the following fields of applied electrochemistry:

— electrocatalysis for water electrolysis, CO_2 reduction and fuel cells;

— electrochemical cells: design, operand analysis, electrolytes, separators;

— advanced electrochemical oxidation processes;

— coating technologies and corrosion protection.

Among other initiatives in the field of electrochemistry, the Oronzio and Niccolò De Nora Foundation awarded the annual scholarship worth € 48,000 to a researcher at the Federal University of Rio Grande do Norte. It also supported the 'Young Author Prize', which is distributed by the International Society of Electrochemistry for the publication of a scientific article and was awarded to a young researcher from the University of Milan. In addition, it supported the organisation of the 'Chemistry Games' for high school students, with the aim of stimulating young people's interest in chemical sciences and promoting networking and cultural exchange. It also sponsored the 'National Chemistry Competition' that saw the best chemistry students from all regions compete.

For the 20th consecutive year, it made a cultural heritage contribution to FAI (Fondo per l'Ambiente Italiano).

Workplace Health and Safety

De Nora has always invested in workplace health and safety, as it is considered a **fundamental requirement for strong and sustainable business growth**. Such growth requires that every employee is able to identify occupational risks, address them and resolve them to avoid any recurrence.

Therefore, De Nora aims to have 100% of its employees be 'Workplace Health and Safety Champions.' This goal is an effective way to ensure solid and continuous improvement towards excellence in workplace health and safety topics. To achieve this goal, **three main activities** are planned:

1. assessing the current state of workplace health and safety - tool: Safety Triangle;
2. defining an improvement path - tool: Safety Culture project;
3. periodic control and follow-up - tool: Hoshin Kanri Method.

De Nora's commitment to improving health and safety is also applied through the definition of health and safety management systems developed at operational sites. In particular, three sites are now certified according to **ISO 45001** and represent 21% of the Group's operating sites.

De Nora has set itself the goal of certifying all 14 Group sites with ISO 45001 by 2025.

Each facility has carried out a risk analysis and assessment managed by the Health and Safety Manager present at each facility, involving groups of workers and supervisors. Data and information covered in the assessment include: working conditions (e.g., routine or emergency activities), maintenance activities, use of chemicals, material handling, fatigue, stress, posture, areas where work is performed.

Following the identification of possible risks, the Health and Safety Managers examine and assess possible risk exposures and are responsible for observing activities and carrying out periodic checks. The risk assessment requires periodic review based on factors such as accidents, internal and external audits, Safety Triangle KPIs.

Workers have several ways to report hazards and risky situations: daily meetings with area supervisors, periodic plant audits by Health and Safety Managers and reporting near misses or safety observations.

If a facility introduces substantial changes to the machinery, processes or raw materials used, an 'EHS review' procedure must be activated in order to analyse and correct any risks that may emerge after the change has been introduced. Before any changes are made to machinery, equipment, raw materials or procedures, each facility must consult a checklist to identify potential hazards that could lead to technical and/or organisational changes, assess the risks associated with these hazards and define a follow-up action plan to address and resolve them in a standardised and reliable manner.

Company certified ISO 45001	Country	Site
De Nora Electrodes (Suzhou) Co., Ltd.	China	Suzhou
De Nora India Ltd.	India	Goa
De Nora Italy S.r.l. De Nora Water Technologies Italy S.r.l.	Italy	Cologno Monzese

The Security Triangle

The main tool for monitoring workplace health and safety performance used by De Nora is the *'Safety Triangle'.* On a monthly basis, each site is required to provide a set of KPI data on the Health and Safety events of the month. This data is reported in a shared visual form, called the *'Safety Triangle.'*

The triangle consists of a graph that monitors the company's performance with respect to health and safety issues. At the base of the pyramid are indicators called Lead Indicators, which are used to monitor the progress of the activities and initiatives carried out by the company to improve its workplace health and safety performance. Some of the Lead Indicators monitored are: training hours, single point lessons, STOP audits, suggestions received for performance improvement, number of procedures issued or revised. The upper part of the pyramid shows the *LAG* indicators, which monitor the actual performance of the organisation with respect to work-related injuries. These indicators monitor the least impactful events (near misses, first aid injuries), up to the most impactful ones (overall injuries, injuries with days of absence).

In addition to near misses, safety observations are also tracked, i.e., the number of unsafe actions or conditions in a work area that occur over a certain period of time and which, if not properly indexed, could develop into critical issues with possible consequences for workers (first aid or injuries). The purpose of this reporting is to solve problems before they occur, removing their potential cause at an early stage.

When an injury occurs, the employee involved and their supervisor must complete a report that requests information on: the main causes, where the accident occurred and an assessment of the injury's severity.

A cause analysis is carried out for all injuries and first aid cases. A structured problem-solving tool, such as Quick Kaizen, Fishbone/Ishikawa diaphragm, '5 Whys' method, A3 format or 8D method is used for this analysis. Worker involvement is crucial at this stage: the analysis is led by the Health and Safety Managers with the support of the operational managers of the sites and the people involved in the event in question. The results are then discussed at monthly meetings held at each site. In addition, every injury must be reported to the CEO and COO.

The reports and in general the KPIs of the Safety Triangle are monitored monthly so that best practices can be identified and an improvement plan can be defined within the various sites. De Nora's goal is to pursue a Zero Accident Culture.

The main types of injuries involve cuts, bruises and sprains, while the types of hazards identified involve handling sheet metal, handling loads and handling chemicals.

In the face of increasing production, the number of employee accidents in 2022 decreased by 32% compared to 2021.

On the other hand, no injuries were recorded for non-employees during the 259,170 hours worked[28] in 2022, nor during the 202,753 hours worked during 2021.

In 2022 as well as in 2021, there were no cases of occupational diseases for both employees and non-employees.

[28] There are no hours worked by non-employees in the plants in China, USA, Italy, UK, UAE and the Singapore Branch.

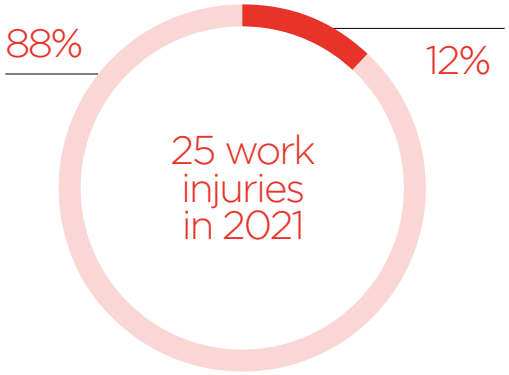
Table: GRI 403-9; Work-related injuries

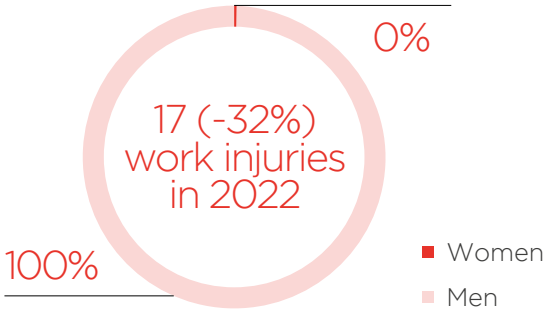
Employee injuries[29]

KPIs	Unit of Measurement	2021			2022		
		Men	Women	Total	Men	Women	Total
Work-related injuries	no. of cases	22	3	25	17	-	17
Of which fatal	*no. of cases*	-	-	-	-	-	-
Of which with serious consequences (excluding fatal ones)	*no. of cases*	-	-	-	-	-	-
Hours worked	no. hours	3,340,750	1,063,299	4,404,050	3,908,004	1,241,159	5,149,164
Injury rates at work	Rate	6.6	2.8	5.7	4.4	-	3.3
Fatal injury rates	*Rate*	-	-	-	-	-	-
Rate of injuries with serious consequences (excluding fatal ones)	*Rate*	-	-	-	-	-	-

Safety Culture

The dissemination of a safety culture is fundamental, which is why De Nora has developed a specific course called Safety Culture. The motto of the course is *'Everyone should aspire to be a champion in the field of Health and Safety'* and its aim is to have workers capable of independently detecting all the risks they may encounter in their activities,





[29] Temporary (agency) workers are considered among employees, as injuries, if any, are treated in the same way as those of salaried colleagues.

of addressing and correcting these risks and of supporting their colleagues.

An essential part of this project is training on workplace health and safety issues. De Nora requires each facility to provide detailed training, which is then combined with training provided by the Parent Company. The subject matter of the training activities changes according to the accidents that have occurred in the past, in order to prevent them in the future. The subject of the training provided in 2021 was the management of specific risks related to De Nora plants. In 2022, on the other hand, the topic was health and safety in offices and outdoor workplaces.

Each subsidiary of the De Nora Group must also pursue several initiatives, including: Single Point Lessons and STOP audits.

Single Point Lessons (SPL) are 15-minute flash training activities conducted during departmental meetings. This training serves to clearly define the 'Do' and 'Do Not Do' activities related to a given topic. The aim of the lesson is to focus workers' attention on a well-defined topic, with practical and visual examples relating to the workplace, ensuring that workers are aware of the risks and how to behave. 650 lessons were held in the period between January and November 2022.

De Nora has implemented the Safety Training Observation Programme (STOP) that seeks to prevent accidents and open up more opportunities to discuss safety issues with supervisors and management. On average, the programme involves between three and ten auditors at the sites, with an average of 500 audits per year at the largest sites. Health and Safety Managers analyse the data reported by the auditors and implement both an improvement plan and a training plan to limit employees' exposure to the risks of the activities carried out. The programme therefore helps to develop communication and leadership skills, improve employee awareness and increase the ability to observe risky situations.

In addition, in 2023 the 100% people engagement programme will be implemented. The idea is to assign each operative worker in each Group subsidiary specific EHS-related tasks to be carried out every day during their work activities (e.g., making sure the emergency lights are working, checking fire extinguishers, keeping an area of the site clean) with the aim of increasing health and safety controls and the accountability of individuals.

Hoshin Kanri Method

The Hoshin Kanri method is a process used in strategic planning in which goals are communicated and implemented throughout the company. The first part of this method starts with the definition of an objective shared with all companies by the Parent Company. De Nora has set the goal of zero injuries and zero cases of first aid.

To achieve this goal, each company has defined a three-year target and its own annual improvement percentage. In addition, a corresponding action plan is defined for the activities to be carried out during the year to achieve these annual targets. Progress is measured through a metric monitored monthly throughout the year.

07 Global procurement

The Supply Chain at De Nora

From a strategic point of view, supply chain management at De Nora is developed in such a way as to maintain market leadership, build customer loyalty and support company development.

To this end, De Nora requires its suppliers to be competitive so as to enable the organisation to pursue its objectives. These criteria are:

— a global presence to support the company's growth strategy and offer greater availability of services and quality at competitive market prices;

— a focus on innovation and an aptitude for collaboration;

— a proactive approach to changing market requirements and unforeseen events;

— a sustainable approach in business activities.

Table: GRI 2-6; Activities, value chain and other business relationships

Categorisation of suppliers by type of purchase (% of purchases)

Type of supplier	2021				2022			
	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total
Direct materials	30%	30%	24%	84%	28%	23%	27%	78%
Indirect materials	1%	2%	1%	4%	1%	5%	3%	9%
Direct services	1%	1%	1%	3%	1%	1%	1%	3%
Indirect services	3%	5%	1%	9%	3%	6%	1%	10%
Total	35%	38%	27%	100%	33%	35%	32%	100%

The Procurement Department at De Nora is divided into two functions: Global Procurement, which is responsible for coordinating the various purchasing offices at local level, training activities for supply chain issues and group procurement policies, and Central Procurement, which is responsible for purchasing the main materials used by the Group, including precious metals, titanium and nickel. The remaining purchases, which mainly consist of semi-finished products (mechanical components, water treatment components and equipment) are purchased by local buyers.

In order to have better transparency and improve interaction and knowledge of suppliers at Group level, SRM (Supplier Relationship Management) software integrated with the SAP management system will be implemented by March 2024, so that all data can be digitised and tracked, optimising operations.

In 2022, the number of active suppliers was 5,184 (+20% compared to 2021). Spending on direct materials constitutes the vast majority of expenditure in the various geographical areas where the Group operates. This is due to the fact that this type of supply includes the main materials used by the Group, including precious metals (e.g., iridium, ruthenium, platinum, etc.), titanium and nickel.

As far as services are concerned, expenditure is higher in indirect services relating to consultancy, professional services and logistics, than in direct services, which mostly include production-related services.

The Supplier Code of Ethics

De Nora's Supplier Code of Ethics, which can also be consulted on the company website in several languages, defines the minimum requirements in terms of responsible business practices and management of the working environment (both in terms of health and safety and the environment) with which all direct or indirect suppliers of De Nora must comply.

The Code states the need for suppliers to adhere to laws and regulations; the inflexibility towards the use of labour practices and child labour; the commitment they must ensure in carrying out their activities in an ethical and transparent manner; and in guaranteeing the health and safety of their employees in the workplace.

The Supplier Code of Ethics is applied to current or potential suppliers of De Nora, i.e., companies belonging to the supply chain that supply raw materials, semi-finished products, components, services, etc.

All of De Nora's Procurement departments, at both central and local level, must:

— use it as a mandatory reference for selection and qualification purposes along the entire value chain;

— ensure that the Supplier Code of Ethics is included in the contract each time an order is placed.

The Importance of ESG Issues in Supplier Relations

With its extensive presence in more than 100 countries around the world and its broad product portfolio, De Nora requires its partners to pay special attention to environmental and social issues in order to build cooperation based on innovation and sustainability.

For this reason, De Nora's efforts are increasingly focused on the continuous engagement of suppliers in order to support them along the path of sustainable development. In fact, a *seminar* was organised in June 2022, attended by Procurement employees at Group level, to share the new approach to supplier assessment that includes sustainability issues.

This new assessment process which began in 2022 asks suppliers to complete a detailed questionnaire on sustainability issues, developed and managed by *CRIBIS*, with the aim of assessing them through 70 questions divided into five areas: Business, Environment, Social, Governance, Sector. More specifically, within the environmental part of the questionnaire, information is requested on energy consumption and emissions, water consumption, total waste produced, the number of company transport vehicles and their power supply. In addition, the company is asked about its improvement approach on environmental criteria such as energy efficiency measures in the last five years, the percentage of reduced GHG compared to the previous year, any incentives for employees using public transport or environmentally-friendly vehicles for their commutes. Lastly, the company is asked whether it has any environmental certifications (e.g., ISO 14001, ISO 50001). With reference to social issues, suppliers are asked about diversity management, health and safety, employee recruitment and development, the presence of policies to manage human rights and child, forced or compulsory labour, and community engagement initiatives.

The pilot project was implemented in Italy and then extended globally over 2022, with the aim of involving the main suppliers from different geographic areas that are considered strategic and accounting for 80% of expenditure.

For this first year, the questionnaire was sent to 781 of the Group's global suppliers, of which 74, representing 19% of the total annual expenditure, actively responded.

Table: GRI 308-1; New suppliers that were screened using environmental criteria, GRI 414-1; New suppliers that were screened using social criteria

Evaluation of suppliers according to environmental and social criteria

	2022
Total active suppliers	5,184
Total suppliers surveyed	781
New ESG-rated suppliers	74

Methodological Note

This document represents the first Consolidated Non-Financial Statement (hereinafter also referred to as 'NFS' or 'Sustainability Report') prepared to comply with the obligations laid down in Articles 3 and 4 of Italian Legislative Decree 254/2016 (hereinafter also referred to as the 'Decree') by Industrie De Nora S.p.A. and the fully consolidated companies (hereinafter also referred to as 'De Nora' or the 'De Nora Group' or the 'Group') and aims to transparently describe the initiatives and key achievements in terms of sustainability performance during financial year 2022 (1 January to 31 December).

The NFS covers - to the extent necessary to ensure an understanding of the company's activities, performance, results and impact - the environmental, social, staff, human rights and anti-corruption topics. In particular, the contents of the document were prepared based on the material sustainability topics for the Group and its Stakeholders, identified from the materiality analysis, described in the chapter 'De Nora's Materiality Analysis'. With reference to the materiality analysis process, it should be noted that certain categories of internal and external stakeholders were involved in 2022, as described in the relevant section of this document.

This NFS has been drawn up in accordance with Italian Legislative Decree 254/2016 and with reference to the 'Global Reporting Initiative Sustainability Reporting Standards' defined by the Global Reporting Initiative (GRI) and updated in 2021. The list of GRIs reported is presented within the 'GRI Content Index,' which provides evidence of the coverage of the GRI indicators associated with each sustainability topic reported in this document.

De Nora is required to include in the NFS, starting with publications after 1 January 2022, the disclosure required by the regulations on what is known as the 'EU Taxonomy' in relation to the environmentally sustainable activities conducted by the Group. Please refer to the section on the 'EU Taxonomy' for this information. Pursuant to Article 10 of EU Delegated Regulation 2021/2178 of 6 July 2021, this disclosure concerns the proportion, in relation to the total, of the Group's turnover, investments and operating costs related to Taxonomy-eligible activities with reference to the climate change mitigation and adaptation targets, as set out in the annexes to EU Delegated Regulation 2021/2139 of 4 June 2021, as well as certain qualitative information.

In this regard, it should be noted that the limited review of this Consolidated Non-Financial Statement by the auditing firm PwC S.p.A. does not extend to this disclosure.

The process of collecting the data and information necessary to draw up the NFS involved the various corporate departments, each for its own area of competence, ensuring compliance with the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability expressed by the GRI guidelines.

The data and information in the NFS refer to all companies belonging to the De Nora Group as at 31 December 2022, consolidated on a line-by-line basis. With reference to environmental data, all the Group's offices were considered for energy consumption, while with reference to water consumption and waste production, the Group's facilities and R&D centres were considered, as office consumption is not considered material because its consumption does not derive from the production process of the organisation's activities. Any exceptions are expressly stated in the text. The scope of the economic and financial data coincides with that of the 2022 Consolidated Financial Statement of the De Nora Group.

In order to allow the comparability of data and information over time and the evaluation of the Group's business performance over a period of time, a comparison with the financial year 2021 is given wherever possible. Compared to the first voluntarily prepared Sustainability Report for the reporting year 2021, the data reported in this document, the Group's first NFS, have been restated following an expansion of the scope and a different reporting methodology that follows the requirements of Italian Legislative Decree 254 and the GRI standards.

It should also be noted that any quantitative data for which estimates have been used are duly identified in each chapter. Estimates are based on the best available information or sample surveys.

This document is subject to limited assurance engagement by PwC S.p.A. in accordance with the criteria set out in ISAE 3000. The audit was carried out according to the procedures set out in the 'Report of the Independent Auditor', included in this document.

The Group will draw up a Sustainability Plan in 2023 aimed at defining strategic guidelines for all sustainability areas considered priorities. In addition, the Group will formalise a procedure for reporting sustainability information within the NFS.

The periodicity of the publication of the Consolidated Non-Financial Statement is set to be annual.

The NFS is also available on the De Nora website (https://www.denora.com/it/) in the 'Sustainability' section.

The Board of Directors of Industrie De Nora S.p.A. approved this NFS on 22 March 2023.

Taxonomy tables

Proportion of turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2022

				Criteria for substantial contribution						
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	
		Category	%	%	%	%	%	%	%	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
N/A		0	0%							
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
3.2 Manufacture of equipment for the production and use of hydrogen		42,446,949	5%							
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)										
Total (A.1+A.2)		**42,446,949**	**5%**							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)		810,379,051	95%							
Total (A + B)		**852,826,000**	**100%**							

	Criteria for <<Do No Significant Harm>>										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Taxonomy-aligned proportion of turnover, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES											
										A	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											

Proportion of CapEx derived from products or services associated with Taxonomy-aligned economic activities - Disclosure covering year 2022

				Criteria for substantial contribution						
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	
		Category	%	%	%	%	%	%	%	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
N/A		0	0%							
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
3.2 Manufacture of equipment for the production and use of hydrogen		7,577,252	16%							
7.6 Installation, maintenance and repair of renewable energy technologies		2,165,362	5%							
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)										
Total (A.1+A.2)		**9,742,614**	**21%**							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities (B)		36,398,986	79%							
Total (A + B)		**46,141,601**	**100%**							

	Criteria for <<Do No Significant Harm>>										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES											
										A	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											

Proportion of OpEx derived from products or services associated with Taxonomy-aligned economic activities - Disclosure covering year 2022

				Criteria for substantial contribution						
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	
		Category	%	%	%	%	%	%	%	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
N/A		0	0%							
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
3.2 Manufacture of equipment for the production and use of hydrogen		2,055,654	16%							
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)										
Total (A.1+A.2)		2,055,654	16%							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities (B)		10,841,346	84%							
Total (A + B)		12,897,000	100%							

	Criteria for <<Do No Significant Harm>>										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxono-my-aligned pro-portion of OpEx, year 2022 (18)	Taxono-my-aligned pro-portion of OpEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES											
										A	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											

Table linking material, GRI Standard and Decree 254/2016 topics

De Nora Material Topic	GRI Standard Topic	Aspects of the Decree
Waste and material management	Materials - Waste	Environmental management
Energy and Emissions	Energy and Emissions	Environmental management
Water resource management	Water and effluents	Environmental management
Diversity, Equity and Inclusion	Diversity and equal opportunities - Non-discrimination	Aspects related to human resources and respect for human rights
Skills Development	Employment - Training and Education	Aspects related to human resources and respect for human rights
Health and Safety	Workplace Health and Safety	Aspects related to human resources and respect for human rights
Local Community Engagement	Economic performance	Social aspects and those related to respect for human rights
Business Ethics	Anti-corruption	Fight against active and passive corruption
Responsible Supply Chain	Environmental assessment of suppliers - Social assessment of suppliers	Social aspects and those related to respect for human rights
Product Quality and Safety	Product Quality and Safety	Social aspects
Data Protection and Cyber Security	Customer Privacy	N/A
Green Innovation / Innovation	N/A	N/A

GRI Content Index

GRI CONTENT INDEX		
Declaration of Use	The De Nora Group has reported the information mentioned in this GRI content index for the period 1 January 2022 - 31 December 2022 with reference to the GRI Standards.	
GRI Sector Standard	N/A	
GRI Standard	**Information**	**Location**
GRI 2: GENERAL DISCLOSURES (2021)		
The organisation and its reporting practices		
2-1	Organisational details	13-20
2-2	Entities included in the organisation's sustainability reporting	92-93
2-3	Reporting period, frequency and contact point	92-93
2-4	Restatements of information	92-93
2-5	External assurance	109-110
Activities and workers		
2-6	Activities, value chain and other business relationships	13-20
2-7	Employees	67-68
2-8	Workers who are not employees	69

GRI Standard	Information	Location
	Governance	
2-9	Governance structure and composition	Corporate Governance Report
2-10	Nomination and selection of the highest governance body	Corporate Governance Report
2-11	Chair of the highest governance body	Corporate Governance Report
2-12	Role of the highest governance body in overseeing the management of impacts	33-35
2-13	Delegation of responsibility for managing impacts	33-35
2-14	Role of the highest governance body in sustainability reporting	34-35
2-15	Conflicts of Interest	Corporate Governance Report and Code of Ethics
2-16	Communication of critical concerns	41-42
2-17	Collective knowledge of the highest governance body	34
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report
2-19	Remuneration policies	Remuneration Report
2-20	Process to determine remuneration	Remuneration Report Corporate Governance Report

GRI Standard	Information	Location
	Strategy, policies and practices	
2-22	Statement on sustainable development strategy	4-5
2-23	Policy commitments	41-43-45-48-61-74
2-24	Embedding policy commitments	41-43-45-48-61-74
2-25	Processes to remediate negative impacts	36-38
2-26	Mechanisms for seeking advice and raising concerns	41-42
2-27	Compliance with laws and regulations	38-43
	Stakeholder Engagement	
2-29	Approach to Stakeholder engagement	48-50
2-30	Collective bargaining agreements	73
	GRI 3: MATERIAL TOPICS (2021)	
3-1	Process to determine material topics	21-24
3-2	List of material topics	21-24
	SPECIFIC GRIs	
	Business ethics	
	GRI 3: Material Topics (2021)	
3-3	Management of material topics	21-24; 43
	GRI 205: Anti-Corruption (2016)	
205-3	Confirmed incidents of corruption and actions taken	43

GRI Standard	Information	Location
Responsible Supply Chain		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 89-91
GRI 308: Supplier Environmental Assessment (2016)		
308-1	New suppliers that were screened using environmental criteria	89-91
GRI 414: Supplier Social Assessment (2016)		
414-1	New suppliers that were screened using social criteria	89-91
Data Protection and Cyber Security		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 45-46
GRI 418: Customer Privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	46
Health and Safety		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 84-87

GRI Standard	Information	Location
GRI 403: Occupational Health and Safety (2018)		
403-1	Occupational health and safety management system	84-87
403-2	Hazard identification, risk assessment and incident investigation	84-87
403-3	Occupational health services	84-87
403-4	Worker participation, and consultation and communication on occupational health and safety	84-87
403-5	Worker training in occupational health and safety	84-87
403-6	Promotion of worker health	84-87
403-7	Prevention and mitigation of occupational health and safety impacts	84-87
403-9	Work-related injuries	86
403-10	Work-related ill health	86
Skills Development		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 76-79
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	71-72
GRI 404: Training and Education (2016)		
404-1	Average hours of training per year per employee	80
404-3	Percentage of employees receiving regular performance and career development reviews	76

GRI Standard	Information	Location
Diversity, Equity and Inclusion		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 74-75
GRI 405 Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	33-34; 70
405-2	Ratio of basic salary and remuneration of women to men	77
GRI 406: Non-discrimination (2016)		
406-1	Incidents of discrimination and corrective actions taken	75
Local Community Engagement		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 81-83
GRI 201: Economic Performance (2016)		
201-1	Direct economic value generated and distributed	81-82
Energy and Emissions		
GRI 3: Material Topics (2021)		
3-3	Management of material topics	21-24; 56-64
GRI 302: Energy (2016)		
302-1	Energy consumption within the organisation	57-58
302-3	Energy intensity	59

GRI Standard	Information	Location
	GRI 305: Emissions (2016)	
305-1	Direct (Scope 1) GHG emissions	59; 61-63
305-2	Energy indirect (Scope 2) GHG emissions	62
305-4	Intensity of GHG emissions	60
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions	63
	Waste and material management	
	GRI 3: Material Topics (2021)	
3-3	Management of material topics	21-24; 53-56
	GRI 301: Materials (2016)	
301-1	Materials used by weight or volume	54
301-2	Recycled input materials used	54
	GRI 306: Waste (2020)	
306-3	Waste generated	55-56
	Water Resource Management	
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3-3	Management of material topics	21-24; 64
	GRI 303: Water and Effluents (2018)	
303-3	Water withdrawal	65

GRI Standard	Information	Location
	Innovation	
	GRI 3: Material Topics (2021)	
3-3	Management of material topics	21-24; 25-29
	Sustainable Innovation	
	GRI 3: Material Topics (2021)	
3-3	Management of material topics	17; 21-24; 25-29
	Product Quality and Safety	
	GRI 3: Material Topics (2021)	
3-3	Management of material topics	21-24

Independent auditor's report

INDUSTRIE DE NORA SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE 254/2016 AND ARTICLE 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2022

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Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree 254/2016 and article 5 of CONSOB regulation n. 20267 of January 2018

To the Board of Directors of Industrie De Nora SpA

Pursuant to article 3, paragraph 10, of Legislative Decree 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation n. 20267/2018, we have undertaken a limited assurance engagement on the "2022 Sustainability report - Consolidated non-financial statement" of Industrie De Nora SpA and its subsidiaries (the "De Nora Group" or the "Group") for the year ended 31 December 2022 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 22 March 2023 (the "NFS").

Our review does not extend to the information set out in the paragraph of the NFS "European Taxonomy", required by article 8 of European Regulation 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" updated in 2021 by the GRI – Global Reporting Initiative (the "GRI Standards"), with reference to a selection of GRI Standards identified by them as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures*:*

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements*;*
4. understanding of the following matters:
   a. business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
   b. policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   c. key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

   With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;
5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with management of Industrie De Nora SpA and management of De Nora Deutschland GmbH and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- for De Nora Deutschland GmbH and one site of Industrie De Nora SpA which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out site visits during which we met with local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the De Nora Group for the year ended on 31 December 2022 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards, with reference to a selection of GRI Standards identified by them as the reporting standard.

Our conclusions on the NFS of De Nora Group do not extend to the information set out in the paragraph "European Taxonomy" of the NSF, required by article 8 of European Regulation 2020/852.

Other aspects

The comparative information, presented in the NFS in relation to the financial year ended 31 December 2021, has not been subjected to any assurance procedures.

Milan, 5 April 2023

PricewaterhouseCoopers SpA

Signed by

Francesco Ronco
(Partner)

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2022 translation


DE NORA