SUSTAINABILITY IN OUR *DNA*

ESG Strategy and Agenda
July 2024

Sustainability in our DNA

DE NORA

PURPOSE
Empower collaboration & champion resilience

VISION
Leverage available talents as catalyst for a sustainable future

MISSION
Agility & green technologies for value creation

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SUSTAINABLE BY NATURE

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

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

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

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SUSTAINABILITY AT DE NORA

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

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

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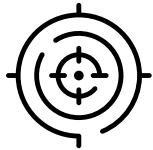
OUR GOALS

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

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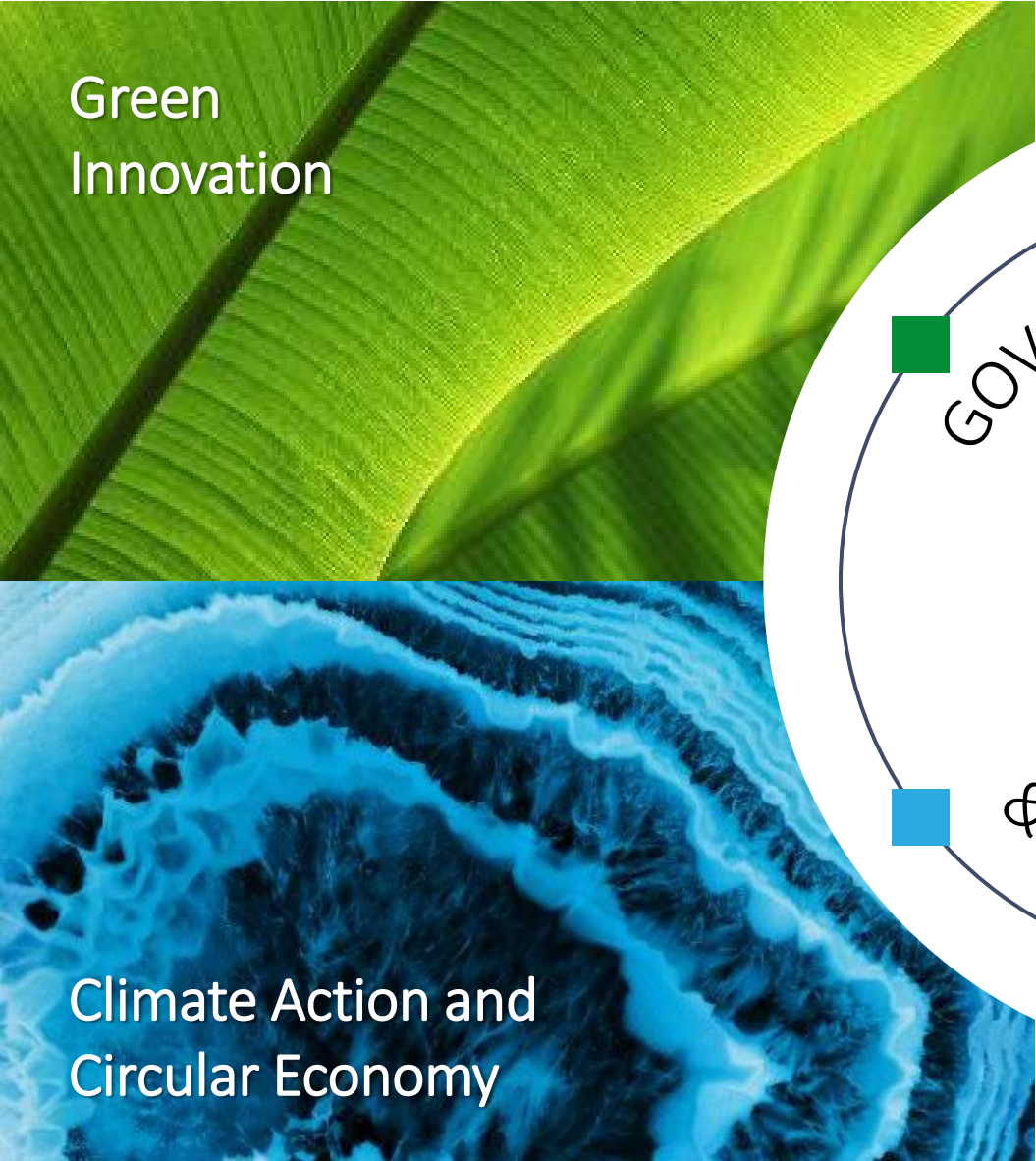
10 MATERIAL TOPICS

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

🟢 *Environment*   🔴 *Social*   🔵 *Governance*

OUR AMBITION IS TO BECOME A LEADER IN

GREEN INNOVATION

AND CIRCULAR ECONOMY,

WHILE BOOSTING OUR CLIMATE ACTION PROFILE

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Green Innovation

People: Inclusion, wellbeing beyond H&S, continuous development

GOVERNANCE ETHICS & TRANSPARENCY

Climate Action and Circular Economy

Community engagement, partnership development and sustainable supply chain

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Flagship Initiatives

Quick Wins

Additional Priority initiatives

12 initiatives

In Green Innovation Climate Action and Circular Economy

20 Quick Wins

More Easy initiative including upgrades in ESG disclosure

16 initiatives

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

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

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

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


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Electrode Technologies

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

Energy Transition

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

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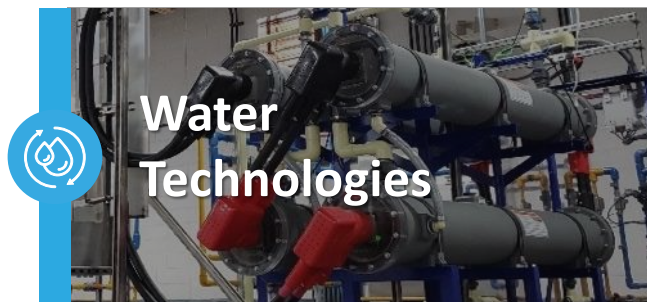
*Our water treatment solutions include **disinfection and filtration** technologies designed to ensure the **quality and safety of water** used both municipal and industrial sectors, promoting a sustainable and circular use of such critical resource and protecting the environment.*

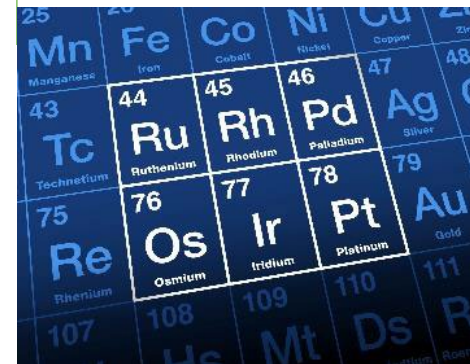DE NORA

50%

Scope 1 and 2 reduction by 2030

100%

electricity from renewables by 2030

5%

recycled noble metals in our products by 2030

>80%

of deforestation-free wood packaging by 2030

52%

Scope 3 intensity reduction by 2030

40%

electricity from renewables by 2026

>40%

Of wood packaging reused, by 2026

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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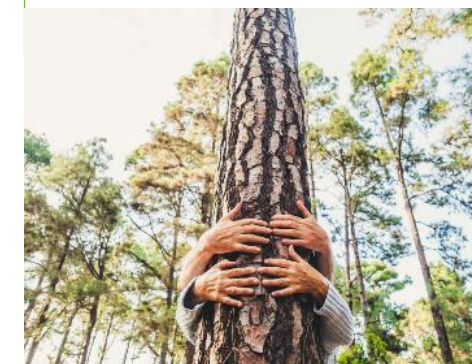
Our green innovation strategy is all-round and **forward-thinking:** we are committed to **innovating the future** by constantly finding new solutions to improve the efficiency and sustainability of our technologies.

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

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

Product scorecard

Set up *by 2024*

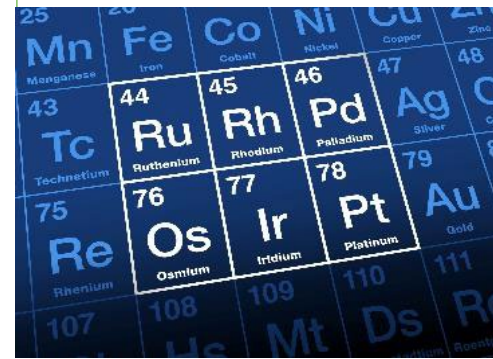**Circular Design Guideline**

To be introduced in R&D processes *by 2024*

100%

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

4%

reduction of noble metals in our coating *by 2026**

>80%

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

* For 3 main product lines: Membrane, Pools and Electrochlorination, **Alkaline Water Electrolysis**

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

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

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

Main Targets

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS
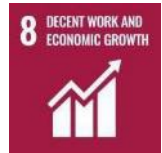
DE&I
Policy Adopted *by 2024*

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

100%
Sites certified ISO 450001 *by 2025*

100%
Plants with safety days and included in quarterly H&S reports *by 2025*

100%
Territories with mental health hotline or other support channel *by 2026*

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

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

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

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS

>40%

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

100%

High risk suppliers engaged, *by 2026*

2

Suppliers audited (pilot), *by 2025*

>50%

of suppliers assessed (by spent)
by 2030

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	INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
GREEN INNOVATION	Embed *Circular Design Guideline* in the existing R&D process, reflecting LCA (*Life Cycle Assessment*) principles	Guideline adoption	To be embedded in 2024	Ongoing
	Increase positive Impact of R&D activities	% R&D Spend with positive Impact on SDGs	80% By 2026	66% R&D in Energy Transition
	Develop a *product scorecard* based on LCA and the *Circular Design Guideline*	Product Scorecard Framework % of products assessed by scorecard	To be developed in 2024 100% new products by 2025 100% products assessed by 2027	Start in 2024
	Optimize noble metals content in products	t noble metals / m2 of electrode[1]	-4% by 2026	-1%
CLIMATE ACTION	• Reduce our *Carbon footprint / Develop Action Plan per Site* • Submit to SBTi (in 2024) • Introduction of GHG emission criteria in investments planning	Scope 1 and 2 emissions reduction	-50% by 2030 -25% by 2027	0% 32K tCO$_2$e
		Scope 3 emissions reduction	-52% by 2030 (intensity)	39M tCO$_2$ first disclosure
	• Use of renewable energy	% electricity from renewables	100% by 2030 40% by 2026	3% 3.1 GWh, installed photovoltaic plants
	Certifications	ISO 50001 ISO 14001	100% sites by 2027 100% sites by 2025	13% 27%
CIRCULAR ECONOMY	• Optimize waste management • Increase share of wood packaging reused	% of wood packaging waste reused	40% of wood packaging reused by 2026	12%
	Wood packaging "*deforestation-free*"	% of "*deforestation-free*" wood packaging	>80% by 2030	Ongoing
	Increase/Disclose recycled content in noble metals	% share of recycled content in noble metals (by weight)	5% by 2030	Ongoing
	Strengthen and give more visibility to circular services (re-coating)	% of products (in terms of m2) designed for 2° life		19% of revenues Eu Taxonomy Eligible for the Transition to a circular economy

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

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	INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
EMPLOYEE HEALTH & SAFETY	• Periodic "*gemba walk*" in the plants • Periodic report on H&S • Organize "*Safety day*" in the plants	# plants with *gemba walks* Frequency of reports # plants with *safety days*	All plants by 2025 Quarterly report All plants by 2025	-5% n. of injuries
	• Introduce mental health training module • Introduce mental health first aid training (for a selected number of staff) • Establish a mental health hotline or other form of support channel	% employees trained on general module	25% by 2026	
		# employees trained for mental health 1st aid	1 person for each major site[2] by 2026	
		# territories	100% by 2026	
	Certifications	IS045001	100% sites by 2025	
EMPLOYEE DIVERSITY, EQUITY & INCLUSION	Extend existing parental and relocation policy to same-sex couples and single parents		To be extended in 2024	
	Enhance methodology for *Gender Pay Gap Calculation*, to keep and improve the current level of *Salary Gender Pay Gap* Zero salary gender gap for new Hires	Gender Pay Gap[3]	0 Salary Gender Gap for new Hires	Total Gender Gap < 5% 0 in new hires **100%**
	Affinity network for LGBTQ+ and women employees across all territories		To be launched in 2024	
	Enhance recruitment processes to ensure inclusion of candidates with diverse abilities	# territories that completed the review	All DN Group by 2026	
	Internal and external comms campaign on DE&I through *success stories*	# stories per year	4-8 (at least 1 per Quarter)	
	DE&I policy adoption	Policy Adoption	To be adopted in 2024	
	Introduce targets for share of women among new hires (by category)	% of women among new hires (*white collar*)	Target to be introduced by 2024	20% women in the workforce (19,4% in 2022)
	Introduce *upskilling, networking* and *mentorship* schemes specifically for women (Valore D).			Ongoing

2. Defined as site which has more than 100 employees.
3. The total Gender Pay Gap has been calculated as the weighted average of the Gender Pay Gap KPIs (GRI compliant) for each geography and employee category
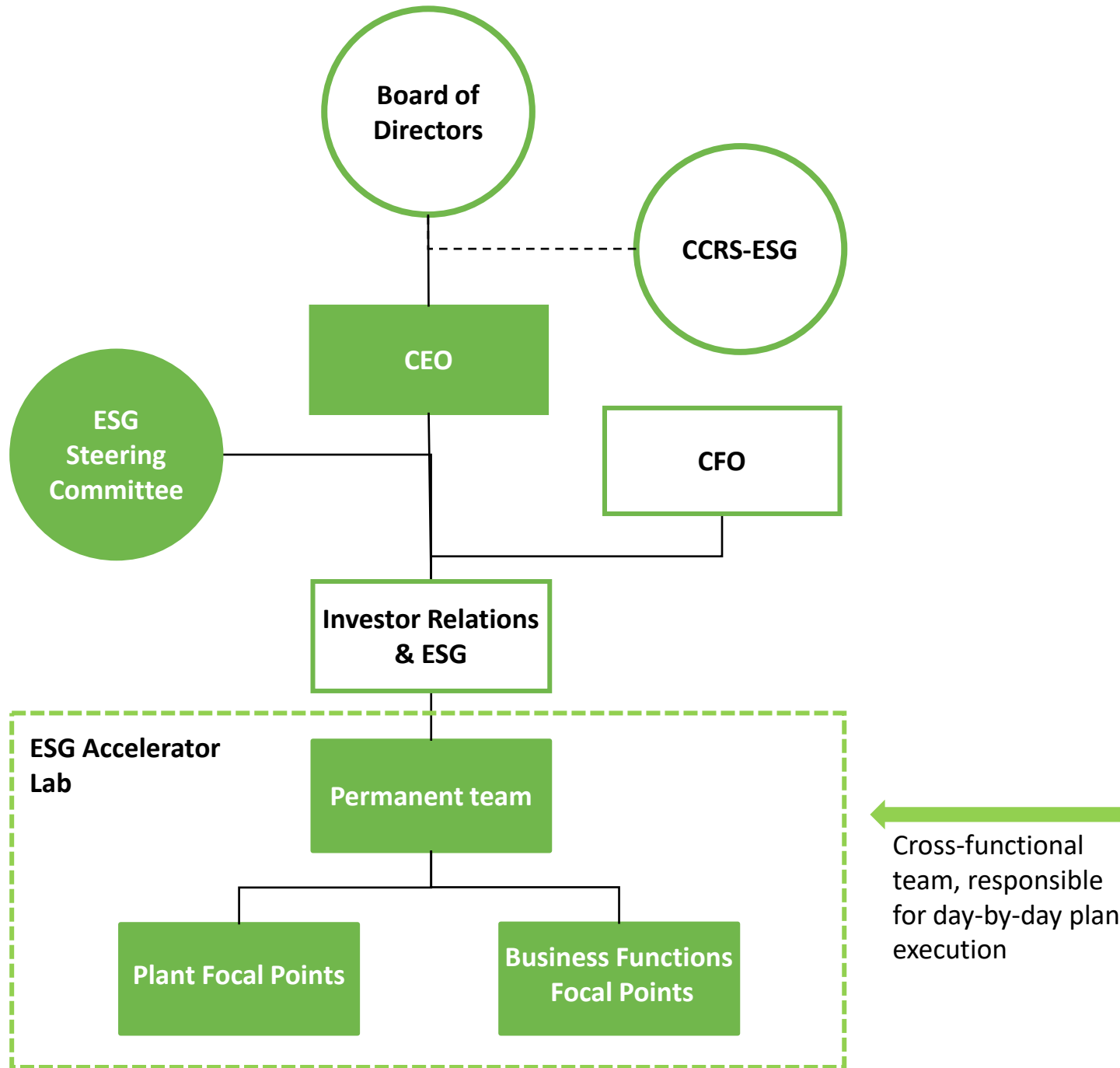
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	INITIATIVES	KPI	TARGETS (Baseline 2022)	Actual 2023
COMMUNITY ENGAGEMENT	• Launch and promote initiatives of employee donations • Employee engagement in charitable or local events in all DN locations			Donations to local communities € 202K (+4% vs 2022)
	• Introduce gender considerations in existing partnerships with universities, high schools, research institutes etc. • Host visits to laboratories and plants, occupational lectures and problem-solving training	% of female students engaged	>40% of female students engaged	
		Students engaged	>20 students engaged per major site[4]/anno by 2026	
RESPONSIBLE SUPPLY CHAIN	• Increase share of suppliers evaluated on sustainability	% selected suppliers assessed (by spend)	>50% of suppliers[5] by 2030 >25% of suppliers[5] by 2026	**17%** 945 engaged suppliers, 105 evaluated
	• Engage high risk suppliers • Train selected suppliers (e.g PMI) • Auditing for high risk suppliers	% of high-risk suppliers engaged	100% by 2026	
		# suppliers audited per year	2 in 2025 (*pilot*)	

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

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

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

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Board of Directors

CCRS-ESG

CEO

ESG Steering Committee

CFO

Investor Relations & ESG

ESG Accelerator Lab

Permanent team

Plant Focal Points

Business Functions Focal Points

Cross-functional team, responsible for day-by-day plan execution

ESG Steering Committee Reporting directly to CEO

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

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