

# 2023

## Sustainability report

CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ITALIAN LEGISLATIVE DECREE 254/2016



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# Letter to Stakeholders

## Dear Shareholders and Stakeholders,

I am pleased to share the 2023 results with you.

It was an important year for our company, as we celebrated the 100th anniversary of the foundation of De Nora. These years have been full of success and satisfaction that allowed us to achieve global leadership in most of the segments in which we operate, offering advanced, sustainable and constantly evolving technologies that adapt to our customers' growing needs of operational efficiency and environmental sustainability.

Attention to environmental impacts, the responsible and circular use of natural resources such as water and noble metals, and the urgency of the Energy Transition, also sanctioned at COP 28 held in December in Dubai, are topics that underpin and guide the development of our technological solutions: from products for water disinfection and filtration, to technologies for the generation of green hydrogen, placing sustainability at the core of our business model.

From the point of view of financial results, after an exceptionally positive 2022, in 2023 we continued our growth path, despite the challenging global macroeconomic scenario, with an

overall turnover that grew by 4% at constant exchange rates, accompanied by a stable operating profitability of around 20% and a sound ability to generate cash.

Our business model has once again proved resilient, supported by our technological leadership with over 280 families of patents, by 100 years of industrial know-how, by the solid relationships developed with our customers, who in some cases also play the role of partners, and by our globally widespread presence, marked by a distinctive production capacity in the electrode market.

Another key factor of our success is certainly related to the high differentiation of the geographies and markets in which we operate and the significant percentage of aftermarket services (32% of total revenues in 2023), which include activities that



play an increasingly key role both in the growth of our turnover and in our ability to positively contribute to a global circular economy model, for example through re-coating electrodes.

Undoubtedly, our people - over 2,000 employees at the end of 2023 - who are motivated and determined to make a difference, are also an essential asset of De Nora Group. Therefore, we constantly strive to take care of their well-being and professional growth, as evidenced by the prestigious 'Great Place to Work' award we received in Italy in 2023.

In 2023 we launched our first ESG Plan for to 2026 and 2030. It was approved by the Board of Directors in December and includes defines an extensive agenda that includes a broad program divided into several quantitative objectives, in line with the sustainable DNA that has always characterized the company. This new plan represents a fundamental step in the Group's sustainability path, which aims at playing a leading role in ESG topics as

well focuses on the implementation of clean technologies that support economic growth through a careful management of natural resources, the use of renewable energy and the development of circular models, with particular emphasis on the growth and well-being of people. Based on a solid governance Group values and transparency, De Nora's sustainability strategy is divided into four pillars: i. Green Innovation, ii. Climate Action and Circular Economy, iii. Continuous people development, inclusion and well-being and lastly, iv. Support to local communities also through partnerships and supplier engagement.

We have strengthened and enhanced the organizational structure dedicated to sustainability to ensure the effective implementation of the ESG Plan and its full integration into the Group's industrial choices. In particular, we have created our ESG Accelerator Lab, a team that brings together cross-functional resources, from R&D to Procurement and from Operations to Human Resources. The Lab supports the ESG Department in the Plan's implementation, contributing through specific skills, to the realization of the defined initiatives and allowing sustainability projects to seamlessly integrate with the natural development of business.

Our sustainability path continues successfully, as also testified by the AA ESG Rating assigned to us by the renowned agency MSCI in May. This year we confirm and assure our constant commitment this year to the development of technologies that make our world better, creating value for all our stakeholders, as we have done for 100 years.



Paolo Dellachà  
CEO, De Nora

# Methodological Note

This document is the second Consolidated Non-Financial Statement (hereinafter also referred to as 'NFS' or 'Sustainability Report') prepared by Industrie De Nora S.p.A. and the fully consolidated companies (hereinafter also referred to as 'De Nora' or the 'Group') 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'). The aim of the document is to transparently describe the initiatives and key achievements in terms of sustainability performance during financial year 2023 (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 following the materiality analysis and described in the chapter 'Materiality Analysis'. The materiality

analysis conducted in 2022 was updated, leading to the grouping of some topics and revision of the wording. The materiality analysis process conducted in the previous year identified the categories of relevant stakeholders for De Nora, the sustainability topics and the potential significant impacts for the characterized, requiring the assessment of the latter both internally and with some external stakeholders in order to prioritize them. This process was updated for 2023, resulting in the validation of the stakeholders, topics and impacts previously identified.

This NFS was prepared in accordance with Italian Legislative Decree 254/2016 and in accordance with 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 requested by EU Taxonomy regulation in relation to the environmentally sustainable activities conducted by the Group. Please, refer to the section 'Taxonomy'

for further 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-aligned activities with reference to the objectives of climate change mitigation and adaptation, and eligible with respect to the objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, protection and restoration of biodiversity and ecosystems, as covered by the annexes to EU Delegated Regulation 2021/2139 of 4 June 2021 and EU Delegated Regulation 2023/2486 of 27 June 2023 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 prepare the NFS involved 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.

Data and information in the NFS refer to all companies belonging to De Nora Group as at 31 December 2023, consolidated on a line-by-line basis. Compared to the previous year, there was an expansion in the scope corresponding to the acquisition of the company Shotec GmbH.

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 centers were taken into account, as office consumption is not considered material because it does not derive from the production process of the organization's activities. Any exceptions are expressly stated in the text. The scope of the economic and financial data coincides with the scope of the 2023 Consolidated Financial Statements of 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 years 2022 and 2021 is given wherever possible. With respect to the first Non-Financial Statement prepared for the 2022 reporting year with the 'GRI referenced' approach, this document was prepared

to meet the requirements proposed by the 'GRI in accordance' approach.

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 developed a Sustainability Plan in 2023 aimed at defining strategic guidelines for all sustainability areas considered priorities. In addition, a special procedure was formalized for reporting sustainability information within the NFS. More specifically, the rules and phases of the process, the roles and responsibilities of the various departments are defined in order to guarantee structured governance and an efficient information flow for the publication of the Non-Financial Statement.

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 18 March 2024.



# Sustainability Milestone



De Nora was the protagonist of a series of important events in 2023 that highlight the rapid and significant progress the Group has experienced in the field of sustainability.

The year began with a new ISO45001 certification for the Suzhou (China) plant, to which the ISO14001 certification of the Rodenbach (Germany) plant was added ten months later.

In March, the company published its first sustainability report for the year 2022 based on the GRI standards, showing its tangible commitment to sustainable practices. The report shared the efforts that De Nora has been making for years to reduce its environmental impact and improve corporate social responsibility.

In May, the Group received the prestigious AA ESG rating from MSCI, testifying De Nora's ability to integrate ESG criteria into its business model.

The 'Great Place to Work' award received in June confirmed the company's commitment not only to the environment, but also to the well-being, equity and continuous growth of its employees. 2023 was also an eventful year.

In September, De Nora participated in the Sustainability Week organized by Borsa Italiana, aimed at facilitating dialogue with investors. In November, the Sforza Castle in Milan staged the 12th edition of the Symposium, an event dedicated to innovation and meetings with the most prominent Italian and international academic institutions. In the

constantly evolving world of scientific innovation, ethical values have always been a focal point at De Nora, which is why the new version of the Code of Ethics was published in October, alongside Whistleblowing and Anti-corruption Policies.

Lastly, the Board of Directors approved the strategic sustainability plan to 2026 and 2030 in December, outlining clear objectives, a concrete action plan and a strengthening of ESG governance for its implementation. These significant steps reflect De Nora's ongoing commitment to putting the principles of sustainability that have always been ingrained in its DNA into practice.

# Purpose, Vision & Mission

*Purpose, vision e mission* are the pillars that shape De Nora's corporate identity and guide the daily commitment of its people. The strong presence of sustainability within its vision and mission is proof of how intrinsic it is to the Group's business and strategy.

Sustainability in our DNA.

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



# Group Highlights

## Financials

**€856M**

Revenues

**€464M**

Ricavi Electrode  
Technologies  
Business

**€102M**

Revenues in  
Energy Transition  
Business

**€290M**

Revenues in Water  
Technologies  
Business

**20%**

Adjusted EBITDA  
margin

**25%**

EBITDA margin

**12%**

EBITDA margin

**14%**

EBITDA margin

## Our Company

**100**

Years of history

**15**

Manufacturing  
sites

**24**

Operating  
companies

**42%**

Institutional ESG  
Investors



## Sustainable innovation

**22%**

vitality index

**107**

Researchers

## Supply chain

**5,400+**

Suppliers worldwide

**64%**

Spending on local suppliers

## Climate, environment and circular economy

**50%**

Reduction of Scope 1 and Scope 2 emissions, and Scope 3 emissions intensity by 2030

**3.1GWh**

Production capacity of photovoltaic systems installed in our sites

**100%**

Electricity from renewables by 2030

## Our people

**2,010**Employees  
(+4% vs 2022)**+22%**

Female managers

## Governance

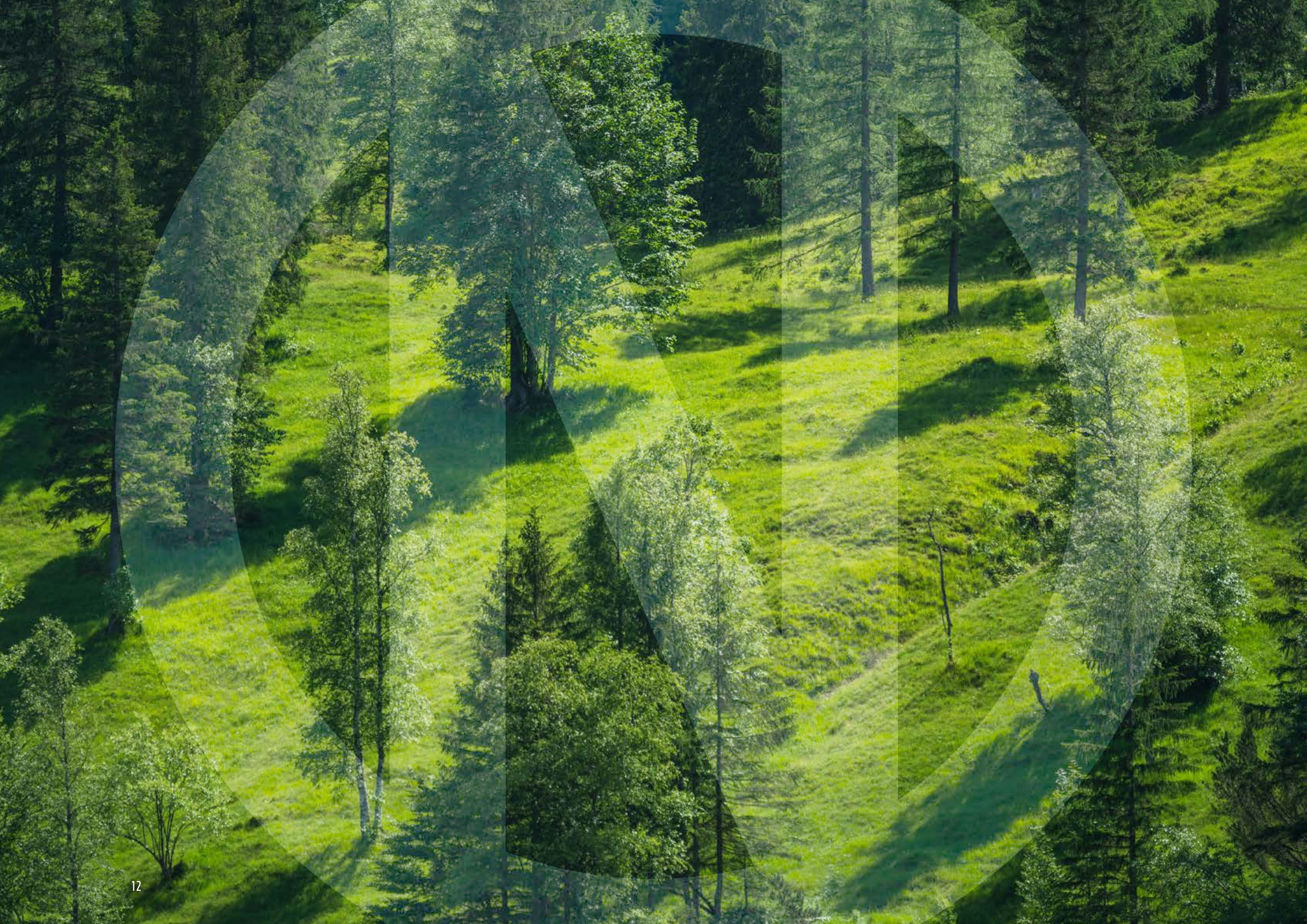
**90%**

Employees trained on anti-corruption

**20%**

Of CEO variable remuneration linked to ESG objectives







# 01

## Our Company

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**100** DE NORA  
*since 1923*

Years of History

**15**

Production  
sites worldwide

**100+**

Countries served

**24**

Operating  
companies

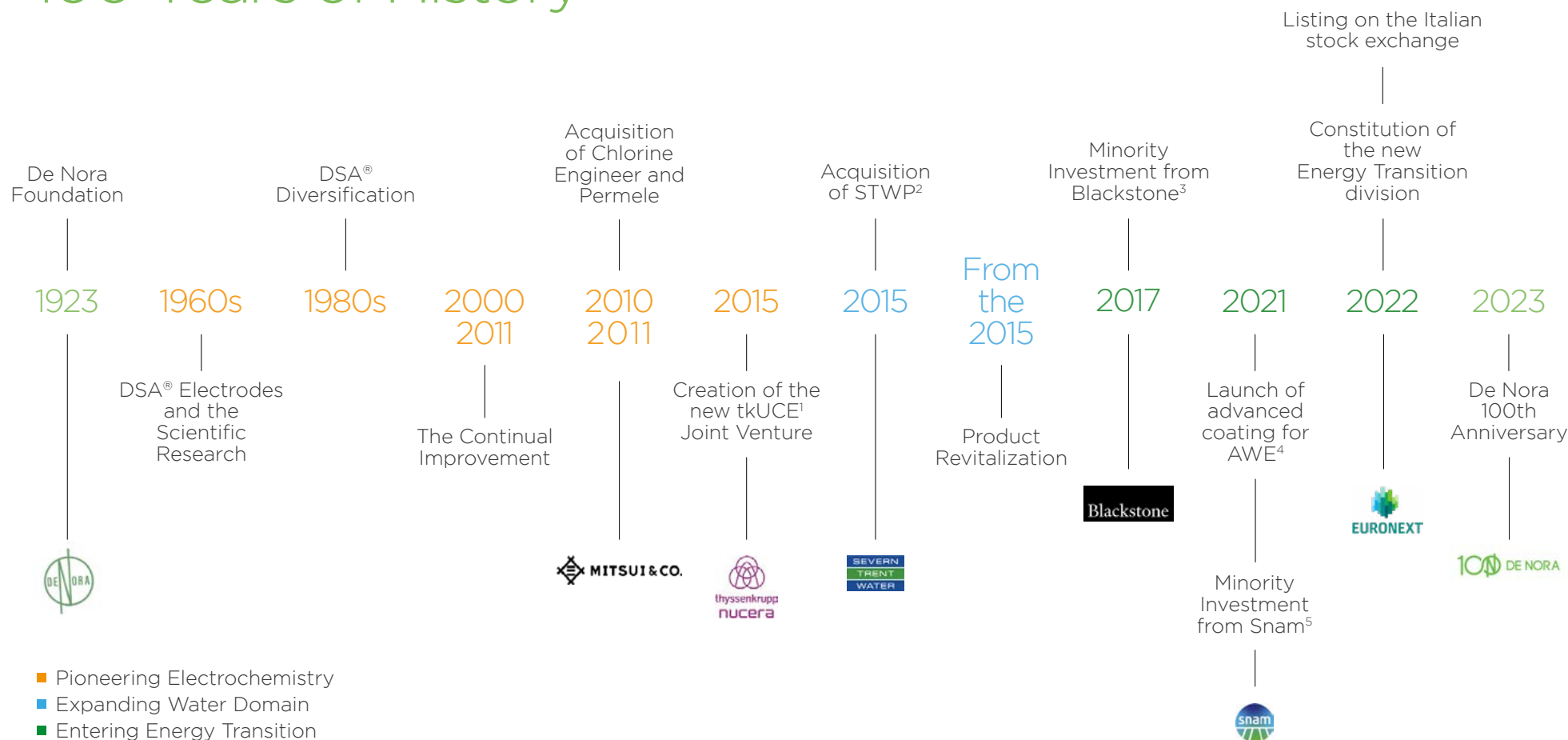
## De Nora Group Profile

De Nora is a multinational group leader in the development of sustainable technologies and innovative solutions for electrochemical processes, the realization of energy transition through green hydrogen and water treatment and disinfection technologies.

Committed to continuous innovation, the Group seeks to achieve sustainable growth in the clean energy and water treatment sectors, boasting significant achievements and innovations that have profoundly influenced modern electrochemistry.

The technologies developed by De Nora are universally recognized as solutions that optimize transformation processes in several industrial applications, including primary chemical production, electronic applications, water purification, galvanic processes, energy storage, cathodic protection of infrastructure and many other areas.

# 100 Years of History



## Notes

<sup>1</sup> The first joint venture (classified as an associate company for financial reporting purposes) with the thyssenkrupp group was established in 2001, under the name of Uhdenora S.p.A.. In 2015, thyssenkrupp and De Nora expanded the joint venture platform by contributing additional assets and business units.

<sup>2</sup> STWP: Severn Trent Water Purification Technologies.

<sup>3</sup> Approximately 33% equity investment sold by the De Nora family in April 2017.

<sup>4</sup> AWE: Alkaline Water Electrolysis.

<sup>5</sup> Approximately 35% equity investment sold by 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 origins, the Group 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 internationalization, entering new sectors. In 1969, the Group entered the Japanese market through a joint venture with Mitsui & Co. Ltd. and founded Permelec Electrode Ltd. to market DSA® anodes in Japan.

In the 1970s, De Nora developed a new bi-polar diaphragm cell that was marketed all over the world and patented the technology for the production of sodium hypochlorite from seawater, used to treat the cooling water of large systems. The Group began to develop the first salt chlorinators for swimming pools in the same period. Bolstered by the success of the chlor-alkali plant engineering and DSA® anodes, the Group accelerated its expansion abroad, entering the markets of Singapore, Brazil and India.

During the 1980s, innovation and research continued to be a key element of the Group's growth strategy: DSA® anodes began to be used for applications beyond chlorine production, such as the electrochemical production of metals, protection of reinforced concrete structures from corrosion and the production of galvanized steel sheets.

During the 1990s, the Group expanded its activities in the Chinese, US and German markets, establishing joint ventures and branches to serve the growing number of local customers and provide an essential after-sales service. In the same years, investments continued in product diversification by marketing DSA® anodes in the electronics, galvanic and water sanitization sectors. The company also developed new technologies for applications in basic chemistry and fuel cells.

The 2000s included the development of advanced coatings and separators for chlor-alkali and gas diffusion electrodes for fuel cells. The Group continued its expansion in these years, shifting from a strategy of growth by internal lines to one by external lines through acquisitions and joint ventures, thus starting an important transformation process.

In particular, to promote the chlor-alkali plant engineering business, Uhdenora S.p.A. was created in 2001, a first joint

venture between Industrie De Nora and Thyssenkrupp, that in 2015 it became tkUhdeChlorine Engineers in 2015, and was finally renamed Thyssen-Krupp Nucera in February 2022.

Severn Trent De Nora was also created in 2001, a joint venture operating in the industrial electrochlorination sector.

The Group consolidated its position in the chlor-alkali sector between 2010 and 2011: in 2010 a transaction was concluded with Mitsui & Co., which allowed De Nora to increase its stake in Permelec Electrode to 100% and in 2011, it acquired all the shares of Chlorine Engineers, active in the plant engineering business. At the same time, De Nora developed and patented new solutions for diaphragm and membrane technologies.

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

To accelerate the growth process, Blackstone Tactical Opportunities joined the De Nora family in 2017 through the acquisition of 32.9% of the share capital.

The Group further expanded its business between 2018 and 2019: it broadened its production capacity in China,



completed some corporate acquisitions and opened new production plants in the United States and Germany.

Snam S.p.A., one of the largest energy infrastructure operators in the world, acquired from Blackstone its entire stake in De Nora in 2021, becoming an industrial partner of De Nora in the energy transition.

The Group began marketing new electrodes for the energy transition in 2021 which are based on the alkaline electrolysis process of water. It simultaneously strengthened and expanded its product offer in the water disinfection sector through strategic corporate acquisitions. In addition, the Group officially became one of the protagonists of the Neom project for the largest green hydrogen production plant in the world on a gigawatt scale.

In 2022, Industrie De Nora was listed on the Euronext stock exchange in Milan. The third business segment, Energy Transition, was created at the end of the same year, focusing on the development of technologies for green hydrogen.

De Nora celebrated its 100<sup>th</sup> anniversary in 2023.

A centenary logo was created to celebrate the special occasion: an iconic image designed by a member of the

De Nora family, highlighting the milestone achieved and giving equal importance to future goals through the infinity symbol.

Several initiatives were carried out in 2023, including the publication of the book 'De Nora: Stories from a century of life,' which enthusiastically narrates this race towards the future. The author Luca Masia wrote the volume in the form of short stories, while Luca Campigotto, one of Italy's most internationally acclaimed photographers, documented the complex reality of De Nora with an artistic vision: from research laboratories to its large production factories up to the specialized technicians. These words and images describe a journey of ingenuity, dedication, scientific discoveries and technological innovations, with people always at the heart of the company.

The most significant milestones of the first hundred years were also narrated through a dedicated section on the company website, summarised in a video and included in a calendar.

At the end of September 2023, the Chairman Federico De Nora invited around 100 employees from all over the world to celebrate the centenary of the company together, with celebrations and cultural activities. Called "Global Meeting 100 Years", the event was held

near Altamura in Apulia, the birthplace of the founder Oronzio born in 1899. Over the three days, the most significant milestones of recent years were reviewed with a focus on learning from the past, looking at the present and planning the future.

With the motto 'Celebrating history, earning time,' the company also granted an additional day of leave to all staff employed in 2023.

De Nora is a welcoming and inclusive environment, capable of creating strong bonds and making people feel like part of a large family. For this reason the anniversary was celebrated in many of the Group locations around the world with a Family Day, inviting all employees to participate in initiatives organized according to local traditions, accompanied by their families and loved ones.

# Business Model

De Nora is a technology leader in three separate business segments, each with its own portfolio of specific products and services: Electrode Technologies Business, Energy Transition Business and Water Technologies Business.

The products and technologies offered by the Group are intended for both new and existing installations. Aftermarket services include periodic maintenance, supply of spare parts, re-coating of electrodes and plant modernization with latest generation technologies.

De Nora assists its customers directly through its sales and technical assistance network, and indirectly through distributors and representatives.

The Group is the world's largest supplier of electrodes for the main industrial electrochemical processes, including the production of green hydrogen, and is one of the leaders in the supply of technologies for water filtration and disinfection, for both municipal and industrial use as well as residential.

Undisputed global technology leader across all business



Chlor-alkali, Electronics  
Nickel & Cobalt  
Electrowinning

> 50% share

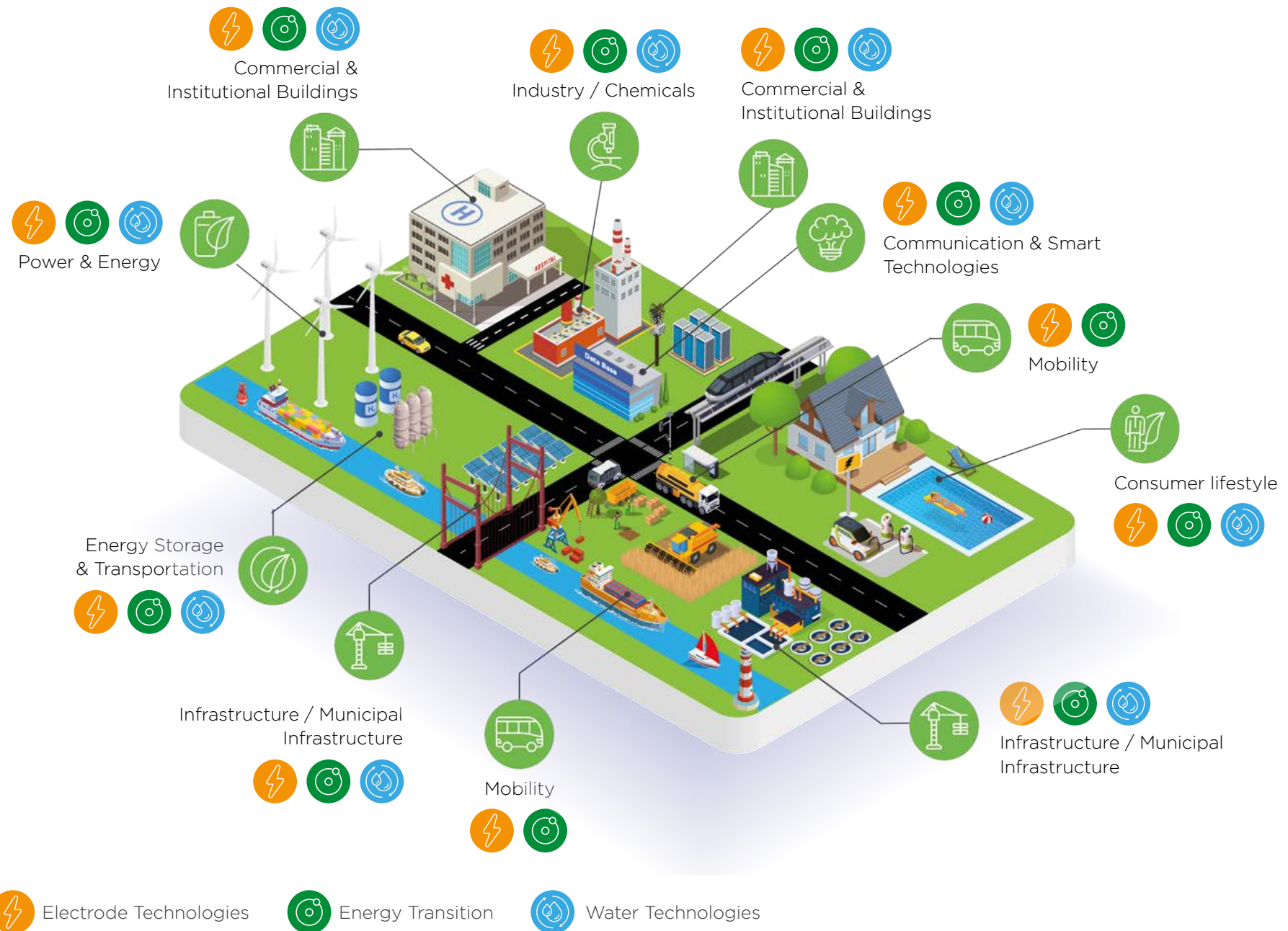


Metal coated Electrodes  
for alkaline water electrolysis



Pools & industrial electrochlorination;  
within the top 5 in municipal  
disinfection & filtration

~ 80% share in pools



## Electrode Technologies

The electrodes business consists of the production and sale of anodes and cathodes, catalytic coatings, electrolyzers 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 manufacturer 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 main application markets of Electrode Technologies include:

### Chlor-alkali

Chlorine, caustic soda and their derivatives, which are generated through the electrolysis of aqueous solutions of sodium chloride, are necessary commodities for the most important chemical and manufacturing industries, for the production of plastics and polyurethanes, in pharmaceuticals, in the production of detergents and disinfectants, in aluminum production and in water treatment.

## Electronics

De Nora's technologies are used in 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, a process related to the deposition of copper within micro-holes.

### Metal refining in the Mining sector

The electrochemical refining of non-ferrous metals consists of a process designed to eliminate impurities in metals with the aim of guaranteeing a high degree of purity. The Group's offer is mainly aimed at the electrolytic refining of nickel and cobalt.

## Water Technologies

The Water Technologies business segment is engaged in the development and supply of water treatment solutions for the municipal, industrial and residential sectors. More specifically, the Group has a broad portfolio of technologies for swimming pool disinfection, electrochlorination of seawater and brine, sanitization and filtration of drinking water and wastewater, and water treatment systems for marine applications.

In addition to providing systems and solutions for new installations, De Nora also offers maintenance services, the re-engineering of existing systems, on-site or remote technical assistance

and the supply of spare parts.

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 main applications of water treatment technologies include:

### Swimming Pool Chlorination

De Nora offers electrodes for salt chlorinators used in the disinfection of swimming pool water, with a particular focus on the residential segment. The salt chlorination process is environmentally friendly and has several advantages, including the constant generation of chlorine solution to prevent spikes and algae, low maintenance thanks to automated systems, minimum storage and handling of chemical products, and average chlorinator lifespan of 3-5 years.

### Industrial Chlorination (electro-chlorination)

The Group produces and sells electrochemical systems for the production of chlorinated solutions from salt water for water disinfection. In the industrial sector, the products include process water treatment, industrial wastewater treatment and recycling systems, systems for sanitizing water used in cooling circuits

and evaporation towers, and small brackish water desalination systems. In addition, De Nora 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 wastewater, 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 wastewater 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 that use chlorine gas, chlorine dioxide, ozone and ultraviolet (UV) technologies. In the field of filtration systems, De Nora 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 the company 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 wastewater prior to discharge at sea.

In December the Board of Directors approved the divestiture of the Marine Technologies business; a decision driven by the company's ongoing commitment to adapt to market dynamics and to focus its growth on the core strategic markets of Municipal and Industrials, while optimizing its product portfolio.

### New Application Areas

The Group is expanding into new applications, including services for the removal of contaminants of emerging interest, including pharmaceuticals and personal care products, and industrial chemicals, increasingly present in drinking water worldwide<sup>1</sup>.

### Energy Transition

Green hydrogen will play a key role in the decarbonization process of the hard-to-abate industry that uses hydrogen from fossil fuels as a raw material, and for those sectors where there are currently no

economically competitive energy alternatives and/or where direct electrification is not feasible.

For this reason, the Group has developed a portfolio of technology solutions for the energy transition market, which draws on its century-long, established experience in the electrode market. In particular, De Nora's products are designed for use in plants that produce green hydrogen through water alkaline electrolysis processes and for the construction of fuel cells to transform hydrogen into energy.

All green hydrogen production methods are based on water electrolysis; the main differences between the various technologies stem from the type of electrolyte used and the operating conditions. These technologies also stand out for the technology readiness level achieved and their commercial success. They include:

- Atmospheric or pressurized 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 high technology development level and are currently marketed.

<sup>1</sup> PFAS: Perfluoroalkyl substances.



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. AWE technology is particularly expected to be used for the decarbonization of hard-to-abate industries (for example, steel mills and refineries), and for the production of green chemicals (for example, 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 operation at high current densities without compromising their performance and service life. This guarantees a competitive cost of the produced hydrogen (levelized cost of hydrogen, 'LCOH').

### Fuel cells

Fuel cells convert the potential energy contained in gas directly into electrical energy by the reverse process of electrolysis: hydrogen gas reacts with oxygen, producing water and electricity. Similar to electrolyzers, fuel cells are highly modular and therefore find applications in various sectors.

Among the different types of electrodes for fuel cells, De Nora's offer focuses on gas diffusion electrodes (GDE) for different applications (PEM, high-temperature

## Our Global Footprint

PEM and alkaline-fuelled with both hydrogen and methanol).

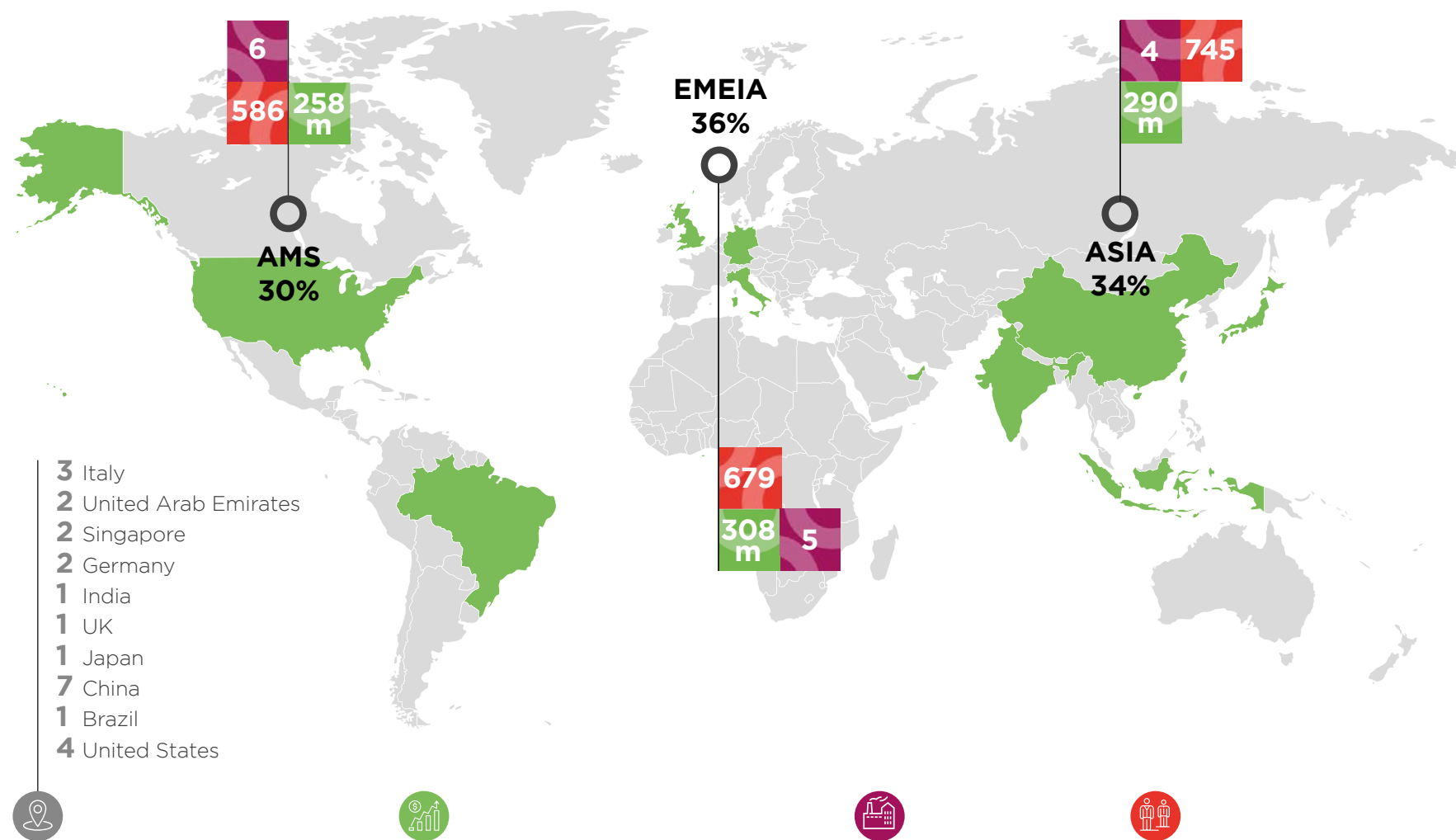
The Group is present in ten countries through 24 operating companies, including 15 production sites and five R&D centers that ensure the continuous improvement and expansion of proprietary technologies. De Nora's intellectual property portfolio currently includes 281 patent families with more than 2,800 territorial extensions.

With its widespread presence and broad product portfolio, De Nora is able to effectively serve customers in over 100 countries, with more than 2,000 employees worldwide. De Nora operates in three macro-regions: EMEA (Italy, Germany, UK, UAE and India), AMS (USA and Brazil) and APAC (China, Singapore and Japan).

### Gigafactory Project

The construction activities in Italy of a Gigafactory for green hydrogen production technologies with a potential capacity of up to 2 GW began in 2023. In collaboration with Snam S.p.A., De Nora is committed to building one of the largest Italian plants and large-scale production

centers to produce electrolyzers for the generation of green hydrogen systems, components for water electrolysis and fuel cells, in addition to the construction of products pertaining the other Group divisions.



Operating companies

24



Revenues

€856M



Factories

15



People

2,010

# Partnership and Membership

## Membership in International networks



## Partnerships with schools and Universities

Bocconi University

Milan Polytechnic Institute Career Service

Bicocca University

University of Milan

Molinari Institute

Casiraghi High School

Leone XIII High School

## Collaborations with charities



Social inclusion and overcoming situations of hardship and architectural barriers through sport.



Promotion of the culture of adoption and foster care in Italy.



Promotion of shelters for minors separated from their families.



Reception in a protected place and psychological-emotional support for children and young people removed from their families by decree of the Juvenile Court.



Elimination of communication barriers and raising awareness on hearing impairment.



Protection and improvement of Italy's historical and artistic heritage.



Support for the young generations of African countries living in conditions of extreme poverty with difficulties in accessing food, drinking water, medical care and training.



Support for the PizzAut Lab that promotes education and work for people with autism.



Inclusion of people with reduced mobility.



Fight against leukemia.



Promotion and dissemination of technical-scientific culture in all its manifestations, implications and interactions with other sectors of knowledge and with society.

## Trade Associations

Industry associations, other trade associations and national or international advocacy organizations in which the organization plays a significant role:

- The Committee of the Electrolytic Science and Technology;
- Functional Water Foundation;
- Chlorine Institute;
- ANIMP - National Association of Industrial Plant Engineering;
- Fujisawa Chamber of Commerce & Industry;
- Japan Society for the Medical & Hygienic Use of Ozone.

### Other main memberships:

Hydrogen Europe, H2IT - Associazione Italiana Idrogeno, Clean Hydrogen Partnership, European Clean Hydrogen Alliance, Electrolyzer Partnership, Renewable and Low Carbon Fuel Alliance, GET ANIMA IDROGENO, Council of Supply Chain Management Professionals (CSCMP), Assolombarda, Ohio Fuel Cell Coalition, NASF

(National Association for Surface Finishing), AMPP (Association for Material Protection & Performance), ECOAT (Electrocoat Association), PHTA (Pool & Hot Tub Alliance), ABIMAQ (Associação Brasileira da Indústria de Máquinas e Equipamentos), ABRACO (Associação Brasileira de Corrosão), CLOROSUR (Asociación Latinoamericana de la Industria del Cloro, Álcalis y Derivados), ANAPP (Associação Nacional das Empresas e Profissionais de Piscinas), The Japan Institute of Metals and Materials, Japan Hydrogen Association (JH2A), The Electrochemical society of Japan, Greening Association for Fujisawa corporations, Fujisawa District Waste Management Council, ecc.





# 02

## Sustainable by DNA

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Commitment to  
the SDGs

New sustainability  
plan to 2026 and  
2030

Strengthened ESG  
governance: ESG  
Accelerator Lab  
and ESG Steering  
Committee

9%

Revenues  
aligned with  
the European  
Taxonomy

79%

Energy Transition  
BU revenues aligned

42%

ESG institutional  
investors

## Materiality Analysis

In compliance with the requirements of the GRI Standards, the contents of the Sustainability Report follow the results of the materiality analysis, which was updated in the current reporting year.

This process makes it possible to identify the most significant topics and related impacts of the organization on the economy, the environment and people, including impacts on human rights. De Nora has always been committed to promoting an increasingly sustainable business, considering these topics and impacts as the basis for building its response to the challenges of our time and for shaping its own strategy.

During 2023, the Group carried out a review process of the materiality analysis also aimed at the realization of the ESG Plan for 2026 and 2030. The review process was carried out through internal analyzes, which involved the members of the ESG Steering Committee, and an update of the benchmarking analysis based on three clusters of peers for a total of 15 listed companies. The first cluster included the direct peers of De Nora Group, the second cluster included some industrial players, with a high sustainability profile and the third cluster included listed Italian companies with ESG profiles of primary importance. The analysis described and conducted in 2023 led to confirming the relevant stakeholders and the set of topics and impacts identified during the first materiality analysis exercise carried out in 2022.



In fact, in the first year of analysis, a benchmarking activity was carried out which made it possible to compare the non-financial reporting of a selected panel of peers and the best practices in place for the reference sector.

The most relevant stakeholder categories for De Nora were identified as a first step; they represent all persons or groups that are or could be impacted by the Group's activities. The list includes the following categories:



Lastly, the analysis focused on mapping the main sustainability topics and their related impacts, taking into consideration the relevant Sustainable Development Goals (SDGs) for De Nora, the topics defined as material by the SASB (Sustainability Accounting Standard Board) for the Electrical & Electronic Equipment sector, and the thematic areas required by Italian Legislative Decree 254/2016, such as environmental, social, staff, respect for human rights

and the fight against active and passive corruption.

The list of potentially relevant impacts for the organization was then submitted for assessment by external and internal stakeholder categories such as customers and employees.

As part of this assessment, stakeholders were asked to determine the relevance of the impacts identified through a specific set of assessment criteria

that included scope, scale and probability. The same impacts were subsequently assessed by De Nora's Top Management.

Lastly, the results of the two assessment steps were consolidated; this made it possible to prioritize a list of impacts and topics, which were subsequently brought to the attention of the Control and Risk Committee and approved by the Board of Directors.

In 2023 the wording of some topics was updated and others were grouped, together with the associated impacts. Specifically, the topic 'Diversity, equity and inclusion' was merged with the topic 'Skills development.' The impacts of the two topics were, therefore, considered within the single topic 'Skills development, Diversity, Equity and Inclusion.' Similarly, 'Innovation' and 'Sustainable Innovation' were merged into the topic 'Green Innovation' together with the relative impacts. Following these amendments, in 2023 the analysis was again submitted to the attention of the Control, Risks and ESG Committee and to the approval of the Board of Directors on 22 January and 23 January 2024, respectively.

<sup>2</sup> 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.



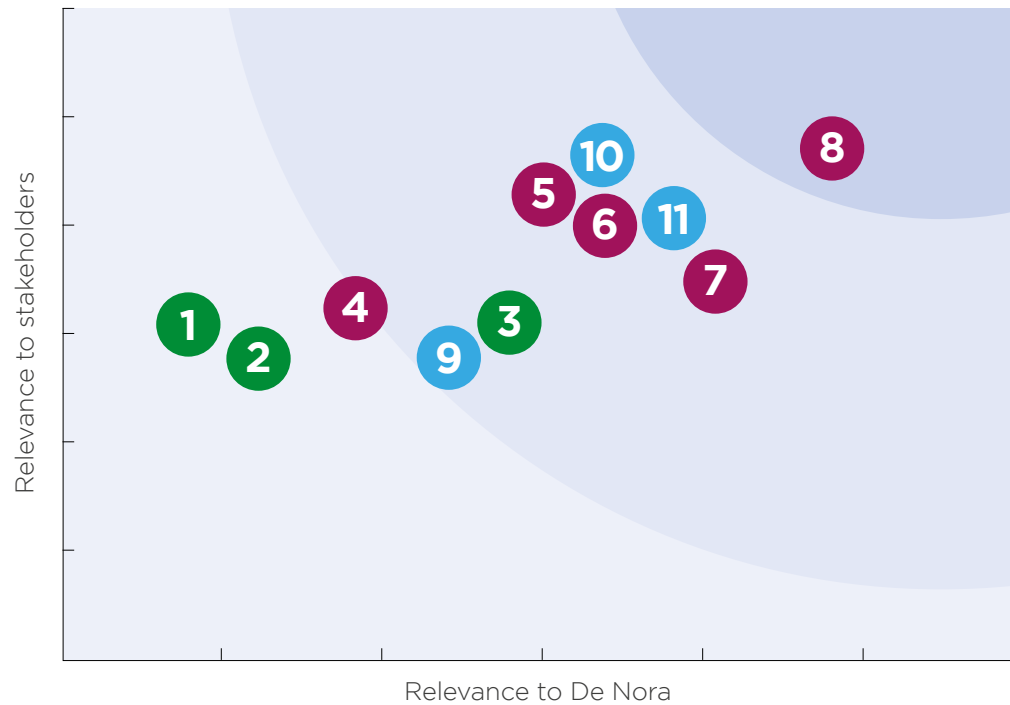
The updated list of material topics and the related impacts are presented below:

Topic	Description	Impact	Nature of the impact
Circular economy	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, utilization 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
Climate action	Monitoring, prevention and reduction of greenhouse gases (GHG) and other air pollutant emissions. Development of energy efficiency initiatives at Group sites and increased 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
Skills development, Diversity, Equity and Inclusion	Adoption of policies to attract and nurture talent, encouraging professional development paths that enhance skills, and development of appropriate policies, practices and working conditions within the Group to ensure and promote equal opportunities, respect for diversity and inclusion, and combat all forms of discrimination.	Inclusive working environment	Current positive
		Employee well-being	Current positive
		Development of workers' skills	Current positive
		Decrease in know-how	Potential negative
Local community engagement	Contribution to the socio-economic development of the communities in which the Group operates, through investments, donations, projects, programs 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 minimizing 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

Topic	Description	Impact	Nature of the impact
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
Cybersecurity 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 organization	Potential negative
Business ethics	Promotion and dissemination of a corporate culture based on virtuous behavior, 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 behavior	Current positive
Green innovation	Creating new technologies and developing existing technologies to improve the services offered and shared value in the medium to long term for all stakeholders through operational and financial efficiency and economically sustainable business management.	Production of products with innovative design	Current positive
		Production of new technologies	Potential negative
		Sustainable applications (Water Technologies and Energy Transition)	Current positive
		Advocacy for green technologies	Current positive
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

The materiality matrix is shown below, illustrating the 11 material topics in 2023.

The values in the chart reflect the relevance for De Nora (X axis) and the relevance for stakeholders (Y axis).



## Environmental dimension

- 1 Water management
- 2 Climate action
- 3 Circular economy

## Social dimension

- 4 Health & Safety
- 5 Cyber Security and data protection
- 6 Employees Development, Diversity, Equity and Inclusion
- 7 Community engagement
- 8 Product quality & safety

## Governance dimension

- 9 Responsible supply chain
- 10 Business ethics
- 11 Green innovation



# Our Commitment to SDGs



Sustainability at De Nora informs the continuous development and expansion of its product portfolio in the electrode, water technology and energy transition business segments.

The Group 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 organization 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 organization 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).

# Our Sustainability Strategy

The ESG strategy for to 2026 and 2030 was defined with the new sustainability plan, approved on 14 December 2023 and incorporated in the Business Plan. The Sustainability Plan sets clear and measurable targets that outline an ambitious roadmap while ensuring compliance with the principles of responsibility and accountability. Starting from the leadership that distinguishes De Nora in the main markets in which it operates, the ambition is to play a key role also in the ESG field:

- By developing sustainable technologies that foster economic growth through careful management of natural resources, circularity and the use of clean energy;
- By promoting a stimulating and inclusive work environment and supporting the local communities in

which it operates;

- By conducting activities in an ethical and transparent manner, orchestrated by sound governance.

De Nora's sustainability strategy is based on the material topics described in the previous section, in addition to biodiversity on which, given its relevance in the international scenario, De Nora plans to carry out an in-depth analysis during 2024 to assess the extent of its impact.

The priorities of the Group's ESG strategy can be grouped into four pillars, managed through a structured governance that guarantees ethical conduct and transparency:

## GREEN INNOVATION

De Nora is actively committed to the development of technological innovation, constantly searching for new solutions to improve the efficiency and sustainability of its products. By integrating a circular design, Life Cycle Assessment (LCA) principles, product scorecards and optimized use of noble metals, the Group actively contributes to developing solutions with low environmental impact and promoting this vision throughout the organization. The initiatives envisaged by the plan in this area aim to establish the company activities as a best practice in the sector and allow De Nora to position itself among the reference players in green innovation.

## PEOPLE: INCLUSION, WELL-BEING BEYOND H&S THEMES, CONTINUOUS DEVELOPMENT

De Nora has always adopted a holistic approach to employee well-being, identifying mental health as an absolute priority together with physical health protected by health and safety measures. The plan envisages the development of comprehensive solutions and strengthens those already in place, including surveys, training programs, hotlines, psychological help desks, health insurance and internal medical services. Multiculturalism and diversity are strategic resources that De Nora promotes by continuously pursuing best practices to ensure equal opportunities, and respect for diversity and inclusion, against any form of discrimination.

## CLIMATE ACTION AND CIRCULAR ECONOMY

De Nora's clean and sustainable technologies are the basis of the Group's handprint, the ability to contribute to reduce climate change by allowing its customers to increase their energy efficiency, by decarbonizing hard-to-abate processes, and by treating, disinfecting and filtering water, ensuring its safe and circular use. The plan also outlines the Group's commitment to improving its carbon footprint reducing greenhouse gas emissions in line with the 2030 agenda. The circular economy is promoted by strengthening sustainable business models along the entire value chain, minimizing waste, optimizing the use and reuse of strategic raw materials such as noble metals, and promoting the circular use of the planet's water resources with its broad portfolio of technological solutions dedicated to water filtration and disinfection.

## ENGAGEMENT OF LOCAL COMMUNITIES, PARTNERSHIPS AND DEVELOPMENT OF A SUSTAINABLE SUPPLY CHAIN

The plan sets out to strengthen the development of partnerships with STEM technical institutes and universities, and the relations with local communities. On this front, De Nora has always been actively involved in projects in line with its values, including numerous charitable initiatives and community support. One of the goals is to be able to create a network in line with its vision and dedication to ESG principles, setting up a supply chain, that ensures respect for human rights and environmental protection, for which De Nora can be a reference in the path towards the adoption of sustainable practices and growth.



## The organizational structure dedicated to sustainability

For the implementation of the plan, the ESG governance and the organizational structure that is involved in developing and monitoring the strategic initiatives were defined in 2023 and formalized at the beginning of 2024, as shown in the image. In this regard, the following bodies were established, to which various tasks and responsibilities were assigned.

### ESG Steering Committee

Steering committee reporting to the Chief Executive Officer, composed of the Top Management of De Nora representing the various Group departments. In particular, this committee has the task of monitoring the KPIs related to the main sustainability performances of De Nora and defining actions, initiatives, objectives aimed at improving them.

### ESG Accelerator Lab - Permanent Team

An inter-departmental team led by the Head of Investor Relations and ESG, composed of the ESG team and representatives of other corporate departments (such as Human Resources, Operations, R&D,

Procurement and Legal), which deals with the project management activities of ESG initiatives and processes, coordinating data collection, monitoring processes, addressing alignment with set targets, handling rating activities and benchmarking analyzes on emerging trends and best practices.

### ESG Accelerator Lab - Focal Points

Set up in each plant and in each function as points of reference and connection between the local sites / different business areas and the ESG Accelerator Lab that supports the various activities.

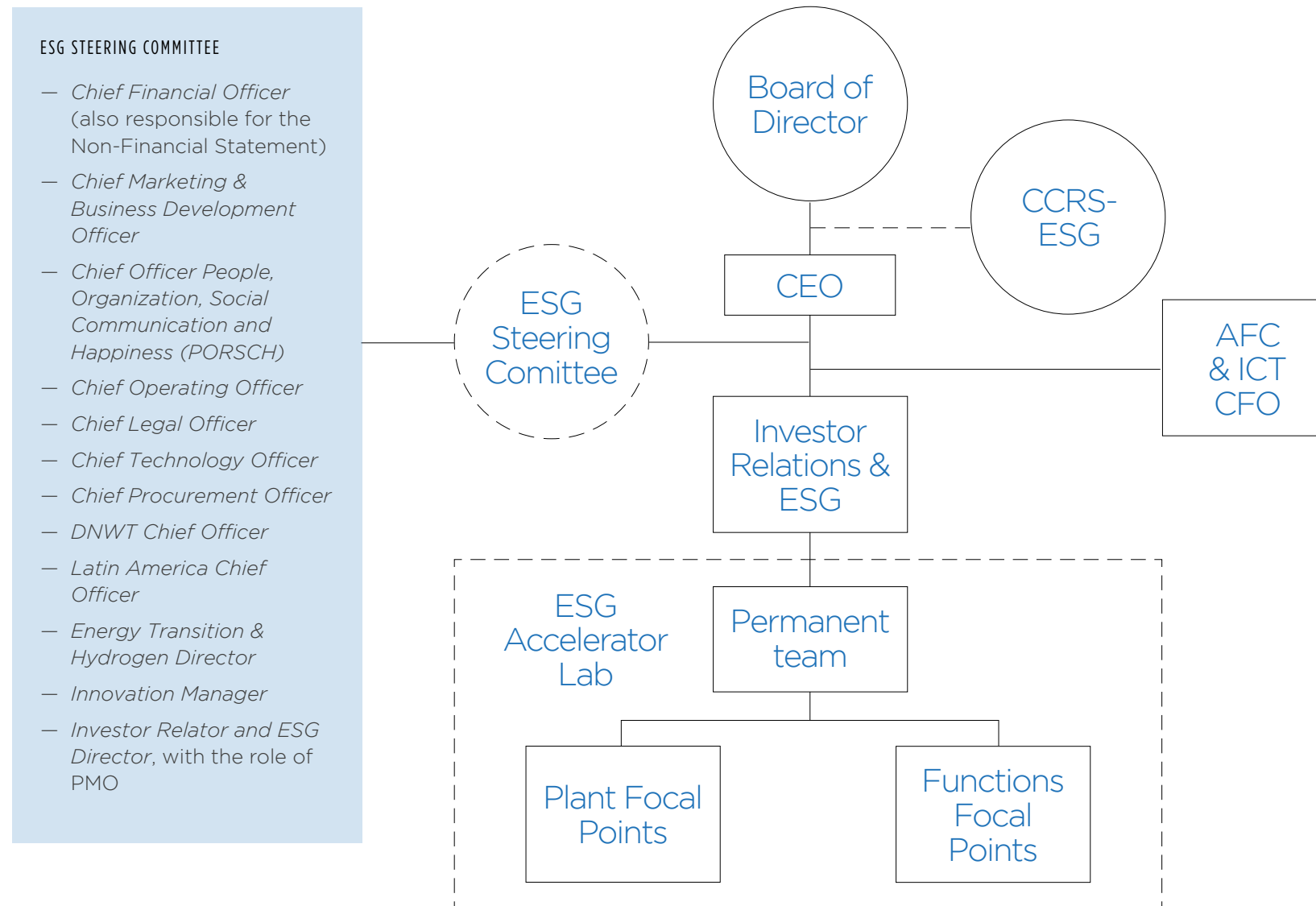
## Sustainability Policies

As an additional governance tool, the Group has adopted the following policies in order to affirm its position on the most relevant issues and provide both internal and external guidelines for all stakeholders:

- Human Rights Policy (December 2023);
- Supply Chain Policy (March 2024);
- Environment, Health and Safety Policy (March 2024);
- Policy related to the procedure for drafting the NFS (March 2024).

The sustainability policies listed above are in addition to the Code of Ethics and the Whistleblowing Policy updated in 2023, policies on Anti-Corruption and Trade Control Measures and Economic Sanctions, and the Supplier Code of Ethics. A Diversity, Equity and Inclusion Policy is expected to be published in 2024 to complete the portfolio of policies adopted by the Group: these topics have always been central to the creation of an inclusive work environment aimed at valuing people at De Nora.





# Roadmap and Agenda

Below are the initiatives and objectives defined by the sustainability plan to 2026 and 2030, as a tangible commitment to the pursuit of responsible business practices and aimed at improving De Nora's positioning in the areas previously described as the pillars of the ESG strategy.

Given their nature, some initiatives do not have quantitative targets and the subsequent definition of related KPIs to be monitored. In these cases, where possible, we have indicated when the initiative is to be launched or completed.









	Initiatives	KPI	Targets (Baseline 2022)	Actual 2023
	Embed <i>Circular Design Guideline</i> in the existing R&D process, reflecting LCA ( <i>Life Cycle Assessment</i> ) principles	Guideline adoption	To be embedded in 2024	Ongoing
	Develop a <i>product scorecard</i> based on LCA and the <i>Circular Design Guideline</i>	Product Scorecard methodology % of products assessed by <i>scorecard</i>	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 / m <sup>2</sup> of electrode <sup>1</sup>	-4% by 2026	-1% 2023 vs 2022
	<ul style="list-style-type: none"> <li>— Reduce our <i>Carbon footprint</i></li> <li>— Use of renewable energy</li> <li>— Submit to SBTi (in 2024)</li> <li>— Introduction of GHG emission criteria in investments planning</li> </ul>	Scope 1 and 2 emissions reduction	-50% by 2030 -25% by 2027	32K tCO <sub>2</sub> e
		Scope 3 emissions reduction	-50% by 2030 (intensity)	39M tCO <sub>2</sub> first disclosure
		% electricity from renewables	100% by 2030 40% by 2026	<div> <div>3%</div> <div>of purchased electricity 3.1 GWh, installed photovoltaic systems</div> </div>
	Certifications	ISO 50001 ISO 14001	100% sites by 2027 100% sites by 2025	<div> <div>13%</div> <div>27%</div> </div>







Table footnotes

<sup>1</sup> KPI built on three main product lines: Membrane, Pools and Electrochlorination, Alkaline Water Electrolysis.

	Initiatives	KPI	Targets (Baseline 2022)	Actual 2023
 Circular economy  	<ul style="list-style-type: none"> <li>— Optimize waste management</li> <li>— Increase share of wood packaging reused</li> </ul>	% of wood packaging waste reused	40% of wood packaging reused by 2026	12% of wood packaging re-used
	Wood packaging “deforestation-free”	% of “deforestation-free” wood packaging	>80% by 2030	Ongoing
	Increase/Disclose recycled content in noble metals <sup>2</sup>	% share of recycled content in noble metals (by weight)	5% by 2030	Ongoing
	Strengthen and give more visibility to circular services ( <i>re-coating</i> )	% of products (in terms of m <sup>2</sup> ) designed for 2° life		19% of revenues Eu Taxonomy Eligible for the transition to a circular economy
 Biodiversity  	Map ecological zones to define Biodiversity targets and plan		Mapping in 2024	6 water-stressed areas identified <sup>3</sup>
	Partner and adhere to third-party initiatives for biodiversity preservation			

<sup>2</sup> Recycled metals: metals purchased from suppliers that certify their origin from recycling. Recovered metals: reused metals, also following third-party processing, from production waste or from the withdrawal of used electrodes. Recycled metal includes metal purchased from suppliers that certify its origin from recycling.







<sup>3</sup> Dubai, Abu Dhabi, India, Shanghai, Suzhou and Jinan.

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

<sup>4</sup> Plant with more than 100 employees.





<sup>5</sup> Gender gap on total remuneration calculated as the weighted average of the Gender Pay Gap indicator (GRI compliant) of each geographical area and category of employees.



	Initiatives	KPI	Targets (Baseline 2022)	Actual 2023
 <b>Community engagement</b>   	<ul style="list-style-type: none"> <li>— Launch and promote initiatives of employee donations</li> <li>— Employee engagement in charitable or local events in all DN locations</li> </ul>			Donations to local communities 202K (+4% vs 2022)
	<ul style="list-style-type: none"> <li>— Introduce gender considerations in existing partnerships with universities, high schools, research institutes etc.</li> <li>— Host visits to laboratories and plants, occupational lectures and problem-solving training</li> </ul>	% of female students engaged	>40% of female students engaged	
		Students engaged	>20 students engaged per major site <sup>6</sup> /anno by 2026	
 <b>Responsible Supply Chain</b> 	Increase share of suppliers evaluated on sustainability	% selected suppliers assessed (by spend)	>50% of suppliers <sup>7</sup> by 2030 >25% of suppliers <sup>7</sup> by 2026	945 engaged suppliers, 105 evaluated (17% of spend)
	<ul style="list-style-type: none"> <li>— Engage high risk suppliers</li> <li>— Train selected suppliers (e.g PMI)</li> <li>— <i>Auditing</i> for high risk suppliers</li> </ul>	% of high-risk suppliers engaged	100% by 2026	
		# suppliers audited per year	2 in 2025 ( <i>pilot</i> )	

<sup>6</sup> Sites with more than 100 employees.

<sup>7</sup> Considering a set of suppliers representing about 80% of total expenditure as the basis for the percentage.

	Initiatives	KPI	Targets (Baseline 2022)	Actual 2023
 <b>Product Quality &amp; Safety</b> 	Track <i>customer satisfaction</i> across the Group (Net Promoter Score)	Net Promoter Score	NPS across the Group by 2025	
	Certification ISO 9001 (Quality Management)	# sites certified	100% of sites certified by 2025	<div><div>100%</div></div>
 <b>Governance Business Ethichs</b> 	Human rights <i>policy</i> 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 <i>training</i>	100% by 2026	<div><div>90%</div></div>
	Adopt a region/country-based guideline for <i>Export Control</i> and economic activities	# region/countries with guideline adopted	100% by 2026	
	<i>Disclosure related to "Conflict of Minerals"</i>		2024	Ongoing
	Remuneration linked to ESG targets	% target MBO and PSP <sup>8</sup>	20% - CEO 10%+ Top Management	20% - CEO 10%+ Top Management

<sup>8</sup> MBO- Management Business Objectives. PSP – Performance Share Plan.

# Taxonomy

As part of the Action Plan on Sustainable Finance published in 2018 and aimed at creating a set of rules around sustainable finance to redirect capital flows towards a more sustainable development model, in 2020 the European Commission defined the European Taxonomy, i.e., a single classification system at European level that establishes a list of environmentally sustainable economic activities. This classification tool is aimed at supporting the European Union in increasing sustainable investments, achieving the EU's environmental objectives (1. Climate change mitigation, 2. Climate change adaptation, 3. Sustainable use and protection of water and marine resources, 4. Transition to a circular economy, 5. Prevention and reduction of pollution, 6. Protection and restoration of biodiversity and ecosystems) and taking an important step towards the green transition.

According to this classification system, an economic activity can be considered environmentally sustainable if: it significantly contributes to the achievement of at least one of the six environmental objectives; does not cause significant harm to any of the

remaining environmental objectives (Do Not Significant Harm - DNSH); is carried out in compliance with the minimum safeguards (based on international guidelines aimed at protecting human and labor rights or if they do not comply with the minimum standards for responsible business conduct); and it complies with the technical screening criteria established by the Commission.

The regulatory framework related to the taxonomy is structured through the following set of rules:

- EU Regulation 852/2020, which establishes the Taxonomy for environmentally sustainable activities;
- EU Delegated Regulation 2021/2139, which defines the list of activities and criteria related to the first two climate objectives;
- EU Delegated Regulation 2022/2178, which specifies the information disclosure obligations;
- EU Delegated Regulation 2023/2486, which defines the list of activities and criteria related to the remaining four environmental objectives.

## Taxonomy Analysis Process

Based on the Delegated Regulation 2021/2178, a process divided into various phases has been implemented, which establishes the methods and obligations for the disclosure of information related to the taxonomy. This process made it possible to verify the applicability of the taxonomy, taking into account all of the Group's consolidated companies. Focus was placed on the six environmental objectives for which Delegated Acts 2021/2139 and 2023/2486 (the 'Delegated Acts') present a list of activities that significantly contribute to these objectives, together with the technical criteria and DNSHs that these activities must meet to be classified as environmentally sustainable.

This process led to the identification of four activities (of which three carried out by the Group and one deriving from its investments in the energy efficiency of its assets) as eligible, of which one was also found to be aligned.

In assessing the alignment of these activities, De Nora considered 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 considered activities make a substantial

contribution towards one of the six climate and environmental objectives;

- The 'DNSH' - Do No Significant Harm criteria which ascertain whether the considered activities under consideration do not cause significant harm to any of the other environmental objectives;
- Minimum social safeguards.

## De Nora Activities

As already outlined in the section 'Taxonomy Analysis Process,' the analysis considered all De Nora activities, which are divided into three segments: the Electrode Technologies Business, the Energy Transition Business and the Water Technologies Business.

### Eligible activities related to the Electrode Technologies business

De Nora is one of the world's leading suppliers of electrodes; within its Electrode Technologies business segment, it manufactures components for various electrochemical applications in several industrial sectors.

This business segment was analyzed in 2023 as part of the study carried out for the Taxonomy. Carried out with a team of technical representatives,

the analysis made it possible to verify whether the manufacturing activity of anodes and cathodes, catalytic coatings and electrolyzers could be considered eligible.

According to the analysis, the recoating and refurbishment and leasing of electrodes for chlor-alkali applications and copper foils were specifically considered, attributing them to the Taxonomy activities 5.1 Repair, refurbishment and remanufacturing and 5.5 Product-as-a-service and other circular use- and result-oriented service models, with reference to the objective Transition towards a circular economy.

The analysis confirmed the eligibility of the activities considered. In addition, an in-depth analysis was carried out on a voluntary basis to verify any alignment, exploring the requests derived from the technical screening and DNSH criteria associated with the taxonomic records mentioned above. This in-depth analysis confirmed that part of the revenues, capital expenses and operating expenses relating to these activities are aligned.

However, in accordance with the regulatory requirements established by Delegated Regulation 2021/2178 regarding disclosure, the Group opted to only include the portion considered admissible in the economic KPIs required by the regulations, with the prospect of

reporting the portion of eligible turnover, CapEx and OpEx aligned with the taxonomy next year.

### Eligible activities related to the Energy Transition business

As reported in the Business Model section, De Nora produces components for the production of hydrogen, including electrodes, coatings and catalysts for alkaline water electrolysis, half cells (cells for alkaline electrolysis) and electrodes for fuel cells.

In continuity with the previous year, an in-depth analysis was carried out in 2023 to assess the taxonomy alignment of the manufacture of electrodes for the alkaline water electrolysis attributable to Taxonomy activity 3.2. 'Manufacture of equipment for the production and use of hydrogen' with reference to the 'Climate change mitigation' objective.

To verify compliance with the technical screening criteria defined by Regulation 2021/2139, which require the 'reduction of greenhouse gas emissions in the life cycle of 73.4% for hydrogen and 70% for synthetic fuels based on hydrogen compared to a reference fossil fuel of 94 g CO<sub>2</sub>e/MJ', De Nora conducted an internal Life Cycle Assessment (LCA) study on the electrodes created for the main contracts currently in the backlog and in progress, concerning the



creation of plants for the alkaline water electrolysis powered, according to projects made public by end customers, exclusively by renewable electricity. This study was based on a methodology compliant with the provisions of Article 28, par. 5 of Directive (EU) 2018/2001 and also took into account the methodology for calculating the reduction of GHG emissions from renewable fuels for the transport of liquids and gases of non-biological origin specified by Delegated Regulation 2023/1185.

The results of this study showed that the greenhouse gas emissions associated with one tonne of hydrogen are far below the required threshold of 3 t of CO<sub>2</sub>-eq/t of H<sub>2</sub>, thus confirming that the manufacturing activity of components for the production of hydrogen as part of the projects above complies with the requirements of the first two points related to the technical screening criteria.

The study complies with the methods laid down in the Delegated Regulation. Furthermore, in a logic of progressive adaptation to the requirements of the regulations, De Nora expects to obtain the certification related to the calculation of the emission reduction in compliance with Article 30 of the Directive (EU) 2018/2001 in the coming years, with the support of a third-party body.

A detailed survey was conducted engaging all production sites specialized in the production of the component through a questionnaire. This confirmed that the activity carried out by a specific entity fully meets the criteria outlined in the appendices of Annex I to Regulation 2139/2021.

During the analysis, the sites were assessed according to the following requirements related to the Do Not Significant Harm (DNSH) principles:

- With regard to Climate Change Adaptation (Annex A), a detailed analysis of the physical risks related to climate was carried out, which fortunately did not reveal any significant critical issues. For further information on the analysis of the risks deriving from climate change carried out by De Nora, see the section 'Risk management';
- For the sustainable use and protection of water and marine resources (Annex B), an accurate assessment of potential environmental impacts was carried out, ensuring compliance with the highest sustainability standards;
- With regard to Pollution Prevention and Reduction (Annex C), no significant concerns emerged regarding pollutants, confirming full compliance with current legislation;

- Finally, with regard to the protection and restoration of biodiversity and ecosystems (Annex D), the absence of significant risks for the surrounding ecosystems was confirmed, and it was verified that the activity takes place at a safe distance from areas protected by Natura 2000 and by UNESCO.

In addition to these assessments, the use of techniques that promote a circular production model was verified, further confirming the commitment to responsible resource management and respect for the environment.

Therefore, based on the responses from the sites, it was possible to confirm that the activity does not cause any significant harm to any of the remaining environmental objectives, thus respecting the DNSH principle. Finally, De Nora ensures compliance with the Minimum Social Safeguards through the implementation of an Anti-Corruption Policy that states De Nora's commitment against corruption and fraud. Moreover, with the Human Rights Policy, in line with the guiding principles of the OECD guidelines adopted in 2023, the Group strives to ensure respect for human rights along its entire value chain. Furthermore, the Code of Ethics ensures that activities are carried out in compliance with competition rules, promoting integrity and fair competition. Lastly, the Group contributes to public finances and the

development of the countries in which it operates through prompt payment of the tax amounts due, in formal and substantial compliance with all domestic and international tax laws, regulations and practices, always maintaining an attitude of proactive collaboration and transparency with the tax authorities of the jurisdictions.

### Eligible activities related to the Water Technologies business

Through the Water Technologies business segment, De Nora designs and implements key solutions for the treatment of drinking water and wastewater. This specific business segment was examined during the analyzes conducted for the Taxonomy in 2023. Specific meetings were held with a team of technical experts and the activity of implementing water treatment and purification solutions was included among the potentially eligible activities to be subjected to further assessment. As part of the eligibility verification analysis, this activity was traced back to the Taxonomy activities 5.1 Construction, extension and operation of water collection, treatment and supply systems, 5.2 Renewal of water collection, treatment and supply systems, 5.3 Construction, extension and operation of wastewater collection and treatment systems and connected

systems, and 5.4 Renewal of wastewater collection and treatment systems with reference to the climate change mitigation objective, and activities 2.1 Water supply and 2.2 Urban wastewater treatment with reference to the Sustainable use and protection of water and marine resources objective.

However, although the solutions De Nora has developed for the treatment, filtration and disinfection of water fall within the scope of the activities considered by the Taxonomy, these are not fully and clearly outlined in the descriptions of the activities specified in the Delegated Acts, as established by Article 1, paragraph 5 of Delegated Regulation 2021/2178. For this reason, it was decided to exclude this activity from the list of those eligible under the regulations. De Nora has set the goal of conducting further analyzes in 2024 to assess the eligibility of its activities related to water disinfection and treatment solutions, as they represent an important contribution to the responsible and circular management of water resources at global level for both urban and industrial use. In order to pursue this objective, the Group has decided to use the 'EU Taxonomy Stakeholder Request Mechanism' channel to clarify the regulatory context concerning its activities.

### Investments related to the purchase of services deriving from Taxonomy-aligned economic activities

In 2023, De Nora continued the process of improving energy efficiency within its facilities by installing photovoltaic panels for the production of renewable energy in the plants in Italy and Brazil. These investments in energy efficiency are attributable to the economic activity of Taxonomy activity 7.6 Installation, maintenance and repair of renewable energy technologies. This strategic orientation geared towards energy efficiency allows De Nora to reduce greenhouse gas emissions, contributing to the general objective of mitigating climate change.

With reference to the alignment of these investments with the taxonomy, it is important to note that although they contribute to the mitigation of climate change and are potentially aligned, the information collected from suppliers regarding the DNSH criteria and the Minimum Social Safeguards do not allow a complete alignment of the activities. De Nora has carried out intense, positive engagement with suppliers with the aim of guiding them in the gradual formalization of the requirements necessary for alignment. In this regard, De Nora approved an internal investment

approval procedure in March 2024, which also includes the analysis of ESG criteria.

## Calculation of KPIs

For the correct representation and interpretation of the results obtained as part of this analysis, it should be noted that data related to turnover, Opex and Capex eligible for the taxonomy refer to:

- For the eligible portion: the objectives of climate change mitigation and transition to a circular economy;
- For the eligible and aligned portion: only the climate change mitigation objective.

The analysis carried out on the economic data related to the Taxonomy was based on the following considerations:

- To quantify the numerator, De Nora started by analyzing the activities carried out and identifying those attributable to the list of economic activities included in the Delegated Acts. The information in the Group's accounting systems was used for the allocation of the amounts related to turnover, CapEx and OpEx of the aligned and non-aligned eligible

assets. In some cases, to identify the proportion of De Nora's activities associated with the eligible and aligned activities, appropriate proxies were used to determine the relative values;

- The denominator of the KPI is constructed in a manner consistent with the numerator, but refers to the scope of the consolidated Group's total economic activities, with the exclusion of intercompany relations.

The accounting standards used for the construction of the economic KPIs related to the Taxonomy are shown below.

## Turnover

The proportion of the aligned and not aligned eligible turnover, pursuant to Art. 8, par. 2, letter a of European Regulation 852/2020 corresponds to the portion of consolidated net revenues generated by the sale of products or services, including intangible ones, associated with Taxonomy-eligible economic activities on the total net revenues as indicated in the item 'Revenues' of the Consolidated Income Statement for the year ended 31 December 2023, in accordance with IAS 1.82, par. a. As regards the proportion of eligible and aligned turnover related to the activity 3.2 Manufacture of equipment for the production and use of hydrogen, it was necessary to reconcile the data outside the Group's accounting systems in order to reconcile the data with specific projects.

## CapEx

The proportion of aligned and non-aligned eligible CapEx, pursuant to art. 8, par. 2, letter b of European Regulation 852/2020 is calculated as the part of capital expenditure associated with eligible activities and defined on the basis of the criteria set out in point 1.1.2.2 of Delegated Act 2021/2178 / the total CapEx from the Group Consolidated Financial Statements defined on the basis of the criteria set out in point 1.1.2.1

of Delegated Act 2021/2178 (note 18 'Intangible assets and goodwill' and note 19 'Property, plant and equipment', the latter including 'Rights to use property, plant and equipment').

The CapEx related to manufacturing activities that can only be allocated at the plant level and not directly at the level of individual Taxonomic activity were considered as eligible based on the proportion of turnover eligible or aligned on the total turnover of the single company.

### Quantitative breakdown of the amounts included in the denominator of the alignment KPI (thousands of €):

Increases to property, plant and equipment	RoU (Right of Use)	Business acquisitions
88,496	17,360	3,584



## OpEx

The eligible proportion of OpEx, pursuant to art. 8, par. 2, letter b of European Regulation 852/2020 is calculated as the portion of non-capitalised expenses associated with eligible activities and defined on the basis of the criteria set out in point 1.1.3.2 of Delegated Act 2021/2178 / the total OpEx from the Group Consolidated Financial Statements defined on the basis of the criteria set out in point 1.1.3.1 of Delegated

Act 2021/2178.

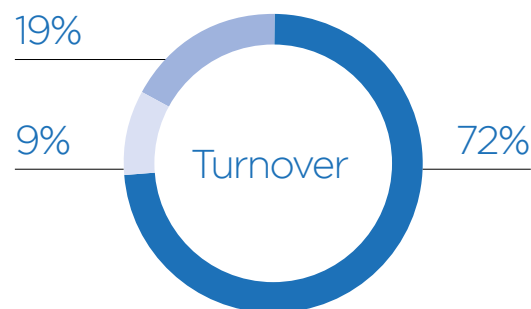
Specifically, this KPI includes the direct costs associated with research and development, and maintenance measures. As for the KPI relating to CapEx, also in this case, the OpEx cannot be directly allocated to the individual taxonomic activity. This approach not only avoids double counting, but also reflects the centralized nature of research and development activities that could affect revenues in an unpredictable manner.

Quantitative breakdown of the amounts included in the denominator of the alignment KPI (thousands of €):

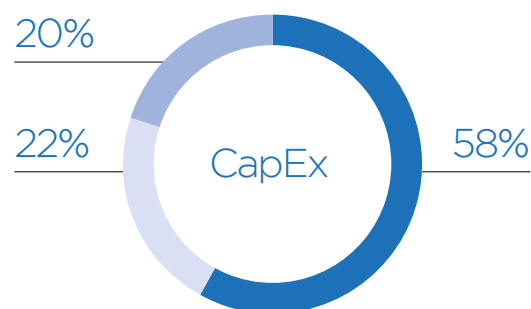
R&D	Maintenance
15,966	11,465

## Results

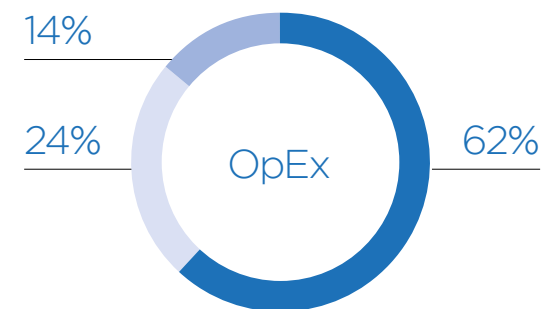
The results obtained are reported below:



- Not eligible
- Eligible not aligned
- Eligible aligned



- Not eligible
- Eligible not aligned
- Eligible aligned



- Not eligible
- Eligible not aligned
- Eligible aligned

# Investor Relations

Relationships and engagement activities with investors (shareholders and non-shareholders) and financial analysts play a key role for the Group, which is committed to maintaining continuous, transparent, proactive and constructive communication with the entire financial community. The relations and communications activities cover all the main topics related to the Group, including sustainability strategy and performance, considering subjects relating to energy transition and in particular technologies for the generation of green hydrogen and effective and responsible management of natural resources such as water.

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 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 formalized with the approval, in February 2022, of the Policy for Managing Dialogue with Shareholders and Other Relevant Stakeholders (e.g., financial analysts, institutional investors, rating agencies, and other financial interlocutors). The Policy is 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 for Listed Companies promoted by Borsa Italiana, 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 Reporting	For example: annual financial report, sustainability report, periodic accounting reporting and reporting connected to the Shareholders' Meetings (notice calling the meeting, minutes 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 depending on 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 website <a href="http://www.denora.com">www.denora.com</a> , [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 to events connected to 'price sensitive' information, these calls may be accompanied by a presentation promptly published on the above-mentioned company website
Roadshows and Investor Conferences	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., with only the Investors expressing their ideas on specific issues, or using a two-way mechanism, i.e., with 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 Media Channels	To keep Shareholders constantly up-to-date on most recent Company-related news, De Nora is present on a number of social media channels managed by the Marketing Department
Contacts with specific company departments	Contacts with the Marketing Department, for the relations held with the media, and with the Legal Department, for the exercise of shareholders' specific rights 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.

## Investor Relations Activities

During 2023, the first year of the company's listing, De Nora set up numerous contacts with the national and international financial community. It carried out intense and transparent investor relations activities through roadshows both in the main European markets (London, Paris, Frankfurt, Zurich, Oslo, Stockholm, Milan and Algarves in Portugal) and virtual markets, also reaching investors in the US, Canada and Asia. De Nora participated in thematic conferences

organized by leading international brokers, and held regular public conference calls following the publication of its quarterly results. Special visits were also organized at the R&D laboratories of the Milan headquarters and the production plant in Rodenbach, Germany, where an open house event was held in March 2023: Green Hydrogen Technologies.

In the fourth quarter of 2023, the company renewed and enriched the 'Investor Relations,' 'Sustainability' and 'Governance' sections of the website

in order to make the contents more comprehensive and easier to use and to incorporate the guidelines of the new Sustainability Plan to 2026 and 2030 approved by the Board of Directors on 14 December 2023.

As of 31 December 2023, the De Nora stock was covered by six financial analysts belonging to prestigious national and international brokers. ESG investors represent around 42% of Institutional Investors, up by 13 percentage points compared to 2022.

## Relationship activities with the financial community in 2023

# 42%

ESG Institutional Investors\*

# 254

investors met  
of which 68% Sustainable Responsible

# 16

International Conference and Roadshow

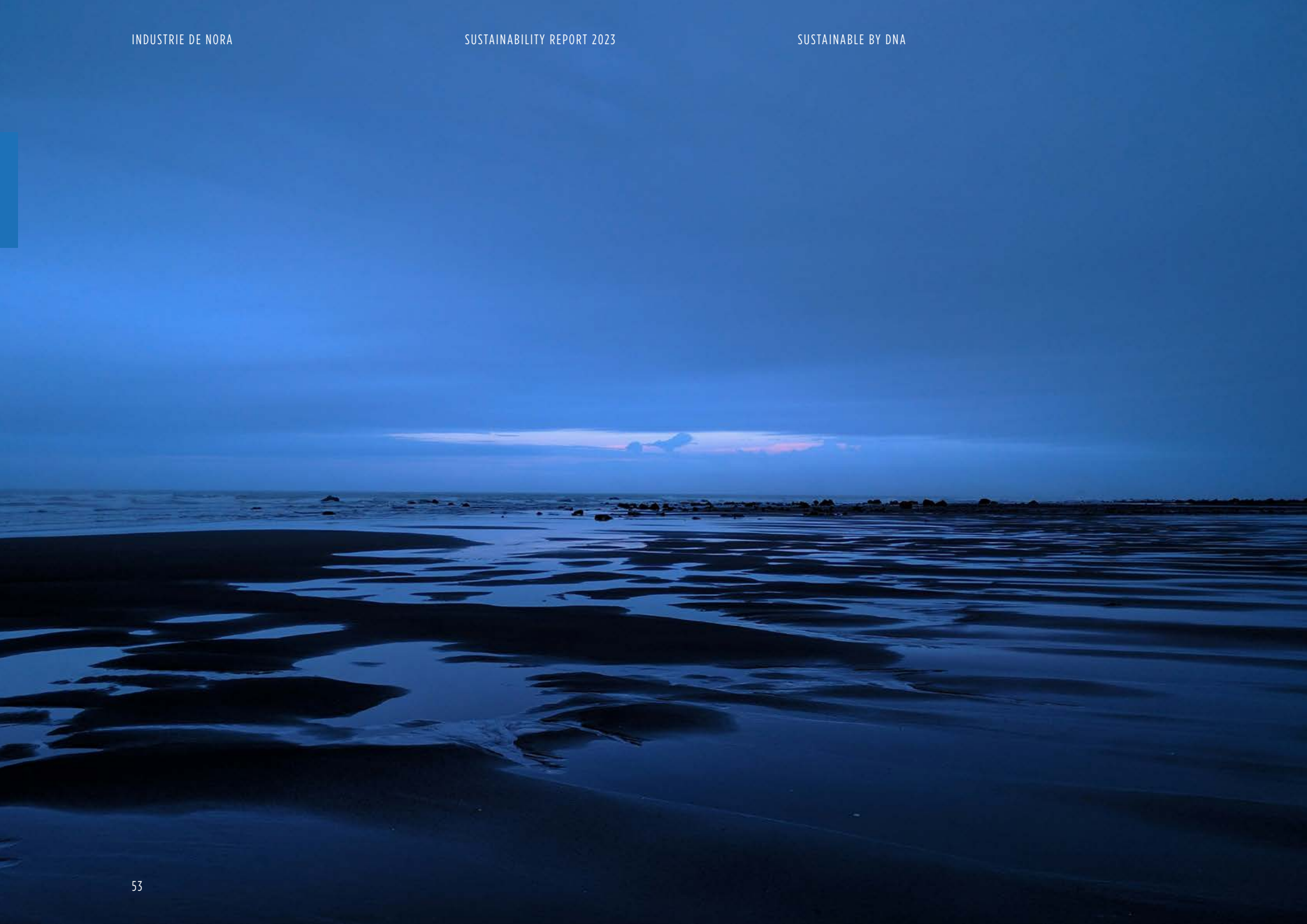
# 1

Open House event at our site in Rodenbach (Germany)

# 8

On-site visits to our R&D laboratories and manufacturing plant in Rodenbach (Germany)  
(6 to R&D laboratories in Milan, 2 to Rodenbach plant)

\* Source: Shareholder ID by NASDAQ Insight







# 03

## Sustainable Innovation

- 57 Green Innovation
- 60 Innovation
- 64 Digital Innovation
- 65 Product Compliance
- 66 Quality Control



**22%**  
Vitality index

**107**  
Researchers

**5**  
R&D laboratories  
in the world

**281**  
Patent families

**2,800+**  
Territorial extensions

**66%**  
R&D expenses  
for Energy Transition

Smart Factory:  
plant digitalization

Sustainability Product  
Scorecard by 2025

# Green Innovation

At De Nora, technological innovation seeks to develop sustainable solutions, explaining why green innovation is one of the pillars of the ESG strategy.

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, technologically advanced solutions designed to meet market needs in order to preserve its competitiveness and to develop solutions in line with customer needs focused on operational process efficiency and also on reducing climate and environmental impact. One of the main objectives of the R&D department is in fact to optimize the mix of materials used in coating processes and, in particular, to reduce the amount of noble metals characterized by a high emission profile in the refining stages. With the new Sustainability Plan, the objective of reducing noble metals in the three main product lines (Membrane, Pools and Electrochlorination, Alkaline Water Electrolysis) was set at 4% in 2026 compared to 2022.

As a further step in this direction, research and development will incorporate a

circular design guideline within existing processes in 2024, with the aim of maximizing investments and revenues from products and technologies that can be assessed as 'sustainable,' or with positive impacts on the SDGs. Furthermore, based on the LCA procedure set up during 2023, De Nora will establish and adopt a methodology to assess and communicate the climate, circularity and biodiversity profile of new and existing products through a sustainability scorecard developed internally. The scorecard will be applied to all new products by 2025 and to all products in the portfolio by 2027.

## R&D Department and Laboratories

The Group operates through research centers located in Italy, the United States and Japan and, in addition to being able to boast a highly specialized research and development team, maintains a network of collaborations with the main international research institutes and universities, as well as with its customers. Relationships with customers originate in many cases from research projects aimed at meeting the specific needs of customers who in some cases take part as partner in the R&D activities. Over time, these projects can lead to the marketing of the developed products 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.

More specifically, the laboratories deal with:

- The 'US R&D' unit (Cleveland Area, Ohio) is mainly focused on developing enabling technologies for Energy Transition (water electrolysis for the production of green hydrogen and relative hydrogen technologies, CO and CO<sub>2</sub> conversion in chemical products and high value fuels, etc.) and developing new products for existing markets such as electrowinning and the generation of chlorine derivatives for the disinfection of swimming pools;
- The 'Water Technologies Innovation Center' in Albuquerque, New Mexico is the research center specializing in Water Technologies segment products. The laboratory is responsible for developing new products and carrying out experimental activities on small-scale pilot units for water, electrochlorination, filtration, removal of contaminants, ozone, advanced oxidation and UV disinfection;
- The R&D Japan unit in Fujisawa (Tokyo area) and Okayama, with its small branch at De Nora Elettrodi (Suzhou) Co., Ltd. China, works for

both DSE® and IEM (Ionic Exchange Membrane) products. The IEM development includes catalyst coated substrates/catalyst coated membranes for water electrolysis, as well as the electrochemical synthesis of compounds such as ammonia that are involved in energy transfer/transport applications;

- The 'R&D Italy' unit is mainly located at the headquarters of Industrie De Nora in Milan, and partly at De Nora Italy Hydrogen Technologies S.r.l. The 'R&D Italy' unit consists of electrode research and development laboratories, the Product Engineering department and the Production Technologies group. The laboratories research and develop new electrode technologies for both future markets and those already served by the Group, with the aim of creating increasingly competitive, high-performance and sustainable products. The Production Technologies group has the mission to accelerate the introduction of new products by taking care of their technology transfer to the various production plants. The Product Engineering department consists of the Design Engineering team that develops advanced electrochemical systems, reactors and components and the Process Engineering and Product Development teams that deal with their industrialization.

The R&D Department counts 107 employees of which 93 people covering the Electrode Technologies and Energy Transition Business (55 in Italy, 26 in Japan, 11 in the US and 1 in China) and 14 people in Product Technology Management covering the Water Technologies business (8 in the US, 5 in Italy, 1 in China).

Resources are allocated through the management of the project portfolio which aims, in accordance with the Strategic Business Objectives, to maximise the value of the portfolio itself, balance the projects for the development of 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 Centers, which are monitored monthly.

A particularly important set of KPIs is related to the generation of value linked to new products, Research and Development expenses and the generation of Intellectual Property. The Vitality Index represents the percentage of turnover for the year from new products (introduced in the market less than five years ago) and the total turnover. In 2023, the Vitality index was 22%, significantly higher than 14% registered in 2022, mainly thanks to the

development of the Energy Transition division.

As of 31 December 2023, the Group has a patent portfolio that includes 281 families, equivalent to more than 2,800 territorial extensions worldwide. In terms of technological areas, the portfolio is distributed as follows: 40% of patents belong to the ET segment, while the fast-growing ETr segment accounts for 27% of the total. A further 27% is attributed to the WT segment and the remaining 6% includes patents related to other technologies that do not fall into the first three categories.

## R&D Activities and Projects

During 2023, the Group continued to focus on energy transition and hydrogen through the ET&H (Energy Transition and Hydrogen Task Force), with the aim of growing in this segment. On the Electrode Technologies front, efforts have been directed towards consolidating the product offer in existing markets and searching for new opportunities, with particular attention to reducing noble metals within the products to ensure competitiveness and sustainability. Also in the Water Technologies sector, the focus was on improving existing products and developing new products to meet increasingly stringent regulatory requirements.



The Group also continues its commitment to developing technologies for the production of green hydrogen and has active research programs in the development of electrolyzers for the storage of hydrogen through organic compounds (LOHC - Liquid Organic Hydrogen Carriers).

The Group directly participates in several public projects including (i) the European projects 'Djewels' (2020-2025), 'NextH2' (2021-2024), 'PROMETH2EUS' (2021-2025), HyTecHeat (2022-2026), CleanHyPRO (2023-2027) in the alkaline water electrolysis sector (ii) the European project ANEMEL (2022-2027) in the water electrolysis sector through anion exchange membranes (AEM); (iii) the Italian project MAINE (2022-2025) in the water electrolysis sector in general; and (iv) the European project 'ECO<sub>2</sub>FUEL (2021-2026) for the conversion and value enhancement of carbon dioxide (in the sector of the electrochemical conversion of CO<sub>2</sub>). The Group also participates as a consultant (in the role of 'industrial advisor') in various European public projects (Licrox, Telegram, CO<sub>2</sub>EnRich).

With regard to research and development activities carried out in the United States, De Nora has requested and obtained funding from the US Department of Energy (DOE) in collaboration with industrial

and academic partners to accelerate internal research and development programs. More specifically, the Group is developing new generation electrode components for water electrolysis with proton exchange membrane (PEM) as part of the 'H2@Scale New Markets' program of the Office of Energy Efficiency & Renewable Energy, and electrochemical technologies for the conversion of carbon dioxide and carbon monoxide into chemicals as part of the 'ECOSynBio' programs of ARPA and the DOE and 'Industrial efficiency and decarbonization' of the Advanced Manufacturing Office.

In Japan, De Nora participates in a project for developing technologies related to water electrolysis and the electrochemical synthesis of ammonia, with funding from NEDO (Japanese National Agency for the Development of Technologies in the Energy and Industrial Sectors).

Lastly, the HyNCREASE project proposed by the Group through its German branch was recently awarded by the European Commission - Innovation Fund. The project's main goal is to increase the production capacity of innovative and clean equipment such as electrolyzers and fuel cell components by designing, building and validating highly efficient production lines based on Industry 4.0 principles that also guarantee a low environmental impact. The Group is

also participating in public tenders (at national and European level) relating to initiatives focused on the issues of energy transition and, in particular, on hydrogen, in order to have access to the loans granted by the Italian State within the IPCEI framework (reserved for projects that are part of the strategic value chains identified by the European Commission on the basis of their ability to generate technological innovation, improve products and production processes, as well as foster sustainable economic growth). On 1 August 2021, in collaboration with SNAM, the Group submitted to the Ministry of Economic Development a project portfolio relating to the construction and development of the Gigafactory for the production of electrolyzers to be used for producing green hydrogen as part of what is known as IPCEI Hydrogen and, in the course of 2022, the request to access the financial facilities under the Ministerial Decree activating the intervention of the IPCEI Fund in support of IPCEI Hydrogen 1 (IPCEI H2 Technology) was finalized following final decision C(2022) 5158 of 15 July 2022 / SA. 64644. The activities are proceeding according to the Program, including the validation of new electrode packages for AWE and Fuel Cell, the development of containerized electrolysis units and the design and construction of the GigaFactory.

Inspired by the entrepreneurial spirit of its founder Oronzio De Nora and

# Innovation

recognizing innovation as a key factor for success and differentiation, De Nora has strengthened its international presence through important partnerships and strategic acquisitions and has consolidated its leadership thanks to the ability to innovate and develop technological solutions that are always in step with the times.

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 (salt 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 organizations to find people-centered 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. Innovation Governance is based on the following pillars:

- 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 De Nora facilities, to foster collaboration between colleagues and teams, and to improve the innovation culture globally, De Nora relies on a group of 78 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.

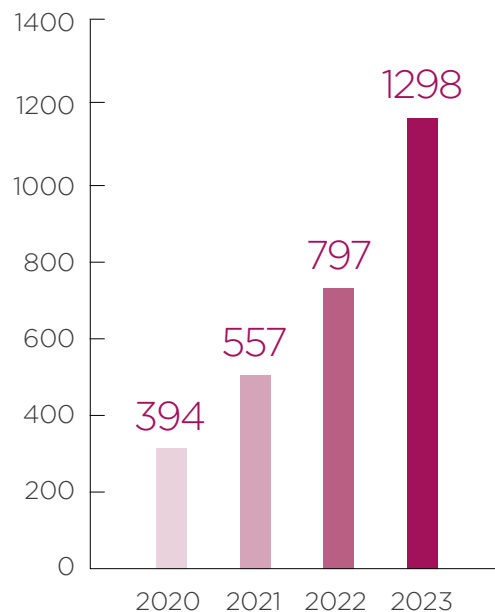
The Innovation Champions are also responsible for the local deployment of the Group's innovation strategy.

The latter was defined according to the Hoshin Kanri method 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:

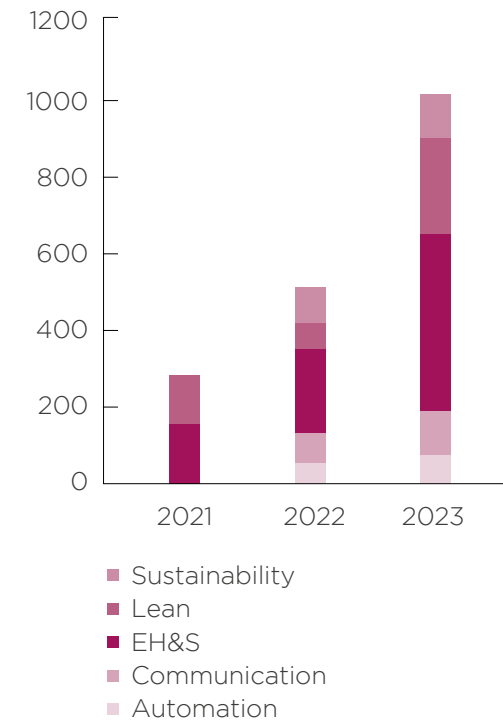
- Constantly increase the number of ideas proposed by employees;
- Increase overall participation in the innovation process, both at the level of individual participants but also at the level of individual Group companies and sites;
- Improve the culture of innovation in the company, making the distribution of ideas and participants increasingly uniform between departments and sites.

Over the past four years, the number of ideas collected has increased significantly, as shown in the graph below. A large part of the ideas collected is actually implemented: in 2023 the implementation rate was around 50%.

Number of ideas submitted on Galileo by year



Number of ideas per area



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 digitization 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 innovation, 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:

### IdeaPulse

The IdeaPulse program is dedicated to stimulating innovative ideas in strategic areas for De Nora.

An IdeaPulse 'cycle' consists of three to four month periods, during which training material is shared with all colleagues. Created in collaboration with external experts, this training material provides creative insights, theoretical foundations and examples of 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;
- Increasing employee participation in innovation initiatives.

The topics currently included in IdeaPulse are: Health and Safety, Lean and Waste Management, Communication, Digitalization, Sustainability.

The program 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.

## Symposium

Since its foundation, De Nora has recognized 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. The event, held again in person in Milan starting this year,

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 100 people participated, with speakers from Italian, Swiss, German, Dutch and Irish universities and research centers. Over the years, this has led to the creation of a global network of universities, national laboratories, research centers, 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.





# Digital Innovation

The Digital Innovation team was created in 2022 within the Global Operations & Innovation Department to accelerate digital transformation at the service of business objectives. Digital Innovation relies on an interdepartmental committee, the Digital Innovation Task Force, which periodically brings together IT and cybersecurity managers with impacted local and global departments to monitor the progress of projects and plan activities. The main area of intervention concerns the digitalization of manufacturing activities within De Nora's 14 production plants, according to Industry 4.0 paradigms.

Called 'Smart Factory', the program promotes digitalization, understood as the enhancement of the infrastructure and software applications to support the execution of production, maintenance, quality and warehouse management. It is a tool at the service of operational excellence and continuous improvement, inspired by the international standards described in ISA-95.

The program began in 2022 with the mapping of digitalization opportunities along the order fulfillment process, through assessments supported by industry experts, in the seven main plants in Italy, the United States, Brazil, Japan, Germany and China. Overall, 77 use cases of digital technologies were identified and prioritized, concerning aspects such as the real-time localisation of materials being processed or the introduction of multimedia operating instructions.

The results of the assessments were aggregated and discussed through a strategic workshop. Held in July 2023 in the presence of the COO, the CTO, and other C-levels and general managers, the workshop led to a project roadmap for the next three years that is in line with the business objectives, mainly linked to the enhancement of production capacity.

The initiatives that have already started concern the implementation of an advanced process for production planning, supported by an APS (Advanced Planning System) software system and by continuous quality improvement in the master data regarding cycle times, throughput times and the BOMs. The latter project was

carried out using a process mining tool, which made it possible to establish a continuous process for the governance of these data on a monthly basis.

To cover the other use cases identified during the assessments, in the future De Nora will further enhance IT support in the field through the implementation of a state-of-the-art MES (Manufacturing Execution System) in the main plants, as well as through the installation of advanced software to support maintenance.

Project progress and the level of digitalization will be monitored through a Digital Readiness Assessment specifically designed for production in De Nora. The Assessment measures the level of digital maturity from 1 to 4 along 41 dimensions for each production plant, ranging from real-time tracking of production progress, to methods for managing electrode reconditioning activities and the use of connectivity standards with machines.

The gradual increase in digital maturity will lead to collecting more and more data with an increasing level of detail on production performance, making it easier to analyze production processes and define data-based actions in

order to improve efficiency, reduce environmental impact and increase health and safety levels. Moreover, this fundamental database will enable the adoption of emerging technologies such as AI, thereby generating insights and further increasing productivity. One such example is predictive maintenance, which consists of the analysis through AI of the data from machine sensors in order to 'anticipate' faults and guarantee the maximum use of our production assets.

## 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 industrialization 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 in the corporate MBD Department consisting of two people in Italy, 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 (Reach Regulation). 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 team responsible for the process of obtaining the certifications required for product marketing are appointed, under the guidance of the product development director. 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 launched on the market, the compliance team is responsible for monitoring any updates to norms, regulations and standards and checking that the products continue to be 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.

Specifically, assessments are carried out on 44% of the categories of products or services in terms of health and safety during their life cycle. During 2023, there were four incidents of non-compliance in the scope of supply potentially impacting the health and safety of products and services. Three of the incidents were recorded by the Italian branch of De Nora Water Technologies, while the remaining case was reported by the US branch of De Nora Tech, and they were all resolved internally by means of appropriate corrective measures. None of the reported incidents caused an actual risk to the health and safety of users.

## 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 analyzes 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 analyze the effects of product use and the degree of wear and tear according to standards.

100% 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 organization.

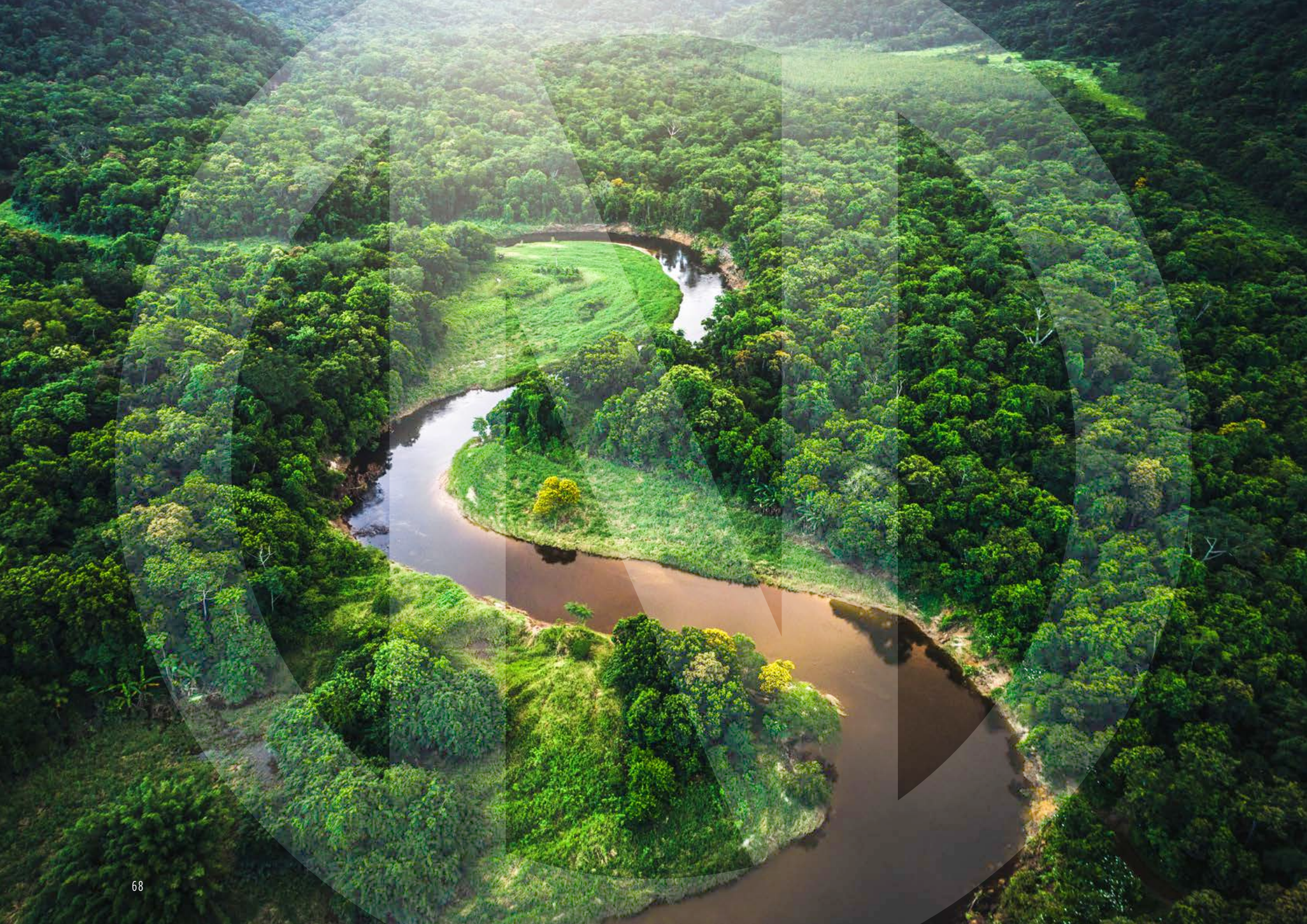
The Quality Assurance Manager is responsible for quality control at the facility level, seeing to quality assurance procedures. The Quality Control Manager is responsible for overseeing product development procedures to ensure that products meet quality and efficiency standards. There is also a central 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 index to measure the performance of product deliveries, and planned maintenance interventions.

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# 04

## Climate, Environment and Circular Economy

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# 3,1 GWh

Production capacity of photovoltaic systems installed at our sites

# +25%

Electrodes recovered vs 2022

# 2023

Scope 3 first year of disclosure

# 32k tCO<sub>2</sub>e

Scope 1 and Scope 2 emissions stable compared to 2022

# 12%

Packaging from reused wood

## Targets

# 50%

Reduction in Scope 1, Scope 2 emissions and Scope 3 emissions intensity by 2030

# 100%

Energy from renewable sources by 2030

# > 80%

Deforestation-free wood packaging by 2030

# 40%

Packaging from reused wood by 2026



Green innovation, circular economy and the reduction of climate and environmental impact are key issues in De Nora's sustainability strategy.

The Group is constantly committed to innovating and improving the performance of its products also in terms of environmental impact, as De Nora's technological solutions represent the first link in a chain of decarbonization, energy efficiency and water reuse that involves the production processes of its customers.

Moreover, as evidenced by the Group's history and the technological evolution of its products, the journey towards a circular model began some time ago and today De Nora renews its commitment with clear and measurable objectives.

Lastly, given the global importance of the issue, De Nora is taking concrete actions to reduce its carbon footprint, thereby contributing to the objectives of the 2030 agenda and consolidating its commitment to more responsible resource management.

## Our Sustainable Products and Solutions



### Electrode Technologies

Electrochemical technologies, especially those used for the electrolytic production of chlorine, the company's core business since its foundation, have evolved over time as a result of inventions and continuous improvements reflected in the Group's portfolio of patents, which cover both the equipment and systems, and above all the invention of the DSA® metal electrodes.



De Nora electrodes are constantly evolving, guaranteeing improvement in the efficiency and sustainability profile of the production processes of which they are the characterizing factor. In the field of chlorine production, the transition over the last few decades from mercury technologies to diaphragm technologies, up to the current technology (which involves the use of an ion exchange membrane), has

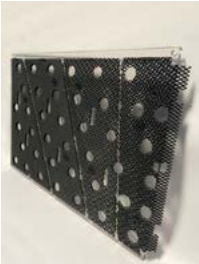

led to gradually eliminating materials with negative environmental impact (mercury and asbestos) that are also hazardous to humans. The continuous search for performance with innovative catalytic formulations guarantees both an improvement in energy efficiency, which in the last 20 years has been around 20%, and a longer duration of optimal operating conditions by enabling more efficient use of the raw materials used (noble metals and rare earth elements).

The same considerations can be extended to the use of metal electrodes in the galvanic sector, both in metal deposition processes for protection purposes (galvanizing) and for the production of copper foils used in the electronics and lithium batteries sector for the production of printed circuits and in the refining of non-ferrous metals (nickel and cobalt).

The use of De Nora electrodes within an electrochemical system makes it possible to obtain better quality products, investments reduction thanks to the greater guaranteed current density, and lower operating costs (lower energy consumption), with an overall improvement in sustainability and environmental impact as a result of reduced production waste and pollution of wastewater.

## De Nora's main technologies in the Electrode Technologies Business segment

Product	Description
<p><b>Chlor-Alkali Process</b></p> 	<p>The chlor-alkali process is an industrial process for the electrolysis of sodium chloride (NaCl) solutions. This technology is used to produce chlorine and sodium hydroxide (caustic soda), basic chemicals required by industry.</p> <p>De Nora supplies DSA(R) electrodes, consisting of a non-corrodible metal substrate (titanium for the anodes and nickel for the cathodes) activated with a catalytic layer of mixed metal oxide that increases process efficiency. In particular, De Nora is committed to continuously improving the performance of both anodes and cathodes, optimizing energy consumption, reducing chemical losses and extending the life of the electrodes.</p> <p>De Nora has technologies to ensure the circularity of the electrodes at the end of their life cycle, both through the application of a new layer of catalytic coating that restores its original performance, and alternatively by recovering the residual noble metal to reuse it in the coating of new electrodes at the end of their recycling process.</p>
<p><b>Electrolytic copper foil (Cu foil)</b></p> 	<p>De Nora products support the production of copper foils for the electronics industry and the production of lithium batteries through the use of specific electrodeposition cells and the optimization of the electrolytic process. This makes it possible to operate with a very small distance between the electrodes and to produce an ultra-thin copper foil (a few microns).</p> <p>The De Nora Group was the first in the world to develop titanium anodes (DSA®) as a solution to the rapid deterioration of copper foil quality (uneven thickness) and to the pollution caused by the dissolution of lead during the process, which occurred with the prior technology.</p> <p>The electrodes can be recycled at the end of their life by recovering both the titanium substrate and the precious metals for their reuse, thus ensuring circularity and reducing the consumption of virgin material.</p>

Product	Description
<p data-bbox="264 272 577 328">Copper plating for Printed Circuit Board (PCB)</p> 	<p data-bbox="645 344 1832 400">De Nora technologies ensure optimization of the production process for the copper coating of printed circuit boards (PCBs) and contacts, substantially reducing the use of chemical additives.</p> <p data-bbox="667 400 1809 480">Once the coating is no longer well-functioning, the electrodes used in the PCB production lines can have a second life: they are used as electrodes to purify the wastewater flow from the content of metal ions (mainly copper dissolved during the production process).</p> <p data-bbox="689 480 1787 536">On the other hand, once it has reached the end of its life, the entire electrode can be subjected to a circular process to recover both the titanium and the precious metal residue.</p>
<p data-bbox="331 625 510 649">Electrowinning</p> 	<p data-bbox="656 663 1816 799">De Nora's DSA® electrodes are used in Ni EW (nickel electrofiltration) to replace lead in non-ferrous metal refining processes. The technology offered by De Nora allows savings in energy consumption, greater efficiency of the production process and a lower impact on the environment thanks to the absence of lead in wastewater. The DSA electrodes can be re-coated at the end of their life, thus saving the critical raw material used for their creation anew.</p>





## Energy Transition

De Nora is active in the green hydrogen market, providing the most advanced electrode technologies which, by determining energy performance, play a key role in the value chain.

The Group's strong technological positioning has its roots in its long experience in the chlor-alkali market.

De Nora is constantly engaged in research and development activities aimed


at reducing the use of noble metals in its technological solutions and developing energy efficiency. To date, De Nora's activated electrodes allow for reduced specific energy consumption (kWh/kg) at any current density and optimal operation at higher current densities than competing technologies. This enables greater operational efficiency and the possibility of connecting the green hydrogen generation plant directly to renewable sources, withstanding large energy fluctuations without being damaged.



De Nora is firmly convinced that green hydrogen is destined to play a key role

in the decarbonization of hard-to-abate sectors such as the production of steel, fertilisers, refining processes, aviation and maritime transport and heavy mobility, as well as domestic heating, energy production and industries with high temperature processes such as cement and glass.

The production of green hydrogen, based on the electrolysis of water and through the use of renewable energy, allows a saving of about 9/10 tonnes of CO<sub>2</sub> emitted for each tonne of hydrogen compared to traditional technologies based on the hydrocarbon Steam Reforming process.

## Main De Nora products in the Energy Transition Business

Product	Description
<b>Electrodes for Hydrogen Evolution</b> 	<p>The catalyzed electrodes DSA® and NRG® that De Nora markets for all industrial electrochemical processes as market leaders, are the enabling technology for all alkaline technology electrolyzers that offer high performance.</p> <p>De Nora electrodes are the benchmark technological solution in all large projects (from few dozens of megawatts to gigawatts) for the generation of green hydrogen all over the world.</p>

Product	Description
<p data-bbox="280 276 560 303">Dragonfly® Electrolyzer</p> 	<p data-bbox="645 316 1830 539">De Nora is completing the development of a new product, the Dragonfly® electrolysis system; an electrolyzer created for the production of green hydrogen and designed to operate with maximum efficiency, with modular sizes from 1MW to 7.5MW. Dragonfly® is designed as a plug-and-play solution, ready to be integrated directly into small and medium-scale projects to respond to the opportunities of a decentralized hydrogen distribution model, minimising the need to create additional infrastructure for transport, storage and distribution. Using the latest generation De Nora electrodes, Dragonfly® can achieve performance similar to that obtained by PEM (Proton Exchange Membrane) technology, but with greater reliability and lower maintenance costs guaranteed by alkaline conditions.</p>
<p data-bbox="302 600 537 627">GDE's for Fuel Cells</p> 	<p data-bbox="636 651 1839 730">Gas diffusion electrodes (GDEs) are a key component of fuel cell architecture. Fuel cells allow the use of zero-emission hydrogen and other CO<sub>2</sub>-free chemicals, such as ammonia. The applications of fuel cells can range from the mobility sector to residential, commercial and industrial scale installations.</p>



## Water Technologies



Water treatment solutions include disinfection and filtration technologies designed to ensure the quality and safety of water used in both municipal






and industrial sectors. They promote a safe, sustainable and circular use of this critical resource.

The technological solutions offered by De Nora for the disinfection and filtration of water guarantee both the supply of drinking water in numerous American metropolitan areas, such as Miami Dade and Los Angeles, and in the areas

of the Gulf (Middle East) characterized by water stress, providing filtration and primary and secondary disinfection systems in large seawater desalination projects. De Nora also offers a complete line of technologies for the removal of emerging contaminants such as nutrients, arsenic and PFAS, ensuring compliance with the limits required by regulatory bodies in the various areas.

## Main De Nora products in the Water Technologies Business

Product	Description
<p>ClorTec® onsite generation</p> 	<p>This technology generates low concentration sodium hypochlorite (0.8% - 8000ppm) through salt electrolysis (sodium chloride) using an undivided cell to ensure the availability of active chlorine focused on safe, reliable and economic water treatment.</p> <p>This system eliminates the problems associated with the transport, storage and dilution of chemical products, allowing on-site production. The latest generation products are even more efficient, produce fewer by-products and offer up to 15% savings on energy and salt consumption. The system is designed for long life and its main components - the electrodes - can be replaced to allow the circularity of the raw materials, including the titanium and precious metals present in the electrocatalytic coatings.</p>
<p>CECHLO® onsite generation</p> 	<p>This technological solution produces on-site high-concentration sodium hypochlorite (13%) from salt for water treatment, or chlorine gas and caustic soda, as basic chemicals widely used in various industries. Also in this case, the most recent solutions can guarantee energy and salt savings of up to 15%. The system is designed for long life, and the electrodes inside are replaceable, allowing the complete circularity of the raw materials, including the titanium, nickel and precious metals present in the electrocatalytic coatings.</p>

Product	Description
<p>SEACLOR® seawater electrochlorination</p> 	<p>This technology generates low-concentration (0.8%) sodium hypochlorite on-site through direct seawater electrolysis, allowing safe and cost-effective water treatment.</p>
<p>Capital Controls® Ozone</p> 	<p>Ozone is a powerful oxidant with a fast reaction time, does not require the addition of chemicals and reduces disinfection by-products. De Nora solutions are supported by extensive experience in the treatment of pollutants including hydrocarbons, surfactants and phenols for water treatment. These systems are designed for simple, long-lasting and energy-saving operations. The mechanical arrangement of the patented XTL™ dielectric reduces maintenance and increases uptime.</p>
<p>Capital Controls® UV</p> 	<p>Capital Controls® UV systems treat groundwater, wastewater and drinking water using conventional UV disinfection and AOP (Advanced Oxidation Process) solutions. Sentinel® UV reactors can be designed and used to effectively treat contaminants.</p>
<p>DE NORA TETRA®</p> 	<p>This variety of filtration products allows De Nora to customize filter design for optimal performance in particular applications. Common municipal applications include seawater pre-treatment for desalination, filtration of drinking water sources and tertiary wastewater treatment.</p>
<p>DSA® DN240 Swimming Pool Electrodes</p> 	<p>DSA® DN240 electrodes for swimming pool chlorine generators are a specialized technology used by all major manufacturers of swimming pool equipment in the world.</p> <p>This product allows an efficient use of resources since the chlorine used for disinfection is continuously regenerated from salt.</p> <p>In fact, when the chlorine-based disinfectant kills or inactivates pathogens and oxidizes organics/contaminants, the chlorine returns to its native state as salt (NaCl) in the water within a circular process.</p>

## Flagship Project 2023: Hong Kong

De Nora successfully completed the commissioning of CECHLO®-MS systems for the Water Supplies Department (WSD) of Hong Kong in 2023, designed to provide drinking water to approximately 7.5 million inhabitants.

The CECHLO®-MS systems that generate chlorine and sodium hypochlorite on site and Capital Controls® customized gas supply systems are now fully operational at all ten water treatment plants in Hong Kong, providing safe and reliable water to residents of the city. The project represents the largest installation of CECHLO®-MS systems in Asia.

Compared to traditional chlorine gas disinfection systems, De Nora technology makes it possible to produce chlorine on site, avoiding the risks associated with the on-site storage of chlorine (highly toxic gas) and the emissions related to its transport.

## Al Jubail Project

De Nora was awarded contracts in the Kingdom of Saudi Arabia (KSA) for the second upgrading phase of the Al Jubail desalination plant in 2023, as an initiative of the Saline Water Conversion Corporation (SWCC). The plant will become the largest reverse osmosis seawater (SWRO) desalination plant in the world, producing up to 1 million cubic meters of desalinated seawater per day with the help of De Nora's technologies.

Once the project is completed, envisaged for 2024, the drinking water will be transported to the storage stations of the Eastern Province Water Transmission System (EPWTS) in Marafiq, the industrial city of Jubail.

**1 million**  
cubic meters of  
desalinated seawater  
per day

## Life Cycle Assessment

De Nora drew up an internal procedure for the Life Cycle Assessment studies of the product in 2023. The procedure describes the steps to be followed to estimate the environmental impacts (e.g., carbon footprint) of products using the LCA methodology.

The activity involved dedicated staff who used industry-recognized life cycle assessment software and database, with the aim of starting to build internal LCA models for De Nora products. With a joint perspective on both the products and organization, the LCA data sets used also help in the calculation of the organization's Scope 3 greenhouse gas emissions.

This is a first step towards a broader inclusion of LCA know-how in internal company processes, which will form the basis for the future development of specific product scorecards.







# Our Circular Economy Journey

Circularity is an integral part of De Nora's business model, and is inherent in the DNA of both the supply of electrodes and the solutions for water filtration and disinfection.

## Circularity in De Nora's electrochemistry

The modern electrochemical industry recorded its greatest technological breakthrough at the beginning of the 1970s thanks to the replacement of soluble anodes (in graphite and lead) with the first metal anodes (DSA<sup>®</sup> electrodes), developed and patented by the founder Oronzio De Nora, initially intended for the production of chlor-alkali.

In addition to ensuring greater energy efficiency in the production process and a purer final product, the new electrodes were designed to be reused, as the metal (titanium) was not attacked by the electrolyte, guaranteeing its dimensional characteristics for more catalyst life

cycles, process efficiency and lower energy consumption.

The circularity in the use of electrodes designed for a second life has become a distinctive feature of De Nora's business model, which still offers re-coating services, i.e., the application of a new catalytic coating to restore electrode performance, as well as electrode repair services, allowing the continuous re-use of electrodes and the recovery of metals (titanium, nickel and noble metals).

## The use of metals

De Nora's path in the circular economy also includes the optimization and responsible use of the raw materials used to make the electrodes, particularly noble metals. In fact, the catalytic coatings patented by De Nora use noble metals such as iridium, ruthenium, platinum, palladium and rhodium; the coating formulations differ according to the applications and electrochemical processes for which they are intended, as well as the conditions of use. These metals are rare and their extraction process from mines and subsequent refining have a high emission profile.

For this reason, De Nora is engaged in intense R&D activities to reduce the use of these materials in its

electrode coatings, while maintaining and even improving their production and energy efficiency. In 2023, the quantity of noble metals contained in the coating formulations of the three main product lines (membrane, pools and electrochlorination and alkaline water electrolysis - AWE) recorded a 1 percentage point reduction and dropped by 5% compared to 2021. The Group aims to achieve 4% reduction in 2026 compared to 2022.

De Nora is also engaged in activities to reuse the noble metals generated in production processes and, in some plants, to recover the residual quantities of these materials in used electrodes.

De Nora aims to achieve the target of 5% recycled noble metal content in its products by 2030.

## Water filtration and disinfection services

The water disinfection and filtration solutions offered by De Nora through the Water Technologies business line allow a circular use of water, contributing to a responsible use of the planet's water resources.

In particular, the filtration and disinfection systems allow the continuous reuse of process water within industrial plants; moreover, the filtration solutions allow the use of sea water for cooling processes, thereby reducing water stress.

The adequate treatment of wastewater using De Nora technologies can also allow the reuse of water for different purposes, for example in agriculture.

## Fourth phase of the Tubli plant project (Bahrain)

An example of circularity in the use of water resources is De Nora's involvement in the fourth expansion phase of the wastewater treatment plant in Tubli, Kingdom of Bahrain. The project concerns one of the largest public sector ozone plants in the Middle East in the last ten years.

The plant's expansion was launched in response to the rapid demographic

growth of the area: the project will include three dedicated lines of Capital Controls® ozone generators to cope with the increase in wastewater flow, increasing the average daily flow capacity of 200,000 m<sup>3</sup>/day to an average daily flow capacity of 400,000 m<sup>3</sup>/day with a 100% increase.

Since ozone is one of the most powerful oxidants on the market with fast reaction times, Capital Controls® generators are rapidly establishing themselves as the treatment of choice for the reuse of wastewater. Tubli's system will generate 150 kilograms of ozone per hour to destroy and oxidize residual organic contaminants in wastewater streams, rendering them harmless.

The high-quality effluent will then be sent for agricultural uses throughout the service area of Bahrain. De Nora technology was selected from a group of top-level ozone producers.

# +100%

wastewater treatment capacity

# 400,000

cubic meters of water recovered and used for agricultural purposes

# Managing and Reducing Our Impact

As an integral part of its strategy, De Nora is committed to continuously improving environmental performance, reducing its impact and verifying the accuracy of management systems through internal audits in accordance with applicable legislation. To this end, in 2023 the Group drafted its own Environment, Health and Safety Policy, formalizing its commitment to guaranteeing the protection of the environment and the continuous development of systems and programs that allow the reduction of its environmental footprint and its impacts.

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 centered on staff behavior

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 behavior 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 and reducing the impact of the waste generated by the company.

<sup>3</sup> Adopted in March 2024.



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, four of the Group's operating sites have been certified according to ISO 14001 with the addition of De Nora Deutschland GmbH in 2023, 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. De Nora aims to obtain ISO 14001 certification

by 2025 and ISO 50001 certification by 2027 for 100% of its plants.

De Nora's production plants are active in the application of electroactive coatings, but range from the synthesis of powdered catalysts to the preparation of asbestos-free separators for the chlor-alkali process, through to the assembly of components, electrolyzers, skid-type assembly systems and the assembly of water treatment equipment, all performed

within the company's global network of plants.

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

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

<sup>4</sup> Mainly used as storage, whose environmental impacts are reported only with reference to data on energy consumption and water resources.

## Our Carbon Footprint

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 (entirely from non-renewable sources) for the movement of trucks, forklifts and company cars.

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

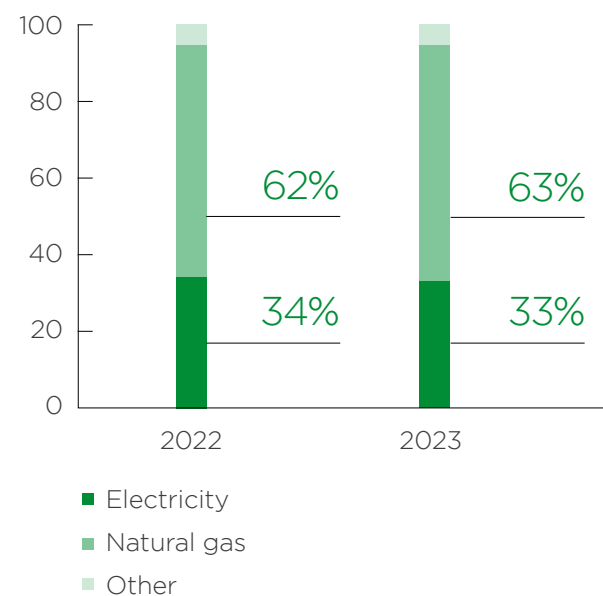
Internal energy consumption within the organization				
	Unit of Measurement	2021	2022 <sup>5</sup>	2023
Purchased electricity	kWh	34,934,243	37,451,205	37,076,805
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	<i>kWh</i>	<i>1,227,149</i>	<i>1,148,016</i>	<i>1,200,208</i>
Self-generated electricity	kWh	0	0.0	89,845
<i>of which renewable</i>	<i>kWh</i>	<i>0</i>	<i>0.0</i>	<i>89,845</i>
Electricity sold	-	0	0.0	0
<i>of which renewable</i>	-	0	0.0	0
Natural gas	Nm <sup>3</sup>	6,334,763	6,538,340	6,624,940
Diesel (for automotive use)	l	42,353	65,813	70,444
Diesel (for heating)	l		15,725	6,036
Kerosene	l	14,886	15,876	16,419
Fuel oil	l	269,594	239,629	176,673
Wood chips	kg	99,530	130,610	88,260
Propane	kg	5,718	4,224	7,316
LPG (for automotive use)	kg	3,733	3,771	4,432
Petrol (for automotive use)	l	3,286	3,183	12,108

<sup>5</sup> The organization's internal energy consumption figure was restated with respect to that reported in NFS 22 following an improvement in the data collection process.

Total energy consumption within the organization (GJ)<sup>6</sup>

	Unit of Measu.	2021	2022 <sup>7</sup>	2023
Purchased electricity	GJ	125,763	134,824	<b>133,476</b>
Energy consumed (self-generated from renewable sources)	GJ	0	0	<b>323</b>
Natural gas	GJ	211,839	243,360	<b>254,523</b>
Diesel (for automotive use)	GJ	1,618	2,513	<b>2,664</b>
Diesel (for heating)	GJ		601	<b>230</b>
Kerosene	GJ	550	586	<b>606</b>
Fuel oil	GJ	9,990	8,866	<b>6,552</b>
Wood chips	GJ	1,860	2,441	<b>1,650</b>
Propane	GJ	288	213	<b>369</b>
LPG (for automotive use)	GJ	184	186	<b>219</b>
Petrol (for automotive use)	GJ	113	109	<b>412</b>
<b>Total</b>	<b>GJ</b>	<b>352,206</b>	<b>393,699</b>	<b>401,024</b>

## Energy consumption(GJ)



In 2023, total energy consumption was 401,024 GJ. Compared to 2022, there was an increase of 7,325 GJ (2%).

<sup>6</sup> 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.

<sup>7</sup> The energy consumption figure in Giga Joules was restated with respect to that reported in NFS 22 following an improvement in the data collection process.

Electricity consumption from renewable sources in 2023 was 1,200,208 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 2023, such as:

- Installation of photovoltaic panels at sites in Milan, Cologno Monzese, and Sorocaba (Brazil) for the onsite generation of renewable electricity in

addition to the plant in Germany;

- Installation of LED lighting systems in the plants of Cologno Monzese and Fujisawa;
- Reduction of electricity consumption at the Colmar plant thanks to the installation of LED lighting and a new roof with greater insulation for the entire building;
- Continued electrification of the

forklift fleet in the plants in Brazil, Suzhou and Fujisawa;

- Increased efficiency of the compressed air generation and distribution system at the plant in Brazil.

De Nora aims to reach 40% energy from renewable sources in total electricity consumption by 2026 and reach 100% by 2030.

Table, GRI 302-4: Reduction of energy consumption

Year 2022						
Initiatives	Unit of Measurement	Result (consumption)	Baseline (consumption)	Baseline reference year	Reductions in energy consumption	% Savings obtained
DNCS-LED light	KWh	5,220	7,047	2021	1,827	25.9%
DNI-furnace renovation	KWh	397,440	691,200	2021	293,760	42.5%
DNI-scrubber blower frequency control	KWh	40,141	61,567	2021	21,426	34.8%
DNJF-compressor renewal	KWh	706,930	856,328	2021	149,398	17.4%
DNJF-AC renewal	KWh	26,299	37,044	2021	10,745	29.0%



Table, GRI 302-4: Reduction of energy consumption

Year 2023						
Initiatives	Unit of Measurement	Result (consumption)	Baseline (consumption)	Baseline reference year	Reductions in energy consumption	% Savings obtained
DNCS-LED light	KWh	5,220	7,047	2021	1,827	25.9%
DNI-compressor renovation	KWh	51,205	52,192	2022	986	1.9%
DNI-AC	KWh	56,734	65,737	2022	9,003	13.7%
DNJF-LED	KWh	20,237	95,232	2022	74,995	78.8%

Part of the energy needs from renewable sources will be covered by the use of photovoltaic plants which, to date, have an installed production capacity of 3.1 GWh. More specifically, De Nora has installed photovoltaic plants at four sites over the last two years: in Germany, in Soracaba, Brazil and at the Italian sites of Milan and Cologno (MI) in 2023. The total installed capacity will cover approximately 25% (calculated on 2023 consumption) of the total needs of the aforementioned plants. At individual plant level, the coverage of daily needs varies depending on the geographical location. In this regard, it should be noted that the Sorocaba site in Brazil will be self-sufficient in terms of energy and 100% renewable energy. The Group plans to reach around 8 GWh of installed solar energy capacity by 2025.

In terms of energy intensity, defined as the necessary energy consumed by the organization for each unit of activity, production, or any other specific quantity, the Group reported a 1.3% increase in energy used per unit of turnover in 2023. The indicator is calculated by dividing the absolute energy consumption (all types of energy considered for the

calculation of the energy consumption shown in the previous table) by a specific quantity which, in De Nora's case, is the turnover.

As regards the emission of greenhouse gases, given the global importance of the fight against climate change, the Group has set challenging objectives to reduce its carbon footprint.

### GRI 302-3; Energy Intensity

Energy intensity within the organization				
	Unit of Measu.	2021	2022	2023
Revenues	M€	615	852	856
Energy consumption within the organization	GJ	352,205	359,363	413,412
<b>Energy intensity</b>	<b>GJ/M€</b>	<b>573</b>	<b>462</b>	<b>468</b>

The new ESG plan targets a 50% reduction in Scope 1 and 2 emissions and in the intensity of Scope 3 emissions by 2030.

De Nora monitors direct and indirect emissions based on the provisions of the GHG Protocol, according to the following categories:

- Scope 1: Direct emissions from heat generation sources owned by the organization, from internal handling (trucks and forklifts) and from fugitive emissions of greenhouse gases.
- Scope 2: Indirect emissions from the purchase of electricity and/or heat consumed by the organization.
  - 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 organization chooses to procure energy from renewable or non-renewable sources. This approach considers zero emissions for 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.

- Scope 3: Indirect emissions linked to activities upstream or downstream of company operations.

For the calculation of Scope 1 emissions, the respective emission factors published by DEFRA relating to the reference year were used for each source. Emissions of CO<sub>2</sub> equivalent include the following greenhouse gases: CO<sub>2</sub> (carbon dioxide); CH<sub>4</sub> (methane); N<sub>2</sub>O (nitrous oxide).

The CO<sub>2</sub> emissions deriving from the use of electricity - calculated according to the location-based methodology - were obtained, for the plants operating in the USA, from 'EPA eGrid' for the reference year, while for the other plants from 'Terna International Comparisons' 2019. In particular, the coefficient of the country in which the plant is located was selected.

The CO<sub>2</sub> emissions deriving from the use of electricity - calculated according to the market-based methodology - were instead obtained, for the European plants, starting from 'European Residual Mixes,' (AIB) relating to the reference year, for the plants operating in the USA, from 'EPA Residual Mix' relating to the reference year, for non-EU and non-US countries, from 'TERNA International Comparisons' 2019.

In particular, the 'Residual Mix' of the country in which the plant is located was selected, which represents the mix of the remaining electricity generation shares, after taking into account the use of specific tracking systems for the energy sources used, such as Guarantee of Origin certificates.

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

## Emissioni dirette di gas ad effetto serra (GHG) - Scope 1

	Unit of Meas.	2021	2022 <sup>8</sup>	2023
Natural gas	tCO <sub>2</sub> e	12,769	13,888	14,219
Diesel (for automotive use)	tCO <sub>2</sub> e	106	168	175
Diesel (for heating)	tCO <sub>2</sub> e		64	16
Kerosene	tCO <sub>2</sub> e	38	40	41
Fuel oil	tCO <sub>2</sub> e	685	609	447
Wood chips (emission source)	tCO <sub>2</sub> e	7	7	5
Propane	tCO <sub>2</sub> e	17	13	22
LPG (for automotive use)	tCO <sub>2</sub> e	11	11	13
Petrol (for automotive use)	tCO <sub>2</sub> e	7	7	25
F-gas (fugitive emissions)	tCO <sub>2</sub> e	395	415	329
<b>Total Scope 1</b>	<b>tCO<sub>2</sub>e</b>	<b>14,035</b>	<b>15,222</b>	<b>15,292</b>

<sup>8</sup> The figure for direct greenhouse gas emissions was restated with respect to that reported in NFS 22 following an improvement in the data collection process.

<sup>9</sup> In 2021, 2022 and 2023, the emissions of refrigerant gases into the air were declared for five facilities, the DEFRA coefficient was used to calculate the tonnes of CO<sub>2</sub>e.

<sup>10</sup> The figure for indirect greenhouse gas emissions was restated with respect to that reported in NFS 22 following an improvement in the data collection process.

<sup>11</sup> The figure for indirect greenhouse gas emissions was restated with respect to that reported in NFS 22 following an improvement in the data collection process.

Direct GHG emissions - Scope 1 - Refrigerant gases<sup>9</sup>

Type of Refrigerant Gas	2021		2022		2023	
	kg	tCO <sub>2</sub> eq	kg	tCO <sub>2</sub> eq	kg	tCO <sub>2</sub> eq
R410A	47	98	180	376	2	5
R22	105	190	21	38	42	75
R134a	0	0	0	0	2	3
R407c	0	0	6	11	0	0
HFC32	26	18	0	0	2	1
HFC125	26	90	0	0	70	245
<b>Total</b>	<b>203</b>	<b>395</b>	<b>207</b>	<b>425</b>	<b>118</b>	<b>329</b>

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

Indirect greenhouse gas (GHG) emissions - Scope 2 - Location-based					Indirect greenhouse gas (GHG) emissions - Scope 2 - Market-based				
	Unit of Measu.	2021	2022 <sup>10</sup>	2023		Unit of Measu.	2021	2022 <sup>11</sup>	2023
Purchased electricity	tCO <sub>2</sub> e	15,969	16,968	17,140	Electricity purchased from non-renewables	tCO <sub>2</sub> e	17,400	18,601	19,344
<b>Total Scope 2 Location-based</b>	<b>tCO<sub>2</sub>e</b>	<b>15,969</b>	<b>16,968</b>	<b>17,140</b>	<b>Total Scope 2 Market-based</b>	<b>tCO<sub>2</sub>e</b>	<b>17,400</b>	<b>18,601</b>	<b>19,344</b>

Total greenhouse gas (GHG) emissions - Scope 1 and Scope 2				
	Unit of Measu.	2021	2022	2023
Emissions Scope 1	tCO <sub>2</sub> e	14,036	15,222	15,292
Emissions Scope 2 - Market-Based	tCO <sub>2</sub> e	17,400	18,601	19,344
Emissions Scope 2 - Location-Based	tCO <sub>2</sub> e	15,969	16,968	17,140
<b>Total Emissions Scope I and Scope II - Market-Based</b>	<b>tCO<sub>2</sub>e</b>	<b>31,436</b>	<b>33,822</b>	<b>34,636</b>
<b>Total Emissions Scope I and Scope II - Location-Based</b>	<b>tCO<sub>2</sub>e</b>	<b>30,005</b>	<b>32,190</b>	<b>32,432</b>

<sup>10</sup> The figure for indirect greenhouse gas emissions was restated with respect to that reported in NFS 22 following an improvement in the data collection process<sup>11</sup> The figure for indirect greenhouse gas emissions was restated with respect to that reported in NFS 22 following an improvement in the data collection process



Within the Scope 3 categories, both upstream and downstream emissions were taken into consideration. In particular, the emissions related to the following categories were calculated: 3.1 Goods and services purchased, 3.2 Capital goods, 3.4 Transport and distribution upstream, 3.5 Waste

generated by operations, 3.6 Business trips, 3.7 Employee commuting, 3.11 Use of products sold, 3.13 Leased assets (downstream) and 3.15 Investments. The emission factors used come from the Ecoinvent, USEEIO, DEFRA and IEA databases.

The quantitative data related to goods and services purchased, transport, production and treatment of waste, and the use of the products sold, were collected and converted into greenhouse gas emissions with the use of professional LCA databases.

Table: GRI 305-3 Other indirect GHG emissions (Scope 3)

Total greenhouse gas (GHG) emissions - Scope 3			
	Unit of Measurement	2022	2023
Total Scope 3 Emissions	tCO <sub>2</sub> e	34,750,334	39,569,097

There are two categories of Scope 3 emissions that have greater relevance in the Group's business model: purchase of goods and services and use of products sold. In particular, as a result of the long operating life of De Nora products, most of the emissions are generated downstream of the value chain, during the product use phase. It should be noted that in the future, the reduction of the intensity of Scope 3 emissions can be pursued thanks to:

- The progressive decarbonization of the network mix in the areas where the Group sells its products, with a consequent lower intensity of greenhouse gases per unit of

electricity consumed;

- The development of the Energy Transition business unit, whose technologies for the generation of green hydrogen produce close to zero emissions in the phases of use;
- And lastly, the Group's commitment to increase the percentage of recycled noble metals in its products, thus reducing emissions related to the purchase of goods and services.

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 305-7: Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions

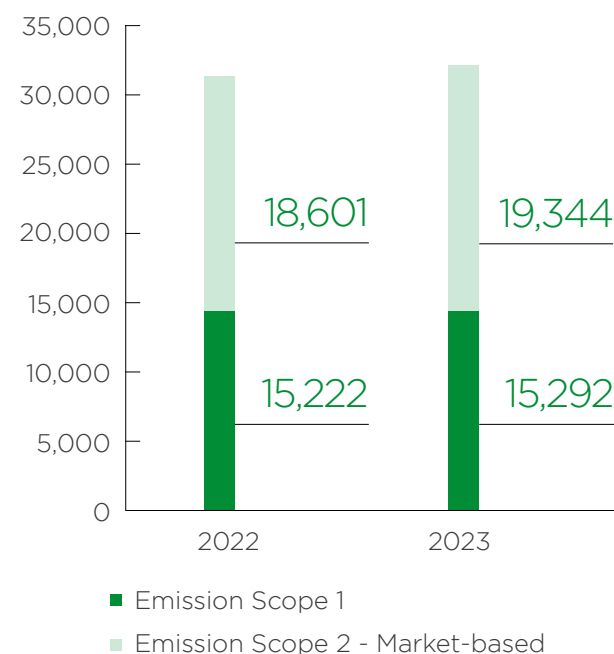
Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions into the air<sup>12</sup>

	Unit of Measurement	2021	2022	2023
NOx	Kg	5,664	4,683	3,812
SOx	Kg			3,729
H <sub>2</sub> SO <sub>4</sub>	Kg			24
HCl	Kg	345	1,035	867
Volatile organic compounds (VOC)	Kg	73,936	82,984	65,530
Total C	Kg	29,251	31,189	180,047
Formic acid	Kg	17	2	11
H <sub>2</sub> S	Kg			57
Ammonia	Kg	370	51	6
Formaldehyde	Kg			4
Particulate matter (PM)	Kg	1,457	985	1,029
Other standard categories of emissions into the air identified by relevant regulations (CO)	Kg	65	69	46

<sup>12</sup> 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.

Table: GRI 305-4: Intensity of GHG emissions

Emission Intensity (Scope 1 + Scope 2 Location Based)				
	Unit of Measurement	2021	2022	2023
Turnover	M€	615	852	856
Emissions (Scope 1 + Scope 2 Location Based)	tCO <sub>2</sub> e	30,005	31,482	31,690
Intensity	tCO <sub>2</sub> /M€	49	37.8	37.9
Emission intensity (Scope 1 + Scope 2 Market Based)				
	Unit of Measurement	2021	2022	2023
Turnover	M€	615	852	856
Emissions (Scope 1 + Scope 2 Market Based)	tCO <sub>2</sub> e	31,436	33,517	33,895
Intensity	tCO <sub>2</sub> /M€	51	39.7	40.5
Emission intensity (Scope 3)				
	Unit of Measurement	2022	2023	
Turnover	M€	852	856	
Emission (Scope 3)	tCO <sub>2</sub> e	34,739,209	39,569,097	
Intensity	tCO <sub>2</sub> /M€	40,774	46,226	

Emission [tCO<sub>2</sub>e]

GHG emission intensity is calculated with the same principle applied to energy, defined as GHG emissions per unit of activity, output or any other organization-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). Compared to 2022, the intensity of the Group's GHG emissions remained practically stable in 2023. The evolution of the intensity of Scope 1, Scope 2 and Scope 3 was affected during the year by the negative exchange rate effect (for approximately 30 million euros), which negatively impacted the consolidated turnover despite an expansion in the production volumes sold.

## Corporate travel

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 to define a comprehensive internal corporate travel policy emerged. Drafted in 2018 and revised in 2023, the policy aimed at providing guidelines on business travel for all employees 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;
- Trips must be limited to the minimum number of colleagues traveling for the same reason;
- When traveling, staff must use public shuttle buses/trains for airport-city center travel, where applicable;

- When traveling, staff must consider using car sharing and use taxis only when this is not available or possible.

## Natural Resources and Waste Management

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

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

Type of material	Unit of Measu.	2021			2022			2023		
		Non-renewable	Renewable	% recycled	Non-renewable	Renewable	% recycled	Non-renewable	Renewable	% recycled
Wood	kg		809,559			1,262,327		0	2,325,292	11.6%
Cardboard	kg		6,384			17,227		0	12,678	8.9%
Corrugated cardboard	kg		8,150			132,725		0	622,227	4.7%
Ranpak paper	kg		0			4,950		0	6,513	
Metals	kg	1,801,045			2,311,100			2,918,512		
Noble metals	kg	7,957			10,491			6,043		
Chemicals	kg	1,368,655			3,051,191			4,245,539		
Film	kg	4,358			4,752			8,268		1.1%
Bubble wrap	kg	2,781			3,933			4,682		
Plastic pallets	kg	0			2,559			2,829		
Polystyrene	kg	1,345			1,946			12,489		
Wood	kg							6,493		
Cardboard	kg							1,500	143	
<b>Total</b>	<b>kg</b>	<b>3,184,76</b>	<b>824,093</b>		<b>5,386,585</b>	<b>1,417,229</b>		<b>7,198,362</b>	<b>2,966,710</b>	<b>2.9%</b>



Table 2 - GRI 301-3; Products recovered

Product category	Unit of Measurement	2022	2023
Electrodes	M <sup>2</sup>	645,177	574,252
<i>of which reclaimed and/or regenerated</i>	M <sup>2</sup>	96,510	120,630

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, electrolyzers, skid-type assembly systems and the assembly of water treatment equipment, all performed within the company's global network of plants.

In 2023, the total use of base metals was 2,919 tonnes, an increase of 26% over the previous year. In 2023, noble metal consumption was 6,043 kg, a 42% reduction compared to 2022. The total materials used amounted to 10,165 tonnes (+49% compared to 2022), 3% of which from recycled material. The amount of materials used by the company is directly proportional to the amount of orders received and the consequent production mix. 12% 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, 9% of the total cardboard used, 5% of corrugated cardboard, and 1% of film are reused. In addition to the materials included in the table, the Group used around 326 UV lamps and 3,173 glass tubes in 2023. Finally, it should be noted that in 2023 the number of electrodes reused grew by 25% compared to 2022, while the evolution of the figure calculated in square meters mainly reflects the production mix.

### 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. Compared to 2022, the use of noble metals in the three main product lines (Membrane, Pools and Electrochlorination, Alkaline Water Electrolysis) decreased by 1%. In addition, De Nora has set itself the objective to reduce the use of noble metals (for the three main product lines) by 4% within 2026 and to reach a percentage of recycled noble metals contained within its products by 5% (by weight) within 2030.

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 electro-chemical 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 where possible and allowed, minimizing waste in electrode design and manufacture.

### Packaging

De Nora is also committed to reducing the environmental impact of the material it uses 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;
- Initiatives to replace materials of fossil origin with packaging of renewable origin;

- Use of more durable and continuously reusable packaging materials for transport;
- Recycling of packaging materials (wood, cardboard, plastic, paper).

Given the importance of wooden packaging for the transport of products, the Sustainability Plan defines two objectives in this regard. The first relates to the increase in the percentage of reused wood packaging, which must reach 40% by 2026. The second concerns the use of what is known as deforestation-free wood, which will become the main type used in packaging and in 2030 will make up at least 80% of wood packaging.

### Waste

The main impacts related to De Nora's waste come from the materials (mainly titanium, nickel and precious metals) imported for the production of electrodes. In fact, the processes of etching, plating, coating and producing electrodes and cells create both hazardous and non-hazardous types of waste. Solutions for the beneficial reuse of spent acid waste streams (mainly from chemical surface treatment operations) are being actively explored.

Some waste reduction activities are already in place and De Nora is always seeking new waste recycling solutions.

The Group is examining opportunities to increase the content of recycled materials in its activities, as well as to improve and expand its circular business models so as to reduce the production of waste along the entire value chain.

Current production technology is optimized to minimize downstream waste production. In addition, De Nora is adopting environmental management systems that will allow a better and more in-depth assessment of the real and potential impact linked to waste.

In addition, several initiatives are underway to improve production efficiency and develop more circular methods for waste management.

The Group is aware of the impact created by waste generated upstream of its value chain, as well as the difficulties in positively affecting this waste, with particular regard to the mobile metal mining industry necessary for the operation of De Nora products.

The Group companies rely on local or national environmental agencies to ensure the correct disposal and treatment of waste at designated facilities. The third parties responsible for waste collection issue the suitable documents envisaged by applicable legislation, which record the volume of

the material removed and the treatment method. The waste data are accounted for in a database, and there is also a waste approval and sampling process.

The electronic filing of waste approval data is used to monitor, verify and generate the results and processing of waste data.

The total waste produced in 2023 amounts to about 7,200 tonnes, all of which is industrial waste and consists of 41% non-hazardous and 59% hazardous waste. Compared to the previous year, there was 32% increase, mainly linked to the expansion projects of some production plants during 2023.

The weight of waste not sent for disposal is 3,010 tonnes, 44% more than in 2022. This was also possible thanks to the start of new recycling programs in North America.

Table: 306-3 Waste generated

Total weight of waste generated										
Type of material	Unit of Meas.	2021			2022			2023		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recovery	ton	1,262.863	282.338	1,545.202	1,448.044	645.057	2,093.101	1,376.736	1,633.151	3,009.887
Disposal	ton	1,073.405	2,035.972	3,109.377	1,207.670	2,129.516	3,337.186	2,836.608	1,350.146	4,186.754
Total	ton	2,336.268	2,318.310	4,654.579	2,655.715	2,771.997	5,427.711	4,213.343	2,983.297	7,196.641

Table: GRI 306-4: Waste diverted from disposal

Total weight of waste diverted from disposal by recovery method

[Tonnes] method	2023			
	On-site	Off-site	Total	%
<b>Hazardous waste</b>				
Reuse	0	0	0	0
Recycling	0	1,376.736	1,376.736	46
<b>Non-hazardous waste</b>				
Reuse	0	0	0	0
Recycling	1.2	1,631.951	1,633.151	54
<b>Total</b>	<b>1.2</b>	<b>3,008.678</b>	<b>3,009.887</b>	

Table: GRI 306-5: Waste sent for disposal

Total weight of waste directed to disposal by disposal method

Disposal method [Tonnes]	2023			
	On-site	Off-site	Total	%
<b>Hazardous waste</b>				
Incineration (including energy recovery)	0	1.216	1.216	0
Incineration (thermal destruction)	0	1.320	0.32	0
Landfill	0	154.182	154.182	4
Energy recovery	0	0	0	0
Neutralization	0	2,677.737	2,677.737	68
Other	0	3.153	3.153	0
<b>Non-hazardous waste</b>				
Incineration (including energy recovery)	0	118.622	118.622	3
Incineration (thermal destruction)	0	25.631	25.631	1
Landfill	0	946.937	946.937	24
Energy recovery	0	3.205	3.205	0
Neutralization	0	6.902	6.902	0
Other	0	248.85	248.85	6
<b>Total</b>	<b>0</b>	<b>4,186.754</b>	<b>4,186.754</b>	



Of the waste produced by De Nora, 42% is diverted from disposal through recycling activities. The remaining 58% is instead mainly disposed of through Neutralization in the case of hazardous waste or sent to landfills in the case of non-hazardous waste.

### Water Consumption

De Nora uses water for both civil and industrial uses. In most of the production plants, water is collected through the local network. There are some exceptions, as in the case of DNJ-Fujisawa where the underground water is collected directly by the company.

Domestic and municipal water is discharged directly into the local sewer system, while industrial wastewater is treated through an on-site purification plant or by sending the water tanks to third parties for treatment. All industrial water is treated according to local legislation and discharged after testing and meeting the quality parameters.

The industrial use of water is connected to the following plant processes: air washing, chemical surface treatment, plating, coating, generation of deionised water for specific uses such as chemical analyzes, sprinklers, eye wash stations, safety showers. Some chemicals may be present in wastewater streams, however De Nora always pays great attention to the processes of neutralization, filtration and removal of hazardous compounds before their release.

Only one plant of significant size, located in China, is located in an area subject to water stress. In this case, water withdrawal and discharge are highly regulated by the local government and the company strictly follows the relevant guidelines.

The Group companies apply all local and federal regulations on water, and third parties assess the quality of the water before discharge. In some cases, there are limitations on the amount of water withdrawn, which is subject to

authorizations, as in the case of the plant in Fujisawa.

With the exception of sites already certified according to ISO 14001, an assessment process on the impacts on the water resource has not yet been implemented but will be subsequently formalized in the environmental management systems in order to certify all production sites by the end of 2025.

In all cases, the plants undertake to comply with all applicable local and national regulations on the matter and to define the minimum standards according to them.

Total water withdrawal in 2023 amounted to 213 megalitres, discharges amounted to 158.4 megalitres and consumption to 54.4 megalitres.

Table: GRI 303-3; Water withdrawal

Total water withdrawal by source							
Withdrawal source	Unit of Meas.	2021		2022 <sup>13</sup>		2023	
		All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Groundwater	Megalitres			66	0	66	
Freshwater ( $\leq 1000$ mg/L total dissolved solids)	Megalitres			66	0	66	
Other water types ( $> 1000$ mg/L total dissolved solids)	Megalitres			0	0	0	
Third-party water resources (total)	Megalitres	206	70	160	72	147	60
Freshwater ( $\leq 1000$ mg/L total dissolved solids)	Megalitres	206	70	160	72	147	60
Other water types ( $> 1000$ mg/L total dissolved solids)	Megalitres Megalitri	0	0	0	0	0	
Third-party water resources (total) by withdrawal source	Megalitres		70	160	72	146	60
<i>surface waters</i>	<i>Megalitres</i>		<i>70</i>	<i>158</i>	<i>72</i>	<i>144</i>	<i>60</i>
<i>groundwater</i>	<i>Megalitres</i>		<i>0</i>	<i>2</i>	<i>0</i>	<i>2</i>	<i>0</i>
<i>seawater</i>	<i>Megalitres</i>		<i>0</i>		<i>0</i>	<i>0</i>	<i>0</i>
<i>produced water</i>	<i>Megalitres</i>		<i>0</i>		<i>0</i>	<i>0</i>	<i>0</i>
Total water withdrawal	Megalitres	206	70	226	72	213	60

<sup>13</sup> The data on water withdrawal was restated with respect to that reported in NFS 22 following an improvement in the data collection process.

Table: GRI 303-4; Water discharge

Total water discharge based on destination					
Discharge destination	Unit of Meas.	2022		2023	
		All areas	Water stress. areas	All areas	Water stress. areas
Third-party water resources (total)	Mega-litres	176	69	158	55
Freshwater (≤ 1000 mg/L total dissolved solids)	Mega-litres	108	1	83	1
Other water types (> 1000 mg/L total dissolved solids)	Mega-litres	68	68	75	54
<i>of which sent to other organizations</i>	<i>Mega-litres</i>	<i>0</i>	<i>0</i>	<i>19</i>	<i>0</i>
<b>Total water discharge</b>	<b>Mega-litres</b>	<b>176</b>	<b>69</b>	<b>158</b>	<b>55</b>
Freshwater (≤ 1000 mg/L total dissolved solids)	Mega-litres	108	1	83	0,8
Other water types (> 1000 mg/L total dissolved solids)	Mega-litres	68	68	75	54

Table: GRI 303-5; Water consumption

Water consumption					
	Unit of Meas.	2022		2023	
		All areas	Water stress. areas	All areas	Water stress. areas
Water consumption (total)	Mega-litres	50	3	54	5

For the identification of water-stressed areas, the World Resource Institute's Aqueduct website was used<sup>14</sup>. In 2023, the sites in Dubai, Abu Dhabi, India, Shanghai, Suzhou and Jinan were found to be operating in a high water-stress area<sup>15</sup>.

The discharges recorded by the Group and shown in the table are only intended for third-party water resources.

<sup>14</sup> Aqueduct | World Resources Institute (wri.org). The plants considered at risk of water stress are those identified by the instrument as high or extremely high risk.

<sup>15</sup> The largest share of volumes (97%) is attributable only to the Suzhou site, as the data relating to other locations refer exclusively to domestic uses.





# 05

## Our people

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# 2,010

Employees worldwide  
(+4% compared to  
2022)

# 63,055

Hours of training  
provided (+5.6%  
compared to 2022)

# +22%

Women in  
managerial roles  
compared to 2022

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 pillars:

- People development;
- Diversity, equity and inclusion;
- Communication, reputation and networking;
- Well-being and the pursuit of self-fulfillment;
- HR analytics, digitization, processes and agility.

Fairness and transparency guide De Nora's processes when assigning goals, evaluating performance, reviewing salaries, assessing skills and developing people, through activities set up for all (both employees and industrial technicians) such as: structured feedback, training plans and job rotation, mentoring, coaching, assignments to special and interdepartmental projects, international mobility programs, etc.

De Nora promotes internal growth opportunities that offer its employees the opportunity to advance their careers,

both in managerial positions and in more senior positions within technical-functional paths.

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 centers, institutions and charities.

The Human Resources department covers five main areas:

1. Development: this area plays a crucial role; it is the set of processes aimed at developing the potential and skills of the company's human capital, identifying the talents of each employee, and raising their awareness to help them evolve towards the best version of themselves. The tools used are training, professional and career development plans, potential and performance assessments;
2. Reputation, related to employer branding and external communication of De Nora's people; the company uses this area to convey

its values, skills, individuality and commitment to sustainability, which are expressed through the company web and social media pages and the personal social profiles of some Chief Officers. The Reputation area is also responsible for the management of charitable collaborations, partnerships with local schools and universities and events for introducing De Nora to possible future talents (e.g., open and career days);

3. Organizational development, change management, internal communications, HR reporting and analytics: this area mainly deals with defining and maintaining corporate policies, processes, organization and related roles and responsibilities. It also deals with the processes of managing change in corporate culture and digitalization. It promotes internal communication initiatives, including the management of the company portal, budgeting processes, reporting and data analysis in relation to staff;

4. Compensation: this area is responsible for the revision and management of the fixed and variable, short- and long-term remuneration and incentive processes;
5. Staff management, which oversees the active listening of staff, the support and practical application of processes and the campaigns defined by the other HR areas.

## Our Workforce

As at 31 December 2023, the total number of employees of the De Nora Group was 2,010, an increase of about 4% compared to the previous year. The workforce increased in EMEIA

(+ 13%) and in APAC (+ 13%), while it decreased in the AMERICAS (-9%). Almost the entire workforce is employed on a full-time basis and 91% with a permanent contract. The number of external workers remained stable.

Table: GRI 2-7 Employees

Breakdown of staff by contract type (Permanent vs Temporary)

no. of people	2021				2022				2023			
	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total
Temporary	10	41	75	128	2	97	78	177	0	109	78	187
Men	10	39	60	109	2	90	62	154	0	101	61	162
Women	0	4	15	19	0	7	16	23	0	8	17	25
Permanent	580	465	552	1,597	645	502	605	1,752	585	570	668	1,823
Men	459	351	454	1,264	516	379	505	1,400	467	425	560	1,452
Women	121	114	98	333	129	123	100	352	118	145	108	371
<b>Total</b>	<b>590</b>	<b>508</b>	<b>627</b>	<b>1,725</b>	<b>647</b>	<b>599</b>	<b>683</b>	<b>1,929</b>	<b>585</b>	<b>679</b>	<b>746</b>	<b>2,010</b>



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

no. of people	2021 <sup>16</sup>				2022				2022			
	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total
Full time	589	494	624	1,707	645	586	682	1,913	581	662	744	1,987
Men	469	389	511	1,373	517	469	566	1,552	465	523	619	1,607
Women	120	105	113	352	128	117	116	361	116	139	125	380
Part time	1	14	3	18	2	13	1	16	4	17	2	23
Men	0	1	3	4	1	0	1	2	2	3	2	7
Women	1	13	0	14	1	13	0	14	2	14	0	16
Employees without guaranteed contractual working hours	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>589</b>	<b>508</b>	<b>627</b>	<b>1,725</b>	<b>647</b>	<b>599</b>	<b>683</b>	<b>1,929</b>	<b>585</b>	<b>679</b>	<b>746</b>	<b>2,010</b>

Table GRI 2-8: Workers who are not employees

## Number of external workers by professional category and gender

Professional category	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Agency workers	193	19	212	220	21	241	220	32	252
Trainees	10	1	11	6	5	11	22	9	31
Other (consultants, other forms of contract, etc.)	92	23	115	91	26	117	83	26	109
<b>Total</b>	<b>295</b>	<b>43</b>	<b>338</b>	<b>317</b>	<b>52</b>	<b>369</b>	<b>325</b>	<b>67</b>	<b>392</b>

<sup>16</sup> With reference to the 2021 data for part-time men and women, the data reported in the 2022 NFS was restated: therefore, a total of 717 part-time in 2022 NFS was changed to 18 part-time in the 2023 NFS.

80% of employees are men and 20% are women (up by 1% compared to the previous year). There was a 22% increase in the number of women in managerial roles compared to the previous year

and a 6% increase in the total number of women.

The majority of the population, 60% (growing), is between 30 and 50 years old. Compared to the previous year,

the breakdown of employees between the categories Executives, Managers, Employees and Industrial Technicians remains stable.

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

Breakdown of employees by gender

no. of people	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive	69	7	76	69	11	80	72	11	83
Manager	180	56	236	196	59	255	186	72	258
Employees	447	233	680	502	254	756	516	261	777
Industrial technicians	677	56	733	787	51	838	840	52	892
<b>Total</b>	<b>1,373</b>	<b>352</b>	<b>1,725</b>	<b>1,554</b>	<b>375</b>	<b>1,929</b>	<b>1,614</b>	<b>396</b>	<b>2,010</b>

Breakdown of employees by age

no. of people	2021				2022				2023			
	<30	30-50	50>	Total	<30	30-50	50>	Total	<30	30-50	50>	Total
Executives	0	29	47	76	0	32	48	80	0	35	48	83
Managers	6	151	79	236	5	171	79	255	3	176	79	258
Employees	65	424	191	680	90	445	221	756	101	469	207	777
Industrial technicians	107	416	210	733	134	487	217	838	135	535	222	892
<b>Total</b>	<b>178</b>	<b>1,020</b>	<b>527</b>	<b>1,725</b>	<b>229</b>	<b>1,135</b>	<b>565</b>	<b>1,929</b>	<b>239</b>	<b>1,215</b>	<b>556</b>	<b>2,010</b>

In 2023, the rate of new hires, calculated as the ratio between the number of employees hired during the year and the total number of employees in the previous year, stood at 21%, counting 396 new hires in 2023, with a difference of -8% compared to the previous year.

Outgoing turnover, calculated as the ratio between the total number of terminations during the year and the total number of employees in the previous year, also dropped to 16% (-1% compared to the previous year). 'Voluntary' turnover, calculated as the ratio between the total number of voluntary resignations during the year and the total number of employees in the previous year, also decreased from 10% to 8%, representing half of the terminations of the year, with an 'involuntary' turnover (terminated by the company) which remains at 6%. Female turnover was also down, with 50 employees leaving compared to 55 in the previous year.

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

New employees by age group, gender and region in 2021

no. of people	<30		30-50		>50		Total		Turnover %	
	U	D	U	D	U	D	U	D	U	D
AMS	34	7	79	18	29	7	142	32	-	-
EMEIA	15	3	51	8	5	2	71	13	-	-
APAC	39	3	58	15	4	0	101	18	-	-
Total	88	13	188	41	38	9	314	63	-	-

Terminations by age group, gender and region in 2021

no. of people	<30		30-50		>50		Total		Turnover %	
	U	D	U	D	U	D	U	D	U	D
AMS	31	7	64	13	25	5	120	25	-	-
EMEIA	3	1	19	7	10	3	32	11	-	-
APAC	14	1	53	17	9	3	76	21	-	-
Total	48	9	136	37	44	11	228	57	-	-

## New employees by age group, gender and region in 2022

no. of people	<30		30-50		>50		Total		Turnover %	
	U	D	U	D	U	D	U	D	U	D
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
<b>Total</b>	<b>125</b>	<b>22</b>	<b>248</b>	<b>38</b>	<b>50</b>	<b>18</b>	<b>423</b>	<b>78</b>	<b>31</b>	<b>22</b>

## Terminations by age group, gender and region in 2022

no. of people	<30		30-50		>50		Total		Turnover %	
	U	D	U	D	U	D	U	D	U	D
AMS	23	5	42	17	33	3	98	25	21	21
<i>Resignation</i>	10	5	24	13	16	2	50	20	11	17
<i>Terminations</i>	13	0	18	4	11	0	42	4	9	3
<i>Retirements + others</i>	0	0	0	0	6	1	6	1	1	1
EMEIA	5	3	26	7	15	5	46	15	12	13
<i>Resignation</i>	4	3	21	7	5	1	30	11	8	9
<i>Terminations</i>	1	0	5	0	3	0	9	0	2	0
<i>Retirements + others</i>	0	0	0	0	7	4	7	4	2	3
APAC	21	1	70	13	7	1	98	15	19	13
<i>Resignation</i>	13	1	33	11	4	1	50	13	10	12
<i>Terminations</i>	8	0	37	0	2	0	47	0	9	0
<i>Retirements + others</i>	0	0	0	2	1	0	1	2	0	2
<b>Total</b>	<b>49</b>	<b>9</b>	<b>138</b>	<b>37</b>	<b>55</b>	<b>9</b>	<b>242</b>	<b>55</b>	<b>18</b>	<b>16</b>



## New employees by age group, gender and region in 2023

no. of people	<30		30-50		>50		Total		Turnover %	
	U	D	U	D	U	D	U	D	U	D
AMS	10	5	48	6	12	5	70	16	14	12
EMEIA	29	8	55	22	17	4	101	34	22	26
APAC	47	5	100	15	7	1	154	21	27	18
<b>Total</b>	<b>86</b>	<b>18</b>	<b>203</b>	<b>43</b>	<b>36</b>	<b>10</b>	<b>325</b>	<b>71</b>	<b>21</b>	<b>19</b>

## Terminations by age group, gender and region in 2023

no. of people	<30		30-50		>50		Total		Turnover %	
	U	D	U	D	U	D	U	D	U	D
AMS	19	3	55	11	46	13	120	27	23	21
<i>Resignation</i>	8	1	33	7	17	3	58	11	12	9
<i>Terminations</i>	11	2	22	4	15	7	48	13	10	10
<i>Retirements + others</i>	0	0	0	0	14	3	14	3	3	2
EMEIA	8	0	20	7	17	4	45	11	10	8
<i>Resignation</i>	5	0	14	6	4	2	23	8	5	6
<i>Terminations</i>	3	0	6	1	4	1	13	2	3	2
<i>Retirements + others</i>	0	0	0	0	9	1	9	1	2	1
APAC	33	0	55	8	12	4	100	12	18	10
<i>Resignation</i>	18	0	34	4	3	3	55	7	10	6
<i>Terminations</i>	15	0	21	4	5	0	41	4	7	3
<i>Retirements + others</i>	0	0	0	0	4	1	4	1	1	1
<b>Total</b>	<b>60</b>	<b>3</b>	<b>130</b>	<b>26</b>	<b>75</b>	<b>21</b>	<b>265</b>	<b>50</b>	<b>17</b>	<b>13</b>

## New hires by age group and gender

no. of people	2021					2022					2023				
	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
Men	88	188	38	314	24	125	248	50	423	31	86	203	36	325	21
Women	13	41	9	63	18	22	38	18	78	22	18	43	10	71	19
Total	101	229	47	377	23	147	286	68	501	29	104	246	46	396	21
Average turnover (%)	59	25	9			29	57	14			26	62	12		

## Terminations by age group and gender

no. of people	2021					2022					2023				
	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
Men	48	136	44	228	18	49	138	55	242	18	60	130	75	265	17
Resignation	-	-	-	-	-	27	78	25	130	9	31	81	24	136	9
Terminations	-	-	-	-	-	22	60	16	98	7	29	49	24	102	7
Retirements + others	-	-	-	-	-	0	0	14	14	1	0	0	27	27	2
Women	9	37	11	57	16	9	37	9	55	16	3	26	21	50	13
Resignation	-	-	-	-	-	9	31	4	44	13	1	17	8	26	7
Terminations	-	-	-	-	-	0	4	0	4	1	2	9	8	19	5
Retirements + others	-	-	-	-	-	0	2	5	7	2	0	0	5	5	1
Total	57	173	55	285	17	58	175	64	297	17	63	156	96	315	16
Resignation	-	-	-	-	-	36	109	29	174	10	32	98	32	162	8
Terminations	-	-	-	-	-	22	64	16	102	6	31	58	32	121	6
Retirements + others	-	-	-	-	-	0	2	19	21	1	0	0	32	32	2
Average turnover (%)	33	19	10		-	20	59	22	-	-	20	50	30	-	-

De Nora guarantees respect for human rights, particularly all workers' rights enshrined both internationally and in specific local legislation, and encourages a positive internal climate and fruitful industrial relations in all the countries

where it operates. In addition, the Group promotes collective bargaining, where applicable, as a tool for defining contractual working conditions. Where it is not applicable, De Nora protects workers' representatives by providing them

with the structures and means necessary to carry out trade union activities independently and effectively and by condemning any form of discrimination, threats or intimidation against them.

## GRI 2-30, Collective agreements

Collective agreements						
no. of people	2021		2022		2023	
	Covered by collective agreements	% of total	Covered by collective agreements	% of total	Covered by collective agreements	% of total
Executive	34	45%	36	45%	36	43%
Manager	101	43%	120	47%	123	48%
Employees	248	36%	277	37%	347	45%
Industrial technicians	334	46%	397	47%	503	56%
<b>Total</b>	<b>717</b>	<b>42%</b>	<b>830</b>	<b>43%</b>	<b>1,009</b>	<b>50%</b>

In 2023, 1,009 De Nora employees (50%) were covered by collective agreements, an increase over the 43% 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 trained and suited to the role, engaged, motivated, and possibly coming from diverse backgrounds, in order to create the right mix of skills and abilities.

The stages of the selection process are:

1. Definition of requirements;
2. Definition and sharing of the job description internally and externally;
3. Identification of the first list of candidates;
4. Definition of the shortlist;
5. Finalization of the employment contract.

For each stage, KPIs are defined and shared with local HR, for example the time taken to fill the vacant position, the ability to retain talent, and the quality of the onboarding process.

De Nora has established a number of principles and steps to be followed for each stage. Their aim is to make the process free of bias, efficient, and

capable of enhancing the skills of the candidates. In particular:

- Neutral and inclusive language is used in the job description to attract a diverse pool of candidates;
- CVs are examined without taking into account personal information or any data not related to the selection of the most suitable candidate;
- Where possible, persons with different degrees of disability are given priority consideration and applications;
- At the same time as 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.

New hires are accompanied through a

structured onboarding process in the organization. This includes training and induction activities on the organizational 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.



## Employees 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. Since 2017, the company has offered the opportunity to benefit from flexible working hours: i.e., the possibility of entering and leaving the workplace at a time suited to family commitments and private needs.

In addition, at the local level, depending on the country and the categories of staff, various initiatives have been organized 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;

- 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; This listening space allows employees to become aware of their source of stress, provides them with tools to increase resilience and, lastly, enables them to enhance themselves by bringing out their strengths;
- In Italy, Germany and Brazil, De Nora supplies and distributes free flu vaccines;
- In Japan, the company partially covers the cost of the flu vaccine that is provided to both employees and their families;
- In China, regular 'round tables' are organized to promote inter-departmental communication and create opportunities for socialization and the exchange of ideas between colleagues.

De Nora facilitates parenthood 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 to support the parenthood of its employees. With reference to 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 make their return to the office easier. 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 benefit from a 6-hour/day or 30-hour/week part-time schedule until their child is three years old. Part-time work is only granted if it is compatible with the work performed.

To monitor the corporate climate and the level of employee engagement, a global survey called We are De Nora (WeDN) is carried out, translated into all local languages. The survey investigates four areas: 'my job', 'my managers', 'my colleagues' and 'the company'. Each employee participates in the survey anonymously. The survey is carried

out every 12 to 18 months, depending on specific needs. The results of the analysis are shared with all employees, together with a global action plan and one for each Group company (or its functional subset) to manage the areas for improvement.

The last survey took place in January 2024. In 2023 the survey connected to the Great Place to Work Certification was issued in Italy, based on five dimensions of the trust index: justice, pride, respect, cohesion, credibility.

In July 2023, De Nora obtained the annual Great Place to Work certification, obtaining a trust index percentage of 73%.

In a number of pilot countries, including Italy, the USA, Brazil, the UK and the United Arab Emirates, a program was launched to monitor people's energy levels and engagement, through an app called 'Yumi'. The app collects employees' daily impressions on how their working day went in relation to company values (well-being, collaboration, agility, innovation, etc.), and provides feedback and 'kind suggestions' (aka 'nudging') to any other colleague.

A gradual roll-out of the application is planned throughout the world and to all categories of colleagues, including Industrial Technicians through installation

on personal devices (Bring Your Own Device - BYOD).

## Performance Evaluations

The annual performance evaluation is based on:

- Assignment of a rating from 1 to 5 for six performance drivers;
- Assessment of the individual objectives assigned at the beginning of the year to each employee, including Industrial Technicians;
- Overall final judgment with a rating from 1 to 5.

Anyone who joined the company within the first half of the year in question and is still in force at the time of the assessment is within the scope of the performance evaluation.

Each evaluation is carried out by the relevant Manager and the department manager if applicable, and then by the second-level Manager, before being checked by the HR Department together with Local Management / the CEO of the specific company to ensure fairness and the correct application of the metrics. The Operations Director is also involved in the assessment of the Industrial Technicians. The process is completed by presenting the employee

with their evaluation and an explanation by the reference Manager, with acknowledgment by all employees.

The digital tool SuccessFactors (SSFF) is used to assign objectives and carry out the performance evaluation, except for those companies that wish to continue evaluating Industrial technicians on Excel for management efficiency issues. The performance evaluation is input for the salary review by HR together with local management, as detailed below.

In 2023, 83% of total employees as of 31 December were subject to evaluation, however, this number corresponds to 100% of the people 'in scope'. In fact, employees who arrived during the second half of the year were not subjected to this process, as they do not meet the six-month seniority requirement.

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						2023					
	Men	Women	Total	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
Executives	52	5	57	54	78	8	73	62	78	59	82	10	91	69	83
Managers	137	51	188	154	79	53	90	207	81	170	91	60	83	230	89
Employees	327	189	516	342	68	191	75	533	71	433	84	218	84	651	84
Industrial technicians	486	39	525	601	76	44	86	645	77	683	81	45	87	728	82
<b>Total</b>	<b>1,002</b>	<b>284</b>	<b>1,286</b>	<b>1,151</b>	<b>74</b>	<b>296</b>	<b>79</b>	<b>1,447</b>	<b>75</b>	<b>1,345</b>	<b>83</b>	<b>333</b>	<b>84</b>	<b>1,678</b>	<b>83</b>

## Remuneration

The remuneration determination process is also based on the principles of utmost transparency and non-discrimination in order to guarantee fair and competitive treatment for all staff. To establish correct remuneration, the median references of the remuneration market for the reference role, provided by an external international provider, are used during the recruitment phase, as per best practices.

During their time with the company, each employee is subject to the Salary Review process each year. The process takes into consideration 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 labor market (people who earn less for the same performance are granted higher bonuses/increases) to determine the correct salary for each employee.

De Nora also offers Technical Career Ladders (TCL): professional growth paths based on technical skills which, as the level increases, recognizes both a cash reward for each promotion to the next level, and a salary adjustment. This tool was created equally between the various countries of the Group. TCLs are

envisaged in the Research & Development and Information & Communication Technologies Departments, and others are being defined within the Water Technologies Division.

Moreover, 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 economic/financial objectives and a set of individual objectives related to their specific role.

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 cash incentive plan (LTI), based on the objective of creating value for the Group, or in the case of Executives of Strategic Significance, an incentivization shares plan based on the Group's share price performance, financial and

ESG objectives. The salary review of top positions is controlled by the Nomination and Remuneration Committee and approved by the Board of Directors.

With the objective of eliminating gender diversity, 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.

The Gender Pay Gap value of Gross Annual Remuneration, calculated as the weighted average of the values in the table below with respect to the relative number of employees by geographical area/category, remains within a range of  $\pm 5\%$  in 2023 and stands at 95.3%.

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

Ratio of women's gross annual salary to men's									
Average base salary	2021			2022			2023		
	AMS	EMEIA	APAC	AMS	EMEIA	APAC	AMS	EMEIA	APAC
Executives	1.17	0.65	0.75	1.00	0.66	0.72	-	0.70	0.74
Managers	0.85	0.96	0.87	0.82	0.93	1.14	0.87	0.89	1.11
Employees	-	-	-	0.90	0.95	0.95	0.88	0.90	0.78
Industrial technicians	1.52	1.24	0.70	1.12	1.16	0.92	1.12	1.17	0.80

With the same criterion, the value of the Gender Pay Gap of total remuneration stands at 95.2%.

Ratio of women's remuneration to men's									
Average base salary	2021			2022			2023		
	AMS	EMEIA	APAC	AMS	EMEIA	APAC	AMS	EMEIA	APAC
Executives	1.18	0.60	0.77	1.04	0.61	0.74	-	0.63	0.72
Managers	0.85	0.94	0.89	0.83	0.91	1.22	0.85	0.88	1.15
Employees	-	-	-	0.89	0.94	0.87	0.88	0.90	0.78
Industrial technicians	1.52	1.24	0.70	1.12	1.16	0.92	1.12	1.17	0.80

In addition, the Group has calculated the ratio between the total annual remuneration of the person receiving the maximum remuneration and the total median remuneration of all employees of the organization excluding the aforementioned person, which returns a rate of 18.15 in 2023.



# 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, their 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 (Drive your journey).

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'. In this regard, the company offers a training course to help its people gain exposure, give feedback to colleagues regardless of their position in the organization chart, reorient the behavior of those who receive it and establish a climate of trust. In addition to the 'Yumi' app described above, the company also organizes initiatives and events aimed at stimulating team building

and continuous communication and socialization with and between employees.

De Nora has defined its own Vision, Mission, Purpose and its corporate values, namely: Sustainability, Agility, Collaboration, Making a difference. They were updated in 2023 and shared with all employees worldwide during face-to-face training on the Code of Ethics, Anti-corruption and Whistleblowing.

This information and much more, such as the organization and its roles, rules (policies, processes, procedures), projects, events, results achieved, relevant information for personnel, services and available tools, are shared on the internal portal.

In addition to the portal, many other initiatives have been launched to promote the dissemination of information, including the company newsletter ('We Are'), podcasts, events, and the company pages of the main social networks including LinkedIn, Instagram, Facebook, Indeed, Glassdoor, Joinrs, WeChat, and YouTube.

People development is the set of processes aimed at developing the potential and skills of the company's human capital. The approach used enhances workers and places them at the heart of the organization's success.

We start by understanding how to invest in the person, whatever their role within the company, and then proceed with the development of potential. To achieve this, we strengthen skills in individuals and teams, by making best use of all resources and making them develop both mentally and emotionally.

The process starts with an assessment of potential: 'CaTCh' (Career Target Check) to assess the potential to cover a role as Manager and 'CaTCh-Dir' to assess the potential to cover a role as Director. To support potential and performance at this point in the process, we design a tailor-made development plan.

In addition, the process for managing succession plans was updated and improved: a strategy that facilitates and guides the transition of leadership. With the identification of successors, the creation of specific development plans and continuous monitoring, planning company succession in advance makes it possible to predict and manage all critical issues and prioritize the choice of internal people.

## 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' the person belongs to (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 most suited to the person, based on the

phase of their 'life cycle' in the company and their seniority, including courses, webinars, mentoring, coaching, on-the-job support periods, etc.

One of the development opportunities offered is internal (job rotation) and international mobility used to enrich employees' skills and know-how, as well as to facilitate communication at an inter-departmental level.

The concept of career in De Nora goes beyond the traditional scope of a 'managerial career'. In fact, in addition to the processes mentioned above, employees belonging to professional categories with a predominantly technical background are offered career opportunities (known as the Technical Career

Ladder), without the need to assume a managerial role in order to grow.

### Training

The De Nora Group is committed to training its employees and enhancing their skills. Training is provided globally through the 'De Nora Academy' (DNA), both for programs considered necessary for the entire Group and for local programs 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 making their knowledge available to other colleagues. In fact, most of the content in the DNA was developed by the employees themselves. The training courses focus on: business processes, technical skills and soft skills. A partnership was set up in 2023 with GoodHabit, an e-learning platform that offers a wide variety of training content and uses different learning methods (videos, quizzes, interviews with thought leaders and recognized influencers) to explore topics such as leadership, personal growth, well-being, etc.

Staff are free to access all the content that is part of their learning program without any time restrictions, starting with content regarded as priority according to their onboarding plan or their individual development plan.

All new employees are required to attend mandatory training programs on:

- Code of Ethics, anti-corruption and whistleblowing;
- Health, safety and environment;
- 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 programs 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.*

The company continues to work on the implementation of a more agile and flexible way of working. In 2023, it

therefore designed and offered all employees the training course 'Agility De Nora's way' and some video snippets that condense several important topics, 'Agility in a Nutshell'.

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), De Nora Water Technologies Italy S.r.l. (DNWTIT), employees are also required to complete training programs 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.

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

no. hours	Total hours of training in the year								
	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	975	298	1,273	371	224	595	868	138	1,005
Managers	3,773	1,092	4,685	3,700	1,480	5,180	5,054	1,849	6,904
Employees	14,930	6,071	21,002	25,722	10,880	36,602	18,554	7,713	26,268
Industrial technicians	11,262	585	11,848	16,462	713	17,175	26,793	2,086	28,879
<b>Total</b>	<b>30,941</b>	<b>8,046</b>	<b>38,987</b>	<b>46,255</b>	<b>13,297</b>	<b>59,552</b>	<b>51,270</b>	<b>11,786</b>	<b>63,056</b>

Type of training	Type of training provided <sup>17</sup>								
	2021			2022			2023		
	no. of people	Total hours	Average hours	no. of people	Total hours	Average hours	no. of people	Total hours	Average hours
Technical skills	1,508	15,402	10	1,889	35,880	19	1,534	21,151	14
Soft Skills	1,336	2,732	2	1,120	10,860	10	1,518	7,961	5
Language Skills	134	7,282	54	319	8,946	28	119	4,449	37
H&S	1,307	12,196	9	319	531	2	1,456	19,370	13
MBA + college	3	991	330	6	3,100	517	11	3,359	305
Induction	56	385	7	236	236	1	296	887	3
Other							1,952	5,878	3
<b>Total</b>	<b>4,374</b>	<b>38,987</b>	<b>9</b>	<b>3,935</b>	<b>59,552</b>	<b>15</b>	<b>6,886</b>	<b>63,055</b>	<b>9</b>

In 2023, a total of 63,055 hours of training was provided to De Nora personnel, with a growth of 5.56% compared to 2022. The offer of training courses was quite varied to meet the diverse training needs that the different roles of employees require.

<sup>17</sup> With reference to the 2021 and 2022 data of the total average hours, the data reported in the 2022 NFS was restated due to a calculation error that impacted only the totals line: it therefore passed from a total of 413 hours to 9 hours in 2021 and from 576 hours to 15 hours in 2022.

# Health and Safety

De Nora has always invested in Occupational Health and Safety, believing that it is an essential requirement for strong and sustainable business growth. According to De Nora, sustainable growth is also based on each employee's ability to identify risks in the workplace, deal with them and resolve them to avoid any recurrence.

For this reason, De Nora sets itself the goal that all its employees be 'Workplace Health and Safety Champions'. This goal is an effective way to ensure solid and continuous improvement towards excellence in occupational health and safety topics. Three main activities are planned to achieve it:

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.

In addition, a Quality - Environmental Health & Safety policy was prepared in 2023 and adopted in the first quarter of 2024 at global level. The purpose of the policy is to define De Nora's commitment to continually improving its workers' health and safety conditions, and to describing the management systems adopted to ensure high levels of quality, with a continuous focus on reducing environmental impacts.

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 20% of the Group's operating sites.

De Nora has set itself the goal of certifying all 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. The 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 employee risk exposures and are responsible for observing activities and carrying out periodic checks. The risk assessment requires a periodic review based on factors such as modifications to plants or substances used, 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

Company	Country	Site
De Nora Elettrodi (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



analyze 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 organizational changes, assess the risks associated with these hazards and define a follow-up action plan to address and resolve them in a standardized and reliable manner.

## The Safety Triangle

The main tool for monitoring occupational 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. The Lead Indicators monitored are: EHS training hours, Single Point Lessons, STOP audits, number of EHS reviews,

number of procedures (SOP - Standard Operating Procedures) issued or revised, number of work permits or LOTO (Lock-Out Tag-Out, procedures are applied whenever maintenance work has to be carried out on a machine/equipment to ensure that it is not accidentally set in motion). For the KPIs listed above, each plant has its own annual targets that are monitored monthly. The upper part of the pyramid shows the LAG indicators, which monitor the actual performance of the organization 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 addressed, 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.

At the aggregate level, 16 injuries, 52 first aid and 1,350 near miss/safety

observations were recorded in 2023. The figure for injuries is in line with 2022 (17) and down compared to 2021 (25). The number of first aid interventions is approximately constant, standing between 50 and 60, while near miss/safety observations recorded a stable increase from year to year (there were about 700 in 2021, which rose to almost 1,000 in 2022 and 1,350 last year). This suggests an increasing awareness and involvement of people with regard to H&S issues. The data analyzed and the actions launched globally to improve safety make it possible to monitor situations area by area and implement targeted actions wherever necessary.

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 (Root Cause Analysis). A structured problem-solving tool, such as Quick Kaizen, Fishbone/Ishikawa diaphragm, '5 Whys' method, A3 method 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 promptly 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 shared, and an improvement plan can be defined within the various sites. De Nora's goal is to pursue a Zero Accident Culture.

Starting from this year, the LTIR (Lost Time Injury Rate) indicator also started to be reported. LTIR is useful for calculating the average number of accidents that lead an employee to be unable to work for a minimum of one day. In 2023, the LTIR was 0.05, testifying to the effectiveness of the safety measures implemented by De Nora within its plants.

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 2023 decreased by 12% compared to 2022. The data reported considers the injuries that occurred at all sites, without any limitations (including the offices).

Table 1 - GRI 403-9: Work-related injuries

KPIs	Unit of Meas.	2021			2022			2023		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Work-related injuries	no. of cases	22	3	25	17	0	17	12	0	12
<i>Of which fatal</i>	<i>no. of cases</i>	0	0	0	0	0	0	0	0	0
<i>Of which with serious consequences (excluding fatal ones)</i>	<i>no. of cases</i>	0	0	0	0	0	0	0	0	0
Hours worked	no. hours	3,340,750	1,063,299	4,404,050	3,908,005	1,241,160	5,149,164	3,446,207	828,195	4,274,402
Injury rates at work	Rate	6.6	2.8	5.7	4.4	0.0	3.3	3.5	0.0	2.8
<i>Fatal injury rates</i>	<i>Rate</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Rate of injuries with serious consequences (excluding fatal ones)</i>	<i>Rate</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

There were also four injuries among non-employed workers during the 436,075 hours worked in 2023, all without severe consequences.

In 2023 as well as in 2022, there were no cases of occupational diseases for both employees and non-employees.

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

An essential part of this project is training on occupational 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. In 2023, the focus was on the safety of machines and work equipment.

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 specific 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. About 400 lessons were held in the period between January and November 2023.

De Nora has implemented the Safety Training Observation Program (STOP) that seeks to prevent accidents and open up more opportunities to discuss safety issues with supervisors and management. On average, the program 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 analyze 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 program therefore helps to develop communication and leadership skills, improve employee awareness and increase the ability to observe risky situations.

In addition, the 100% people

engagement program was implemented in 2023. 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. The program is still ongoing, and will continue throughout 2024.

## 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 first aid cases.

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.

# Diversity, Equity and Inclusion

De Nora is constantly committed to building a healthy and inclusive work environment. It promotes equal opportunities as defined in the Group's Code of Ethics, which in particular includes the following two among its four fundamental Ethical Principles:

- Integrity and fairness;
- Mutual respect and the value of diversity.

De Nora's 'Each for Equal' (E4E) Committee was established in 2020 to promote diversity, equity and inclusion. It works primarily to raise awareness of this topic among colleagues and to celebrate, including on its social media channels, 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, also rotating. As at 31 December 2023, the Committee

counted 15 employees including Directors/Managers (8) and employees (7). The scope of the Committee was renewed in 2023 in order to give it a more active role in proposing and implementing projects related to its mission. In particular, issues relating to engagement, training and review of company policies were discussed.

One report was recorded through the anonymous Whistleblowing platform in 2023, related to the use of discriminatory language, and ascertained by the assessment process. Following this event, De Nora decided to launch an awareness campaign on the issue.

## Respect for Human Rights

De Nora has always applied high ethical standards to itself and in its relations with counterparties. The respect for human rights is one of the founding principles of our work.

De Nora defined a Human Rights Policy in 2023 in which it establishes the salient points of the methods for applying fundamental rights, inspired by the main international frameworks.

It respects, protects and promotes fundamental human rights for all people, without any distinction of gender, ethnicity, language, age,

sexual orientation and religion, trade union membership, origins, disability or other personal conditions, in line with the provisions of Italian law and international reference standards, such as:

- International Charter of Human Rights of the United Nations;
- Main Conventions of the International Labor Organization (ILO);
- United Nations Guiding Principles on Business and Human Rights;
- OECD Guidelines.

Furthermore, as a member of the UN Global Compact, it undertakes to implement, disseminate and promote its principles, in particular Principles I, II, III, IV, V, VI contained therein.





# 06

## Value for Local Communities

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**5,400+**  
Suppliers worldwide

**64%**  
of spending  
on local suppliers

**17%**  
Suppliers (by spending)  
assessed with ESG  
questionnaire

Project to  
integrate ESG  
requirements into  
the SRM platform  
launched

**€202k**  
Investments in  
the community

## Developing a Sustainable Value Chain

From a strategic point of view, supply chain management at De Nora is developed in such a way as to maintain market leadership, establish partnerships with suppliers, build customer loyalty and support company development. To this end, De Nora requires its suppliers to be competitive and innovative so as to enable the organization 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 proactive collaboration;
- An ability to adapt to changing market conditions and unforeseen events;
- A sustainable approach in business activities.

The Procurement Department at De Nora is divided into two functions: Global Procurement is responsible for coordinating the various purchasing offices at local level by aligning them



with Group 'best practices', the training activities for supply chain issues and the Group procurement policies; Central Procurement 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 managed by local buyers according to the Global Policies.

In order to ensure utmost transparency in its purchasing activities and improve interaction and knowledge of suppliers at Group level, a Supplier Relationship Management (SRM) platform is being introduced.

The advantages of this project are reflected in the entire upstream phase of the supply chain. More specifically, the SRM system allows the Group to include all suppliers on a single platform, making it easier to organize, catalogue, evaluate and monitor them thanks to an increase in standardization, transparency and flexibility. The advantages for suppliers are instead related to greater clarity in requests and greater ease in bureaucratic obligations.

The introduction of the platform is divided into several phases. It was launched for the Italian companies in November 2023. Integration began for the other European, Indian and American companies in January 2024, while extension at Group level will take place during the year.

Again with a view to increasing transparency and controls in the relations held with its suppliers, a supply chain management procedure was drawn up in 2023 and will be approved in the first quarter of 2024. It formalises the internal management systems in place in the Group for the supplier selection, relationship management and assessment stages.

Table 1 - GRI 2-6: Activities, value chain and other business relationships

Categorization of suppliers by type of purchase (% of purchases)												
Type of supplier	2021				2022				2023			
	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total	AMS	EMEIA	APAC	Total
Direct materials	30%	30%	24%	84%	28%	23%	27%	78%	19%	22%	31%	72%
Indirect materials	1%	2%	1%	4%	1%	5%	3%	9%	2%	6%	4%	13%
Direct services	1%	1%	1%	3%	1%	1%	1%	3%	2%	1%	1%	4%
Indirect services	3%	5%	1%	9%	3%	6%	1%	10%	4%	6%	1%	11%
<b>Total</b>	<b>35%</b>	<b>38%</b>	<b>27%</b>	<b>100%</b>	<b>33%</b>	<b>35%</b>	<b>32%</b>	<b>100%</b>	<b>26%</b>	<b>36%</b>	<b>38%</b>	<b>100%</b>

In 2023, the number of active suppliers was 5,459 (+5% compared to 2022). 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 (hereinafter also 'Code') available 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 is applicable to current or potential suppliers of De Nora, i.e., all companies belonging to the supply chain of 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 purchase contracts contain a commitment by suppliers to comply with the Code.

The Code envisages the obligation for suppliers to comply with laws and regulations applicable to them, with the prohibition of exploiting child labor, and with the commitment to carry out their activities in an ethical and transparent manner and guarantee the health and safety of their employees in the workplace.

## 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.

This new assessment process which began in 2022 asks suppliers to complete a detailed questionnaire on sustainability issues, developed and managed by CRIBIS. Suppliers are assessed 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 approach towards improving 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 labor, and community engagement initiatives.



Table 2 - 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	
	2023
Total new suppliers in the reporting period	1,244
New suppliers assessed according to environmental and social criteria during the reporting period	8
Percentage of new suppliers that were assessed using environmental and social criteria in the reporting period	1%

Table 3 - suppliers interviewed and assessed according to ESG criteria

Evaluation of suppliers according to environmental and social criteria		
	2022	2023
Total active suppliers	5,184	5,459
Total suppliers surveyed	781	945
New ESG-rated suppliers	74	105

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. In the second year, the questionnaire was sent to 945 of the Group's global suppliers (+21% compared to 2022), 105 of which, representing 17% of the total annual expenditure, actively responded. In 2023, 1,244 new suppliers were registered within the group, 1% of which was assessed according to environmental and social criteria. However, the 1,244 new master data registrations are mostly composed of spot suppliers for orders with marginal amounts. Among these, in fact, it was decided to send the ESG assessment questionnaire only to 32 suppliers considered strategic for which significant purchase orders have been recorded.

## Spending on Local Suppliers

De Nora has a total of 5,459 active suppliers; in addition to the assessments described above in the selection phase that are related to quality and ESG criteria, where possible, purchases from local suppliers are preferred in order to create value in the community in which it operates<sup>19</sup>.

Specifically, spending on local suppliers amounted to € 441,671,860.41 in 2023 compared to € 691,456,596.57 of spending on suppliers, thus reaching almost 64% of total expenditure.

## Conflict Minerals

In line with Regulation (EU) 2017/821<sup>20</sup> which governs responsible procurement practices by EU companies of tin, tantalum, tungsten and gold (3TG) from high-risk areas or those affected by armed conflicts, the Global Procurement department analyzed the quantities of 3TG minerals ordered by the De Nora Group (in particular by the electrode segment companies that use these raw materials in the production of coatings) from 2020 to 2023, extending the assessment to the quantities of cobalt which, although not directly included in the list of conflict minerals, is critical for its extraction methods.

The analysis showed quantities of imported minerals lower than the thresholds set by Regulation (EU) 2017/821 for each category; therefore, for the electrodes segment De Nora is not among the companies subject to mandatory due diligence. However, as a demonstration of its commitment to responsible and transparent procurement, the Group has decided to request a Declaration of Minerals Conflict-Free from its suppliers and is evaluating the possibility of introducing specific questionnaires to qualify its suppliers for the procurement of 3TGs. In addition, the Group will take steps to check whether the Regulation may be applied to the Water Technologies segment.

Table 4 - GRI 204-1: Proportion of spending on local suppliers

	Currency	2023
		Value
Spending carried out	Euro	691,456,596.57
of which to local suppliers	Euro	441,671,860.41
Percentage	%	63.88

<sup>19</sup> Local suppliers are those suppliers based in the country where the most significant offices of the Group are located (e.g., Japan for De Nora Permelec Ltd., Brazil for De Nora do Brasil Ltda).

<sup>20</sup> Transposed in Italy with Italian Legislative Decree no. 13 of 2 February 2021.

## Supporting 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 invests in relations with high schools, universities and research centers in order to select, identify and set up strategic partnerships with educational institutions in every country where it is present. In particular, the Group cooperates with institutes specialized 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. The group renewed its partnership with the Leonardo da Vinci Museum of Science and Technology in Milan, where an electrolytic cell donated to the museum by the Founder was already on display.

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

In 2023, for example, the following activities were organized:

- IDN opened the doors of the Milan headquarters for the first time, welcoming the local community during the event dedicated to Rights, and talking about its values and history. A workshop was organized for children, along with a presentation focused on the right to water;
  - 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;
  - DNJ Fujisawa arranged for employees to volunteer at a children's reception center in the area;
  - DNB donated clothes and personal hygiene products to the 'SOS - Serviço de Obras Sociais' Foundation;
  - DNI supported the 'Lokvishwas Pratisthan' association committed to guaranteeing access to study and medical care for people with disabilities;
  - The DNCP site organized a company bazaar where employees could buy and sell items they no longer use, the proceeds of which were donated to a local social organization;
  - For the 21st consecutive year, a contribution was made for the recapitalisation project of FAI - Fondo Ambiente Italiano ETS (National Trust for Italy) as part of the 200 del FAI project.
- As part of its 100th-anniversary celebrations, De Nora invited some of the NPOs with which it has worked for years to its Xmas Party in Milan, attending the party directly and entertaining it with various activities and workshops. Its wish was to offer a gesture of support to the local community and invite everyone to contribute with their donation, which was then doubled by De Nora.
- The institutions of Milan have repeatedly recognized De Nora's contribution to the city in terms of jobs, innovation, research and development. Already in 1973 they awarded Oronzio De Nora with the Ambrogino d'Oro, a medal of civic merit, and in 2021 they dedicated a street adjacent to the headquarters and historical site since 1950 to the Founder.
- This year the 12th De Nora Scientific Symposium was held at the Sforza Castle: a day of study and discussion on the theme of energy transition, enlivened by professors and researchers from international universities. This was followed by an in-depth cultural experience with a private visit to the Pietà Rondanini, an unfinished work by Michelangelo.



# 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 recognizes 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.

Table 1 - GRI 201-1: economic value directly generated and distributed

Economic value generated and distributed (in Euro)	2021	2022	2023
<b>A. Economic value generated by the company</b>	<b>627,153,178</b>	<b>863,411,702</b>	<b>1,006,346,415</b>
Total revenues	615,878,372	852,826,350	856,410,991
Finance income	2,166,132	2,805,077	137,788,858
<b>B. Economic value distributed by the company</b>	<b>553,000,408</b>	<b>736,652,524</b>	<b>745,050,230</b>
Operating expenses	379,645,739	536,391,097	551,318,567
Salaries and employee benefits	116,742,291	154,561,035	143,982,096
Payments to capital providers	30,140,491	8,318,783	12,324,298
Payments to Public Administration	26,244,454	37,189,586	37,223,567
Investments in the community	227,430	193,022	201,701
<b>(A-B) Economic value retained</b>	<b>74,152,770</b>	<b>126,759,178</b>	<b>261,296,184</b>

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 2023 is € 1,006,346,415, an increase of 17% over 2022, while the economic value distributed amounts to € 745,050,230, a slight increase (1%) over 2022.

The economic value retained amounted to € 261,296,184, up 106% compared to the previous year.

The economic value is distributed as follows:

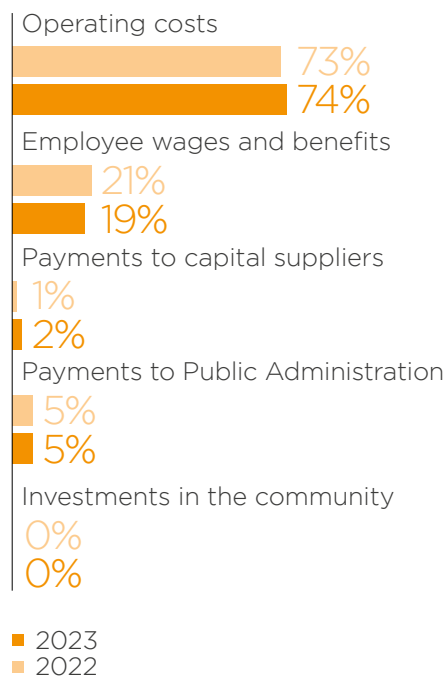
- Operating costs amounted to € 531,318,567 and included raw material consumption, service costs and miscellaneous operating expenses;
- The economic value distributed to staff amounted to € 143,982,096 and mainly includes staff-related costs (wages, salaries, contributions and pension costs);
- The economic value distributed to capital providers mainly refers to



interest on bonds and debts and amounted to € 12,324,299;

- The economic value distributed to the public administration, mainly in the form of income tax, amounted to € 37,223,567;
- Investments in the community, mainly in the form of donations and support to Foundations and Universities, amounted to € 201,701.

### Economic value distributed



## Oronzio and Niccolò De Nora Foundation

Established 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 organization of international seminars and conferences;
- Builds cooperative relationships with Italian and foreign universities.

Since its foundation, De Nora has recognized the importance of building strong ties with universities and national laboratories as a means to develop technologies and further scientific

knowledge.

Since 2001, 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<sub>2</sub> reduction and fuel cells;
- Electrochemical cells: design, operand analysis, electrolytes, separators;
- Advanced electrochemical oxidation processes;
- Coating technologies and corrosion protection.

The Oronzio and Niccolò De Nora Foundation awarded the annual scholarship worth € 48,000 to a researcher from North Eastern University in Boston. Among the various initiatives in the electrochemical field, it also supported the 'Young Author Prize' distributed by the International Society of Electrochemistry for the publication of a scientific article and assigned to a young researcher from the University of Milan Bicocca, and gave two PhD awards to the two deserving students of the Universities of Bologna and Rome Torvergata during the Italian Electrochemistry Days. In addition,

it supported the organization 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 contributed to the School of Electrocatalysis, a five-day course organized by the University of Milan for about 70 doctoral students and partly sponsored the congress of young people of the Italian Chemical Society, which also saw the participation of a young researcher from De Nora. Lastly, it incurred the participation costs of

some deserving students at the Gordon Research Conference which was held in January 2024 in California.

As part of its centenary celebrations, the 'Oronzio and Niccolò De Nora Foundation' proudly established a new award that honours its extraordinary inventors and innovators.

A long-time researcher from De Nora was the inaugural winner: a deserving recipient recognized for her outstanding contribution to our sustainable success over the course of her long career of more than 40 years

at the Group. The nomination process extended to all offices worldwide and counted 22 applications, including three former employees and two groups; it highlights the widespread desire within the community to appreciate and praise the exceptional efforts of the researchers.

The award ceremony held by Federico and Michele De Nora took place during the year-end board meeting, which was held as usual in the historic office of the Founder Oronzio De Nora, now a meeting room dedicated to him.







# 07

## Governance

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Policies adopted in 2023: Anti-corruption, human rights, EHS\* (Environment, Health and Safety), supply chain\* and NFS\* drafting procedure

New version of the Code of Ethics

90%

Employees who received anti-corruption training

20%

Of the variable remuneration, both short and long-term, of the CEO linked to ESG objectives (>10% for strategic executives)

\* drafted in 2023 and published in the first quarter of 2024

## Governance

De Nora is committed to adopting an approach to business in line with the principles of sustainable development which takes into account the common interest of all its stakeholders, present and future. With this in mind, the company has chosen to adopt a governance structure accompanied by a set of internal policies and procedures - applicable at both local and Group level - aimed at managing the organization according to the principles of ethics, transparency and integrity.

For a detailed description of the governance structure and the Committees responsible for the appointment and selection process of the members of the Board of Directors and the Board of Statutory Auditors, please refer to the Report on Corporate Governance and Ownership Structure for 2023 (the 'Corporate Governance Report'), available on the company website in the 'Governance - Shareholders' Meetings' section.

### Corporate Governance

De Nora has defined a Corporate Governance System capable of contributing to an efficient and sustainable management of its activities, with the aim of creating value for its



shareholders and stakeholders.

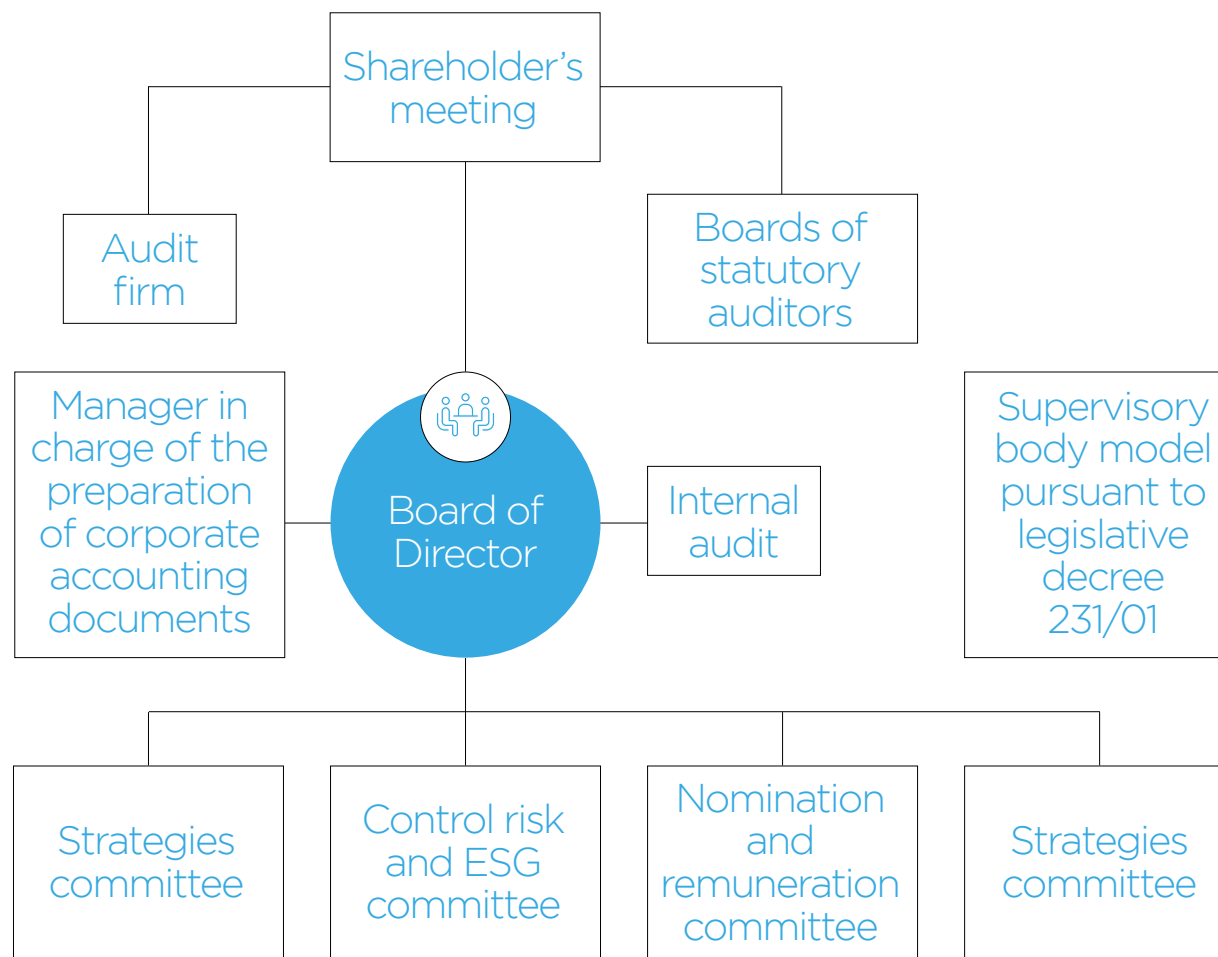
The Corporate Governance System, consisting of the corporate bodies and the internal policies and procedures adopted by the De Nora Group, is based on four pillars:

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

The Corporate Governance Model adopted by De Nora was developed in line with the main contents of the Corporate Governance Code for Listed Companies, promoted by Borsa Italiana S.p.A., of which the company is part.

In order to ensure the necessary consistency between conduct and strategies, the Group's Corporate 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 12 members, eight of which are male (67%) and four are female (33%). With regard to age, 8% of the members are between 30 and 50 years old, while the remaining 92% are over 50.

For more details on the roles of the individual members of the Board of Directors, the composition of Internal Board Committees and the performance assessment processes, please refer to the Corporate Governance Report 2023.

## Sustainability Governance

In line with the best practices on corporate governance, the Board of Directors guides the company in the pursuit of sustainable success by defining the Group's strategies and monitoring their implementation.

100% of the members of the Board of Directors have expertise in ESG<sup>21</sup> topics, which allow them to oversee the impacts of the organization on the economy, the environment and people.

The Board of Directors of De Nora has assigned to the Control, Risk and ESG Committee ('CCRESG') a role of responsibility in relation to environmental, corporate governance and sustainability issues, in addition to the functions envisaged by the Corporate Governance Code.

CCRESG 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.

The Control, Risk and ESG Committee

Role	Name and surname	Date of appointment	In office until
Chairperson	<b>Teresa Naddeo</b>	30 June 2022	Approval of the 2024 Financial Statements
Internal Member	<b>Giovanni Toffoli</b>	30 June 2022	Approval of the 2024 Financial Statements
Internal Member	<b>Paola Rastelli</b>	22 March 2023 <sup>22</sup>	Approval of the 2024 Financial Statements

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 sustainability activities that the company intends to implement and for promoting the integration of sustainability in the Group's activities and individual corporate strategies, through the issuance of policies on environmental topics, social issues and governance aspects.

In particular, the Committee's tasks in

respect of sustainability topics, also for the purpose of non-financial reporting containing information pursuant to European Directive 2014/95/EU, are to:

- Provide support and advice to the Board of Directors, with reference to the processes, initiatives and activities aimed at overseeing the company's commitment to sustainable development along the value chain, as well as in relation to: (i) good corporate governance and compliance with applicable laws and national and international best practices; (ii) drafting corporate diversity policies; (iii) monitoring the company's positioning in financial markets with particular attention to

<sup>21</sup> 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.

<sup>22</sup> It should be noted that on 22 March 2023, the Board of Directors co-opted, pursuant to Article 2386 of the Italian Civil Code, Paola Bonardini as new non-executive Director, as well as member of the Control, Risk and ESG Committee and of the Strategies Committee, to replace Director Paola Rastelli, who resigned on 10 March 2023. The Shareholders' Meeting of 28 April 2023 confirmed the appointment of the Director Paola Bonardini.

its positioning in compliance with sustainability indices;

- Analyze the contents of non-financial reporting, as well as the use of 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, also in order to propose the company's and Group's adherence to them.

With a view to continuous progress towards sustainability, following the end of the 2023 financial year, the company has adopted a policy on the procedure for drafting the NFS.

The Board of Directors, with the support of the Nomination and Remuneration Committee, is also responsible, among other things, for:

- Defining the Remuneration Policy for Directors, members of the control body and top management with the aim of contributing to the sustainable success of the company;
- Setting performance objectives, related to the variable component of remuneration that are pre-established, measurable, linked to medium/long-term targets and in line with the company's strategic objectives, including, where relevant, also non-financial parameters (i.e., ESG).

With the objective of aligning the Chief Executive Officer and top management actions to the sustainability plan, each of them has a percentage of their variable income, both short-term with a weight between 10%-20% and long term with a weight of 20%, linked to ESG targets.

# Risk Management

Assessing the factors that can affect 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 the organization to identify, monitor and manage 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.

Effective risk management is a crucial element in preserving the Group's value over time.

After its listing, De Nora implemented a risk management process (RM) aimed at identifying, assessing and prioritizing corporate risks, including those related to environmental, social and governance (ESG) aspects. This process also aims to identify actions to minimize, monitor and control the likelihood and impact of adverse events. In particular, the risk analysis consists of a detailed examination of events potentially impacting De Nora's strategic and management objectives, considering changes in the Group's business model, organization,

processes and procedures, as well as dynamics in the external environment (especially in political, economic, social, technological and legal terms), and in the sector and among relevant competitors. De Nora's RM process is based on the framework outlined by the Committee of Sponsoring Organizations of the Treadway Commission ('COSO'), supplemented by the principles of the Corporate Governance Code, adapted to specific business needs and best practices.

The Internal Control and Risk Management System (ICRMS) is composed of organizational departments, committees, IT support, administrative and management systems, policies, regulations, operating procedures and managerial practices, which exercise different levels of control over company management and on risks. The Board of Directors is responsible for defining the general guidelines of the ICRMS, as well as establishing criteria that ensure that the risks are in line with sound and correct company management. Although aware of the limitations of control processes in guaranteeing absolute results, the Board believes that the ICRMS can reduce and mitigate the likelihood and impact of risky events related to erroneous decisions, human errors, fraud, violations of laws, regulations and company procedures, as well as unforeseen events.

Permanent, first-level direct controls are conducted by the persons responsible for the management and coordination of operating activities (e.g., purchasing, logistics, production, sales), in accordance with the principles of segregation of responsibilities and delegation of authority. Second-level monitoring controls are guaranteed by company departments such as Administration, Finance and Control, ICT, Human Resources, Legal and Compliance.

The Internal Audit Department constitutes an additional level of control, operating independently of the previous ones, with priorities defined by the identification and assessment of company risks, representing the third level of control. Internal Audit (IA) performs its functions, defined in a mandate approved by the Board of Directors, with the required independence, in accordance with the Corporate Governance Code, the International Standards for the Professional Practice of Internal Audits and best practices. The Internal Audit Director (IAD) reports directly to the Board of Directors at least twice a year, while the Control, Risk and Sustainability Committee oversees the activities of the Internal Audit Department, reviewing responsibilities, budget and organization. The IAD is authorized to:

- Have full, free and unconditional access to all documents, contracts,

registers, transactions, files, data, physical properties, including access to management information systems and registers, and to relevant personnel for carrying out audit activities. The IAD is responsible for ensuring the confidentiality and safeguarding this information;

- Consult, meet, request information and obtain assistance from the necessary personnel, as well as from other associate workers, third parties and specialized services, to complete the audit duties.

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.

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 material handling operations in the facilities and the use of chemical and hazardous substances. The main health and safety risks to which the personnel of the Group and contractors are exposed are therefore attributable to the performance of operating activities at the production sites.

The Group's production activities are subject to national and international laws and regulations on health, safety and the environment. Future legislative and/or regulatory changes could affect the Group's operations, the ability to compete on the market and the financial results, if such changes are not promptly known, anticipated and managed.

De Nora manages these risks through:

- Adoption of a centralized management system based on the identification and assessment of factors considered critical at different levels with respect to the Group, country and operating unit. This approach provides a complete picture of the risks associated with the individual production activities, in order to manage, monitor and minimize health and safety risks;
- Continuous assessment of health and safety risks and the conduct of targeted controls and audits aimed at preventing workplace injuries and maintaining legal requirements in the H&S sphere;
- Adoption of tools and operating methods such as collection, assessment, aggregation and reporting of data at central level, as well as the implementation and verification of preventive and corrective actions, monitoring

of significant events (accidents, near misses, non-compliance and reporting), personnel training aimed not only at transferring technical knowledge, but also at encouraging knowledge of the approach adopted and the risks incurred due to failure to comply with H&S rules and procedures.

## Environmental Risks

The production activity carried out by the Group is subject to specific environmental regulations, including the management of raw materials, energy resources, hazardous substances, water discharges, atmospheric emissions, waste, including the prevention of pollution and the minimization of impacts on environmental matrices (soil, subsoil, water resources, atmosphere). The evolution of these regulations is also oriented towards the adoption of increasingly stringent requirements for companies, which often involve the adaptation of technologies (Best Available Techniques) and risk prevention systems, with related associated costs.

Despite the Group being heavily and continuously committed to protecting the environment, a potential impact on the environmental matrices in the operational management of activities cannot be ruled out, with possible implications on production



continuity and economic and reputational consequences.

In addition, 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 through:

- Responsible management of hazardous and non-hazardous waste related to business activities, dissemination of a corporate culture aimed at correct and responsible waste management, promoting methods and practices such as reusing, sorting and recycling waste;
- Responsible management of chemicals and materials related to business activities, in order to prevent these substances from spilling into the environment;
- Commitment to implementing circular economy practices to reduce its environmental impact, using fewer resources for the production of its products and keeping materials in the production cycle for as long as possible;
- Definition of an environmental management system according

to the ISO 14001 standard in all Group manufacturing plants, and already certified in three plants. These environmental management systems include the assessment of environmental risks, the planning of actions to reduce their impact and the implementation of monitoring and controls on the adequacy of management systems, including personnel training programs;

- Implementation of decarbonization strategies through the monitoring and reduction of GHG emissions along the entire value chain and the development of useful initiatives to assess the avoided emission footprint. In this context, many of the company's offices are defining or implementing plans for the production or procurement of electricity produced from renewable sources.

## 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 organization and external workers in the Group's value chain.

As far as employees are concerned, the main risk areas concern employee health and safety 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.

De Nora promotes the creation and development of a qualified and updated workforce, supporting diversity in order to create an increasingly inclusive work environment. The Group is exposed to the risk of lack or loss of key resources with strategic operating functions.

De Nora manages these risks through:

- With reference to its business partners, development of a Supplier Code of Ethics which defines the principles that suppliers 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;
- Adoption in 2023 of a Human Rights Policy with the aim of identifying and protecting those rights exposed to greater risk both at the internal operations level and, in part, at the supply chain level. This Policy aims to protect and guarantee

respect for the personal, labor and environmental protection rights related to the Group's activities, in line with the indications of the 'Universal Declaration of Human Rights', the international commitments of the United Nations (Global Compact) and the principles enshrined in the fundamental Conventions of the International Labor Organization (ILO);

- Implementation of programs aimed at encouraging continuous training, professional growth and employee engagement, as well as adequate remuneration systems. These include: short and long-term variable remuneration mechanisms, also linked to sustainability objectives;
- Annual global engagement survey in which all employees are invited to respond and share their opinions anonymously. This then makes it possible to launch action plans at global and local level for the continuous improvement of the working environment.

## 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.

The growing spread of technologies that allow the transfer and sharing of sensitive information through digital tools leads to situations of increased IT vulnerability. The Group is therefore committed to protecting information systems from compromise, theft or damage to hardware, software and the information contained therein, as well as from interruptions to the services provided by them. Exposure to potential cyber-attacks actually stems from various factors, such as the complexity of IT networks, the spread of remote work, the global distribution of IT systems and the storage of high value information in the cloud (such as patents, technological innovation projects, as well as financial projections and strategic plans not yet disclosed to the market).

In the event of hacker attacks or violations of the company IT system, there could be impacts on business operations with possible sanctions and reputational damage.

De Nora manages these risks by setting up a number of preventive and reactive measures, including:

- The implementation of an IT security policy that defines the responsibilities and rules to be followed to protect data, systems and networks, including guidelines for the protection of IT infrastructures and control systems in the

industrial sector;

- The implementation of advanced protection systems such as firewalls, attack detection systems, anti-virus, multi-factor authentication, data encryption;
- The detection and management of technical vulnerabilities, i.e., the identification and correction of weaknesses on IT systems that could be exploited by malicious actors;
- Anomalous events are monitored through tools and processes that allow the company to detect and analyze any suspicious or irregular activities on devices, networks and applications in real time;
- The definition of a process for the management of cyber incidents, which includes timely reporting of the incident, analysis of the causes and resolution of the problems encountered;
- The definition of a recovery plan that envisages the actions to be taken to ensure the operation of the essential ICT systems and services in the event of a critical outage;
- Continuous employee training on good IT security practices, such as the use of complex passwords, the recognition of phishing emails and the protection of mobile devices.

## Business Ethics

The risk relates to illegal or unlawful conduct and to violations of laws and regulations in force, in addition to risks relating to anti-corruption and export control.

In recent years, the legislative and regulatory context applicable to the fight against corruption has become increasingly stringent, and organizations increasingly find themselves operating in contexts exposed to this risk, as well as having to comply with multiple regulations on the subject, in various countries around the world. By way of example, Italian Legislative Decree 231/2001 and the Anti-Corruption Law (i.e., Law 190/2012) in Italy, the Foreign Corrupt Practices Act in the United States and the Bribery Act in the United Kingdom. All these regulations pursue the same objective: to combat and repress corruption. The Group's business model requires continuous liaising with a number of third parties (suppliers, intermediaries, agents and customers) and for specific projects needs to entertain commercial relations also in countries characterized by high levels of corruption (as per the Corruption Perception Index), often through commercial agents and local public officials.

Furthermore, the export control regimes governed by the laws of the United States and the European Union impose

restrictions both on certain subjects (persons and entities), and for particular categories and types of products. In particular, European Regulation (EU) 2021/821 establishes an EU regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items. In this regard, due to the presence of its customers in different geographical areas, it cannot be excluded that unforeseeable geopolitical developments may occur such that the countries in which these customers and *partners* of the Group operate are subject to sanctions or restrictive measures by the United States of America, the European Union and/or the United Nations Organization, which could limit the Group's ability to continue to operate with them. In particular, as a result of the ongoing geopolitical tensions between Russia and Ukraine, the governments of the European Union, the United States and other jurisdictions have adopted sanctions and restrictive measures in relation to some industrial sectors and/or specific Russian subjects, as well as greater controls on exports of some products intended for the Russian market.

Failure to comply with national and international regulations could result in the imposition of fines and criminal and/or civil sanctions, including prison sentences, with a negative effect on the Group's business, financial situation and/or operating results and

could affect De Nora's reputation and the Group's ability to comply with its obligations.

De Nora manages these risks through:

- The implementation of a number of binding procedures for managing the goods and services procurement process, so as to regulate all aspects from selection to purchase;
- The application and observance of the principles contained in the Group-wide Code of Ethics and the protocols contained in the 231 Model adopted by De Nora's Italian operating companies. Furthermore, the Group's Anti-corruption Policy was adopted starting from the end of October 2023;
- Training activities for all personnel related to the Code of Ethics, the 231 Model, the Anti-corruption Policy and the Whistleblowing Policy;
- In order to prevent and mitigate the risk of violating export legislation, De Nora has adopted a specific Global Policy and, starting from 2024, operating instructions will be introduced at local level aimed at closer monitoring of the matter. These operating instructions call for: monitoring of countries and parties subject to restrictions; due diligence activities; product classifications to verify compliance with export

requirements and rules; targeted training for members of the functions responsible for international commercial transactions; requests for declarations by the end user aimed at certifying the identity of the purchaser or end user of the goods and/or technologies and their end use.i.

## Risks from Climate Change

Environmental, social and governance (ESG) issues have always been a key area of attention for De Nora and have also taken on more importance after becoming a listed company. Pursuing ESG objectives means creating a competitive advantage and long-term sustainable value for both our organization and our stakeholders (internal and external).

Within the environment matrix, special attention is paid to climate change risks.

Global warming resulting from greenhouse gas emissions presents serious risks to the world economy and affects various economic sectors. The impacts of this situation, already partly evident, vary according to company-specific characteristics, the geographical regions of interest and the resilience of production infrastructures, supply chains and target markets. In 2017, in order to facilitate a more in-depth

understanding of companies' exposure to the risks related to climate change, the Task Force on Climate-related Financial Disclosures outlined specific guidelines for the disclosure of these risks.

These Guidelines provide recommendations for the disclosure of clear, comparable and consistent information on the risks and opportunities resulting from climate change. Although they are not mandatory, adopting these recommendations allows companies to more fully detail their responsibility and long-term vision in relation to climate issues. This not only contributes to smarter and more efficient capital management, but also promotes the transition to a more sustainable and low-carbon economy.

In compliance with the recommendations of the Task Force, the key elements of how De Nora tackles the issue of climate change risks are provided below.

## Governance for climate change management

The De Nora Group adheres to the Corporate Governance Code for Listed Companies promoted by Borsa Italiana, which has paid special attention to sustainability issues since 2021. Staying true to this compliance, the management body has taken on a fundamental role in making the Group's strategic choices and sustainability issues increasingly integrated. The Board of Directors plays a central role in pursuing the Company's sustainable success. In this context, on the proposal of the Chief Executive Officer, it defines the strategies and objectives of the Company and the Group and monitors their implementation, in its role of overseeing the climate change strategy, which includes the assessment of the relevant risks, the planning of sustainability objectives and disclosure.

With reference to sustainability issues, the Board of Directors:

- Approves the Consolidated Non-Financial Statement (NFS), verifying, assisted by the Control, Risk and ESG Committee, that it is drawn up and then published in compliance with the provisions of Italian Legislative Decree 254/2016;

- Annually validates the materiality analysis, with the aim of identifying the most relevant sustainability issues both from the Group's point of view and from the perspective of internal and external stakeholders;
- Supported by the Control, Risk and ESG Committee, receives periodic updates on the various sustainability initiatives, for example: specific new projects, updates on the ESG reporting process and on ESG objectives, and communication and engagement activities in relation to sustainability issues, including those with the financial community;
- Approves the remuneration and incentive policies of the Chief Executive Officer and of top management, whose variable remuneration is also linked to some ESG targets.

With reference to the main activities carried out during the year in relation to the areas mentioned above, it should be noted that, at the meeting of December 14, 2023, the Board of Directors approved the Sustainability Plan for 2026 and 2030.

The Control, Risk and ESG Committee ("CRESGC") was established in compliance with the Corporate Governance

Code as of the Company's listing on the stock exchange. The Committee is composed of three directors, the majority of whom are independent and, specifically, Teresa Naddeo (as Chairperson), Giovanni Toffoli and Paola Bonandrini. It assists the Board of Directors both with reference to the control and risk functions, in compliance with art. 6 of the CG Code, and to ESG and sustainable development issues, in compliance with Article 1 of the CG Code, for the purposes of assessing the sustainability report containing non-financial information pursuant to EU Directive 2014/95/EU.

Specifically, the CRESGC:

- Provides support and advice to the Board of Directors on sustainability, taken to mean the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain, as well as in relation to the following matters: (a) respect for the corporate governance principles of the Company in compliance with CG Code, the applicable laws and national and international best practices, putting forward proposals to the Board of Directors in this regard; (b) drafting corporate diversity policies; (c) monitoring the



Company's positioning in financial markets with particular attention to its positioning in compliance with sustainability indices;

- Also reviews the contents of the sustainability report and periodic non-financial information, as well as analyzes the use of the standards adopted for the preparation of non-financial reports to be reviewed and approved (as appropriate) by the Board of Directors;
- Reviews and assesses the sustainability policies aimed at ensuring the creation of value over time for the majority of shareholders and for all other stakeholders in the medium-long term in compliance with the principles of sustainable development as well as the guidelines, objectives, and consequent sustainability processes and the sustainability report submitted annually to the Board of Directors, including, in particular, the sustainability report; in particular, it carries out, to this end, analysis and review activities on: (a) corporate policies of the Company and the Group on human rights, business ethics and integrity, diversity and inclusion; (b) corporate policies of the Company and the Group for the integration of environmental, social and governance issues into

the business model; (c) initiatives undertaken by the Company and the Group to respond to issues relating to climate change and other relevant environmental issues; (d) purposes and methodologies adopted by the Company and the Group in their sustainability reporting; (e) any sustainable finance initiative;

- Oversees international initiatives on environmental, social and governance matters and proposes the potential adherence to them by the Company and the Group, in order to strengthen the international reputation of the Company and the Group.

Given the importance of energy transition issues within the corporate strategy, De Nora executives have specific expertise not only in their relevant sector, but also in the field of climate change. This confirms that these aspects are integrated in the corporate governance model, highlighting the role of these management figures as direct support to the Chief Executive Officer.

Following the approval of the Sustainability Plan in December 2023, a permanent team was created under the direct coordination of Investor Relations & ESG, known as ESG Accelerator Lab, for the ongoing supervision and coordination of the Plan. The permanent team

of the ESG Accelerator Lab is supported by Plant Focal Points and the representatives of the main Business departments.

## Strategy

The Group has taken a strategic and holistic approach to the assessment and management of risks related to climate change and environmental, social and governance (ESG) aspects, in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

In the initial implementation phase of the climate change risk assessment process, attention was focused on the detailed assessment of the existing management tools, through a specific internal survey. The ultimate objective of this in-depth survey was to verify the current status of the Group's business practices. This in turn provided a solid basis for promptly planning the actions needed to develop an advanced climate risk management program. This future-oriented perspective indicates the continuous commitment to improving the Group's resilience with respect to climate risks. The survey also made it possible to obtain a clear understanding of the current exposure to risks and opportunities deriving from climate change, thus contributing to proactive and targeted management of these

circumstances.

In accordance with the recommendations of the Task Force, climate change risks are classified into:

- Current Regulation Risk;
- Emerging Regulation Risk;
- Legal Risk;
- Technology Risk;
- Market Risk;
- Reputation Risk;
- Acute Physical Risk;
- Chronic Physical Risk.

### Risk management

The survey conducted showed that, at local level, the issue of climate change is managed by the local management with regard to the specific local regulations and the guidelines issued by the parent company. For example, the investments made in the plants in 2023 integrated the specific regulatory aspects regarding energy savings, water consumption and control of emissions into the atmosphere, which were as required by local regulations. More generally, although it is not yet a formalized process at individual legal entity level, climate change risks are included in the

current operational risk management processes carried out by the various business units and, in any case, the various *legal entity* already plan to implement structured risk management processes in accordance with the guidelines issued by the parent company.

With reference to the individual risk categories, the survey conducted showed that regulatory changes are commonly perceived as opportunities for the De Nora business in consideration of the deep commitment to innovation, which targets sustainable growth in the clean energy and water treatment sector. In fact, De Nora technologies are recognized as solutions that facilitate transition processes in many industrial applications.

Although technological risks are present, they are also considered irrelevant as the transition process that is underway in the various markets and sectors of reference entails a greater customer focus on low-impact technological solutions. Products must therefore be improved and aligned with new political, legal, technological and market contexts to address climate change mitigation and adaptation requirements. Through the significant efforts of its R&D department, De Nora is already able to provide the right answers. De Nora's Research and Development focuses on both the

creation of new electrode components and on the engineering of cells and systems for all industrial electrochemical applications. It targets mature markets to offer up-to-date, efficient, competitive and sustainable products as well as new markets as *enabling factors*.

At the same time, product improvement activities continue and the objective of contributing with electrochemical solutions to the challenges of a sustainable economy is being pursued.

Market risk is linked to potential financial losses or lower returns due to changes in market prices or to conditions determined by climate change or climate policies. This risk is recognized at De Nora as well, but is considered irrelevant given the Group's strategic positioning and the reasons already mentioned when speaking of technological risks.

Climate-related reputational risk refers to the risk of damage to the reputation of an organization due to its perceived contribution or reduced transition to a low-carbon economy.

For De Nora, reputational risk is mainly linked to the scenario of non-implementation of the Sustainability Plan by the company. Also in this case, given the scope of the objectives defined by the Sustainability Plan to 2026 and 2030 and considering the commitment made

by the company to achieve them, the risk is considered irrelevant.

Acute physical risks are risks caused by extreme weather events such as hurricanes, floods and fires. These events can cause significant physical damage and financial losses to businesses and communities. For example, the increasing frequency and severity of hurricanes in coastal areas can damage infrastructure, disrupt supply chains and lead to business disruptions and insurance claims.

The Group is present in ten countries through 25 operating sites and subsidiaries, including 14 plants and five R&D centers.

Acute physical risks are more widely perceived in certain geographical areas such as Japan, China, India and the United States, although their manifestation may differ. Although there have been no significant events in the recent past, all plants are aware of the need to develop an emergency plan tailored to the specific characteristics of the place where the production plant is located. Also in order to avoid any interruptions in operating activities resulting from acute physical events, the activities carried out by each plant are redundant in the other plants of the group according to a very specific industrial approach.

Chronic physical risks are risks associated with the long-term impacts of climate change, such as rising sea levels, increased frequency and severity of extreme weather events, and changes in precipitation patterns. These risks can lead to gradual and irreversible damage to ecosystems, infrastructure and human health. Chronic physical risks can also have indirect effects on businesses, such as supply chain disruptions, regulatory changes and reputational damage.

As with acute physical risks, chronic risks are also perceived differently in the different geographical areas in which the group operates, but mainly in China, Japan and India and above all with reference to changes in temperature (heat stress) and precipitation (changing precipitation patterns).

# Business Ethics

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

De Nora's commitment takes shape in the issuance of policies applicable to the entire Group. They constantly change and are continually updated, in line with external regulatory scenarios.

De Nora established the Compliance Department in 2022, which defines and monitors adherence to the principles of business ethics and compliance, and coordinates the activities of the Group companies.

In the reporting period relating to the last two years (2022 and 2023), no significant administrative and legal sanctions were recorded for non-compliance with laws and/or regulations in the social and economic field.

## Organization, Management and Control Model

All of the Group's Italian operating companies have adopted an Organization, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (hereinafter also referred to as the 'Decree'). In particular, the Model 231 of Industrie De Nora S.p.A. (the 'Model') was adopted on 20 December 2012 and has been continuously updated since then.

The Model summarises the principles, procedures and main safeguards that regulate the correct management of corporate processes and is part of a more extensive and comprehensive system of internal control, in compliance with applicable laws and regulations and corporate governance best practices.

The recipients of the rules and requirements of the Model are internal subjects, i.e., top management and employees of the company, 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, including suppliers and third parties operating with the company within the areas of 'sensitive' activities.

The most recent revision of the Model was adopted by the Board of Directors with resolution of 3 October 2023 and concerned:

- The general section: also taking into account the new whistleblowing provisions pursuant to Italian Legislative Decree 24/2023 concerning '*the protection of persons who report breaches of EU law*', and the provisions of the Confindustria Guidelines, most recently updated in June 2021;
- The special section: re-arranged on the basis of specific protocols for distinct corporate processes, compared to the previous layout based on families of offences relevant to the company;
- The annexes, due to the new version of the Code of Ethics, the legislative amendments that have amended and expanded the list of predicate offences and the introduction of a document on the procedures governing company processes;
- The information flows to the Supervisory Body: reformulated and supplemented following the new structure of the Model.

According to the provisions of the Decree, the Board of Directors appointed a Supervisory Body (hereinafter also SB), with independent powers of action and control, to monitor the functioning of the Model.

The SB has the following tasks:

- Supervising compliance with the Model by its recipients, also through

regular checks, and monitoring its consistency with company procedures and the Code of Ethics;

- Assessing the effectiveness of the Model and its suitability in relation to the corporate structure, also in view of the evolution and changes that have taken place at company level;
- Assessing the appropriateness of

proposing updates or amendments to Model 231, in order to align it with changes in the corporate structure and regulatory changes, including through a periodic review of the areas at risk of offences.

The Supervisory Body of Industrie De Nora S.p.A. is composed of:

#### Composition of the Supervisory Body of Industrie De Nora S.p.A.

Role	Name and surname	Date of appointment	In office until
Chairperson	<b>Gianluca Sardo</b>	18 February 2022	When the BoD approves the draft financial statements of the company as at 31 December 2024
Independent Member	<b>Silvio Necchi</b>	18 February 2022	When the BoD approves the draft financial statements of the company as at 31 December 2024
Internal Member	<b>Claudio Vitacca</b>	3 August 2022	When the BoD approves the draft financial statements of the company as at 31 December 2024

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 2023, the training program to promote knowledge of the rules under Italian Legislative Decree 231/2001 and

provide a comprehensive overview of the provisions of the Decree and their practical repercussions did not undergo any modifications and involved the new employees of the Italian companies. The Group makes training courses available in digital format on the internal portal or organizes in-person training

courses where appropriate (especially for top management).

As at 31 December 2023, approximately 91% of employees (130 out of 143) of Industrie De Nora S.p.A. had completed the training course.



## Conflicts of Interest

The Company adopts a “Procedure for transactions with related parties” (the “RPT Procedure”), in implementation of art. 2391-bis of the Italian Civil Code, Consob Regulation no. 17221 of 12 March 2010 (the “RPT Regulation”) and Consob communication no. DEM/10078683 of 24 September 2010. The RPT Procedure, most recently amended on 10 May 2023, 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.

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

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 companies controlled by Industrie De Nora S.p.A. adopt the De Nora Code of Ethics (hereinafter also ‘CoE’). The CoE outlines the principles and control measures established at Group level and steers the conduct of De Nora personnel and whoever acts internally and externally on behalf of or in the name of the company.

The new version of the Code of Ethics was adopted by the Board of Directors of Industrie De Nora S.p.A. with resolution of 3 October 2023.

The contents of the Code define the conduct to be maintained in order to comply with the principles and rules concerning:

- Respect for human and labor rights;
- Behavior to be maintained in the workplace;

- Employee health, safety and well-being;
- Diversity, Equity and Inclusion (DEI) issues;
- Support for local communities;
- Integrity and ethical behavior in dealing with internal and external stakeholders;
- Monitoring and improvement of environmental performance;
- Corporate Governance System;
- Segregation of duties;
- Protection of data and company assets;
- Control and sanctioning system;
- Anti-corruption and anti-fraud.

To make it easier for third parties to use the Code of Ethics, the document is published on the company’s website and the contracts for suppliers include specific clauses on adherence to the CoE.

In addition, an Ethics Committee was appointed to promote and disseminate the principles in the CoE, guaranteeing their application through specific control instruments.

This is an inter-departmental internal body composed of the Chairperson of the Board of Directors of Industrie De Nora, and the HR and Legal Chief Officers. Where necessary or appropriate, the Ethics Committee may also involve top management members (such as the Chief Officers, General Managers and/or the heads of company departments) in managing reported breaches of the CoE.

## Whistleblowing

De Nora is committed to conducting its business on the basis of ethical behavior also through its Corporate Governance System.

For this purpose, the Group adopted a *Whistleblowing Policy* in 2022 that guarantees a high level of protection to whoever reports conduct that constitutes or may constitute a breach of the Code of Ethics, internal policies and procedures, laws and regulations. This policy was updated by resolution of the Board of Directors of 3 October 2023, in compliance with Italian legislation implementing Directive 2019/1937 and international best practices.

The process currently applied makes it possible to report (even anonymously) any irregularity and/or unlawful conduct, including suspected conduct, through channels that guarantee the confidentiality of the whistleblower's identity and of any persons named in the report.

A wide range of different channels has been set up, providing whistleblowers with extensive and indiscriminate access. In particular, reports can be made through:

- An IT platform (managed by an independent third party) accessible by all whistleblowers<sup>23</sup>;
- Ordinary mail<sup>24</sup>;
- An email address<sup>25</sup>;
- Meeting in person or via audio or video.

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

All reports received will be analyzed and classified by the Recipients with the support of the Ethics Committee.

If the report refers to one or more members of the Ethics Committee or to the Recipients, the persons in situations of conflict will not take part in the management of the report.

For the Italian companies of the Group governed by Italian Legislative Decree 231/2001, the Policy does not replace the information flows to the Supervisory Body. All reports concerning a breach of the Model 231 will in any case be shared with the Supervisory Body in order to coordinate the appropriate investigations.

<sup>23</sup> <https://denora.integrityline.com>

<sup>24</sup> DN Internal Audit Director e Compliance Manager, Via Leonardo Bistolfi 35, 20134 Milan (Italy).

<sup>25</sup> [whistleblowing@denora.com](mailto:whistleblowing@denora.com)

Eight reports were received in 2023. The breakdown by report category is provided below:

Number of reports received through the Whistleblowing portal	
Category	2023
Breaches of the Code of Ethics and company policies	0
EHS breaches	4
Harassment, discrimination or retaliation	2
Financial, industrial and market manipulation breaches	0
Breaches of intellectual property and improper use of company assets	0
Privacy breaches	1
Corruption, conflict of interest and unfair competition	0
Out of scope	1
<b>Total Reports</b>	<b>8</b>

To improve the dissemination and knowledge of the whistleblowing system, De Nora delivered an in-person training course for all employees of the various Group companies.

## 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. This is achieved by disseminating and promoting ethical values and principles, effectively developing rules of conduct, and implementing control processes, in line with the requirements set out by current regulations and international best practices.

Through the *Compliance Manager*, in 2022, the Legal Department mapped corruption risks, which led to identifying areas potentially exposed to these risks, and implemented the *Global Anti-Corruption Policy*, which was adopted by the Board of Directors of Industrie De Nora on 3 October 2023.

The Policy was disclosed to all employees and is available in six languages on the portal and on the corporate website. The aim of the Policy is to: (i) promote a culture of 'zero tolerance' towards corruption within the Group; (ii) illustrate the sensitive areas and relevant control mechanisms, according

to the principles of segregation of duties, formal assignment of powers and responsibilities, adoption of regularly updated internal rules, *due diligence* activities on *business associates*, traceability of activities and establishment of security measures able to protect company assets; (iii) define anti-corruption governance to help the company comply with local anti-corruption laws and regulations and effectively implement the Global Anti-Corruption Policy; (iv) establish a single standard with which all those who enter into relations with the Group must comply.

In drafting the text of the Global Anti-Corruption Policy, the requirements described in the ISO 37001 standard were complied with, as well as principle ten of the United Nations Global Compact, which the company adhered to in 2022, according to which '*businesses should work against corruption in all its forms, including extortion and bribery.*'

The company has informed employees and third parties of the Policy through internal communication and publication of the regulation on its website. Moreover, an in-person training course was provided to all employees of the various Group companies. The figures relating to personnel involved in training and communication programs are provided below.

Table 1: GRI 205-2 - Communication and training on anti-corruption policies and procedures

Total number and percentage of employees to whom the organization's anti-corruption policies and procedures were communicated

no. of people	2022	2023
Executives who received communication	40	83
Total Executive	80	83
<b>% participation</b>	<b>50%</b>	<b>100%</b>
Managers who received communication	50	258
Total Manager	255	258
<b>% participation</b>	<b>20%</b>	<b>100%</b>
Employees who received communication	0	777
Total Employees	756	777
<b>% participation</b>	<b>0%</b>	<b>100%</b>
Industrial Technicians who received communication	0	892
Total Industrial Technicians	838	892
<b>% participation</b>	<b>0%</b>	<b>100%</b>

In 2023, 100% of De Nora Group personnel received communications on anti-corruption policies and procedures through the company portal and the information provided in the anti-corruption course.

The figure was not available for all categories in 2022; for executives and managers, those affected by communication activities were considered for the purposes of the Anti-Corruption Risk Assessment.

With reference to communications to commercial partners, De Nora includes the reference to the Supplier Code of Ethics in its general terms and conditions of purchase.

Table 2: GRI 205-2 - Communication and training on anti-corruption policies and procedures

Total number and percentage of employees who received anti-corruption training, broken down by employee category

no. of people	2022	2023
Executives who received training	1	58
Total Executive	80	83
% participation	1%	70%
Managers who received training	7	206
Total Manager	255	258
% participation	3%	80%
Employees who received training	209	777
Total Employees	756	777
% participation	28%	100%
Industrial Technicians who received training	0	769
Total Industrial technicians	838	892
% participation	0%	86%

In 2023, 90% of Group employees received anti-corruption training. In fact, in-person training classes were organized in the local language, also including issues concerning the Code of Ethics and Whistleblowing. With reference to 2022, the figures related to the people hired during the year who carried out

the training provided during the onboarding phase on the Code of Ethics and Model 231 were reported.

No corruption incidents were recorded during the two reporting years 2022 and 2023.

Lastly, in 2023, De Nora Permelec Ltd. (hereinafter also DNP) renewed the TRACE certification in Japan. TRACE is a non-profit business association dedicated to fighting corruption and disseminating compliance and good governance practices.



# Data Protection and Cyber Security

The protection of data (of both employees and customers) managed by the organization 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 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 program.

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 of 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 explains which types of cookies are used on the site, their purposes and the necessary consent of users.

To support these policies, De Nora updated and extended the regulation of the IT devices and systems provided to employees, which governs their use also for the protection and confidentiality of information. Asset management and cyber security incident management policies and cyber guidelines for the

protection of technological and industrial infrastructure were also defined. Furthermore, policies regarding the classification of data and the methods for detecting and managing cyber risks according to leading international reference standards are under review.

## Cyber Security

Managing an organization's information systems is increasingly crucial in an ever-changing world. The standards in this area are becoming increasingly complex and cyber threats are ever 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 2023, after analysing De Nora Group's main features and the status of the cyber security measures adopted, the protection and verification technologies of the defences were extended (new firewall structure and extension of network access protection, solutions for the simulation of cyber attacks).

In addition, the main reporting was set up in which the key aspects of what is occurring at the cyber security level in the company are measured. This reporting is developed at multiple levels and frequencies with the aim of tracking the criticality and type of cyber attacks and prevention and reaction activities over time, also highlighting trends for the manufacturing sector and with countries and those where De Nora is present.

On the one hand, these actions made it possible to increase corporate defences, and on the other to structure cyber security governance consistently with evolving technologies and attack tactics in order to promptly adapt the defence strategy.

As regards people, 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. To this end, a three-year cyber education training program was set up, in which about 60% of the company population participated during the first sessions.

Applications and infrastructures are monitored 24/7 through a Security Operation Center (SOC) to verify suspicious events, check the progress of protection measures and manage any incidents.

In 2023, around 5,000 cyber security alerts were analyzed. The timely management of suspicious situations and risky actions ensured that no significant cyber incidents were triggered. Furthermore, as in 2022, there were no reports of breaches of customer privacy and no leaks, thefts or losses of customer data in the same year.



# Taxonomy Tables

Proportion of turnover derived from products or services associated with economic activities aligned with the taxonomy — Disclosure for the year 2023

FY	2023			Substantial contribution criteria						
Economic activities (1)	Code (a) (2)	Turnover (million) (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmental sustainable activities (Taxonomy-aligned)										
Manufacture of equipment for the production and use of hydrogen	MCC 3,2	80,819,762	9.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		80,819,762	9.4%	9.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
Of which enabling		80,819,762	9.4%	9.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
Of which transitional		0	0.0%							
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)										
Manufacture of equipment for the production and use of hydrogen	MCC 3,2	19,410,765	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Product-as-a-service and other circular use-and result-oriented service models	EC 5,1	112,317,832	13.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Repair, refurbishment and remanufacturing	EC 5,5	28,037,122	3.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		159,765,719	18.7%	2.3%	0.0%	0.0%	0%	16.4%	0.0%	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		240,585,481	28.1%	11.7%	0.0%	0.0%	0.0%	16.4%	0.0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities		615,825,510	71.9%							
Total		856,410,991	100%							

	DNSH criteria (Does Not Significantly Harm) (h)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES										
	N	Y	Y	Y	Y	Y	Y	0.0%	E	
	N	Y	Y	Y	Y	Y	Y	0.0%		
	N	Y	Y	Y	Y	Y	Y	0.0%		
	N	Y	Y	Y	Y	Y	Y	0.0%		T
								5.0%		
								-		
								-		
								5.0%		
								5.0%		

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	9.4%	11.7%
CCA	0%	0.0%
WTR	0%	0%
CE	0%	16.4%
PPC	0%	0%
BIO	0%	0%



## Proportion of CapEx derived from products or services associated with Taxonomy-aligned economic activities — Disclosure covering year 2023

FY	2023			Substantial contribution criteria						
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmental sustainable activities (Taxonomy-aligned)										
Manufacture of equipment for the production and use of hydrogen	MCC 3,2	24,215,164 <sup>1</sup>	22.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		24,215,164	22.1%	22.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Of which enabling		24,215,164	22.1%	22.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Of which transitional		0	0.0%							
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)										
Manufacture of equipment for the production and use of hydrogen	CCM 3,2	6,888,764	6.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of renewable energy technologies	CCM 7,6	2,834,467	2.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Product-as-a-service and other circular use-and result-oriented service models	EC 5,1	4,233,073	3.9%							
Repair, refurbishment and remanufacturing	EC 5,5	8,269,581	7.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		22,225,884	20.3%	8.9%	0.0%	0.0%	0.0%	11.5%	0.0%	
A. CapEx of Taxonomy eligible activities (A.1+A.2)		46,441,049	42.5%	31%	0.0%	0.0%	0%	11.5%	0.0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities		62,998,944	57.5%							
Total		109,439,992	100%							

<sup>1</sup> A proportion of capital expenditure, amounting to €15,386,018, which are part of a 'CapEx plan,' refers to a contract with a value of approximately €100 million for the construction of a Gigafactory which will allow to expand the alignment of activity 3.2. Manufacture of equipment for the production and use of hydrogen, contributing to the climate change mitigation objective. In particular, from 2026 it will be used in projects for the construction of electrodes, coatings and catalysts for alkaline water electrolysis, half cells (cells for alkaline electrolysis).

	DNSH criteria (Does Not Significantly Harm) (h)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)

## A. TAXONOMY-ELIGIBLE ACTIVITIES

	N	Y	Y	Y	Y	Y	Y	0.0%	E	
	N	Y	Y	Y	Y	Y	Y	0.0%		
	N	Y	Y	Y	Y	Y	Y	0.0%	E	
	N	Y	Y	Y	Y	Y	Y	0.0%		T

								16.0%		
								5.0%		
								-		
								-		
								21.0%		
								21.0%		

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	22.1%	31.0%
CCA	0%	0%
WTR	0%	0%
CE	0%	11.5%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx derived from products or services associated with Taxonomy-aligned economic activities — Disclosure covering year 2023

FY	2023			Substantial contribution criteria						
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>										
<b>A.1 Environmental sustainable activities (Taxonomy-aligned)</b>										
Manufacture of equipment for the production and use of hydrogen	MCC 3,2	6,614,685	24.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6,614,685	24.1%	24.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Of which enabling		6,614,685	24.1%	24.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Of which transitional		0	0.0%							
<b>A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)</b>										
Manufacture of equipment for the production and use of hydrogen	CCM 3,2	1,168,055	4.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Product-as-a-service and other circular use-and result-oriented service models	EC 5,1	2,176,581	7.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Repair, refurbishment and remanufacturing	EC 5,5	546,770	2.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,891,406	14.2%	4.3%	0.0%	0.0%	0.0%	9.9%	0.0%	
<b>A. OpEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>10,506,091</b>	<b>38.3%</b>	<b>28.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0%</b>	<b>9.9%</b>	<b>0.0%</b>	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>										
OpEx of Taxonomy-non-eligible activities		16,925,870	61.7%							
<b>Total</b>		<b>27,431,961</b>	<b>100%</b>							

	DNSH criteria ( <i>Does Not Significantly Harm</i> ) (h)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)

## A. TAXONOMY-ELIGIBLE ACTIVITIES

	N	Y	Y	Y	Y	Y	Y	0.0%	E	
	N	Y	Y	Y	Y	Y	Y	0.0%		
	N	Y	Y	Y	Y	Y	Y	0.0%	E	
	N	Y	Y	Y	Y	Y	Y	0.0%		T

								16.0%		
								-		
								-		
								16.0%		
								16.0%		

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	24.1%	28.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	9.9%
PPC	0%	0%
BIO	0%	0%

## Model 1 – Nuclear and fossil gas related activities

Row	Activities related to nuclear energy	YES/NO
1.	The company carries out, finances or has exposures towards the research, development, demonstration and construction of innovative plants, capable of producing electric energy starting from nuclear processes, with a reduced amount of waste throughout the fuel's cycle.	NO
2.	The company carries out, finances or has exposures towards the construction and safe operating of new nuclear installations for the generation of electric energy or process heat, to be used for district heating or within industrial processes, including the production of hydrogen and the application of best available technologies for improving safety in this process.	NO
3.	The company carries out, finances or has exposures towards the safe operating of existing nuclear plants generating electric energy or process heat, to be used for district heating or within industrial processes such as the production of hydrogen from nuclear energy, and safety improvements in these processes.	NO
Row	Activities related to fossil gas	
4.	The company carries out, finances or has exposures towards the construction or management of plants for the production of electric energy using gaseous fossil fuels.	NO
5.	The company carries out, finances or has exposures towards the construction, redevelopment and management of plants generating heat/cold and electric energy using gaseous fossil fuels.	NO
6.	The company carries out, finances or has exposures towards the construction, requalification and management of heat generating plants that produce heat/cold using gaseous fossil fuels.	NO



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

De Nora Material Topic	GRI Standard Topic	Aspects of Decree 254/2016
Circular economy	Materials; Waste	Environmental management
Climate action	Energy; Emissions	Environmental management
Water Management	Water and effluents	Environmental management
Employee Development, Diversity Equity & Inclusion	Diversity and equal opportunities; Non-discrimination; Employment; Training and Education	Aspects related to human resources and respect for human rights
Health and Safety	Occupational Health and Safety	Aspects related to human resources and respect for human rights
Community Engagement	Economic performance	Aspects related to human resources and respect for human rights
Business Ethics	Anti-corruption	Fight against active and passive corruption
Responsible Supply Chain	Procurement practices; Environmental assessment of suppliers; Social assessment of suppliers	Aspects related to human resources and respect for human rights
Cybersecurity and Data Protection	Customer Privacy	N/A
Green Innovation	-	N/A
Product Quality & Safety	Customer Health and Safety	Social aspects

# GRI Content Index

GRI CONTENT INDEX		
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# 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 ADOPTED WITH  
RESOLUTION N. 20267 OF JANUARY 2018**

**YEAR ENDED 31 DECEMBER 2023**





### 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 adopted with resolution 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 paragraph 1, letter g) of CONSOB Regulation n. 20267/2018, we have undertaken a limited assurance engagement on the "2023 Sustainability report - Consolidated non-financial statement pursuant to Italian Legislative Decree 254/2016" of Industrie De Nora SpA and its subsidiaries (the "De Nora Group" or the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 18 March 2024 (the "NFS").

Our review does not extend to the information set out in the paragraph of the NFS "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"), in accordance with 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 development, performance 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 (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, 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 included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 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 the article 3 of the Decree and with the reporting standard adopted;
- analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
- comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
- understanding of the following matters:
  - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
  - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - 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; understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.



We held meetings and interviews with executive management of Industrie De Nora SpA and management of De Nora Italy Srl and of De Nora Tech LLC 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 those responsible for the preparation of the NFS.

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

- at the 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 gathered 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 Italy Srl and De Nora Tech LLC, which were selected based on their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out follow-up meetings and, for De Nora Italy Srl, 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 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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

Milan, 29 March 2024

PricewaterhouseCoopers SpA

*Signed by*

Francesco Ronco  
(Partner)

*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 2023 translation.*



