

Sustainability Report

2020



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Letter to stakeholders

Dear Stakeholders,

It is with a great sense of responsibility and equal pride that we present **PMG S.p.A.'s** first **Sustainability Report**, prepared in accordance with the VSME EFRAG standard. This marks an important and **natural** step in our journey: although this is our first formal report, sustainability has for many years been an integral part of the way we operate, particularly in environmental matters and in the efficient and responsible management of our production activities.

This first Sustainability Report relates exclusively to the activities of PMG S.p.A. carried out at its **Italian plants**. Although we operate within a Group that also includes PMG East in Romania and PMG Rubber Technology in China, we have chosen to begin our reporting process by focusing on our Italian operations, with the aim to gradually consolidate the process and assess, in future financial years, whether to extend it to the other Group companies.

In recent years, the market in which we operate has undergone a profound **transformation**, with a growing focus on product sustainability. This evolution has affected the entire supply chain, requiring all stakeholders to make a greater commitment to improving their environmental and social performance. In this context, PMG S.p.A. has taken an active role, integrating sustainability into its **strategies** and processes to meet the new **expectations** of the market and its **stakeholders**.

We have decided to embark on this journey because we firmly believe in the value of **transparency, open dialogue** and sharing our performance with all our stakeholders. For us, the Sustainability Report is a clear and comprehensive **communication** tool, useful for consolidating the trust built up over the years with our customers, employees, suppliers, public bodies, local communities and all those who interact with PMG S.p.A. throughout the supply chain.

Through this document, we wish to reaffirm our determination to integrate the principles of sustainability into our business model, adopting an approach focused on continuous improvement, **accountability** and the creation of shared value. For PMG S.p.A., this reporting is not an end in itself, but the start of an evolving process that will be strengthened over the years, also in response to emerging expectations and updates to the regulatory framework.

This report is based on the principles and standards of conduct set out in our **Code of Ethics** and in our management systems certified to the **ISO 9001, ISO 14001 and IATF 16949** standards.

These tools guide our actions and ensure that every process is characterised by quality, respect for the environment, safety and accountability towards all our stakeholders. We recognise that sustainability cannot be achieved alone: the contribution of our stakeholders is essential for identifying the most relevant priorities, generating **value** throughout the supply chain and strengthening a business model capable of responding proactively to global **challenges**. For this reason, we intend to maintain a constant, open and structured **dialogue**, promoting collaboration and mutual listening at every stage of our journey.

We look to the coming years with a forward-looking approach; our objectives will primarily focus on:

- consolidating the environmental initiatives already underway;
- strengthening the sustainable management of the supply chain;
- improving energy performance and production efficiency;
- promoting the wellbeing and development of our people;
- the gradual expansion of the scope and level of detail of the information reported.

We would like to extend our heartfelt thanks to our employees, customers, suppliers, institutional partners and the wider community: your **collaboration** and trust form the foundation of our daily work.

PMG S.p.A. is committed to communicating its progress and challenges clearly and responsibly, in the belief that only through constant and transparent dialogue can we generate a positive, lasting and shared **impact**.

We invite all our stakeholders to continue on this road with us; sustainability is a shared **journey**, and PMG S.p.A. is ready to undertake it with determination and openness.



Umberto Poletto
Chief Executive Officer CEO



1.Organisation

B1. General information

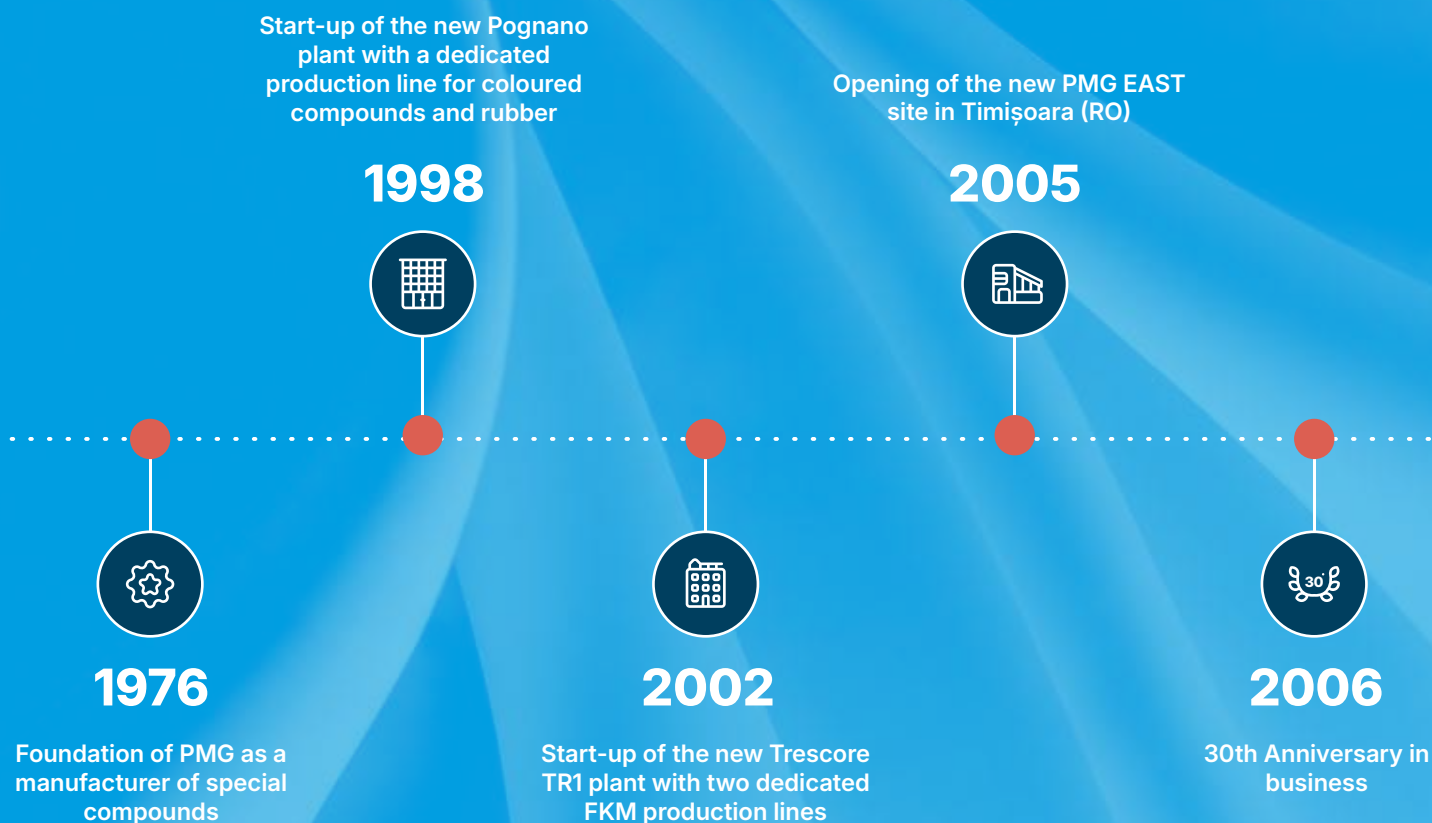
PMG S.p.A. was founded in 1976. Following some 20 years' experience in the rubber moulding sector, the decision was taken to refocus the business on the production of **special compounds**, and the historic premises in **Cenate Sotto** were opened, serving as both a production plant and administrative headquarters.

In 1998, the new plant in **Pognano** came into operation, designed specifically to produce coloured and silicone compounds. This enabled the company to specialise its production capacity, separating production flows and optimising production lines by product family.

In 2002, the **Trescore Balneario** plant (known as TR1) was launched, housing two dedicated production lines for fluoroelastomers (FKM), and the Research and Development Centre was established there, becoming the technological heart of PMG S.p.A. for the design and development of customised compounds.

In 2005, the **PMG EAST** plant was opened in Romania, with the aim to bring production to Europe and thereby serve customers in Central and Eastern Europe. In 2006, the company celebrated its 30th anniversary, confirming a path of steady growth in rubber compounding.

Figure 1: Timeline of the company's history



In 2010, the new “Trescore 2” plant came into operation, equipped with two production lines dedicated to coloured compounds and silicones (VMQ). As a result of this decision, the Pognano facilities were closed and production was transferred to and expanded in Trescore, making the Italian industrial structure more efficient.

In 2015, a department dedicated to **ultra-high-performance** special compounds was established, marking a step forward in specialisation towards high-end technical solutions capable of meeting stringent specifications, particularly for the automotive sector.

2016 was a year of innovation, which saw the opening of the new **PMG Rubber Technology** plant in Changshu, in the Shanghai area, with production lines dedicated to FKM compounds to serve the Asian market; in the same year, the Trescore 3 plant came into operation, designed to strengthen packaging and logistics operations and support an

increasingly structured management of flows to its customers. The company also celebrated its 40th anniversary in business and the 10th

anniversary of PMG EAST, consolidating its role as a global player.

In 2023, the new Trescore 4 facility was inaugurated, featuring an automatic dosing system, a warehouse and new headquarters premises.

In 2026, PMG S.p.A. is celebrating its **50th year in business**, the 20th anniversary of PMG EAST and the 10th anniversary of PMG Rubber Technology.

Today, PMG S.p.A. is **the market leader** in the Italian fluoroelastomer market and ranks among the top five suppliers in Europe. PMG S.p.A. has the expertise to meet customer expectations with technically **advanced** elastomers and special compounds designed to comply with stringent specifications, which also involve **sophisticated** testing, primarily for the automotive sector.

New ‘Trescore 2’ plant with two dedicated lines for coloured compounds and VMQ (closure of the Pognano facilities)

2010



Opening of the new PMG Rubber Technology (Changshu) Co Ltd (RC) plant. New TR3 facility dedicated to packaging and logistics. 40th anniversary in business. 10th anniversary of PMG EAST.

2016



50th anniversary in business. 20th anniversary of PMG EAST. 10th anniversary of PMG Rubber Technology.

2026



2015



Establishment of the ultra-high-performance special compounds division

2023



Construction of new executive and sales offices at TR4. New TR4 facility dedicated to the dosing of FKM lines.

1.1. MISSION AND VISION

PMG S.p.A.'s mission is to **design** and **manufacture** high-performance elastomer compounds, with a position of **excellence** in the fluoroelastomer (FKM and FFKM) and special elastomer segments. The company is committed to transforming the technological challenges of the automotive and industrial sectors into customised engineering solutions, drawing on a state-of-the-art **Research and Development** Centre which forms the beating heart of the organisation. The company's operations are driven by a wish to guarantee its international partners not only products of the highest reliability and chemical and physical resistance, but also a **flexible** and personalised service, aimed at optimising and simplifying production processes throughout the entire value chain.

PMG S.p.A.'s vision is focused on consolidating its global leadership as a strategic partner for sustainable innovation in the world of rubber and sealing systems. The company aims to lead the sector's **evolution** towards higher quality standards, where technical expertise blends with responsible management that takes environmental and social impacts into account. PMG S.p.A. aims at a future in which the development of advanced materials is intrinsically linked to the protection of health, worker safety and the reduction of the ecological footprint, promoting industrial progress that values human capital and respects the ecosystem with a long-term perspective.

1.2. PRODUCT R&D AND APPLICATIONS

The Research and Development Centre is a strategic function for PMG S.p.A., contributing to the company's **competitiveness** in international markets through the design and development of high-tech elastomeric compounds, tailored to the customers' specific application **requirements**.

The company's laboratories, equipped with advanced **instrumentation** for rheological, chemical and physical-mechanical analysis, enable the development, validation and optimisation of formulations, ensuring high standards of quality and performance whilst consolidating the company's wealth of technical expertise.

With a view to continuous improvement, the **R&D Centre** works in close collaboration with the Quality and Sustainability department to progressively integrate the principles of sustainability into product development. In this context, research is currently underway

to assess, where technically and economically feasible, the updating of the chemical formulations of the compounds through the introduction of raw materials and solutions with a **lower** environmental **impact**. The aim is to help reduce environmental impacts throughout the value chain, with particular reference to



indirect Scope 3 emissions, whilst **maintaining** the technical performance, quality and reliability required by the end applications.

This approach demonstrates PMG's commitment to combining product innovation with a growing focus on ESG considerations, thereby strengthening its role as a technology partner for its customers and suppliers. Through investment in research and development, PMG S.p.A. aims to contribute to the sustainable development of the supply chain, anticipating market needs and promoting the development of innovative solutions that combine competitiveness, performance and environmental responsibility.

Products

Fluoroelastomer compounds (**FKM** and **FFKM**) represent PMG's **core business**; the company is an international leader in terms of quality, the wide range of product types and production volumes. The characteristics of Fluoroelastomers make them suitable for specialised applications across a wide temperature range and for contact with aggressive chemicals.

PMG S.p.A.'s production also includes special compounds based on **ACM** and **AEM**, **NBR** and **HNBR**, **ECO**, **CR**, **EPDM** and **NR** elastomers, as well as a dedicated production line for Silicone and Fluorosilicone rubber compounds.

Applications

For the **automotive** sector, PMG produces compounds for the moulding of technical under-bonnet components — O-rings, seals, anti-vibration systems, and extruded fuel and oil hoses. The compounds guarantee maximum performance in terms of resistance to high temperatures, mechanical deformation and the most aggressive fluids, including lubricating oils and the latest environmentally friendly fuels containing alcohols and plant-based components. Products are available that comply with the technical specifications required by the leading car manufacturers.



In the industrial sector, PMG is **at the forefront** in the development of compounds for gaskets and seals intended for the chemical industry, the domestic appliance sector, valves and mechanical seals for machine tools, and pneumatic and hydraulic systems.

PMG places **the utmost emphasis on customer satisfaction**, including in the packaging of its products, which is designed to streamline production processes. The organisation is therefore geared towards **maximum flexibility**, enabling it to package compounds to meet even the most complex customer requirements, such as:

- pre-cut sheets
- striped rolls and ribbons
- individually packaged reels
- continuous strips
- extruded shaped profiles
- cords of various diameters
- granulated compounds

1.3. CERTIFICATIONS

The **quality** of PMG's compounds is the direct result of the **expertise** developed at the R&D Centre, which is fully reflected in the consistent adherence to established standards, regardless of the production site.

To support this approach, the Group has implemented an integrated management system based on internationally recognised standards. All production sites – PMG S.p.A. in Italy, PMG EAST in Romania and PMG Rubber Technology in China – are certified to the **ISO 9001** standard, which sets out the requirements for a Quality Management System focused on continuous improvement and customer satisfaction. The PMG S.p.A. and PMG EAST plants are also certified to **ISO 14001**, the environmental management standard, which is designed to monitor and reduce the environmental impact of production activities. To complete the picture, PMG and PMG Rubber Technology have obtained **IATF 16949:2016** certification, which covers the specific standard for the **automotive supply chain**, integrating the requirements of ISO 9001 with additional measures for defect prevention and the reduction of variations and waste throughout the supply chain. These certifications confirm the Group's commitment

to offering high-performance products, thanks to continuous monitoring.

The Quality Department at PMG S.p.A. comprises a qualified team whose aim is to ensure that high standards of quality, environmental protection and regulatory compliance are maintained.

The team's activities include managing and coordinating internal and external audits, maintaining management systems certified to ISO 9001, IATF 16949 and ISO 14001, and continuously monitoring developments in the legislative and regulatory framework applicable to the sector.

The Department also supports the various business functions in implementing regulatory requirements, promotes the continuous improvement of processes, and coordinates training and awareness-raising activities on quality, environmental and sustainability issues. Through constant technical and regulatory updates, the team helps to ensure the compliance of business processes and to strengthen PMG S.p.A.'s reliability and competitiveness in the eyes of customers and stakeholders.

Quality, Environment and
ESG Department





2. Building sustainable value

Our journey

PMG S.p.A. views reporting not as an isolated element, but as the consolidation of a commitment to responsibility that is already deeply embedded in its business processes. Although the Company is now formalising its first Sustainability Report in accordance with VSME standards, it has a solid framework of controls and policies that have guided its ethical and environmental practices over the years.

This framework for sustainability comprises key instruments such as the Company Policy, the Code of Ethics, the Organisational and Management Model (pursuant to Legislative Decree 231/01) and the Supplier Code of Conduct. These documents are not merely formal requirements but constitute a genuine “**Statement of Intent**” that has enabled the company to monitor impacts, risks and opportunities well before the publication of this report. The materiality analysis presented in this chapter therefore stems from the wish to

systematise these existing initiatives. Through the principle of **Double Materiality**, PMG S.p.A. has consulted its stakeholders and management to scientifically validate the issues already addressed by company policies and to identify strategic priorities for the future. This process enables the transformation of widespread “sustainability initiatives” into a **comprehensive**, transparent and measurable ESG strategy.

As part of the process of defining its sustainability strategy, which began in 2024, PMG S.p.A. has launched a structured process to analyse dual materiality, in line with the principles set out in the full VSME framework. The aim is to identify the ESG issues that are **relevant** both in terms of the environmental, social and governance impacts generated by the company (impact materiality) and in terms of the potential economic and financial implications associated with these issues (financial materiality).



“Sustainability creates value when it becomes an integral part of decision-making, processes and corporate culture.”

Beatrice Carminati – ESG Specialist

2.1. STAKEHOLDER ENGAGEMENT

In the process of defining its ESG strategy and, in particular, in its double materiality analysis, PMG S.p.A. has ensured the active involvement of certain key stakeholder groups.

Dialogue and stakeholder engagement are fundamental as they represent a key tool for understanding expectations, needs and impacts across the entire value chain. Ongoing, structured dialogue with customers, employees, suppliers, local communities and industry partners enables the company to make more informed decisions, anticipate risks and seize new opportunities for development.

By actively listening to its **stakeholders**, PMG S.p.A. enhances **transparency**, builds lasting relationships based on trust and integrates environmental, social and ethical issues into its business strategies. This approach promotes the continuous improvement of corporate performance, supports sustainable innovation and helps to create shared value in the long term, in line with the objectives of responsible growth.

Among these, a central role is assigned to:

- **Customers**, as key partners in understanding market needs, ESG expectations and opportunities for growth;
- **Suppliers**, who are crucial for managing risks and opportunities along the value chain, particularly with regard to the quality, continuity and sustainability of supplies;
- **Employees**, who provide the operational skills, technical know-how and internal perspectives essential for the evolution of business processes and sustainability initiatives.

These groups were directly involved in gathering data and insights to assess each relevant issue, both from the perspective of environmental and social impacts (outside-in) and from a financial perspective (inside-out), in line with the dual materiality approach set out in European standards.

To ensure a robust information framework, the company has distributed a structured internal questionnaire, involving its subsidiaries as well. The aim is to gather strategic input and align sustainability initiatives with the defined priorities.



2.2. DOUBLE MATERIALITY ANALYSIS PROCESS

As part of the process of defining its sustainability strategy, PMG S.p.A. has launched a structured process to analyse double materiality, in line with the principles set out in the full **VSME** framework. The aim is to identify the ESG issues that are relevant both in terms of the environmental, social and governance impacts generated by the company (impact materiality) and in terms of the potential economic and financial implications associated with these issues (financial materiality).

At this preliminary stage, a list of IROs (**impacts, risks and opportunities**) has been drawn up, selected through a review of documentation, regulations and sector-specific analysis. The sustainability issues assessed include: working conditions, equal treatment, workers' rights, consumer safety, personal data management, ethical governance, whistleblower protection, corruption prevention, climate change, pollution and waste management, efficient use of resources, impacts on ecosystems, community rights, and supply chain resilience.

Each issue has been linked to specific questions designed to assess the **potential impact** on business continuity, corporate reputation, relations with regulatory and institutional stakeholders, as well as on costs and internal efficiency. A stakeholder engagement phase was subsequently launched to validate and consolidate the results of the analysis, defining the material issues for PMG S.p.A. in a transparent and agreed manner (the reporting covers only the plants in Italy).

PMG S.p.A., with the active involvement of management, has initiated a process to determine material issues in accordance with the **EFRAF guidelines**.

This process was carried out in accordance with the principle of double materiality,

assessing both the impacts on stakeholders and the financial significance of the identified issues.

Through this approach, PMG S.p.A. has identified and assessed the actual and potential impacts – both **positive** and **negative** – on economic, environmental and social aspects, including human rights, taking into account how these impacts may affect not only stakeholders but also the organisation's financial performance.

For the financial materiality analysis, a structured process was implemented, involving targeted interviews with **senior management**, with the aim to assess the financial risks and opportunities associated with each identified sustainability issue. The analysis was based on an assessment of the probability and magnitude of the expected effects, with particular attention paid to the potential impact on economic and financial performance, corporate strategy and value creation in the medium to long term.



The table sets out PMG's main stakeholder categories, with a summary of their respective interests and priority areas of focus.

Stakeholder category	Description and main interests
Customers	Key partners for understanding market needs and development opportunities. Their interests focus on technical quality, regulatory compliance (REACH) and the ESG performance of products.
Suppliers	Crucial players in value chain management. Their collaboration is based on continuity, quality and sustainability of supply, and transparency regarding ethical standards.
Employees	Sources of expertise and technical know-how. Their interests centre on health and safety, employee welfare, job security, and opportunities for professional development and training.
Ownership and management	Responsible for the strategic vision. Their focus lies on business resilience, sound financial risk management and the creation of sustainable economic value.
Institutions and Bodies	Supervisory authorities and regulators. Their focus is on full regulatory compliance (AUA, Model 231) and on preventing negative impacts on the local area and the environment.
Local community	The area surrounding production sites. The main interest lies in the protection of natural resources, the mitigation of local impacts and the contribution to public safety (e.g. heart health).

Figure 2: Stakeholders and main interests

2.3. RESULTS OF THE DOUBLE MATERIALITY ANALYSIS

PMG S.p.A.'s double materiality analysis has identified priority issues, focusing both on the impacts the company has on the environment and people, and on the financial effects – namely the risks and opportunities associated with sustainability issues. These issues were considered throughout the entire value chain.

Figure 3:
Double Materiality Matrix



Environment

Health and Safety: Building and promoting a safety culture aimed at preventing accidents and occupational illnesses.

Waste reduction: Optimising production cycles to minimise waste and encourage the proper disposal and recovery of materials.

Renewable energy and alternative energy sources: Increasing the use of clean energy sources to reduce dependence on fossil fuels.

Circular economy: Implementing production models that provide for the reuse of resources and the regeneration of end-of-life materials.

Reduction in the use of raw materials: Improving the efficiency of input resource use to reduce the extraction and production impact.

Air quality: Monitoring and reducing atmospheric emissions resulting from industrial processes.

Water quality and consumption: Managing water resources responsibly, reducing water abstraction and ensuring the purity of effluent.

Greenhouse gas emissions: Quantifying and reducing our carbon footprint to combat climate change.

Responsible management of chemicals: Ensuring the safe use of chemical preparations in compliance with regulations and health standards.

Energy consumption: Monitoring the efficiency of plant operations to reduce energy consumption per unit of product.

Biodiversity: Assessing and mitigating the impacts of production activities on ecosystems and natural species in the areas where we operate.

Pollution and toxic emissions: Preventing soil and environmental contamination through technical controls and constant monitoring.

Social

Salaries and benefits: Ensuring fair pay and welfare schemes that support employees' purchasing power and well-being.

Working hours: Ensuring a work-life balance through the proper management of shifts and rest periods.

Gender equality: Promoting equal treatment, opportunities and pay for men and women within the organisation.



Salaries and benefits: Ensuring fair pay and welfare schemes that support employees’ purchasing power and well-being.

Working hours: Ensuring a work-life balance through the proper management of shifts and rest periods.

Gender equality: Promoting equal treatment, opportunities and pay for men and women within the organisation.

Child labour and young workers: Strict monitoring must be carried out throughout the supply chain to prevent all forms of exploitation and protect the youngest workers.

Governance

Responsible management of chemicals: Ensuring the safe use of chemical preparations in compliance with regulations (such as REACH) and health standards.

Category	Material issues
Materials, both in terms of materiality of impact and financial aspects	Freedom of association and collective bargaining Reduction in the use of raw material Circular economy Water quality and consumption Air quality Working hours Waste reduction Health and safety Renewable energy and alternative energy sources Salaries and benefits Harassment, Gender equality Non-discrimination Energy consumption
Materials based solely on materiality of impact	Greenhouse gas emissions Child labour and young workers Responsible management of chemicals
Materials relating solely to financial matters	Biodiversity

Figure 4: Double materiality analysis

Based on the findings of the material issues, this proposal sets out the framework for reporting on people's wellbeing and development.

The human factor

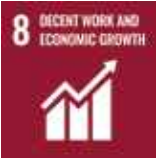
Pillars	ESG	Material Issues	Actions	SGDs
People	Social Environmental	Workers' Health and Safety Topic covered: Health and Safety	Constant focus on health and safety in the workplace in accordance with Legislative Decree 81/2008, through: - Strengthening a culture of prevention and awareness - Maintenance of technical safeguards and monitoring of occupational health surveillance - Operational safety in industrial processes	   
		Inclusion, Ethics and Human Rights Topics covered: Gender equality, Non-discrimination, Harassment, Child labour and young workers.	Ongoing promotion of Equity and Gender Equality	 
	Social	Well-being and Empowerment of People Topics covered: Salaries and benefits, Working hours, Freedom of association and collective bargaining.	Consolidation of the welfare system - Development of the Training Programme and skills development - Development of the Training Programme and skills development	 

Based on the findings of the material issues, this proposal sets the framework for reporting on the supply chain and sustainable procurement.

Environmental impact				
Pillars	ESG	Material Issues	Actions	SGDs
Environment	Environmental	Raw Materials and Resources Topics covered: Waste reduction, Water quality and consumption: Responsible management and reduction of water abstraction	Making use of production waste Responsible management of industrial waste Monitoring of water abstraction and discharge	 
		Energy Topics covered: Renewable energy and alternative sources, Energy consumption	Improving the energy efficiency of process operations Transition to renewable and alternative energy sources and the procurement of 100% renewable energy through GO	 
		Ecosystem Protection Topics covered: Responsible management of chemicals, Air quality, Biodiversity, Pollution and toxic emissions, Health and safety	Safe management of chemicals and materials Air quality control and anti-pollution filtration systems. Soil protection and prevention of contamination	 
	Social			

Based on the findings of the material issues, this proposal sets the framework for reporting on environmental impacts and resource management.

The value chain

Pillars	ESG	Material Issues	Actions	SGDs
Sustainable Supply Chain	Environmental Social Governance	Sustainable Supply Chain	Carbon footprint analysis. Progressive engagement of the supply chain through the roll-out of the Supplier Code of Conduct and the introduction of ESG questionnaires, to support the monitoring of sustainability performance and continuous improvement.	      
	Environmental Social Governance	Raw Materials and Resources Topics covered: Reduction in the use of raw materials, Circular economy.	An R&D-based approach to optimising formulations and the efficient use of resources, supported by an open collaboration model with the supply chain to identify sustainable solutions.	
	Environmental Social Governance	Climate Topics covered: Greenhouse gas emissions.	Monitoring and reducing the carbon footprint	

Based on the findings of the material issues, this proposal sets the framework for reporting on the governance and regulatory compliance system.

Responsible management				
Pillars	ESG	Material Issues	Actions	SGDs
Governance	Governance	ESG framework	Publication of the first Sustainability Report, with the aim to enhance transparency and dialogue with our stakeholders. Maintenance and renewal of management system certifications, to ensure continuous improvement and compliance with applicable requirements. Progressive alignment with sustainability standards and frameworks, in response to changes in the regulatory environment and market expectations. Monitoring and implementation of new technical and regulatory requirements within the sector, to ensure that the company's activities are constantly adapted.	  

Our sustainability strategy

The materiality analysis carried out by PMG has identified four priority areas around which the Group's ESG strategy is structured: the **value chain**, the **human factor**, the environmental impact and **responsible management**.

For each area, key pillars, relevant material issues and corresponding concrete actions have been defined, in line with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

With regard to the supply chain, the focus is on monitoring procurement and sharing ethical and environmental standards with suppliers. With regard to people, PMG

invests in health and safety at work, training and the development of human capital, whilst promoting equity and inclusion. On the environmental front, the focus is on the efficient management of **resources**, the energy transition and the protection of the ecosystem. Finally, governance ensures **robustness** and **transparency** through structured frameworks, system certifications and constant alignment with regulatory standards.

This integrated approach enables PMG to translate **sustainability** objectives into measurable actions, laying the foundations for the Group's first Sustainability Report.

3.Environmental Impact:

PMG S.p.A.'s concrete commitment

Product innovation and sustainability

Climate change is one of the most critical global challenges of our century. The global average temperature has risen by around 1.1°C compared with pre-industrial levels, and this trend is likely to exceed the critical threshold of 1.5°C within the next decade unless **drastic reductions** in emissions are implemented. Against this backdrop, the European Union has responded with the European Green Deal and the European Climate Law, which mandates a reduction in net greenhouse gas emissions of at least **55 per cent** by 2030 compared with 1990 levels, with the ultimate goal of achieving climate **neutrality** by 2050.

These international initiatives, supported by technical standards such as those developed by ISO, provide the tools needed to translate scientific evidence into concrete **mitigation** and adaptation actions. PMG S.p.A., recognising the significant impacts that climate change has on the availability of resources and on social well-being, has chosen to fully integrate these objectives into

its operational strategy. The path towards climate neutrality by **2050** is based on a rigorous system for quantifying, monitoring and reporting greenhouse gas (GHG) emissions, the results of which are documented and verified in this Report.

The Company's environmental commitment is put into practice through the constant **monitoring** of annual **KPIs** covering the key aspects of its environmental footprint. These indicators are systematically analysed during the Management Review, at which point performance is assessed against **established targets** and any corrective action plans are defined to bring performance back within the desired parameters. This approach, formalised in the company's objectives plan, demonstrates PMG S.p.A.'s commitment to promoting the responsible management of natural resources, with a focus on waste prevention and the continuous improvement of its climate resilience.



3.1. ENERGY MIX

B3. Energy and greenhouse gas emissions

PMG S.p.A. recognises that its energy consumption, linked to production processes, contributes both directly and indirectly to greenhouse gas emissions. For this reason, responsible energy management is one of the cornerstones of PMG S.p.A.'s environmental strategy, with the aim to gradually reduce reliance on fossil fuels whilst maintaining high standards of quality, including in terms of plant safety.

In line with its ISO 14001-certified environmental management system, PMG S.p.A. monitors its main energy uses, including through specific environmental indicators (such as consumption per tonne of compound produced, TOE), in order to identify the key areas with the greatest potential for efficiency improvements. Energy efficiency criteria are progressively being integrated into decisions regarding investment

and maintenance decisions, steering technology choices towards solutions with a lower environmental impact.

At PMG S.p.A, 90 per cent of production line machinery is fitted with a monitoring system installed near the electrical switchboard, featuring dedicated voltage meters that enable the precise measurement of electricity consumption. Monitoring is continuous, operating 24 hours a day, 7 days a week, and covers all production lines as well as the electrical substation switchboards. The data collected is fed into a dedicated server for the visualisation and analysis of consumption.

A specialist firm assists with data analysis, carries out technical assessments and proposes improvements, whilst also enabling the prompt identification of any anomalies.

Energy category	Renewables MWh	Non renewables MWh	Total
Consumption 2024			
Electricity	1.409,57	2.114,36	3.523,93 MWh
Fossil fuels	-	-	98.997 Sm3
Total	1.409,57	2.114,36	3.523,93 MWh
Consumption 2025			
Electricity	1.390,94	2.086,40	3.477,34 MWh
Fossil fuels	-	-	100.177 Sm3
Total	1.390,94	2.086,40	3.477,34 MWh

Figure 5: Electricity consumption in 2024 and 2025

3.2. GHG EMISSIONS

B2. Energy and the greenhouse gas emissions

PMG S.p.A. regards the reduction of greenhouse gas emissions as a key component of its **environmental strategy**. As part of its ongoing monitoring of energy consumption, it tracks the main sources of emissions and measures their trends over time, with the aim to steer technical and management decisions towards solutions with a lower environmental impact.

The current reporting scope includes direct emissions (**Scope 1**) generated by the use of fossil fuels in the company's plants and vehicles (and any refrigerant gas leaks); indirect emissions (**Scope 2**), arising from the purchase and consumption of electricity from third parties; and Indirect emissions (**Scope 3**), linked to the company's entire value chain, both upstream and downstream of the production process.



TR1 Site

The calculation was carried out using the location-based approach

Total emissions – year 2025			
ITEM	Emission source	Emissions	%
		tCO2eq	
Scope 1	direct	261	0,3%
Scope 2	indirect	757	0,9%
Scope 3	indirect	85.813	98,8%
TOTAL		86.831	100%

Figure 6: Scope 1, 2 and 3 GHG emissions in 2025

Scope 1 – Direct emission

Direct emission sources are those over which the company has direct control.

In this case, these are the natural gases used by heating systems, the diesel used for company benefit vehicles, and refrigerant gas leaks from refrigeration units.

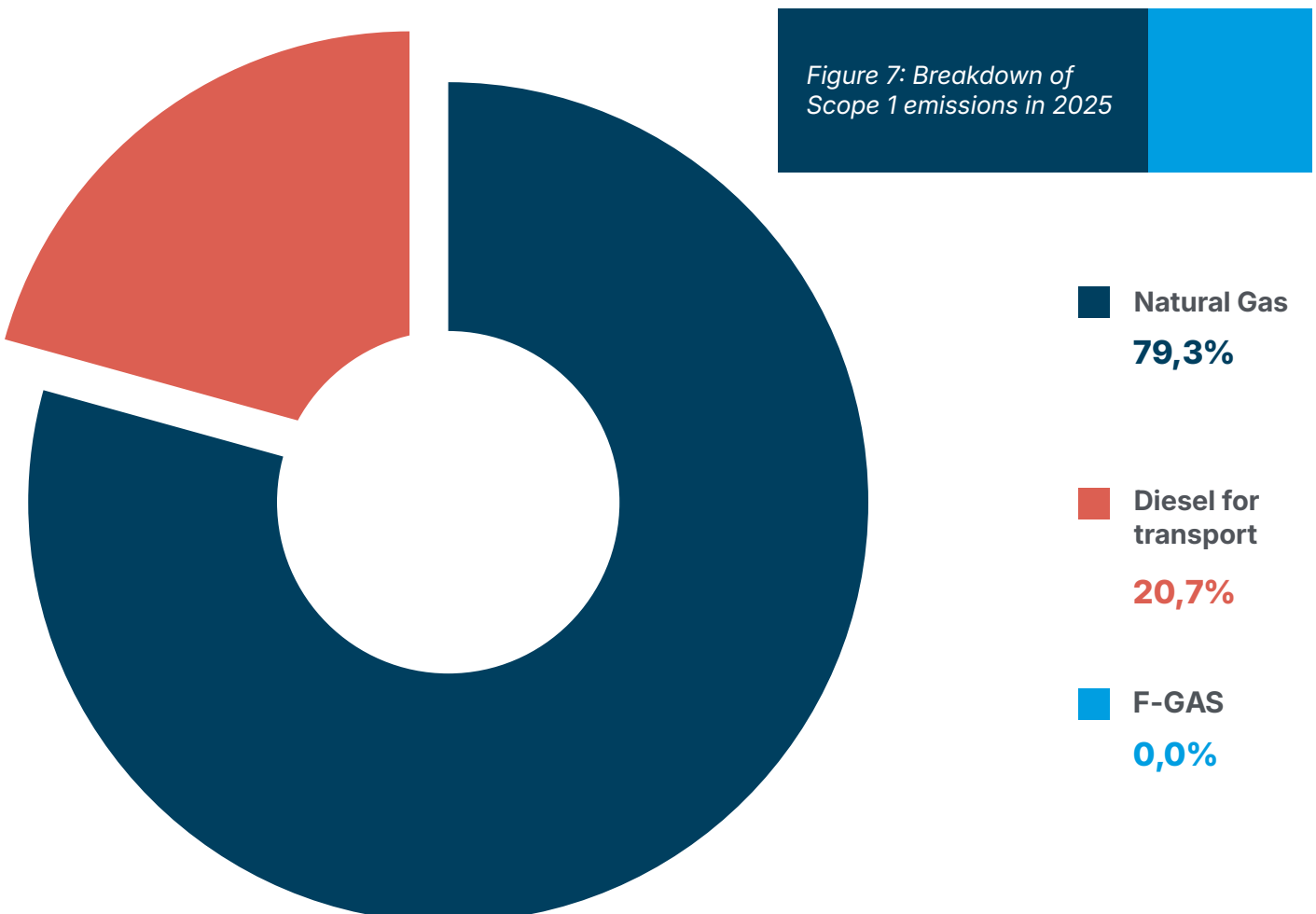
For the year 2025, refrigerant gas leaks from chillers used to generate process cooling and for summer air conditioning have been recorded and reported in the F-Gas documentation. To calculate the tonnes of CO₂ equivalent, the GWP100 (Global Warming Potential over 100 years) is used, as defined in the Sixth Assessment Report (AR6).

For Scope 1 emissions, consumption data were consistently provided by PMG S.p.A. in accordance with the calculation requirements. Emission factors were taken from the DEFRA 2025 database.

The emission sources considered in the calculation and included in the Scope 1 category for the year 2025 are:

- Natural gas consumption: 100,117 Sm³
- Consumption of diesel for company cars (benefit scheme): 20,226 litres
- Refrigerant gas leaks: none

A graphical representation of the breakdown by source is shown below.



Scope 2 – Indirect emissions from imported energy

Sources of indirect emissions from the purchase of energy are those over which the company has no direct control, such as electricity in this case. There are no other forms of energy purchase.

The emission factor is taken from the **ISPRA** report **413/2025** "Efficiency and decarbonisation indicators in Italy and in the biggest European countries", specifically from "Table 1.3 – Emission factors in the power sector (g CO₂/kWh)", specifically the "Energy consumption" item, which includes the proportion of energy imported from abroad and is more representative of electricity consumption from the grid for the year in question.

The 2025 version of the **ISPRA** report was chosen as it is the most recent published version, but the data refers to 2023 as this is the most recent consolidated figure.

The approach used is **location-based**, meaning it is influenced by the national energy mix for the year in question.

The emission sources considered in the calculation and included in the **Scope 2** category for the year 2025 are:

Electricity consumption from the grid:
3,477,341 kWh

The total amount of CO₂eq emissions for the Scope 2 category is **757 tonnes of CO₂eq**.

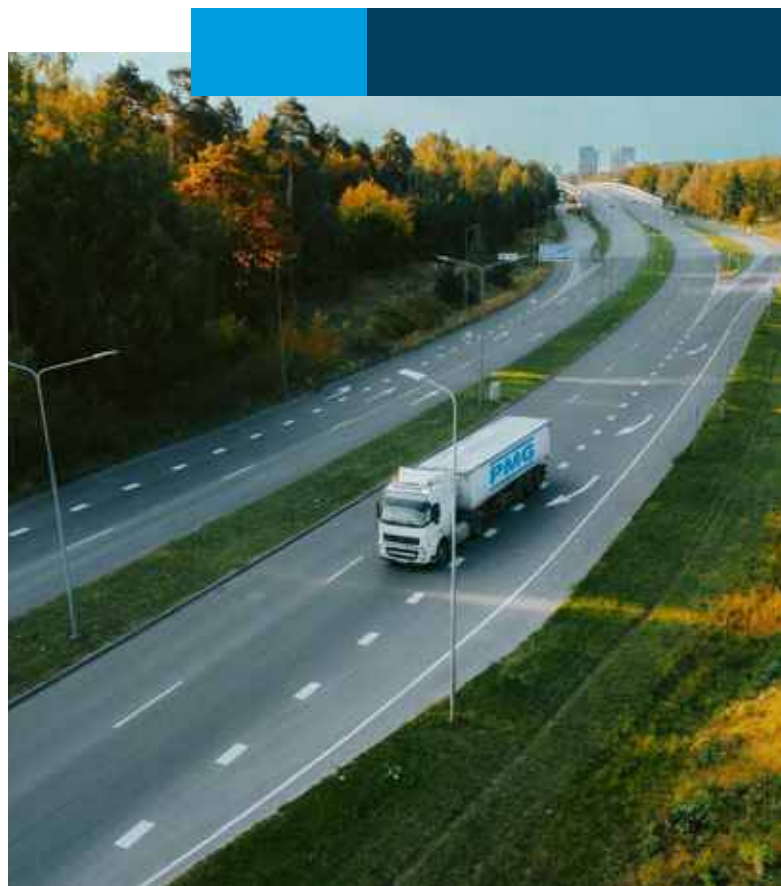
- No other sources associated with the purchase of energy are recorded.

Scope 3 – Indirect upstream and downstream emissions

This section summarises all indirect upstream and downstream emissions for which the company in question bears no direct responsibility:

- Emissions arising from purchased goods and raw materials and their inbound transport
- Emissions arising from the transport of products sold downstream
- Emissions resulting from the treatment and disposal of waste and its subsequent transport
- Emissions from business travel and work-related journeys
- Emissions from employees' home-to-work commuting

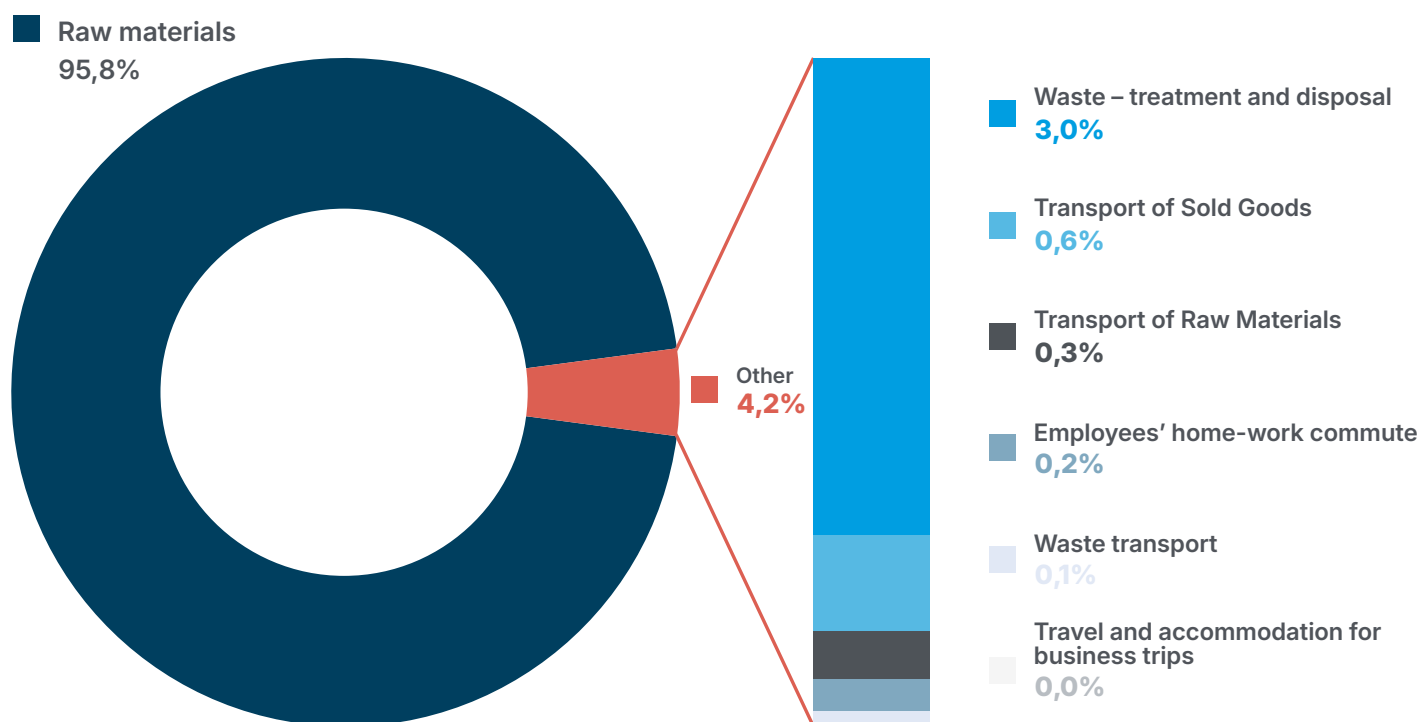
The total amount of CO₂eq emissions for the Scope 3 category is 85,813 tonnes of CO₂eq.





A graphical representation of the breakdown by item is shown below. It should be noted that the figures for the items “Transport, travel and accommodation” and “Employees’ commuting costs” have remained unchanged since 2024, as they are below the materiality threshold.

Figure 8: Breakdown of Scope 3 emissions in 2025



Carbon footprint

PMG S.p.A. intends to assess its environmental impact – that is, the effects of its presence on the natural environment in which it operates – in order to identify possible measures to **improve** its environmental sustainability.

To quantify emissions, the company has adopted an analytical methodology based on **direct calculation**. Specifically, the activity data relating to industrial and operational consumption, provided on a regular basis by PMG S.p.A., have been multiplied by the respective greenhouse gas (GHG) emission factors derived from official sources and internationally accredited databases.

The calculation was structured according to the following criteria and information sources:

- **Electricity:** electricity consumption data collected from PMG S.p.A.'s sites were multiplied by the specific emission factor derived from the ISPRA report 413/2025 "Efficiency and decarbonisation indicators in Italy and in the biggest European

countries", selecting the coefficients listed in "Table 1.3 – Emission factors in the power sector (g CO₂/kWh)".

- **Fuels:** To convert fuel-related consumption figures, values from the DEFRA 2025 database ("fuels" section) were applied. In order to maintain a cautious and prudent approach to reporting, the "100% mineral" category was used.
- **Refrigerant gases:** Fugitive emissions resulting from accidental leaks from refrigeration and air-conditioning systems were quantified by applying the 100-year global warming potential stated in the same DEFRA 2025 database.
- **Other Emission Factors:** For mapping the remaining emission sources and supply chain impacts, the standard and reference database used is Ecoinvent 3.11

The following table shows PMG S.p.A.'s production for 2025, detailing the main types of products manufactured.

Production – Year 2025			
Product	kg	ton	%
FKM compound	2.578.154	2.578	45,0%
NBR compound	1.202.492	1.202	21,0%
HNBR compound	216.852	217	3,8%
ACM compound	179.391	179	3,1%
Others	1.556.887	1.557	27,2%
TOTAL	5.733.776	5.734	100%

Figure 9: Production of the 2025 compounds

3.3. CIRCULAR ECONOMY

3.3.1. Waste management and recycling of materials

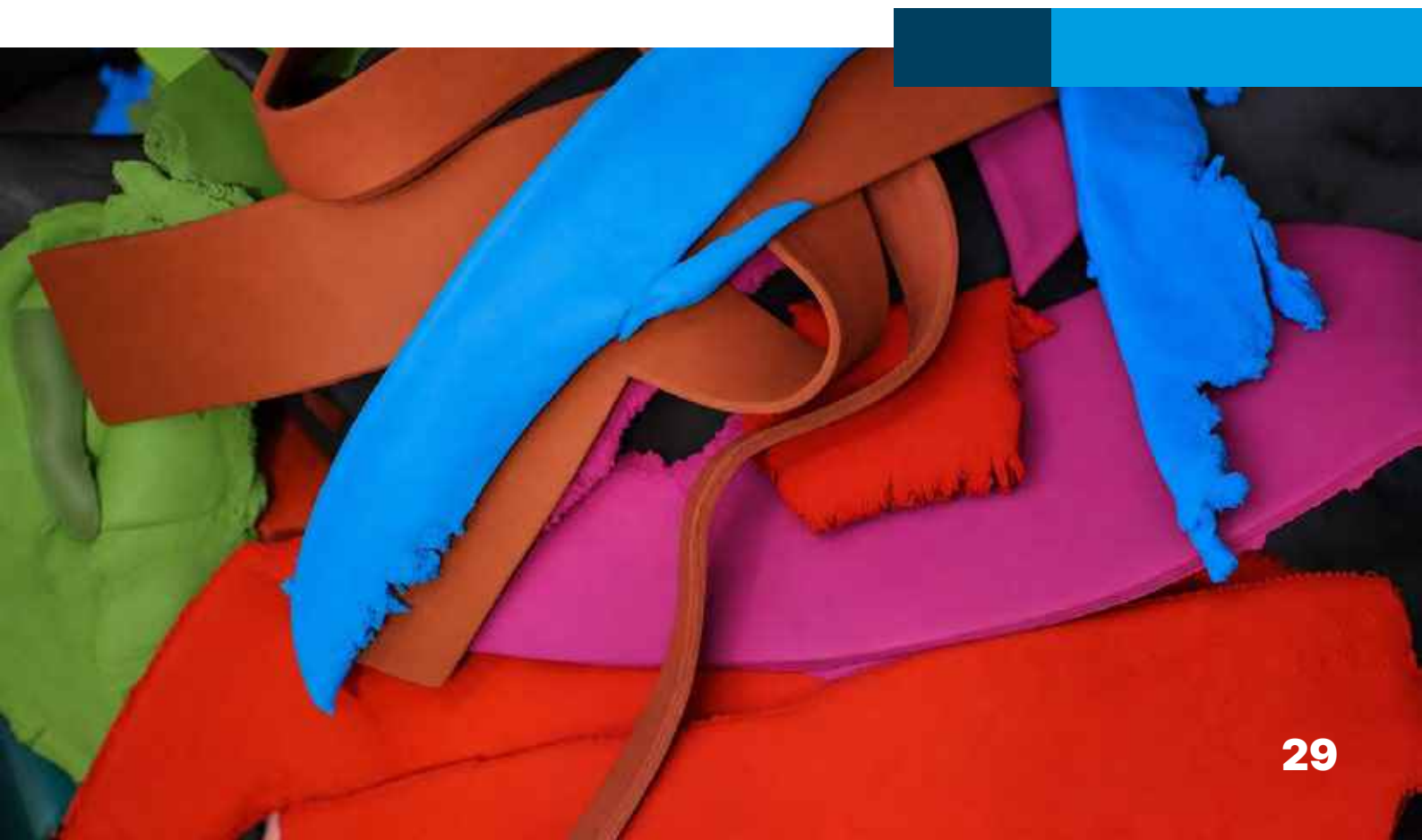
B2 – Practices for the transition towards a more sustainable economy

Effective **waste** management in the elastomer-based compound industry requires close collaboration throughout the entire production chain. Raw material suppliers must ensure that the substances used comply with **environmental regulations** and that any waste generated during the production of compounds is handled correctly. Furthermore, companies must work with logistics partners to ensure that waste is transported and **disposed** of safely and in accordance with applicable laws. This integrated approach helps to improve efficiency and reduce the overall environmental impact of the supply chain.

The table below shows, for each type of waste, the quantities generated (kg) and whether they are sent for recovery or disposal.

This breakdown enables the precise monitoring of waste generation, distinguishing between waste streams sent for recovery and those which, as they cannot be recovered, are destined for disposal, also in accordance with the relevant legislation.

PMGS.p.A. monitors this data in order to assess the effectiveness of its waste prevention and management policies, identify potential areas for improvement and, in this way, guide future initiatives with a view to the circular economy and overall environmental impact.



The table shows the quantities of waste generated (kg) by type, broken down into recovery and disposal, to support environmental monitoring.

Waste	Waste generated (kg)	Waste intended for recycling or reuse	Waste sent for disposal
Non-hazardous waste			
Packaging made from mixed materials	112.080,00	112.080,00	-
Paper and cardboard	31.760,00	31.760,00	-
Wooden Packaging	92.180,00	92.180,00	-
Metal packaging	12.520,00	12.520,00	-
Waste not otherwise specified	11.700,00	11.700,00	-
End-of-life equipment	40	40	-
Spent printer toner cartridges	40	40	-
Aqueous liquid waste other than that referred to under heading 161001	10.790,00	10.790,00	-
Hazardous waste			
Other filtration residues and spent absorbents	11.960,00	-	11.960,00
Other emulsions	3.290,00	-	3.290,00

Figure 10: Production of non-hazardous and hazardous waste

PMG S.p.A. manages waste in accordance with the **Consolidated Environmental Act (Legislative Decree 152/2006)** and strictly adheres to any updates to it.

The generation of industrial waste is a significant environmental issue; our integrated management system encompasses the procedures for the proper management of this matter, which is governed by a complex regulatory framework and subject to frequent changes.

This approach involves Senior Management, staff at all levels and our entire production process, with a view to achieving the following objectives:

PMG S.p.A. has adopted a waste management system focused on **prevention, traceability and continuous improvement**, with the aim to reduce the environmental impacts arising from its production activities and ensure full compliance with current legislation.

The company's strategy prioritises, first and foremost, the prevention of waste generation by reducing both the quantities produced and the hazardous nature of the waste. This objective is pursued through design and production decisions, **the optimisation of processing cycles**, the continuous updating of compound formulations and the rationalisation of the packaging used.

Particular attention is paid to the correct **separate collection** of waste produced. The different types of waste are identified and classified in advance, whilst staff receive ongoing training on the correct methods of waste management. PMG S.p.A. also works with **qualified** and authorised **operators** for the transport, recovery or disposal of waste, ensuring that waste management complies with legal requirements.

To prevent any risk of leakage into the environment, temporary storage sites are organised in accordance with safety criteria. Storage areas are clearly marked, liquid waste is stored in dedicated **containment systems**, and containers are maintained in

such a condition as to ensure their integrity throughout all stages of storage.

The entire waste management process is fully tracked, from the production stage right through to delivery towards recovery or disposal facilities. Temporary storage areas are shown on up-to-date and easily accessible **site plans**, thereby reducing the risk of errors in internal collection and delivery operations.

Administrative management constitutes a further control mechanism within the system. PMG S.p.A. ensures that records of waste receipt and disposal are kept correctly, that waste identification forms are completed and verified, that only duly authorised transporters and facilities are used, and that the mandatory reports required by law – including the MUD – are prepared and submitted. PMG S.p.A. also ensures that its designated staff receive ongoing training, including in relation to **changes in the regulatory framework** and the introduction of new digital tools, such as **RENTRI**. The main types of waste managed by PMG S.p.A. include packaging in wood, paper and cardboard; mixed-material and metal packaging; filtration residues and spent absorbent materials; oily emulsions, end-of-life equipment, spent printer toner, rubber processing waste and waste aqueous solutions.



For all waste classified as hazardous, PMG S.p.A. arranges for specific **chemical analyses** to be carried out at accredited laboratories prior to disposal, in order to correctly determine its characteristics and identify the most suitable recovery or disposal route.

Staff **training** and **awareness-raising** are a fundamental part of PMG S.p.A.'s environmental strategy. The company invests continuously in the professional development of production operators and administrative staff to ensure that waste management activities are carried out effectively, safely and in compliance with regulatory requirements, thereby contributing to the maintenance and continuous improvement of its environmental performance.

Management of hazardous substances

For PMG S.p.A., the safe and responsible management of chemicals is a fundamental pillar of its operational strategy, based on a risk prevention approach that extends across the entire product life cycle. This vision is reflected, first and foremost, in eco-design activities and the careful selection of raw materials, where the development of formulations is geared towards **reducing** or completely **eliminating** potentially **hazardous** substances. This commitment aims to mitigate risks not only within production sites, but throughout the entire supply chain, encompassing the activities of upstream suppliers, the product's service life and its final disposal.

Regulatory compliance is ensured through constant monitoring of updates to the **REACH Regulation (EC No 1907/2006)**, with rigorous oversight of substances included on the Candidate List of **SVHCs** and those subject to restriction or authorisation. In line with guidelines issued by **ECHA**, the company regularly reviews its formulations and promotes the replacement of critical substances with technically viable alternatives that have a lower impact on health and the environment.



At the same time, PMG S.p.A. ensures the highest level of **protection** for workers and the ecosystem by taking every necessary precaution to prevent accidental releases, underpinned by in-depth understanding of the hazards posed by substances, derived from the constant updating of the Safety Data Sheets (SDS) for the raw materials used.

Transparency throughout the value chain is maintained by ensuring that customers receive comprehensive and up-to-date information on the hazards of the products supplied, and by guaranteeing the availability of Safety Data Sheets that comply with the latest standards. To support this model, the company invests in ongoing training programmes for its staff, covering critical areas such as the **CLP Regulation (EC No 1272/2008)** on classification and labelling, as well as the ADR regulations for the transport of dangerous goods. Through these integrated activities, PMG S.p.A. reaffirms its commitment to supplying technologically advanced and safe solutions, combining excellence in performance with the utmost protection of human health and the environment.

3.3.2. Environmental labelling of packaging

Legislative Decree No. 116 of 2020, which came into force on 26 September 2020, amends Legislative Decree 152/2006 by transposing the European directives on waste (EU 2018/851) and on packaging and packaging waste (EU 2018/852). This decree has introduced a significant change to the Environmental Code, such as the requirement for environmental labelling of materials.

PMG S.p.A. operates in the B2B market within the rubber sector. As it is not a packaging manufacturer, in order to comply with legal requirements, it has identified the different types of **packaging** used for the various packages of the compounds it produces, specifying the relevant codes to facilitate their **disposal**, namely:

The classification shown has been drawn up in accordance with current national legislation. At the same time, PMG has begun the process of aligning itself with Regulation (EU) 2025/40 (PPWR), working with packaging suppliers to collect the required data and implement the future obligations set out in the new regulations.

Type of Packaging	Packaging Used	Material	Code
Continuous Strip	Cardboard corner protectors	Paper	PAP 20
Sheets	Paper Label	Paper	PAP 22
Rolls – Slit Rolls	Cardboard Interleaves	Paper	PAP 20
Folded Stitched Folded	Cardboard Box (various sizes)	Paper	PAP 20
Reels	Pallets/Wooden Crates	Wood	FOR 50
Extruded	Pallets/ Fumigated Wooden Crates	Wood	FOR 50
Granules	Metal Basket	Metals	FE 40
	Bands for Granules	Plastics	PA 66
	Heat-Shrinkable Plastic Film	Plastics	LDPE 4
	Adhesive tape	Plastics	PVC 3
	Plastic pallets	Plastics	PVC 3
	Plastic spools for Reels	Plastics	PP5
	Plastic spools for Extruded Products	Plastics	PVC 3
	Embossed cellophane Roll	Plastics	LDPE 4
	Bag/Sheet/ Cellophane Rol	Plastics	LDPE 4

Figure 11: Types of packaging and packing materials used



PMG S.p.A.'s commitment to sustainable **packaging** management is reflected, first and foremost, in a procurement policy that prioritises the purchase of **FSC-certified** products.

From a circular logistics perspective, the packaging system used for shipping the compounds is designed to be fully **reusable** for a wide range of customers, thanks to the use of metal and wooden crates.

At the same time, the company strives to optimise packaging materials by reducing their quantity to the absolute minimum and prioritising single-material solutions, thereby simplifying and facilitating disposal and recovery processes for end users.

3.3.3. By-products

PMG S.p.A. has recently introduced a **pulveriser** into its production layout, dedicated to the mechanical processing of specific manufacturing waste.

The plant is currently in the **start-up** phase and undergoing technical and operational evaluation, with the aim to determine the best ways to integrate it into the company's processes.

As part of this project, PMG S.p.A. is exploring potential opportunities for the recovery and internal **reuse** of the treated materials, including through an analysis of the authorisation procedures and classification methods set out in current environmental legislation.

The work currently underway is aimed at assessing the technical, qualitative and regulatory feasibility of reusing materials obtained through **pulverisation**, with a view to progressively reducing the amount of **waste** sent for disposal and improving resource efficiency.

Although the project is still at a preliminary stage of development, the adoption of this technology represents a first step towards production models more closely aligned with the principles of the **circular economy**, with potential benefits in terms of waste reduction, optimisation of logistics flows and a reduction in the consumption of virgin raw materials.

3.4. 3.4. WATER CONSUMPTION

B6 - Water

The main environmental impacts monitored by PMG S.p.A. also relate to water management. 2024 marks the first year of reporting on the company's environmental performance regarding water consumption, with a view to progressively improving consumption levels and the efficiency of water management.

PMG S.p.A. emphasises that all its production sites are located in areas with a “**water stress**” indicator of less than 10 per cent and are therefore not situated in areas experiencing water stress. This strategic positioning, combined with the use of **water recycling** systems in production processes, enables PMG S.p.A. to operate in full respect of local ecosystem balances, minimising the withdrawal of primary water resources.

All batch-off lines are equipped with **closed-loop** cooling tanks, which enable the full recovery and recycling of process water. This technological configuration minimises water abstraction, optimising its use throughout the entire production cycle.

In order to ensure the highest standards of environmental protection, the plant's wastewater and run-off from the yard areas are subject to regular monitoring carried out by specialist external laboratories. The analyses carried out consistently confirm compliance with statutory parameters and the **absence** of pollutants or indicators of hazard, ensuring maximum safety for the surrounding ecosystem.

The table shows water abstraction and consumption volumes by production site, indicating the level of water risk in the areas where the company operates.

Sites	Water abstraction (e.g. m³)	Water consumption (e.g. m³, where applicable)
All sites	4169 m³	4169 m³
Sites in areas with water stress	Trescore Balneario: moderate risk in some hamlets (ref. Uniacque, 2022–2023) Cenate Sotto: no water risk (ref. Uniacque, 2022–2023) Pognano: no water risk (ref. Uniacque, 2022–2023)	Trescore Balneario: moderate risk in some hamlets (ref. Uniacque, 2022–2023) Cenate Sotto: no water risk (ref. Uniacque, 2022–2023) Pognano: no water risk (ref. Uniacque, 2022–2023)

Figure 12: Water abstraction and consumption by site, indicating the water risk level in the areas of operation

4.Social

Staff management and organisation

People are the beating heart of PMG S.p.A. and the key factor for truly sustainable business growth. With this in mind, the Company systematically invests in the training and development of its workforce, promoting continuous professional development and safeguarding its in-house technical **expertise**.

The protection of **health** and **safety** at work is considered an absolute and non-negotiable priority: this commitment is reflected in rigorous operational protocols, careful preventative measures and ongoing awareness-raising at all levels of the organisation.

At the same time, PMG S.p.A. fosters **professional development** and **career** progression, fostering an inclusive and meritocratic working environment. The aim is to ensure a responsible environment, focused on continuous improvement, in which every employee can fully realise their full potential in line with the Group's values and strategic objectives.

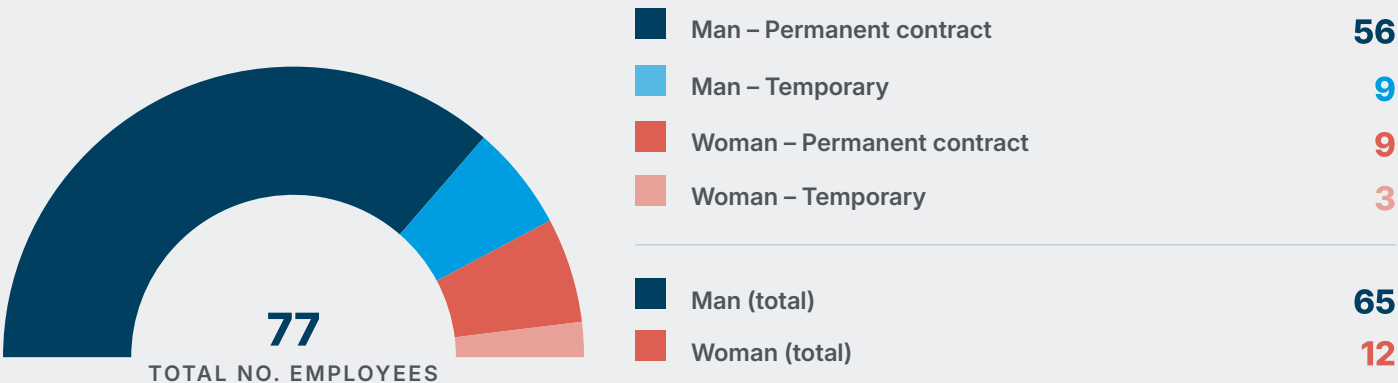
The following table sets out data relating to staff and the workforce structure:

Personnel		
	Female	Male
Number of employees (number of people / FTE)	12	65
Number of permanent employees (headcount / FTE)	9	56
Number of temporary staff (number of people / FTE)	3	9
Number of employees on non-guaranteed hours (number of people / FTE)	0	0
Number of full-time employees (headcount / FTE)	10	65
Number of part-time employees (number of people / FTE)	2	0

Figure 13: Number of employees by contract type and gender

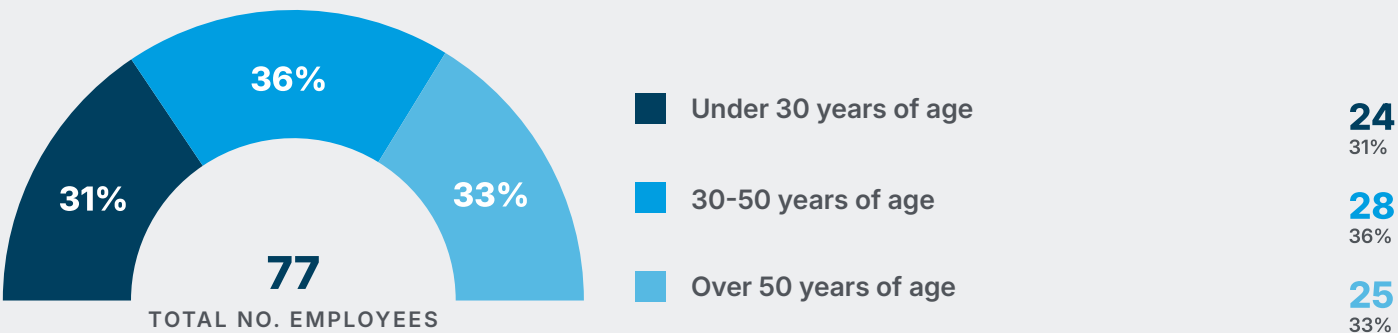
The figures below show the number of employees by gender and type of contract:

Figure 14: Employment by gender and type.



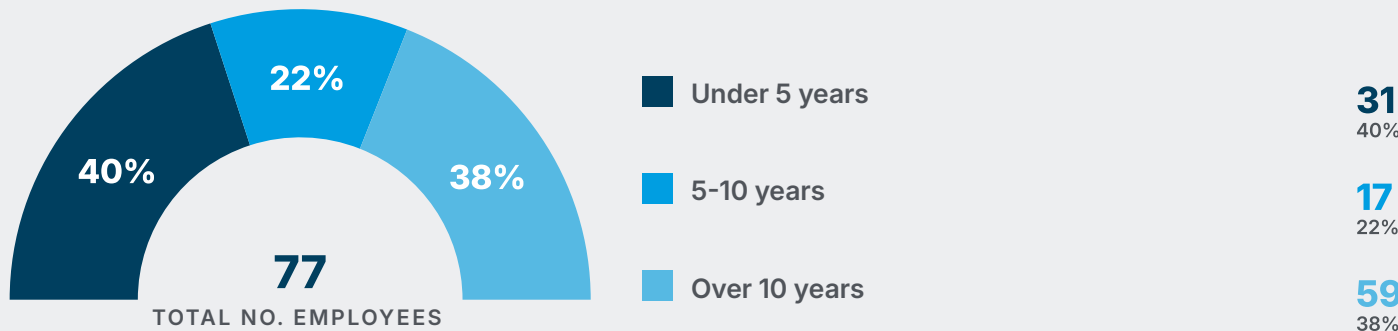
Distribution of employees by age group and relative percentage of the total:

Figure 15: Number of employees by age group



Distribution of Employees by Length of Service:

Figure 16: Number of employees by length of service



B8 - General characteristics

The tables below describe the composition of the workforce by contract type and by gender, providing a summary of the company's employment structure.

Type of contract	Number of employees (headcount or full-time equivalents)
Temporary contract	12
Permanent contract	65
Total employees	77
Gender	
Man	64
Woman	15
Other	0
Not reported	0
Total employees	79
Country	
ITALY	77
Other countries	-
Total employees	77

Figure 17: Composition of workforce by contract type, by gender and by country

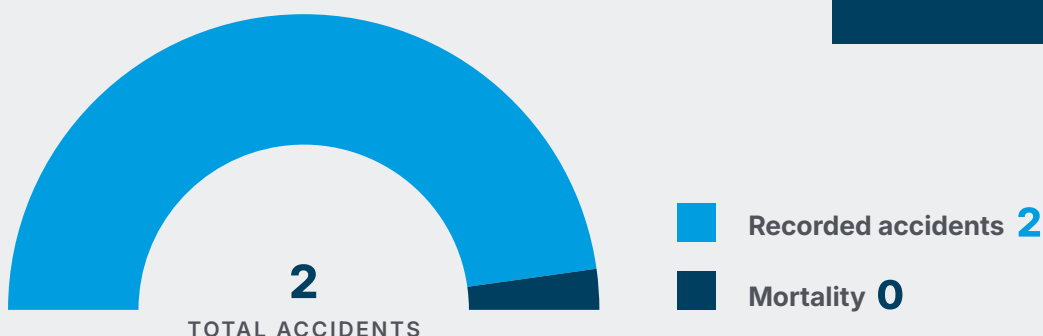


4.2. HEALTH AND SAFETY

B9 – Workforce – Health and Safety

The following figures relate to accidents at work during the year 2025:

Figure 18: Workplace safety figures for 2025



With the aim to progressively move towards the goal of **“zero accidents”**, the company has adopted a structured system for managing emergencies, accidents and near misses, gearing every process towards the continuous improvement of safety performance.

The operational model is based on a systematic analysis of all work activities, which is incorporated into the Risk Assessment Document (DVR). This key tool

enables the identification and monitoring of operational, environmental and organisational **risks**, defining specific mitigation measures and addressing occupational diseases. This approach is supported by the adoption of structured internal procedures that regulate production processes, minimising the margin for error and strengthening oversight throughout the entire operational chain.

The management of critical situations is underpinned by up-to-date **emergency plans** and the ongoing **training** of staff through evacuation drills and regular simulations. The presence of first-response teams, comprising first-aid and fire prevention officers, is systematically ensured within each department, alongside supervision by designated **supervisors**. At the same time, PMG S.p.A. promotes a safety **culture** based on individual accountability and the prompt reporting of hazards, encouraging the sharing of lessons learnt at every organisational level.

From a technological perspective, the production area is equipped with state-of-the-art safety systems at every workstation, supplemented by automated stations for the



dispensing of Personal Protective Equipment (PPE), which allow operators free and immediate access to the necessary equipment. Finally, operational autonomy is contingent upon meeting rigorous competence standards: every on-the-job training programme concludes with formal assessments through **specific tests** and on-the-job evaluations, ensuring that every worker operates in conditions of absolute safety. This integrated approach transforms reporting into a strategic driver for root cause analysis and the implementation of increasingly effective preventive measures.

Emergency management

PMG S.p.A. places the utmost emphasis on risk prevention and management through the adoption of rigorous protocols and specific procedures, designed to deal with any emergencies that may have an impact on the environment, workers' health and safety. The company's Emergency Response Plan provides for the annual conduct of evacuation drills and practical simulations aimed at testing the effectiveness of responses in various critical scenarios.

These include health and safety management, through first-aid and fire prevention procedures, and environmental protection, with protocols dedicated to managing spills of hazardous substances or interventions in the event of a breakdown in the dust abatement systems.

The company's contingency planning also covers **infrastructure resilience**, setting out operational responses to flooding, power cuts and critical system failures. In addition to environmental and safety emergencies, the company invests continuously in training and staff to manage production-related critical issues; preparation to deal with any material shortages, instrument malfunctions or machinery faults is, in fact, essential to ensuring operational continuity and maintaining the brand's high-quality standards. As part of our commitment to social responsibility and the protection of

life, all our facilities have been equipped with Automated External Defibrillators (**AEDs**). These devices are regularly registered on the Regional Emergency and Urgent Care Agency (AREU) portal and are made available not only to employees — who have been properly trained in their use — but also to the entire local community, thereby effectively strengthening the link between corporate safety and public benefit.



4.3. TRAINING

B10 – Workforce – Pay, collective bargaining and training

Throughout 2025, PMG S.p.A. reaffirmed the central importance of professional development by providing an average of 79.2 hours of **training** per employee. The company firmly believes in the value of its human capital and continues to **invest** systematically in its development, offering programmes that combine regulatory requirements with the enhancement of technical and soft skills. The training programme is not limited to compulsory courses on health, safety, first aid and technical qualifications, but extends to initiatives aimed at fostering the evolution of roles and organisational flexibility through the development of **soft skills**. There has been a significant increase in training for the production workforce, with the number of hours delivered more than doubling compared with the previous financial year. This increase highlights the central role of the operational workforce in the company's growth plans and the company's ongoing investment in these areas.

Particular attention is paid to environmental issues, with sessions dedicated to proper waste management and the regulatory updates required to operate in accordance with the ecosystem.

To round off this picture, the company runs **specific courses** on the ISO 9001, ISO 14001 and IATF management systems, with the aim to raise awareness of the requirements of these standards and strengthen a culture of continuous improvement.

The company's commitment to language training is a defining feature: for over ten years, it has been organising ongoing **English** courses at various levels, taught by native-speaking teachers, to improve proficiency in the language in an international context.

As regards the recruitment of new members of staff, every new recruit benefits from a **structured mentoring** programme with experienced personnel, regardless of the department they join. Finally, each employee's level of competence is monitored using a constantly updated Skills Matrix, a vital tool that enables the timely identification of any **training needs**, promotes **horizontal mobility** and ensures that staff remain up to date with technological and legislative developments.



4.4. WELFARE

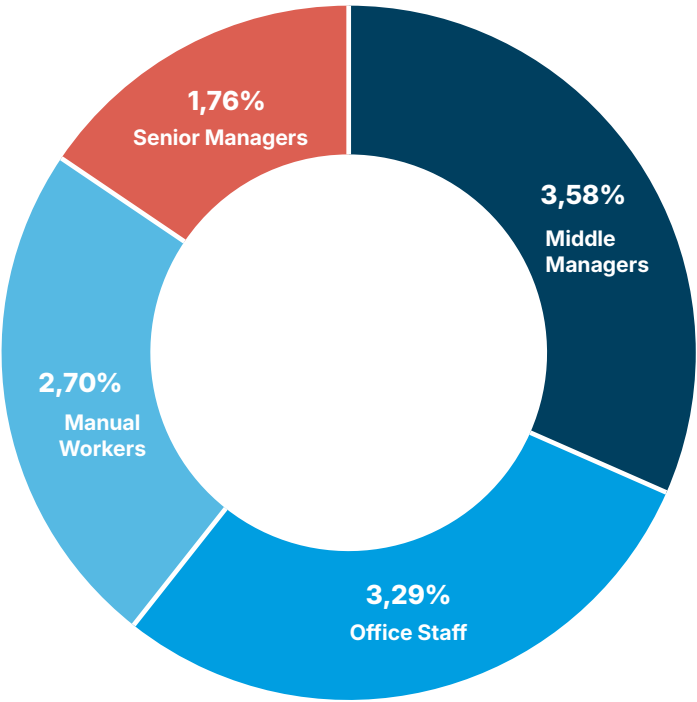
PMG S.p.A. reaffirms its commitment to people's **wellbeing** through the provision of corporate welfare schemes, designed as strategic tools to strengthen employees' purchasing power, support a healthy work-life balance and promote a culture focused on quality of life.

Since 2025, the Company has chosen to further develop its **welfare** provision model by introducing a dedicated platform, governed by specific internal regulations, to enable a more structured and flexible management of fringe benefits and services.

This new digital platform enables employees to tailor the use of their welfare credit to their specific individual and family needs. The options available range from social support – such as care services for the elderly, babysitting and reimbursement of education costs – to managing day-to-day expenses relating to the home, public transport and the purchase of essential goods (fuel and groceries).

The system also offers a wide range of options in the areas of shopping, supplementary healthcare and supplementary pensions, extending to leisure, wellbeing and personal care. Through this technological and organisational development, PMG S.p.A. aims to provide a tailored and diverse response to the needs of its workforce, thereby consolidating an inclusive working environment centred on the value of the individual.

The table below shows the figures for the percentage Welfare impact by category:



An analysis of the impact of welfare benefits on pay shows that this tool is used strategically to support the various segments of the workforce. The greatest impact is felt amongst middle-ranking managers and office staff. The impact on the blue-collar workers category is particularly significant, standing at considerably higher levels than that on senior managers. This figure reflects the organisation's clear intention to use corporate welfare as a lever for social protection and a practical supplement to income, in order to offer tangible support where the need for work-life balance and health protection is most widespread.

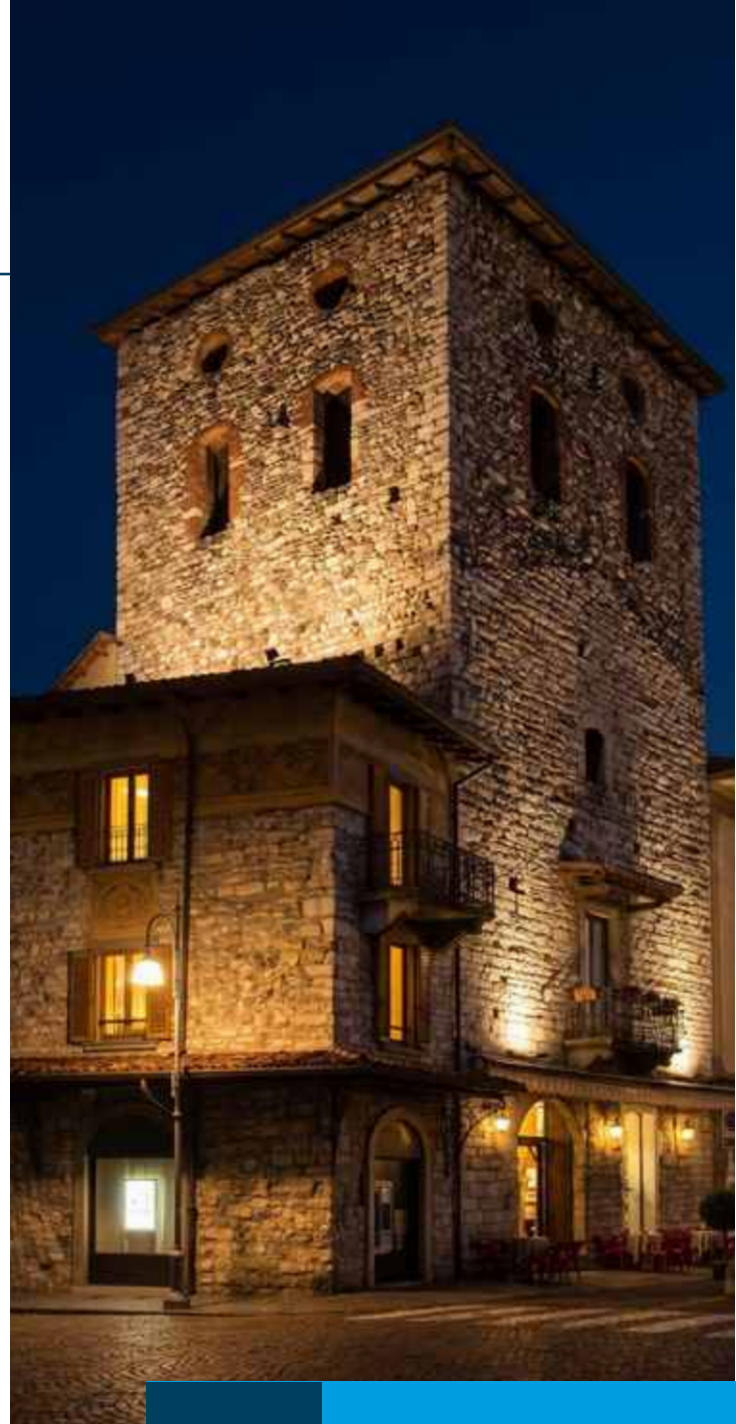
Figure 19: Welfare benefits paid as a percentage of Gross Annual Salary by employee category

4.5. LOCAL COMMUNITIES

PMG S.p.A. maintains close ties with the local community in which it operates, promoting initiatives with local high schools. The company organises open days at its premises for final-year students, with the aim to introduce them to the world of manufacturing and support their career choices after leaving school, thereby establishing an initial link between their educational journey and the world of work.

At the same time, the company supports various local sports clubs, including the Bocciofila Verdellese bowling club, the Real Calepina football team and the Tritaly ASD triathlon team, helping to promote healthy lifestyles and strengthen social cohesion.

Support for local communities is also demonstrated through the sponsorship of cultural events and initiatives aimed at promoting the local area, particularly in the municipality of Trescore, as well as through support for charitable organisations such as Bagaglino. These activities demonstrate the company's commitment to creating shared value, not only in economic terms, but also in social and cultural terms.



5. Governance and structure

PMG S.p.A. adopts a rigorous hierarchical organisational structure, designed to clearly define lines of authority and reporting, the allocation of powers through a structured system of delegations and powers of attorney, and the responsibilities of individual management positions. To ensure maximum **operational transparency**, the company structure is systematically set out in regularly updated organisation charts, which identify the areas of activity of each function, the names of the heads of those functions and the relevant reporting lines.

The Executive Management of PMG S.p.A., recognising the need to consolidate its position in a market characterised by increasing competition and a drive towards technological innovation, is committed to maintaining and refining an integrated Business Management System. This system, which complies with the ISO 9001, ISO 14001 and IATF 16949 standards, encompasses the entire organisational structure, responsibilities and processes with a view to sustainability for the environment and all stakeholders. Customer focus and continuous improvement are the cornerstones of this management approach, with a specific emphasis on preventing anomalies and reducing variations and waste throughout the supply chain.

The effectiveness of the Management System is achieved through the systematic monitoring of the quality requirements of each **process** and the planning of **verification** activities at every operational stage. At the same time, the company is committed to identifying and reducing environmental impacts, monitoring both direct and indirect aspects linked to the supply chain and ensuring that production sites are fully **compliant** with current regulations. Pollution prevention is integrated right from the design and production stages, minimising adverse impacts, with particular

focus on environmental aspects, including during any site refurbishment works.

With a view to energy efficiency and resource optimisation, PMG S.p.A. promotes the reduction of water and energy consumption and the minimisation of waste generated, encouraging proactive communication with customers and suppliers to achieve a shared approach to environmental management. This commitment is supported by a detailed monitoring system designed to verify the continuous improvement of critical parameters such as atmospheric emissions, microclimate and noise pollution. Aware of the climate emergency, the company is taking active steps to reduce its carbon footprint and strengthen climate resilience. Finally, Senior Management reviews the Company Policy annually to ensure it remains up to date, verifying that the objectives set are always consistent with market developments and the needs of stakeholders.

TR4 Premises



5.1. KEY FIGURES

PMG S.p.A.'s path of growth, innovation and sustainable transition is led by a management team with extensive experience in the sector. Set out below are the profiles of the key figures who shape the Group's operational, technical and governance strategy.

Group Strategic Leadership



Born in Milan on 10 June 1955 and a qualified mechanical expert, he has long been a key figure at the helm of the Group. He began his professional career in 1975 in the family

business (LAGA), building up in-depth knowledge of elastomer formulations, the design of special compounds and administrative and commercial management.

He joined PMG S.p.A. in 1982 as Executive Director with responsibility for technical, production and commercial matters, and gave a strong impetus to innovation and market expansion. Since 1988, he has held the position of Chief Executive Officer, leading the company's transformation from a specialist national firm into an international group, with turnover rising from around 19 million euros in 1988 to over 72 million euros in 2025.

With over fifty years' experience in raw materials and compounding processes, he promotes a leadership model centred on the development of human capital, technical excellence and the ability to foresee market needs, guiding the Group's evolution towards increasingly innovative and sustainable production models for its stakeholders.

Umberto Francesco Poletto
CEO | PMG S.p.A.

Finance and Corporate Development



She was born in Verdello on 24 July 1956. She obtained her diploma in Accountancy in 1975 from the "Carlo Cattaneo" Technical Commercial Institute in Milan. After gaining

initial experience in the banking sector, she

joined PMG S.p.A. in 1985, beginning her career in the administrative department. Over the years, she took on roles of increasing responsibility, eventually becoming a Board Member and subsequently Managing Director.

Throughout her career, she has gained extensive experience in the administrative and accounting management of the company, dealing with general accounting, the preparation of the annual accounts, and relations with banks and external advisers.

She also oversaw the administrative and corporate matters relating to the incorporation and launch of the Group's subsidiaries in Romania and China, contributing to PMG's internationalisation process.

In her role, she has provided ongoing support to corporate governance, assisting Senior Management in handling the company's administrative, tax and documentation matters.

Pierisa Longaretti

Head of Administration and Finance | PMG S.p.A.

Research, Development and Innovation



Having qualified as an Industrial Technician specialising in Mechanics at the Bergamo Technical College of Industry, he joined the staff of PMG S.p.A. in 2014, initially as a

Laboratory Technician following a six-month work placement.

In 2015, he took on the technical leadership of the Research and Development department, coordinating process innovation and the engineering of new customised products. Since 2016, he has served as an active member of the Board of Directors of PMG S.p.A., contributing to the Group's strategic decision-making. Appointed to Managerial position in 2022, he continued his career progression to the top of the company's scientific division.

Since 2025, he has held the role of Director of Research and Development at the PMG S.p.A. Group, coordinating the R&D activities and laboratories at the Group's plants in Italy, China and Romania, with the aim to combine the highest technological performance of the compounds with the Group's sustainability and ecological transition targets.

Gabriele Poletto

Technical Director and Head of R&D | PMG S.p.A.

Procurement and Commercial Strategy



Born in Bergamo on 8 September 1982, he has played a key role in the company's managerial and structural consolidation. He joined PMG S.p.A. in 2003 and began his

career in technical operations, starting as a laboratory technician and later as department production manager.

In 2005, he took on technical responsibility for the company's production, coordinating four production lines across three plants. Since 2007, as Quality and Safety Manager, he has overseen compliance with the ISO 9001 standard and the implementation of occupational health and safety systems. Appointed as Manager and Member of the Board of Directors in 2010, since 2012 he has extended his responsibilities to include procurement management, safety, and the supervision of planning and human resources.

Since 2025, he has held a Senior Management position with overall responsibility for the Procurement and Sales departments, playing a key part in defining business strategies and strengthening PMG S.p.A.'s competitiveness and resilience in the global market.

Davide Poletto

Procurement and Sales Director | PMG S.p.A.

Production and Operational Safety



Having qualified as a Mechanical Technician, he has gained significant experience in the tyre manufacturing industry, working for several years in Research and Development and subsequently in Process Development.

This career path has enabled him to acquire a solid knowledge of elastomeric materials, formulations and manufacturing processes.

He subsequently joined PMG S.p.A. as a production line operator, gaining first-hand and in-depth knowledge of the plant's production processes and organisation. Thanks to his technical expertise and understanding of industrial processes, he gradually took on roles of increasing responsibility, eventually reaching his current position as Chief Operating Director.

In this role, he coordinates production and maintenance activities with the aim to ensure operational continuity, plant efficiency, product quality and the continuous improvement of processes. He supervises the production departments, promoting collaboration between teams and fostering the development of staff skills.

He also performs the role of Health and Safety Manager (HSM), helping to foster a strong culture of health and safety at work through an approach focused on prevention, training and employee engagement.

Diego Botta
Production Director | PMG S.p.A.

Quality, Environment and Sustainability



Born in Cosenza on 18 June 1974, he obtained his high school diploma from the "Enrico Fermi" Scientific High School and a degree in Chemical Engineering from the University of Calabria. He subsequently completed a

Postgraduate degree in Research and Development at the Politecnico University of Milan in 2002, further strengthening his background with training in the United States.

He joined PMG S.p.A. in 2003, working in the analytical laboratory, and subsequently took charge of the Research and Development department. Since 2011, he has been Head of Quality and Environment, where he has coordinated the implementation and continuous improvement of the ISO 9001 and ISO 14001 certifications, as well as the completion of IATF 16949:2016 in 2023, standardising these standards for the PMG China site as well. He has also gained solid experience in managing technical relations and safeguarding the company's patent and technological know-how.

He currently coordinates the integration of ESG issues into the Group's business strategies, leading projects related to the energy transition, carbon footprint mapping and the achievement of PMG S.p.A.'s decarbonisation targets and the creation of long-term sustainable value.

Alessandro Mannara

Quality and Environment Director | PMG S.p.A.

5.2. COMPLIANCE

PMG S.p.A., with the aim to ensure responsible management in line with legislative requirements, has implemented a whistleblowing system, which has now been brought into line with the amendments introduced in 2017, setting out “Pro-visions for the protection of persons reporting offences or irregularities of which they have become aware in the course of a public or private employment relationship” and in 2023, following the transposition of Directive 2019/1937 into Italian law by Legislative Decree 24/2023, PMG S.p.A.:

a) Has established dedicated reporting channels enabling the persons referred to in Article 5 to

report, in order to safeguard the integrity of the organisation, any unlawful conduct relevant under this Decree or breaches of this Code, of which they have become aware by virtue of the duties they perform;

b) Guarantees the confidentiality of the whistleblower’s identity;

c) Prohibits any act of retaliation or discrimination, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report;

d) Protects the person against whom the report is made through appropriate measures.

5.3. CODE OF ETHICS

PMG S.p.A. is committed to promoting high ethical standards in the management of its activities.

With this in mind, the Company has drawn up and published a **Code of Ethics**, formally approved by the Board of Directors on 28 May 2020 in its second version, which sets out the

main strategies and rules of conduct adopted by the company to ensure that its activities are conducted in a manner that is sound from both an ethical and a legal perspective.

In particular, the Code of Ethics now includes, as its main provisions:

- The moral values that guide the Company’s activities;
- Behaviour at work;
- Business conduct;
- Managing conflicts of interest;
- The corporate company in the event of non-compliance with the rules.

The Code of Ethics is binding on all employees of PMG S.p.A., as well as on all its customers and suppliers, who are required to familiarise themselves with its contents and to comply with its provisions.

In order to ensure the timely dissemination of the contents of the Code of Ethics, PMG S.p.A. has decided to:





- Distribute it to all employees, as well as to all members of the Board of Directors and the Board of Statutory Auditors;
- Provide information to its customers and suppliers;
- Publish it on the company website.

Third parties' adherence to the Code of Ethics and compliance with the principles set out

therein is ensured through the inclusion of specific **contractual clauses** governing the collaborative relationship or any other type of relationship that may be established with the Company.

The bodies responsible for implementing the Code of Ethics, as set out therein, are tasked with ensuring compliance with and adherence to the Code itself, as well as providing guidance on its interpretation.

5.4. MODEL 231 AND INTERNAL CONTROL

PMG S.p.A. has voluntarily adopted an Organisation, Management and Control Model in accordance with Legislative Decree 231/01.

The Company has launched an internal project aimed at ensuring the Model is kept up to date in order to take into account:

- Organisational changes within the Company;
- The development of case law and legal doctrine;
- Legislative changes;

- Considerations arising from the application of the Model, including lessons learnt from litigation;
- The outcomes of supervisory activities and the findings of audit activities.

This Decree, which sets out the rules governing the administrative liability of legal persons, companies and associations—including those without legal personality—introduced for the first time into Italian law an intermediate category of liability applicable to organisations, known as administrative liability.

B11 – Convictions and penalties for corruption and extortion

Pursuant to Legislative Decree 231/2001, PMG S.p.A. has established a Supervisory Body of a collegial nature, operating within the Company and endowed with autonomous powers of initiative and control.

The Supervisory Body is characterised by requirements of autonomy, independence, professionalism and continuity of action, and is appointed by the Board of Directors.

The Supervisory Body reports directly and exclusively to the Board of Directors and has its own annual budget, approved by the Board, which enables it to carry out the supervisory activities provided for under Model 231 in full autonomy; where necessary, additional resources will be allocated. The members are selected from among qualified individuals with appropriate legal and technical-organisational expertise; they remain in office for three years and may be re-elected. The Supervisory Body also adopts internal regulations governing its operation and relations with other corporate bodies.

The tasks of the Supervisory Board include:

- Monitoring the effective implementation of and compliance with Model 231;

- Assessing its suitability for preventing predicate offences, as well as proposing updates in the event of regulatory or organisational changes.
- The Supervisory Body meets quarterly, submits a written report to the Board of Directors at least every six months on the status of the Model's implementation, and reports periodically to the Board of Statutory Auditors.

The Model provides for specific information flows to the Supervisory Body: for each area at risk of criminal offence, internal contact persons are identified who are required to provide periodic updates, even in the absence of significant events ("negative reports"). A dedicated channel is also in place for reports and requests for clarification, designed to ensure the confidentiality of the reporter and prevent retaliatory behaviour. The Supervisory Body assesses the reports received, may summon the person who made the report and the parties concerned, and carries out the necessary investigations.



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