

# SUSTAINABILITY REPORT

2024



"Respiro Circolare"- "Circular Breathing" (2024), tecnica mista su tela, Beatrice Rosmino. © L'Artista – Courtesy of Sermag Srl



*“From the roots of yesterday, the breath of tomorrow: Beatrice Rosmino’s vision for a plastic that is reborn.”*

Beatrice Rosmino’s abstract work, sketched in green glazes and amber gleams, engages in dialogue with the circular vocation of Sermag Srl. Every shade evokes the continuous renewal of regenerated polymers, every pattern of colour suggests the synergy between science and human sensitivity that drives our Laboratorio Materie Plastiche Circolari. Thus, domestic creativity becomes an industrial paradigm: a family that preserves and passes on knowledge, a future taking shape in harmony with the environment.

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# Introductory Section



For any questions, comments, or requests for further information regarding the contents of this Sustainability Report, all interested parties are invited to write to [sermag@sermag srl.com](mailto:sermag@sermag srl.com). We will be pleased to provide the necessary clarifications as promptly as possible.

# 1. Letter to Stakeholders

## Dear Stakeholders,

With the publication of our fourth Sustainability Report, we reaffirm our commitment to engaging in open dialogue with all of you, who are central interlocutors of our business model. The journey that has led us to this point has been characterized by a constant desire to integrate economic growth, innovation, and social and environmental responsibility. Through this document, we aim to provide not only a transparent overview of the activities undertaken but also a forward-looking vision of our commitment to an increasingly advanced and integrated circular economy.

We firmly believe that sustainability today constitutes an indispensable strategic lever, rather than an optional choice. Therefore, we are dedicated to considering our impact not only in financial terms but also in its broader dimensions: reliability, quality, ethics, tolerance, and inclusion. These elements are fundamental to generating trust and stability, both within and beyond the company's boundaries.

Over the past year, we have strengthened our environmental strategy through investments in technologies aimed at reducing our carbon footprint and extending the lifecycle of post-consumer plastic materials, adopting industrial solutions that significantly reduce the consumption of virgin raw materials. Our production processes, based on rigorous traceability systems, ensure safety, transparency, and quality throughout the supply chain.

Our commitment to decarbonization is also reflected in the progressive adoption of advanced environmental measurement and reporting tools, with the objective of continuously evaluating and improving the ecological performance of our processes. The adoption of nationally and internationally recognized certifications (such as ISO 9001, Plastica Seconda Vita, Remade in Italy, and ISCC Plus) attests to the solidity and seriousness of our approach.

From a social perspective, we have invested in organizational well-being by implementing concrete corporate welfare measures, promoting flexible working methods, and encouraging continuous training. The WelfareHub platform and the availability of personalized benefits are tangible examples of our commitment to the people who collaborate with us. Their health, safety, and satisfaction are the cornerstone of sustainable and shared performance.

At the governance level, we continue to strengthen our internal control system and promote a corporate culture based on integrity. The Code of Ethics, the Organizational and Management Model pursuant to Legislative Decree 231/2001, and the adoption of a whistleblowing portal ensure a transparent, safe, and compliant operating environment.



Our way of doing business is founded on the value of relationships. Actively involving stakeholders in our decision-making process is a guiding principle for us. We have implemented structured listening tools, such as questionnaires and direct meetings, to identify priorities, perceptions, and opportunities. This enables us to build an increasingly inclusive strategy that aligns with the expectations of the stakeholders.

Our network of companies, established in collaboration with Mottin Srl and supported by prestigious academic institutions such as the University of Eastern Piedmont and the INSTM Consortium, is a virtuous example of industrial cooperation for sustainable innovation. Together, we have created the Laboratorio Materie Plastiche Circolari, a strategic center for material analysis and applied research on new recycled compounds. Technological innovation, driven by our R&D department, has led to the development and patenting of a method for deodorizing recycled plastics, with a reduction of odorous substances by over 90%. This achievement represents a concrete step forward towards a truly regenerative economy.

This Sustainability Report, compliant with international standards and the principles of the Voluntary Standard for Micro, Small, and Medium Enterprises (VSME), has been prepared on a voluntary basis, even though the company is not obliged under EU Directive 2022/2464. We consider it a tool for transparency, accountability, and continuous improvement. It fully responds to Goal 12.6 of the United Nations 2030 Agenda, which encourages companies to adopt sustainable practices and integrate them into their reports.

The transformation towards a sustainable development model requires determination, vision, and collaboration. This is why we invite you to share this journey with us once again: a path filled with challenges but also great opportunities, which we want to face together with all of you—customers, suppliers, partners, institutions, universities, employees, local communities—in the spirit of innovation, coherence, and respect. Thank you all for your trust, support, and active participation in perfecting our business model, increasingly oriented towards generating sustainable value over time.

**Andrea Rosmino**

Amministratore Unico – Sermag Srl



## Options Adopted for Reporting (Basic and Complete)



The sustainability reporting adopted conforms to the **Complete mode** of the new VSME standard by EFRAG. This choice represents a significant evolution compared to previous years, during which reporting progressively adapted to international standards, particularly the **GRI (Global Reporting Initiative) Guidelines**, transitioning to the **ESRS (European Sustainability Reporting Standards)** and now to the **VSME**.

Sustainability reporting has undergone a constant evolution, adapting to regulatory requirements and best international practices. Until 2023, reporting was conducted according to the **GRI (Global Reporting Initiative)** standards, a well-established reference that allowed clear communication of the company's economic, environmental, and social impacts.

In 2024, however, the company decided to adopt the **VSME**, the new voluntary standard developed by EFRAG specifically for micro, small, and medium enterprises. This transition represents a significant evolution in the reporting process, allowing the integration of principles of proportionality and simplification without sacrificing the robustness and quality of ESG information.

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## VSME Standard

VSME has four main features

### Voluntary basis

It was created for companies that are not subject to the CSRD regulation, but nevertheless wish to prepare a Sustainability Report on a voluntary basis.

### Accessibility

It is designed for all SMEs, including microenterprises, and enables the creation of a sustainability statement without requiring complex or costly analyses.

### Modularity

It consists of two modules, providing SMEs with the opportunity to choose which information to include in the report.

### Response to stakeholder requests

It enables SMEs to respond to sustainability data requests in accordance with their size and capabilities.

The adoption of the VSME is particularly relevant in the context of the **CSRD (Corporate Sustainability Reporting Directive)**, which has made ESG reporting mandatory for large companies.

Although SMEs are not yet directly involved, the VSME offers a framework aligned with the ESRS, facilitating the transition towards potential future regulatory obligations and meeting the informational needs of investors and large clients.

**The Complete mode** serves as a true tool for analysing and representing corporate sustainability, allowing the company to define and improve its commitment through a series of indicators and metrics. Our reporting is divided into the following areas:

### General Information

A comprehensive overview of the business model adopted sustainability strategies, and corporate governance; the starting point for understanding how sustainability integrates into business dynamics.

### Environmental Indicators

A detailed assessment of the company's environmental impact, with specific data on GHG emissions (Scope 1 and 2, and an estimate of Scope 3), waste management, and optimization of water and energy resource use.

### Social Indicators

Human capital is a fundamental asset, and the reporting analyses aspects such as workforce characteristics, human rights policies, health and safety protection, training, and initiatives to ensure gender equality and inclusion.

### Governance Indicators

Transparency in business operations, supplier management, and the adoption of anti-corruption policies are key elements for a management system that respects our ethical and responsible commitment, including risk management to ensure a sustainable long-term approach.

## Consolidation Basis: Individual or Consolidated Report

This Sustainability Report is prepared on an **individual** basis, as **Sermag Srl does not belong to any corporate group** and does not hold stakes in other companies. Therefore, all information and data contained in the report refer exclusively to the activities, processes, and performance of the company within its legal and operational scope.

# 2. General Company Information



## Corporate Identity: Innovation, Sustainability, and Recycling Enhancement

Sermag Srl is a unique entrepreneurial entity in the national landscape, capable of synergistically integrating production, commerce, applied research, analytical laboratory, and quality management activities. Founded in 2003 by Andrea Rosmino in Casale Monferrato, the company has built a solid, continuously evolving operational model based on technological innovation and environmental sustainability.

The initial steps of the business were oriented towards supplying polymer raw materials for the bituminous membrane sector. Starting in 2004, thanks to a strategic collaboration with Ecosac Srl, **Sermag expanded its scope by entering the recycled plastics market**, anticipating a trend that would later consolidate globally.

Over the years, the company has increased its market share both nationally and internationally, establishing solid relationships with foreign suppliers and clients operating in highly diversified sectors, including compounding, molding, construction, and automotive. The move to a larger and more functional headquarters in Casale Monferrato in 2015 represented a further growth step, necessitated by the expansion of activities and the introduction of new professionals.

A strategic turning point occurred in 2018, with the initiation of a profound revision of the business model aimed at **enhancing recycled plastic** not only for its economic value but also for its environmental and technical characteristics. Sermag thus evolved its industrial approach, becoming a reference point in the secondary raw materials market.

Today, the company is a producer, as well as a trader, of recycled materials in polypropylene (PP), polyethylene (PE), and blends of polyolefins and

elastomers. The materials, available in the form of flakes, densified, or pellets, are intended for applications in sectors with high technical specificity: from injection molding to film blowing for packaging, from extrusion to the production of compounds for the automotive and construction industries.

The ability to listen to customer needs has driven Sermag to internally design and develop customized compounds based on recycled polyolefins and elastomers. Thus, in 2019, the first proprietary compound with a high recycled content was born: **RINNO-V-ENE TPE-O**, the result of careful research and collaboration with selected industrial partners.

The production model adopted by Sermag is based on an integrated supply chain where the trust relationship with partners is a distinctive element. This approach found its highest expression in 2020 with the formalization of a network **contract with Mottin Srl**, a company historically active in the recycling sector. The agreement led to the creation of the **Laboratorio Materie Plastiche Circolari**, a shared strategic infrastructure that allows coordinated management of analysis, traceability, and certification of recycled materials.

Thanks to the scientific contribution of the Department of Science and Technological Innovation of the **University of Eastern Piedmont** and the **Na-**

**tional Interuniversity Consortium for Science and Technology of Materials – INSTM**, since 2021 the laboratory has become a center of excellence for the analysis and development of new recycled materials.

Sermag has built its competitive advantage through a highly controlled and flexible production process, capable of ensuring **consistent quality, safety, and high performance** even in the most demanding sectors. The entire cycle – from raw material selection to the finished product – is monitored by rigorous internal quality controls, ensuring the issuance of analytical certifications for each batch and full compliance with reference standards (UNI 10667, UNI EN 15343-5, REACH, RoHS).

The company's evolution has been accompanied by a clear vision: to make **recycled plastic a noble, competitive, and sustainable material**. The twenty-year experience, combined with technical cultu-

re and relational capital built with customers and suppliers, has allowed Sermag to establish itself authoritatively in the sector.

In 2023, the company celebrated **twenty years of activity**, a symbolic milestone shared with employees and stakeholders through dedicated events and the presentation of a celebratory logo. This anniversary represented a moment of reflection and relaunch, in the spirit of continuity and responsibility, with an eye towards the future and the challenges of ecological transition.

At the heart of the company's philosophy is the belief that **research, traceability, safety, and collaboration** are the pillars on which to build a competitive and sustainable industrial model, capable of contributing to the achievement of the **Sustainable Development Goals (SDGs), particularly SDG 9 (innovation and infrastructure) and SDG 12 (responsible production and consumption)**.

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Legal Headquarters: Piazza XXV Aprile 12, Milan, 20124

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Operational Headquarters: Via Corte D'appello 3, Casale Monferrato, (AL), 15033

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PEC Address: info@pec.sermagsrl.com

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REA Number: MI - 1858021

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Tax Code and Business Register Number: 02019310065

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Legal Form: Limited Liability Company

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Sole Director: Dr. Andrea Rosmino

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Sole Auditor: Dr. David Fordred

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Environmental Manager: Dr. Matteo Lorenzon

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Sustainability Manager: Dr. Simona Stradella

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Number of Employees (2024): 8

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Ateco Code (2022): 46.76.20 – Ateco Code (2025): 46.86.10 | Nace Code: 46.76

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Total Assets: €10,211,874

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Revenue: €15,067,386

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Main Countries of Operation: Italy and, to a lesser extent, Europe

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Operational Sector: Wholesale trade of plastic materials in primary forms and rubber

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## Business Model and Corporate Strategy



Sermag Srl is a small industrial enterprise founded in 2003 in Casale Monferrato, operating with an innovative and specialized approach in the recycled plastics sector. Since its inception, the company has positioned itself at the forefront of the plastics supply chain, transforming pre- and post-consumer plastic waste into high-performance secondary raw materials through an **industrial model oriented towards circular economy and sustainability** throughout the value chain.

The core of Sermag's business model is represented by the integration of commercial activities, production processes, and technical development. Direct management of critical phases such as material analysis, batch traceability, and quality control is complemented by a network of highly selected partners entrusted with the physical execution of certain processes such as densification, granulation, and mixing. This way, Sermag manages to combine operational flexibility with maintaining a consistent and certified quality standard.

The innovative dimension is reinforced by scientific collaboration with the Department of Science and Technological Innovation of the University of Eastern Piedmont and the INSTM Consortium. These partnerships have enabled the **development of analytical methodologies and patented processes**, including the deodorization treatment of recycled materials and the measurement of odorous molecules. These innovations contribute to making recycled materials suitable even for the most demanding uses, in compliance with current technical and environmental regulations.

The link between industrial activity and sustainable strategy is realized in a system that ensures full traceability and transparency of the product. Each batch is subjected to checks according to UNI 10667 and UNI EN 15343-5 standards and accompanied by certificates of analysis and compliance. Sermag has obtained numerous process and product certifications, including ISO 9001, ISO 14001, RecyClass,

ISCC Plus, Remade in Italy, and the EcoVadis Silver rating, testifying to the seriousness of its commitment to quality, environmental protection, and social responsibility.

Sermag's corporate strategy is based on a long-term vision oriented towards ecological transition and overcoming the traditional approach to recycling as a second-tier economic choice. The company considers recycled material as a noble raw material and has invested resources in the design of technical compounds, including the polyolefin RINNO-V-ENE TPE-O, characterized by high performance and high content of regenerated material.

Simultaneously, Sermag's commercial expansion aims to consolidate its presence in regulated and high-value-added markets, such as sustainable automotive, regenerative packaging, and green construction. The organizational model has been adapted to support this growth through a lean and resilient structure, based on the enhancement of human resources, the adoption of enabling technologies, and a corporate culture founded on transparency, ethics, and legality. The governance system includes concrete tools such as the **Code of Ethics, the Model 231, and the whistleblowing portal**, as well as the presence of an ESG Manager who coordinates the integration of sustainability principles across corporate activities.

Organizational well-being represents another strategic axis. The company has introduced personalized welfare policies, flexible working methods, and digital tools for active employee participation. The social dimension of the model is thus an integral part of the value creation process, alongside the economic and environmental dimensions.

The **LCA study conducted in 2024, in accordance with ISO 14067**, demonstrated that the use of recycled materials in Sermag processes results in up to an 80% reduction in climate-altering emissions compared to the use of virgin plastics.

Further analyses have highlighted that the environmental impact can be further reduced through the adoption of energy from renewable sources and

the procurement of raw materials from European suppliers, who are more efficient in terms of energy and environmental performance.

In an increasingly ESG-oriented European regulatory context, with a focus on supply chain traceability and process circularity, the Sermag model proves to be resilient and replicable.

The ability to adapt to legislative, technological, and market evolutions, combined with a scientific and structured approach to sustainability, makes the company a reference point in the landscape

of Italian industrial SMEs committed to ecological transition.

Fully aligning with the principles of the VSME and concretely contributing to the Sustainable Development Goals of the 2030 Agenda – particularly SDG 9 (industry, innovation, and infrastructure), SDG 12 (responsible consumption and production), and SDG 13 (climate action) – **Sermag presents itself as a virtuous model of regenerative enterprise**, capable of transforming recycling into value, innovation into concreteness, and sustainability into competitive advantage.

## Element

## Sermag specific data

Significant Groups of Products and/or Services Offered

Sermag provides recycled and by-product-based plastics (pellets, densified materials, flakes plastics), customized technical compounds (e.g., RINNO-V-ENE TPE-O), laboratory analysis, and R&D services for tailor-made products.

Key Markets in Which the Company Operates

The company primarily operates in the B2B market, serving clients in Italy and across Europe, particularly in the packaging, automotive, construction, and compounding sectors. It relies on direct sales channels and maintains well-established business relationships.

Main Commercial Relationships

Suppliers of pre- and post-consumer recycled plastics, industrial partners for processing (e.g., Mottin Srl), loyal medium- to long-term clients, and distribution through dedicated transport providers.

Key Strategic Elements Related to Sustainability

The strategy includes the gradual elimination of virgin materials, the development of high-performance circular materials, the adoption of ESG certifications (ISO, ISCC Plus, EcoVadis), the digitalization of traceability processes, and investments in employee well-being and academic research.

## Sustainability Certifications Renewed in 2024

During the past year, all certifications previously obtained were successfully renewed.

The certification body CSI reconfirmed the fifteen licenses granted in previous years, covering Secondary Raw Materials, plastics from by-products, origin flow, and recycled content. For the fifth consecutive year, CSI also renewed the most important license issued to Sermag: TRB20001, which certifies the traceability of recycled materials.

Thanks to IIP, four “Second Life Plastic” licenses were renewed: Industrial Scrap, Separate Collection, MIXE-CO (a mix of SC and IS), and By-product.

With the RINA body, the renewal audit for the “Remade in Italy” certification was carried out, covering Secondary Raw Materials, plastics from by-products, and products with recycled content.

Finally, in December, the audit for ISCC Plus—one of the most rigorous and complex schemes—was conducted and, like all previous certifications, was renewed for another year.



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## Certifications Obtained in 2024: A Strategic Confirmation of Sermag’s Commitment

In 2024, Sermag Srl further strengthened its position in the sustainability sector by obtaining new and significant certifications. These international recognitions validate the robustness of the company’s environmental, social, and governance (ESG) management system and mark a key milestone in its transition toward an advanced circular economy model based on transparency, traceability, and technological innovation.

### RecyClass: Transparency, Traceability, and European Compliance

## RecyClass

Among the most important achievements is the **RecyClass** certification, developed in accordance with the **EN 15343:2007** standard. This scheme replaces the previous EUCertPlast (for Sermag, the KIWA Covenant scheme) and introduces even stricter requirements to ensure **complete and verifiable traceability of recycled plastic materials** throughout the entire supply chain.

The certification confirms that Sermag is capable of accurately tracing the origin of materials—distinguishing between pre- and post-consumer streams—and monitoring their transformation into Secondary Raw Materials. This level of transparency is a strategic asset for accessing international markets that are increasingly focused on environmental compliance and data quality, thereby enhancing the company’s credibility with clients, partners, and stakeholders.

## ISO 14001: Integrated Environmental Management and Continuous Improvement



The achievement of **ISO 14001:2015** certification confirms the presence of a robust environmental management system at Sermag, fully aligned with international standards. This standard defines the criteria for the systematic **control of environmental impacts** and the assessment of risks associated with business processes.

Through the implementation of ISO 14001, Sermag has strengthened its environmental prevention tools, optimized resource use, reduced waste, and ensured full regulatory compliance. This certification is fully integrated into the company's ESG strategy, laying the foundation for proactive and long-term environmental management.

## LCA Study and ISO 14067 Certification: Measuring to Improve



As part of a strategy focused on measuring environmental impact, Sermag commissioned a **Life Cycle Assessment (LCA) study to quantify the Carbon Footprint (CFP)** of its recycled plastic products. The study was conducted in collaboration with the Proplast Consortium and followed international standards ISO 14044 and ISO 14067, applying Product Category Rules (PCR) for plastics in primary forms.

The products analysed include raffia, film, and non-woven polypropylene (PP) fabrics, as well as LDPE and HDPE films, and the patented compound RINNO-V-ENE. Primary data were collected at the production facility of Mottin Srl, a long-standing Sermag partner.

The study considered the entire product life cycle, dividing processes into:

- Upstream: including raw material and packaging production;
- Core: covering production processes, including energy and water consumption;
- Downstream: including distribution and end-of-life of products.

The carbon footprint was calculated using SimaPro® 9.6.0.1 software, applying the "IPCC 2021 GWP 100a" method. **Results show up to an 80% reduction in emissions compared to equivalent virgin materials.** Additionally, the study identified concrete levers for further emission reductions, such as the use of locally sourced raw materials and renewable energy, which could contribute to additional reductions ranging from 26% to 70%.

These results demonstrate the effectiveness of Sermag's industrial model and reinforce the strategic value of using certified recycled materials.

## EcoVadis – Rating Silver: : ESG Performance Assessed on a Global Scale



In 2024, Sermag also obtained the **Silver rating from EcoVadis**, one of the most authoritative international platforms for evaluating ESG (Environmental, Social, Governance) performance. This result places Sermag in the **top 25% of companies assessed globally**, highlighting the company's strong practices in environmental, social, ethical, and supply chain management.

Beyond enhancing corporate reputation, the score represents a tangible competitive advantage, as many companies now require EcoVadis certification as a prerequisite for supplier selection. The evaluation also helps identify areas for improvement, offering targeted recommendations to further strengthen sustainable management practices.

## A Concrete Commitment to the Future

The certifications obtained in 2024 represent far more than a confirmation of compliance—they are **tangible proof of a forward-looking industrial vision** that successfully integrates competitiveness, innovation, and social and environmental responsibility.

Sermag now stands as a **key player in the production of recycled plastics**, with a model based on technical rigor, culture of quality, and strong commitment to contributing to the United Nations Sustainable Development Goals—particularly **SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action)**.

This journey continues, driven by the belief that sustainability is not a destination but a trajectory to be pursued with consistency, transparency, and a spirit of collaboration with all stakeholders.

## Sustainability Goals and SDGs



For several years, Sermag Srl has been engaged in a structured transition toward a more sustainable industrial model, aligned with the environmental

and social challenges of the sector and with long-term goals set at both European and international levels.

However, this journey would not have been possible without the close and **ongoing collaboration with its industrial partner Mottin Srl**—a long-standing and strategic subcontractor. Sermag and Mottin not only share essential operational phases but also a common vision focused on sustainable innovation.

The relationship between Sermag and Mottin is governed by an active network contract, within which integrated quality control systems, shared laboratories, applied research activities, and joint industrial plans have been developed.

This alliance is a **concrete example of the implementation of the partnership principle promoted by SDG 17 – Partnerships for the Goals**, demonstrating how inter-company collaboration is a key driver in accelerating the transition toward a regenerative and circular economy.

All sustainability policies, strategies, and objectives outlined in this document are the **result of a joint effort with Mottin** and reflect shared actions, results, and commitments. Accordingly, the technical, environmental, and social data reported also

include information provided directly by Mottin Srl, forming part of the operational scope and faithfully representing the overall impact of the Sermag-Mottin model.

Although Sermag does not directly use water resources in its processes, it is important to note that its production partner Mottin Srl—an integral part of the contractual and operational network—uses significant volumes of water in the washing and treatment phases of recycled plastics.

Sermag therefore acknowledges the environmental relevance of this issue and has initiated a dialogue with its partner aimed at evaluating and improving water efficiency, with a view to jointly managing sustainability across the entire value chain.

## Practices Implemented for the Sustainable Transition

In its daily operations, Sermag has adopted **environmental and social management practices** aimed at reducing negative impacts and enhancing positive outcomes along the value chain.

Among the main consolidated environmental practices are:

- the exclusive use of recycled plastic materials (both pre- and post-consumer), replacing virgin raw materials;
- the outsourcing of production processes that meet energy efficiency criteria;
- continuous emissions monitoring through an internal traceability system and laboratory analysis;
- the development of deodorized compounds that enable the reuse of plastics in high-end technical sectors, reducing the need for incineration or disposal.

Additionally, water consumption within the supply chain is recognized as a relevant issue. Although Sermag does not directly use water resources, it has been noted that the treatment of raw materials by Mottin Srl involves water use in densification,

extrusion, and cooling processes. In collaboration with its partner, Sermag intends to implement water consumption monitoring systems and evaluate technological solutions to improve circularity and efficiency in water use.

From a social perspective, Sermag promotes **workplace well-being** through initiatives such as remote working, access to corporate **welfare via the WelfareHub platform, benefits related to sustainable mobility**, continuous technical training, and a structured internal feedback system based on **anonymous surveys**.

In terms of governance, an **ESG Manager** has been appointed, and the company applies the Organizational, Management, and **Control Model pursuant to Legislative Decree 231/2001**. This is supported by a publicly available Code of Ethics and a **digital whistleblowing** system accessible to all stakeholders.

## Formalized Sustainability Policies

Sermag has adopted a **voluntary and formalized approach to ESG management**, aligned with the principles of the VSME (Voluntary Sustainability Management and Evaluation).

The adopted policies include:

- **environmental Policy**, which sets the goal of progressively reducing the carbon footprint, in accordance with ISO 14001 and ISO 14067 standards;
- **quality Policy**, compliant with ISO 9001, focused on product safety and customer satisfaction;
- **ethical and Social Policy**, based on the Code of Ethics and principles of inclusion, equal opportunity, continuous training, and organizational well-being.

These policies are not only **communicated internally** but are also **accessible to stakeholders** and integrated into supplier selection and evaluation processes.

## Future Initiatives and Long-Term Plans

To strengthen its contribution to the ecological transition and sustainable competitiveness, Sermag has planned several initiatives to be implemented during the 2025–2027 period, including:

- **The progressive adoption of renewable energy sources**, through green energy supply contracts and the installation of photovoltaic systems at partner production sites;
- **The expansion of the ISCC Plus certified** product range to include additional polyolefin formulations;
- **The dematerialization of internal documentation flows** and the digitalization of the traceability chain across the entire supply network;
- The enhancement of **internal ESG training and reporting systems**, with increasingly specific environmental and social indicators;
- The consolidation of scientific **collaborations with universities and third-party institutions** to improve material quality and develop more effective purification technologies.

## Environmental and Social Targets for 2030

Sermag has defined **quantitative targets** to be achieved by 2030, aligned with the SDGs and the principle of continuous improvement. These targets, subject to periodic monitoring, include:

- **a 30% reduction in CO<sub>2</sub> equivalent emissions** per ton of product compared to the 2023 baseline, through the adoption of renewable energy and more efficient processes;
- **an increase in certified recycled content** across all technical compound product lines by 2030;
- **a 50% reduction in waste generated from plastic processing** through process optimization and internal reuse of production scraps.

It is important to note that all waste currently generated along the Sermag-Mottin supply chain is already 100% recyclable.

This includes:

- cardboard cores from incoming plastic material packaging;
- iron wire used to bind compacted plastic bales;
- raffia big bags used for transporting secondary raw materials.

These materials are regularly sorted and managed by authorized operators. Therefore, the 2030 target does not concern the recyclability of the waste itself—which is already aligned with circular economy principles—but rather the total volume generated, which Sermag aims to reduce by improving packaging design, promoting internal reuse, and optimizing auxiliary materials used in production. This strategy confirms the company’s commitment to reducing its overall environmental footprint, even in less visible areas, in line with the European waste hierarchy (reduce, reuse, recycle) and contributing to SDG 12 – Responsible Consumption and Production.

Additional targets include:

- **increasing the share of suppliers evaluated based on ESG** criteria from 40% to 90% by 2030;
- **ensuring 100% access to corporate welfare for all permanent employees** by 2025, with satisfaction indicators monitored annually;
- **achieving gender parity in managerial positions** by 2030.

## Mapping to the Sustainable Development Goals (SDGs)

Sermag’s practices, policies, and objectives are fully aligned with the United Nations 2030 Agenda. In particular, the company contributes directly to the following SDGs:

- **SDG 9 – Industry, Innovation and Infrastructure**: through collaboration with research institutions and the development of patented technologies for recycled material quality;
- **SDG 12 – Responsible Consumption and Production**: through the exclusive use of recycled plastics, full batch traceability, and waste reduction;

- **SDG 13 – Climate Action:** with measurable decarbonization targets and LCA studies based on primary data for each product category;
- **SDG 5 – Gender Equality:** through the adoption of inclusive practices and a commitment to balanced representation;

- **SDG 8 – Decent Work and Economic Growth:** through continuous improvement of working conditions, skills development, and the expansion of corporate welfare.



# THE GLOBAL GOALS

## For Sustainable Development



## Responsibility and Internal Oversight

The implementation of sustainability initiatives is overseen by the **ESG Manager**, a formally appointed role that reports directly to the Sole Director. Oversight is carried out in coordination with all company departments (laboratory, quality, administration, sales) and is subject to annual verification through internal audits.

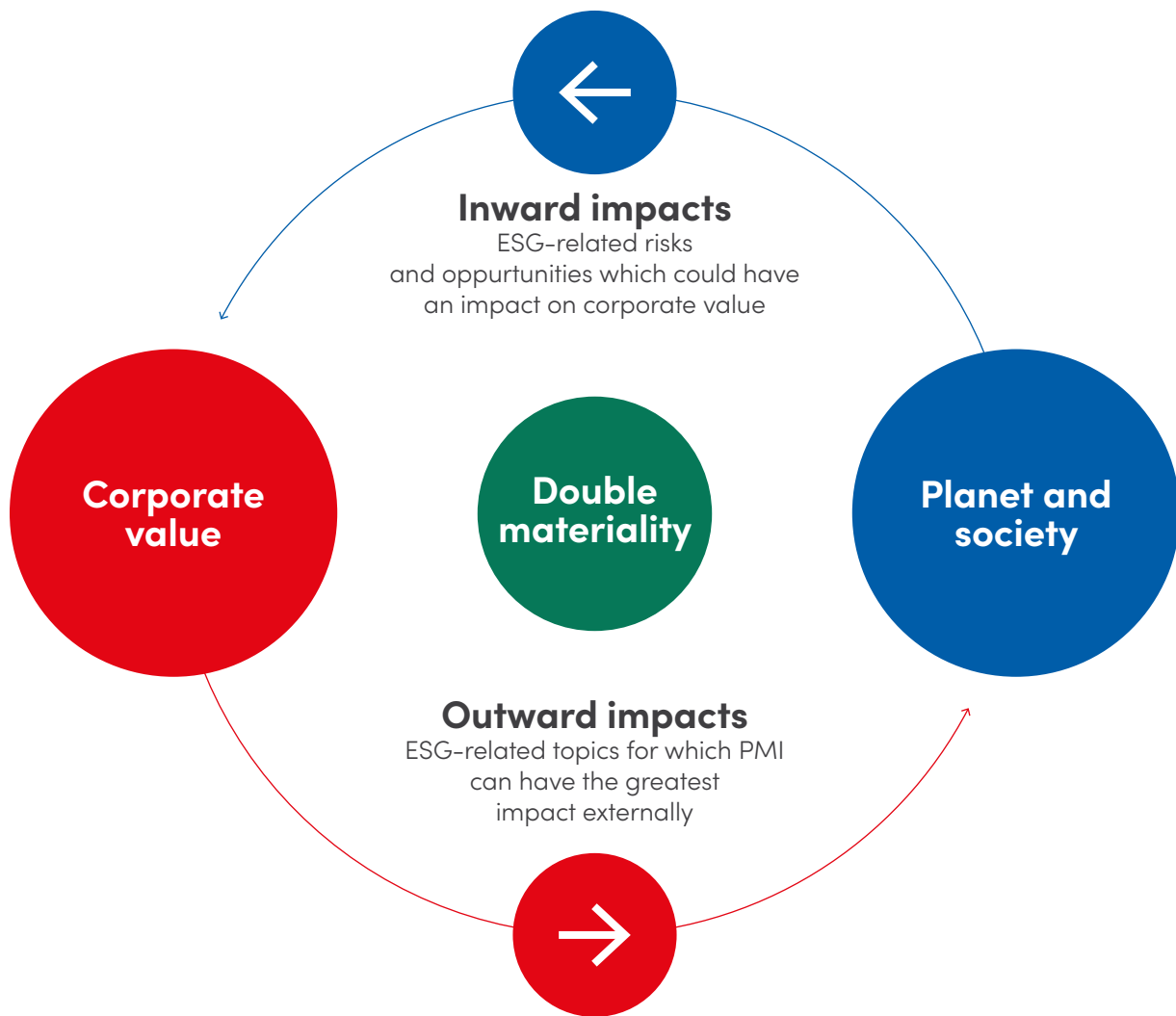
Sustainability Issue	Practices Policies Initiatives	Details of Existing Practices Policies / Initiatives
Climate Change	Yes	LCA study, planned use of renewable energy, Carbon Footprint Certification
Pollution	Yes	Deodorization processes, odour reduction, low-emission products
Water and Marine Resources	Yes	The company does not directly use water, but partner Mottin uses water for densification and extrusion processes. A dialogue has been initiated to monitor and improve water efficiency.
Biodiversity and Ecosystems	No	Not relevant to the materials processed (recycled polyolefins)
Circular Economy	Yes	Fully recycling-oriented industrial model; 71% recycled content
Internal Workforce	Yes	WelfareHub, remote working, employee benefits, technical training
Workers in the Value Chain	Yes	Supplier selection based on ethical criteria, training and monitoring within the network contract
Engaged Communities	No	Not directly involved
Consumers and End Users	Yes	Qualitative analysis of customer needs, certified material control
Corporate Conduct	Yes	Legislative Decree 231 Model, Code of Ethics, digital whistleblowing system, ESG Officer

Sustainability Issue	Future initiatives Objectives	Details of Future Initiatives / Objectives	Responsible Figure
Climate Change	Yes	Installation of photovoltaic systems, replacement of virgin PP with EU-sourced material, 80% CO <sub>2</sub> reduction by 2030	ESG Manager
Pollution	Yes	Extension of VOC emissions analysis in production cycles; target 20% reduction in odour emissions by 2026	Laboratory Manager
Water and Marine Resources	Yes	Definition of water efficiency metrics and consumption reduction targets per ton processed with Mottin by 2027	Quality Manager
Circular Economy	Yes	Achieving 100% recycled content in all compounds by 2027	R&D Manager
Internal Workforce	Yes	Full welfare coverage for 100% of employees by 2025; gender parity in managerial roles by 2030	Administration Manager
Workers in the Value Chain	Yes	Inclusion of ESG requirements in network contracts; annual audit checklist for 100% of subcontractors by 2026	Commercial Manager
Consumers and End Users	Yes	Development of customer satisfaction surveys and implementation of a voluntary environmental labelling system by 2025	Marketing Manager
Corporate Conduct	Yes	Expansion of internal ESG training; periodic review of the Legislative Decree 231 Model and Code of Ethics	Sole Director

# 3. Double Materiality Analysis (ESRS IRO-1)

Sermag Srl conducted a **double materiality analysis** with the aim of identifying environmental, social, and governance (ESG) topics that are relevant both in terms of the impacts generated on the environment and society, and in terms of risks and opportunities for the company’s continuity and resilience.

The analysis was carried out in accordance with the principles of the **ESRS IRO-1** standard, integrating the approach required by the VSME with international best practices, including GRI and the SDGs.



The process involved internal stakeholders (employees, Sole Director, ESG Manager) and external stakeholders (two strategic suppliers), and included data collection through interviews, questionnaires, and qualitative discussions. Although external participation was limited, Sermag is committed to strengthening consultation methods in future cycles.

The analysis also considered activities along the **value chain**, particularly those carried out by the production partner Mottin Srl, with whom Sermag shares a network contract and a significant portion of processing, traceability, energy consumption, and environmental impact. Certified LCA data and shared practices were included in the identification and assessment of material topics.

A total of nineteen material topics were identified and subsequently classified based on their relevance to the **financial dimension (for the company) and the impact dimension (on the environment and society)**.

Topics with the highest relevance in both dimensions include:

- circular economy and use of recycled materials

- scope 3 greenhouse gas emissions
- workplace well-being and safety
- ethical governance and information transparency

Sermag updates the materiality analysis on an **annual basis** and uses the results to guide the definition of its **ESG objectives, the monitoring of non-financial performance**, and the proactive management of risks related to the sustainability transition.

## 3.1. Introduction and Methodology

### Purpose of the Materiality Analysis

The **materiality analysis** is a fundamental process through which **Sermag Srl** identifies and evaluates the most relevant **ESG (Environmental, Social, and Governance)** topics, both in terms of their impact on the company's activities and in relation to stakeholder expectations. This approach enables the company to focus its strategies and resources on issues that are critical to long-term sustainable success, while ensuring transparent and targeted communication with stakeholders.

### Methodology adopted

Sermag Srl's materiality analysis was structured in the following phases:

**1. Identification of Key Stakeholders:** The main internal and external stakeholders were identified, including employees and strategic suppliers, to understand their ESG-related expectations and concerns.

**2. Data Collection:** Information was gathered through semi-structured interviews and questionnaires addressed to employees and two selected suppliers. Although participation was limited, the company acknowledges the importance of broader stakeholder engagement and is committed to implementing innovative solutions to ensure more diverse and inclusive representation in future analyses.

**3. Alignment with International Standards:** The analysis was conducted in accordance with the **IRO-1** principle of the **ESRS (European Sustainability Reporting Standards)**, ensuring consistency with major international frameworks and the **United Nations Sustainable Development Goals (SDGs)**.

**4. Identification and Classification of Material Topics:** Based on the collected information and standard guidelines, the most relevant ESG topics for Sermag Srl and its stakeholders were identified and classified. This classification considered both the actual and potential impact of the company on environmental and social issues, and the influence these issues may have on the company's performance and market position.

**5. Internal Validation:** The results of the analysis were reviewed and validated by the **ESG Manager** in collaboration with the **Sole Director**, ensuring that the identified priorities accurately reflect the company's strategic vision and objectives.

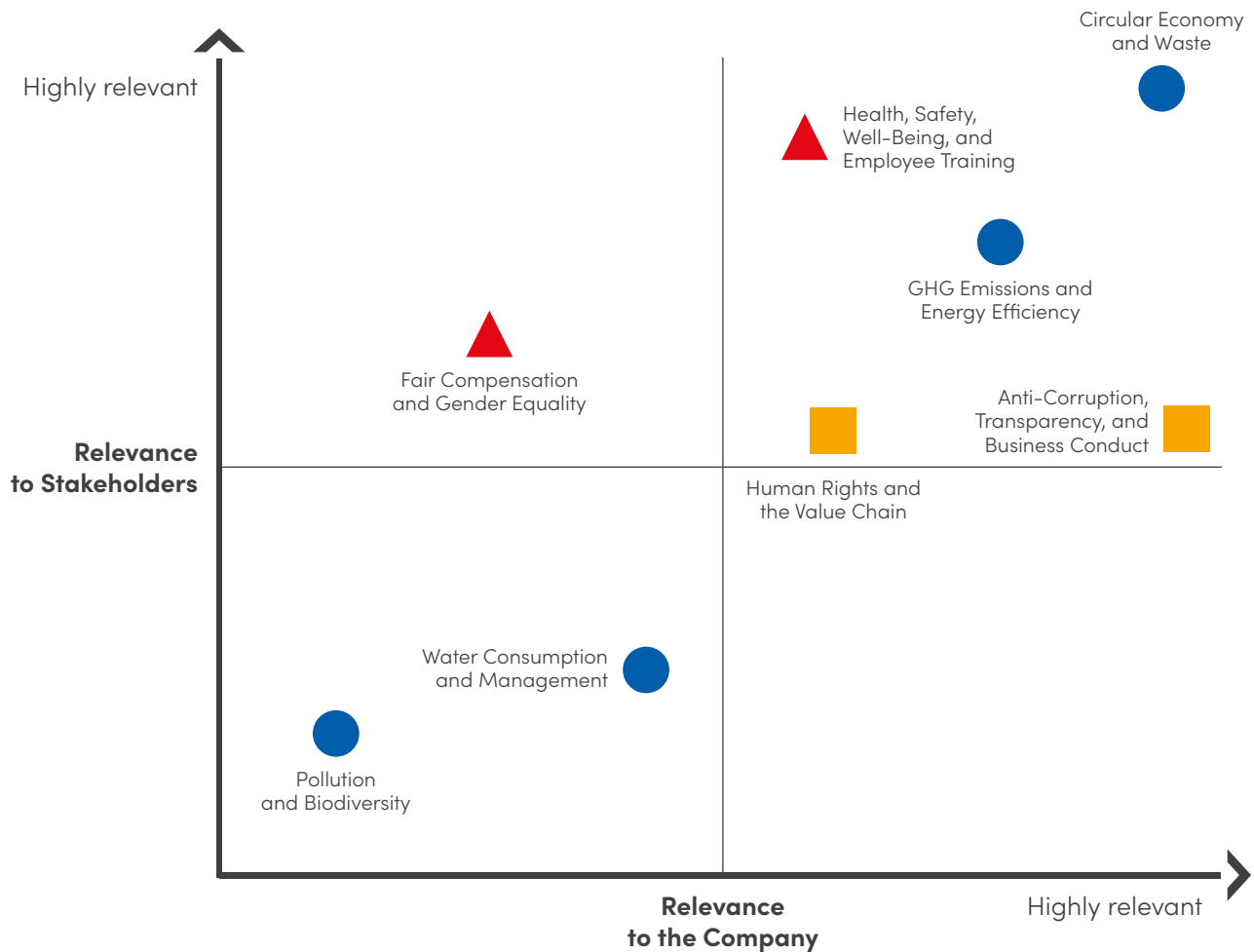
**6. Review Frequency:** Sermag Srl is committed to updating the materiality analysis on an **annual** basis to respond promptly to regulatory changes, market developments, and evolving stakeholder expectations.

Through this process, Sermag Srl aims to ensure that its sustainability strategy remains aligned with the operational context and stakeholder expectations, promoting a proactive and responsible approach to ESG challenges.

## 3.2. Materiality Matrix

The materiality analysis conducted by Sermag Srl led to the identification of a set of environmental, social, and governance topics that reflect both the significant impacts generated or experienced by the company along its value chain and the relevant risks and opportunities for its medium- to long-term economic and financial performance and resilience.

The assessment was based on a qualitative methodology that integrated internal expertise, consultation with selected stakeholders, and alignment with international standards (particularly GRI, SDGs, and ESRS). Special attention was given to the analysis of the **value chain**, particularly the contribution of the **industrial partner Mottin Srl**, with whom Sermag shares production processes, traceability systems, environmental impacts, and technological development. The determination of material topics also considered data and evidence available from the partner, in line with an integrated reporting approach and a collaborative commitment to sustainability.



- Environmental Section
- ▲ Social Section
- Governance Section

## Environmental Topics

The most relevant topic identified is the **circular economy and the valorisation of recycled plastic materials**, which represents the cornerstone of Sermag's business model. This includes aspects such as the replacement of virgin raw materials, material traceability, compound quality, and transparency toward clients and suppliers.

The second most relevant topic **concerns greenhouse gas (GHG) emissions**, particularly **Scope 3**, which encompasses outsourced industrial activities. The ISO 14067-certified LCA study demonstrated a significant CO<sub>2</sub> reduction compared to the use of virgin plastics, indicating a substantial positive climate impact.

**Energy management** and the exclusive use of certified renewable sources for internal electricity needs were also considered priorities, although their operational impact is more limited compared to the broader value chain.

Other significant environmental topics include:

- **waste management and the non-hazardous nature of the materials processed;**
- **water consumption**, which is minimal at Sermag but relevant at the Mottin facility (≈1,500 m<sup>3</sup>/year);
- **air and soil pollution**, monitored through traceability systems;
- **biodiversity**, assessed as a low-impact topic given the current operational location, though it remains under observation.

## Social Topics

Among social topics, **occupational health and safety** was considered highly material, supported by the complete absence of incidents during the reporting period and active oversight by management. This is followed by **organizational well-being and corporate welfare**, supported by concrete measures such as the WelfareHub platform, flexible working arrangements, and support for sustainable mobility.

**Professional training** emerged as a key element, with planned enhancements for the 2025–2027 period, particularly in ESG-related areas. **Fair compensation and contractual stability** complete the picture of responsible human resource management.

**Gender equality and inclusion** were also identified as material topics, with an explicit goal of achieving balanced representation in management roles by 2030.

**Human rights**, while addressed through the Code of Ethics, were recognized as an area for improvement—especially within the **supply chain**, where formal evaluation mechanisms are currently lacking, except for the long-standing collaboration with Mottin.

## Governance Topics

In terms of governance, the **Legislative Decree 231 model**, **anti-corruption measures**, and the adoption of a **shared Code of Ethics** were identified as fundamental elements of trust and reliability for stakeholders.

The topic of information **transparency and data quality** emerged as highly material, considering the growing number of certifications obtained by Sermag (ISO 9001, 14001, RecyClass, EcoVadis, ISCC Plus) and the company's commitment to voluntary reporting.

**Business conduct and payment punctuality** were also confirmed as relevant, with reference to the company's policy of supporting suppliers, including through advance payments upon request.

Finally, **stakeholder engagement** was recognized as an area to be strengthened, with a commitment to developing new methods for structured listening and dialogue.

<b>Material Topic</b>	<b>Impact on Environment and/or Society</b>	<b>Financial Risk Opportunity for the Company</b>	<b>Value Chain Oversight</b>
Circular economy and recycled materials	High	High	Yes
GHG emissions	High	High	Yes
Energy efficiency and renewable sources	High	Medium	Yes
Waste management and non-hazardous materials	Medium	Medium	Yes
Water consumption and management	Medium	Low	Yes (Mottin)
Pollution (air, water, soil)	Medium	Low	Yes (Mottin)
Biodiversity and land use	Low	Low	Limited
Occupational health and safety	High	High	Yes
Worker well-being and welfare	High	High	No
Training and skill development	Medium	Medium	No
Fair compensation and contractual stability	Medium	Medium	No
Gender equality and inclusion	Medium	Low	No
Human rights and ethical labour	Medium	Medium	In progress
Supplier relations and value chain	High	High	Yes
Legislative Decree 231 model and anti-corruption	Medium	Medium	Yes
Transparency and data quality	High	High	Yes
Business conduct and payment punctuality	Medium	Medium	Yes
Stakeholder engagement	Medium	Low	Partial
Sustainability in corporate strategy	High	High	Yes

## Environmental issues (E)

Topic	Relevance for Sermag	SDG Link
Energy Efficiency and Renewable Sources	100% renewable energy Scope 2 – climate impact reduction	SDG 7, SDG 13
GHG Emissions (Scope 1–2–3)	LCA study on recycled materials – CO <sub>2</sub> saved 20,500+ ton	SDG 13
Circular Economy and Recycled Materials	Industrial model based on secondary plastics, with traceability and certifications	SDG 12
Waste Management and Non-Hazardous Materials	Irrelevant internal production, virtuous waste management	SDG 12
Water Consumption and Management	Low direct consumption, but significant impact at subcontractor Mottin (55,000 m <sup>3</sup> )	SDG 6
Pollution (Air, Water, Soil)	Monitoring of dust emissions, VOCs, traceability; no limit exceedances	SDG 6, SDG 11
Biodiversity and Land Use	Sites in non-sensitive areas; indirect monitoring through Mottin and depots	SDG 15

## Social issues (S)

Topic	Relevance for Sermag	SDG Link
Worker Well-Being and Welfare	WelfareHub platform, remote working, sustainable mobility benefits	SDG 8
Occupational Health and Safety	No recorded injuries – active and compliant oversight	SDG 3, SDG 8
Training and Skills Development	Training hours log, 20 hours planned in ESG for all employees	SDG 4
Fair Compensation and Contractual Stability	Application of CCNL, actual salary, zero involuntary part-time	SDG 1, SDG 8
Gender Equality and Inclusion	Gender ratio 1:3, managerial parity goal by 2030	SDG 5
Human Rights and Ethical Work	Shared code of ethics with suppliers, active whistleblowing, no cases detected	SDG 8, SDG 16
Supplier Relations and Value Chain	Oversight on Mottin, human rights questionnaire to be strengthened	SDG 17

## Governance Issues (G)

Topic	Relevance for Sermag	SDG Link
Legislative Decree 231 Model and Anti-Corruption	Adoption of organizational model and code of ethics; no corruption cases	SDG 16
Transparency, Reporting, and Data Quality	Internal ESG oversight, LCA data traceability, certifications (ISO, RecyClass, EcoVadis)	SDG 12
Payment Ethics and Business Conduct	Payment punctuality and advance supplies to support partners	SDG 8, SDG 17
Stakeholder Engagement	Employee and two supplier engagement – commitment to strengthen dialogue	SDG 17
Sustainability in Corporate Strategy	ESG integrated into the operational model and 2030 targets	SDG 9, SDG 12, SDG 13



# Environmental Section



Sermag's commitment to the environment is reflected in tangible and measurable actions throughout the entire value chain. From the selection of recycled raw materials to the reduction of emissions, from the traceability of processes to the enhancement of waste as a resource, every decision is guided by the principle of circular economy and the intent to minimize environmental impact. This section outlines the path undertaken to transform environmental sustainability into a strategic lever, aligned with the objectives of the 2030 Agenda—particularly Goals 12 and 13—and supported by certified Life Cycle Assessment (LCA) studies.

# 4. Energy and Greenhouse Gases



Energy management and greenhouse gas (GHG) emissions represent a strategic priority for Sermag Srl within its environmental policy. Although Sermag operates as a commercial rather than an industrial company, it adopts an approach based on measurability, transparency, and supply chain collaboration to actively contribute to climate change mitigation.

## Direct Emissions from Fuels (Scope 1)

The only source of direct emissions is fuel **consumption by company vehicles**. For 2024, the following were recorded:

- 7,661 Liters of petrol
- 3,443 Liters of diesel
- 1,233 Liters of HVO (Hydrotreated Vegetable Oil) biofuel

Based on international emission factors (IPCC/DE-FRA), total emissions were calculated at **27.46 tCO<sub>2</sub>eq**, distributed as follows:

- Petrol: 17.71 tCO<sub>2</sub>eq
- Diesel: 9.23 tCO<sub>2</sub>eq
- HVO: 0.52 tCO<sub>2</sub>eq

Although this impact is limited relative to the company's overall footprint, Sermag intends to maintain systematic control over these emissions, evaluating the adoption of **lower-emission solutions and potential climate offsetting in future years**.

## Energy consumption and renewable sources (Scope 2)

In 2024, energy consumption at the Casale Monferato headquarters totalled **6,670 kWh**, used exclusively for office, management, and administrative activities. This consumption is fully covered by

a supply contract for **electricity certified as 100% renewable**, in accordance with the GHG Protocol – market-based approach.

As a result, Scope 2 **emissions are zero tCO<sub>2</sub>eq** for the reporting year, confirming the company's commitment to the energy transition even in the absence of direct production needs.

## Indirect Emissions and Supply Chain Impact (Scope 3)

The most significant contribution to GHG emissions falls under **Scope 3**, particularly from industrial activities carried out by the strategic partner **Mottin Srl** and other supply chain operators. To accurately quantify the environmental impact of its products, Sermag commissioned a **Life Cycle Assessment (LCA)** study in accordance with **ISO 14067**, conducted by **Consorzio Proplast** and verified by **IMQ S.p.A.**

The carbon footprint study, based on a sample of over 7,000 tons of material, showed that the use of recycled plastics results in an **average emissions reduction of 61%** compared to equivalent virgin materials.

Based on this data, indirect emissions were estimated as follows:

- **CO<sub>2</sub> emitted from all materials processed by Sermag:** 13,171.15 tCO<sub>2</sub>eq
- **CO<sub>2</sub> that would have been emitted using 100%**

**virgin equivalent material:** 33,703.54 tCO<sub>2</sub>eq  
**CO<sub>2</sub> saved:** 20,532.39 tCO<sub>2</sub>eq

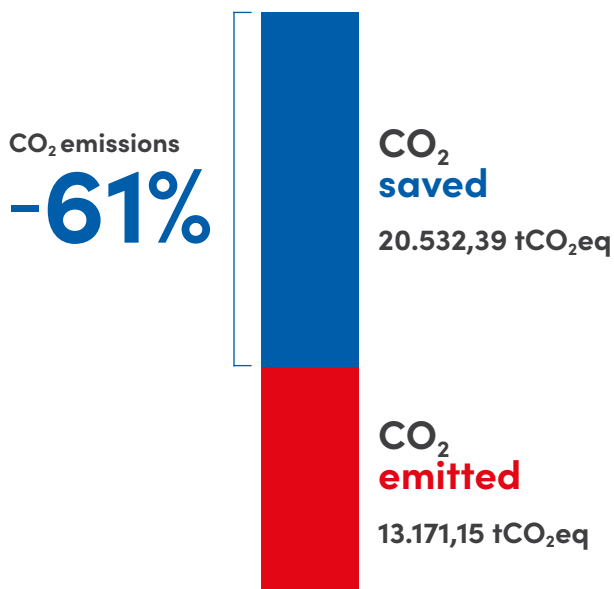
emissions that would have been generated using the same quantity of fully non-recycled plastic.

The CO<sub>2</sub> savings were calculated by comparing the emissions from the total materials processed by Sermag in 2024 (including secondary raw materials, by-product plastics, recycled and off-grade virgin content) – totalling 14,198,601 kg – with the

This result confirms the environmental value of Sermag’s mission to promote the use of traceable, certified, and **high-performance secondary raw materials**, in concrete alignment with **SDGs 12 and 13**.

## GHG Emissions Summary Table (Scope 1, 2, 3)

Category	Description for Sermag Srl	2024 Quantification (tCO <sub>2</sub> eq)	Source and Reliability
Scope 1	Direct emissions from fuel combustion (company vehicles: petrol, diesel, HVO)	<b>27,46 tCO<sub>2</sub>eq</b>	Estimated calculation DEFRA/IPCC emission factors
Scope 2 (market)	Electricity consumption from certified renewable sources	<b>0 tCO<sub>2</sub>eq</b>	Green energy supply contract
Scope 3 (products)	Indirect emissions in the supply chain (production of recycled plastic materials)	Emitted: <b>13.171,15 tCO<sub>2</sub>eq</b> Saved: <b>20.532,39 tCO<sub>2</sub>eq</b>	ISO 14067 LCA study <b>partially estimated</b>



Kg sold 2024		
■ Pre-consumer recycled	6.323.568	<b>44%</b>
■ Pre-consumer recycled	943.672	<b>7%</b>
■ Plastic from by-product	2.057.707	<b>15%</b>
■ Recycled content	2.984.722	<b>21%</b>
■ Off grade virgin material	1.912.561	<b>13%</b>
<b>Overall</b>	<b>14.222.230</b>	<b>100%</b>

## Methodological Note on Scope 3 Estimates

The calculation of CO<sub>2</sub> emissions and savings under Scope 3 is based on an LCA (Life Cycle Assessment) study. However, for certain material categories—particularly those externally blended or lacking primary data—average values from **accredited databases (e.g., Ecoinvent 3.10)** and conservative assumptions were used. For this reason, **a portion of Scope 3 emissions is subject to an estimation margin** considered **acceptable** for reporting purposes, in line with the reliability and proportionality principles outlined in the VSME framework.

Sermag is committed to improving data quality through:

- enhanced data collection from Mottin and other key suppliers;
- the introduction of digital carbon accounting tools;
- standardization of LCA calculations for all processed materials.

## Governance, Responsibility, and Outlook

Monitoring of energy consumption, emissions, and environmental performance is entrusted to the **ESG Manager**, who is also responsible for annual updates, regulatory compliance, and alignment with major European standards (CSRD, ESRS, GHG Protocol).

Although the company has not yet formalized emission reduction targets, it intends to:

- maintain procurement from **renewable energy** sources;
- strengthen **collaboration with industrial suppliers for Scope 3**;
- evaluate the definition of a **decarbonization target by 2030**, potentially in relative terms (e.g., tCO<sub>2</sub>eq per ton of material sold).

This path, already underway, confirms Sermag’s strategic orientation toward a **regenerative supply chain** based on transparency, measurability, and shared environmental responsibility.

# 5. Air, Water, and Soil Pollution



Although Sermag Srl does not carry out direct production activities at its own facilities, it has established an environmental monitoring and reporting system that also considers indirect impacts generated within its supply chain—particularly those related to air, water, and soil pollution.

The treatment and transformation of recycled plastic materials, almost exclusively entrusted to **Mottin Srl** (a long-standing partner and part of Sermag’s network contract), involve **emissions primarily** associated with heating, densification, **extrusion**, and **granulation** processes.

As industrial activities, these stages result in atmospheric emissions of vapours, dust, and **volatile organic compounds (VOCs)**, as well as wastewater discharges that require compliant management and treatment under environmental regulations.

**This chapter addresses only pollutants other than greenhouse gases. Information on climate-altering emissions (Scope 1, 2, and 3) and energy consumption is detailed in the chapter “Energy and Greenhouse Gases,” in accordance with VSME principles.**

## Reference Data

In 2023, Sermag initiated a **CO<sub>2</sub> emissions reporting project** in collaboration with Consorzio Proplast. Completed in 2024, this study aims to scientifically and verifiably **map the overall environmental** footprint of the materials produced, including emissions generated at Mottin Srl's operational sites.

The goal is to systematically measure **residual odour emissions, dust, VOCs**, and the potential pollutant load of **industrial wastewater** resulting from the washing phase of recycled plastic materials.

## Mitigation Strategies

Sermag has implemented a **mitigation and continuous improvement strategy** aimed at **reducing environmental impacts across the entire supply chain**. Specifically:

- patented deodorization **processes for recycled polyolefins** have been introduced, reducing odour compounds by up to 90% and improving air quality in downstream processes;

- a structured dialogue has been initiated with Mottin Srl to **optimize** water-intensive processes such as densification, extrusion, and cooling, with a focus on reducing water consumption and improving wastewater management;
- the company has committed to **publicly reporting on a voluntary basis, atmospheric emissions and wastewater discharges** from production cycles starting in 2025;
- the quality and environmental management system (certifications ISO 9001, ISO 14001, RecyClass, and Remade in Italy) requires continuous **monitoring and legal compliance for processes carried out** by subcontractors.

## Regulatory Compliance and Responsibility

Sermag is not directly subject to industrial emissions reporting obligations but requires its partners to operate **in compliance with Legislative Decree 152/2006** (Environmental Code) and relevant regional regulations on emissions, discharges, and waste. **The integrated operational chain with Mottin Srl** is subject to periodic audits by Sermag's ESG Manager and is supported by **internal technical documentation** to verify regulatory compliance and ensure transparency with stakeholders.

# 6. Biodiversity and Land Use



Sermag Srl, as a company without direct production facilities, conducts its core activities at its registered and administrative office in **Casale Monferrato (AL)**. Industrial operations related to the processing of recycled plastics are entirely outsourced to the production partner **Mottin Srl**, located in **Cassano Magnago (VA)**, and to a secondary subcontractor in **Spirano (BG)**. Storage activities are managed by third-party logistics

providers in **Cologno al Serio (BG)**, **Mornico al Serio (BG)**, and **Somma Lombardo (VA)**.

Based on the nature of its activities and operational locations, **the company does not directly interfere with protected natural areas, sensitive habitats, or zones of high biodiversity value**. None of the mentioned sites fall within **Special Areas of Conservation (SACs), Special Protection**

Areas (SPAs), or other Natura 2000 sites, nor are they located near national parks, nature reserves, or significant ecological corridors.

As a result, Sermag's and its suppliers' operations **do not generate significant impacts on biodiversity, nor do they cause substantial changes in land use or the consumption of agricultural or forest land.** The areas involved are classified as industrial, artisanal, or urbanized logistics zones, already designated for economic and productive activities.

Despite the absence of direct significant impacts, Sermag acknowledges the importance of biodiversity protection and land regeneration as integral parts of its environmental sustainability commitment.

To this end, the company is committed to:

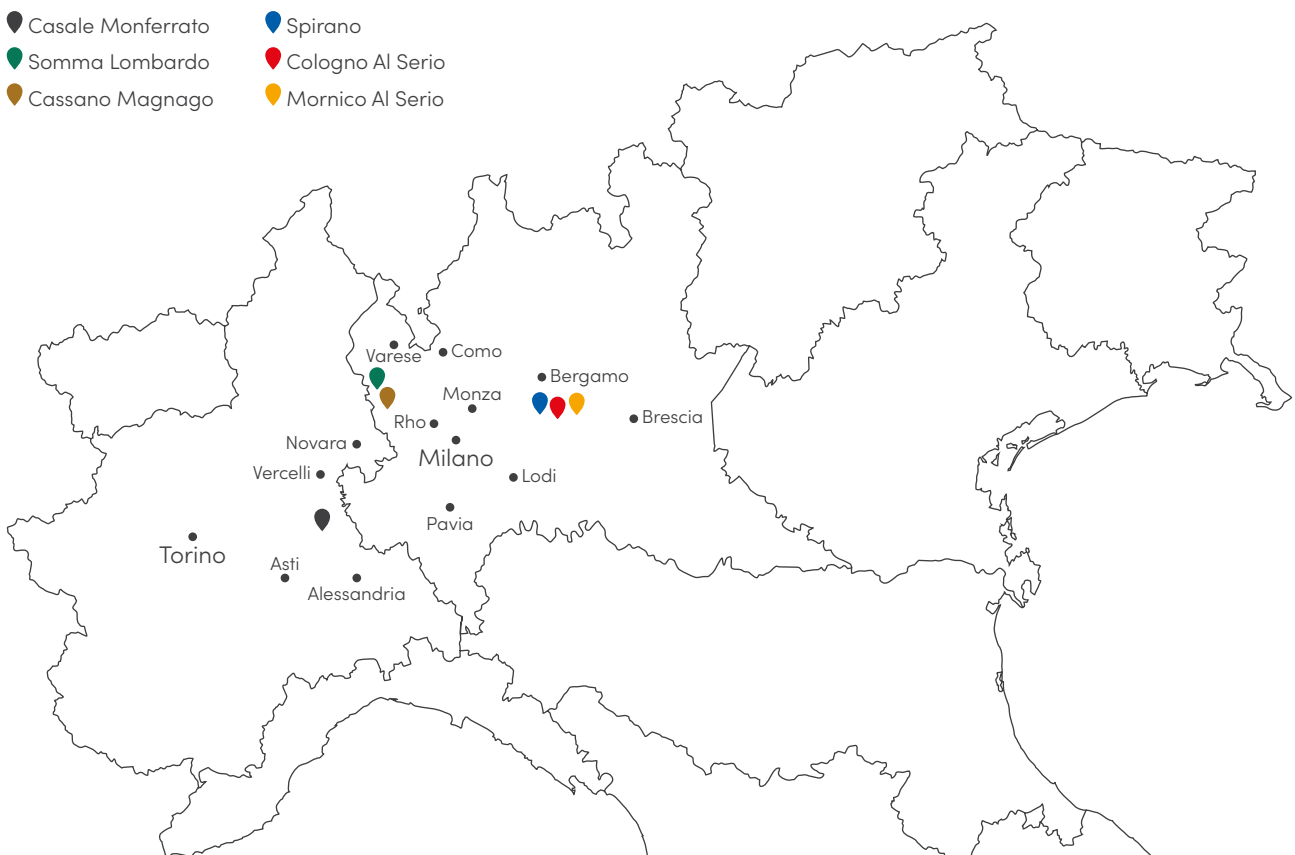
- periodically verifying that operational sites do not interfere with natural habitats or areas subject to specific environmental constraints;

- prioritizing, where possible, suppliers located in already developed areas without environmental concerns;

- avoiding any future expansion into territories that would involve land consumption not already designated for industrial use or transformation of natural areas.

Moreover, through its adherence to a circular economy model based on mechanical recycling, Sermag indirectly contributes to the **preservation of natural ecosystems** by reducing pressure on the extraction of new resources—one of the main global drivers of biodiversity loss.

Sermag will continue to monitor regulatory and territorial developments that may require further assessments of land use or biodiversity impacts, maintaining a precautionary and continuously improving approach in this area.



# 7. Water Consumption and Management

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Responsible water resource management is a relevant issue for companies involved in the treatment and re-generation of plastic materials. Although Sermag Srl does not carry out industrial processing at its own facilities, it is fully aware of the role water plays within its **production chain**, particularly at the operational site of its partner Mottin Srl, with whom it shares integrated processes, traceability systems, and sustainability goals.

In 2024, direct water consumption at **Sermag's administrative office in Casale Monferrato** was recorded at **52 m<sup>3</sup>/year**, used exclusively for civil purposes (sanitary services, cleaning, and minor auxiliary uses). This confirms the marginal nature of water use in Sermag's direct operations.

Conversely, **significant water consumption** occurs at **Mottin Srl's production facility in Cassano Magnago**, where **densification and granulation of recycled plastics take place**. For 2024, water consumption measured by Mottin was **1,476 m<sup>3</sup>**, reflecting the water-intensive nature of certain industrial processes.

## Oversight and Monitoring Along the Supply Chain

Although Sermag is not directly subject to water reporting obligations under environmental regulations, it has chosen to include data from its production partner in this report, in line with an extended approach to **double materiality, value chain responsibility, and shared accountability**.

Water use at Mottin is monitored through internal meters, with the goal of evaluating consumption trends and identifying areas for improvement. In 2024, Sermag initiated discussions with its partner to define **water efficiency indicators**, expressed in m<sup>3</sup> per ton of material processed, to support the implementation of technical and technological optimization strategies.

Jointly evaluated actions include:

- enhancing internal **recirculation systems for cooling water**;

- assessing the **installation of greywater treatment and reuse systems**;
- adopting low-water-consumption **technologies for future production investments**.

## Risks and Local Context

None of the sites involved in operations (neither Sermag nor Mottin) are located in areas subject to **structural water stress** or scarcity, according to institutional sources (e.g., ISPRA and the Po River Basin Water Management Plan).

However, the company recognizes that climate change, pressure on certain water sources, and regulatory developments may pose future risks.

For this reason, Sermag adopts a **precautionary and progressively improving approach**, even in the absence of direct regulatory obligations. The inclusion of Mottin's data in this report represents a concrete step toward environmental **transpa-**

ency along the value chain, consistent with the company's sustainability commitments and its contribution to **SDG 6 – Clean Water and Sanitation**.

## Future Commitments

Sermag plans to continuously monitor water consumption across its supply chain, with the aim of:

- defining a water intensity indicator per unit of output;
- publishing the aggregated figure for direct and indirect water consumption annually;
- including specific environmental criteria related to water use in its procurement policies starting in 2025.

# 8. Circular Economy and Waste Management



Sermag Srl adopts an operational model fully aligned with the principles of the circular economy, based on **maximizing resource value and minimizing waste**. The company does not carry out processing at its own facilities, and the direct activities conducted at its administrative office in Casale Monferrato do not generate significant industrial waste. For 2024, the amount of municipal solid waste produced was deemed **non-material for this report**, consisting solely of office-type waste (paper, packaging plastics, consumables).

Sermag's real and tangible contribution to sustainable material management and waste reduction is achieved through its **outsourced production structure**, entrusted to qualified partners—particularly **Mottin Srl**—where the **recycling, densification, and granulation** of plastic materials take place.

These materials originate from **pre- and post-consumer streams** that would otherwise be destined for incineration or landfill. Waste generated during the recycling and processing phases mainly includes cardboard cores from reels and iron wire used for baling. Both waste types are separated and sent for full recycling at specialized facilities.

The entire industrial model is therefore designed as a **solution to plastic waste generation**, actively contributing to **closing the material life cycle** and reintroducing recycled polyolefins into the production cycle with technical properties comparable to virgin materials. The regenerated plastics

supplied by Sermag are used in sectors ranging from technical molding to construction and secondary packaging—and are themselves **recyclable**.

## Environmental Impact and Benefits of the Sermag Model

The company's core business is based on the ability to find innovative applications and uses for secondary plastic raw materials resulting from recycling processes. Thanks to the production network developed with Mottin—a key player in the recycling chain—and other specialized partners, in 2024 **Sermag processed an estimated volume of over 9,000 tons of fully regenerated material, equivalent to 9,000 tons of plastic waste diverted from landfill**.

The average recycled content in the technical compounds sold exceeds **70% by weight**, and for certain formulations (e.g., the PCR POMIX line), levels above **90%** are achieved.

## Certifications and Material Traceability

The entire process of material selection, treatment, and classification is managed through traceable systems, with certificates of analysis issued for each batch, in accordance with **UNI 10667** and **UNI EN 15343-5** standards.

Sermag also holds environmental certifications that confirm compliance with circular economy criteria:

- **RecyClass** (traceability and recycled content)
- **Remade in Italy** (certified recycled content)
- **ISCC Plus** (mass balance and sustainable material traceability)

These tools enhance transparency toward clients and stakeholders and enable access to regulated markets sensitive to environmental issues.

## Residual Waste Management (Mottin Partner)

At Mottin's production site, residual waste from plastic processing is managed by authorized operators and sent to specialized facilities.

Mottin maintains a waste tracking register and submits annual data through the **MUD (Environmental Declaration Form)**, as required by current legislation (Legislative Decree 152/2006).

Sermag receives annual summary reports on the types and quantities of waste generated along the

supply chain, ensuring indirect oversight of waste management.

It is also important to note that **Sermag is not authorized to treat waste and therefore relies on recycling partners with facilities authorized to process only non-hazardous pre- and post-consumer plastic waste, in compliance with UNI 10667 categories.**

This approach helps mitigate environmental risks and simplifies waste management across the supply chain.

**As such, Sermag does not handle or market materials classified as hazardous under current environmental regulations**—neither directly nor through its partners.

## Future Goals and Continuous Improvement

In line with its continuous improvement approach, Sermag aims to:

- strengthen data collection on residual waste generated along the value chain;
- integrate a recycling efficiency **indicator into its environmental reporting** (e.g., % of useful material recovered per ton of incoming waste);
- involve new logistics partners in **circular logistics** projects for secondary material management;
- promote the adoption of **design-for-recycling principles** among clients through technical consulting on final product design.



# Social Section



People are the cornerstone of Sermag’s corporate culture. The well-being of employees, active engagement with stakeholders, inclusiveness, and workplace safety lie at the heart of our organizational decisions. This section outlines the initiatives we have implemented to foster a fair, collaborative professional environment that is attentive to individual needs—through welfare programs, smart working arrangements, ongoing training, and organizational climate surveys. Our goal is to generate long-lasting shared value.



# 9. Workforce Characteristics



Sermag Srl recognizes the strategic value of human capital as a fundamental driver of sustainable development and business competitiveness. The company's workforce is characterized by technical specialization, strong engagement in innovation processes, and a collaborative, flexible internal environment.

## Workforce Size and Composition

As of the reporting date, the company employed eight staff members (equivalent to 7.35 FTE – full-time equivalent).

**Gender composition shows a female majority:** six women and two men, with FTEs of 5.35 for women and 2.00 for men, respectively.

Seven out of eight employees hold permanent contracts, confirming the company's commitment to employment stability and long-term investment in internal talent.

Geographically, the entire workforce is based in Italy, with the head office located in Casale Monferrato (AL). There are no employees operating abroad or through international branches.

## Workforce – General Characteristics

Description	Men	Women	Total
Total number of employees	2	6	8
Number of employees (FTE)	2,00	5,35	7,35

Description	Fixed-Term	Permanent	Total
Total number of employees	1	7	8
Number of employees (FTE)	1	6,35	7,35

Description	Italy	Other	Total
Total number of employees	8	0	8
Number of employees (FTE)	7,35	0	7,35

## Job Quality and Organizational Context

The small size of the workforce allows for **direct dialogue between management and staff**, fostering an inclusive, participatory work environment attentive to individual needs.

Professional roles include specialists in **administration, quality, laboratory, research, and commercial** areas—aligned with the company’s operational model and technical-scientific focus.

## Diversity, Inclusion, and Gender Equality

Although the workforce is numerically limited, Sermag stands out for its **high female representation (75%)**, including in technical and managerial roles.

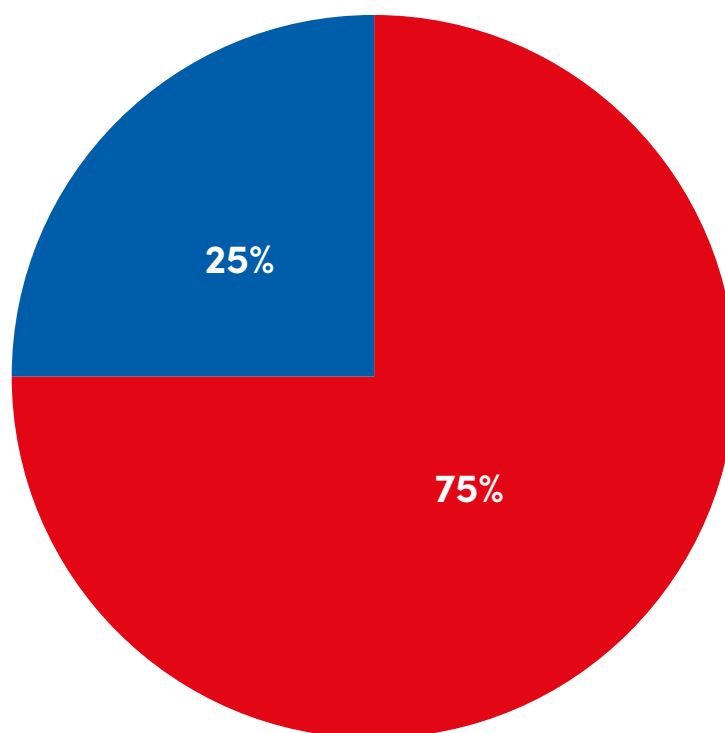
The company is committed to ensuring equal opportunities for access, growth, and recognition, regardless of gender, age, nationality, or educational background.

No cases of discrimination, disputes, or reports related to exclusion or unequal treatment have been recorded.

The **gender ratio** within the workforce is **1:3 (men to women)** based on headcount. When considering FTE, the ratio is approximately **1:2.68**, confirming a significant female majority in terms of hours worked.

This balance reflects the company’s inclusive policy and its commitment to promoting female presence in technical and leadership roles.

— Woman  
— Man



Man

Woman



1:3 (man:woman)

## Outlook and Future Commitments

In the medium term, the company plans to:

expand the workforce proportionally to industrial and commercial growth

maintain a balanced **approach between employment stability and role innovation**

formalize an **internal policy on diversity and inclusion**

promote **organizational well-being** through feedback sessions, anonymous surveys, and participatory welfare initiatives

Sermag's approach reflects its direct contribution to **Sustainable Development Goal 8 – Decent Work and Economic Growth**, and is inspired by the **VSME** principles on fair, inclusive, and talent-oriented labour practices.

# 10. Occupational Health and Safety



The protection of health and safety in the workplace is a non-negotiable principle for Sermag Srl, fully integrated into its organizational management, even in the absence of direct production facilities. Although it is a small to medium-sized enterprise (SME) with a lean structure and primarily managerial, technical, and commercial activities, the company has implemented **procedures and safeguards dedicated** to the prevention of occupational risks, in line with Italian legislation and voluntary sustainability principles.

## Regulatory Framework and Responsibilities

Sermag operates in full compliance with **Legislative Decree 81/2008**, adopting a constantly updated **Risk Assessment Document (DVR)** and involving qualified professionals such as the Head of the **Prevention and Protection Service (RSPP)**, the **Occupational Physician**, the **Workers' Safety Representative (RLS)**, and a formalized documentation system.

The activities included in the prevention plan comprise:

regular training and refresher courses for staff

ergonomic assessment of workstations;

health surveillance, where applicable

measures for IT security and proper use of office equipment

management of work-related stress risks and promotion of psychosocial well-being

ministrative headquarters in Casale Monferrato or during external activities carried out by technical and commercial staff. **The injury rate was zero**, as was the rate of absences due to safety-related reasons.

No occupational diseases, INAIL reports, or risk situations requiring extraordinary interventions were recorded.

These results confirm the effectiveness of the adopted prevention measures and the alignment with a low-specific-risk organizational context.

## Accident Data

During the reporting year, no **workplace accidents** or incidents of any kind occurred, either at the ad-

## Workforce – Health and Safety

Description	Total
Number of workplace injuries	0
Injury rate (per 100 employees)	0
Number of fatalities due to injuries	0
Number of fatalities due to occupational diseases	0

## Relations with Industrial Partners

Sermag's responsibility for health and safety also extends to its **value chain**, particularly to industrial activities carried out at the **Mottin Srl site in Casano Magnago**, a strategic production partner with which a network contract is in place.

As a facility involved in processes such as **extrusion and densification of recycled plastics**, Mottin is subject to regulations on accident prevention and risk management.

Sermag annually receives a **summary report from Mottin on the state of safety**, which includes:

data on injuries, occupational diseases, and hours worked

updates on mandatory **training completed by workers**

information on the **technical and professional suitability** of equipment and protective devices.

For the year 2024, **no significant incidents were reported** at the Mottin production site. The company is compliant with the Risk Assessment Document (DVR), occupational health visits, and environmental authorizations related to operational safety. Sermag considers this collaboration a best practice in **ESG integration within the supply chain**, in line with voluntary reporting principles and **SDG 8 – Decent Work and Economic Growth**.

## Well-being and Prevention Initiatives

In addition to regulatory obligations, Sermag promotes a positive safety culture through:

training sessions on ergonomics and posture at video terminals

provision of **ergonomic furniture and tools** for all staff

**agile work** policies to reduce stress related to commuting

These non-mandatory measures reflect the company's voluntary commitment to a broader concept of workplace health, which also includes **mental, social, and organizational well-being**.

## Future Objectives

Sermag aims to maintain and continuously improve its safety management through:

specific training updates on emerging risks (e.g., digital risk, burnout)

active employee involvement in evaluation and improvement processes

voluntary tracking of key indicators (near misses, risk perception, internal climate)

The commitment to health and safety is fully aligned with Sermag's efforts to achieve **SDG 8 – Decent Work and Economic Growth**, which includes **targets for safe and healthy working environments for all**.

# 11. Compensation, Training, and Industrial Relations



Sermag Srl fosters a work environment based on **fairness, professional growth, and constructive dialogue**, recognizing that organizational well-being and employee motivation are key factors in the company's competitiveness.

## Pay Equity and Collective Bargaining

All Sermag employees are **100% covered by the National Collective Labour Agreement for the Tertiary Sector – Confcommercio**, which transparently regulates rights, duties, and applicable economic and regulatory treatments.

In 2024, the company conducted an internal review of compensation levels, **revealing a gender pay gap of 27.2%**, calculated on the **actual annual gross salary**. This gap is not attributable to discriminatory policies but is instead due to the current distribution of roles and professional classifications.

Although no formal corporate policies have yet been adopted to address the gender pay gap, management has initiated a reflection on the issue, with the intention of progressively integrating **equity and salary transparency** criteria into career development paths.

## Training and Professional Development

Training is a strategic lever for human capital development and business competitiveness, especially in a technically intensive context such as Sermag's.

The company regularly supports training activities aimed at **professional development, workplace safety, and the enhancement of managerial and scientific skills**.

In 2024, the average training hours recorded were:



These figures do not include a significant **research and innovation** project carried out in collaboration with a **university institution** and involving a male employee.

The project, totalling **800 hours over 2023–2024**, aims to develop innovative solutions for improving recycled materials and optimizing industrial processes.

This initiative strengthens the link between advanced training, scientific innovation, and industrial sustainability.

## Industrial Relations and Employee Engagement

Sermag currently has no internal trade union representation but ensures **individual freedom of association and encourages ongoing, direct dialogue between management and staff**. The company's small size allows for streamlined and informal communication, resulting in shared decisions and prompt responses to employee needs.

To further enhance internal relations, Sermag has planned the following for the next three years:

implementation of an internal **feedback system via organizational climate surveys**

regular meetings between managers and employees;

strengthening of training activities and individual development plans

This approach reflects the company's commitment to a **stable, developmental, and rights-respecting** employment model, aligned with **Sustainable Development Goal 8 – Decent Work and Economic Growth**.

## Value Chain Oversight

Although Sermag does not employ operational staff at external production sites, particularly at **Mottin Srl**, the company maintains active **dialogue on compensation, organizational, and training matters**.

Through the formalized network contract, data and updates on human resource management, workplace safety, and **training programs are regularly shared**.

While Sermag does not exercise direct control over Mottin's personnel, it promotes **shared values related to dignity at work, employment stability**, and respect for collective bargaining, in line with the ESG principles adopted internally.

This commitment reflects the **company's intention to indirectly oversee working conditions throughout the supply chain**, contributing to a more sustainable and responsible industrial culture.

# 12. Human Rights and Supplier Management



Sermag Srl recognizes human rights as a fundamental ethical and regulatory cornerstone of its operations, both within the organization and throughout the value chain. This commitment is reflected in policies, practices, and relationships based on respect for human dignity, prevention of all forms of abuse or discrimination, and the promotion of fair, safe, and inclusive working conditions.

## Corporate Human Rights Policies

Human rights principles are formally enshrined in the **company's Code of Ethics**, approved on October 12, 2023. The document explicitly prohibits all forms of direct or indirect discrimination, labour exploitation, child or forced labour, and promotes full legality in labour relations, including those involving partners and suppliers.

It also ensures compliance with regulations on health and safety, equal opportunities, privacy, and freedom of association.

In line with these principles, **all suppliers are required to sign Sermag's Code of Ethics** as a condition for collaboration, thereby acknowledging a shared commitment to fundamental rights.

Sermag has also implemented **an anonymous whistleblowing system**, accessible to employees and external stakeholders, allowing for the reporting of any violations, including those related to human rights.

Starting in 2025, the company has planned an **ESG training program that includes at least 12 hours for management and 20 hours for each employee**, covering topics such as social responsibility and the protection of human rights in business.

## Supplier Management and Value Chain Oversight

Sermag uses a **supplier qualification questionnaire** that includes general sustainability criteria, although it does not yet specifically address human rights requirements.

The company has identified this area as a **development priority** for the next three years, with the goal of integrating **specific contractual clauses**

**and minimum compliance indicators related to fundamental labour rights**, in line with international principles and OECD guidelines.

Currently, **supply contracts do not include explicit human rights clauses**, but a revision of contractual models is planned by 2026 to align with best ESG practices. Similarly, a structured system for **monitoring suppliers' social performance** is not yet in place, except for the strategic partner **Mottin Srl**, with whom a shared verification and traceability procedure will be launched in 2025.

## Violations or Incidents

For the reporting year, **no incidents, reports, or non-compliance** related to human rights violations were recorded, either within the organization or in the supply chain. This was also confirmed in the collaboration with Mottin Srl, from which no critical issues or formal reports emerged.

Sermag will continue to oversee these aspects by strengthening due diligence practices, disseminating ethical principles throughout the supply chain, and progressively integrating ESG criteria into procurement processes.

## Stakeholder Engagement and Improvement Prospects

At present, Sermag **does not have structured mechanisms in place for listening to or collaborating with suppliers** on human rights issues. However, the company is committed to progressively developing forms of **active engagement**, including the collection of feedback and the organization of joint training sessions.

As part of its ESG journey, these initiatives will be prioritized to strengthen a culture of social responsibility beyond the organization itself, in alignment with **SDG 8 – Decent Work and Economic Growth** and **SDG 17 – Partnerships for the Goals**.



# Governance Section



A solid, transparent, and accountable governance framework is essential for building trust and driving the sustainable transition. Sermag has implemented internal control models, compliance tools, and a code of ethics designed to ensure integrity, legality, and risk prevention. This section illustrates how sustainability has been embedded into corporate management, thanks in part to the appointment of a Sustainability Manager and the adoption of the 231 Organizational Model, fostering a proactive and participatory approach to change—aligned with leading ESG practices.

# 13. Model 231, Code of Ethics, Anti-Corruption



Sermag Srl recognizes integrity, legality, and transparency as **foundational values of its operations**—essential for building trust with clients, suppliers, collaborators, and institutional stakeholders. To uphold these principles, the company has adopted ethical governance tools and risk prevention measures, grounded in its **Organizational, Management, and Control Model pursuant to Legislative Decree 231/2001, its Corporate Code of Ethics**, and a set of operational safeguards.

## Adoption and Structure of Model 231/2001

Sermag voluntarily adopted **Model 231** with the aim of **preventing the commission of offenses** that could result in corporate liability, as outlined in Legislative Decree 231/2001. The model is structured into:

- a general section, which defines its objectives, regulatory framework, and internal control system;
- a special section, which identifies risk areas and behavioural protocols for sensitive processes (e.g., relations with public authorities, contracts, financial management);
- a disciplinary system that provides for internal sanctions in the event of violations.

The adoption of Model 231 has strengthened the culture of legality and accountability not only among employees but also in relationships with consultants, suppliers, and external parties acting on behalf of the company.

## Code of Ethics and Core Principles

**Sermag's Code of Ethics**, adopted alongside Model 231, serves as a **charter of values and expected behaviours** for all individuals acting in the name and on behalf of the company.

Key principles outlined in the document include:

compliance with applicable laws and regulations

commitment against all forms of **corruption, extortion, or conflicts of interest**

transparency in financial and economic management

respect for workers' dignity and rights

attention to safety, the environment, and product quality

fairness in dealings with clients, suppliers, and public authorities

The Code is publicly available on the company's website and is provided to all new collaborators, including external ones. Acceptance of its principles is required in contracts with suppliers and partners, who commit to adhering to Sermag's ethical and legal standards.

## Anti-Corruption Measures

Although not mandated by national or international regulations, Sermag has **voluntarily adopted anti-corruption measures**, recognizing the issue as strategic for business sustainability and corporate reputation. These measures include:

internal **procedures for authorizing expenses and payments**

cross-checks between administrative and managerial functions

**transparent recording of all interactions with public or private entities**

rotation of responsibilities in risk-exposed processes (e.g., supplier evaluation)

promotion of an **organizational culture based on ethics** and the rejection of unlawful practices

Sermag is committed to complying with the **OECD Convention on Combating Bribery of Foreign Public Officials** and adheres to the **UN Global Compact**, particularly its Tenth Principle: "Businesses should work against corruption in all its forms."

**Over the past three years, there have been no reports, investigations, or legal proceedings related to corruption, extortion, or other forms of bribery involving the company or its representatives. No whistleblower complaints or sanctions from regulatory authorities have been received regarding compliance or corporate integrity.**

## Whistleblowing and Reporting Channels

To strengthen oversight of non-compliant behaviour, Sermag has implemented a **digital whistleblowing platform**, accessible to all employees and stakeholders.

The system ensures anonymity, whistleblower protection, and independent management of reports by the designated authority. This tool represents a further step toward transparent, responsible, and inclusive governance.

## Internal Responsibility and System Updates

Responsibility for **Model 231 and the Code of Ethics** lies with the **Sole Director**, supported by the ESG Manager and representatives from areas involved in sensitive processes. The system undergoes **periodic reviews** and is updated at least every two years, or whenever significant changes occur in the regulatory or organizational context.

# 14. Business Conduct and Supplier Relations

Sermag Srl adopts a business approach grounded in **fairness, reliability, and relational responsibility**—principles that consistently guide not only internal operations but also all interactions with external parties, particularly the **supply chain**, which is considered an integral part of the company's model.

Over time, Sermag has built **long-term, consolidated relationships with its suppliers**, many of which have evolved into strategic partnerships.

A notable example is the relationship with **Mottin Srl**, formalized through a network contract and based on shared values of innovation, quality, and sustainability.

A key element of Sermag's business conduct is the **punctual fulfilment of payment obligations**, which the company views as both an ethical and contractual duty.

Sermag is committed to honouring its obligations to suppliers and subcontractors within **agreed deadlines**, avoiding delays or deferrals that could compromise the financial stability of its partners or create imbalances in commercial relationships.

In the case of strategic suppliers or during critical periods for operational continuity, Sermag has also chosen to **advance payments ahead of standard deadlines** as a form of tangible support.

These advances are granted voluntarily, in a **spirit of inter-company solidarity**, especially when linked to liquidity needs arising from investments, raw

material cost fluctuations, or organizational requirements. This behaviour reflects a systemic vision of sustainability, where the **resilience of the entire business ecosystem** is prioritized over purely transactional or opportunistic logic.

In doing so, Sermag contributes to building a more stable and collaborative economic environment, capable of generating **shared value** throughout the supply chain.

Beyond financial aspects, ethical conduct is also expressed through **contractual transparency**, the inclusion of **environmental and social responsibility clauses**, and the requirement for suppliers to comply with the **company's Code of Ethics**.

New suppliers are selected based on criteria of integrity and reliability and are progressively involved in the ESG reporting process through data collection, structured dialogue, and qualitative audits.

These practices position Sermag as a reliable and consistent partner, capable of fostering trust across the supply chain and **enhancing commercial relationships not only for their economic utility but also for their contribution to the overall sustainability of the system**.

# 15. Diversity and Inclusion in Governance

C9

The governance structure of Sermag Srl is defined in a simple manner, consistent with the company's legal form and size. The company adopts a single-administrator model, currently entrusted to a **male Sole Director**, who holds executive and managerial responsibilities.

Given this configuration, there is no board of directors or collegial decision-making body.

Nevertheless, Sermag considers it important to embrace the principle of **inclusion in decision-making processes and to foster openness to diversity**—even within a simplified structure—to enhance the quality of corporate governance and responsiveness to stakeholders.

Although not required by law, the company has chosen to:

- **actively involve various corporate functions in strategic evaluations**, including the ESG Manager, the Quality Manager, and the Administrative Manager;
- **value technical expertise, environmental awareness, and interpersonal skills** in the selection of individuals for leadership roles, regardless of gender, age, background, or family status;
- maintain an **organizational climate based on meritocracy and collaboration**, encouraging the emergence of distributed leadership and participation in decision-making processes.

Sermag acknowledges that diversity in leadership roles represents an opportunity to broaden strategic perspectives and to build a business model that better reflects contemporary society. In this regard, the company is committed to:

monitoring internal developments in terms of **gender balance** and representation in key roles

**promoting access to leadership positions** for competent and diverse individuals

**encouraging inclusive language** in official documents, internal communications, and recruitment processes

In the medium term, the company plans to adopt **inclusion indicators** in its ESG reporting, including the structured collection of internal data (age, gender, job classification, training) and the **definition of qualitative and quantitative targets for rebalancing leadership roles**, in line with the context of a small to medium-sized enterprise.

# VSME References

## Basic Form

Code	Description	Page
<b>B1</b>	Basis for drafting	8
<b>B2</b>	Future practices, policies and initiatives for the transition towards a sustainable economy	16
<b>B3</b>	Energy and greenhouse gas emissions	32
<b>B4</b>	Air, water and soil pollution	34
<b>B5</b>	Biodiversity	35
<b>B6</b>	Water	37
<b>B7</b>	Resource use, circular economy and waste management	38
<b>B8</b>	Workforce – General characteristics	42
<b>B9</b>	Workforce – Health and safety	44
<b>B10</b>	Workforce – Pay, collective bargaining and training	47
<b>B11</b>	Convictions and sanctions for corruption and extortion	52

## Complete Form

Code	Description	Page
<b>C1</b>	Strategy: Business model and initiatives related to sustainability	12
<b>C2</b>	Practices, policies and future initiatives for the transition towards a sustainable economy	16
<b>C3</b>	Greenhouse gas reduction targets and climate transition	32
<b>C4</b>	Climate risks	32
<b>C5</b>	Additional (general) workforce characteristics	42
<b>C6</b>	Additional workforce information Human rights policies and processes	47, 48
<b>C7</b>	Major adverse human rights incidents	48
<b>C8</b>	Revenues from specific sectors and exclusion from EU reference benchmarks	52
<b>C9</b>	Gender diversity report in governance bodies	55

DECLARATION NO.

2983



## INDEPENDENT ASSURANCE STATEMENT

DIMITTO AG was instructed by the Legal Representative of the Company

### SERMAG SRL

Piazza Venticinque Aprile, 12 - 20124 Milan (MI) - Italy  
Via Corte d'Appello, 3 - 15033 Casale Monferrato (AL) - Italy

to perform an independent verification on a set of indicators reported in its  
SUSTAINABILITY REPORT for the year 2024

#### OPINION

*On the basis of the verification work carried out, no elements have come to our attention that would lead us to believe that the data and information disclosed in the Sustainability Report subject to verification have not been adequately collected according to the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) of reference, nor any elements that would lead us to assess the non-compliance of the Sustainability Statement that has been drawn up.*

#### Purpose of Assurance

The audit was conducted in accordance with the Criteria Procedure for Independent Assurance Statements ('RE.DI.RE') and international assurance best practices, including ISAE 3000 for the verification of non-financial information, and the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs ("VSME") for sustainability reporting.  
We carried out all the steps of our activities in order to obtain the necessary evidence that forms the basis of our Assurance Opinion. We provided a limited level of assurance.

#### Basis of our opinion

Audit carried out by an independent and experienced sustainability team.

Activities performed:

- Interviews with management on the functioning of reporting processes, data management systems used to generate, aggregate and report information
- Review of selected data at source and throughout the consolidation process
- Evaluation of the methodologies used to understand the fulfilment of the requirements of the Efrag VSME
- Performance of limited validation checks on a selective basis of sampled information to verify that the underlying data and assumptions have been adequately measured, recorded and reported
- Verification of evidence and measurements to ascertain preparedness in accordance with Efrag VSME
- Assessment of reporting and presentation of audited data and information

#### Data and information subject to verification

The scope of the audit covered the following information reported in the 2024 Sustainability Report:

##### Basic Module

- B1 Basis for preparation
- B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy
- B3 Energy and greenhouse gas emissions
- B4 Pollution of air, water and soil
- B5 Biodiversity
- B6 Water
- B7 Resource use, circular economy and waste management
- B8 Workforce – General characteristics
- B9 Workforce – Health and safety
- B10 Workforce – Remuneration, collective bargaining and training
- B11 Convictions and fines for corruption and bribery

##### Comprehensive Module

- C1 Strategy: Business Model and Sustainability-Related Initiatives
- C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy
- C3 GHG reduction targets and climate transition
- C4 Climate risks
- C5 Additional (general) workforce characteristics
- C6 Additional own workforce information – Human rights policies and processes
- C7 Severe negative human rights incidents
- C8 Revenues from certain sectors and exclusion from EU reference benchmarks
- C9 Gender diversity ratio in the governance body

We evaluated the data and information included in the Sustainability Report based on the specific requirements of the audited VSME disclosures, together with documents made available by the organisation on how the data is collected, measured and reported.  
Revision of data from previous years not within the scope of our work (this includes all data from previous years that have been reformulated).

#### Responsibilities of the Organisation and DIMITTO

The organisation is solely responsible for preparing the Sustainability Report.

This Independent Assurance Statement reflects our independent opinion and is intended to inform all interested parties.

Dimitto was not involved in the preparation of any statements or data included in the Sustainability Report, with the exception of this Independent Assurance Statement.

The verification is based on the assumption that the data and information provided by the organisation, within the scope of its activity, has been provided in good faith.

Due to sampling and other inherent limitations, there remains an unavoidable risk that errors or irregularities may not be detected.  
Dimitto disclaims all liability for any decision made by anyone on the basis of this Declaration of Independent Assurance.

Basilea 24/07/2025

La validità del presente certificato è subordinata a sorveglianza periodica.  
Per informazioni sulla validità del certificato e su eventuali variazioni intervenute, visitare il sito [www.dimitto.com](http://www.dimitto.com) o inviare richiesta a [info@dimitto.com](mailto:info@dimitto.com).

*The validity of this certificate is submitted to a periodic audit.  
For information on the validity of the certificate and any changes that have occurred, visit the website [www.dimitto.com](http://www.dimitto.com) or send a request to [info@dimitto.com](mailto:info@dimitto.com).*



Il Legale Rappresentante – Annunziato Morrone  
DIMITTO AG – Wasgenring, 94 – 4055 Basilea (CH)

# Sermag's trademarks

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## Secondary raw materials

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## Plastic from byproduct

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**Technical compounds**

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**Products with recycled content**

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## **Contacts**

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