Sustainability Report

"Waterfall" by Beatrice Rosmino. Mixed media on canvas. 160x160, 2025. © The Artist – Courtesy of Sermag Srl

2025

sermag
MATERIE PLASTICHE CIRCOLARI

My research stems from the observation and experience of the places where I live and those, I have visited. In my paintings, shapes, colors, and signs blend together to form the landscape I wish to represent. I paint reality as I see it in my mind: a combination of colors, nuances of marks, and forms, thinking precisely about how these elements merge and function as a single, complete mechanism where all coexist and complement one another. I would like viewers of my work to be able to imagine, through my abstract vision, their own personal perspective that brings them back to an experience and/or a place they know. Color plays a fundamental role and is, for me, the primary means of communication, with all its possibilities of nuances and contrasts.

Waterfall (2025): The multiple nuances become breath, vital rhythm, and memory of nature. Shapes, signs, and colors merge into an abstract landscape that does not describe a real place, but rather a reality filtered by the mind and experience. Each pictorial element is conceived as part of a single visual mechanism in which balance and tension coexist. Color is the main expressive and communicative tool, capable of evoking depth, silences, and inner movements. The artwork invites observers to project their own personal vision, rediscovering intimate emotions, places, or memories.

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Introductory Section

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For any questions, observations, or requests for further information regarding the contents of this Sustainability Report, all interested parties are invited to write to sermag@sermagsrl.com. We will be pleased to provide the necessary clarifications as promptly as possible.

1. Letter to Stakeholders

Dear Stakeholders,

Sermag Srl represents a paradigmatic case study of how a Small and Medium Enterprise can orchestrate a profound ecological transition, evolving from a linear business model to an entirely circular one. For us, this approach is not merely an adaptation to market trends, nor a reactive response to regulatory obligations: it is a deep-seated vocation that, since 2020, we have chosen to anchor firmly to the United Nations 2030 Agenda Sustainable Development Goals, measuring and reporting our progress year after year. This document — our sixth consecutive Sustainability Report — stands as the most tangible evidence of this consistency.

The year 2025 has been one of consolidation and ambition. We have strengthened what we built, measured our real impact with greater accuracy, and, above all, laid the foundations for what we will become in the coming years.

In an industrial context that demands urgent and verifiable actions against climate change, our contribution is certified and measurable. The Carbon Footprint study of our products, conducted by the Proplast Consortium and verified by the independent third-party body IMQ in accordance with the ISO 14067:2018 standard, attests to this with precision: the use of our 100% recycled compounds generates a reduction in CO_2eq emissions of between 60% and 90% compared to equivalent virgin polymers derived from petrochemical synthesis. This data transforms the very meaning of our role within the supply chain. We are no longer merely suppliers of secondary raw materials; we are partners to those who must report and reduce their indirect emissions, the so-called Scope 3 emissions. Choosing Sermag means choosing certified data, not declarations of intent. We are equally convinced that environmental excellence must progress hand-in-hand with absolute ethical integrity.

The voluntary adoption of the Organization and Management Model pursuant to Legislative Decree 231/2001, the Code of Ethics, and the digital whistleblowing system stems from our desire to be an upright organization in every operation — not because we are obligated, but because we believe it is the foundation of any long-lasting relationship. This commitment is also recognized externally: in April 2025, the EcoVadis platform raised our score to 71, confirming our Silver rating and placing us in the 90th percentile globally, which represents the top 10% of companies in our sector worldwide. This transparency is further guaranteed at the product level by a comprehensive system of certifications such as RecyClass, ISCC Plus, ISO 9001, ISO 14001, Remade in Italy, and CSI traceability, which shield our partners from any risk of greenwashing.

Starting with this report, Sermag's social reporting takes a concrete step forward: we are adopting the European ESRS S1 standards for our own workforce and ESRS S2 for workers in the value chain, with specific focus on the employees of our industrial partner Mottin Srl. This choice reflects the conviction that authentic sustainability does not stop at corporate boundaries. The data provides a positive outlook: a further reduction in the gender pay gap, zero injuries, a corporate welfare system structured through the WelfareHUB platform, and an updated Company Regulation in 2025 that governs working conditions and personnel well-being with greater clarity.

Looking ahead to 2026, our focus remains on research and material quality. The Laboratorio Materie Plastiche Circolari, which currently operates as a shared infrastructure with Mottin Srl — with the scientific contribution of the University of Eastern Piedmont and the INSTM Consortium — is destined to undergo an important evolution. It will become an autonomous and open entity, a benchmark for the entire circular economy district, accessible to companies, researchers, and institutions wishing to work on the science of regenerated plastics. This is not the end of a journey, but the opening of a new, shared space where recycling ceases to be merely end-of-life management and becomes frontier research.
We will continue to invest, network, and innovate so that recycled plastic increasingly becomes the first choice for industries aiming to build a credible future. Thank you all for the trust you continue to place in this project.

Andrea Rosmino
Sole Director – Sermag Srl

1.1 Reporting Options Adopted (Basic and Full)

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This 2025 Sustainability Report has been prepared in compliance with the **Full Module of the VSME** (Voluntary Standard for Micro, Small and Medium Enterprises), developed by EFRAG specifically for European small and medium-sized enterprises. The selection of the Full Module, which was already adopted for the 2024 financial year, reflects Sermag's commitment to providing its stakeholders with a structured representation of its ESG performance that goes beyond the minimum threshold required for operators of comparable size.

The year 2025 introduces a significant evolution compared to the previous edition: alongside the VSME framework, we have chosen to integrate two thematic European Sustainability Reporting Standards (ESRS): **ESRS S1 on Own Workforce** and **ESRS S2 on Workers in the Value Chain**, applying the draft versions published by EFRAG in November 2025. ESRS S1 covers all seventeen disclosure requirements dedicated to Sermag employees and non-employees, ranging from remuneration policies to health and safety, and from training to gender equality. ESRS S2 focuses on the working conditions of workers in the value chain, with specific reference to the employees of Mottin Srl, a production partner with whom we operate under a network contract regime.

VSME Standard

Four Main Characteristics

Voluntary Basis

Created for enterprises that are not legally bound by the CSRD regulations but still wish to compile a Sustainability Report on a voluntary basis.

Accessibility

Designed for all SMEs, including micro-enterprises, enabling the creation of a sustainability statement without undergoing complicated and costly analyses.

Modularity

Structured into modules to grant SMEs the flexibility to choose which information to include in their reporting.

Responsiveness to Stakeholder Requests

Allows SMEs to respond to sustainability data requests in accordance with their scale and operational capacity

The strategic rationale behind this choice is twofold. On the regulatory front, the "trickle-down" effect of the CSRD — which is already in force for large groups and progressively extending to SMEs within their supply chains — presents us with increasing demands for transparency from enterprise clients subject to ESRS obligations. Anticipating the analytical structure required by these standards now, on a voluntary basis, substantially reduces the future compliance burden and safeguards our competitive positioning in the most demanding market segments. On the financial front, reporting under ESRS S1 and S2 directly addresses the inquiries made by investors and credit institutions within the scope of ESG assessments integrated into credit granting processes and sustainability due diligence.

The consistency and reliability of the information contained in this document are ensured by an external assurance audit conducted by Dimitto, a certification body that is already Sermag's partner for ISO 9001 and ISO 14001. The confirmation of Dimitto's mandate for the 2025 financial year ensures methodological continuity and the comparability of results with the previous report.

1.2 Basis of Consolidation: Individual or Consolidated Report

This Sustainability Report is prepared on an **individual basis**: the data, information, and performances reported refer exclusively to Sermag Srl within its legal and operational boundary. Sermag does not belong to any corporate group, holds no equity stakes in other enterprises, and is not subject to consolidation obligations under applicable accounting regulations.

It is pertinent to clarify the status of **Mottin Srl** within this framework. The network contract executed in December 2020 constitutes an industrial collaboration agreement rather than a corporate equity participation: Mottin is a legally autonomous enterprise that performs the physical processes of extrusion and blending of recycled plastics on behalf of Sermag. This relationship does not generate accounting consolidation obligations; therefore, Mottin Srl's financial data is excluded from the financial scope of this report. However, precisely due to the operational integration and production dependence that characterize the network contract, Mottin Srl falls fully within the scope of the double materiality assessment (DMA 2025 Analysis) and the ESRS S2 reporting boundary. In those sections of the document, data regarding the workforce, working conditions, and environmental impacts of Mottin Srl's processes are treated with the same level of diligence applied to our own workforce.

2. General Information about the Company

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2.1 Our History: Twenty Years of Circular Plastics

Sermag was founded in 2003 in Casale Monferrato on the initiative of Andrea Rosmino, with a vocation oriented from the very beginning toward the polymer supply chain. The initial years of operation were dedicated to supplying raw materials for the bituminous membrane sector, a segment where consistent quality and customer relationship management quickly became distinctive hallmarks.

The real turning point arrived in 2013 when the company made a definitive strategic choice: to abandon the logic of a broad distribution portfolio in order to concentrate all energy on recycled plastic materials. This was not a choice of simplification, but of depth: we resolved to become experts in a segment we deemed destined to become structural within the European economy.

In 2015 this vision found an industrial anchor through the partnership with Mottin Srl of Cassano Magnago, a company with extensive experience in the mechanical recycling of polyolefins: this marked the inception of the operational integration that continues to define our production model today.

2019 marked Sermag's entry into the actual production of technical compounds: we developed our first proprietary polyolefin compound, RINNO-V-ENE®, a TPE-O with a minimum recycled material content of 60%, engineered for the demanding specifications of the construction sector. At this juncture, we permanently transitioned from being mere traders to material engineers.

During December 2020, we formalized the network contract with Mottin, a legal instrument that consolidated our bilateral collaboration into a shared architecture of operational governance and investment. Within the framework of this agreement, the Laboratorio Materie Plastiche Circolari was established — a shared analytical and research infrastructure enabling us to systematically manage the analysis, traceability, and certification of recycled materials.

In 2021 the Laboratory expanded into the academic dimension, welcoming collaboration from the University of Eastern Piedmont (UPO) and the National Interuniversity Consortium for Materials Science and Technology (INSTM): thus, establishing a center of excellence for developing new recycled materials and applied research on polyolefin quality.

In 2023 we celebrated our twentieth anniversary: twenty years of business shared with employees and stakeholders as a moment for reflection and relaunch. In the same year, we expanded our portfolio with PCRPOMIX®, an HDPE compound derived from PCR dedicated to blow-molding applications, thereby consolidating our presence in the most complex post-consumer segment.

2024 was the year of system certifications: we obtained ISO 14001:2015 for environmental management and, crucially, completed the product carbon footprint certification pursuant to ISO 14067:2018 with the Proplast Consortium and IMQ SpA. This led to Revision 3 of the study and independent verification, providing the certified baseline for reporting annual CO_2 savings — quantified for 2025 at 25,758 tCO_2eq (-65.4%) compared to the use of equivalent virgin plastics across the entire commercialized mix.

In 2025 we added further external recognition: the EcoVadis rating rose to 71 points, placing Sermag in the top 10% globally within its sector — a three-point improvement over the previous year and confirmation that the ESG path undertaken is recognized by international sustainable supply chain operators.

Looking ahead to 2026 the most significant step will concern the Laboratorio Materie Plastiche Circolari: the structure is destined to evolve into an autonomous entity, open to new external collaborations, with the objective of making the analytical and research expertise developed over these years accessible to a broader scope of sector operators. This evolution represents the transition from an exclusively owned infrastructure to a shared system asset, consistent with the open innovation philosophy that has guided our path.

2.2 Corporate and Institutional Profile

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Company Name: Sermag Srl
Legal Form: Limited Liability Company (Srl)
VAT Number / Tax Code: 02019310065
Certified Email PEC: info@pec.sermagsrl.com
REA Number: MI - 1858021
Registered Office: Piazza XXV Aprile 12, Milan, 20124, Italy
Operational Headquarters: Via Corte d'Appello 3, Casale Monferrato (AL), 15033, Italy
Telephone: +39 0142 882393
E-mail: sermag@sermagsrl.com
ATECO 2025 Code: 46.86.10
NACE Rev. 2 Code: 46.76
Sector: Production, engineering, and trading of recycled polyolefins
Primary Country of Operation: Italy
Location of Significant Assets: Casale Monferrato (AL) — operational headquarters and laboratory
Total Assets 2025 (€): Euro 10,202,407
Net Revenues 2025 (€): Euro 13,520,617

Employees (Headcount as of 31/12/2025): 8 employees + 1 non-employee (Director) = 9 persons within the S1 scope
Director: Dr. Andrea Rosmino (collaboration contract)
Statutory Auditor: Dr. David Fordred (in office during the 2025 financial year)
ESG / R&D / Quality Managers: Dr. Matteo Lorenzon and Dr. Simona Stradella
Administrative Director: Dr. Simona Stradella
EcoVadis Rating 2025: Silver — Score 71 — Top 10% globally (90th percentile)
Reporting Period: January 1, 2025 – December 31, 2025
Comparison Year: 2024

2.3 Geolocation of Sites

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The following are the sites operated by Sermag Srl, and their respective geographic coordinates.

Registered Office: Piazza XXV Aprile 12, Milano, 20124, Italy.
Coordinates (lat, lon): 45.47953, 9.19728

Operational Headquarters / Laboratory: Via Corte d'Appello 3, Casale Monferrato (AL), 15033, Italy. Coordinates: 45.13398, 8.45532

2.4 Business Model and Corporate Strategy

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Sermag operates as a producer and engineer of Secondary Raw Materials (SRM), a definition that must be understood in its exact scope: we are not a distributor that purchases and resells recycled polymers, but an operator that designs, qualifies, and certifies materials, assuming technical responsibility for their application performance. This position requires deep analytical skills, laboratory infrastructure, an articulated certification portfolio, and long-standing relationships with downstream converters. It requires, in other words, exactly what we have built over the course of the last ten years. Replacing virgin raw materials with certified SRMs is, in its essence, the industrial translation of Sustainable Development Goal 12 — Responsible Consumption and Production: every ton of recycled polyolefin that enters our customers' production cycle is a ton of extractive resources saved.

The network contract with Mottin Srl is the operational pillar of this model.

Mottin physically manages the sorting, densification, and extrusion processes that transform plastics into SRMs ready for reintroduction into the production cycle. Sermag oversees technical qualification, certification, analytical control, commercialization, and the management of registered trademarks. The complementarity of these functions generates an integrated system that neither company could replicate individually with the same efficiency and the same depth of expertise. This collaborative architecture reflects the spirit of SDG 17 — Partnerships for the Goals: the transition

Portfolio marchi registrati

Marchio	Polimero base	Fonte materiale	Mercati principali
RIPLASTENE®	PP / PE	PCR — Post Consumer Recycling	Packaging, stampaggio tecnico
RIMAGLENE®	PP	PIR — Post Industrial Recycling	Stampaggio tecnico, componentistica
RILETILENE®	PE	PIR — Post Industrial Recycling	Filmatura, packaging flessibile, soffiaggio
RINNO-V-ENE®	PP / PE	PIR/PCR (≥ 70% riciclato)	Edilizia, compound tecnici
BYSERPLENE®	PP / PE	Sottoprodotti industriali	Automotive, stampaggio
PCRPOMIX® **2NDSERPACK®**	HDPE	PCR	Soffiaggio
PIRPOMIX® **POMIXOLEFIN®** **POMIXOIL®** **STIRPOMIX®**	PP / PE	contenuto riciclato ≥ 30%	Compound tecnici

toward a circular economy of plastics is not achievable by single isolated operators, but requires integrated industrial networks in which different skills combine synergistically.

The certified carbon footprint currently represents the main technical-commercial argument toward enterprise customers. The ISO 14067 study conducted by Proplast and verified by IMQ SpA certifies that the mix of materials commercialized by Sermag in 2025 — equal to 13,100 tons — generated a saving of 25,758 tCO2eq compared to the use of equivalent virgin plastics, corresponding to a 65.4% reduction in emissions across the entire weighted mix. This data, expressed in verified and not estimated form, is the foundation of our climate narrative toward financial stakeholders, CSRD-subject customers, and institutions. It is also, in its numerical concreteness, the most direct and measurable contribution that Sermag brings to SDG 13 — Climate Action: each annual sales cycle is equivalent to subtracting from the atmosphere the emissions of over 25,700 tons of CO2 that would have been generated by the fossil alternative.

The Circular Plastics Laboratory plays a fundamental function in Sermag's competitive model: it is the infrastructure that converts the relational capital accumulated with UPO and INSTM into concrete analytical capacity. Through the Laboratory, we conduct rheological characterizations, mechanical resistance tests, thermal analyses, and application trials that allow us to develop custom-specified compounds for customers and to qualify new waste streams for the production of certified SRMs. This applied R&D capacity is difficult to replicate by operators of comparable size and constitutes one of the most solid differentials of our positioning. The Laboratory is also the most tangible materialization of our contribution to SDG 9 — Industry, Innovation, and Infrastructure: a shared research infrastructure between enterprise and academia, which transforms scientific collaboration into applied and patented innovation at the service of a sector in full transition.
Certifications, in our sector, function as a regulatory moat: those who possess them can access

premium market segments and respond to the documentation demands of the sustainable supply chain; those who do not possess them are progressively excluded from the most demanding circuits. Our certification portfolio — ISO 9001, ISO 14001, ISO 14067, RecyClass, ISCC Plus, PSV (four IIP certificates), Remade, CSI SRM Traceability — covers the full range of requirements demanded by the main destination sectors and by the most regulated European markets.

Target Markets

Sector	Prevalent Products	SRM Demand Drivers
Flexible and rigid packaging	RILETILENE® RIPLASTENE® PCRPOMIX®	PPWR 2030, mandatory PCR targets
Automotive	RIMAGLENE®, specific compound	Supply chain decarbonization, End-of-Life Vehicle Dir.
Construction and Infrastructure	BYSERPLENE® RIMAGLENE® RINNO-V-ENE®	Construction circular economy, GPP (CAM)
Compounding and molding	RIMAGLENE® RIPLASTENE®	Virgin substitution, CO_2 footprint reduction

2.5 Core Commercial Relationships

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Sermag's operating model is based on a system of stable commercial relationships, which includes raw material suppliers, the integrated production partner within the network contract, and a customer base focused on B2B industrial markets.

Raw Material Suppliers

Sermag sources recovered plastics from an estimated group of 15-25 active suppliers throughout the year, operating mainly in Italy and other European Union countries (in particular Germany, France, and Belgium). Suppliers belong primarily to two categories: (i) collectors and sorters of post-industrial scrap (PIR), which supply the RIMAGLENE® and RILETILENE® product lines; (ii) consortia and operators of the post-consumer separate collection system (PCR), which supply the material intended for the RIPLASTENE® and PCRPOMIX® product lines. Supplier selection is conducted on a qualitative basis with verification of traceability certifications (CSI, ISCC Plus) and, where applicable, with requests for ESG documentation as part of the targets set for 2026 for the insertion of due diligence clauses into contracts.

Providers	Estimated no.	Geographical areas	Materials provided
PIR Collectors/Sorters	~10-15	Italy, Germany, France	PP, PE, LDPE/HDPE industrial scraps
PCR Supply Chain Operators	~5-10	Italy, Germany	Plastics from urban collections
Additive & Compound Supplier	~3-5	Italy, Central Europe	Additives, fillers, and elastomers.

Production Partner — Network Contract

The main processing supplier is Mottin Srl (Via I Maggio 7/D, Cassano Magnago, VA), with which we have been operating under a network contract since December 2020. Mottin carries out the sorting, densification, and extrusion phases that transform incoming plastic waste into certified SRMs. The relationship is exclusive for the processing operations covered by the network contract and is organized with qualitative and traceability KPIs integrated into Sermag's processes.

Customers and Distribution Channels

Sermag's customer base is entirely B2B. Customers are industrial converters operating in the packaging, automotive, construction, and compounding sectors, mainly located in Italy with a share of foreign markets primarily targeted at Germany, France, and other Western European markets. Sales occur through direct relationships, without intermediaries, via the internal sales network coordinated by the Sole Director and the operational team. There are no exclusive distribution agreements with third-party agents or distributors. The direct channel guarantees full transferability of technical and certification documentation, a central element in negotiations with enterprise customers subject to CSRD obligations that require sustainability data along their supply chain.

Sermag's positioning in the four macro-sectors mentioned above is not uniform in terms of penetration depth, but it is consistent from an offering perspective: in each of these markets, the demand for certified SRMs is growing structurally, driven by the tightening of European regulatory requirements and the sustainability policies of major converters. The Packaging and Packaging Waste Regulation (PPWR), currently being transposed into national legal systems, introduces for the first time binding targets for recycled content in packaging placed on the European market: a regulation that transforms our offering from a sustainable option into an operational necessity for packaging manufacturers. This is the context in which we operate and from which we derive our most optimistic outlook on medium-term trajectories.

2026 is shaping up to be a year of consolidation and evolution: the goal of turning the Circular Plastics Laboratory into an autonomous entity open to external collaborations expands the scope of impact of our R&D infrastructure, potentially generating new revenue streams and strengthening Sermag's scientific positioning in the sector.

On the regulatory front, the full entry into force of the PPWR and the progressive updates to REACH and RoHS regulations for SRMs will create further demand for certified materials, benefiting those — like Sermag — who have invested early in the certification system. We are convinced that the combination of technical expertise, consolidated certifications, and applied R&D capability constitutes the most solid foundation upon which to build the growth of the coming years.

Table Note: The number of suppliers is a management estimate based on 2025 procurement flows. A structured census of active suppliers is scheduled under the 2026 ESG Plan, aiming to insert ESG clauses into 100% of supplier contracts by the end of 2026.

3. Sustainability Strategy, Policies, and Objectives

B2 C1 C2

3.1 - The Certification System

During 2025, Sermag Srl further consolidated its positioning in the sustainability sector by renewing all the certifications already in its possession. These international recognitions attest to the solidity of the company's environmental, social, and governance management system and represent a significant milestone in the transition path toward an advanced circular economy model based on transparency, traceability, and technological innovation. All of this is supported by the ISO 9001 management system certified by the body Dimitto since 2023 and renewed annually.

International Certifications: RecyClass and ISCC Plus

Material traceability for recycled plastics is the most critical requirement in the most demanding industrial markets, because without it, any environmental claim remains unverifiable. On this front, Sermag has built a three-tier system. The RecyClass certification, developed on the basis of the EN 15343:2007 standard and issued by KIWA NV in 2024, guarantees full traceability of recycled plastic materials throughout the supply chain, distinguishing precisely between pre-consumer (PIR) and post-consumer (PCR) streams. It covers the main flagship brands, RIPLASTENE®, RILETILENE®, and RIMAGLENE®, and is the most recognized certification reference at the European level for compliance with the requirements of the Packaging and Packaging Waste Regulation. The ISCC Plus (International Sustainability and Carbon Certification) certification, issued by IIP in 2023 and kept valid, attests to compliance with the chain of custody for recycled materials on RIPLASTENE® and PCRPOMIX®, with particular relevance for customers operating in sectors subject to sustainability reporting obligations across their supply chain.

Italian Certifications: Plastica Seconda Vita, Remade and CSI

Thanks to the body IIP, the four Plastica Seconda Vita licenses were renewed: Industrial, Separate Collection, MIXECO (blends of separate collection and industrial waste), and By-product. The scheme covers all materials that are the direct result of a recycling operation carried out by plants authorized for waste treat-

ment—which are in turn inspected by IIP auditors—as well as the products and blends created starting from these materials.
With the body RINA, the renewal audit for Remade In Italy was conducted, which includes Secondary Raw Materials, plastics from by-products, and products with recycled content. The Remade scheme, also accredited by Accredia, requires the preparation of a material and flow traceability plan within the company, continuous supplier control, and incoming material classification, thus guaranteeing maximum transparency, correctness, and care in the various steps of the process.
The CSI Traceability system, active since 2017, is issued by CSI - IMQ Group and covers all Sermag products: it is the core traceability tool that accompanies every commercialized lot with verifiable documentation regarding the origin and classification of the material.

ISO 14001: Integrated Environmental Management Oriented Toward Continuous Improvement

Obtaining the ISO 14001:2015 certification confirms the presence within Sermag of a solid environmental management system compliant with international standards. The standard defines the criteria for the systematic control of environmental impacts and for the assessment of risks associated with business processes. Through the implementation of ISO 14001, Sermag has been able to strengthen its environmental prevention tools, optimize resource use, reduce waste, and ensure full regulatory compliance. This certification integrates perfectly into the company's ESG strategy, laying the foundations for a proactive, long-term environmental management approach.

The EcoVadis Rating: Global Sustainability Assessment

In 2025, Sermag's EcoVadis rating reached a score of 71 out of 100, receiving the Silver recognition and placing in the top 10% globally (i.e., at the 90th percentile) among companies evaluated by the platform within its sector. This represents a three-point improvement compared to 2024 (score of 68, top 15%) and confirms that the ESG journey undertaken is recognizable and measurable even by external observers without direct access to our internal documentation.

EcoVadis is currently a prerequisite in the vendor qualification procedures of many large industrial groups subject to CSRD obligations: a top 10% score is not only a reputational achievement, but an access criterion to the most demanding enterprise markets. The assessment covers Environment, Ethics, Labor & Human Rights, and Sustainable Procurement, and is based on verified documentation. The 2025 improvement is particularly attributable to progress in the environmental pillar—supported by ISO 14001 and ISO 14067 certifications—and the strengthening of the governance pillar, supported by the active digital whistleblowing system and the updated Model 231.

Carbon Footprint Measurement: ISO 14067 and the Proplast/IMQ Study

In 2024, we completed—with revision 3 of the study and independent verification by IMQ SpA (Opinion A107-2024)—the certification of product carbon footprint in accordance with ISO 14067:2018. It is a result that deserves to be read carefully, because the resulting figures are third-party verified rather than unilaterally declared.

The study, conducted by the Proplast Consortium with primary data collected at Mottin Srl, analyzed the entire product life cycle according to the Product Category Rules for primary form plastics, applying the IPCC 2021 GWP 100a method via SimaPro software. The results referring to the 2025 financial year show that the overall mix of SRMs commercialized by Sermag—13,100 tons, with a circular share of 89.8%—generates 13,631 , compared to the 39,389 that would have been produced using equivalent virgin plastics (Ecoinvent 3.11 data). The net saving is 25,758 per year, representing a 65.4% reduction across the entire weighted mix, including the residual share of virgin and off-grade material (10.2%). For 100% recycled products alone, the reduction ranges between 60% and 90% depending on the polymer and the process. Compared to the 2024 report, which indicated a reduction of "up to 80%", the 2025 figure is more precise because it is calculated on the entire portfolio actually sold and not on a single product category: this is the difference between an estimate and a certified measurement.

The contribution of this result to SDG 13 Climate Action is concrete and quantifiable: each annual operating cycle of Sermag is equivalent to subtracting from the atmosphere the emissions of over 25,700 tons of CO_2 that the linear economy would have generated.

3.2 A Coherent System of Policies: From Compliance to Culture

Sustainability governance at Sermag does not stem from a set of separate requirements, but from a policy system built over time to be consistent in principles and integrated into daily operations. In 2025, this system was further consolidated with the update of the Company Regulations and the progressive strengthening of internal training oversight.

The regulatory foundation is the Code of Ethics, adopted pursuant to Legislative Decree 231/2001 and published on the company website, which establishes the principles of conduct inspiring all subjects operating within the organization—employees, collaborators, partners—regardless of role and hierarchical level. The Code of Ethics is integrated into the Organization, Management, and Control Model (MOG), overseen by the Sole Statutory Auditor acting as the Supervisory Board (Organismo di Vigilanza). The digital whistleblowing channel, active and accessible to both internal individuals and external stakeholders, serves as its operational complement, guaranteeing a protected space for reporting irregularities or non-compliant behavior.

Next to this base stands the Company Regulations, updated in its latest revision on January 15, 2025. The update incorporated the evolution of internal responsibilities, adapting operational procedures to new reference standards and clarifying roles throughout the organizational structure. This revision signals the intention to maintain internal rules as a real guiding tool, not as a document archive.

The Environmental Policy, formalized within the ISO 14001:2015 management system certified by Dimitto in 2024, defines Sermag's commitments toward reducing environmental impacts, resource efficiency, and the continuous improvement of ecological performance. This policy is not a document separate from the management system: it integrates with the Carbon Footprint certification (ISO 14067:2018, verified by IMQ SpA with Opinion A107-2024), which transforms declared commitment into measurable and comparable data. As illustrated in Chapter 2, in 2025 the 13,100 tons commercialized generated a certified saving of 25,758 compared to the virgin plastic equivalent, equal to a 65.4% reduction.

The fourth pillar of the system is the EcoVadis framework, which is not configured as a mere external rating, but as a structured tool for continuous self-assessment. The 21 indicators distributed across four macro-themes offer a comparative reading of our practices against global top-tier sector performances. The improvement from 68 points (global top 15%, May 2024) to 71 points (global top 10%, 90th percentile, April 2025) is not a random result: it reflects systematic work on document oversight, policy updates, and transparency in external communication.

Operational management of this system is entrusted to Dr. Matteo Lorenzon, ESG/R&D/Quality Manager, who coordinates monitoring, certification, and internal knowledge development activities. Dr. Simona Stradella, ESG Manager and Administrative Director, ensures consistency with internal control processes, reporting, and personnel management. This distribution of responsibilities reflects a conscious choice: sustainability is not an isolated function, but a shared responsibility between technical skills and organizational competencies.

3.2 2025 Practices: Consolidation and Updates

2025 marked a year of consolidation for existing practices and advancement in priority areas, with particular attention to mandatory technical training and preparation for new regulatory challenges emerging on the horizon.

On the training front, the official register records 42.5 total hours delivered to employees during the year, with an average of 5.3 hours per person, growing compared to the 38 total hours and 4.75-hour average in 2024. This figure excludes the 500 hours of scientific research conducted by the ESG/R&D/Quality Manager under the contract with the University of Eastern Piedmont (UPO): including this activity, the grand total rises to 542.5 hours. The areas covered reflect the operational and regulatory priorities of the year: the person responsible for regulatory management completed 8.5 hours of REACH/CLP training, while the ESG/R&D/Quality Manager and the person responsible for operations updated competencies regarding supervisor safety (6 hours each) and renewed first aid qualification (4 hours each); administrative-quality personnel completed training updates on product certifications. The Administrative Directorate participated in 4 hours of specific ESG training, and an additional 4 ESG hours were attended by the Sole Director (not calculated in the denominator as a non-employee).

Dedicated ESG training deserves a separate reflection. Compared to the set target of 20 ESG hours per employee in 2025, the achieved result of 4 hours represents a gap that we report transparently: the training agenda for the year was oriented toward urgent regulatory priorities, safety, and REACH/CLP, at the expense of dedicated ESG training. The new target for 2026 is 20 hours of ESG training per employee, with content including ESRS reporting, sustainability indicators management, and preparation for responding to questionnaires from CSRD-subject customers. On the level of ongoing operational practices, 2025 confirmed the corporate welfare structure through WelfareHUB, which guarantees all employees access to customizable benefits. Smart working remains available in a hybrid mode, with organizational flexibility that responds both to individual needs and operational efficiency. Corporate mobility policy continues to favor low-emission vehicles and car-sharing solutions for commercial travel.

On the strategic positioning front, 2025 saw the increasing emergence of the so-called CSRD trickle-down effect, previously anticipated in Chapter 2. Larger customers subject to reporting obligations under the Corporate Sustainability Reporting Directive are beginning to structure ESG data requests toward their suppliers. At present, these requests have not yet taken the form of structured, formalized questionnaires, but the topic is present in commercial conversations with increasing frequency. Sermag finds itself in a position of structural advantage: the Carbon Footprint certified by IMQ, the EcoVadis Silver rating at 71 points, and the SRM traceability system already provide the documentary basis to meet these needs today. Through relationships with UPO, INSTM, and certification bodies, we actively participate in the technical and regulatory debate of the sector, anticipating regulatory evolutions before they become formal obligations.

3.4 Sustainability Objectives: Progress Status as of December 31, 2025

The following table summarizes Sermag's sustainability objectives, updated with the progress status at the end of the 2025 financial year. The 2030 targets remain unchanged compared to the 2024 Report, while new commitments arising from the priorities that emerged during the year are introduced.

Objective

Environment and Climate	Target	2025 Progress Status
Carbon footprint: CO_2eq reduction per ton of product	−30% vs 2023 baseline by 2030	In progress — 2025 certified IMQ saving: −65.4% vs virgin across 13,100 tons (25,758 tCO_2eq). Annual ISO 14067 monitoring.
Certified recycled content across all compound lines	90% by 2027	In progress — current circular share: 89.8% (pre-consumer 57.2%, post-consumer 4.5%, by-products 6.4%, blends ≥70% 21.7%).
Processing waste reduction	−50% by 2030	In progress — all current waste is 100% recyclable. Quantitative reduction actions being planned for 2026.

VOC emissions reduction — Mottin site	−20% by 2030	In progress — active monitoring; deodorization process innovation via the Circular Plastics Lab.
Governance and Supply Chain		
Supplier evaluation on ESG criteria	90% of suppliers evaluated by 2030	In progress — human rights and ESG clauses in supplier contracts planned by 2026. DMA boundary extended to Mottin Srl (S2).
Due diligence clauses in supplier contracts	Implementation by 2026	In progress — planning initiated. Structured supplier census scheduled for 2026.
Water efficiency at Mottin site	Definition of metrics and reduction targets by 2027	In progress — 2025 recorded consumption: ~1,573 m^3/year. Active dialogue with Mottin for shared KPIs.
People and Organization		
Internal ESG training for employees	20h ESG per employee by 2025	Not Achieved — 4h completed out of 20h target. Gap: ~16h. Priority commitment for 2026. New 2026 target: 20h/employee.
Total training (excl. UPO research)	Continuous improvement vs previous year	Achieved — 42.5h delivered in 2025 (avg 5.3h) vs 38h in 2024 (avg 4.75h). Total including UPO research: 542.5h.
Corporate welfare for permanent employees	100% by 2030	Achieved — WelfareHUB platform active; access guaranteed to all permanent employees.
Gender equality in managerial positions	Parity by 2030	In progress — 87.5% female workforce (7F/1M). 2025 ESRS GPG: 2.8% (hourly method). See Workforce Chapter.
EcoVadis Rating	Continuous annual maintenance or improvement	Achieved — Score 71 (+3 pts vs 68 in 2024), Silver, Global Top 10% (90th percentile, April 2025).

Note: The 2030 targets remain unchanged from the 2024 Sustainability Report. The 'Not Achieved' status for ESG training is declared as a constructive gap. 'Achieved' = achieved or on track; 'In progress' = ongoing with active monitoring.

3.5 Our Contribution to the 2030 Agenda: SDG Mapping

We have introduced the four Sustainable Development Goals that structure Sermag's strategic positioning: SDG 12, SDG 13, SDG 9, and SDG 17. In this section, we expand on the quantitative contribution, identifying the specific UN targets upon which our activities produce a measurable impact, and we add the secondary SDGs that are evidenced in social KPIs.

The distinction between primary and secondary SDGs is not a hierarchy of value, but a materiality assessment: the four primary SDGs are those where Sermag's business model generates a direct, systematic, and certified impact; the secondary SDGs reflect social and organizational commitments whose quantitative detail is developed in the dedicated workforce sections.

Priority SDGs

SDG	Target ONU	Contribution Sermag	KPI / Evidenza
SDG 12 Responsible Consumption and Production	12.2, 12.5	Supply of certified SRM from a circular supply chain.	13,100 tons sold in 2025; 89.8% circular share; zero plastic waste generated internally; PPWR managed as a structural opportunity.
SDG 13 Climate Action	13.3	Measurable and certified reduction of CO_2eq emissions via ISO 14067:2018 verified by IMQ SpA	25,758 tCO_2eq saved (−65.4% vs virgin in 2025); IMQ Opinion A107-2024; 60–90% reduction for 100% recycled products.
SDG 9 Industry, Innovation, and Infrastructure	9.4, 9.5	Circular Plastics Lab as applied R&D infrastructure; polymer deodorization patent; scientific collaboration with UPO and INSTM	Active patent (deodorization); 500h UPO research in 2025; Lab evolving into an autonomous entity in 2026
SDG 17 Partnerships for the Goals	17.16, 17.17	Sermag-Mottin network contract as a legal framework for industrial partnership.	Active network contract; 9 certifications/frameworks held; EcoVadis Silver 71 pts.

Secondary SDGs — Detailed quantitatively in the Own Workforce Chapter

SDG	Target ONU	Contributo Sermag	KPI / Evidenza
SDG 8 Decent Work and Economic Growth	8.5, 8.8	100% collective bargaining coverage; zero injuries; WelfareHUB; smart working; continuous technical training.	0 injuries in 2024 and 2025; 100% Terziario National Collective Contract; 42.5h training (excl. UPO); WelfareHUB active for all permanent staff.
SDG 5 Gender Equality	5.1, 5.5	Predominantly female workforce; ESRS Gender Pay Gap decreasing compared to 2024.	87.5% women (7F/1M); 2025 ESRS GPG: 2.8% (vs 3.3% in 2024).

The SDG mapping has been carried out in accordance with the SDG Compass methodology (GRI-UNGC-WBCSD). The UN Targets refer to the 2030 Agenda. The KPIs are detailed in the relevant thematic sections of this Report.

3.6 ESG Risks, Opportunities, and Impacts: Executive Summary

The double materiality matrix developed in 2025, the complete methodology of which is illustrated in Chapter 4, identified 12 material topics, 2 partially material topics, and 1 topic under monitoring. The table below presents an orientation summary of the main topics, grouped by priority and accompanied by the response action adopted or planned. For the scoring methodology, calculation formulas, and the full matrix, reference should be made to Chapter 4 (Double Materiality).

Four topics deserve narrative emphasis. The certified   saving is not only a positive environmental impact: it is the foundation of Sermag's commercial value proposition, with 25,758   saved each year, verified by an accredited third-party body. The PPWR regulation will transform this advantage from voluntary to structural: mandatory recycled content targets for packaging by 2030 will make certified SRMs a market requirement. The CSRD trickle-down effect is the most immediate opportunity, with customers already beginning to request primary data from their suppliers. Operational dependency on Mottin represents the most important risk to oversee: not because the relationship is fragile — the network contract guarantees structure and continuity — but because the concentration of production in a single partner requires an active and constructive dialogue that goes beyond the formal contract.

Critical Priority Topics

Topic	Type	Horizon	Priority Response Action
CO_2 Saved: Certified positive impact (-65.4% vs virgin, 25,758 tCO_2eq)	Impact + Opportunity	Short (annual)	Maintain IMQ certification (ISO 14067:2018); actively communicate to CSRD-subject clients; utilize data as a qualifying commercial argument.

High Priority Topics

Topic	Type	Horizon	Priority Response Action
PPWR — Structural demand for certified SRM (2030 recycled content targets)	Opportunity	Short–Medium (2025–2030)	Expand certified range (RecyClass, ISCC Plus); position as a PPWR-compliant supplier ahead of mandatory deadlines; monitor EU regulatory evolution.
CSRD trickle-down — Structured ESG data requests from clients	Opportunity / Risk	Short (2025–2026)	Structure a standardized ESG data package for clients (certified CFP, EcoVadis, traceability); prepare to respond to formal questionnaires by 2026.

Operational dependence on Mottin Srl (production concentration)	Risk	Short (continuous)	Continuous monitoring of the network contract; active relationship management regarding performance, safety, and sustainability; manage rather than eliminate this structural dependence.
Scope 3 GHG emissions from Mottin processes (upstream)	Risk / Impact	Medium (2025–2028)	Extend the CFP boundary to Mottin's upstream emissions; initiate dialogue on energy efficiency and renewable sources.
SRM Quality, Traceability, and Certifications ('regulatory moat')	Opportunity	Short (continuous)	Maintain and renew the certification portfolio; expand RecyClass coverage to new products.
Waste diversion from landfills/incinerators (13,100 circular tons/year)	Impact + Opportunity	Short (annual)	Quantify and communicate annual diverted tonnage; integrate data into commercial communications and stakeholder reporting.
Innovation and applied R&D in the recycling sector	Opportunity	Medium (2025–2027)	Invest in evolving the Circular Plastics Lab into an open autonomous entity (2026); leverage the deodorization patent; maintain the UPO contract and INSTM relationship.

Medium Priority Topics

Topic	Type	Horizon	Priority Response Action
SRM price fluctuations and Eastern European competition	Risk	Short (annual)	Diversify supplier portfolio (structured census by 2026); framework contracts with price revision clauses; maintain quality as leverage against price competition.
Gender pay gap (Current — ESRS hourly: 2.8% / VSME annual: ~27%)	Impact	Short–Medium (2025–2030)	Report under ESRS S1-16/17 with dual methodology; annual monitoring; target managerial parity by 2030
Business conduct and anti-corruption	Governance	Continuous	Model 231 + Code of Ethics published; digital whistleblowing active; internal ESG training (2026 target: 20h/employee.
Working conditions in the value chain (Mottin workers).	Impact / Risk	Medium (2025–2027)	Response: Report under ESRS S2 (4 DR) focusing on Mottin Srl; insert ESG due diligence clauses into the network contract; engage on collective contracts, welfare, and safety.

3.7 Summary of Sustainability Matters: Existing Practices and Future Targets

The following two tables report the synoptic framework of sustainability issues required by the VSME B2 standard, indicating the practices and policies in place as of December 31, 2025, and the planned future objectives and initiatives. The contents expand upon what was previously illustrated in the preceding sections and are further elaborated in the respective thematic sections of this Report.

Practices, Policies, and Initiatives in Place as of December 31, 2025

Sustainability Matter	Existing Practices	
Climate Change	**Yes**	ISO 14067:2018 Carbon Footprint Certification (Proplast Rev.3, verified by IMQ SpA Opinion A107-2024). LCA study based on primary data. Certified saving: 25,758 tCO_2eq (−65.4% vs virgin across 13,100 tons). ISO 14001:2015 Environmental Policy.
Pollution (Air)	**Yes**	Deodorization processes for recycled polyolefins (active patent). VOC monitoring at the Mottin site. Low-emission technical products for indoor environments (automotive, food packaging).
Water & Marine Resources	**Yes**	Sermag does not directly use water resources in its processes. Partner Mottin uses water in densification and extrusion cycles (2025 consumption: ~1,573 m^3/year). Active dialogue for water efficiency metrics.
Biodiversity & Ecosystems	**Yes**	Not material for the type of materials handled (recycled polyolefins). No Sermag activities impact natural habitats or protected areas.
Biodiversity & Ecosystems	**Yes**	Industrial model entirely oriented around mechanical recycling. 2025 circular share: 89.8% of total commercialized volume. RecyClass, ISCC Plus, PSV, Remade in Italy, CSI. Network contract with Mottin Srl.
Internal Personnel	**Yes**	WelfareHUB platform active. Hybrid smart working. Low-emission company vehicles and car sharing. Terziario Collective Contract (100% coverage). Zero injuries in 2024 and 2025. Technical training (42.5h in 2025, excl. UPO).
Value Chain Workers	**Yes**	ESRS S2 scope extended to Mottin Srl workers (~14 employees). Network contract as a shared governance tool. Active dialogue on safety, collective contracts, and working conditions. ISCC+ training extended to supply chain partners.
Affected Communities	**No**	Not directly affected by Sermag’s operational activities.
Consumers & End-Users	**Yes**	Exclusively B2B clientele. Certified material quality control (ISO 9001:2015). Lot traceability via RecyClass, ISCC Plus, and CSI. Technical support for material selection. Structured response to CSRD trickle-down data requests.
Business Conduct	**Yes**	Organization, Management, and Control Model (D.Lgs. 231/2001). Code of Ethics published online. Active digital whistleblowing system. Designated ESG Manager. Company Regulation rev.1 updated to 15/01/2025.

Future Initiatives and Scheduled Targets

Sustainability Matter	Future Initiatives	Detail of Objectives / Future Initiatives	Responsible Figure
Climate Change	**Yes**	Extend CFP scope to Mottin upstream emissions (Scope 3). Evaluate renewable energy solutions for the production site. CO_2eq reduction per ton: −30% vs 2023 baseline by 2030.	ESG / R&D Manager
Pollution (Air)	**Yes**	Extend VOC analyses in Mottin processing cycles. Target: 20% emissions reduction by 2026. Develop advanced deodorized formulations via the Circular Plastics Lab.	Laboratory Manager
Water & Marine Resources	**Yes**	Define water efficiency metrics and consumption reduction targets per processed ton with Mottin by 2027.	Quality Manager
Circular Economy	**Yes**	Achieve 90% certified recycled content in technical compounds by 2027. Expand RecyClass and ISCC Plus range to new polymers.	R&D Manager
Internal Personnel	**Yes**	ESG Training: 20h/employee in 2026 (target missed in 2025 — 4h completed). Gender parity in managerial roles by 2030. Maintain welfare access for 100% of permanent staff.	Administrative Director
Value Chain Workers	**Yes**	Insert ESG due diligence clauses into the network contract by 2026. Define an annual audit checklist for production partners. Extend S2 scope to any new partners.	ESG Manager / Sole Director
Consumers & End-Users	**Yes**	Develop a standardized ESG data package for CSRD-subject clients. Implement an advanced voluntary environmental labeling system. Respond structurally to ESG questionnaires by 2026.	Commercial Manager / ESG Manager
Business Conduct	**Yes**	Expand internal ESG training (20h/employee in 2026). Periodically review Model 231 and Code of Ethics. Conduct a structured supplier census and ESG evaluation (90% by 2030).	Sole Director

3.8 Organizational Governance of the ESG Strategy

The implementation of the sustainability strategy is coordinated by Dr. Matteo Lorenzon and Dr. Simona Stradella, who report directly to the Sole Director, Dr. Andrea Rosmino. Oversight also includes matters relating to reporting, personnel management, and internal control processes. The governing bodies— Director and Statutory Auditor—supervise the adequacy of the control system and compliance with Model 231.

Progress reporting takes place annually through the Sustainability Report, subject to external assurance by Dimitto, a body that has confirmed its engagement for the 2025 financial year as well. The double materiality process, detailed in Chapter 4, is reviewed annually, with the next review scheduled for February 2026

Economic Value of Intellectual Property

In 2025, we commissioned BDO Advisory Services S.r.l., an independent firm meeting professional and independence requirements compliant with the Italian Valuation Standards (PIV) and International Valuation Standards (IVS), to conduct a formal valuation of the economic value of our registered trademarks and industrial patents, with a reference date of December 31, 2025.

The valuation addresses a dual purpose. On one hand, to quantify the intangible capital generated by investments in research, development, and the construction of product identity. On the other hand, to make visible to stakeholders the gap between the net book value recorded in the financial statements and the actual economic value of our intangible assets—a gap we consider particularly significant for a company that has made recycling innovation its competitive foundation.

Scope of the Valuation

The valuation covered the Company's entire intellectual property portfolio: eleven registered trademarks (RIMAGLENE®, RILETILENE®, RIPLASTENE®, BYSERPLENE®, RINNO-V-ENE®, PIRPOMIX®, PCRPOMIX®, POMIXOIL®, STIRPOMIX®, POMIXOLEFIN®, AND 2NDSERPACK®) and five industrial patents, divided into three families:

- relating to the deodorization process for recycled polymers and to deodorized granules;
- for analytical methods for assessing volatile substances and REACH/RoHS compliance;
- for the production of polyolefin-based thermoplastic elastomers (TPE-O).

Methodology

For trademarks, BDO adopted the Relief from Royalty Method, determining a 2.1% royalty rate based on the average profit split of comparable companies in the manufacture of primary form plastics sector. For patents, given the specificity of the protected production processes and the absence of publicly available comparable royalty contracts, the synthetic Multi-Period Excess Earnings Method was used, net of the figurative remuneration of associated trademarks.
Both methods were applied over a ten-year forecast horizon, with a discount rate (Intangible Return) of 9.2%, calculated starting from a WACC of 8.2% plus a 1.0% risk premium for the intangible nature of the assets, and a terminal growth rate of 2%.

Valuation Results

The results highlight an overall intellectual property value of approximately 4.2 million euros, compared to a net book value recorded in the financial statements of approximately 1.3 million euros. The ratio of fair value to book value, greater than three times, reflects the strategic value that the market recognizes in proprietary expertise in advanced polyolefin recycling.

Trademark Valuation Table (data in €/000)

Trademark	Fair Value	Book Value	Ratio
RIMAGLENE®	650	71	9,2x
RILETILENE®	43	13	3,3x
RIPLASTENE®	130	43	3,0x
BYSERPLENE®	104	9	11,6x
RINNO-V-ENE®	260	92	2,8x
PIRPOMIX®	69	5	13,8x
PCRPOMIX®	17	5	3,4x
POMIXOIL®	13	12	0,8x
STIRPOMIX®	30	28	0,3x
POMIXOLEFIN®	147	3	49,0x
2NDSERPACK®	17	5	3,4x
Total Trademarks	1.481	285	5,1x

Patent Valuation Table (data in €/000)

Patent Family	Fair Value	Book Value	Ratio
Brevetti TPE-O	1.233	804	1,5x
Deodorizzazione e polimeri deodorizzati	804	164	4,9x
Procedimento rilevazione odori	221	64*	3,5x
Procedimento rilevazioni sostanze **SVHC**	442	—	—
Total Patents	2.701	1.032	2,6x

Overall summary

€ 4.182k Overall Fair Value	**€ 1.317k** Book Value	**3,1x** FV / BC Ratio

Main Value Drivers

Among the trademarks, the three contributing most to value generation are Rimaglene (recycled polypropylene compound), Rinno-v-ene (PE/PP polymer blends), and Pomixolefin (recycled polyolefin mixes)—unsuprisingly, the brands with the largest revenue base and the strongest connection to process patents.

Among the patents, the TPE-O family represents the most relevant value component, followed by deodorization patents co-owned with Italrec S.r.l. and analytical patents developed with Mottin S.r.l. The latter, although still in the commercial startup phase, reflect significant potential linked to the growing demand for REACH and RoHS compliance in the recycled plastics sector.

Strategic Interpretation

The gap between book value and fair value is not merely a numerical figure: it represents the measure of competitive advantage accumulated through the Circular Plastics Laboratory, collaborations with the University of Eastern Piedmont and the INSTM Consortium, and the ongoing commitment to converting research into industrializable and certifiable processes. It is the economic translation of the material topic "R&D Innovation and Deodorization Patent".

The values reported in this section are presented for supplementary disclosure purposes pursuant to ESRS 1 par. 108 and do not constitute mandatory VSME disclosure.

4. Double Materiality Assessment (ESRS IRO-1)

Why We Conduct the Double Materiality Analysis

The 2025 Double Materiality Analysis (DMA) does not stem from a regulatory obligation, but from a conscious choice matured along the reporting journey initiated by Sermag in 2020. As a small and medium-sized enterprise that voluntarily adopts the Full VSME framework and the ESRS S1 and S2 standards, we deemed it essential to adopt a methodological tool designed for companies subject to the CSRD. This enables us to identify which sustainability topics truly matter for our business, for our employees, for Mottin Srl, and for the customers who demand increasing transparency regarding the environmental and social profiles of the materials they purchase.

The 2025 analysis is our first DMA conducted with a quantitative methodology, representing an evolution from the previous process adopted for the 2024 Report, which relied on a qualitative assessment. While the previous method allowed us to order topics by perceived relevance, it did not generate numerical scores. With the 2025 DMA, we aligned our methodology with the guidance provided in EFRAG IG1 (May 2024), equipping the process with explicit formulas, scales, and thresholds. It is a step change in quality that required more effort from us, but one that makes the results comparable year over year and meaningful for external stakeholders.

The process was coordinated by Matteo Lorenzon and Simona Stradella and took place in the month of February 2025, with the next review scheduled for February 2026.

Entities Included within the Boundary

The scope of the 2025 DMA coincides with that of the sustainability report and encompasses Sermag Srl in its entirety and Mottin Srl of Cassano Magnago (VA), included not as a traditional supplier, but as an integrated production partner under a network contract.

The inclusion of Mottin within the scope is not an optional choice: it is a reflection of operational reality. Mottin physically carries out all industrial processes—densification, extrusion, and blending—on materials and specifications defined by Sermag. Without Mottin, Sermag has no production capacity of its own: the Cassano Magnago site is the sole processing node of the entire supply chain. This makes Mottin an operational single point of failure (cf. topic #8 in the matrix) and, at the same time, the primary source of Scope 3 GHG emissions attributable to our activities (topic #4). Excluding Mottin from the materiality scope would have rendered the DMA structurally incomplete with respect to the requirements of EFRAG IG1 (point 2) and ESRS 1 par. 25.

The upstream value chain includes suppliers of pre-consumer (PIR) and post-consumer (PCR) plastics, consisting predominantly of industrial processing scrap and waste streams from separate collection. Downstream, customers belong to the packaging, automotive, construction, and compounding sectors, with an exclusively B2B supply scope.

Local communities (S3) and end-consumers (S4) were not identified as bearers of material impacts due to Sermag's B2B model: our sites operate in industrial areas, and sales are made exclusively to professional buyers. Both topics remain on the long list for periodic monitoring.

Metodology

Structure of the Process — The DMA process is divided into four sequential phases, consistent with the structure of EFRAG IG1:

A) Context. Analysis of Sermag's business model, mapping of the value chain, examination of the 2025 regulatory landscape (PPWR, CSRD, EU Taxonomy, REACH), and benchmarking of the recycled plastics sector.

B) IRO Identification. Construction of a systematic long list of ESRS AR16 topics (E1–E5, S1–S4, G1), integrated with 2025 CFP data, evidence regarding the deodorization patent, analysis of Eastern European competitors, and the perspective of involved stakeholders.

C) Assessment. Quantitative scoring using harmonized formulas. Separation of actual impacts from potential impacts.

D) Reporting. Documentation of the process and results for ESRS 2 IRO-1. Mapping of applicable Disclosure Requirements for IRO-2. Integration into the VSME statement and coordination with the thematic chapters of the report.

Impact Materiality (Inside-Out)

To evaluate both positive and negative impacts on the environment and people, we adopt a formula that combines three dimensions of severity with the probability of occurrence. Severity is broken down into: scale, which measures the gravity or extent of the impact; scope, which expresses the number of people or the geographical or ecosystemic area affected; and irremediability, which for negative impacts measures the difficulty of repairing the damage. For positive impacts, such as CO_2 savings or waste diversion from landfills, we interpret irremediability as stability of the benefit, since the structural and continuous nature of our activity makes these effects as long-lasting as the business model that generates them.

For all actual ongoing impacts, the probability of occurrence is treated as certain: it makes no sense to apply a probabilistic estimate to events that are already taking place and that we have measured. For potential future impacts, probability is instead estimated based on available contextual evidence.

Financial Materiality (Outside-In)

For risks and opportunities that may affect Sermag's financial performance, we adopt a formula that combines the probability of the factor materializing with the magnitude of the expected effect. Probability measures the likelihood of the event within the relevant short-, medium-, or long-term horizon. Magnitude expresses the extent of the expected effect on revenues, costs, access to credit, or cost of capital.

Materiality Threshold & "OR" Criterion

The evaluation utilizes an internal threshold determined according to EFRAG IG1 guidelines and the adopted industry benchmark, enabling us to distinguish material topics from those to be monitored. We adopt the "OR" criterion: a topic is considered material if it crosses the threshold in at least one of the two dimensions—impact or financial—independently of the other. This choice complies with ESRS standards and ensures that no relevant IRO is excluded due to an artificial compensation between the two perspectives. In practice, this approach allowed us to recognize the materiality of topics such as the PPWR—driven by a very high structural financial opportunity despite a lower current direct impact—and the gender pay gap, which presents a significant impact on the inside-out dimension even though it does not reach the threshold on the financial dimension.

Inputs Utilized in the Process

Each ADM 2025 score is supported by specific sources. The inputs actually used in the assessment process are listed below, in accordance with the requirements of ESRS 2 AR 22:

Input Source	Content and Utilization	IRO Topics Fed
Proplast CFP Study Rev.3 (06.12.2024), verified by IMQ SpA – Opinion A107-2024	Primary source for quantifying climate impacts: 25,758 tCO2eq saved, -65.4% vs virgin across 13,100 tons sold. Based on Sermag process data + Ecoinvent 3.10 factors.	CO2 savings and SRM circularity; Scope 3 GHG emissions – Mottin processes.
Sermag 2025 Sales Registry	13,100,539 kg total; 89.8% circular/recycled mix. Used to calculate Scope and Scale of E5 positive impacts.	CO2 savings and SRM circularity; Waste diversion from landfills/incinerators; Recycling sector innovation and applied R&D.
PPWR Regulation (EU 2025/40), in force from 11.02.2025	Mandatory recycled content targets in plastic packaging from 2030. Primary driver for Financial Score of regulatory topics.	PPWR Opportunity – structural SRM demand; CSRD trickle-down – providing sustainability data to clients.
Climate/Internal Questionnaires — 8 employees (February 2025)	Perception of working conditions, pay equity, and organizational well-being. Qualitative input for S1 topic Scale.	Gender pay gap; Business conduct and anti-corruption; Own workforce.

Joint IRO Workshop with Mottin Srl (February 2025)	Evaluation of working conditions and environmental risks at the Cassano Magnago site; identification of operational concentration risks.	Scope 3 GHG emissions – Mottin processes; Operational dependence on Mottin; Value chain working conditions.
EcoVadis 2025 Report – score 71, Silver, top 10% global	External ESG benchmark across four dimensions (Environment, Labor & Human Rights, Ethics, Sustainable Procurement). Comparison with 2024 rating (68/top 15%).	SRM quality, traceability, and certifications; Business conduct and anti-corruption; General benchmark.
Ecoinvent 3.10 Database – virgin plastic emission factors	Virgin PP: 3.049 kgCO2eq/kg; virgin LDPE: 2.77 kgCO2eq/kg. Comparison baseline for calculating certified savings.	CO2 savings and SRM circularity (comparison baseline); Scope 3 GHG emissions – Mottin processes.

Stakeholder Engagement

Stakeholder engagement in the 2025 DMA involved four main categories, using differentiated modalities based on the level of operational proximity and relevance to the identified IROs.

Internal collaborators—the eight employees, Management, the ESG/R&D/Quality Manager, and the Administrative Directorate—participated through questionnaires, informal interviews on company climate, and ESG oversight meetings. These meetings made it possible to gather direct perception regarding working conditions, pay equity, and welfare initiatives, directly feeding the scoring for S1 topics.

Mottin Srl, as our exclusive production partner and the entity with whom we share the most significant operational risk, participated in a joint IRO workshop. During this workshop, environmental risks at the Cassano Magnago site (VOC emissions, water consumption, plant safety) and mutual structural dependency were evaluated.

Regarding technical and certification bodies, the collaboration with the Proplast Consortium and IMQ SpA produced the CFP Study—the most important quantitative data point of the entire DMA—which assigns the highest absolute score to the topic of emissions across both dimensions. The collaboration with the University of Eastern Piedmont (UPO) and INSTM contributed a long-term perspective on circular economy trends.

We frankly acknowledge an ongoing limitation: external stakeholder engagement—upstream suppliers of plastic materials, local communities, financial institutions—was partial and predominantly informal. **We commit to structuring a broader consultation over the 2026–2027 period, featuring dedicated questionnaires for upstream suppliers and a structured panel of interviews with key customers.**

Variations Compared to the 2024 DM

The 2025 DMA differs significantly from that of 2024 across three dimensions, in compliance with the requirements of ESRS 2 AR 27.

A) Transition from Qualitative to Quantitative Scoring. The 2024 materiality process was based on a qualitative matrix (relevance to business vs. relevance to society/environment) in which topics were positioned by expert judgment without producing numerical scores. This approach, acceptable during the initial phase of Sermag's ESG journey, did not allow for precise differentiation between threshold topics and clearly marginal ones, nor did it document underlying assumptions in a third-party verifiable manner. With the 2025

DMA, we transition to a quantitative scoring system aligned with EFRAG IG1 (1–25 scale, explicit formulas, fixed threshold at ≥12). Results are now comparable over time and verifiable as part of external assurance.

B) New material topics: PPWR and CSRD trickle-down. Two relevant material topics were not present in the 2024 matrix because their regulatory and market profiles crystallized only during the past year. The PPWR Regulation (EU 2025/40, effective as of February 11, 2025) created, with its official entry into force, the prospect of structural demand for certified SRMs: this material topic reaches the maximum score of 25/25 in the financial dimension, making it the strongest signal sent by the regulatory landscape to our business model. Topic #7 (CSRD trickle-down) emerges from the growing pressure from customers subject to mandatory ESRS reporting who request certified LCA data and Scope 3 declarations from us (financial score 20/25). Both topics were anticipated in our 2024 strategic analysis, but lacked sufficiently consolidated evidence to enter the matrix. Furthermore, for the first time we formalized the production concentration risk on Mottin Srl (topic #8, financial 20/25) as a standalone IRO: it was an internally perceived risk, but previously unmeasured and unreported.

Double Materiality Matrix — Consolidated Results

The table below presents the consolidated results of the 2025 ADM for all 17 topics assessed in the long list. A topic is considered material if it exceeds the threshold of ≥12 in at least one of the two dimensions (OR criterion).

Fully Material Topics (12)

IRO Topic	ESRS	Judgment	Priority	SDG
CO_2 savings and circularity of recycled SRM (25,758 tCO_2eq certified savings, −65.4% vs virgin across 13,100 tons sold)	E5, E1	Material	**Very High**	SDG 12 SDG 13
Waste diversion from landfills/ incinerators (13,100 tons/year of polyolefin plastics)	E5	Material	**High**	SDG 12
Recycling sector innovation and applied R&D (Deodorization patent, technical compounds)	E5, G1	Material	**High**	SDG 9 SDG 12
Scope 3 GHG emissions – Mottin processes (Densification, extrusion, blending, transport)	E1	Material	**High**	SDG 13
SRM Quality, Traceability, and Certifications (RecyClass, ISCC Plus, Remade, Plastica Seconda Vita)	E5, G1	Material	**High**	SDG 12

PPWR Opportunity – structural SRM demand (2030 recycled content targets, EU Reg. 2025/40)	E5	Material	**High**	SDG 12
CSRD trickle-down – providing sustainability data to clients (Certified LCA, declared Scope 3)	E5, G1	Material	**High**	SDG 12 SDG 17
Operational dependence on Mottin (Production concentration risk – single point of failure)	G1, S2	Material	**High**	SDG 17
SRM price fluctuations and extra-European competition	E5	Material	**Medium**	SDG 8
Gender pay gap ESRS hourly: 2.8% | VSME annual: 27% — see methodological note	S1	Material	**Medium**	SDG 5 SDG 8
Business conduct and anti-corruption (Model 231, Code of Ethics, whistleblowing)	G1	Material	**High**	SDG 16
Value chain working conditions (Mottin workers)	S2	Material	**Medium**	SDG 8
Partially Material Topics (2)				
Air pollution – VOCs and odors Sermag patent reduces emissions >90%; borderline score	E2	Partially Material	**Monitored**	SDG 3
REACH/RoHS regulatory risks for SRM Legacy substances in post-consumer flows	E2, E5	Partially Material	**Monitored**	SDG 12
Monitored / Non-Material Topics (3)				
Health and safety of own employees Zero injuries in 2024 and 2025; mandatory monitoring under ESRS S1-14	S1	Monitored	**Low**	SDG 3 SDG 8
Water resources – Mottin water consumption 1,573 m³/year; not in structural water stress	E3	Non-Material	**Low**	SDG 6
Biodiversity and land use Sites located inside industrial areas; no Natura 2000 areas affected	E4	Non-Material	**Low**	SDG 15

Description of Main Material Topics

CO_2 Savings and SRM Circularity

With 25,758 saved in 2025 compared to the production of equivalent virgin plastics, this topic represents the raison d'être of Sermag's business model. The figure is the most direct and verified measurement of the environmental value we generate: every ton of recycled SRM replacing virgin plastic avoids an average of 65.4% of the climate-altering gas emissions associated with petrochemical production. The maximum score in both dimensions is not a discretionary evaluation: it is the translation into scores of a third-party certified impact and a structural financial opportunity that the PPWR and growing demand for low-carbon materials make more concrete each year.

Scope 3 GHG Emissions – Mottin Processes

The Mottin site in Cassano Magnago is where emissions associated with our processing—densification, granulation, and extrusion—physically occur, requiring thermal and electrical energy whose conversion generates and other climate-altering gases. These emissions fall under our Scope 3 and form an integral part of the certified CFP. The topic is material both as a current, real, ongoing, and quantified negative impact, and as a financial risk: tightening regulatory expectations on carbon accounting and the growing demand for disaggregated Scope 3 declarations from CSRD-subject customers create pressure to progressively reduce this item. This requires a structured dialogue with Mottin regarding energy efficiency investments. The annual update of the CFP, which includes the production partner's energy consumption, serves as our primary monitoring lever.

Quality, Traceability, and SRM Certifications

RecyClass, ISCC Plus, and Remade certifications are not simple labels: they are the mechanism through which we transform the quality of our SRMs into verifiable credentials that customers can utilize within their supply chains and ESG reporting. The high impact score reflects the direct effect that recycled content traceability has on the reliability of the secondary materials market: a credible certification system supports circularity well beyond Sermag's boundaries.

PPWR Opportunity

The European Packaging and Packaging Waste Regulation (EU 2025/40), in force since February 11, 2025, sets mandatory recycled content requirements for plastic packaging that will take effect progressively starting in 2030. For Sermag, this is not an uncertain future scenario: it is an emerging structural demand that we identify as the main financial opportunity over the next five years. The financial score reflects the assessment that the PPWR will create a potential 30–50% demand increase across ISCC Plus and RecyClass certified lines, in a context where the current European plastic packaging recycling rate stands at around 42% against a 2030 target of 55%. Sermag is already positioned with an IMQ-certified CFP, a comprehensive certification portfolio, and a dedicated production partner: the PPWR roadmap is an opportunity to actively manage, not to build from scratch.

Operational Dependence on Mottin

Concentrating production capacity on a single partner represents the most acute operational risk in our business model. Mottin Srl is the sole node for the physical transformation of our SRMs: an interruption of its activities—due to an industrial accident, a partner financial crisis, a regulatory inspection, or a physical-climate event—partially interrupts our ability to produce and fulfill orders. The financial score reflects both the non-negligible probability of disruptive events and the transformative magnitude that a prolonged disruption would have on revenues, contracts, and customer relationships. The formal contingency plan emerging as a priority action from the 2025 DMA is described in Chapter 3 and will serve as the primary management objective for the 2025–2026 period.

Final Methodological Note

Frequency and Responsibility
Sermag's DMA is updated annually, with a scheduled review in February of each year. The results are integrated into the sustainability report for the reference year, the drafting process of which begins in the following first quarter. The first review post-2025 DMA is scheduled for February 2026.

Estimation Approaches and Limitations
The quality of the scores depends on the quality of available inputs. For topics with certified data, the evaluation is robust and verifiable. For topics relying on internal management data (sales register, HR data) or subjective probability estimates (financial risks, potential impacts), scoring incorporates an unavoidable degree of uncertainty that we explicitly report. The primary limitation of the 2025 process is the partial involvement of external stakeholders—upstream suppliers and local communities—which will be strengthened during the 2026–2027 period.

Ad-Hoc Extraordinary Update Triggers
In accordance with ESRS 2 IRO-1 and FAQ 7 of EFRAG IG1, we will proceed with an extraordinary update of the DMA upon the occurrence of events that significantly alter Sermag's risk or impact profile. The main identified triggers are: changes in the business model (new products, new markets, acquisitions, change of production partners), relevant regulatory updates, in particular the full application of the PPWR expected by August 2026, potential developments in REACH/SVHC, and the transposition of CSDDD in Italy, extraordinary material events, such as environmental accidents, significant workforce changes, or disruptions in the relationship with Mottin Srl and specific requests from key stakeholders, such as CSRD-subject customers, financial institutions, or certification bodies.

Sustainability Report

2025

Environmental Section

B3 B4 B5 B6 B7 C3 C4

Sermag's commitment to the environment translates into positive, measurable actions along the entire value chain. From selecting recycled raw materials to reducing emissions, from process traceability to recovering waste as a resource, every choice is guided by circular economy principles and the resolve to lower environmental impacts. This section documents our journey to transform environmental sustainability into a strategic lever aligned with the 2030 Agenda (specifically Goals 12 and 13) and backed by certified LCA studies.

5. Energy and Greenhouse Gases

B3 C3 C4

Sermag's direct environmental profile reflects a precise choice: we do not manage production processes on our own premises, and our direct emissions—Scope 1 and Scope 2—are naturally contained. Yet, the environmental story of this company is not measured in Scopes 1 and 2: it is measured in the 25,758 that our customers do not release into the atmosphere each year because they choose recycled secondary raw materials over virgin plastic.

This chapter documents both dimensions: energy consumption and direct emissions from our office and vehicle fleet, with comparable 2024/2025 data; and the certified ISO 14067:2018 data quantifying the climate savings generated by Sermag's commercial activity—the critical priority topic in our double materiality analysis.

0.0

tCO_2eq | 100% GO renewable Scope 2 market-based 2025

-24,3%

Scope 1 Fleet Fuel Emissions: -24.3% reduction in 2025 vs 2024

25.758

tCO_2eq = -65,4% vs virgin plastic-CO_2 2025 Certified Carbon Savings

5.1 Core Commercial Energy Flows

B3

Energy consumption at the Casale Monferrato operational headquarters consists almost entirely of electricity. Procurement is handled by a supplier certified with a 100% Guarantee of Origin (GO) from renewable sources, a choice established in 2024 and confirmed in 2025. During 2025, we consumed 6,048 kWh, representing a 9.3% reduction compared to 6,670 kWh in 2024. This contraction primarily reflects the optimization of office energy consumption.

The second energy source is fuel for the corporate vehicle fleet, used in commercial activities, client visits, and logistics management. In 2025, total fuel consumed stood at 8,311 liters (gasoline + diesel), down from 12,337 liters in 2024. Direct comparison includes a significant composition change: HVO (hydrotreated vegetable oil), present in 2024 at 1,233 liters, is absent in 2025 following the replacement of the vehicle that utilized it.

Energy Consumption Table (Casale Monferrato headquarters)

Energy Source / Fuel	Unit	2024	2025	Var. %
Electricity (Casale Monferrato)	kWh	6.670	6.048	−9,3%
Unleaded Petrol	Liters	7.661	4.038	−47,3%
Diesel	Liters	3.443	4.273	+24,1%
HVO — Biofuel	Liters	1.233	0	—
Total Fleet Fuel (Scope 1)	**Liters**	**12.337**	**8.311**	**-32,6%**

Note on Energy Intensity: *Energy intensity indicators are not calculated. Sermag is a commercial enterprise devoid of direct processing plants. Any intensity metric indexed against revenues or sold tonnages would provide a distorted view of our real operational profile. The metric that matters is the avoided impact across the supply chain, detailed below.*

5.2 GHG Emissions — Scope 1

C3

Sermag's direct emissions derive exclusively from fuel consumed by the company vehicle fleet. In 2025, total Scope 1 emissions were 20.79 tCO_2eq , a 24.3% reduction compared to 27.46 tCO_2eq in 2024. The emission factors applied are DEFRA/IPCC, unchanged from the 2024 report to ensure full comparability across years.

The 24.3% reduction is not the uniform result of greater fleet efficiency: it is the combined effect of opposing dynamics within its composition. Gasoline consumption dropped significantly (from 7,661 to 4,038 liters, −47.3%), resulting in a sharp decline in emissions from gasoline (from 17.71 to 9.33 tCO_2eq). Conversely, diesel consumption increased (from 3,443 to 4,273 liters, +24.1%), producing a partially offsetting effect (from 9.23 to 11.46 tCO_2eq).

The third component involves HVO. Due to its nearly carbon-neutral characteristics (DEFRA factor 0.42 $KgCO_2/L$, compared to 2.31 for gasoline), HVO contributed negligibly to Scope 1 emissions (0.52 tCO_2eq in 2024); its removal did not significantly impact the overall total, but it is proper to disclose it to ensure full transparency in the comparative reading of the data.

Fuel Type	DEFRA Factor ($kgCO_2/L$)	Liters 2024	Liters 2025	tCO_2eq 2024	tCO_2eq 2025	Var. %
Unleaded Petrol	2,3117	7.661	4.038	17,71	9,33	−47,3%
Diesel	2,6808	3.443	4.273	9,23	11,46	+24,1%
HVO — Biofuel	0,4200	1.233	0	—	0	—
Total (Scope 1)	**—**	**12.337**	**8.311**	**27,46**	**20,79**	**-24,3%**

Outlook 2026–2030: We are evaluating progressive vehicle fleet electrification as our priority operational lever to systematically cut Scope 1 emissions.

5.3 GHG Emissions — Scope 2

C3

Electricity consumed at the Casale Monferrato site is 100% supplied from renewable sources certified with Guarantees of Origin (GO). Scope 2 emissions calculated using the market-based method—the primary method under the GHG Protocol Scope 2 Guidance—are therefore zero in both 2024 and 2025.
To ensure transparency and comparability with companies that do not utilize certified supplies, we also report location-based figures, obtained by applying the Italian national grid mix emission factor provided by ISPRA. Under this alternative method, 2025 Scope 2 emissions would stand at 1.41 tCO_2eq (vs 1.55 in 2024, −9.3%), aligned with the reduction in electricity consumption.

The choice to procure exclusively certified renewable energy is not the passive outcome of a standard contract option: it is a conscious strategic decision, consistent with the ESG profile built over the years and with the growing expectations of CSRD-subject clients.

5.4 GHG Emissions — Scope 3 and Positive Impact

C4

While Scope 1 and Scope 2 describe Sermag's direct footprint, it is Scope 3 that tells the story of what truly matters: the difference our activity makes within the system. And that difference, certified by an independent third party, amounts in 2025 to 25,758 tCO_2eq avoided compared to the alternative of equivalent virgin plastics. It is the critical priority topic in our double materiality analysis, with a 25/25 score on both the impact and financial levels. It forms the core of our value proposition to CSRD stakeholders. It is the reason why Sermag is able to document, and not merely declare, its contribution to the circular economy.

–65,4%

tCO_2eq
–65.4% on the total mix
certified by IMQ SpA CO_2 saved vs virgin plastics — 2025

Emitted Scope 3: Supply Chain Emissions

Sermag's Scope 3 emissions derive primarily from the physical processing operations performed by Mottin Srl (densification, granulation), from the supply chain of raw materials, secondary materials, by-products, virgin, and off-grade materials, and from transport for the collection and delivery of all goods.

In 2025, these emissions amounted to 13,632 tCO_2eq, distributed as follows:

- 3,635 tCO_2eq due to recycled and by-product materials
- 2,591 tCO_2eq due to materials with recycled content
- 7,404 tCO_2eq due to non-recycled materials

The emission figure for circular materials is less than half the value of non-recycled materials, despite the quantity of the latter being 3.5 times smaller than that of recycled materials.

These values were calculated utilizing primary data of the quantities sold in the year 2025 by Sermag Srl and data from the LCA study conducted by Consorzio Proplast and verified by IMQ Spa (verification opinion No. A107.2024).

The Figure That Counts: 25,758 tCO_2eq Saved — Certified by IMQ SpA

The counterfactual scenario is as follows: if each of the 13,101,000 kilograms of polymeric material marketed by Sermag in 2025 had been replaced by equivalent virgin plastic, the cumulative emissions along the life cycle of those products would have amounted to 39,390 tCO_2eq.

The actual emissions, calculated using the LCA method applied to the real Sermag mix (predominantly recycled), were 13,632 tCO_2eq. The difference (25,758 tCO_2eq) is the certified net savings: a 65.4% reduction compared to the virgin alternative.

Considering only recycled and by-product materials, the CO_2eq savings rise to 88%, namely 3,635 versus 23,268 tCO_2eq if the materials were not regenerated.

This figure is the direct product of what we do: selecting, engineering, and marketing high-quality secondary raw materials as a functional replacement for virgin plastic. It is not an additional indicator, nor is it a voluntary offset: it is the measurement of the primary impact of our business activity.

2024 Comparison: Higher Savings with Lower Volumes

In 2024, the certified savings were 20,532 tCO_2eq (–61.0% vs virgin), on a marketed volume of 14,199 tonnes. In 2025, the sold volumes decreased to 13,101 tonnes (–7.7%), yet the absolute savings grew by 25.5% and the percentage savings improved by 4.4 percentage points, rising from 61.0% to 65.4%.

This increase is due to the utilization of new CFP data for virgin materials contained in the Ecoinvent database updated to version 3.11. Furthermore, for this year's calculation, transport to the customer was also considered for all non-recycled materials.

Consequently, the data for virgin materials changed as follows:

- Polypropylene, from 2,370 to 3,049 kg Co2-eq
- Polyethylene, from 2,410 to 2,770 kg Co2-eq

Normalizing these data, by using the same values for 2025 virgin materials for the year 2024, results in an 11.2% reduction in total emissions. This figure reflects the 7.7% reduction in materials processed in 2025 and also highlights, in general, lower energy consumption for the production of recycled materials.

Furthermore, the total absolute emission savings stand at 65% compared to 64% in the previous year.

The share of virgin or off-grade material marketed dropped to 10.2% of the total in 2025 (compared to an estimate of approximately 16% in 2024). By definition, virgin material does not generate differential CO_2 savings compared to the counterfactual: its reduction directly improves the weighted average savings across the entire mix. Conversely, the circular share rose to 89.8% of the total: pre-consumer recycled 57.2%, post-consumer recycled 4.5%, industrial by-products 6.4%, and blend products with a recycled content of no less than 70% (RINNO-V-ENE line) 21.7%.

In 2024, the certified savings were 20,532 tCO_2eq (−61.0% vs virgin), on a marketed volume of 14,199 tonnes. In 2025, the sold volumes decreased to 13,101 tonnes (−7.7%), yet the absolute savings grew to 25,758 tCO_2eq and the percentage savings reached 65.4%. To interpret this improvement correctly, a methodological premise is required.

The direct comparison between the two years is not homogeneous: for the 2025 reporting cycle, the CFP study adopted version 3.11 of the Ecoinvent database, which revised upward the emission factors of the reference virgin materials (polypropylene: from 2.370 to 3.049 $kgCO_2eq/kg$; polyethylene: from 2.410 to 2.770 $kgCO_2eq/kg$). To this is added the inclusion, for non-recycled materials, of transport to the customer within the calculation perimeter. Both variations raise the "baseline" against which savings are measured, and therefore the competitive advantage of recycled secondary raw materials (SRM) is mathematically higher by construction.

To isolate the actual performance improvement, we applied the 2025 factors to the 2024 data for normalization purposes: on a homogeneous basis, the percentage savings increase from 64% in 2024 to 65% in 2025, a single percentage point that reflects a genuine improvement in the mix. Still on a normalized basis, total emissions over the life cycle of Sermag products decreased by 11.2% between the two years, a figure consistent with the 7.7% reduction in processed volumes and with a better average emission efficiency of the materials processed in 2025.

The driver of this improvement is the composition of the mix. The share of virgin or off-grade material marketed dropped to 10.2% of the total in 2025 (compared to an estimate of approximately 16% in 2024). By definition, virgin material does not generate differential CO_2 savings compared to the counterfactual: its reduction directly improves the weighted average savings across the entire mix. Conversely, the circular share rose to 89.8% of the total: pre-consumer recycled 57.2%, post-consumer recycled 4.5%, industrial by-products 6.4%, and blend products with a recycled content of no less than 70% (RINNO-V-ENE line) 21.7%.

ISO 14067 Methodology — Proplast CFP Study

The certified data is based on the Product Carbon Footprint (CFP) study commissioned from Consorzio Proplast, complying with the ISO 14067:2018 standard. The methodology was introduced in previous chapters as a foundational element of Sermag's environmental reporting; here we detail its calculation principles.

The study calculated, for each type of material in Sermag's portfolio, the emission factor of the recycled product and compared it with the emission factor of equivalent virgin plastic obtained from the Ecoinvent 3.11 database (for 2025, virgin PP: 3.049 $kgCO_2/kg$; virgin LDPE: 2.770 $kgCO_2/kg$). The savings per unit of product are then weighted against the volumes of each material code to obtain the overall savings at the corporate level.

For products composed of 100% recycled secondary raw material, the CO_2 savings compared to equivalent virgin plastic oscillate between 85% and 96% depending on the polymer (PP or PE), the origin of the waste, and the processing operation. The corporate figure of −65.4% also incorporates the residual share of material with recycled content (21.7%) and non-recycled material (10.2% of the mix), which does not generate differential savings compared to virgin material.

Destination Markets

Item	Description	Unit	2024*	2025	Var.%
CO_2 emitted — actual Sermag mix	Product life cycle emissions of SRM	tCO_2eq	15.358	13.632	-11,2%
CO_2 with equivalent virgin plastics	Counterfactual scenario (Ecoinvent 3.11)	tCO_2eq	42.932	39.390	-8,3%
CO_2 SAVED (Positive Scope 3)	Avoided vs virgin — certified by IMQ SpA	**tCO_2eq**	**27.573**	**25.758**	**-6,6%**
% Savings vs virgin	Weighted differential on the total mix	%	64,0%	65,4%	+1,4 p.p.
Marketed volumes	Total kg sold	ton	14.199	13.101	-7,7%
Circular share of the total	Pre/post-consumer recycled + blend ≥70%	%	87,0%	89,8%	+2,8 p.p.

**The 2024 data have been recalculated using the updated emission factors from Ecoinvent 3.11 and including transport to the customer for non-recycled materials, in order to make the two years comparable on a homogeneous basis. The original values of the 2024 financial statements remain valid under their reference methodology (Ecoinvent 3.10).*

5.5 Summary of GHG Emissions 2024/2025

The following table summarizes Sermag's complete emission profile for the years 2024 and 2025, broken down by Scope. The positive Scope 3 figure (the certified avoided CO_2) is highlighted due to its strategic relevance and its distinct nature compared to conventional emissions.

Scope	Details	Unit	2024	2025	Var. %
Scope 1	Direct emissions from fuels (DEFRA/IPCC)	tCO_2eq	27,46	20,79	−24,3%

Scope 2 — market-based*	Electricity with 100% renewable GO	tCO_2eq	0,00	0,00	—
Scope 2 — location-based**	National mix ISPRA 2023 (ref. only)	tCO_2eq	1,55	1,41	−9,3%
Scope 3 — emissions	Mottin processing + supply chain (CFP Proplast)	tCO_2eq	15.358	13.632	-11,2%
Total	**Overall emissions within Sermag perimeter**	**tCO_2eq**	**15.567**	**13.653**	**-12,3%**
Scope 3 — POSITIVE* **	**Avoided CO_2 vs virgin plastics — IMQ**	**tCO_2eq**	**27.573**	**25.758**	**-6,6%**

** Primary method adopted: market-based (GHG Protocol Scope 2 Guidance, 2015).*
100% renewable GO → emissions = 0.
***Reported solely for transparency and comparability purposes with companies lacking GO supplies.*
**** Positive Scope 3 does not constitute an emission item: it represents certified avoided CO_2; it is separated from the total for correct accounting purposes.*

5.6 GHG Methodological Note

The GHG data reported in this chapter have been processed in compliance with the standards and methodological criteria described below.

Methodological Note — 2025 GHG Reporting

Topic	Type
Reference Standard	GHG Protocol Corporate Accounting and Reporting Standard (WRI/WBCSD).
Scope 1 Emission Factors	DEFRA/IPCC: petrol 2.3117 $kgCO_2/L$; diesel 2.6808 $kgCO_2/L$; HVO 0.4200 $kgCO_2/L$. Unchanged compared to the 2024 financial statements for methodological consistency and interyear comparability.
Scope 2 — Primary Method	Market-based (GHG Protocol Scope 2 Guidance, 2015). Factor = 0 for certified 100% renewable GO energy.
Scope 2 — Reference Method	Location-based — fattore mix elettrico nazionale: 0,233 $kgCO_2/kWh$ (ISPRA 2023). Fornito per trasparenza; non è il metodo primario.
Scope 3 Products — Methodology	ISO 14067:2018 — Carbon Footprint of Products. CFP Proplast Study Rev.3 (06.12.2024), verified by IMQ SpA (Opinion A107-2024). Ecoinvent 3.11 database.
GWP Adopted	IPCC Sixth Assessment Report (AR6)
Organizational Perimeter	Sermag Srl — operational headquarters Via Corte d'Appello 3, Casale Monferrato (AL). Reporting year: 01/01/2025–31/12/2025
Base Year for Comparison	The 2024 data have been normalized by applying Ecoinvent 3.11 emission factors to ensure homogeneous comparability with 2025. The original values of the 2024 financial statements remain valid under their reference methodology (Ecoinvent 3.10).

6. Air, Water, and Soil Pollution

B4

Sermag operates as a commercial and engineering company, with activities carried out in the offices and in the Laboratorio Materie Plastiche Circolari at the Casale Monferrato headquarters. This operational structure results in the absence of significant direct emissions: there are no chemical or physical transformation processes, industrial solvents or reagents are not used in significant quantities, and the site does not generate industrial discharges of any kind.

The relevant issue for the Sermag perimeter concerns the indirect management of volatile organic compound (VOC) emissions and potential odor emissions generated by the physical processing operations of densification and extrusion of recycled polymers, which take place exclusively at the facilities of Mottin Srl in Cassano Magnago (VA). In this context, Sermag exercises active qualitative oversight through:

- analytical monitoring conducted in the MPC Laboratory, which enables verification of the quality of the produced secondary raw materials, including from the perspective of volatile emissions;

During the double materiality analysis, the topic of atmospheric pollution from VOCs and odors obtained an impact score of 11.7, placing it immediately below the materiality threshold fixed at 12 and therefore falling into the category of partially material topics, which are monitored but not subject to formal quantitative reporting in the 2025 financial year. This assessment accurately reflects the operational reality: emissions associated with processing are under constant oversight, and their incidence does not currently require dedicated periodic numerical indicators.

Regarding water discharges, the Casale Monferrato headquarters is connected to the municipal public sewer system; there are no production processes that generate industrial wastewater, nor are there deposits of substances potentially contaminating to the soil. The site is not subject to discharge authorization obligations and recorded no complaints or environmental non-conformities in 2025.

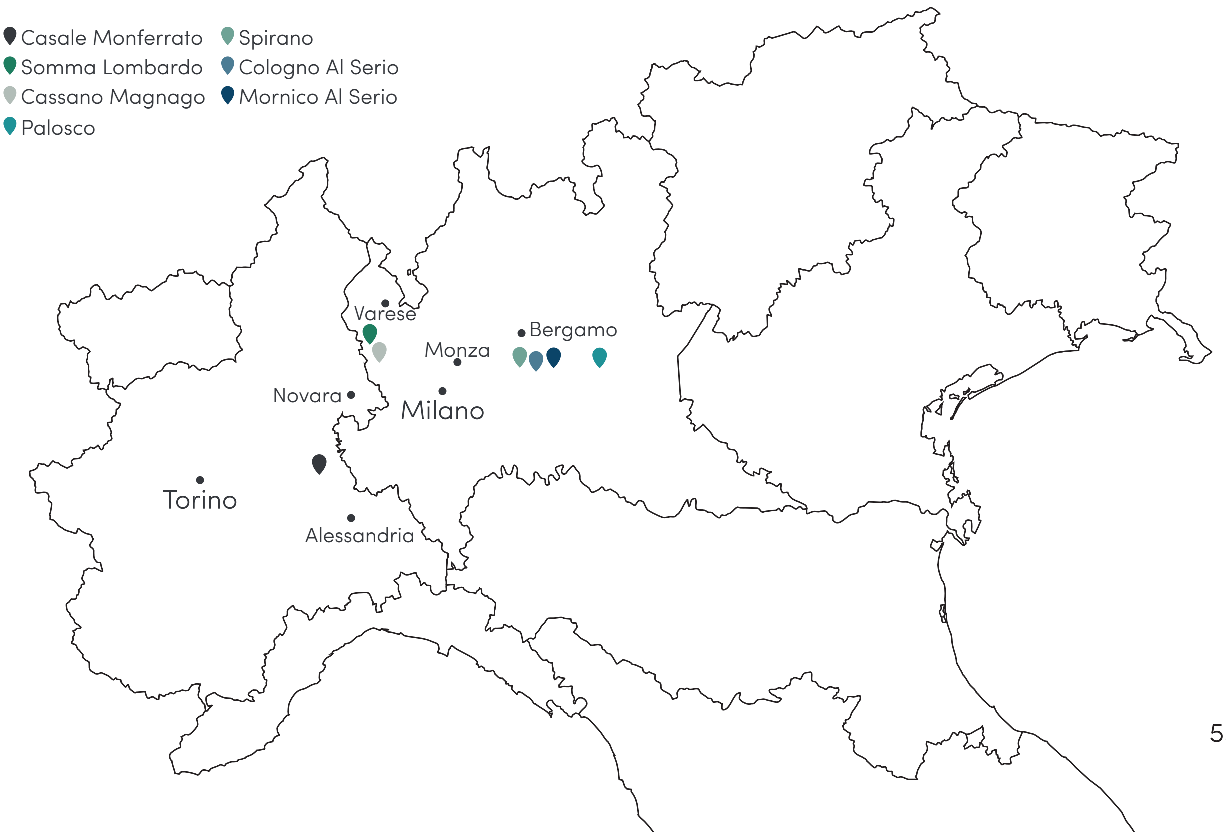
It is appropriate to dedicate a brief mention to the territorial context of Casale Monferrato, marked by the well-known events surrounding asbestos contamination traceable to the historical activities of the Eternit plant, which deeply affected the local community during the twentieth century. Remediation operations in the area are still ongoing. Sermag has no historical, operational, or financial link with these events: the company was established in 2003, operates in a completely distinct sector—the trade and engineering of secondary raw materials from recycled polyolefins—and has never had relations of any kind with the asbestos industry. The choice of the operational headquarters in Casale Monferrato reflects reasons related to proximity to the industrial fabric of Northern Italy and the main supply basins of secondary raw materials.

7. Biodiversity and Land Use

B5

Within the scope of the double materiality analysis conducted in February 2025, the topic of biodiversity and land use obtained an impact score of 1.3 and a financial score of 1.0, resulting in it being non-material according to the adopted OR threshold. This assessment reflects both the nature of Sermag's activities and the location of all operational sites involved in the reporting perimeter.
Sermag does not have direct production plants: commercial and laboratory activities are carried out at the operational headquarters in Casale Monferrato (AL), while the physical processing of recycled polymers is primarily entrusted to the production partner Mottin Srl in the municipality of Cassano Magnago (VA) and, to a lesser extent, to a subcontractor located in the municipality of Spirano (BG). Storage activities are managed by third-party logistics operators in the municipalities of Cologno al Serio (BG), Mornico al Serio (BG), and Somma Lombardo (VA).

All these sites are located within well-established urban or industrial contexts of the Lombard-Piedmontese plain, lacking contiguity with protected areas of the Natura 2000 network or habitats of ecological relevance. In the 2025 financial year, none of the sites carried out building expansion interventions, soil sealing of new surfaces, or activities that could negatively impact local species or habitats; there are no concessions or authorizations currently in progress regarding variations in land use.
Although this is not a material topic for the purposes of this reporting, we commit to monitoring the evolution of this aspect over the medium term, in line with ESG best practices and the progressive strengthening of the European regulatory framework concerning biodiversity.



8. Water Consumption and Management

B6

The responsible management of water resources carries a different weight depending on the point in the supply chain: Sermag's headquarters has entirely marginal consumption, traceable to civil use for offices and laboratories, whereas the production site of Mottin Srl—where the densification, extrusion, and cooling phases of recycled polymers take place—constitutes the relevant water node of the entire network. This distinction, already highlighted in the 2024 Sustainability Report, guides the approach adopted in the 2025 financial year: to report both items with transparency, distinguishing Sermag's direct consumption from that of the production partner included in the extended perimeter of the network contract.

All water utilized, both at the Casale Monferrato headquarters and at the Mottin Srl site in Cassano Magnago, comes exclusively from the public water supply. There are no withdrawals from surface watercourses, groundwater tables, or other natural sources. Wastewater is entirely channeled into the municipal public sewer system, without additional industrial treatments as they are not necessary. The following table reports the water consumption of the reporting perimeter for the two-year period 2024-2025.

Entity / Site	2024 (m^3)	2025 (m^3)	Var. %
Sermag Srl — Casale Monferrato headquarters	52	42	–19,2%
Mottin Srl — Cassano Magnago site	1.476	1.573	+6,6%
Total perimeter	**1.528**	**1.615**	**+5,7%**

The consumption of the Sermag headquarters dropped from 52 m^3 in 2024 to 42 m^3 in 2025, with a decrease of 19.2% which likely reflects a slightly reduced office attendance profile during the year, in the absence of structural changes to the premises or equipment. In both years, the figure sits below any environmental relevance threshold: it represents ordinary civil use (toilets, cleaning, minor ancillary laboratory consumption).

Conversely, the water consumption of the production partner Mottin Srl marks an increase of 6.6%, rising from 1,476 m^3 in 2024 to 1,573 m^3 in 2025, in line with the variation in processed volumes and the seasonality of the cooling phases of the granulation and extrusion plants. Mottin represents the relevant water node of the extended perimeter and will be the priority focus area in future monitoring.

Regarding the territorial context: the sites within the perimeter are located in the Lombard-Piedmontese plain, an area that WRI Aqueduct classifies as subject to low water stress (0-1) on a macro-regional scale. It is, however, appropriate to distinguish between water risk at the basin level, which is relevant for intensive agricultural and industrial uses, and the actual pressure exerted by consumption of the size reported here: even combined, the 1,615 m^3/year of the perimeter remain fully compatible with the availability of the local public water supply. The Po District Water Management Plan and ISPRA analyses indicate no supply criticalities in the area. Nevertheless, we believe it is correct to maintain active attention on this aspect, consistent with a precautionary principle and in anticipation of potential regulatory developments related to climate adaptation.

With respect to the objectives declared in the 2024 Sustainability Report—namely, to develop a water intensity indicator expressed in m^3 per tonne of processed material, and to evaluate solutions for the internal recirculation of cooling water and for low-water-consumption technologies in Mottin's future investments—the methodological definition work has been initiated but not yet completed. Discussions with Mottin are ongoing within the framework of periodic ESG oversight. For the next financial year, we confirm as an objective the publication of the water intensity indicator (m^3/tonne processed) and the formalization of reduction targets agreed with the partner, in line with the contribution to SDG 6 — Clean Water and Sanitation.

9. Circular Economy, Waste Management

B7

For Sermag, the circular economy is not just one reporting topic among many: it is the foundation of the business model. The company's entire activity—the selection, engineering, certification, and marketing of secondary raw materials (SRM) from recycled polyolefins—is a direct response to the need to close the loop of plastic materials, diverting polymer streams from landfills and incineration to reintroduce them into industrial production processes. In the double materiality analysis, topics connected to the circular economy represent the core of the positive impact generated by Sermag.

Marketed SRM Volumes in 2025

In 2025, Sermag marketed a total of 13,082,762 kg of raw materials, divided among five product categories based on origin and procurement process. The circular share, i.e., the percentage of the product portfolio consisting of pre-consumer materials, post-consumer materials, by-products, or compound products with a recycled content $\ge70\%$, stood at 89.8%, confirming Sermag's positioning as an operator predominantly oriented toward recovery.

The decline in volumes recorded in 2025 compared to 2024 (−7.9%) does not constitute a negative structural signal: it reflects fluctuations in the SRM market, conditioned by price volatility and increased competition from operators in Eastern Europe. The portfolio structure by category remains stable, with the PIR component remaining by far the most prevalent (57.2%) and the PCR component, which is technologically more challenging, confirming its qualitative growth.

Category	Origin	Volume 2025 (kg)	Share of Total
Pre-consumer (PIR)	Industrial	7.479.780	57,2%
Post-consumer (PCR)	Separate waste collection	582.808	4,5%
Industrial by-products	Industrial	843.042	6,4%
RINNO-V-ENE® (recycled ≥70%)	Multi-origin recycled	2.836.697	21,7%
Virgin / off-grade	Primary	1.340.435	10,2%
Total 2025		**13.082.762**	**100,0%**
Total 2024		*14.198.601*	*–7,9% vs 2024*

Avoided Environmental Impact

The trade of certified SRM generates a measurable and independently verified environmental benefit: by replacing virgin plastics with secondary raw materials, Sermag enables its customers to reduce the CO_2 equivalent emissions linked to their procurement processes. In the 2025 financial year, the 13,082,762 kg of marketed material mix allowed the avoidance of 25,758 tCO_2eq compared to the equivalent virgin alternative, representing a saving of 65.4%.

From a circular economy perspective, the 13,082,762 kg of marketed raw materials with recycled content represent material that did not end up in landfills or incineration plants. The topic of waste diversion obtained an impact score of 21,7, making it the second topic by impact across the entire matrix, testifying to the contribution that Sermag provides to reducing the volume of end-of-life plastics disposed of without material recovery.

Waste Produced at the Casale Monferrato Headquarters

The operational headquarters in Casale Monferrato is a facility dedicated to commercial activities and analytical laboratory work: there are no physical polymer processing operations, nor production activities that generate industrial or hazardous waste. The waste produced consists exclusively of municipal waste assimilable to office waste—paper and cardboard, plastic and glass packaging, and minor quantities of laboratory consumables—delivered to the municipal separate waste collection service of the Municipality of Casale Monferrato. No Single Environmental Declaration Model (MUD) for special or hazardous waste was submitted in 2025. The quantities produced are entirely irrelevant for quantitative reporting purposes and are not subject to specific registration obligations.

This characteristic is consistent with the nature of Sermag's business: the enterprise's value lies in its ability to transform a stream of plastic waste into certified resources, rather than operating physical material transformation processes. The latter are entirely delegated to the production partner Mottin Srl within the framework of the network contract.

Sustainability Report

2025

Social Section

B8 B9 B10 C5 C6 C7

The value of people is the foundation of Sermag's corporate culture. Worker well-being, active stakeholder listening, inclusion, and safety at work are at the center of our organizational choices. In this section, we present the initiatives we implemented to promote a fair, collaborative professional environment attentive to individual needs, through welfare systems, smart working, continuous training, and organizational climate surveys. Our goal is to create shared value that lasts over time.

10. Own Workforce (ESRS S1 - VSME B8)

B9 B10 C5

This chapter reports information on Sermag Srl's own workforce in accordance with the 17 Disclosure Requirements of the ESRS S1 — Own Workforce standard (EFRAG draft November 2025), voluntarily adopted as an integration to the Complete VSME framework. The perimeter includes the 8 employees on the payroll as of 31 December 2025, and the non-employee Rosmino Andrea, Sole Director, holder of a coordinated and continuous collaboration contract. The reporting covers the entire 2025 financial year with comparative 2024 data.

S1-1 Policies Related to Own Workforce

The policy system governing Sermag's own workforce is based on two foundational, complementary documents of equal effectiveness.

The Code of Ethics, adopted on 12 October 2023 within the framework of the Organization, Management, and Control Model pursuant to Legislative Decree 231/2001, constitutes the value safeguard of the organization. The document establishes the principles of conduct that bind the entire workforce, employees, collaborators, and partners. Article 5.1 of the Code of Ethics explicitly prohibits child labor in any form, with reference to national legislation and international ILO standards. The application perimeter of the Code therefore also includes non-subordinate figures operating within Sermag's orbit, including the Sole Director.

The Company Regulations, in Revision 1 which entered into force on 15 January 2025, govern operational working conditions in detail: working hours organization, flexibility methods, benefits and welfare, behavioral rules, absence management, and disciplinary procedures. The document is physically delivered to each employee at the time of hiring and made available in an updated form within the operational headquarters. The lean structure and direct relationship between managers and employees guarantee its understanding and practical application.

The two policies, taken together, cover the following thematic areas: respect for human dignity and integrity, non-discrimination, health and safety protection, child labor, confidentiality, conflicts of interest, and relations with suppliers and partners. Direct delivery of the Regulations and daily communication within the micro-company structure represent the main channels through which policy contents are brought to the workforce's knowledge.

The prevention of human trafficking and forced labor is not currently explicitly stated as an independent topic either in the Code of Ethics or in the Company Regulations. Such cases are im-

plicitly covered by Legislative Decree 231/2001, which configures trafficking and reduction to slavery crimes as predicate offenses, but the organization intends to integrate an explicit reference during the next revision of the Code of Ethics, planned in the 2025–2027 plan.

S1-2 Processes for Engaging with Own Workforce

Sermag adopts an organized but informal approach to the involvement of its workforce, consistent with the characteristics of a micro-enterprise with 8 employees and a proximal responsibility structure.

The main listening and dialogue channels active in 2025 include: periodic anonymous questionnaires on company climate and worker well-being, carried out with the support of the internal tool named "Worker Well-being"; daily direct communication between employees and area managers, which allows a continuous and bidirectional information flow in an organization of this size; periodic department meetings to share operational, procedural, and organizational updates; the annual socialization event, the Christmas party open also to family members, which strengthens cohesion and the sense of belonging. There are no global framework agreements (GFA) or company trade union representations (RSA/RSU), a circumstance expected and compliant with legislation for an organization of this dimension.

The perspectives gathered through these channels concretely feed into certain organizational choices: the definition of welfare services provided through WelfareHUB is oriented by the analysis of needs emerged from the questionnaires; the methods of hours flexibility (entry window 8:30–9:00) and the possibility to request part-time respond to needs emerged from direct dialogue; welfare objectives linked to the achievement of company targets (Article 14.2 of the Company Regulations) incorporate a logic of participation in results.

The ways in which the workforce's perspectives informed the double materiality analysis process are described in the Double Materiality Chapter (IRO-1, S1-2).

S1-3 Actions and Resources Dedicated to Own Workforce

Sermag translates its policies into an articulated set of concrete actions ranging from workplace safety to welfare, from work-life balance to material benefits, up to integration and sustainability initiatives.

Welfare and Benefits
The WelfareHUB platform constitutes the main tool for delivering corporate welfare. The annual welfare credit can be used for a range of services encompassing education and instruction, supplementary health care (SEB and Metasalute plan), complementary pension funds, shopping vouchers, and purchases. Material benefits include low-emission or electric company cars, available also for personal use, guesthouse for business travel, company phones, and the free provision of food and beverages at the workplace. The program also includes Christmas gifts and the annual socialization event, open to family members.

Health, Safety, and Work Organization
The health and safety management system is based on the updated Risk Assessment Document (DVR), the obligation to use Personal Protective Equipment (PPE), periodic health surveillance entrusted to the competent doctor, and the provision of mandatory 15-minute breaks every 2 hours for workers assigned to video display terminals. The Prevention and Protection Service Manager (RSPP) is appointed and operational.

Work-Life Balance and Flexibility

Flexibility in entry time (8:30–9:00) is active for all employees. On-request part-time is available and in 2025 was utilized by 3 female employees, all with part-time contracts on a voluntary basis. Commuting sustainability is promoted through car sharing and the use of low-environmental-impact company vehicles.

Integration and Cohesion

Sermag's corporate culture values the relational dimension: communal lunches at the headquarters, the Christmas party with family members, and informal team-building activities contribute to maintaining a positive working climate, confirmed by anonymous well-being questionnaires.

Monitoring of Actions

Monitoring of actions takes place through two main tools: anonymous company climate questionnaires, which detect workers' perception, and the verification system for achieving the welfare objectives provided for by Article 14.2 of the Company Regulations, which provides for delivery conditioned on achieving agreed company targets (full level at 100%, partial at 50%, absent at 0%).

The KPIs for monitoring welfare and work-life balance actions are not yet formalized in a structured collection and reporting system. The objective of structuring an internal indicators dashboard is included in the 2025–2027 plan.

The active and operational corporate whistleblowing channel is described in the Governance section.

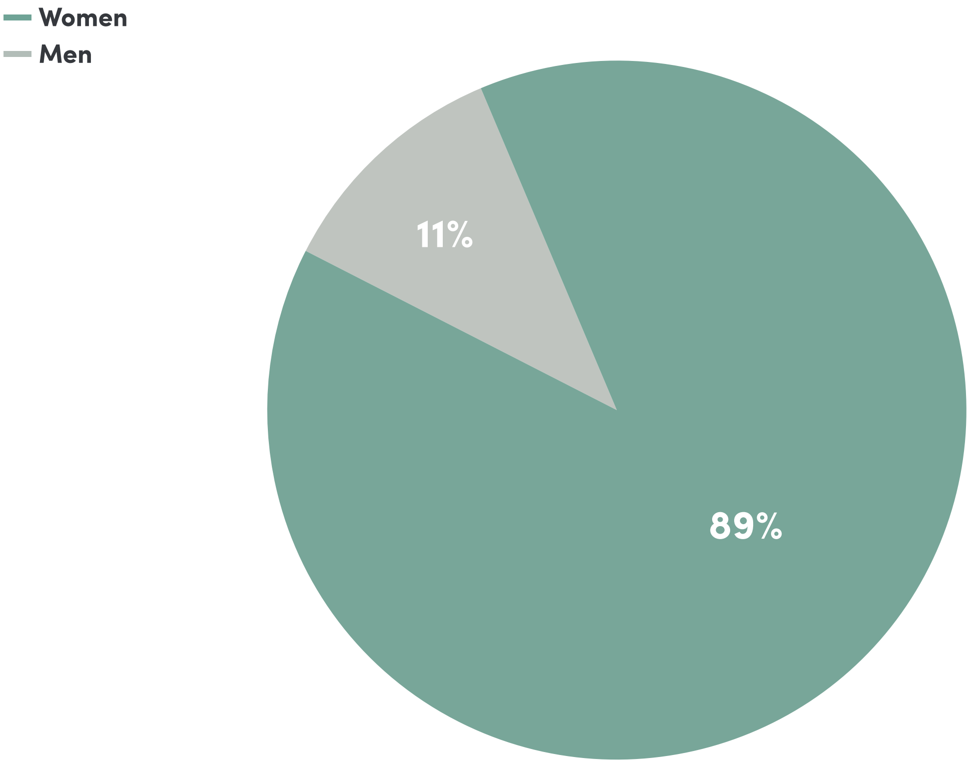
S1-4 Targets Related to Own Workforce

The following table reports the targets formalized by Sermag regarding its own workforce, indicating objectives, time horizon, and progress status as of 31 December 2025.

Objective	Target	Year	2025 Progress Status
ESG training plan development	20h ESG/emp.	2025	Not achieved — 4h implemented. New target: 20h/emp. by 2026.
Structured diversity & inclusion policy	Formalized policy	2026	In progress — Code of Ethics covers non-discrimination; dedicated policy in development.
Gender equality in top management	≥ 50% women	2030	Achieved ahead of schedule — 50%. Objective: maintain.
Workers well-being questionnaires	Active and periodic	On going	Active in 2025. Effectiveness not yet measured with formal metrics.
Individual professional development plans	Defined for each employee	2026	In progress — continuous informal feedback. Formalization planned in 2026.
Formalized performance reviews	Scheduled annually	2026	Not implemented in 2025, continuous informal management. 2026 structuring plan.
HR clauses in supplier contracts	100% of main contracts	2026	2026 objective — in definition phase.
Workforce consolidation	Stability ≥ 8 employees	2025	Achieved — 8 employees as of 31/12/2024 and 31/12/2025.

S1-5 Employee Characteristics (VSME B8)

As of 31 December 2025, Sermag has 8 employees, unchanged compared to 31 December 2024. The internal composition has however shifted: on 1 January 2025, one departure was recorded (termination of a contract, male gender) and one entry in the second half of 2025 (hiring with a part-time contract, fem ale gender). The following table illustrates the structure as of 31 December of each year



Men: 1 **Women: 7**

Composition by Gender and Contract Type

Indicator	2025	2024	Var.
Total employees	8	8	—
Men	1	2	– 50%
Women	7	6	+17%
Permanent contract	6	**7**	**+14%**
Full time	5	6	—
Part time	5	6	—

Turnover Rate

Indicator	2025	2024
New Hires 2025	1	0
Departures 2025	1	0
Turnover rate 2025	12.5% (1 entry / 8 avg. emp.)	0% (no movements)

Distribution by Nationality

Indicator	2025
Italian nationality	100% — 8 out of 8 employees
Foreign nationalities	0

Methodological note: Data are as of 31 December of each financial year (headcount at end of period), in compliance with ESRS S1-5 requirements. Remuneration data of the new hire are not annualizable and are excluded from the gender pay gap calculation.

S1-6 Characteristics of Non-Employee Workers

In the 2025 financial year, Sermag's non-employee workforce consists of a single figure: Rosmino Andrea, Sole Director, holder of a coordinated and continuous collaboration contract. This is not a self-employed worker or temporary agency staff: the nature of the relationship is that of a director with operational and management powers, who participates continuously in the company's activity without being classifiable as an employee pursuant to the Civil Code.

1	Total non-employee workers
0	Of whom: temporary agency staff
1	Of whom: coordinated and continuous collaborators
11%	Impact on total workforce (8 emp. + 1 non-emp.)
0	Of whom: self-employed workers
Certain data — verifiable contract	Certain data

Methodological note: Pursuant to ESRS S1-6 AR 12, the figure of the Sole Director is considered critical for corporate governance but not classified as critical for the business model in the sense of production operations. The proportion is not substantial (1 out of 9 total units = 11%). The Sole Director is excluded from the calculation of all remuneration and training KPIs relating to employees.

S1-7 Collective Bargaining Coverage (VSME B10)

The entirety of Sermag's employees is covered by the National Collective Labour Agreement (CCNL) for the Tertiary, Distribution, and Services sector, which governs the economic and regulatory conditions of the employment relationship. Coverage is confirmed at 100% in both reported financial years.

The absence of company trade union representations is consistent with the organizational size and direct management of employment relations. Social dialogue takes place through daily communication between managers and employees, a modality that guarantees a rapid response capability to the workforce's needs within Sermag's structure.

Indicator	**Value**
CCNL applied	Tertiary, Distribution, and Services
2025 Coverage	100% — 8 out of 8 employees
2024 Coverage	100% — 8 out of 8 employees
RSA / RSU present	No — not applicable (micro-enterprise, single site)
Company collective agreements (ACA)	No
European Works Councils (EWC)	Not applicable (company size)

S1-8 Governance Diversity (VSME C5)

Sermag's organizational structure provides, below the Sole Director, for two figures exercising strategic responsibilities over the company's two key areas. For the purposes of ESRS S1-8 — which requires the identification of subjects placed two hierarchical levels below the administrative body — Sermag identifies the following representatives of top management:

Name	**Geneder**	**Role**	**Contract**
Lorenzon Matteo	M	R&D, Quality, ESG Manager	Full time — Per.
Stradella Simona	F	Administration, ESG Manager	Part time — Per.

Indicator	**2025 Value**
Total top management 2025	2 people
Men	1 (50%)
Women	1 (50%)
Age bracket	50% 30–50 years old - 50% 50-70
2030 Target	Maintain or improve gender equality

S1-9 Adequacy of Remuneration (VSME B10)

All Sermag employees receive remuneration higher than the contractual minimums defined by the Tertiary, Distribution, and Services CCNL, as well as higher than the reference threshold defined by EU Directive 2022/2041 on adequate minimum wages. There are no countries or operational sites where employees receive remuneration lower than applicable legal or contractual standards.

Indicator	2025	2024
Employees with remuneration higher than the CCNL minimum	100%	100%
Minimum gross annual remuneration (excluding new hire)	€ 18.111,65	N/D
Countries with employees not adequately remunerated	0	0

S1-10 Social Protection

The entirety of Sermag's employees benefits from mandatory social security and welfare coverage for the four events provided for by the ESRS S1-10 standard: sickness, unemployment, industrial accidents and occupational diseases, and parenthood.

No coverage gaps are found for any employee. Social protection is fully guaranteed through the mandatory public social security system, integrated by INAIL coverage and corporate supplementary insurance for accidents and civil liability.

Insured Event	Instrument	2025 Coverage
Sickness coverage	INPS + CCNL supplementary allowance	100%
Unemployment coverage (NASpI)	INPS pursuant to Legislative Decree 22/2015	100%
Accidents / disability coverage	INAIL + corporate supplementary insurance	100%
Parenthood coverage (maternity/paternity)	INPS pursuant to Legislative Decree 151/2001	100%

S1-11 Disability

No Sermag employee holds a certified disability pursuant to Law 68/1999 during the reference period. The percentage share of employees with a certified disability is therefore equal to 0%.

Indicator	2025 Value
Employees with certified disability L.68/99	0 (0%)
Reserved quota obligation L.68/99	Not applicable — 15 employees threshold not reached
Data collection	Within the limits of Legislative Decree 196/2003 and GDPR

S1-12 Training and Professional Development (VSME B10)

In 2025, Sermag delivered 42.5 hours of total training to the 8 employees (average 5.3 hours per employee), with an increase of 4.5 hours compared to the 38 hours of 2024. To this operational training is added the advanced training activity of the ESG/R&D/Quality Manager within the framework of the two-year research contract with the University of Eastern Piedmont (UPO): 500 hours of applied scientific research in the laboratory, documented and certified, with a structured training content of an academic nature not assimilable to standard training but relevant for the purposes of ESRS S1-12.

2025	2024	Indicator	Var.
42,5h	38h	Total training hours (excl. UPO)	+4,5h (+12%)
5,3h	4,75h	Average hours per employee (excl. UPO)	+0,6h
4h	0h	Specific ESG training hours	+4h
20h	—	Annual ESG target	—
No — GAP 16h	—	Achieved ESG target	—
542,5h	338h	Total training hours incl. UPO contract	+204,5h
20h/dip.	—	New 2026 target	—

The target of 20 hours of ESG training per employee, announced in the 2024 report, was not reached in 2025: ESG hours delivered to employees amounted to 4, with a gap of approximately 16 hours compared to the target. The objective is confirmed and reinforced for 2026 with a target of 20 hours per employee, with early planning of the training calendar.

Formalized individual performance reviews were not activated in 2025. The micro-company structure manages feedback continuously and informally through daily contact between managers and employees. The introduction of scheduled reviews is included in the 2025–2027 plan with an implementation horizon by 2026.

S1-13 Health and Safety (VSME B9)

Sermag confirms also for 2025 a track record of zero accidents, zero fatalities, and zero occupational diseases. The workplace health and safety management system, based on an updated DVR, appointed RSPP, active health surveillance, and mandatory PPE, guaranteed full coverage of the workforce in both reported financial years.

Indicator	2025	2024	Var.
Workplace accidents	0	0	—
Fatalities from accidents	0	0	—
Certified occupational diseases	0	0	—
Working days lost due to accidents	0	0	—
Accident rate (per million hours)	0,00	0,00	—
Hours worked (employees, excl. Sole Director)	11.685h	9.834h	+19%
Copertura sistema SSL	100%	100%	—

Methodological note: The 48 hours of general illness and 36 hours of absence for illness of children under 3 years old recorded in 2024 do not constitute occupational diseases for ESRS S1-13 purposes and are not included in the count of health and safety events. The 2025 hours worked data (11,685h) is calculated excluding the hours of the Sole Director, who is not an employee for ESRS S1 purposes.

S1-14 Work-Life Balance

All 8 Sermag employees have access to the four types of leave provided for by Italian legislation: maternity, paternity, parental leave, and leave for assistance to non-self-sufficient family members. In 2025, no employee utilized parental leaves (neither male nor female), a figure in line with the current demographic situation of the workforce.

Indicator	2025	2024
Employees entitled to maternity leave	7F — 100% of women	6F — 100% of women
Employees entitled to paternity leave	1M — 100% of men	2M — 100% of men
Employees entitled to parental leave	8 — 100%	8 — 100%
Maternity leaves utilized in 2025	0	0
Paternity leaves utilized in 2025	0	0
Parental leaves utilized in 2025	0	0
Employees in voluntary part-time 2025	3 (F) — 37.5% of women	2 (F)
Employees in smart working 2025	2 (F)	1 (F)
Entry hour flexibility	Yes, 8:30–9:00 window for all	Yes

In 2025, two female employees worked in smart working mode: the employee already working remotely in 2024, who continued with the same modality, and the new 2025 hire with a part-time contract. Smart working is in both cases an individually agreed solution, consistent with organizational and personal needs, and does not configure a structured agile work policy at the company level.

S1-14 Remuneration (VSME B10)

METHODOLOGICAL BOX — Gender Pay Gap: Two Measures, a Single Remuneration Reality

Sermag's gender pay gap is calculated using two distinct methodologies, which produce significantly different results due to structural reasons and not due to pay discrimination.

ESRS S1 AR 31 Method (hourly — required by the standard): ratio between the average gross hourly remuneration of men and that of women, normalized for hours actually worked. This method eliminates the part-time effect and reflects actual remuneration per hour worked.

2025 Result: 2.8% | 2024 Result: 3.3% — improving trend.
VSME Method (gross annual — used in previous reports): ratio between the average gross annual remuneration of men and that of women, without normalization for hours worked. This value reflects the composition of the workforce: three female employees on part-time reduce the average female annual remuneration independently of the applied hourly rate.

2025 Result: ~27% | 2024 Result: 27.2% — stable for structural, non-remunerative reasons.
The two results are not contradictory: the ESRS methodology eliminates by definition the part-time effect, while the VSME methodology incorporates it. The choice to report both measures responds to a principle of methodological transparency and continuity with the reporting of previous years. Rosmino Andrea (Sole Director) is excluded from both calculations as a non-employee.

Remuneration Data 2025

Indicator	2025	2024
ESRS GPG — hourly method (AR 31)	2,8%	3,3%
VSME GPG — gross annual method	~27%	27,2%
Average gross hourly remuneration — Men	€ 20,04/h	—
Average gross hourly remuneration — Women	**€ 19,48/h**	—
Maximum/median remuneration ratio (annual)	2,17:1	1,78:1
Maximum gross annual remuneration (employees)	€ 61.161	—
Median gross annual remuneration (employees)	€ 28.254	—

S1-16/ S1-17 Non-Discrimination and Other Rights at Work

During the reporting period, Sermag recorded no incidents traceable to discrimination for any protected category, gender, race, nationality, religion, disability, age, sexual orientation, nor episodes of workplace harassment or violations of fundamental human rights. Data are confirmed for both reported financial years.

Monitoring Indicator	2025	2024
Discrimination incidents	0	0
Harassment incidents	0	0
Human rights violations	0	0
Sanctions or fines regarding labor rights	0	0
Reports via whistleblowing channel	0	0 (confimred)

The digital whistleblowing channel is active and accessible to the entire workforce. The absence of reports is consistent with a positive company climate, confirmed by anonymous worker well-being questionnaires, and does not indicate underreporting: the organizational structure allows direct and immediate access to managers for managing any issue.

The whistleblowing channel and anti-retaliation policies are described in detail in the Governance Chapter.

11. Workers in the Value Chain (ESRS S2)

Sermag's S2 Perimeter: Mottin Srl as an Integrated Production Partner

Understanding the workforce in Sermag's value chain requires a structural premise: Sermag is a commercial and material engineering enterprise whose physical production process is entirely entrusted to Mottin Srl, based in Cassano Magnago (VA), within the framework of a network contract stipulated in December 2020. Mottin's 14 employees — 10 men and 4 women in 2025, with headcount unchanged compared to 2024 — physically execute the densification, extrusion, and blending operations that make Sermag's entire production activity possible.

This is not the typical relationship between an enterprise and a third-party supplier. Mottin is an integrated production partner: the ESG, R&D, and Quality Manager Lorenzon Matteo is physically present at the site on a weekly basis; the Sole Director Andrea Rosmino visits it regularly. The Laboratorio Materie Plastiche Circolari is a shared operational structure where Sermag staff and Mottin workers collaborate side-by-side. The oversight of working conditions in the value chain therefore occurs directly, continuously, and concretely, not through occasional audits or remote questionnaires.

The ESRS S2 reporting perimeter reflects this reality: Mottin Srl is the priority actor, where almost the entirety of the risk and impact linked to working conditions in Sermag's value chain is concentrated. The value chain includes, however, other entities, raw material suppliers, deliverers, logistics partners, whose relevance for S2 purposes was assessed in the double materiality as below the detailed reporting threshold for the current period. Sermag plans to progressively expand the perimeter also to these actors over the medium term, in line with the evolution of its ESG management system.

Mottin Srl Workforce	2025	2024	Var.
Total employees	**14**	**14**	**10M + 4F (2025)**
Of whom non-Italian origin (India)	3	3	Stable over the two-year period
Collective bargaining coverage	100%	100%	—
Adequate remuneration (Rubber-Plastic CCNL benchmark)	Yes	Yes	All employees
Top management (legal representative)	1 woman (100% F)	1 woman (100% F)	—

S2-1 Policies for Workers in the Value Chain

Sermag's Code of Ethics, adopted on 12 October 2023, is the ethical reference instrument extended to the value chain. The document was formally transmitted to Mottin Srl and governs, in the Premise, conduct expectations toward suppliers, commercial partners, and collaborators. In particular, Article 5.1 explicitly prohibits recourse to child labor and requires respect for fundamental human rights in all business relations. Non-discrimination and anti-exploitation principles are stated transversely throughout the document.

In the absence of a separate supplier code of conduct, the Code of Ethics serves as a shared ethical reference with Mottin Srl. The network contract stipulated in December 2020 regulates the production and commercial aspects of the partnership but does not currently include explicit clauses on the working conditions of Mottin employees.

Geographical coverage is exclusively Italian. No additional country-risks are found. The presence of 3 workers of Indian origin is noted — a stable figure over the two-year period — for whom Sermag recognizes specific attention due to potential language barriers and integration needs, despite not having evidence of specific criticalities.

S2-2 Engagement with Workers in the Value Chain

Sermag's engagement model toward Mottin Srl workers is not based on structured formal mechanisms, but on a direct and continuous operational relationship which constitutes, in the daily reality of the partnership, the most substantial form of oversight and listening.

Operational Oversight and Laboratorio Materie Plastiche Circolari

Lorenzon Matteo is physically present at the Cassano Magnago production site on a weekly basis, within the scope of the activities of the Laboratorio Materie Plastiche Circolari, a shared operational structure between Sermag and Mottin. This presence guarantees direct contact with workers, first-hand operational knowledge of conditions on the field, and an informal but effective listening channel. Andrea Rosmino regularly visits the site, maintaining a direct dialogue on the partnership's quality and operational conditions.

Whistleblowing and ESG Questionnaire

Sermag's whistleblowing portal is accessible to everyone and advertised on the company website: it is not reserved solely for direct employees, but usable also by Mottin Srl workers to report any issues anonymously and securely. In 2025, no reports were received from workers in the value chain.

During 2025, an ESG questionnaire was sent to Mottin Srl, with a positive outcome in all investigated areas. The tool confirmed the correctness of management practices and the absence of criticalities in working conditions, and allowed the collection of the quantitative data reported in this chapter. Sermag intends to formalize it as a systematic annual practice starting from 2026.

Vulnerable Workers

The 3 workers of Indian origin represent a group over which Sermag intends to develop more structured oversight in 2026. Despite lacking evidence of specific problems, their presence is recognized as an element requiring active attention, in compliance with ESRS S2 provisions.

S2-3 Actions and Resources

Sermag's actions toward workers in the value chain articulate across three components: direct operational oversight, shared training, and periodic ESG monitoring. **The main measurable result of this oversight concerns health and safety at work.**

Health and Safety — Mottin Srl	2025	2024	Var.
WHS management system coverage	100%	100%	=
Recordable workplace accidents	0	0	=
Fatalities due to workplace accidents	0	0	=
Recordable occupational diseases	0	0	=
Accident rate (× 1.000.000 hours worked)	0,00	0,00	=
Total hours worked in the period	14	14	+3,5%

Zero accidents and zero fatalities for the 22nd consecutive year (none have ever occurred since the company's opening) is a result that Sermag considers closely connected to the continuous operational presence on site and the safety culture promoted within the framework of the network contract. It is, however, necessary to declare a methodological limitation: Sermag does not have direct access to Mottin Srl's DVR or official accident register. The data reported above were obtained via the ESG questionnaire and confirmed by direct oversight. Obtaining formal access to such documents is one of the 2026 objectives.

On the training front, in 2025 Mottin Srl delivered **58 total hours** of training to its employees (4 hours on average per employee), including technical and regulatory update activities. Sermag intends to progressively extend shared training initiatives, expanding themes to regulatory evolutions in the recycling sector.

S2-4 Targets and Objectives

As of 31 December 2025, Sermag has not yet defined formal quantitative targets relating to workers in the value chain. The ongoing objectives have a qualitative and evolutionary nature, in line with the phase of progressive structuring of S2 oversight.

Objective	Linked to	Target Year	Status
Integration of working conditions clauses in the Sermag-Mottin network contract	S2-1	2026	In planning
Explicit inclusion of trafficking and forced labor in policies extended to the value chain	S2-1	2025–2027	In progress
Formalization of the ESG questionnaire on a systematic annual basis	S2-2 / S2-3	2026	Initiated (2025)
Request for formal access to Mottin Srl's DVR and accident register	S2-3	2026	In planning

The choice to define exclusively qualitative objectives reflects the nature of the relationship with Mottin Srl: an oversight that functions effectively, but which has structured over time informally and is now being formalized progressively. A quantitative target system will be developed starting from 2026, when access to Mottin's primary data will be more organized and systematic.

12. Human Rights and Value Chain Ma-nagement

C6 C7

Sermag's corporate responsibility does not end within its organizational boundaries. **The nature of our business model, centered on transforming plastic waste into secondary raw material through a network of selected partners, makes the value chain a constitutive dimension of our ESG identity, not an external perimeter to be watched.** This chapter offers a unified reading of policies, processes, and results regarding human rights and responsible management of the value chain, linking information already presented in the Own Workforce Chapter — ESRS S1 and in the Workers in the Value Chain Chapter — ESRS S2 into a coherent summary framework.

12.1 Human Rights Policies

C6

Sermag's policy system regarding human rights is based on a single document: the Code of Ethics, adopted pursuant to Legislative Decree 231/2001 and formally extended to the entire value chain, suppliers, production partners, consultants, and collaborators. The specific contents of the Code of Ethics and its application to the own workforce are described in the Own Workforce Chapter; its formal transmission to the production partner Mottin Srl and implications for workers in the value chain are illustrated in the Workers in the Value Chain Chapter. Here we limit ourselves to recalling the overall architecture.

The Code of Ethics explicitly covers the prohibition of child labor (Art. 5.1), the principles of non-discrimination and equal opportunities, and the prohibition of any form of labor exploitation. These commitments apply not only to Sermag employees but, by virtue of the extension clause to the value chain contained in the Premise par. 3, also to entities with which Sermag maintains commercial and contractual relations.

The Code of Ethics in its current version does not formally explicit the prohibition of human trafficking and forced labor as distinct cases. We recognized this gap already in the double materiality and commit to filling it through a revision of the document by 31 December 2026, in line with what was already indicated in sections S1-1 and S2-1 of the previous chapters.

On the contractual front, the goal for 2026 is the insertion of explicit clauses on human rights, encompassing due diligence standards and compliance commitments, in contracts with suppliers and partners. This is an action already planned and cited in section S1-4, recalled here in its systemic value for the overall value chain. The whistleblowing portal, described in detail in the Governance Chapter, is accessible to all stakeholders, including workers in the value chain. In 2024 and 2025, no reports referable to human rights violations in the supply chain were received.

12.2 Supplier Management and Due Diligence

C6

Sermag's value chain is geographically concentrated and structurally stable. Strategic suppliers are deliverers of plastic waste from industrial processes, logistics partners for transport and handling, and Mottin Srl, production partner within the framework of the network contract.

Geographical Origin and Risk Profile. Suppliers operate predominantly in Italy, with a minor share of operators active in other Western European countries. For reasons of commercial confidentiality, we do not disclose specific supply countries; we can, however, declare that no supplier is located in countries classified as high risk for human rights according to the main reference international indices (e.g., Global Slavery Index, ITUC Global Rights Index). The presence of three workers of Indian origin employed by Mottin Srl represents the only non-Italian component in

ESG Screening and Supplier Questionnaire. During 2025, we sent an ESG questionnaire to the main partners in the value chain, with a positive outcome. The EcoVadis framework, within which Sermag obtained the Silver rating with a score of 71 (90th global percentile), constitutes our main evaluative lens also for the selection and monitoring of strategic suppliers. We have no exclusions or disputes to report.

On-site Audits. In 2025, no formal audits were conducted at suppliers' premises. At Mottin Srl, direct operational oversight effectively performs the function of continuous monitoring, substantially replacing the formalized periodic audit. The goal for 2026 is to formalize this oversight through an audit procedure or equivalent assessment.

The 2026 objective includes completing a census of the supplier base and systematically extending the ESG questionnaire to all active partners, not just the main ones.

C7

12.2 Monitoring Results — Incidents and Violations

The results of the 2024-2025 monitoring regarding human rights and conduct in the value chain are summarized in the following table.

The absence of incidents is consistent with the structure of our value chain: predominantly Italian, composed of long-standing partners with consolidated relations, and subject to direct operational oversight. We do not believe, however, that the absence of reports exhausts the matter: the gaps declared in sections 8.1 and 8.2, relating to the explicit coverage of certain cases in the Code of Ethics and the absence of dedicated contractual clauses, represent improvement areas that we intend to address structurally in the two-year period 2026-2027.

Monitoring Indicator	2024	2025	Notes
Human rights violation incidents in the value chain	0	0	No cases identified
Suppliers excluded for ESG reasons	0	0	In progress
Disputes or legal proceedings relating to the value chain	0	0	No proceedings ongoing or concluded
Whistleblowing reports referable to the value chain	0	0	Active portal; 0 reports received

12.4 Sermag as an ESG Partner for Its Customers

Responsibility in the value chain also has a downstream dimension that deserves explicit attention: the role that Sermag plays toward its B2B customers, companies active in the packaging, automotive, construction, and compounding sectors that purchase our certified secondary raw materials.

These customers are increasingly subject to Scope 3 emission reporting obligations under the CSRD Directive. Sermag's supplies directly impact this figure, as the recycled content of our products translates into calculable and certifiable avoided emissions. The Product Carbon Footprint (CFP), calculated according to ISO 14067:2018 and verified by IMQ SpA, is the concrete tool with which our customers can report avoided emissions in their supply chain, with third-party certified evidence.

RecyClass and ISCC Plus certifications guarantee the traceability of recycled content along the entire supply chain, responding to an increasingly stringent requirement of enterprise operators subject to environmental due diligence.

The PPWR Regulation (EU 2025/40), which entered into force on 11 February 2025, sets mandatory recycled content targets in plastic packaging starting from 2030. For packaging sector customers, compliance with these targets will require certified and scalable access to SRM of documented quality: exactly what Sermag produces and makes reportable.

We therefore position ourselves not as a simple material supplier, but as a structural partner in customers' transition journey toward a circular economy, a dimension that the 2025 double materiality recognized as material on both the impact and financial levels.

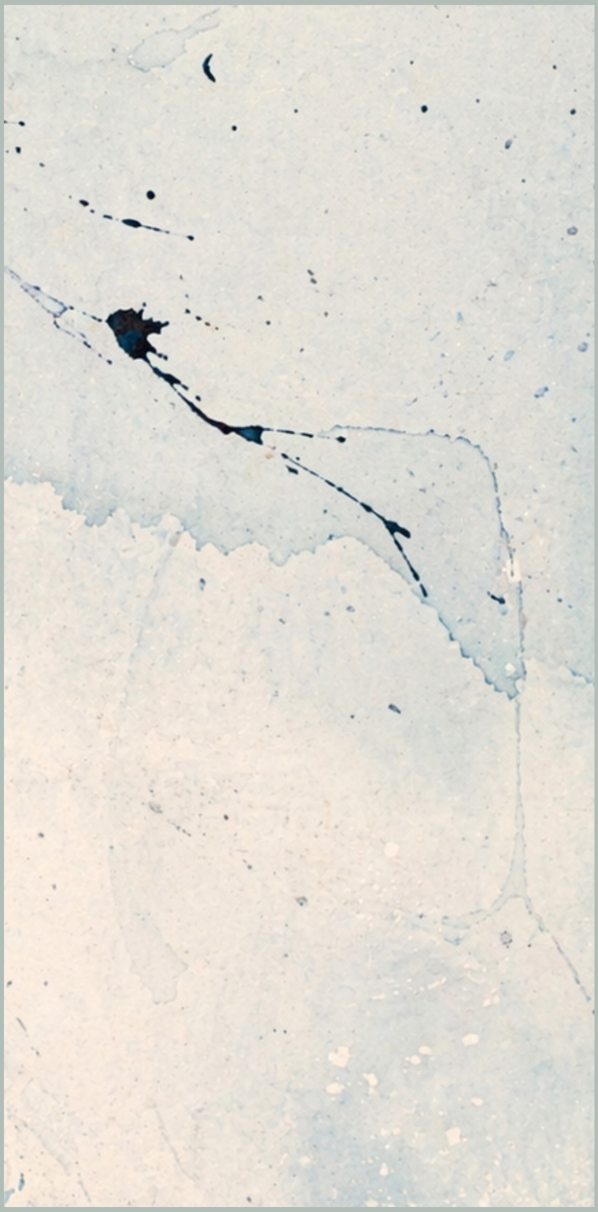
Formal ESG requests from customers are still in a predominantly pre-structured phase, present in commercial conversations but not yet codified into systematic contractual requirements. We anticipate that this trend will consolidate significantly in the two-year period 2026-2027, coinciding with the entry into force of CSRD obligations for medium-sized enterprises.

12.5 Targets in Human Rights and Value Chain Matter

Action / Objective	Deadline	Reference
Revision of the Code of Ethics to explicit prohibitions on human trafficking and forced labor	By 31/12/2026	S1-1 / S2-1
Insertion of human rights clauses (due diligence) in contracts with suppliers and partners	By 31/12/2026	S1-4 / S2-1
Organized census of active suppliers and systematic extension of the ESG questionnaire	By 30/06/2026	VSME C6 / C7
Launch of on-site audits at Mottin Srl (or formalized equivalent assessment)	By 31/12/2026	S2-3 / VSME C6

The listed targets are consistent with what was already planned in chapters S1 and S2 and converge into an integrated program for strengthening human rights due diligence, which will be coordinated by corporate ESG managers and supervised by the Sole Director Dr. Rosmino.

Sustainability Report



2025

Governance Section

B11 C8 C9

A solid, transparent, and responsible governance is essential for generating trust and guiding the sustainable transition. Sermag has adopted internal control models, compliance tools, and a code of ethics capable of guaranteeing integrity, legality, and risk prevention. In this section, we explain how sustainability has been integrated into corporate management thanks also to the figure of the Sustainability Manager and the 231 model, promoting a proactive and participative approach to change, in line with ESG best practices.

13. Governance Structure and ESG Oversight

B11 C8 C9

Sermag's governance articulates according to a lean model and a proximal responsibility structure, which privileges decision-making speed and direct responsibility over hierarchical complexity. This configuration, far from being a simple consequence of company size, represents a conscious choice of organizational efficiency, and constitutes one of the competitive advantages that allows us to respond with agility to market solicitations and sustainability commitments undertaken.

The Sole Director, Dr. Andrea Rosmino, concentrates in himself the corporate strategic and operational governance function, exercising full responsibility over company direction, investment choices, and approval of reporting documents, including this Sustainability Report. Legal control is entrusted to the Statutory Auditor, Dr. David Fordred, who in the 2025 financial year performed his supervisory functions on the regularity of corporate and accounting management, in compliance with Civil Code provisions.

The operational oversight of ESG themes is entrusted to two key figures with direct report to the Sole Director: Dr. Matteo Lorenzon and Dr. Simona Stradella.

Material sustainability topics identified in the double materiality analysis (DMA) are brought to the Sole Director's attention through the escalation mechanism described in detail in Chapter IRO-1. In summary, Lorenzon and Stradella operate as a collection and synthesis point for ESG risks and opportunities, guaranteeing that no material topic remains confined to the operational level without receiving a strategic response approved at the top. This oversight structure, which in our organization coincides with the concept of SBM-2 (integration of sustainability into corporate governance), allows us to maintain consistency between strategic choices and reporting commitments without the bureaucratic superstructure of a dedicated ESG committee.

Role	Holder	ESG Responsibility Perimeter
Sole Director	Dr. Andrea Rosmino	Strategic governance, Sustainability Report approval, ESG investment decisions
Statutory Auditor	Dr. David Fordred	Legal supervision of corporate and accounting management
ESG / R&D / Quality Manager	Dr. Matteo Lorenzon	Reporting coordination, DMA management, Mottin Srl and deposits oversight, Laboratorio Materie Plastiche Circolari
Administrative Director & ESG Manager	Dr. Simona Stradella	S1 data collection and validation, relations with Dimitto (assurance), ESG administrative oversight

13.1 Organization and Management Model (Legislative Decree 231/2001)

Sermag voluntarily adopted an Organization, Management, and Control Model pursuant to Legislative Decree 231/2001. As a limited liability company of contained dimensions, we are not formally bound to adopt the Model: our choice to equip ourselves with it represents therefore a proactive act of legality oversight, which consciously goes beyond regulatory obligation and reflects the ethical vision orienting our corporate conduct.

The 231 Model, unchanged during 2025, fulfills a dual function: protecting the company from commission of predicate offenses in the most sensitive activity areas and providing subjects operating on behalf of Sermag with a clear framework of principles, procedures, and expected behaviors. The Model's structure encompasses a mapping of corporate processes at risk, with particular attention to purchases, relations with the Public Administration, workplace safety, and environmental themes; a system of specific preventive protocols for each sensitive area; and an internal disciplinary apparatus which refers, for employees, to the disciplinary provisions of the Tertiary, Distribution, and Services CCNL.

Supervision over the effectiveness and updating of the Model is entrusted to the Supervisory Body (OdV), which exercises its functions periodically in accordance with the provisions of the Model itself. The multi-year consolidation of this system allows us to consider the 231 Model not as an episodic fulfillment, but as a stable and operational component of our internal control architecture.

13.2 Code of Ethics Update 2025

The main act of governance evolution in the 2025 financial year is the update of the corporate Code of Ethics. The Code of Ethics constitutes the foundational document of Sermag's corporate culture: it explicits the values inspiring our action, the ethical principles we commit to respecting, and the behaviors expected from anyone acting in the name and on behalf of the company. Its update is not a formal act, but the tangible manifestation of a continuous improvement commitment of ethical culture, consistent with the growth of our reporting and the extension of the ESG responsibility perimeter.

The recipients of the Code of Ethics include, by express provision of the Premise (par. 3), Sermag employees, corporate bodies, suppliers, customers, and all partners with whom we maintain business relations. This extension to external subjects is the legal and value prerequisite of the policies described in Chapter S1-1 for the own workforce and in Chapter 2-1 for workers in the value chain.

The sanctioning system linked to the Code of Ethics finds its operational reference in Art. 19 of the Company Regulations, which refers to disciplinary measures provided for by the Tertiary, Distribution, and Services CCNL for violations committed by employees, and to equivalent contractual instruments for non-employee subjects. This framework guarantees that the Code's principles do not remain devoid of application consequences.

2025 Update

Sermag's Code of Ethics was updated during the 2025 financial year. The update represents the main act of governance evolution during the year and consolidates the value framework at the foundation of ESG reporting, conduct toward the workforce, and relations with value chain partners.

13.3 Anti-Corruption Measures

B11 C8

Our approach to corruption prevention is founded on an integrated system combining the 231 Model, the updated Code of Ethics, and the Company Regulations into a unified and coherent safeguard. We do not conceive anti-corruption as an isolated obligation, but as the operational expression of the correctness, transparency, and loyalty principles orienting our every business relation: with the Public Administration, with suppliers, with customers, and with commercial partners.

Process areas most sensitive to corruption risk, identified in the 231 Model mapping, encompass purchase management, workplace safety, environmental themes, and relations with public entities and authorities. For each of these areas, specific preventive protocols are active, including procedural controls, separation of roles, and decision traceability.

In 2025, an anti-corruption training course was not delivered as a dedicated and separate event. Ethical culture and anti-corruption awareness were conveyed through the updated Code of Ethics, which constitutes a awareness tool for all recipients, and through continuous training integrated into operational activities. This approach is consistent with Sermag's organizational structure, where hierarchical proximity favors direct transmission of ethical values in daily life.
On the results front, 2025 closes without any judicial or administrative proceeding for corruptive acts, without sanctions of any nature, and without contributions to political parties or lobbying activities. These results, replicated also in previous years, confirm the effectiveness of the safeguard in place.

Regarding anti-corruption clauses in contracts with suppliers, this is a target we planned to integrate into standard contractual documentation during 2026.

Indicator	2025	2024
Judicial proceedings for corruption	0	0
Administrative sanctions for anti-corruption conduct	0	0
Contributions to political parties	0	0
Lobbying activities	0	0
Whistleblowing reports received	0	0

13.4 Whistleblowing System (G1-1)

This section closes the references opened in Chapter S1-3, where we described the remedy channel available to the own workforce, and in Chapter S2-2, where we illustrated the reporting mechanisms accessible to workers in the value chain. Sermag's whistleblowing system constitutes the convergence point of both those references and deserves therefore an exhaustive description.

Sermag activated a digital reporting channel compliant with Legislative Decree 24/2023, which transposes EU Directive 2019/1937 on whistleblowing into Italian law. The channel is designed to guarantee the whistleblower's anonymity and to allow independent management of reports, separate from the ordinary hierarchical line. Publicity of the channel occurs via the company website, ensuring its visibility not only to employees but to all stakeholders maintaining relations with Sermag.

Access to the channel is open to all subjects interacting with our organization: own employees, collaborators, suppliers, customers, commercial partners, and external stakeholders, explicitly including Mottin Srl workers. This wide perimeter reflects our conception of ethical responsibility as shared along the entire value chain, and not confined to internal relations alone.

The system offers three fundamental guarantees: whistleblower anonymity, protection from any form of direct or indirect retaliation, and structured management of reports with defined timelines and procedures. In 2025, as in 2024, we received no reports through this channel.

We interpret the absence of reports with due prudence: not as automatic proof of the absence of criticalities, but as an indicator of an organizational climate perceived positively by workers. This reading is consistent with the results of anonymous company climate questionnaires administered in 2025, which recorded a high level of satisfaction and perception of a fair and respectful working environment. We continue to consider monitoring the perceived effectiveness of the channel as a priority, aware that trust in the system is a necessary condition for its correct functioning.

Cross-reference note — The whistleblowing system described in this section constitutes: (a) the remedy channel for own workers referred to in the S1-3 disclosure; (b) the reporting mechanism accessible to workers in the value chain referred to in the S2-2 disclosure. Both references find their complete and definitive treatment in this section.

13.5 Political Contributions and Lobbying

In 2025, as in previous financial years, Sermag made no contributions to political parties, political movements, or candidates, nor did it carry out lobbying activities toward public institutions or regulatory bodies. This position is not dictated by indifference to the regulatory and political context, but represents a choice consistent with the independence and impartiality principles sanctioned by the Code of Ethics: we believe that our ability to positively influence sector policies passes through the quality of our products, the reliability of our reporting, and participation in technical-scientific networks such as the Consorzio Proplast and technical standardization bodies for recycled plastic materials.

13.6 External Assurance

La scelta di sottoporre il bilancio a verifica esterna The choice to subject the report to independent external verification goes far beyond ordinary expectations for an Italian SME: the large majority of companies of analogous dimensions do not equip themselves with external assurance, limiting themselves to self-declaration. For Sermag, assurance is a choice of voluntary transparency that elevates our reporting standard to an enterprise level, increases information credibility toward CSRD customers, investors, and institutional stakeholders, and strengthens consistency with our positioning as a reliable ESG partner in the recycled plastic materials supply chain.

13.7 Business Conduct and Relations with Suppliers

Our business conduct does not exhaust itself in regulatory compliance: it is first of all a system of relations founded on correctness, reliability, and reciprocal responsibility. This principle guides with consistency both internal dynamics and every relationship with external subjects, particularly with the supply chain, which we consider an integral part of our business model and not a simple contractual counterpart.

Over the years, Sermag built consolidated and long-term relations with its suppliers, many of which assumed the characteristics of true strategic partnerships. The relationship with Mottin Srl is the most accomplished example of this vision: a collaboration born from value sharing and deepened over time through joint ESG reporting, continuous quality oversight, and co-production of applied innovation.

Among behaviors concretely characterizing our conduct is the punctual respect of payment deadlines, which we consider an ethical duty even before a contractual obligation. Honoring commitments within agreed terms means recognizing that the financial solidity of our partners is a necessary condition for the holding of the entire production ecosystem we are part of. In this spirit, in cases where strategic suppliers find themselves facing liquidity needs linked to investments, variations in raw material costs, or organizational necessities, Sermag chose to grant payment advances on a voluntary basis, as a concrete form of solidarity between businesses. This is a practice reflecting a systemic conception of sustainability: it is not possible to build a virtuous circular supply chain if the subjects composing it cannot count on a base of reciprocal trust and concrete support in moments of difficulty.

Ethical conduct also expresses itself in contractual relations transparency. New suppliers are selected based on criteria encompassing, alongside technical competence and production capacity, integrity in conduct and alignment with corporate Code of Ethics principles, which constitutes a condition of access to collaboration with Sermag. The path of progressive formalization of environmental and social responsibility clauses will find completion in 2026 within the wider governance plan of the value chain.

The set of these practices consolidates our reputation as a reliable and coherent partner along the supply chain, capable of generating shared value not only through product quality, but also through relations quality.

13.8 Diversity and Inclusion in Governance

C9

Sermag's governance structure is set up in a monocratic form, consistent with the legal configuration of the company. Executive and strategic management functions are entrusted to the Sole Director, Dr. Andrea Rosmino, while legal control is exercised by the Statutory Auditor, Dr. David Fordred. In the absence of a board of directors or collegial deliberative bodies, the theme of diversity in governance declines necessarily in different forms compared to those ordinarily adopted by large enterprises.

Even in the absence of specific regulatory obligations, Sermag chose to concretely integrate inclusion and diversity principles into decision-making processes. The two key figures of ESG and administrative oversight contribute to strategic assessments with an approach valuing technical competences, environmental sensitivities, and different relational capacities.

Female presence at levels of operational responsibility reaches 50%, a datum reflecting a significant evolution compared to previous years and which is consistent with the predomi-

nantly female structure of the own workforce (7 women out of 8 employees).

Selection of people with responsibility functions occurs according to merit, competence, and capacity to contribute to an open and collaborative organizational culture, independently of gender, age, origin, or status. This approach reflects itself in the organizational climate detected through anonymous questionnaires administered in 2025, which confirm a positive perception of fairness and people valuation within Sermag.

In the medium term, we commit to monitoring the evolution of gender representation and diversity in responsibility roles, and to gradually integrating qualitative and quantitative inclusion indicators consistent with the dimensions and structure of our organization into our reporting.

sermag
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