

SUSTAINABILITY REPORT 2024



Procos S.p.A. a socio unico

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LETTER TO STAKEHOLDERS

Dear Stakeholder,

As some of you may know, Procos S.p.A. has been committed for years to ensuring integrity in all its activities, setting ambitious goals with the awareness that the environment and people's safety are vital and precious resources.

In this spirit, the Company has adhered to the "Responsible Care" program since 1992¹, has implemented management systems to protect the environment, health and safety at work and, in 2016, adopted the Code of Ethics and the Organization, Management and Control Model.

In its continuous commitment to responsible and transparent management, Procos has decided to publish its first Sustainability Report. With this Document, the Company wishes to share its vision of sustainability with you, telling its ambitions, its commitment and the constant desire to improve. A commitment that concerns both internal and external stakeholders, with particular attention to the environment.

In particular, the Company intends to highlight the concrete actions it has taken for the safe management of chemicals, hazardous waste and the reduction of environmental impacts. In addition, Procos is committed to protecting the territory on which it operates and promoting the well-being of its employees and the local community.

This path has offered numerous opportunities. Firstly, the Company has started collecting ESG data, which is essential both for monitoring its activities and for defining clear and measurable objectives. The project also stimulated reflection on the main strategic safeguards in the field of sustainability, guiding the Company towards concrete objectives. In addition, the Company has reviewed its internal structure, improving governance to more effectively respond to regulations and the needs of an ever-changing market. A strong internal engagement was created, involving all company functions, to promote a shared culture on environmental, social and governance issues. This year, Procos' commitment took the form of specific actions, including joining the SBTi (Science Based Target Initiative), with the submission of the Commitment Letter.

Procos is pleased to be able to share the following Sustainability Report with you and to state with certainty that the goal of each decision taken is to promote responsible and virtuous growth.

Enrico Zodio, CEO

¹ The link below: [Responsible Care \(federchimica.it\)](https://www.federchimica.it/en/responsible-care).



HIGHLIGHTS



**Founded in 1945
in Cameri, Novara**



**Certified
ISO 14001
ISO 45001**



**233.777.640 € Mln
Turnover**



- **492 Employees**
- **90% Permanent**



**13,647 hours of
training**



METHODOLOGICAL NOTE

This Document constitutes the Sustainability Report of Procos S.p.A. (hereinafter also referred to as the "Document", "Report") and is prepared on a voluntary basis with the aim of sharing with all internal and external stakeholders the path taken by the Company in terms of sustainability. The goal is to highlight the identity of Procos S.p.A. and enhance its ESG objectives through clear, structured and usable communication.

The information included in this Sustainability Report refers to **Procos S.p.A.** (hereinafter also "Procos", "the Company"), whose operational headquarters are in Cameri, Via Matteotti, 249 (NO), and concern **the period between 1 January 2024 and 31 December 2024.**

The Report has been prepared following the principles of the Global Reporting Initiative (GRI) Standards, adopting the "**referenced to GRI Standards**" reporting option.

The following fundamental principles have been adopted for the disclosure of information:

- **Accuracy:** Data was collected and presented with the level of detail necessary to enable effective analysis of ESG impacts, risks, and opportunities.
- **Objectivity:** The communication of company performance was conducted in a transparent way, representing both positive and negative impacts.
- **Clarity:** The language used is simple and accessible, supported by graphs and tables to facilitate understanding by all stakeholders.
- **Comparability:** The information has been selected and presented in a consistent manner to allow monitoring the evolution of ESG performance over time, where possible.
- **Comprehensiveness:** The Document provides a comprehensive framework for assessing business impacts, risks, and opportunities.
- **Contextualization:** The ESG analysis was carried out considering the broader scenario of responsible development, through reference to international standards, regulations and conventions.
- **Timeliness:** The Report will be updated and published annually to ensure that the information is accessible to all stakeholders.
- **Verifiability:** The data reported have been collected and analyzed through recognized methodologies, aiming to ensure the highest reliability of the data.

The reporting methodology adopts the principle of **relevance**, an element provided for in the most up-to-date version of the GRI Universal Standards (GRI 3: Material Topics 2021), as will be better described in the dedicated chapter. Following this principle, Procos has identified a list of **16 material** environmental, social and governance (hereinafter also "ESG") issues. The identification of these issues was carried out through an in-depth analysis, detailed in p. 9 of this Document, with the aim of highlighting the areas of greatest importance for the Company and its stakeholders.



To facilitate consultation, the Document includes a **GRI Content Index** on page 65, which provides a list of the GRI indicators used for reporting on each material issue.

For emissions reporting, Procos relied on the **GHG Protocol**² methodology. Direct emissions (*Scope 1*), indirect emissions from purchased energy (*Scope 2*) and indirect emissions attributable to the value chain (*Scope 3*) *were reported*, with the aim of offering the clearest and most transparent picture possible of environmental performance.

The Document will be published annually and is not subject to third-party verification as it does not currently fall within the scope of Legislative Decree 125/2024³. The Document has been prepared with the technical and methodological assistance of KPMG Advisory S.p.A.

The objective of the publication of this first Sustainability Report is to provide a clear and structured overview of Procos' corporate strategies, management models and ESG initiatives, promoting increasingly complete and detailed communication of the Company's performance and future commitments.

The Sustainability Report is the result of careful data collection, carried out thanks to the collaboration between different company departments. This Report was approved by the Board of Directors on 06/06/2025 and is made publicly available on the Procos S.p.A. website at [Sustainability – PROCOS S.P.A.](#)

² GHG Protocol Standards and Guidance Update Process | GHG Protocol

³ Official Journal



Materiality Analysis

Following the Materiality principle of the Global Reporting Initiative and as part of the Sustainability Pathway, in 2023, Procos conducted a materiality analysis aimed at identifying the ESG issues of greatest relevance to the Company and identifying the impacts that it has or may have on the environment and people. This analysis was structured in four main phases.

Figure 1. Materiality Analysis Process



Following these activities, the **16-material** environmental, social and governance issues on the basis of which the Sustainability Report was structured emerged, which are shown in the table below. Materiality analysis is essential to identify an order of priority for any actions to be implemented. This evaluation process is then integrated into Procos' monitoring and control activities.

Material Themes		SDGs
Energy efficiency and climate change	Implement energy efficiency initiatives, monitoring and reduction of energy consumption and greenhouse gas emissions along the entire value chain, to contribute to the fight against climate change in line with the international Sustainable Development Goals.	 
Responsible waste management and circular economy	Ensure compliance with waste management regulations, reducing waste production (including unwanted or unusable harmful materials) where possible and promoting circular economy practices aimed at encouraging the recycling and/or reuse of materials and raw materials.	 



Responsible water management	Responsibly manage the use of water throughout the value chain and ensure wastewater treatment in line with the highest quality standards imposed by national, European and international legislation.	  
Responsible Chemical Management	Responsibly manage the chemicals used in production through the practices required by national, European and international legislation that regulates the sector, ensuring the protection of human and environmental health.	
Health, safety and well-being of workers	To guarantee working conditions that ensure the protection and psycho-physical well-being of workers and high standards of health and safety. Promote the adoption of preventive measures to reduce potential risks, through specific initiatives and adequate training plans on health and safety as required by the Seveso Directive.	 
Development of human capital and talents	Promote a corporate culture oriented towards the development of skills through growth and training of employees and talents.	 
Quality, product safety and customer satisfaction	Adopt an adequate system of control over the quality and safety of the product also through a careful selection of materials to prevent risks to the health and safety of consumers and guarantee a quality product that can ensure the highest performance required by the market.	 
Local community support and involvement	Contribute to the development of local communities through solidarity projects and the organization or sponsorship of initiatives aimed at supporting research, disadvantaged groups and the environment.	 
Diversity, social inclusion and non-discrimination	Fight against all forms of discrimination and promote an inclusive working environment.	   
Respect for human rights	Maintain high ethical standards and ensure respect for internationally shared fundamental rights throughout the supply chain, ensuring dignity and human rights for all stakeholders, especially workers.	   



Compliance, ethics and corporate governance	Promote the principles of ethics at all levels of the organization and establish adequate internal controls to safeguard transparency in all business activities.	  
Responsible supply chain management	Responsible management of the process of selection, qualification, evaluation and monitoring of suppliers and strategic partners that also considers ESG aspects aimed at preventing potential risks and negative impacts generated by production activities.	  
Innovation, research and development	To ensure maximum rigor in the synthesis of active ingredients, through innovative techniques and a continuous commitment to research and development of new cutting-edge solutions.	 
Value creation and distribution	Optimize financial value and generate economic growth by redistributing the value generated throughout the territory.	 
Data privacy e cybersecurity	To ensure the protection of the Company's information assets and to ensure the protection of the privacy of customers and third parties by preventing unauthorized cases of loss and disclosure of information.	
Partnerships and collaborations	Involvement of institutions and stakeholders to promote product development, research, innovation, sustainability and accessibility.	



1. PROCOS' MISSION AND VALUES

1.1 History of Procos S.p.A.

Procos S.p.A. was founded in 1945, when two young chemical researchers created the company in Cameri, in the province of Novara, positioning themselves, over the years, as a reference partner for the pharmaceutical market, able to develop synthesis processes, to optimize them and to successfully transfer them from the laboratory to the industrial scale.

Since its foundation, **Procos has oriented its core business in the production of organic fine chemicals with strict process and product quality systems, adopting Good Manufacturing Practice (GMP)** that guarantee high quality and product safety standards, from laboratory research to market placement.

In 1952 the Company obtained authorization from the Ministry of Health to produce active pharmaceutical ingredients, defined as API (Active Pharmaceutical Ingredients).

Since the 90s, Procos has increased its production capacity and expanded its business also thanks to the construction of the new production site, state-of-the-art, in terms of technology. Currently Procos covers an area of 155,000 square meters, a good part of which is still available for future expansion.

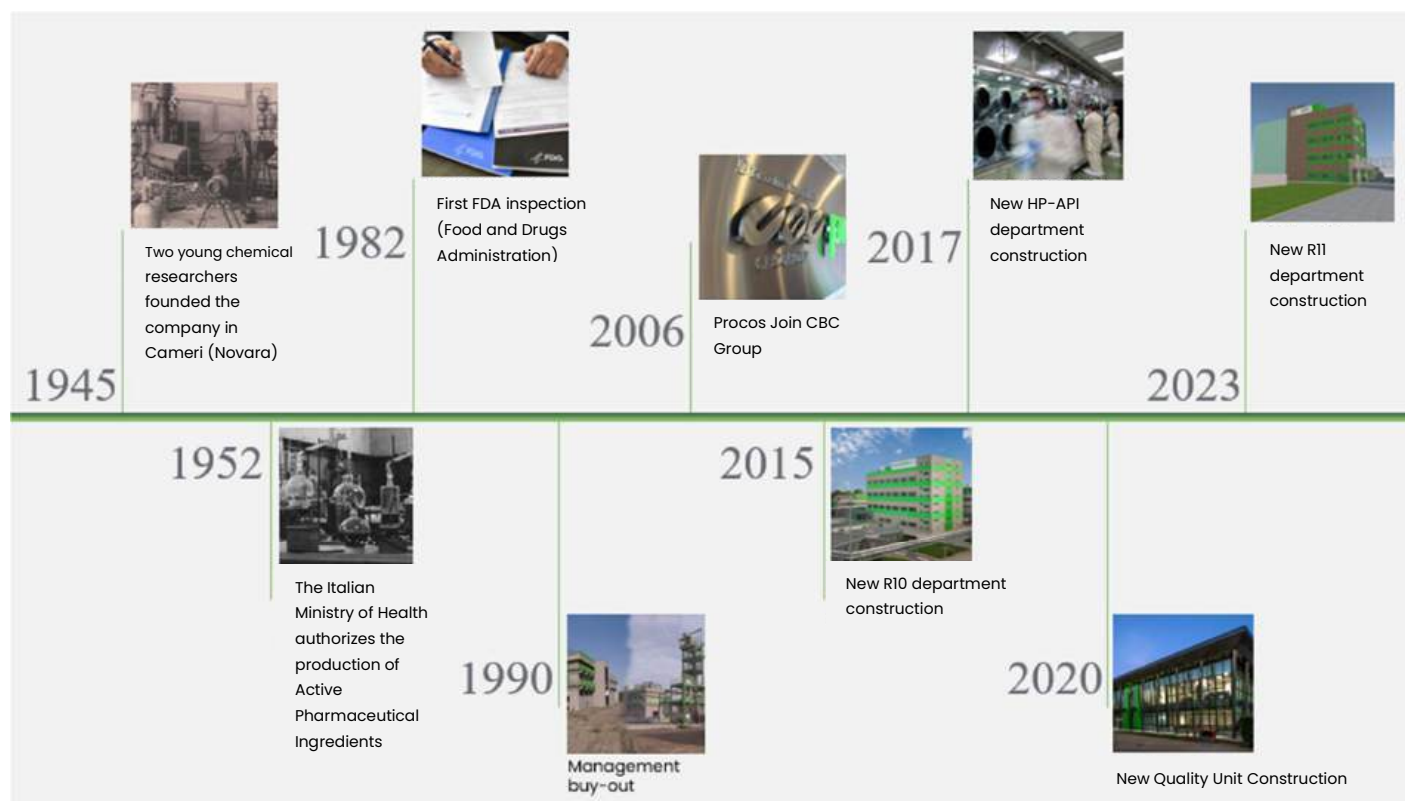
In 2006, the Company was acquired by the Japanese multinational CBC Co Ltd based in Tokyo, which planned a substantial investment plan, not only aimed at improving production flexibility, but aimed at modernizing the plants and increasing performance related to the environment and safety.

In 2014, a phase of expansion and expansion of the plants began with the construction of the most impressive building, called R10, which will come into operation the following year.

In 2017, the company created a new department called R-HP, dedicated to the production of highly active anticancer ingredients. It consists of advanced systems with very high containment capacities, to guarantee the protection of the health and safety of workers and the environment. The unit consists of both dedicated Research and Development and Quality Control laboratories, as well as 4 production units equipped with the most modern equipment in terms of technology and containment.

In 2020, the new facility dedicated to the Quality Unit was built, where the monitoring and quality control of all products takes place to ensure compliance with the highest standards and regulatory compliance.

In 2023, construction began on the new production department called R11, which will be completed, in its phase one, in 2025 and which, with positive market feedback, will see its completion by 2030, increasing total production capacity by 25%.



1.2 Mission Values

The **Mission** of Procos

"Through the constant growth of the Company, we contribute to the lasting prosperity of our employees and their families as well as to the prosperity of the community by complying with laws and regulations, and protecting the environment, with a strong sense of responsibility and mission."

In the field of production, the company's mantra is to always seek **customer satisfaction**, **sustainable growth** and **continuous improvement**.

The **values** that inspire this commitment are the following:

- Initiative, motivation, determination and passion lead to sustainable growth;
- Constant commitment to environmental protection and compliance with safety standards;
- Constant search for new challenges to build the future, without resting on past achievements;



- Aim to increase its market share in the international arena, bringing mutual prosperity to customers and the Company.



"To fully understand our daily work, we have to imagine witnessing the preparation of a Formula 1 race. In this sense, the start of a production campaign is comparable to the set-up of a racing car which, in order to have excellent performance, must be taken care of in every single detail: starting from the chemical process, first studied and optimized by a team of researchers and technologists, to get to the safety analyzes and finally to the actual preparation of the plants. Once this phase is completed, the actual production can begin and once it has been completed and verified, we will obtain an Active Ingredient that complies with our customers' specifications.

For us, therefore, working in API production means putting people at the center of our working day. We work to create 360° well-being for both our customers and our collaborators."

Paolo Muttini, Production Director & Claudio Comi, Plant Director

1.3 Activities and Business Model

Prococo operates in the chemical-pharmaceutical sector and specializes in the development, production and B2B sale of **Active Pharmaceutical Ingredients (APIs)**, advanced intermediates, and in the provision of services related to the pharmaceutical industry. The production of APIs for the general market, together with development and processing on an exclusive basis, constitutes the core business of the enterprise, amounting to more than 2,000 tons per year of finished and intermediate products produced.

The trade of APIs takes place both for free sale and on behalf of pharmaceutical companies that entrust Prococo with the synthesis of active ingredients of their property or their intermediates. The research and development laboratory takes care of the study of new syntheses and the development of new processes with highly qualified personnel. The Company supplies its products to pharmaceutical companies, which in turn formulate and/or develop the finished drug and place it on the market after the packaging and marketing phases.

The production plant is in Italy and stands on an area of over 155,000 square meters with a state-of-the-art multifunctional plant, in compliance with the *current GMP (Good Manufacturing Practice)* and is inspected and approved by the main regulatory bodies such as AIFA, FDA and PMDA.



The Company supports a continuous expansion of services thanks to continuous investments aimed at expanding the technological platform and constant training of employees.

A company rooted in the territory, Procos is nevertheless integrated into an international network. Since 2006, the Company has been subject to the direction and coordination of the Japanese company CBC Co. Ltd. based in Tokyo. In addition, it owns 50% stakes in the associated companies Procos USA Inc. and PRC Ticinum Lab S.r.l. In addition, the Company relies on structures from a commercial point of view that are delocalized to the most strategic markets, such as the USA, Europe, India and Japan.





2. COMMITMENT TO SUSTAINABILITY

2.1 Procos' Sustainability Path

"In our vision of sustainability, we think that one of the prerogatives is to ensure a long-term competitive position, linking economic results to the achievement of environmental and social targets and following a shared model on a large scale, which can be the reference point for all operators along our value chain."

With a view to sustainability, the Company was among the first members to take part in **"Responsible Care"**,⁴ i.e. the voluntary program for the promotion of Sustainable Development, which supports companies in the chemical sector in their environmental, social and economic development paths. Procos also implemented the environmental management system in 2001 (ISO 14001), the health and safety management system in 2012 (previously OHSAS 18001, ISO 45001 in 2020) and, in 2016, also the Organization, Management and Control Model pursuant to Legislative Decree 231/2001⁵.

To align with the requirements introduced by the European CSRD Directive⁶, the Company commissioned a study on its ESG positioning and underwent, at the same time, a *gap* analysis in relation to key sustainability areas. Thanks to these activities, it was possible to develop Procos' **Sustainability Plan** (hereinafter also referred to as the "Sustainability Path", or "*ESG Plan*"), containing specific objectives and improvement initiatives, which will be approved by the Board of Directors during 2025.

To oversee the correct implementation of the actions outlined in this plan, Sustainability **Governance has been developed**, which defines the following roles related to *ESG functions*:

- The **Chief Executive Officer** is responsible for approving the disclosure and the Sustainability Plan and ensuring an administrative/organizational structure for the management of *ESG issues*;
- The **Sustainability Representatives** for each "*Business Unit*" collaborate with the *Sustainability Manager* for the collection, consolidation and reporting of sustainability information.
- The "**Sustainability Manager**", whose formalization is expected shortly, will be responsible for identifying and planning the initiatives envisaged by the Sustainability Plan, as well as monitoring ESG objectives and regulatory updates on the subject. The function will operate in the direct support of top *management*, ensuring strategic and continuous oversight of sustainability issues.

In addition, the Company has also implemented important practices in the field of supply chain management through the adoption of the **"Responsible Supply Chain Management Policy"** (hereinafter also the "RSCM Policy") and the **"Supplier Code of Conduct"**. In this way, Procos has

⁴ More information on this can be found at the following link: [Responsible Care the chemical industry's commitment to sustainable development](#)

⁵ More information on this can be found in the "Internal control and risk management system" section of the Sustainability Report in question

⁶ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: <http://data.europa.eu/eli/dir/2022/2464/2022-12-16>).



defined internal processes and *policies* for responsible management of the supply chain, as well as intervention measures in the event of non-compliance with the Code of Conduct by suppliers.

The adoption of these *governance* tools is also a fundamental element in the *social* sphere, as it invites the recipients of the RSCM Policy to commit to ensuring a safe, healthy and inclusive working environment for their employees. This implies compliance with conditions that protect the rights of every worker, including the guarantee of reasonable working hours, adequate remuneration and the absence of any form of discrimination, be it based on gender, age, religion, sexual orientation, disability, ethnic origin or social status. Suppliers, in accordance with the "*Responsible Supply Chain Management Policy*", are required to operate according to high ethical and transparency standards, monitoring the traceability of supplies and the adoption of ethical business practices along the supply chain. In this context, it is good to consider that some Procos suppliers come from countries with different local regulations, as well as different economic and social situations, for this reason the acceptance of the RSCM Policy, the Code of Conduct and the constant monitoring of their compliance are essential to ensure that, even in the absence of local laws, human and labor rights are protected.

As far as the environmental dimension is concerned, Procos has implemented a *Carbon Management* path aimed at quantifying and managing its greenhouse gas emissions along the value chain. This process, which began in 2023, was based on recognized international standards, including the GHG Protocol, to ensure maximum transparency and alignment with global best practices.

Procos has also drawn up a detailed inventory of the materials imported by the Company, to detect its lawfulness with respect to the **CBAM** (*Carbon Border Adjustment Mechanism*) regulations. This analysis is part of a systematic approach to monitor and reduce the overall environmental impact, in a global context that is increasingly attentive to sustainability and emissions regulation.

Please refer to the "Environmental Protection" section of these Reports, which reports in detail the data that emerged during the performance of these analyses. Procos' commitment in terms of "*Climate Action*" has resulted in the signing of the *Commitment Letter* to the **Science Based Target Initiative**⁷ during the year 2024.

Finally, the Company has adopted the **ESG** (*Environmental, Social and Governance*) Policy, a document that defines the values and principles that guide the Company's daily *modus operandi* and its constant commitment to 360-degree sustainability issues.

2024 was therefore a decisive and fundamental year for Procos' sustainability journey, marking a significant turning point in the achievement of environmental, social and governance objectives. The Company has worked in various areas to actively involve its employees, partners and suppliers, creating an environment of collaboration that pushes towards the adoption of sustainable practices throughout the value chain, contributing to the promotion of an inclusive and responsible approach, which considers environmental impacts, but also the social and economic needs of the communities in which it operates.

⁷ Ambitious corporate climate action - Science Based Targets Initiative



2.2 The Framework for a Responsible Supply Chain



Prococo recognizes the value of 360-degree collaboration and the strategic importance of its suppliers for the success of its business and in achieving *ESG goals*. For this reason, it is committed to working with suppliers who guarantee high ethical standards on several levels, from health and safety at work, to environmental protection, from respect for human rights to regulatory compliance.

It is also aware that the value chain can represent a source of potential negative impacts, given the intrinsic characteristics of the sector and the reference business that sees the involvement of strategic partners in different geographical areas.

In 2024, Prococo adopted the **Responsible Supply Chain Management (RSCM) Policy** and the related **Supplier Code of Conduct**, which, together with the **Code of Ethics** (hereinafter also the "Code") already in force, formalize the ethical, social and environmental principles and values defined to guide the behavior of suppliers in the field of sustainability.

The RSCM Policy is inspired by international reference initiatives, including the Sustainable Development Goals of the United Nations 2030 Agenda and the 10 Principles of the Global Compact.



This document defines the principles that Procos' suppliers must adopt and respect. The monitoring of the Policy is entrusted to the Sales Director for the purchases of raw materials and logistics respectively, while it is entrusted to the Plant Manager for the purchase of technical materials. The Policy is disseminated both internally, to the departments involved in purchases and more generally is made available to all employees through the company intranet, and externally, through publication on the official Procos website. The image below shows the principles contained in the Policy.

Procos' foundations for a responsible supply chain

-  Respect for the environment and fight against climate change;
-  Responsible use of natural resources;
-  Responsible management of chemicals;
-  Protection of human rights;
-  Health, safety and decent work;
-  Inclusion and equal opportunities;
-  Ethics, transparency and compliance;
-  Respect for privacy.

The **Supplier Code of Conduct** sets out the guiding principles of environmental, social and governance responsibility that must be adhered to by all suppliers in their activities. This Code is an essential tool to ensure transparency and compliance with the principles of quality, ethics and sustainability by the entire Procos supply chain, including suppliers, subcontractors, logistics partners, consultants and service providers. The Company therefore requires that all its employees strictly comply with local and international standards, also engaging in environmental protection, human rights protection and ensuring safe working conditions.

Both the RSCM Policy and the *Supplier Code of Conduct* are made available to suppliers through the company website and are considered tacitly accepted at the time of execution of the supply and/or service requested. The Code of Ethics, on the other hand, is made to be signed by suppliers during the initial qualification together with the documents of the quality assessment. In addition, to ensure that its suppliers comply with ethical, environmental and social values, Procos has defined a management process divided into four main phases.



The first phase concerns the **mapping of ESG risks**, in which the main sustainability-related critical issues along the supply chain are identified. This step makes it possible to identify the most sensitive areas and to define targeted strategies for their management.

This is followed by the **qualifications of suppliers**, which involve filling out an annual self-assessment questionnaire. Through this tool, suppliers are required to provide detailed information on their ESG certifications, the inspections to which they are subject, and the policies adopted to ensure safety, environmental protection and respect for human rights. Data on energy efficiency, the use of renewable energy, waste and water management, pollutant monitoring and the use of recycled materials are also required. Particular attention is also paid to social aspects, such as equal opportunities and safety at work, to ensure that suppliers operate in full compliance with international and local standards.

The third phase concerns **monitoring and audits**. In addition to periodic checks on quality and HSE aspects, Procos conducts audits on a selected group of raw material suppliers, identified based on the mapped ESG risk and their strategic relevance for the Company. These audits make it possible to concretely verify adherence to the principles enshrined in the **Supplier Code of Conduct** and the **RSCM Policy**, ensuring the constant alignment of the supply chain with Procos' ethical, social and environmental standards.

Finally, the responsible supply chain management process is integrated into an internal management system, which includes **training programs for staff**. Employees of the Procurement department and Business Units involved in supply chain management participate in ESG training courses.

These mechanisms allow the Company to select suppliers that are as aligned as possible with the standards that Procos is committed to maintaining towards customers and its *stakeholders*, in line with its *ESG* objectives. The Company therefore guarantees mutual collaborations with its suppliers and business partners to establish relationships of trust in the short and long term and to promote transparent and responsible procurement.

In the years to come, it aims to increase cooperation with suppliers to identify and reduce its environmental and social impacts.



3. GOVERNANCE ESG

3.1 Governance of Procos S.p.A.

The Company's *corporate governance* system is structured into different bodies and roles, each with specific responsibilities and duties clearly defined.

The Shareholders' **Meeting** has the task of deliberating important matters, both in ordinary and extraordinary sessions, in accordance with the law and the Articles of Association. Among its responsibilities, the Assembly appoints the members of the Board of Directors based on their skills, experience and seniority, giving them the authority to guide and govern the Company.



The **Board of Directors** (BoD), composed of **8 members (2 members with executive positions and 6 members without executive positions)**, constitutes the decision-making and management core of the Company. The Board of Directors holds the power to direct the ordinary and extraordinary activities of the Company, with the sole exception of those reserved exclusively to the Shareholders' Meeting. It meets twice a year for standardized operations and, if necessary, for non-standardized situations, and is responsible for supervising and guiding the company's operations, including the approval of financial statements, the validation of the budget for the following year, the submission of half-yearly reports pursuant to Article 2381 of the Italian Civil Code and Legislative Decree 231/2001 and the ratification of transactions and/or the specific powers of the managing directors, when there is a need. In addition, the Board of Directors is responsible for approving, managing and amending the Organization and Control Model, ensuring regulatory compliance and operational transparency.

Board of Directors					
	Role	Executive Function	Independence	Term	Social Group
Enrico Zodio	Chief Executive Officer			Until approval of 2024 financial statement	
Yoshihiro Furukawa	Chief Executive Officer		X		
Vittorio Veronelli	Director		X		
Kingo Yamashita	Director		X		
Paolo Paissoni	Director				
Shinya Miyairi	Director		X		
Hiroaki Ichii	Director		X		
Tomoji Nakao	Director		X		

The **Supervisory Body** (SB) is made up of two external consultants (the Chairman and the external member, an expert in the HSE field) and an internal member specifically appointed to supervise the implementation of the Model pursuant to Legislative Decree 231/2001, monitor and report any violations or risks of non-compliance. This body is committed to promoting sound business ethics and ensuring compliance with moral values and legal regulations.

⁸ Details of the composition of the Board of Statutory Auditors can be found in Table 18 in the Appendix



the regulations in force. The shares for corporate purposes are carried out by the CEO and the CFO, who are given powers of ordinary and extraordinary administration in relation to these matters.

In addition, an external auditing firm, registered with the Ministry of Economy and Finance, is tasked with performing the accounting audit to ensure the accuracy and transparency of the Company's financial information. Through rigorous processes and thorough methodologies, it ensures that financial statements truthfully reflect the Company's financial situation.

The various Business Units have function directors⁹, who report to the Chairman of the Board of Directors on the performance of the various activities. The Company's management is constantly informed and participates in the control processes of the application of governance procedures, in addition, at least one sustainability contact person has been identified for each function who transfers the specific information relating to the reference function. The operational management of the Company is entrusted to the CEO, the highest executive of the organization, as well as the person responsible for monitoring the impacts, risks and opportunities of the Company. The CEO, operating according to the ethical values defined in the company's Code of Ethics, guides the Company towards success and excellence, also in relation to Sustainability issues. He is personally involved in the drafting and preparation of the Sustainability Plan and Policies, takes part in the materiality analysis, reviews documents such as the Sustainability Report and decides on potential *ESG initiatives* to be proposed to the Board of Directors. The CEO is also responsible for directly informing the officers of the parent company CBC Co., Ltd., who are also part of the Board of Directors.

Regarding the frequency of meetings of these bodies, the Board of Directors meets regularly to discuss and deliberate on important corporate issues, an opportunity in which an update on the progress of the Company's Actions and Policies is also provided. The independent auditors, the Board of Statutory Auditors and the SB periodically submit reports on the progress of the controls carried out, highlighting any critical issues and opportunities for improvement. Finally, the Head of the Prevention and Protection Service (RSPP) updates managers annually on the results of the inspections and the achievement of *HSE (Health, Safety and Environment) objectives*.

⁹ Details of the composition of the Management Body are shown in Table 19 in the Appendix



3.2 Ethics and Integrity



Prococo firmly believes that business management in line with the principles of economic, social and environmental sustainability must necessarily be based on an ethical approach to business activity. Fairness, transparency, accuracy and respect for people, the community and the environment are the moral values in which the Company believes and in which it identifies. In fact, as in past years, the Company was not subject to any type of sanction or conviction for violation of laws against active and passive corruption in 2024, reflecting adherence to the principles.

As early as 2016, Prococo defined the set of these principles, values and rules of managerial and corporate conduct within its **Code of Ethics**, which is strongly aligned with the fundamentals of the CBC Group. Implemented as a self-regulatory tool, the Code is based on the ethical and social values in which it believes, formalizes a series of principles that the Company places at the basis of its daily work in all areas. The Code sets out rules of conduct and accountability that all parties involved with the Company, including employees, suppliers, distributors and business partners, are required to abide by. For this reason, by making it available on the company website, it is shared with all suppliers and is considered tacitly accepted upon acceptance of the purchase order and performance of the service and is delivered to all employees at the time of hiring, so that they can view it and undertake to comply with its principles. The corporate culture, based on compliance with regulations and ethical conduct, is shared with all staff from the moment they join the Company. In addition, Prococo periodically trains employees about the contents of Model 231 and provides updates on any changes to company policies.

In addition, to protect, facilitate and encourage those who wish to report possible non-compliant, illegal or unethical behavior within the organization, without fear of retaliation, the Company has adopted a *Whistleblowing*¹⁰ procedure. This procedure regulates the management of reports sent by employees, collaborators or other third parties, the channels and methods by which the parties can

¹⁰ The term "Whistleblowing" refers to the practice of reporting illegal, misappropriate, or harmful behavior within an organization such as fraud, corruption, or general violation of the law.



make them and the protections to guarantee the Whistleblower. It guarantees the anonymity and confidentiality of the whistleblower and offers both internal and external channels for submitting reports accessible to all those who work in relation to the Company. There is a third-party platform available, accessible in 20 different languages and which also offers the possibility of private meetings with the whistleblowing manager. In addition, the channel made available by the National Anti-Corruption Authority (ANAC) is indicated on the company website.

In 2024, Procos adopted the **ESG Policy** to consolidate the company's sustainability principles and objectives, including governance, into a single document. This policy reflects the Company's commitment to reducing its environmental impact, through energy efficiency, responsible waste management and the sustainable use of natural resources. It also places the well-being and safety of employees at the heart of its strategy, ensuring an inclusive and stimulating work environment. Finally, governance is structured to ensure transparency, accountability and alignment with the best international standards. Procos plans to develop additional sustainability policies by 2026, in line with the Company's continuous evolution on these issues.

The Code of Ethics and the policies adopted are available to employees via the company Intranet, as well as accessible to the public in the "Sustainability" section of the company website. The implementation of policies is the direct responsibility of the CEO, with the aim of extending their effectiveness throughout the value chain, without geographical limitations. Procos is committed to maintaining collaborative relationships with its stakeholders, promoting transparency, mutual trust and continuous dialogue, always based on the principles of integrity and fairness.

The Policies adopted intend to extend their effectiveness to the entire value chain both upstream and downstream, without limitations in terms of geographical areas. The Company is committed to maintaining relationships of fruitful collaboration with its stakeholders, based not only on satisfying their needs, but also on maximum transparency and trust, promoting integrity and fairness, encouraging a continuous, mutual and clear dialogue.

3.3 The Organization, Management and Control Model Legislative Decree No. 231/2001

The Code of Ethics and the *Whistleblowing* procedure are part of a body of internal rules aimed at disseminating a corporate culture based on ethics and transparency, as well as on the management and prevention of potential negative impacts.

This set of rules form the Organization, Management and Control Model that Procos has adopted since 2016 and drawn up in accordance with Legislative Decree No. 231/2001.¹¹ The Model analyses the individual offences that are part of the scope of application, verifies their applicability to the Company and defines their boundaries, implementing or improving the safeguards already in place. In addition, it aims to provide guidance for all operating subjects, prevent the commission of crimes, avoid any unlawful conduct and dissuade any behavior contrary to the principles that Procos has

¹¹ The Code of Ethics, the general part of the Model 231, the link to access the Whistleblowing portal are all accessible on the Procos website.



established in its Code of Ethics and that it undertakes to respect. The supervision of compliance with the Model and the principles established in the Code is entrusted to the Supervisory Body (SB) of the Company, which is responsible for verifying the correct adoption and effective implementation of the Model itself through periodic audits and through the information that is shared by the various company managers and relating to specific control areas. This body has been appointed in accordance with the Decree and is autonomous, independent and competent in the field of risk control related to the specific activity carried out and the related legal aspects. Periodically, the company representatives of the various activities meet with the SB and share with them the information flows containing the KPIs identified for the main activities considered sensitive in relation to the predicate crimes. During the meetings, the SB analyses the data received and expresses a professional opinion on the content and relevance of the information contained therein. Each meeting of the SB is recorded in a special register and the content of the meeting is formally reported to the highest governing body through an official report every six months.

In addition, SB is responsible for managing reports as part of the *Whistleblowing* procedure. This mechanism provides that within seven days of the report, the receipt to the whistleblower is confirmed and that, subsequently, an internal investigation is launched to verify the facts reported. Within three months of receiving the communication, an external Team, on the recommendation of the Whistleblowing Manager, provides a response, guaranteeing the confidentiality of the investigations and results. During the 2024 fiscal year, no incidents of corruption were ascertained or reported, nor was the Company involved in legal action. The reports and related information are stored in a special database, access to which is allowed only to the external Team, the Reports Manager, or the subjects delegated by it. The retention period, as defined by the Register of Processing pursuant to Article 30 of the GDPR¹², is equal to the time necessary to process the report and, in any case, no later than five years from the date of communication of the final outcome of the reporting procedure, pursuant to Article 12 of Legislative Decree No. 24 of 10 March 2023.

The culture of compliance with the rules and ethical conduct is promoted from the moment of hiring, when all personnel are given the Company's Code of Ethics. In addition, the Company periodically organizes training sessions on the contents of the Model 231, especially in the event of significant changes, such as the updating of the offences envisaged by the Model or structural changes in the Company.

In these circumstances, the training is provided to all employees, mainly online, and integrates general information on Legislative Decree 231/2001 with a focus on relevant updates and company specificities. In 2024, unlike 2023, the year in which training on anti-corruption and anti-bribery issues was extended to all employees, this activity was not carried out. The main reason for this choice lies in the absence of significant organizational changes compared to the previous year.

¹² The **Register of Processing**, provided for by Article 30 of Regulation (EU) 2016/679 (GDPR), is a tool that guarantees transparency and accountability in the processing of personal data. It is a document that must be maintained by data controllers and processors to describe the processing activities that are carried out, as part of the reporting obligations under the GDPR, the General Data Protection Regulation.



3.4 Internal control and risk management system

Prococo is aware that the detection, assessment, management and monitoring of risks, including non-financial risks, are essential for the proper functioning of business activities. For this reason, it seeks to track all potential risks that affect its value chain and that could, when they occur, have a negative impact on the Company's business and its *business continuity*.

In 2000, Prococo was in fact equipped with a Safety Management System for the Prevention of Major Accidents (abbreviated PIR), according to the provisions of the then current Legislative Decree 334/99 and subsequent amendments and additions and current Legislative Decree 105/2015, and an Environmental Management System (abbreviated EMS), certified according to the UNI EN ISO 14001 standard, while, starting from 2012, it has also equipped itself with a Health and Safety Management System at work, first certified according to OHSAS 18001 standards and then UNI EN ISO 45001: the set of three systems is called SGAS-PIR. These systems enable the organization to proactively identify, assess and manage environmental impacts and occupational safety and health risks in order to improve overall performance and promote corporate sustainability.

The SGAS-PIR are verified on an annual basis by external staff: of the certifying body, which carries out dedicated visits to ascertain compliance with environmental protection standards and health and safety protection standards, while a specialized company carries out the compliance audit of the PIR system.

Internally, the compliance and effectiveness of the systems is controlled and guaranteed by inspections conducted by appropriately qualified personnel. They are carried out based on an annual plan, which is prepared by the SGAS manager and approved by the Management. For the planning of audits, the importance of the activities carried out and/or the sector to be audited, the critical issues detected in previous audits and the non-conformities specific to the area are considered.

In accordance with Legislative Decree 81/08 as amended, Prococo has also consolidated the process of assessing risks to the health and safety of workers. This process involves a systematic analysis of each activity to identify any critical issues and implement the necessary preventive and/or protective actions. The aim is to reduce risks and improve health and safety levels in the workplace.

In general, the Environmental and Safety Management System control group has the task of periodically assessing trends and critical issues relating to environmental aspects, worker safety and the prevention of major accidents, identifying and directing any corrective and preventive actions.

These activities are also accompanied by numerous *Standard Operating Procedures* (SOPs) that outline the company procedures for the management of potential negative impacts in terms of Health, Safety and Environmental Protection and in relation to the Quality of products. Using the guidelines on which the certifications held by the Company are based, Prococo is committed not only to compliance with current regulations, but also to the formulation of specific improvement targets and the pursuit of the interventions and actions that derive from them. In the same vein, the Company



recognizes the high importance of ESG issues for all activities and the fundamental need to incorporate the assessments related to them into traditional business management systems.

3.5 ESG Certifications and Ratings

The Company recognizes the added value of certifications in the process of defining its objectives, measuring its performance, monitoring and daily review of the risk assessment. Currently, Procos is certified according to **ISO 14001** and **ISO 45001** (formerly OHSAS 18001).

ISO 14001 certifies that an organization manages its activities responsibly towards the environment. It is an international standard for environmental management systems that provide guidelines for improving the environmental performance of organizations. It helps identify, monitor, and manage the environmental impacts of activities, helping to reduce the negative impact on the environment and adopting more sustainable practices.

Compliance with ISO 45001, on the other hand, demonstrates that the Company manages the health and safety of its employees responsibly. This international standard applies to occupational health and safety management systems, helping organizations prevent workplace accidents and create safe and healthy working environments.

Procos is proud to have obtained, in 2024, the Bronze Recognition Level from EcoVadis for its sustainability rating. EcoVadis' assessment methodology analyzes the quality of a company's sustainability management system, examining its policies, initiatives, and outcomes, assigning a score on a scale from 0 to 100. In this context, **Procos ranked in the best 35%**, thus obtaining the bronze medal, testifying to its concrete commitment to sustainability.

"Sustainability is not just a goal but a daily commitment that guides our actions, aware that every choice we make has an impact on tomorrow and future generations."

-Sonia Rasi, Chief Financial Officer and ESG Manager

Figure 3. ESG Certifications and Ratings





4. ENVIRONMENTAL PROTECTION

Prococo S.p.A. considers the environment a common good to be respected, safeguarded and managed responsibly. Daily conduct and choices, both at an individual and corporate level, can make a difference, which is why the Company believes in integrating environmental protection policies into the management of its business. Prococo makes every strategic choice in the knowledge that carrying out its activities can cause interactions with the environment and can generate risks for the safety and health of personnel. For this reason, environmental protection plays a central role in the performance of the company's daily activities.

For over 30 years, Prococo has been adhering to Federchimica's **Responsible Care program**, sharing its principles and objectives. **Since 2000**, Prococo has been equipped with a **Safety Management System for the Prevention of Major Accidents** (abbreviated PIR), according to the provisions of the then current Legislative Decree 334/99 and subsequent amendments and additions and current Legislative Decree 105/2015, and in 2001 of an **Environmental Management System** (abbreviated EMS), certified according to the UNI EN ISO 14001 standard, while, starting from 2012, it has also adopted a **Health and Safety Management System at work**, first certified according to OHSAS 18001 standards and then UNI EN ISO 45001: the set of three systems is called **SGAS-PIR**. This system regulates procedures related to the management of chemicals, water resources and waste, as well as the processes for monitoring emissions and consumption of natural resources. The SGAS, together with the **HSE Policy**, defines the principles and actions aimed at ensuring the minimization of environmental impact, constituting the foundation of all company activities.

For the implementation of the SGAS, in 2024, Prococo has updated a context analysis and an activity to identify risks and opportunities according to the various stakeholders involved. The control of the system takes place through written procedures that regulate the manufacturing activities, the management of the treatment plants and the activities of internal supply of services and energy to production. In fact, the Company periodically carries out context analyses and environmental risk assessments, applying written procedures for the control of production activities and internal services. Environmental monitoring includes control of liquid, solid and gaseous emissions, soil contamination and noise levels, with results reported in the **Environment and Safety Report** and in **the Annual Report on the Monitoring Plan**, transmitted to the competent bodies as part of the IEA (Integrated Environmental Authorization). In addition, there are analytical control and measurement systems that allow you to know the emission levels from a qualitative and quantitative point of view. Where, on the other hand, technology is not yet able to provide reliable and secure online analytical tools, environmental surveys are carried out by qualified internal personnel. In this context, each instrument used for environmental monitoring is periodically verified and calibrated in accordance with the provisions of company procedures. The analysis practices carried out by internal staff are instead updated and verified based on the latest technologies and analytical methodologies.

The Company has an HSE Policy that also includes issues related to climate change. However, Prococo has the firm intention of starting a process of integration of this Document through the adoption of a



specific Environmental Policy, with the aim of further strengthening its commitment to the management and reduction of its environmental impact.

To strengthen, on the other hand, the management and monitoring of its environmental impacts, **Prococo carried out its first Carbon Footprint inventory in 2023**, updating it in 2024 and drawing inspiration from the guidelines of the *GHG Protocol*.

At the same time, the Company has launched compliance initiatives **with the European Union's CBAM Regulation**¹³, aimed at ensuring an internal monitoring system for imports of non-EU origin. These measures are part of a broader movement of environmental responsibility, aimed at promoting the adoption of the best available technologies and ensuring full compliance with regulations.

The results obtained to date have confirmed the validity of the choices adopted by the Company, strengthening Prococo's commitment to continue the path taken so far. Prococo will continue to pursue the minimization of environmental impact, committing to adopting the best available technologies, encouraging the responsible participation of all components of the organization and operating in full compliance with current regulations.

The following sections show in more detail the different steps taken in relation to the environment during the year 2024, providing *disclosure* of company data and confirming the Company's commitment to continue, with dedication, its path of sustainable growth.

4.1 Power consumption

Prococo's energy consumption derives mainly from the use of different sources: the natural gas used for heating the workplace, the petrol and diesel used for company vehicles and the electricity purchased from the grid. The Prococo S.p.A. plant, located in Cameri (NO), consists of five independent departments and is equipped with three cogeneration plants (one cogeneration and two trigeneration), powered by methane. These plants produce both electricity and thermal energy, contributing to the company's energy supply.

In 2024, Prococo S.p.A. recorded total energy consumption of 97,740.0 MWh¹⁴, marking an increase compared to 2023, when the total stood at 92,457.6 MWh. This increase of approximately 5.7% is closely linked to the expansion and growth of the Company, which saw an increase in turnover in the year compared to the previous one. However, despite the overall increase in energy consumption, the Company has made significant progress in terms of energy efficiency, as evidenced by the reduction in indirect energy consumption.

¹³ Carbon Border Adjustment Mechanism – European Commission (europea.eu)

¹⁴ The data for 2024 were collected based on the actual consumption of natural gas and non-renewable electricity, derived from the bills provided by the respective energy suppliers. For both years, the consumption of diesel and petrol for transport was calculated based on the liters purchased at roadside petrol stations, as reported in the company invoices. The consumption of diesel for other uses was instead extracted from the Company's SAP management system.



In 2024, **direct consumption**, mainly deriving from the combustion of natural gas, diesel and gasoline, reached 96,541.91 MWh, representing 98.7% of total energy consumption. Compared to 2023, when direct consumption amounted to 90,474 MWh, there is a significant increase of about 6.7%. This increase is mainly attributable to the intensification of the use of natural gas for the company's production and thermal processes, which are the basis of Procos' operations. On the other hand, **indirect consumption**, i.e. electricity purchased from the grid, has decreased considerably. In 2024, this amounted to 1,198.09 MWh, representing only 1.22% of overall energy consumption, compared to 1,983.6 MWh in 2023. This 39.6% drop is due in part to a greater use of cogeneration and in part to the actions taken by the Company to improve **energy efficiency** by reducing the electricity purchased from non-renewable sources. This reflects the adoption of innovative solutions and more efficient technologies, which have made it possible to reduce dependence on external energy. In fact, to assess energy efficiency, the **ratio between total energy consumption and annual turnover** was calculated. This indicator shows an improvement in energy efficiency parameters between 2023 and 2024. In 2023, in fact, the ratio of energy consumption to turnover was **0.00044 MWh/€**, while in 2024 it fell to **0.00040 MWh/€**, confirming a positive *trend*. This reduction is the result of concrete actions taken by Procos to reduce its environmental impact and optimize energy consumption.

Table 1. Energy consumption

Energy Carrier (MWh)	2023	2024
Gasoline consumption	10,6	23,5
Diesel Consumption	223,1	203,1
Diesel consumption	52,5	63,4
Natural Gas Fuel Consumption	90.239,83	96.251,95
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	1.983,6	1.198,09
Total Energy Consumption (MWh)	92,509.7	97.740

4.2 Greenhouse Gas Emissions Inventory

In line with the energy efficiency objectives outlined in the company's HSE Policy, Procos has implemented a greenhouse gas (GHG) emissions monitoring system with the aim of quantifying the environmental impact of its activities and identifying mitigation strategies. The quantification of greenhouse gas emissions was carried out according to the guidelines of the **GHG Protocol**¹⁵, adopting a standardized methodology that ensures consistency and comparability of the data. The analysis examined the main energy carriers used by Procos for energy production, including natural gas, diesel, gasoline, diesel and purchased electricity.



The calculation considered direct emissions (**Scope 1**), deriving from sources controlled directly by Procos, indirect emissions from purchased energy (**Scope 2**) and indirect emissions along the value chain (**Scope 3**).¹⁶

In 2024, Procos S.p.A.'s total emissions amount to **182,863.85 tCO₂e**, the sum of direct Scope 1 emissions, indirect Scope 2 emissions calculated with the *market-based* approach and Scope 3 emissions. If we consider the *location-based* approach for indirect Scope 2 emissions, the total is equal to **182,572.23 tCO₂e**.¹⁷ In 2023, this value was **146,613.89 tCO₂e**.

Scope 1 and Scope 2 emissions

Scope 1 **emissions** include direct greenhouse gas emissions from sources under the Company's direct control, such as the combustion of fuel in company vehicles or emissions generated by cogeneration plants.¹⁸ This figure for 2024 amounts to **18,195.09 tCO₂e**, while for 2023 it was 16,520.01 tCO₂e.

Table 2. Scope 1 Summary

Direct GHG emissions – Scope 1 – tCO ₂ e		
Energy carrier	2023	2024
Natural gas	16.237,60	17.634,62
Refrigerant gases	210,38	487,85
Diesel fuel for transport	56,04	50,80
Diesel (used other than automotive)	13,35	15,97
Petrol for automotive	2,65	5,86
Total	16.520,01	18.195,09

Scope 2 **emissions**, on the other hand, concern indirect emissions from electricity, steam, heat and refrigeration purchased from external suppliers and used by the organization. Although these emissions are generated outside the Company's direct boundaries, they are closely linked to its energy consumption.¹⁹ For the calculation of Scope 2 emissions, the GHG Protocol provides two methodologies:

¹⁶ To ensure uniformity in the units of measurement, energy consumption was converted into MWh using the conversion factors published in the DEFRA 2023 and DEFRA 2024 (UK Department for Environment, Food and Rural Affairs) reports. Emissions were then expressed in tons of CO₂ equivalent (tCO₂e), applying the specific emission coefficients for Scope 1, Scope 2 and Scope 3, which are illustrated in the following sections.

¹⁷ The following paragraphs provide a detailed explanation of the difference between location-based and market-based approaches.

¹⁸ For the calculation of Scope 1 emissions, official emission factors were used, which represent the amount of greenhouse gases emitted for each unit of activity, from nationally and internationally recognized sources. In particular, the emission factors provided by ISPRA and the IPCC were used for Italy, while those published by DEFRA in 2023 and 2024 were adopted for the United States. Sources: [Environmental Indicators Database | Environmental indicators](#); [EFDB – Documents](#); [Greenhouse gas reporting: conversion factors 2023](#); [Greenhouse gas reporting: conversion factors 2024](#).

¹⁹ For the calculation of Scope 2 emissions, the official emission factors for Italy (ISPRA and IPCC) and the United States (DEFRA 2023 and DEFRA 2024) were used. Sources: [Environmental Indicators Database | Environmental indicators](#); [EFDB – Documents](#); [Greenhouse gas reporting: conversion factors 2023](#); [Greenhouse gas reporting: conversion factors 2024](#).



- **"Market-based" approach:** it considers emission factors defined on a contractual basis with electricity suppliers.
- **"Location-based" approach:** it uses average emission factors related to the national energy mix.

Table 3. Energy consumption

In 2024, **market-based Scope 2 emissions amounted to 599.04 tCO₂e**, compared to 906.52 tCO₂e in 2023. **With the location-based approach, on the other hand, Scope 2 emissions in 2024 amounted to 307.43 tCO₂e**, down from 514.33 tCO₂e in 2023.

Greenhouse Gas Emissions – Scope 1 and Scope 2 – tCO ₂ e	
Scope 1	2024
Energy carrier	
Natural gas	17,634,62
Refrigerant gases	487,85
Diesel for transport	50,80
Diesel (used other than automotive)	15,97
Gasoline for passenger cars	5,86
Total Scope 1	18.195,09
Scope 2 – Location Based	
Energy carrier	
Heat	-
Electrical energy	307,43
Total Scope 2 – Location Based	307,43
Scope 2 – Market Based	
Energy carrier	
Heat	-
Electrical energy	599,04
Total Scope 2 – Market Based	599,04



Scope 3 emissions

Scope 3 **emissions** include all indirect emissions generated along the Company's value chain, resulting from activities such as the production and transport of raw materials, as well as the disposal of finished products. For 2024, the calculation was made by selecting relevant categories based on their significance and data availability.

Total **Scope 3 emissions for Procos S.p.A. in 2024 amounted to 164,069.71 tCO₂e**, with the **purchase of goods and services** accounting for the largest share (79% of the total, equal to 129,035.15 tCO₂e), followed by **waste disposal** (16%, equal to 26,112.44 tCO₂e). The remaining categories contribute less and are distributed equally among the other residual items.²⁰

Table 3. Scope 3 Categories

Category	Category Description	Methodology	Database
Cat. 1	Purchased Assets	Average-data method Spend-based	ecoinvent 3.9.1 e 3.11 NACE-EEIO Eurostat
	Purchased services		
Cat. 2	Capital goods	Spend-based	NACE-EEIO Eurostat
Cat. 3	Fuel and energy-related businesses (not included in Scope 1 and 2)	Energy consumption	DEFRA 2024 IEA 2024
Cat. 4	Upstream and downstream transport and distribution	Average-data method	DEFRA 2024
Cat. 5	Waste generated by operations	Average-data method	DEFRA 2024
Cat. 7	Employee commuting	Average-data method	DEFRA 2024
Cat. 9	Downstream transport and distribution	Average-data method	DEFRA 2024

In 2024, Procos also took the first step towards a decarbonization journey by joining the **Science Based Targets Initiative (SBTi)**, submitting a letter of commitment to setting science-based targets. This step confirms the company's desire to reduce emissions in a measurable way that complies with international standards.

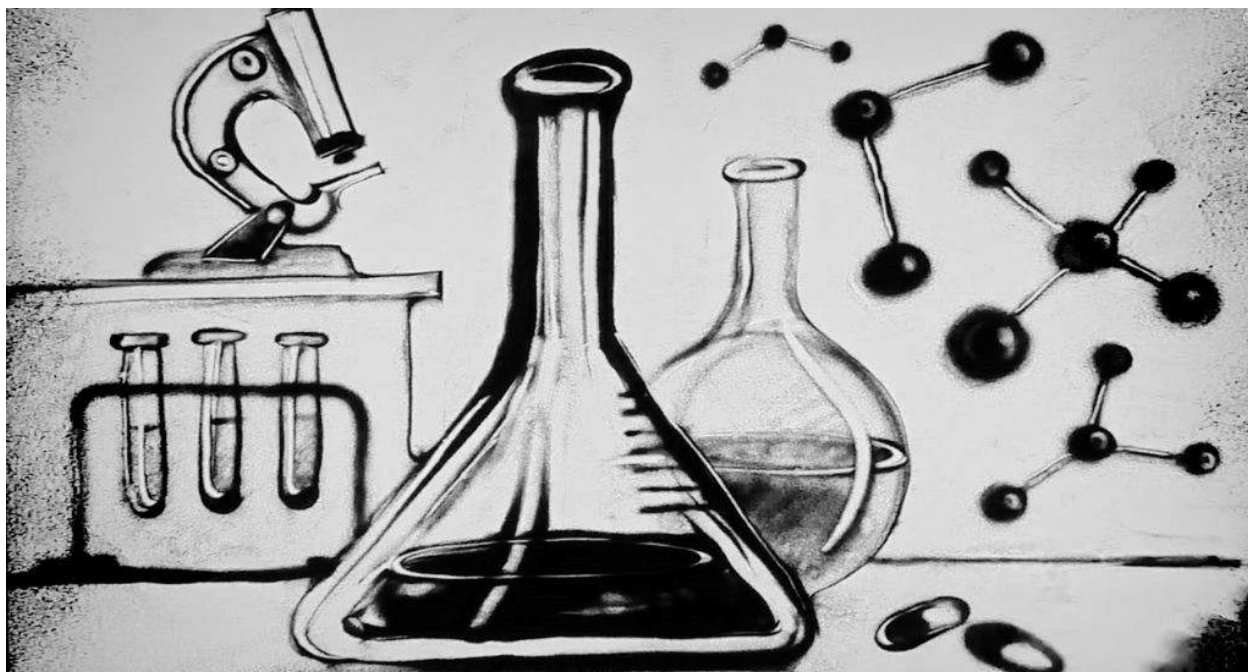
Finally, in the field of sustainable mobility, Procos has installed **two new charging stations** for electric vehicles, encouraging the use of low-emission cars among employees and visitors. This initiative

²⁰ The methodology for calculating Scope 3 emissions is constantly being refined. An average-data method and spend-based approach has been adopted for the purchase of goods and services with ecoinvent factors 3.9.1 and 3.11. For capital goods, the spend-based methodology with NACE-EEIO Eurostat data was used. Emissions from energy consumption are based on DEFRA 2024 and IEA 2024 factors. Transport (upstream and downstream), the use of company vehicles and employee travel were estimated with average-data method (DEFRA 2024). Waste disposal was calculated using the average-data method (DEFRA 2024). Sources: DEFRA 2024; IEA 2024. Sources: [Greenhouse gas reporting: conversion factors 2024](#); [Greenhouse Gas Emissions from Energy - Data product - IEA](#)



aims to further reduce the environmental impact of transport, supporting the transition to a more sustainable model.

4.3 Responsible Chemical Handling



Procos has always been aware and attentive to the potential impacts and critical issues that can derive from the use of chemicals, as these are the main materials used for its production. The management of these substances and the risks associated with them is of the highest priority for the Company, which takes prompt steps to meticulously ensure compliance with all mandatory regulations on the subject and in some cases also with voluntary ones. Specifically, Procos systematically applies and complies with the provisions of Regulation 1907/2006 (**Reach Regulation**),²¹ Regulation 1272/2008 (**CLP Regulation**)²² and Directive 2012/18/EU (**Seveso-ter Directive**).²³

Procos prepares and presents information on the characteristics of the hazardous substances held every year and shares its performance through the Environment and Safety Report, i.e. the document published on the company website, which describes the characteristics of the plant, production

²¹ The REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Regulation is available at the following link: [1_13620070529it00030280.pdf](#).

²² The CLP (Classification, Labelling and Packaging) Regulation 1272/2008 is available at the following link: [eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008R1272](#).

²³ Directive 2012/18/EU can be found at the following link: [Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC with EEA relevance](#).



activities, objectives and environmental aspects. The Report also includes risk assessment, preventive policies, training actions, accident and emergency management, as well as compliance with occupational safety regulations.

Knowledge of chemical agents is also a fundamental element for the company for conscious handling. For this reason, from the research and development stages, it is essential to collect detailed information on the molecules involved, through bibliographic studies, simulations or the advice of experts in toxicology.

In 2024, Procos implemented a series of actions aimed at reducing its environmental impact in relation to air, water and soil pollution. For example, it has implemented advanced treatment plants for gaseous effluents and polluting liquids, following and meeting the executive requirements of *Best Available Technology* (BAT). These actions testify to Procos' proactive approach and determination to reduce pollution through the gradual elimination of impacting materials or compounds, while respecting the application of BATs.

The Company has also chosen to continue monitoring, collecting and managing data on substances of concern and substances of very high concern, or also known as *Substances of Concern* (SC) and *Substances of Very High Concern* (SVHC) respectively. In the case of **substances of concern**, the total amount generated, used in the production process or purchased, was 5,933,442 kg in 2023, **with a significant reduction in these hazardous substances in 2024, reaching a total of 5,359,940 kg**. Positive signs are also observed in the context of SVHCs. In fact, compared to 2023, when a quantity of 566,766 kg was recorded, **in 2024 there is a total of 539,637 kg, a decrease of -4.79%**. Reducing the use of these extremely hazardous substances is of paramount importance considering the serious risks to human health and the environment that these substances can generate.

To obtain an even more precise categorization, based on the characteristics described above, Procos analyzed the quantities of chemicals managed, as well as the growth and decrease trends for the period 2023-2024. In this context, the Company has also specified for each substance the chemical nomenclature to which it belongs, the type (i.e. the distinction between SC or SVHC), the hazard class and the destination, reporting whether it has been generated and used during the production process or whether it has left the production plant in the form of a product. It is also specified that Procos does not have direct control over all substances of very high concern, as these substances derive from the synthesis methods adopted and indicated by customers, who are the owners of the molecules produced. As a result, the use of these substances depends on the decisions and processes of the customers, over which the Company has no direct authority.

Internally, Procos has the Safety Management System for the Prevention of Major Accidents (abbreviated SGAS-PIR), ²⁴ which is certified according to the UNI EN ISO 45001 standards and includes auditing procedures, management of complaints, objectives and targets related to the issue in question. The SGAS-PIR regulates the introduction of *Chemicals* into the Company and their handling from the storage phases to use and disposal. To prevent accidental occurrences during the

²⁴ More information on internal controls can be found in the "Internal control and risk management system" section of the Sustainability Report in question.



execution of product synthesis, each reaction step is previously experimentally investigated on a laboratory scale, to ensure intrinsically safe conditions within the plant.



The SGAS-PIR also provides for the conscious management of chemical products through the provision of training courses organized for all personnel involved in the handling of chemical agents, with specific in-depth studies when the characteristics of reactivity and/or toxicity require it. Based on the constant risk of danger of substances, the Company has strengthened the loading and unloading systems of *Chemicals*, improving the degree of containment and reducing the extent of any worker

exposure. In addition, the plants have, for each station, systems for the detection of hazardous substances connected to local alarms from which emergency procedures can be activated.

Each company function has a manager who assesses the impacts in his field of operation, subject to the regulations. The Chief Executive Officer and the *Qualified Person*, i.e. the figure responsible for ensuring compliance with quality regulations, are responsible for supervising the management of the organization's impacts. In addition, by virtue of a highly regulated and constantly evolving regulatory context, both at national and European level, Procos ensures that the *company's know-how* is constantly growing and that the safety culture is evenly distributed among the various departments (internal, production and service). All this is also made possible through continuous collaboration between the *internal R&D and HSE teams* in the field of safety investigations. In addition, the Company remains constantly updated on the negative impacts of accidents in similar production sectors and the measures available to effectively control the risks induced by the presence of hazardous substances, especially through specialized publications.

The negative impacts applicable to the company are typically and intrinsically potential as, only in very particular cases and relegable to accidental events, these can occur. Some examples of significant negative impacts can be the environmental release of toxic substances, prolonged exposure of workers to harmful substances, or accidents resulting from incorrect or unregulated use of substances. The time horizon of the occurrence of the consequences related to potential negative impacts can vary from the short term (e.g., an accident that causes a sudden event) to the long term (e.g., damage to people's health that could become apparent after years).

The possibility that negative impacts may also occur alongside the value chain is an important factor to consider and is never excluded by the Company. It is necessary to remember that the local ESG regulations applicable to non-EU suppliers can be, and sometimes are, very different from those applicable to the Company. In this context, as described in the previous sections, the adoption of the



RSCM Policy and the Supplier Code of Conduct plays a fundamental role, so that there are safeguards to protect these issues throughout its value chain, in line with the strategy envisaged by Procos' Sustainability Path.

Table 4. Substances of concern and substances of very high concern – main hazard classes (in kg)

Substances of concern [kg]	2023	2024
Total amount of substances of concern generated or used during production, or purchased	5.933.442	5.359.940
Total amounts of substances of concern leaving installations in the form of emissions, products or part of products or services	70.392	103.854
Substances of Very High Concern [kg]	2023	2024
Total amount of substances of very high concern generated or used during production, or purchased	566.766	539.637
Total amounts of substances of very high concern leaving the installations in the form of emissions, products or part of products or services	566.766	539.637

4.4 Water Management

The company production reality of Procos requires a specific supply of water. The management of this is based on responsible use of water resources, which aims both to reduce consumption and to minimize the risks of pollution in water discharges. Within the company there is an awareness that the use of more water than is strictly necessary could lead to an impoverishment of the aquifer. Therefore, Procos is committed to reducing and optimizing water consumption responsibly, including through its reuse.

The waterways closest to the farm include the Zanetti canal, the Terdoppio stream and the Cavour and Regina Elena canals. It should be noted that in the area surrounding the plant, there is no area at risk or sign of high-water stress. As far as water withdrawal is concerned, this takes place exclusively through two separate wells: the first, located at a depth of about 165 m, draws from the third aquifer and feeds the main circuit that serves the wards, the fire-fighting network and civil users. The second well, with a depth of about 30 m, draws from the first aquifer and is used exclusively for irrigating grassy areas. The withdrawn water is used in various business processes: as a raw material in processes, as a cooling agent in evaporative towers, and in steam production in boilers. In addition, it is used both purely and in mixing with foaming agents for fire protection. The remaining part is then destined for human consumption, for food preparation and personal hygiene.

In 2025, with the inauguration of the new R11 synthesis department, a purified water recycling system will be installed, which will allow the water resource to be reused, further reducing the amount of water kept in the tap. In addition, the network purges will be reused as make-up water for the



evaporative towers, thus decreasing evaporation and overall water consumption. To monitor and manage water use, Procos has introduced internal monitoring tools, which calculate and record withdrawals and discharges annually through local indicators, verified monthly through the SAP management system.

Below, in the table, a more precise characterization of the data found from the monitoring of water withdrawals, discharges and consumption, together with their comparison for the period 2023-2024.

Table 5. Freshwater usage indicators (in m3)

Total water consumption	Units of Measurement	2024
		All areas: Water risk areas and Areas of high water stress
Total water withdrawal	m3	199.282
Fresh water (<=1,000 mg/L total dissolved solids)		199.282
Total water drain		168.593
Fresh water (<=1,000 mg/L total dissolved solids)		168.593
Total water consumption		30.689
Fresh water (<=1,000 mg/L total dissolved solids)		30.689

Of the water resources consumed by Procos, a part is disposed of in a mixture with solvents, while the rest is evaporated by cooling towers or condensation and then released into the atmosphere. So far, no significant impacts have been found on the evaporation of water resources into the atmosphere. Other water, after treatment, is discharged into the public sewer system. **Procos' discharges are all regulated according to the parameters established by Legislative Decree 152/06 and subsequent amendments.** Compliance with these standards is essential for the use of the receiving water basin, i.e. the consortium sewerage network that leads to the Acqua Novara VCO treatment plant in Cerano (NO), which in turn discharges into the surface water body.

Procos analyzes the potential negative impacts related to water discharges through **the monitoring plan provided for by the AIA (Integrated Environmental Authorization) DD 150/2021.** These are mainly related to the responsible use of the first and third aquifers. As regards the first aquifer, the amount emitted is entirely distributed on permeable surfaces that return it to the aquifer itself, minimizing the risk of negative impacts. For the third aquifer, on the other hand, a potential negative impact could be its impoverishment, but now there are no significant impacts.



In conclusion, in 2024, Procos maintained its desire to continuously monitor its withdrawals, discharges and consumption, drafting and publishing annually the Monitoring Plan and the Annual Safety and Environment Report published on the company website.²⁵

4.5 Waste Management: Reduce, Reuse, Recycle

Procos' HSE policy commits the Company to reducing the use of natural resources and promoting recycling and/or reuse as a business practice, examining production processes, supply flows and waste disposal to constantly improve the responsible management of its products. However, due to the regulatory and production limits imposed by the Pharmacopoeia²⁶, i.e. the continuously updated reference of standards on the scientific and technological process that regulates the evaluation of pharmaceutical chemicals, sometimes, the internal reuse of waste generated by the Company is limited.

Procos manages its waste with the aim of maximizing recovery. This is achieved through targeted management of liquid and solid waste, aimed at promoting external recovery whenever possible. In addition, as part of its commitment to achieving this goal, the Company focuses on recycling and reducing the use of natural resources. In general, waste is collected internally and divided according to SOP E.02 "Waste Management" company procedure. The determination and classification of waste take place, in accordance with current legislation, considering the waste production processes themselves, the homologation analyses, which are representative analyses of the type of waste, and the classification of waste according to the European Waste Code (EWC). The waste produced in the plant is both solid and liquid, and after this first distinction, it is subsequently divided into the two macro-categories "*hazardous*" and "*non-hazardous*" and, further, into the types "*special*" and "*similar to municipal waste*". Especially:

- **Solid waste like non-hazardous municipal waste** is divided in such a way as to maximize separate collection and, consequently, its recovery. These include materials such as paper, cardboard, scrap iron, wood and plastic.
- **Special solid waste** is collected by differentiating the types to allow, where possible, recovery or, in cases of impossibility of restoration, thermal destruction.

The Company's commitment to waste reduction is manifested, for example, in the adoption of initiatives aimed at reducing the use of plastic. These include, for example, the installation of still or sparkling drinking water dispensers and the provision of reusable aluminum water bottles to each worker, as well as making reusable glass and ceramic tableware available in the canteen.

Liquid waste is also divided into allowing its recovery as much as possible (mainly solvents, but also catalysts), limiting the quantities sent for disposal. Among these, hazardous liquid waste constitutes the most significant part of the total and is sent to duly authorized external plants, favoring the recovery route for solvents, biological disposal for water and, where none of these options is possible, disposal by thermal destruction. Solvents account for most of the waste produced by Procos. For this

²⁵ The Annual Safety and Environment Report is published annually on the company website at the link: <https://www.procos.it/wp-content/uploads/2024/07/Rapporto-ambientale-anno-2023.pdf>.

²⁶ Below is the in-depth link of the ISS - Istituto Superiore della Sanità: [Official Pharmacopoeia of the Italian Republic - ISS](#)



reason, policies have been adopted with suppliers and storage measures have been implemented to allow a separate collection of certain types of solvents. This waste is sent to treatment plants that distill it to regenerate and recover it, to put it back into circulation on the market. Only a small part of these solvent mixtures is not distilled but are still recovered in the form of energy through waste-to-energy. In general, all waste is disposed of in accordance with legal obligations by disposal companies authorized by the national and local authorities in charge, and the Company regularly checks their work.

In 2024, the total amount of waste produced by the Company amounted to 17,665.17 tons. The following tables show, based on the different characteristics of waste, the different uses and specifications for the period 2023-2024, highlighting the trend in waste management and disposal in the relevant period.

Table 6. Classification of waste produced according to destination (in tons)

Type of Waste based on to the final destination	Units of Measurement	2023	2024	Trend 23-24
Waste produced	tone	20.913,28	17.665,17	-16%
Hazardous waste intended for recovery operations		12.246,23	7.727,44	-37%
Hazardous waste intended for preparation for re-use		8.485,59	4.922,37	-42%
Hazardous waste for recycling		-	-	-
Hazardous waste destined for other recovery operations		3.760,64	2.805,06	-25%
Non-hazardous waste intended for recovery operations		97,65	96,86	-1%
Non-hazardous waste intended for preparation for re-use		41,69	61,92	49%
Non-hazardous waste for recycling		-	-	-
Non-hazardous waste intended for other recovery operations		55,96	34,94	-38%
Hazardous waste intended for disposal		7.576,17	8.855,25	17%
Hazardous waste intended for incineration		3.209,48	4.976,89	55%
Hazardous waste destined for landfill		-	-	-
Hazardous waste intended for other disposal operations		4.366,69	3.878,36	-11%
Non-hazardous waste intended for disposal		993,23	985,63	-1%

Non-hazardous waste intended for incineration		-	-	-
Non-hazardous waste destined for landfill		-	-	-
Non-hazardous waste intended for other disposal operations		993,23	985,63	-1%
Non-recycled waste		8.569,40	9.840,88	15%
Percentage of non-recycled waste	%	41%	56%	36%

In 2024, the Company achieved positive results in waste management, with a significant 16% reduction in total production compared to the previous year. There were significant decreases in hazardous waste not intended for disposal (-37%) and in waste intended for preparation for reuse (-42%). In addition, there was a significant 49% increase in non-hazardous waste going to preparation for reuse, a sign of a greater commitment to the circular economy, aligning with the company's goal of maximizing recovery and reducing environmental impact.

Finally, it should be noted that the waste produced is managed internally by the time of delivery. The disposers selected by Procos are represented by companies authorized to operate in the field of waste disposal and their certifications are periodically verified by the *Environmental Unit office*, which manages the administrative aspects. Operational management, on the other hand, is entrusted to the staff of the *Environmental Unit Plants department*. As regards the verification of compliance with the AIA requirements, this is the responsibility of the HSE Manager.

However, it should be noted that the formal step of waste delivery may not coincide with its actual disposal. If the disposer carries out preliminary activities before the final treatment, which takes place at third-party plants, Procos has no control over this final phase of the waste cycle. For each category disposed of, the quantities are determined by weighing and the quantity verified at the place of destination is valid. Each transport is digitally recorded on the *Ecodeskweb* platform, which interfaces directly with the RENTRI platform (National Register of Waste Transporters) which in turn feeds the data necessary for the annual single declaration (MUD) and management audits.



5. THE PROTECTION OF HUMAN CAPITAL AND THE COMMUNITY

Firmly believing that success, both internal and external, derives from the maximum achievement of its staff, the backbone and priority of the Company, Procos dedicates a large part of its investments in its internal resources and their enhancement.

For this reason, it constantly invests in its human capital, promoting an inclusive, safe and participatory work environment, in which diversity and equal opportunities are essential principles and respect for human rights is fully guaranteed. Consultation and active participation of workers, together with continuous training and accident prevention, are key elements of the Company's HSE Policy, aimed at creating a work environment in which everyone can express their potential without discrimination based on gender, culture, ethnicity, religion or political orientation.

In addition to enhancing its internal resources, Procos is aware that the success of a company also depends on the involvement of people and their active contribution to collective growth. Therefore, it encourages collaboration, the sharing of solutions and the achievement of common goals, integrating these principles into its social responsibility initiatives. In addition, through support for social and cultural projects, the Company contributes to the well-being of local communities, providing resources, skills and commitment to sustainable and inclusive growth.



5.1 Occupational Health and Safety



Protecting the health and safety of employees is a key priority for Procos, given the inherently risky nature of its manufacturing activities. For over 20 years, the Company has adopted a **"Safety Management System for the Prevention of Major Accidents"** according to the provisions of the then current Legislative Decree 334/99 and subsequent amendments and additions and currently according to the provisions of Legislative Decree 105/2015. Since 2012, the company has adopted a **"Health and Safety Management System at Work"**, in accordance with the international standard **ISO 45001:2018**. The **SGAS-PIR** System, which also includes environmental management, covers all operations carried out within the production unit and involves all employees (492²⁷), as well as the staff of the contractors²⁸. In addition, the system also establishes criteria for business trips, guest reception, and delivery or receipt of small packages.

The procedures adopted under the SGAS-PIR are designed to **prevent negative impacts on the health and safety** of all workers, internal and external, working within the plant. In relation to ISO 45001, specific **performance indices** are defined, and periodic performance checks **are conducted**, including internal and external audits, to ensure constant monitoring of the effectiveness of the

²⁷Final figure updated on 31/12/2024

²⁸ More information about the Systems can be found in the "Internal control and risk management system" section of the Sustainability Report in question.



system. The results obtained from these checks are then shared with the workers through the **Unitary Trade Union Representative (or RSU)** during quarterly meetings. On these occasions, the **Management**, the **Prevention and Protection Service (SPP)** and the **Workers' Representatives for Health, Safety and the Environment (RLSSA)**, in turn appointed after election to the Unitary Trade Union Representatives (**RSUs**), discuss the progress achieved and plan any corrective actions to further improve safety at work. The role of the **RLSSA** is of fundamental importance, as it represents a point of reference for the protection of workers' interests, especially in terms of working conditions and safety. In addition, the **periodic safety meeting is held annually** (Legislative Decree 81/08 and subsequent amendments, art. 35), which is attended, in addition to the figures indicated above, also by the Competent Doctor, the Personnel Manager and the Qualified Expert in Radiation Protection. The objective of this meeting is to comprehensively assess the state of safety within the Company and define the actions to be taken to ensure the continuous improvement of working conditions. The data relating to **internal workers** is provided **by the Personnel Office**, while the data relating to **external workers** is estimated based on the staff of the contractors. The number of external workers subject to audit is determined based on random checks carried out during surveillance visits and on the renewal of **ISO 45001 certification**.

Adherence to this System is made explicit in **the Company's HSE Policy**²⁹, a document officially signed by the CEO of Procos. The dissemination of the HSE Policy is essential to ensure the sharing and application of the course of action that Procos is committed to following, both inside and outside the organization.

Internally, the Policy is communicated through display on company bulletin boards and through periodic training of workers with specific courses provided on a quarterly basis. About external dissemination, the Policy is made available to the public via the company website. The HSE Policy is also subject to scrutiny during the **Annual Management Review Meeting**, to verify its periodic compliance with the certified management systems ISO 14001, ISO 45001, Legislative Decree 105/2015 Annex B (prevention of major accidents) and with the provisions of Legislative Decree 81/08 and subsequent amendments and additions and Legislative Decree 152/2006, as amended.

In the latest publication of the HSE and Major Accident Prevention Policy, the Management of Procos has placed a strong emphasis on the promotion of actions aimed at reducing the risk of accidents and protecting health and safety in the workplace, adopting **the principles** illustrated in the following figure.

²⁹ Below is the link to the HSE Policy: [Mod.S.D.076-rev5-Politica-HSE.pdf](#).



Principles for the Reduction of Accident Risk and the Protection of Health and Safety

- Ensure compliance with laws and regulations relating to the prevention of incidents relevant to health and safety in the workplace.
- Adopt the most advanced technological or organizational solutions (BAT) to prevent risks related to health and safety.
- Implement adequate measures to prevent and/or reduce the effects of relevant incidents.
- Continuously monitor production processes and supply flows to improve environmental sustainability, social governance and business performance.
- Provide continuous training to staff to ensure awareness and suitability in maintaining behaviors consistent with incident prevention and workplace safety.
- Promote and disseminate the HSE Policy within the facility, involving external suppliers and sharing it externally.
- Define annual objectives for the continuous improvement of incident prevention and protection of health and safety, monitoring results achieved and making them public.
- Maintain constant dialogue and active participation of all workers on issues related to safety and prevention.

In addition, to preserve a safe and healthy environment in the workplace, Procos conducts a business context analysis to identify stakeholders, their expectations, risks and opportunities. This approach makes it possible to adopt targeted strategies for safety management, ensuring continuous improvement in working conditions and the protection of employees' health. In this context, the Risk Assessment Document (**DVR**) plays a central role³⁰, constituting the basis on which the **SGAS-PIR** is based. The DVR is drawn up in accordance with INAIL guidelines, allowing Procos to systematically analyse all company activities to identify potential critical issues, implement appropriate preventive and protective measures and improve the safety and well-being of workers.

Those responsible for filling out the DVR are part of the **Prevention and Protection Service (SPP)**, selected after completing the necessary education and training or, alternatively, are specialized professionals. At the top of this structure is the **Head of the Risk Prevention and Protection Service (RSPP)**, in charge of identifying hazards, assessing risk factors and defining mitigation strategies, including the preparation of an improvement plan.

In general, risks are reassessed at intervals defined by regulations, e.g. every 4 years for physical hazards, every 3 years for work-related stress, and so on. However, the DVR can also be updated before the deadlines if there are changes in production processes, equipment, and substances used or in the company organization chart. Further revisions may result from accident and near-accident investigations, reports from workers or supervisors, as well as observations from internal and external audits. Finally, the DVR is integrated with the evidence collected from the performance of health surveillance or from instrumental surveys of risk factors, such as exposure to physical and chemical agents.

The Company has also provided, as part of the internal procedures relating to the SGAS-PIR, tools to **report any critical issues**, which give rise to analysis activities and appropriate identification of

³⁰ The Risk Assessment Document (DVR) is a mandatory document provided for by the Italian legislation on safety at work (Legislative Decree 81/2008).



improvement actions. For example, in each PC workstation there is a format for immediate reporting by e-mail and, in addition to this digital support, workers have at their disposal three representatives for HSE issues, called "RLSSA", to whom they can contact at any time.

Another fundamental aspect is the **active involvement of workers in training courses** on health and safety at work. During these courses, their rights and duties are defined, protected not only by the CCNL and Legislative Decree 81/08 and subsequent amendments, but also by company policies, including the Code of Ethics, Whistleblowing procedures and the broader principles of the CBC Group.

Worker involvement is encouraged using SGAS-PIR KPIs, which make it possible to monitor performance, set objectives and verify their achievement. In this context, workers and their supervisors are required to report critical situations and, in the event of serious and immediate dangers, those responsible must stop activities and order the evacuation of the workplace. It is also prohibited to resume activities until such hazards have been completely removed. All employees have the right to remove themselves from work situations that may expose them to the risk of accidents or occupational diseases.

Training provided in the field of Health and Safety at Work

-  General training according to State/Regions Agreement 221/CSR
-  Specific training according to State/Regions Agreement 221/CSR
-  Additional training for Supervisors
-  Additional training for Managers
-  Training and drills for fire emergency staff
-  Training and drills for first aid emergency staff

Finally, the work environments are equipped with **automatic detection and alarm systems**, which in case of need decree the evacuation and automatic shutdown of the systems in the areas most subject to fire risk. Equipment containing hazardous chemicals is subjected to inertization processes and containment systems are provided for the loading and unloading of chemicals in and from plants.



During 2024, the Company strengthened its commitment to occupational health and safety management, expanding the coverage of the management system in compliance with regulations and the highest recognized standards. The average number of employees involved increased from 469 to 491, an increase of 5% compared to the previous year, while the number of non-employees remained stable at 50. Overall, the system covered 541 workers, an increase of 4% compared to 2023. At the same time, the number of people subject to internal and external audits also increased, from 489 to 511, with a variation of 4%. Although the number of non-employees included in these audits remained unchanged (20), the Company continued to integrate prevention and monitoring measures for all collaborators, regardless of the type of contract. The increase in the coverage of the health and safety management system represents a significant step in the company's path towards the protection of workers and the strengthening of a culture based on prevention and shared responsibility.

Table 7. Own workforce covered by the Health and Safety Management System

Number of people in the own workforce covered by the health and safety management system	2023			2024			Trend 23-24		
	Dependents	Non-employees	Total	Dependents	Non-employees	Total	Dependents	Non-employees	Total
based on recognized legal requirements and/or standards or guidelines	469	50	519	491	50	541	5%	0%	4%
subject to internal audit and/or audit or certification by an external party	469	20	489	491	20	511	5%	0%	4%

Injuries

The Company undertakes to carefully monitor all accidents that cause injuries or deaths, both in the workplace and on the way to work, as well as accidents at work with serious consequences for employees. In line with its commitment to reducing the risk of accidents in the workplace, the Company pays particular attention to the **management of chemical risks**, constantly monitoring the presence of airborne agents and implementing a health surveillance program to ensure compliance with the limits of exposure of workers to dangerous substances. In addition, being subject to the **Seveso Directive**, the Company adopts stringent protocols for the management of hazardous substances, including those with the ability to generate fires and explosions or with high toxicity. The substances used are carefully evaluated based on their properties and the related risks to the health of workers, particularly those that are part of finished products (APIs), which have very narrow occupational exposure limit values, due to their pharmacological activity.



Prococo employees are all covered by the compulsory workers' insurance system (INAIL) and the public health care system. There is also the possibility for workers in the chemical sector to join the "Faschim" health care fund, which is partially financed by the Company and offers additional medical services, including prevention, at discounted or free rates.

Table 8. Work-hours/injuries ratio

Hours Report work/accidents (per million hours worked)	2023			2024		
	Dependents	Not dependents	Total	Dependents	Non-employees	Total
Total hours worked	731.332	0	731.332	764.222	0	764.222
Number of work-related accidents in the own workforce (per million hours worked)	1	0	1	2	0	2
Rate of work-related accidents in the own workforce (per million hours worked)	1,37	0,00	1,37	2,62	0,00	2,62

In 2024, the ratio of hours worked to accidents showed a slight increase compared to the previous year, in a context of growth in work activity. The total number of hours worked increased by 4%, from 731,332 to 764,222, while the number of accidents went from 1 to 2, remaining at low value, with **the If frequency index** rising from 1.37 to **2.62**. **The Ig severity index**, on the other hand, remained stable at **0.02**, with 13 days of work lost due to accidents recorded in 2024, compared to 11 in the previous year.

The data on occupational diseases and work-related deaths are extremely positive, as **there were no cases of occupational diseases** among the own workforce, nor **deaths** resulting from accidents at work, both among direct workers and in the value chain. These results represent a clear indicator of the Company's constant commitment to ensuring safe and secure working environments, especially if we consider the danger of chemical management, as previously highlighted. These results are the result of careful safety management, a rigorous monitoring system and adequate training and awareness of employees and external collaborators. The Company's constant attention to prevention, together with the implementation of targeted protocols, has contributed decisively to keeping risks to a minimum, promoting a healthy and protected work environment.

In summary, the Company's commitment to the management of safety at work translates into constant monitoring, periodic review of company processes and regular evaluation of each worker, internal and external. A robust management system, the adoption of preventive measures and the continuous review of results, allow the Company to pursue sustainability objectives, risk reduction and the creation of a safe working environment in the long term.



5.2 Talent Development, Training and Attraction

The enhancement of human resources is one of the fundamental pillars for the development and success of the Company. The skills and professionalism of employees are essential elements on which the progress of every organization is based. Therefore, the Company promotes the implementation of continuous training programs and fosters a corporate culture focused on professional development and employee recognition, to ensure high production standards and a stimulating working reality.

The professional growth of human resources is strongly encouraged through the annual planning of targeted training courses, adapted to the needs of the staff and operational experience. The training plans are drawn up by the training officers, subsequently verified by the Quality Assurance Manager and finally approved by the Area Directors. The training offered focuses mainly on health and safety in the workplace, on sector-specific issues and on the applicable **"Good Manufacturing Practice" (GMP)** standards. In addition, to promote awareness of the principles and rules of business conduct, Procos has been committed to maximizing sharing through training and information activities. These initiatives are specifically aimed at disseminating the contents of the following policies:

- Code of Ethics (already shared at the time of hiring);
- Whistleblowing Policy (already shared at the time of hiring);
- HSE and Safety Policy Major Accident Risks;
- Use of Information Systems.

In 2024, specific training sessions on ESG issues were also organized for Top Management and some representatives of the company's governing bodies. Also, through the engagement envisaged for the assessment of impacts as part of the materiality analysis, it was possible to raise awareness of environmental, ethical, social and governance issues, also promoting knowledge of topics such as circularity and sustainable development. The total number of training hours provided to employees during 2024 was 13,647.

Manpower

For several years, the Company has experienced a steady increase in the number of employees and intends to continue this growth trajectory. As of December 31, 2024, Procos has a **workforce of 492 employees**, an increase of 18 compared to 2023. Of these, 484 are full-time and 8 part-time. 90% of employees are hired with permanent contracts, while 10% with fixed-term contracts. It should be specified that for Procos, fixed-term contracts are offered with the prospect of transformation into permanent contracts upon expiry, which generally have a duration of 12 months.

The Company is constantly committed to attracting and developing new talents, with the aim of supporting and accelerating the progress and evolution of the Company. During 2024, the number of non-employee workers, in particular trainees involved in R&D laboratory activities supported by process technologists, increased compared to the previous year, reaching a total of 7 people. Procos plans to proceed with the hiring of these talents following the completion of their training.



The data shown in Table 9 shows the monitoring and updating of the **average monthly number of Procos employees**. In 2024, there was a steady increase compared to the previous year, with a monthly increase ranging between 4% and 6%. The average number of employees grew progressively, from 459 in January 2023 to 492 in December 2024, an overall increase of 4% compared to the previous year.

Table 9. Average number of employees

Average number of employees	2023	2024	Trend 23-24
January	459	477	4%
February	459	485	6%
March	464	487	5%
April	470	490	4%
May	472	493	4%
June	472	493	4%
July	472	495	5%
August	471	496	5%
September	471	496	5%
October	473	493	4%
November	475	492	4%
December	474	492	4%
Average Employees	469	491	5%

The Company monitors the **employee turnover rate** to assess the dynamics of its workforce, considering both new hires and exits, regardless of the cause (voluntary resignations, layoffs, retirements or deaths). In 2024, the number of employees who left the Company increased year-on-year from 30 to 32, an increase of 7%. As a result, the turnover rate rose from 6% to 7%, registering an increase of 3% compared to 2023. The Company will continue to monitor this indicator to ensure a sustainable balance between staff turnover and organizational growth. In terms of **collective bargaining**, the comprehensive coverage of all Procos employees demonstrates the focus on social sustainability, justice and employee well-being, contributing to a motivating and fair work environment. This commitment supports the Company's corporate social responsibility, ensuring fair treatment and a constant relationship with trade unions.

Table 10. Employees covered by collective bargaining

Percentage of employees covered by collective agreements	2023	2024	Trend 23-24
Total Employees	474	492	4%
Employees covered by collective agreements	474	492	4%
Percentage of employees covered by collective agreements	100%	100%	0%

The data shown in the table below show, on the other hand, the trend of **employee representation in the Company**. In 2024, the total number of employees increased by 4%, from 474 to 492. Of these, all employees (100%) were represented by workers' representatives, a percentage that remains unchanged compared to the previous year. This highlights the Company's ongoing commitment to ensuring full union representation for all its employees.

Table 11. Employees represented by workers' representatives

Percentage of employees represented by workers' representatives	2023	2024
Total Employees	474	492
Employees represented by employee representatives	474	492
Percentage of employees represented by workers' representatives	100%	100%

Finally, emphasize the importance of monitoring training **hours**, which is essential to ensure the continuous development of skills within the Company. In fact, it makes it possible to evaluate the effectiveness of training policies, to identify any areas for improvement and to ensure that all employees, regardless of level or position, have equal opportunities for professional growth. This process is essential to foster a corporate culture of learning and to sustain the organization's competitiveness in the long run. In 2024, the data relating to training hours by category of employees reported below are up compared to the previous year, with a significant increase especially for managers, middle managers and white-collar workers.

In detail, in 2024 the total **number of training hours provided** to employees was **13,647 hours**. Breaking down by category, managers received 215 hours of training, middle managers 1,104 hours, white-collar workers 6,280 hours and blue-collar workers 6,048 hours.

Table 12. Number of training hours by employee category



Number of training hours by employee category	2024		
	Man	Woman	Total
Executives	161	54	215
Managers	834	270	1.104
Employees	3.931	2.349	6.280
Workers	5.940	108	6.048
Total	10.866	2.781	13.647

In 2024, additional attention was paid to the periodic monitoring and **review of employees' performance and career development**. A total of 493 employees participated in reviews, with a distribution that reflects the Company's commitment to ensuring growth opportunities for all professional categories. Specifically, 8 top managers, 41 middle managers, 220 employees and 224 workers took part in the trial. These figures highlight Procos' constant investment in the development of skills and the enhancement of internal talent, promoting inclusive professional growth paths aimed at the needs of each employee.

Table 13. Employees who have participated in periodic performance and career development reviews

Number of employees who participated in periodic performance and career development reviews by employee category	2024				
	Man	Woman	Other*	Not communicated*	Total
Executives	6	2	0	0	8
Managers	31	10	0	0	41
Employees	133	87	0	0	220
Workers	220	4	0	0	224
Total	390	103	0	0	493

*Other: employees who identify with a gender other than 'Man' and 'Woman', as may be the case in some Member States of the European Union that legally recognize a neutral or non-binary third gender.

*Not disclosed' refers to cases where the employee has chosen not to declare their gender.



5.3 Diversity, social inclusion and non-discrimination

Guided by the principles of non-discrimination enshrined in the Universal Declaration of Human Rights and the Constitution of the Italian Republic, the Company is firmly committed to valuing diversity as an opportunity for enrichment. Inclusion and equal opportunities are, in fact, fundamental values of the Company and are also indicated in its Code of Ethics. In carrying out all its activities, Procos actively promotes the **protection of human rights**, guaranteeing freedom of association and collective bargaining,



respectful and stimulating working conditions, fair legal and wage treatment, as well as full respect for equal opportunities and the enhancement of diversity. In addition, all forms of abuse of power, sexual harassment, violation of association, as well as child labor, forced labor and human trafficking are condemned without reservation. As defined in the Code of Ethics, Procos rejects any kind of **discrimination**, whether based on gender, ethnic origin, sex, nationality, language, disability, religion, political beliefs, sexual orientation or any other personal or social condition. It is a source of pride for the Company that it has never recorded reports of discrimination, neither in 2024 nor in previous years. The Company's commitment to ensuring respect for human rights is not limited to its internal activities, but extends throughout the supply and value chain, promoting shared ethical and social standards.

The Company also recognizes the importance of promoting **the inclusion** and participation of all, in line with the fundamental common values. Therefore, it is committed to valuing diversity in all its forms and disseminating behaviors that ensure equal opportunities for all employees.

The data relating to the **gender distribution** for the years 2023 and 2024, as shown below in table 14 and table 15 below, offer a starting point for analyzing the Company's commitment to gender equality and inclusiveness. The representation of women has seen an increase, from 94 to 103 employees, equal to an increase of 9.6%. This marks a slight but significant increase in the presence of women within the organization, representing a step forward in the progress made in the field of diversity and equal opportunities.



Table 14. Employees by gender category

Employees by gender category	2023	2024
Woman	94	103
Man	380	389
Other	0	0
Not communicated	0	0
Total	474	492

In detail, the distribution by type of contract shows that most women, 86 out of 103, are hired on a permanent basis, an increase of 3.6% compared to 2023 (83 women on a permanent basis). In addition, the number of women with fixed-term contracts increased from 11 in 2023 to 16 in 2024, representing an increase of 45.5%. As for full-time employees, full-time women increased from 84 to 96, an increase of 14.3%, while part-time employees fell from 10 to 7, a reduction of 30%.

These figures are a positive sign of Procos' commitment to promoting an increasingly inclusive work environment, in which **equal opportunities** are effectively guaranteed.

Table 15. Employees by type of contract

Characteristics of the company's employees - Employee information by contract type and gender	Woman		Man	
	2023	2024	2023	2024
Total number of employees	94	103	380	389
Number of permanent employees	83	86	345	360
Number of fixed-term employees	11	16	35	30
Number of variable time employees	0	0	0	0
Number of full-time employees	84	96	379	388
Number of part-time employees	10	7	1	1

Despite progress, however, a male predominance in management levels persists, with 75% representation of men compared to 25% of women in top management roles. This represents a challenge for the Company, which is firmly determined to take action to ensure greater parity at management levels in the future.



Table 16. Number of members of the Top Management

Number and percentage of members of Top Management (Executives):	2024				
	Men	Women	Other	Not communicated	Total
Top Management (number of people)	6,00	2,00	0,00	0,00	8
Top Management (percentage)	75%	25%	0%	0%	100%

The data shown in Table 17, on the other hand, show the **distribution by age group** of the Company's employees in the period 2023–2024, highlighting the demographic composition of the workforce. The percentage of employees under 30 years of age remains stable at 18%, while the age group between 30 and 50 years of age shows a slight increase, from 55% to 57%. The percentage of employees over 50, on the other hand, decreases from 28% to 25%. These results highlight a good generational balance within the Company, with a **predominance of younger and mid-range workers**. In addition, the constant increase in the number of employees and the reduction in the percentage of workers over 50 underlines how Prococo's growth is in line and consistent with the inclusion and development of young talents within the organization.

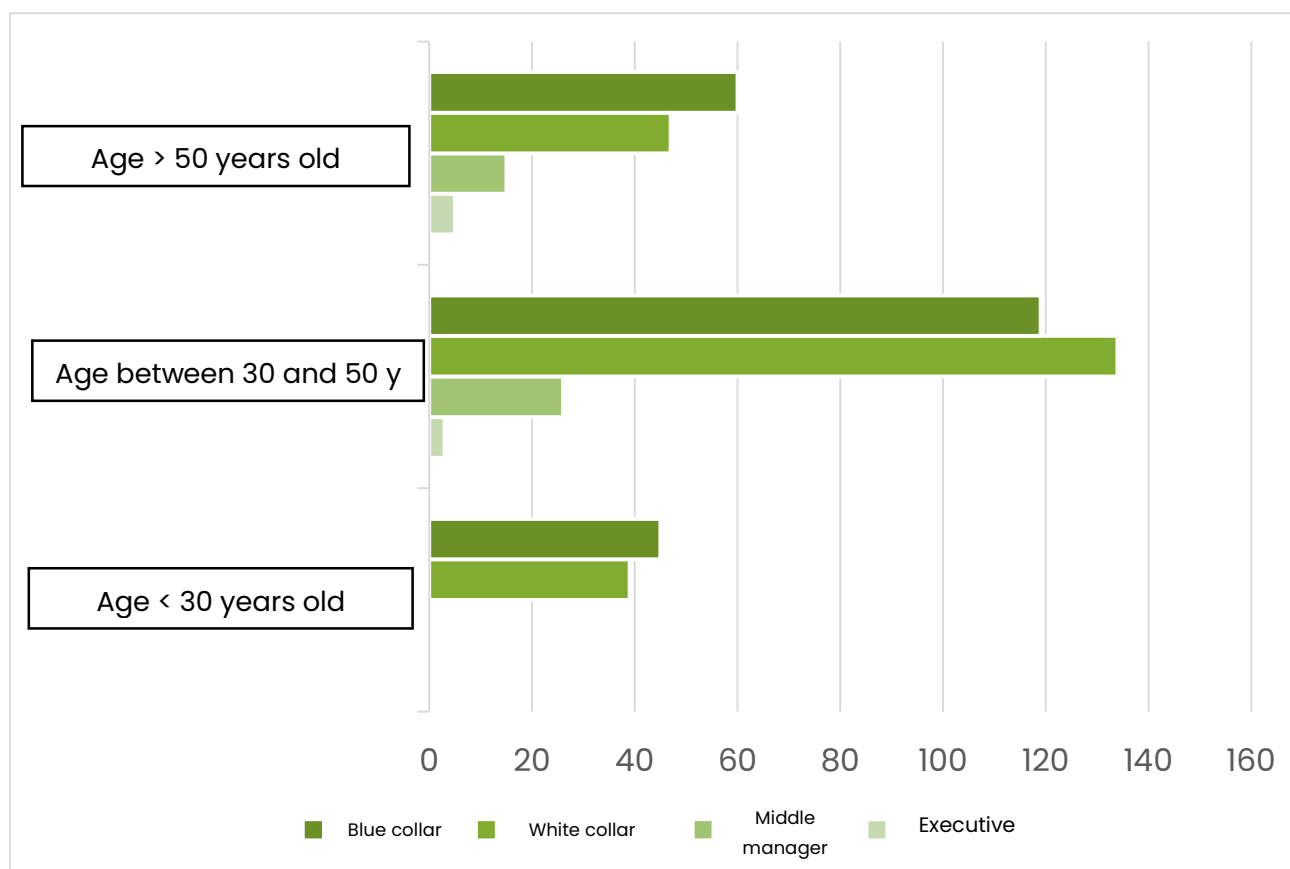
Table 17. Number and percentage of employees by age group

Number and percentage of employees Broken down by age group	2023	2024
Total Employees	500	499
Under 30 years old	88	90
Percentage of employees under 30 years of age	18%	18%
Between 30 and 50 years old	274	282
Percentage of Employees by Age between 30 and 50 years old	55%	57%
Over 50 years old	138	127
Percentage of employees over 50	28%	25%

The graph provides an overview of the age distribution among employees, broken down by role (details in Table 19 in the Appendix).



Figure 4. Employees by age group





5.4 Creating Shared Value for Local Communities



Integration with the territory and the local community has always been the prerogatives of the Company. This approach is based on the belief that it is not only ethically right, but also desirable, for a company like Procos, to promote initiatives aimed at enriching the social life of the community in which it operates. Through the ESG Policy, the Company is actively committed to improving the quality of life of the communities in which it operates, contributing to the development of local industry, the creation of infrastructure and jobs, as well as the enhancement of the territory and its people. The ESG policy, available on the company intranet and on the website in the "Sustainability" section, governs relations with local communities, applying both to the territory on which the Company is headquartered and to the surrounding areas.

In addition, every year the Company takes part in local, provincial and regional projects by making available its economic resources, its knowledge in the field of health, safety and environmental protection. Procos promotes cooperation and involvement initiatives aimed at supporting the economic, social, environmental and cultural well-being of local communities. Among the most significant initiatives, the Company is involved in charitable activities ranging from the promotion of culture to the inclusion of young people, as in the case of visits organized for students and social institutions. Among the most important projects, in 2024 the Company launched the **"Chemistry in schools" initiative**, in which Procos researchers held training meetings for secondary school students, with the aim of bringing them closer to the world of science. In addition, the Company participated in the Career Day at the University of Eastern Piedmont, promoting the meeting between supply and demand of new professional figures.

The Company also supports numerous programs in favor of children and families in difficulty and people with psychophysical problems, allocating resources to medical research and collaborating with specialized associations and research centers for the exchange of ideas and trends. Another important initiative was the collaboration with **AVIS**, through which Procos contributed to the



promotion of blood donation. This initiative was further shared through the adoption of AVIS placemats at our company canteen.

The **Red Cross of Oleggio** also benefited from the commitment of Prococo, which provided a means of command to improve communications with rescue units in case of emergency. Finally, the Company has maintained its support for the **AISM** association, engaged in scientific research on multiple sclerosis, and has guaranteed support services for people suffering from this disease in the area. All these activities are disseminated through the company website and through social channels, to inform and promote the various projects.

In addition, over the next 3-5 years, Prococo is committed to evaluating and implementing new policies aimed at enhancing its contribution to the community, strengthening its role as a responsible company and promoter of sustainable development. This path aims to further consolidate the positive impact of the Company on the territory, through concrete initiatives that promote collective well-being and local socio-economic growth.

Projects in collaboration with Local Communities

	Università del Piemonte Orientale Partecipazione di Prococo al Career Day dell'Università del Piemonte Orientale	Croce Rossa di Oleggio Progetto «Una voce per Crystal, realizzato dalla Croce Rossa di Oleggio»	
	Comune di Cameri Contributo ai progetti "Convegno Cambiamenti" e "Capsula del Tempo"	Fondo Ambientale Italiano Membro Corporate Golden Donor	
	Il Ministero dello Sviluppo Economico, Unione Europea, PON Imprese e competitività Accordo per finanziare il progetto "Sviluppo di una filiera sostenibile per farmaci di origine naturale" (FARM.ON)	AISM Contributo a progetti promossi della ONLUS Associazione Italiana per la Sclerosi Multipla	



6. QUALITY, PRODUCT SAFETY AND CUSTOMER SATISFACTION

6.1 Commitment to Quality



Customer attention and satisfaction are a priority objective and a constant prerogative for the success and competitiveness of the Company. In the context of production, the company's fundamental philosophy is to constantly pursue customer satisfaction, sustainable growth and continuous improvement. To be truly efficient, the production of an active ingredient requires solving complex challenges that span several disciplines, including organic chemistry, inorganic chemistry, physical and analytical chemistry, as well as environmental

management. For Procos, the success of a production campaign depends on the high skills of the group and the continuous training of the operational staff. In addition, internal procedures include specific quality KPIs that are constantly monitored to ensure the excellence of each product, including through rigorous internal audit protocols. The GMP Certification of AIFA (Italian Medicines Agency) is also a direct guarantee that Procos S.p.A. operates in compliance with the GMP (Good Manufacturing Practice) regulations envisaged. It is therefore not a cause for surprise, but for pride, that even in the year 2024 there were no critical cases of non-compliance either because of regulatory inspections or during the numerous customer audits (which were 29 in 2024).

In the event of a complaint or withdrawal of the product from the market (also referred to as a "recall"), the Company is in any case equipped with a procedure for managing the same. The purpose of the procedure in place is to:

- Regulate the management of complaints relating to the quality of the products marketed, in terms of defining the responsibilities of the functions involved in the evaluation of information, in the investigation of the complaint and in the definition of corrective actions;
- Describe when and how the product recall procedure should be initiated and managed following the discovery of a quality defect that may compromise its safety and efficacy.

This protocol regulates the flow to be followed to recall a finished product from the market in the face of a complaint. It also applies to the case of re-entry of products (raw materials and/or intermediates and APIs derived from them) in the face of regulatory requests.



Another strength lies in the Company's ability to scale processes from the laboratory to the industrial plant, constantly maintaining a high standard of quality, safety and efficiency. In addition, the great flexibility that manifests itself in production thanks to the multifunctionality of the company systems owned cannot be overlooked. All this allows Procos to customize products to meet the needs, even the most varied, of customers.

For Procos the relationship with the customer is not exogenous with respect to its reality. From a business perspective, customer success represents an advancement in improving the lives of people around the world and, simultaneously, in the professional growth of the Company. For this reason, the Company strongly believes in collaboration and shared growth, and approaches requests with the aim of making customers feel Procos is an integral part of their organization.

"Working for a client who is developing a new medicine for a disease that is currently incurable means making available, and putting at the service of every project—whether simple or complex—every single piece of knowledge and experience acquired over the years within the company."

Paolo Pissoni, BD & Innovation Director & Simone Manzini, BD Manager Custom Synthesis

6.2 The Key Role of Research and Development

Procos has always invested in its R&D (*Research & Development*), with the belief that the positive impacts deriving from this investment can bring environmental, economic and social benefits. Innovation and Research foster the development of skills in all scientific sectors, including in relation to ESG issues. Although there are no specific regulations governing research on such topics, Procos complies with mandatory and voluntary rules and regulations contained within the SGAS-PIR. Furthermore, Innovation and Research are considered by the Company to be essential in guiding compliance with regulations and corporate policies in a scientifically rigorous manner.. Although an ESG Policy in the R&D field *has not yet been implemented*, the intention is to develop it by 2026 ensuring full compliance with current regulations and at the same time ensuring excellence in the quality of products and processes. In particular, the Company has expressed its willingness to adopt an *ESG policy* for the research and development of





new molecules such as advanced intermediates or active pharmaceutical ingredients (APIs). This policy must meet specific requirements:

- **Quality regulations:** R&D activities will have to align with international standards, such as GMP (*Good Manufacturing Practices*)³¹ and ICH (*International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use*)³² guidelines to ensure safety, efficacy and compliance with the high standards of the pharmaceutical sector.
- **Environmental impact:** the Company will adopt regulations relating to chemical exposures of workers and limits on industrial discharges.
- **Safety:** the Policy must comply with the most up-to-date guidelines on industrial safety, applying risk management systems such as the HAZOP (*Hazard and Operability Analysis*) system and a "Technical Risk Assessment" for the identification and mitigation of risks.

Prococo has set the goal of implementing and defining an ESG policy for the Research and Development function by 2026, aligning with the "greenness" metric designed by the Company itself to optimize processes in relation to environmental impact and safety of use. In this context, the Company has already prepared a selective list of solvents to be used, evaluated based on environmental impact and safety of use. As for safety, the selection has already been completed in 2024.

Collaboration, for Prococo, is also a fundamental engine for growth and innovation and for this reason, it has consolidated partnerships with numerous Italian universities, giving rise to research projects and doctoral calls focused on innovation in the chemical-pharmaceutical sector. The main objective is to continuously align its activities with the most advanced technological trends, adopting cutting-edge practices and the latest generation of industry knowledge.

6.3 Data Security and Privacy

For Prococo, it is essential to highlight its commitment to ensuring the protection of personal data and IT security as the performance of its activities sees both the processing and storage of sensitive third-party data, and the actual generation of data with high commercial or regulatory value. Since its inception, the Company has maintained the utmost attention to complying with all privacy laws, placing particular emphasis on full compliance with EU Regulation 679/16 (GDPR) and other relevant regulations on the protection of personal data. This includes taking appropriate measures to ensure the security and confidentiality of the data of users, customers, suppliers and the Company itself, ensuring that it is faithful to the conditions of lawfulness, fairness and transparency. Aware of the potential negative impacts that could be generated, such as risks to security, *privacy* and *business continuity*, Prococo has mobilized both in terms of personal data management and in terms of IT security.

³¹ Below is the link: [EudraLex – Volume 4 – European Commission](#).

³² Below is the link: [ICH Official web site: ICH](#).



About the management of personal data, in 2018 the Company implemented a series of procedures, protocols, and information (publicly available on the company website) aimed at ensuring the correct and secure processing of data, in accordance with regulatory provisions. These include the establishment of the **Register of Processing**, the drafting of the **Privacy Manual** and the definition of a procedure dedicated to the **Management of Data Breaches**. In addition, IT Governance procedures have been implemented, including **specific Standard Operating Procedures** for the administration of IT systems, *backup*, archiving, recovery and *disaster recovery*.

As far as IT security is concerned, Procos has adopted a proactive approach, focused on preventing and mitigating potential risks. To this end, the Company has equipped itself with specific *software*, specific training and has activated a **SOC (Security Operation Center)** service with an external partner. We have also begun to request the acknowledgement of privacy policies and specific training for GDPR and Cybersecurity has been formalized.

In 2024, the Company launched initiatives and introduced a series of actions to address issues relevant to consumers and end users, with particular attention to the impacts of the information provided, personal safety and social inclusion of these individuals. In order to assess the effectiveness of the security systems and ensure the Company's readiness to manage any emergency situations, Procos has carried out and continues to carry out "**Pen-Tests**"³³ (*penetration tests*) *at least once a year, the objective* of which is to identify vulnerabilities and weaknesses in a system that could be exploited by a malicious attacker to access confidential information or compromise the functionality of the system. The Company also executed and completed during the year the **Network and Information Systems Directive 2 (NIS2) Readiness**, which concerns the preparation of organizations to comply with the obligations of the EU NIS2 Directive, and aims to improve the security of networks and information systems in Europe. Procos has also launched **Cybersecurity Awareness**, a training course that aims to raise awareness among staff of the main risks associated with cybersecurity. In addition to these Actions, Procos has maintained the *Disaster Recovery activity*, i.e. simulations that verify whether an organization can quickly recover its systems, data and applications in the event of a cyber-attack, hardware failure or other disaster.



As for future objectives, the Company intends to implement the security measures provided for by the NIS2 Decree by 2025/2026 and obtain the ISO27001 Certification by 2028, demonstrating its commitment to data protection and security issues.

Collaboration with stakeholders and partners has been key in fostering a culture of cybersecurity and adopting industry's best practices. Procos is committed to maintaining an open and transparent dialogue with all stakeholders to ensure responsible data management and effective protection of IT assets.



APPENDIX

GRI content index

Declaration of use	Prococo S.p.A. has reported the information cited in this GRI Content Index for the reporting period between 1 January 2024 and 31 December 2024, with the "referenced to" GRI Standards 2021 mode.
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2-3	Reporting period, frequency and point of contact	Methodological note	6-7
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2-6	Activities, value chain and other businesses	1.3 Activities and Business Model	13-14
2-7	Dependents	5.2 Talent Development, Training and Attraction	46-50
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2-11	Chairman of the highest governing body	3.1 Governance of Procos S.p.A.	20-22
2-12	Role of the highest governance body in overseeing the management impact	3.1 Governance of Procos S.p.A.	20-22
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Management:
Reduce, Reuse,
Recycle

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Board of Statutory Auditors					
Name	Executive function	Independence	Mandate	Role	Gender
Roberto Santagostino	NO	Independent	Until approval of the 2025 financial statements	President of the Board	Male
Federico Innocenti	NO	Independent		Statutory Auditor	Male
Marco Albertazzi	NO	Independent		Statutory Auditor	Male
Giordani Patrizia	NO	Independent		Alternate Statutory Auditor	Female
Gaviani Cristina	NO	Independent		Alternate Statutory Auditor	Female

Table 19 – Governance: Composition of the Management Body with reference to 2024

Governing body					
Name	Executive function	Independence	Description	Gender	Social group
Enrico Zodio	YES	Dependent	Managing Director	Male	Procos Spa
Paolo Paissoni	YES	Dependent	Director of Innovation & BD	Male	Procos Spa
Yoshihiro Furukawa	YES	Dependent	Managing Director	Male	Procos Spa/CBC Co. Ltd
Kingo Yamashita	YES	Dependent	Purchasing and Sales Director	Male	Procos Spa/CBC Co. Ltd
Claudio Comi	YES	Dependent	Plant Director	Male	Procos Spa
Damiana Gentili	YES	Dependent	Quality Director	Female	Procos Spa
Nicolò Rubino	YES	Dependent	CIO	Male	Procos Spa
Paolo Muttini	YES	Dependent	Production Director	Male	Procos Spa
Jacopo Roletto	YES	Dependent	R&D Director	Male	Procos Spa
Sonia Rasi	YES	Dependent	Financial Director	Female	Procos Spa



Table 20. Average number of employees

Average number of employees	2023	2024	Trend 23-24
January	459	477	4%
February	459	485	6%
March	464	487	5%
April	470	490	4%
May	472	493	4%
June	472	493	4%
July	472	495	5%
August	471	496	5%
September	471	496	5%
October	473	493	4%
November	475	492	4%
December	474	492	4%
Average Employees	469	491	5%

Table 21. Employee turnover rate

Employees who have left the Company	2023	2024	Trend 23-24
Number of employees who have left the Company	30	32	7%
Employee turnover rate	6%	7%	3%

PROCOS S.p.A.
Enrico Zodio



Chief Executive Officer

