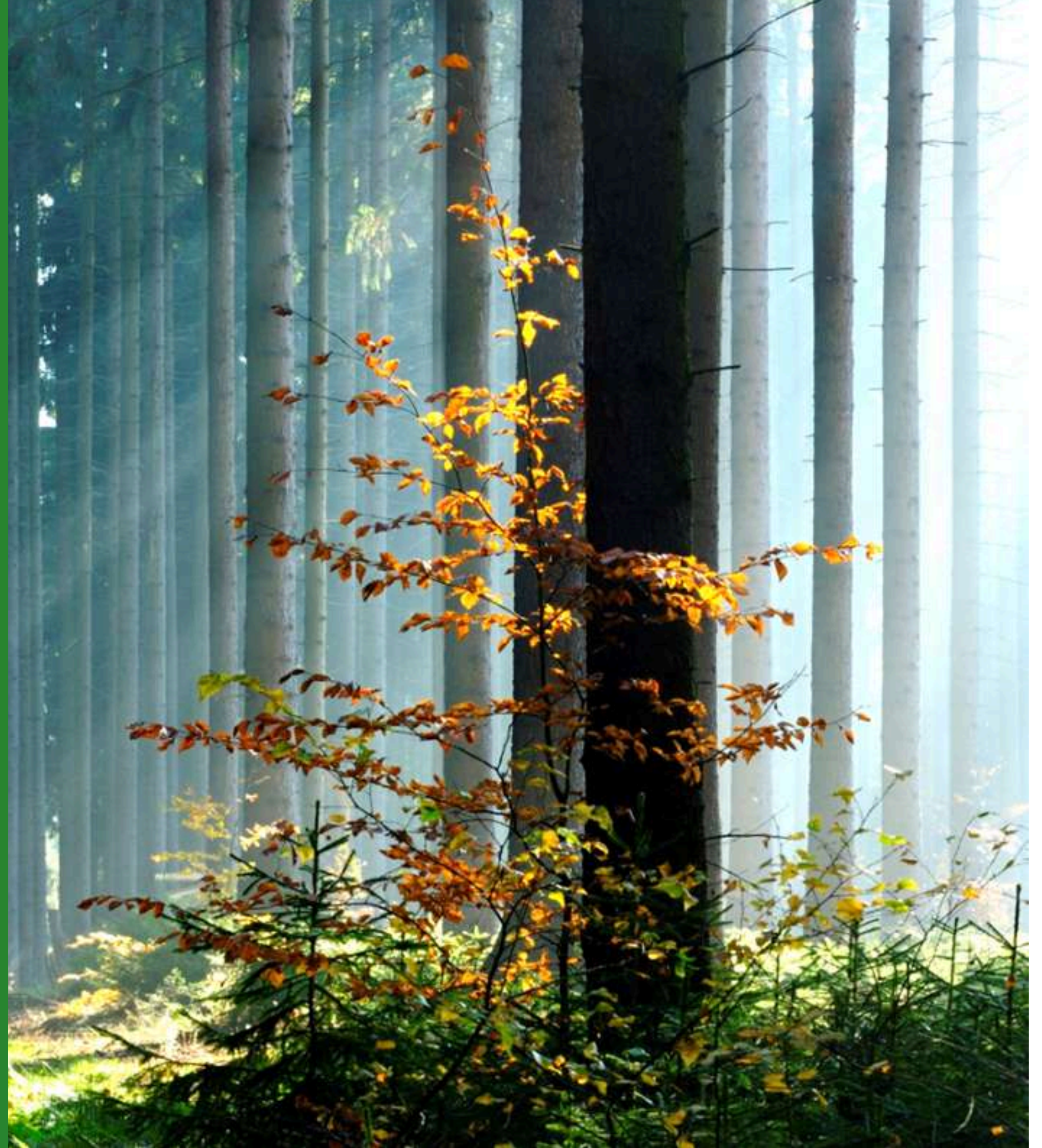




# Sustainability report 2023



# Summary

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## Sustainable Chemicals for Industry

The concern regarding environment has always been one of Condoroil's values, and its commitment to contributing to a more sustainable planet grows stronger every year.

In 2023, we established the Environmental Manager role, whom will be responsible for coordinating and managing Condoroil's sustainability goals in the years to come.

These aspects are considered for both internal company activities and the impact of the products sold. Our efforts are directed both directly through policies to minimize resource waste and indirectly through researching and formulating chemical products and technologies that enable our customers to achieve the same objectives.

In the following document, we are providing an overview of what has been done in the past, our current situation, and the ambitious goals we have agreed to achieve by 2030.



*Marco Zavattoni*

CEO

# ABOUT US



# Condoroil Chemical

Condoroil Chemical s.r.l. **has been operating for 51 years in the production and formulations for the chemical treatment of metal surfaces**, accompanying the metal from its "birth" as a flat or long product until its placing on the market as a finished product. All production, research and development activities take place in Casale Litta (Varese-Italy).

Condoroil Chemical's choice has always been to face the market with a strong technical impulse, delegating to the customers themselves the advertising action necessary for development.

The flagship of the company are the **research laboratories that are always working on the development of optimal products, including customized ones**. Customer assistance, on-site if needed, is an important service offered by Condoroil, as well.

To reduce the environmental impact of its products, together with its sister company Condoroil Stainless, the firm offers systems and processes for the regeneration and purification of wastewater.

# History

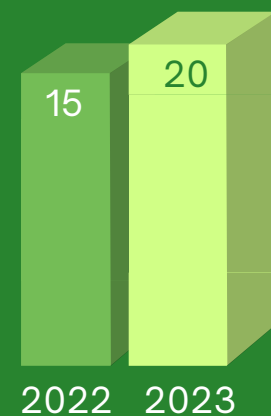
With a wealth of experience gained abroad and, afterwards in Italian companies operating in the surface treatment of metals, in 1972 Zavattoni Franco founded his business dedicated to the formulation and production of chemical products for the surface treatment of metals - I.A.C.P. Industrial Application Chemical Products. Over the years and the takeover of the two heirs - Marco and Paola Zavattoni - the company grew to become the current Condoroil Chemical.



# Remarkable events

- 1989** With the development of the first **patent for nitric acid-free pickling of stainless steels**, Condoroil entered the heavy metallurgy sector.
- 
- 1992** Creation of the first waste minimization unit: an **ultrafiltration system** for the continuous regeneration of degreasing solutions.
- 
- 2002** Condoroil enters the **coil industry** by creating a dedicated division
- 
- 2011** Development of a new line of **lubricating products** that allows you to enter the world of cold deformation
- 
- 2014** Start of production of **protectants and lubricants for Metal Working**.
- 
- 2015** A new division is born for the production of **paints for Coil Coating**.
- 
- 2017** Condoroil enters the **coil rolling sector** by defining a complete series of formulations.
- 
- 2021** The production of products for **hot processes** (hardening, forging, stamping) begins.
- 
- 2022** The process for obtaining UNI EN ISO 14001 **environmental certification** begins

# Condoroil's figures



**SALES**  
(Mln euro)

**47**  
**EMPLOYEES**



**36% women**  
**64% men**



**50**  
**YEARS OF WORK**

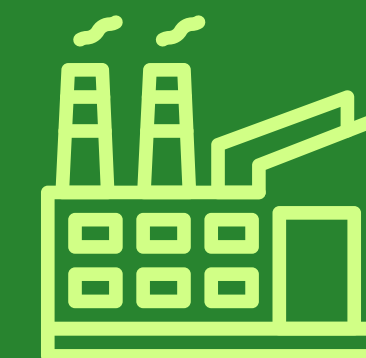
**15**  
years of quality  
**ISO 9001**



**35**  
**COUNTRIES SERVED**



**7300 ton**  
**PRODUCED**



**2**  
**FACTORIES**

# Our values

## Innovation

Research and development of innovative products in response to new legislative, sustainability and customer needs.

## Risk management

Approach based on risk analysis from all points of view: economic, safety, environmental.

## People

Workplace safety, health supervision and periodic training plans.

## Customer focus

Close collaborative relationship between company and customers to respond effectively and quickly to their every need.

## Integrity

Transparency for respect for people and the planet.  
Adoption of a code of ethics, a whistleblowing and anti-corruption policy.



# CONDOROIL FOR SUSTAINABILITY



## The chemistry of the future

The complexity of the international context heavily influences the chemical and metallurgical sectors.

First of all, conflicts and increases in energy influence the production costs of the entire supply chain. For years, the Condoroil research laboratories have been committed to **formulating more sustainable products** and improving processes to reduce energy use, introducing products with reduced danger and products that work at lower temperatures or in shorter times onto the market.

No less important are the numerous regulations, particularly European ones, which are increasingly stringent from an environmental point of view. On this front there are two phenomena that make sustainability a real challenge in product formulation. On the one hand, many producers are discontinuing the production of some raw materials.

On the other hand, the restrictions on the use of certain particularly dangerous substances (e.g. hexavalent chromium, boron etc.) and the change in classification of other substances with an increase in danger.



Also in this case, Condoroil research works incessantly to replace these substances without reducing the performance of the final products. Over the years, products free of hexavalent chromium, boron and nitric acid have been placed on the market.

In order to materialize its sustainability path, Condoroil began defining the new **ESG Agenda** in 2022, which contains clear and measurable objectives to guide the Company's work in the years to come.

## Our 2030 Agenda

Since 2022, Condoroil has decided to integrate **sustainability principles** into its governance system, many of which have already been present among the company values since its inception.

Condoroil is committed to ensuring its active contribution to achieving some of the Sustainable Development Goals (SDGs) of the 2030 Agenda signed by the member countries of the United Nations.

**Condoroil's Sustainability Report** was drawn up based on an assessment of the most relevant material issues, at an economic, environmental and social level (including those on human rights). From the first year of reporting, Condoroil decided to structure itself to define the sustainability aspects on which to focus, starting a periodically updated analysis process.



### THE CONDOROIL GOALS



## HEALTH AND WELLNESS

### PEOPLE

Guarantee working conditions that ensure full respect for the right to health and the protection of the physical and psychological integrity of workers, through management systems that allow the prevention of injuries and accidents at work and professional diseases.

### PRODUCTS

Meeting customer needs through products that respond to emerging trends and regulations in the industry. Optimization and efficiency of production processes

### INNOVATION

Development of safe products for operators and end users.  
Development of innovative products with a view to eliminating substances labeled as dangerous for the environment and living beings.

### MARKETING AND LABELING

Ensure the correctness of product information, in compliance with regulations.

## ENVIROMENT

Ensure the valorisation of waste materials and correct waste management by encouraging the optimization of production processes, the promotion of responsible consumption practices and the adoption of circular practices.



## QUALITY EDUCATION

Continuous training for employees on both safety and technical and sector topics.

School-work initiatives with the reception of students for internships in company laboratories, also open to foreign students.

Scientific dissemination activities in collaboration with local library.



## GENDER EQUALITY

Guarantee of equal opportunities in the selection, remuneration and promotion of employees.

Whistleblowing system for reporting offenses.



## CLEAN WATER AND HYGIENE

Compliance with rainwater discharge through appropriate methods and periodic checks.

Use of drinking water fountains with elimination of plastic bottles.



## CLEAN AND SUSTAINABLE ENERGY

### SOURCES

Purchase of electricity mainly from renewable sources and internal production from photovoltaic panels.

### CONSUMPTION

Energy waste reduction policy. Purchase of more energy efficient machinery and optimization of production.



## DECENT WORK AND ECONOMIC GROWTH

### PEOPLE

Guarantee of optimal working conditions and employee rights. Suitable remuneration policy.

### BUSINESS STRATEGIES

Creation of economic value in the short, medium and long term, which guarantees financial stability and protection of profitability and distribution of the wealth generated.



## BUSINESSES, INNOVATION AND INFRASTRUCTURES

Automation of production processes with a view to increasing productivity, reducing downtime, reducing waste, eliminating errors and protecting the operator.

Investments in research to encourage business growth and create jobs.



## RESPONSIBLE CONSUMPTION AND PRODUCTION

Optimization and efficiency of production processes.  
Implementation of green technologies to reduce electricity,  
gas and fuel consumption.  
Use of recycled resources.



## UNDERWATER LIFE

### USE OF WATER

Implementation of company procedures to increase the efficiency of  
water use.

### WASTE

Conveyance of polluted water to recovery systems.  
Periodic monitoring of discharges.

### PRODUCTS

Integration of product technical data sheets with indications on  
disposal, recovery and purification.



# Our achievements



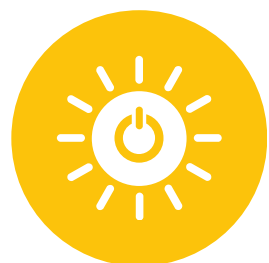
- Since 2017, around 18 products have been developed and reformulated with better classification or which allow processes to be carried out more quickly or at lower temperatures.
- Furthermore, approximately 11 new sustainable products have been developed, including products for plastic recycling and for the regeneration and recovery of wastewater.



- Every year 1 or 2 high school students are hosted for school-work alternation. These kids are given the opportunity to actively participate in quality control and therefore learn in the field what they learned at school.
- In 2020, a project work was carried out involving 5 students from a high school who also received a financial contribution from the province.
- In 2023, a day of scientific dissemination for children was held in collaboration with a local library.



- In 2022, fountains were installed to supply drinking water and water bottles were distributed to all employees to raise awareness of not using plastic bottles.



- In 2023, the photovoltaic panels installed on the production department made it possible to produce 30% of the electricity used. Furthermore, 80% of the electricity purchased comes from renewable sources.



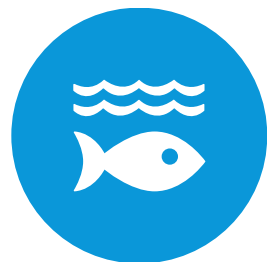
A structural expansion of the company is planned with the purchase of a new warehouse which will allow us to increase production volumes and create new jobs.



Between 2017 and 2023 the company invested over 4 million euros in Industry 4.0 for the automation of production processes with a view to increasing productivity, reducing downtime, reducing waste, eliminating errors and safeguarding operator. In 2022, a distiller was installed for the recovery and reuse of the solvents used for washing the equipment.



- 100% of the 25 l canisters purchased are made from recycled material.
- 80% of the tanks purchased are regenerated
- 90% of the paper purchased is recycled



- Production planning is carried out based on the type of product in order to reduce the washing activities of the mixers between one production and another.



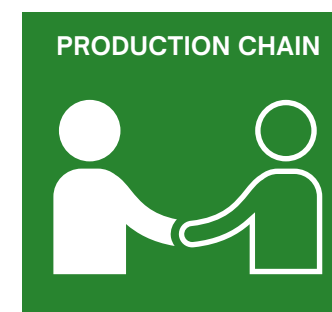
# Stakeholder

Condoroil believes it is very important to maintain constant relationships with its stakeholders to understand their needs and therefore pursue mutual improvement.



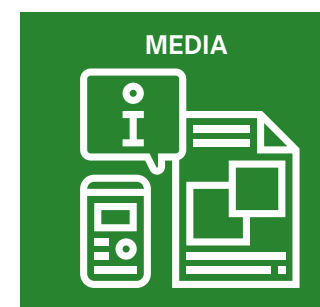
- Very close relationship with the local community which has provided several workers who are still in the company's workforce.
- Support for the Varese non-profit organization Maria Letizia Verga Committee - for the study and treatment of leukemia in children as well as the Marcegaglia Onlus Foundation for the women of Rwanda.
- In 2022, following the outbreak of the Russia-Ukraine conflict, it hosted refugees and donated aid to the non-profit Italy Veterinary Ambulance Veterinarie in Varese who were taken to the Ukrainian border.
- Scientific dissemination activities for children in collaboration with the local library

Numerous school-work alternation courses and internships, which also involved foreign students, mostly linked to research and technical development activities at the company's laboratories.



- Condoroil participates at sector fairs and conferences. In particular by exhibiting at Wire&Tube, Paintexpo.
- Participation as visitors at the Made in steel, Mec-spe, Lamiera, Supplier offers, Stainless steel world etc. fairs.
- Participation in conferences (e.g. Aluminum two thousand, ECCA, SMR Inox)
- Periodic meetings with suppliers to evaluate new raw materials and technologies offered by the market.

Participation in multi-stakeholder working groups (e.g. ECCA Technical Committee)



- Use of social channels (LinkedIn, YouTube) and the Expometal virtual fair for information and dialogue purposes
- Publication of numerous technical and advertising articles in sector magazines and on Il sole 24 ore

## ECCA-prepainted metal

Condoril has been a member of ECCA for years, the **European Coil Coating Association** which today has over 150 members around the world. Among the valuable aims of ECCA is to increase awareness of pre-painted metal by promoting its environmental, cost, quality and design advantages.

The association also grants Quality and Sustainability Labels for pre-painted metal on the basis of the technical and sustainability requirements defined in the ECCA Premium® Label manual and on the basis of independent third party control.

ECCA and the Coil Coating industry work hard to balance the financial stability of the industry with social responsibility towards its stakeholders and the environment.

ECCA carries out benchmarking surveys of the environmental performance of its coil coater members with the aim of facilitating continuous process improvement and further reducing environmental impact.

An analysis of the life cycle of pre-painted sheet metal in comparison with post-painted sheet metal confirmed the **lower environmental impact of pre-painted products**. Not only is coil coating the best way to paint a metal substrate, but pre-painted metal offers superior performance in terms of applications. Although the layer of paint applied in pre-painted sheet metal is very thin (and therefore uses less paint), the performance compared to post-painted sheet metal is much superior in terms of longevity, corrosion resistance and aesthetics. This reduces or even eliminates the need to carry out maintenance or replacement of the product in service.

Condoroil Chemical produces chemical formulations for the Coil Coating industry from coil formation to final painting.



# THE PRODUCTS

**CONDOROILCHEMICAL**

THE SUPPORTABLE CHEMICAL FOR INDUSTRY

35449007

**CONDOROILCHEMICAL**

THE SUPPORTABLE CHEMICAL FOR INDUSTRY

## Sustainable chemistry

Condoroil production is divided in two production sites.

At the first site, are produced mainly chemical formulations used in the **production, transformation, processing and protection processes of metals**. The wide range of products includes formulations for pickling, degreasing, conversion treatments, corrosion protection, pre-painting, paint strippers, lubricants for metal processing and forming, heat treatment fluids, formulations for waste water treatment, products for plastic recycling and specialties. At the other site are produced **paints for the pre-painted sheet metal industry** (primer, back coat and top coat).

Since the company foundation, research has been directed towards the formulation of products with a lower environmental impact.

Furthermore, CONDOROIL CHEMICAL contributed, first directly and then in collaboration with the new company CONDOROIL STAINLESS, to develop recovery and regeneration technologies to minimize waste.

There are numerous patents filed and technologies developed with the collaboration between the sustainable chemistry of CONDOROIL CHEMICAL and the green engineering of CONDOROIL STAINLESS.

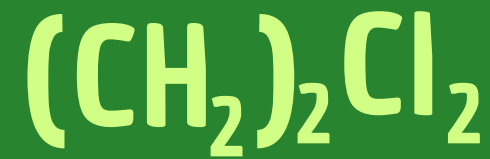
As examples we point out the possibility of regenerating degreasers, strippers, solvents, lubricants, conversion or electroplating treatments and of recovering, from waste water, by-products such as water, salts, metals, solvents, oils or in any case raw materials having a certain commercial value. The solutions used in surface treatment cycles are no longer seen as waste to be managed but as an economic resource that can be exploited.

The consumption of resources no longer follows economic development at the same pace and we are witnessing the so-called phenomenon of decoupling between the economic growth curve and that of the consumption of raw materials.

The development and construction of a series of particular electrolytic pickling systems has also allowed the progressive elimination of traditional chemical pickling processes, large users of acids that are dangerous for the operator and pollute the environment.

The recently patented object is a formulation used for the electrolytic pickling of stainless steels, based on organic acids, which has the irritant cross as the only symbol of danger.

## Our successes



ELIMINATION OF CHLORINATED SOLVENTS AND PYRROLIDONES from cleaners and paint removers.



ELIMINATION OF HEXAVALENT CHROMIUM in the pre-painting and passivation processes and in the passivation of copper and its alloys, aluminum and its alloys and hot deep galvanized steel.



ELIMINATION OF NITRIC ACID in the stainless steel pickling and in the depatination of aluminun alloys, after the alkine treatment.



REDUCTION DO HYDROFLUORIC ACID CONCENTRATION in the working baths with the consequent reduction in the hazard classification.



ELIMINATION OF FORMALDEHYDE DONORS from pickling inhibitors and purchase of formaldehyde free resins.

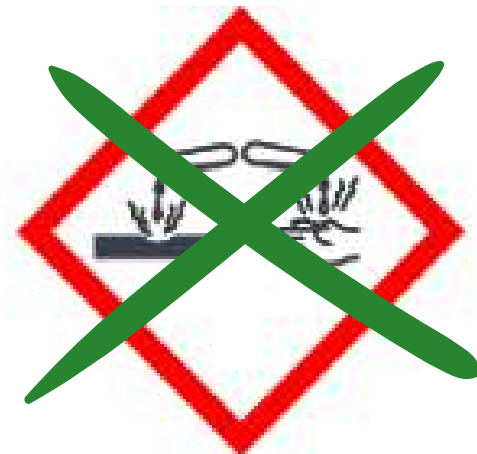


ELIMINATION OF BORON from the non reactive salts, used for the stainless stess drawing, from the passivating and lubrorefrigerating products.

## New products

With a view to sustainability, two new products were developed during 2023:

- Coagulant 51 P: highly performing product formulated for the treatment of paint stripping baths. The product allows to remove the paint dispersed inside the paint stripper, making it possible to reuse it, with a consequent reduction in waste;
- Descal P 85: product developed for degreasing and pickling of aluminum whose acid content is balanced in order to have a non-hazardous product.



## Products reformulation

During the 2023 7 product have been reformulated to reduce t  
In particular, the quantities have been reduced or some raw materials classified as toxic have been eliminated, such as:

- Glutaric aldehyde
- Butyl glycol
- Mineral oils
- PFAS
- Biocides

Furthermore, the laboratories have begun to replace raw materials classified as reproductive toxicants. Among them: boron compounds, solvents (NEP and MTDG), biocides, morpholine, thiourea, tolyltriazole.

It was also decided to reduce the risk of carcinogens and substances toxic to reproduction also at laboratory level with the gradual replacement of phenolphthalein with an unclassified indicator and with the purchase of potassium permanganate in a non-hazardous diluted solution.

## Product quality

The quality of Condoroil products is guaranteed by the professionalism and competence of the staff and by a now consolidated management of the activities through dedicated, recorded, documented and monitored procedures.

For many years Condoroil has been certified according to the **UNI EN ISO 9001:2015 standard**. This system is constantly improving thanks to the updating of procedures that are applied throughout the entire company.

The system is monitored through periodic data analysis and internal and third-party audits.

Thanks to the annual management review of the quality system, this is constantly improved, guaranteeing continuous growth.

The quality system also includes the evaluation of suppliers according to defined parameters and the recording of non-conformities with the consequent implementation of corrective and therefore improvement actions.

Customer satisfaction is also assessed and managed through the evaluation of a series of indicators.

## Raw materials

The range of raw materials used in Condoroil is truly very wide, there are more than 350. Among these acids, bases, salts, surfactants, solvents, resins, pigments, specialties and various additives. For oil-based products, mineral oils, esters and additives. Except in particular cases, for each raw material used, at least two alternative suppliers are identified both to have the best purchasing conditions and to guarantee the availability of the material.

Before purchasing new raw materials, they are evaluated both from a labeling point of view and from a technical point of view in terms of the performance of the finished product.

With the same characteristics, the raw materials are purchased with the principle of **preferential origin**, i.e. purchasing raw materials from Italian or European producers or importers both to have faster delivery times and to reduce the environmental impact of transport. Only 0.2% of purchases come from non-EU companies, mainly from the United States as these are raw materials not available in the EU.

Before entering the production process, incoming raw materials are assessed for conformity by the laboratory according to dedicated procedures.

In the past, recovered raw materials have also been tested. However, given the complexity of the industrial operations in which Condoroil products are used, the impurities present in the recovered raw materials tested so far do not allow their use in Condoroil formulations. However, research is always active in order to have more sustainable products.

### Production processes

With a few exceptions, all Condoroil formulations are produced in its factories.

In recent years, numerous actions have been undertaken to improve the production process and reduce any human error.

Many raw materials are stored inside automatic or semi-automatic tanks and transfer systems.

Production is controlled by **dedicated software** which verifies, via load cells, the correct weighing and via a barcode system, the correctness of the raw materials used as well as their traceability.

All products are subjected to **quality control** by qualified laboratory technicians according to standard procedures.

For each production batch, a corresponding counter sample is kept for a period of time ranging from 3 to 12 months.

Periodic maintenance and calibration activities are carried out on all production and laboratory equipment and instruments. These activities are recorded in special registers complete with calibration reports and/or certificates.

Even in the production phase, as will be better illustrated in the section relating to the environment, procedures have been introduced to reduce waste and the production of wastewater to be disposed of.

The first step was taken upstream by creating a dense network of pipes, for the capillary distribution of the raw materials to the finished product mixing systems, which allows the need to wash the transfer means to be reduced to a minimum.

The recent collection washing water for reuse in subsequent operations as well as, when possible, the recovery of counter samples of the finished products at the end of the conservation period is being implemented and monitored.

A distiller has been installed in the paint production plant which allows the solvent used for cleaning the production equipment to be recovered and used.



## Safety and labelling

As already discussed, in recent years products have been developed and modified in order to reduce their danger. The Condoroil research laboratory is always active in this sense also thanks to the efficient collaboration with the safety and environment office which promptly communicates to the laboratory any new hazard classifications of raw materials and new regulations.

The **product safety data sheets** are issued according to EC regulation n° 1272/2008 and are always updated and complete with all the information necessary for customers, including exposure scenarios.

Product labeling is also carried out according to the **CLP** regulation and, in the case of road transport, according to the **ADR** regulation for the transport of dangerous goods.

During 2023, has begun the process of registering formulations at ECHA and the association of the UFI code to the products. The labeling of the products complies with the current regulations in force regarding safety and transport.



# THE PEOPLE



## Condoroil's people

Condoroil people have always been the driving force of the company. In employees management, Condoroil promotes equity and inclusion, not discriminating by area of origin, sex or age during hiring.

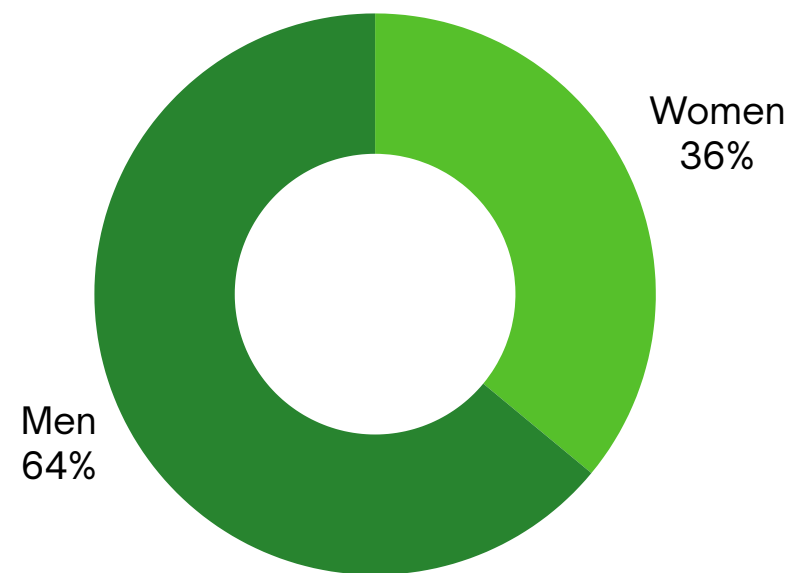
Condoroil also believes it is very important to guarantee its employees a **balanced work-life relationship**, allowing those who need it to work reduced hours or flexible hours.

A new comfortable area dedicated to coffee breaks has been created which will soon also be used as an additional refectory to complement the existing one.

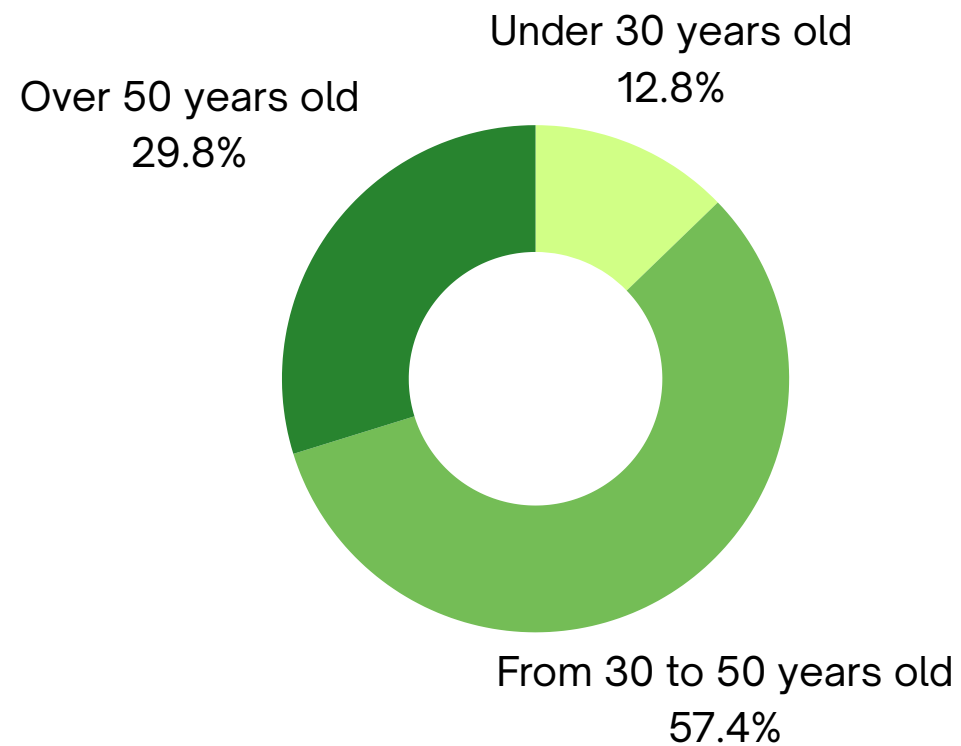
A portal has been established for the dissemination of company information and a WhatsApp group for communications with staff. There is a box in which staff can make anonymous reports to the Management as required by the Whistleblowing policy.



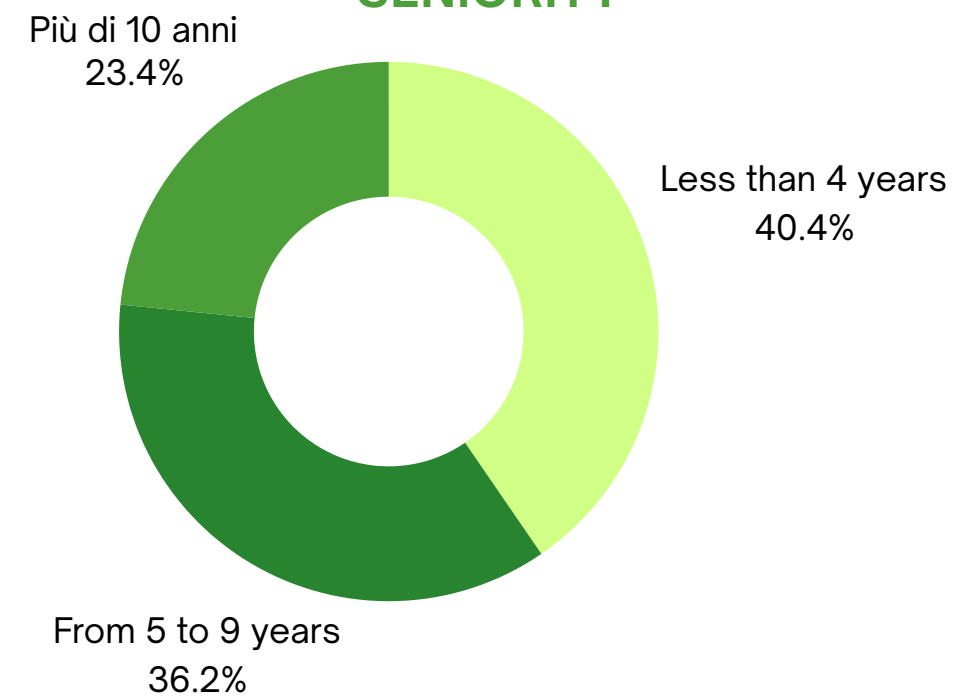
### EMPLOYEES BY GENDER



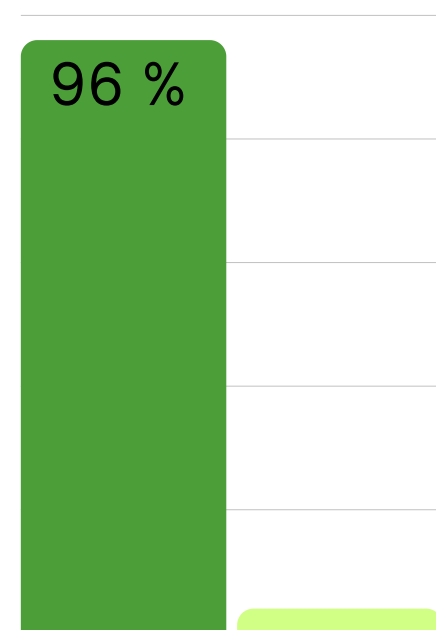
### EMPLOYEES BY AGE GROUP



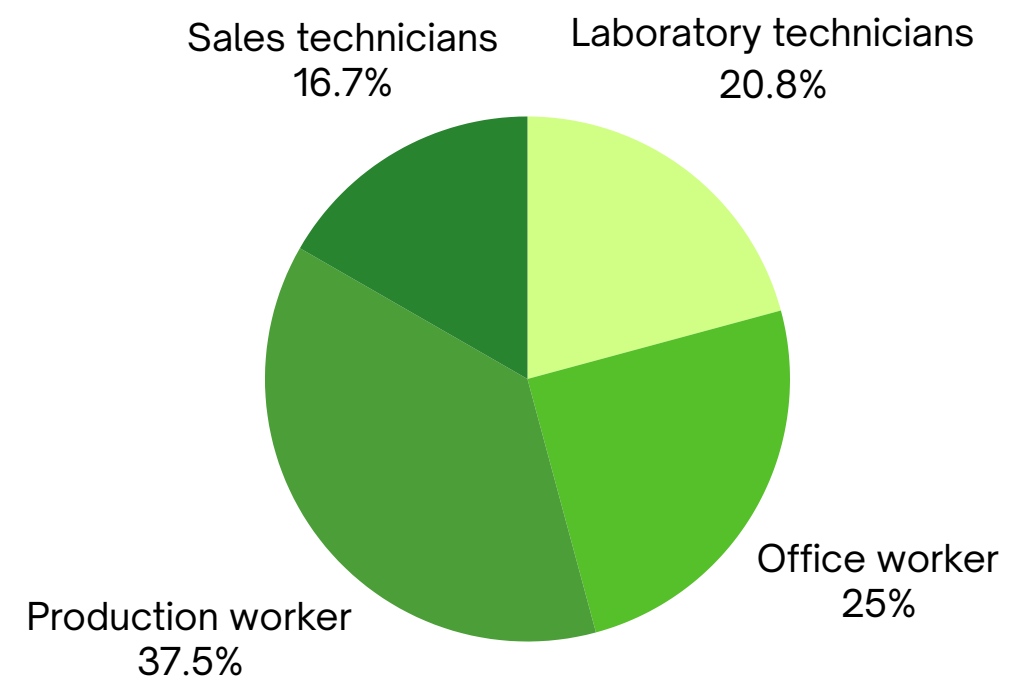
### EMPLOYEES BY COMPANY SENIORITY



### PERMANENT CONTRACTS



### EMPLOYEES BY TASK



## Health and safety

Aspects and topics related to people's health and safety represent priority elements in determining choices and in the organization culture.

The number of **injuries** is very low (around 1 per year), all of which are minor. However, the primary objective remains that of achieving zero injuries. To mitigate the risks deriving from accidents, the company implements continuous training and information, supervision and control activities, distribution of personal **protective equipment**, installation of collective protective equipment and interventions and maintenance on machinery and equipment. An automatic PPE dispenser will soon be installed which will allow employees to collect them independently.

The use of classic cutters has been prohibited in the company which, if the blade was closed incorrectly, was dangerous. All employees who require them have been provided with cutters with retractable blades.

Prevention activity during 2023 focused heavily on fire risk.

The **ATEX** assessment for the paint production plant has been updated. Emergency and evacuation procedures, entrance management and alarm sirens have been reviewed.

For each production unit, a cabinet with fire-fighting PPE including two self-contained breathing apparatus per site has also been installed. Employees have been trained on their use and maintenance.

In 2021, an **AED**-automatic external defibrillator was purchased and the first aid personnel were trained in its use. The AED was registered with AREU Lombardia and therefore made available in emergency cases to the local community.

The company implemented the requirements of the **UNI EN ISO 14001:2015** regulation during 2023 with the aim of becoming certified in 2024.

Procedures and documents have been established on all regulatory obligations relating to health, safety and the environment.

## Continuous training

The company health situation is constantly monitored thanks to the Occupational Doctor, as the competent person. In fact, all Condoroil employees, before being hired, are subject to a medical examination by the Occupational Doctor. The exam is repeated with a frequency established by the Competent Doctor, based on the assessment of the risks to which each employee is exposed in relation to their job.

Environmental analyzes are also carried out periodically to monitor employee exposure to carcinogenic agents.

During 2023, the company's **DVR** was updated and the reassessment of the work-related stress risk was carried out.

An evacuation test with a smoke machine was also carried out.



Condoroil considers the role of **training** and information for workers to be fundamental, to allow them, in carrying out their duties and tasks, to adopt the utmost care and diligence in aspects related to their own health, safety and that of others .

All new hires receive training on the main risk areas related to their job.

Emergency teams take part in specific courses regarding fire prevention, first aid practices and the use of AEDs.

In addition to mandatory training on safety and quality, ample space is dedicated to participation in webinars for updates of various kinds, theoretical-practical courses, etc., participation in sector conferences.

Overall, approximately 100 hours of training were provided in 2023, of which 30 on health and safety issues and 10 on sustainability and ESG factors.

## Corporate benefits and welfare

As a corporate benefit, Condoroil provides rewards for achieving objectives and production bonuses.

All employees have health insurance (Enfea Salute) and a supplementary pension fund.

Electronic meal vouchers are issued monthly based on attendance.



## Community relations

Condoroil Chemical has always had a very close relationship with the local community that has provided several work figures still in the company.

Condoroil has been supporting the Varese **Onlus Maria Letizia Verga Committee** - for the study and treatment of child leukemia and the Marcegaglia Foundation.

In 2022, following the outbreak of the Russia-Ukraine conflict, he hosted refugees and donated aid to the **Onlus Ambulanze Veterinarie Italia of Varese** that were taken to the Ukrainian border.

In 2023 he sponsored the event "Magic of chemistry" for children from 3 to 10 for the dissemination of chemistry through animated reading and laboratory with chemistry experiments.

A continuous relationship also with schools and universities. There are many alternating work and internship courses, which have also involved foreign students, mostly related to research and technical development at the company's laboratories.

# ENVIRONMENT





## Environmental protection

CONDOROIL has always planned its development activities seeking a balance between growth programs, security of operations and respect for environmental requirements.

In addition to what has already been mentioned with regard to the research of formulations with less impact, Condoroil has taken numerous precautions over the years for the protection of the environment.

All washing water contaminated by chemical agents is conveyed to a tank for disposal in accordance with the regulations. The entire production area, warehouse and external forecourt are equipped with waterproof flooring and conveying system of any accidental spills to the recovery tank, preventing it from being placed in the sewer. The runoff rainwater of the aprons is conveyed by culverts present on the pavement to a sand-coal filter before being introduced into the sewerage system. Annually these waters are analyzed by authorized companies.

The company is in possession of Authorization to the emissions in atmosphere. Filters and abatement systems have been installed to contain emissions into the atmosphere. An external body is authorized to verify annual emissions to the atmosphere.

Both in terms of emissions into the atmosphere and runoff water, no situations outside the legal limits have ever been reported.

The organization draws up, according to the regulations in force, the MUD (Single Model of Environmental Declaration) and keeps duly completed the register of loading/unloading of waste.

The area intended for temporary waste storage is correctly identified and with waterproof paved.

Specialized companies handle waste disposal/recovery in accordance with the methods and timing required by current legislation.

In collaboration with the company CONDOROIL STAINLESS, valuable technologies have been developed for regeneration, recycling, or minimization of waste to be applied in the specific sector of chemical treatment of metal surfaces.



## Electricity

Condoroil's 2030 targets are to reduce emissions related to:

- Scope 1 of 20 % (direct emissions from activities controlled by the company)
- Scope 2 of 50% (indirect emissions)

To achieve these goals, the following activities will be implemented in the following years:

- expansion of the fleet with electric cars
- installation of a new photovoltaic system
- progressive replacement of halogen, incandescent and neon lighting systems with new LED equipment

During the previous year, the gear motor of a mixer agitator was replaced with a gear motor with lower energy consumption. However, this has not led to any improvement in energy consumption.

Alternative solutions will be evaluated during 2024.

The compressor, which is essential for production and remains active even when the activity is stopped, is responsible for a high energy consumption. In 2023, the purchase of a compressor with an inverter resulted in a reduction in energy consumption of approximately 100 kWh per day.



## ENVIRONMENT

Renewable sources are the primary source of electricity that is purchased:

Primary source	Year 2022	Year 2021
Renewable sources	82.12 %	51.25 %
Charcoal	3.45 %	6.95%
Natural gas	12.11%	34.69%
Oil products	0.53%	0.75%
Nuclear	0.54%	3.77%
Other sources	1.26 %	2.59 %

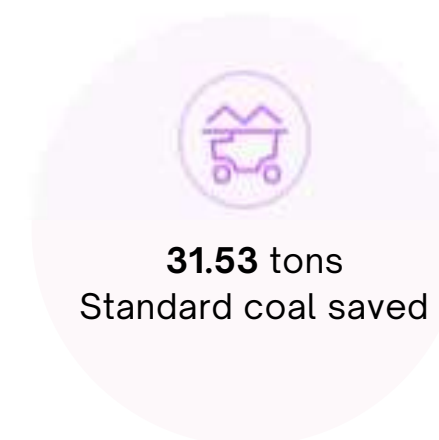
in order to reduce the energy and gas consumption are also implemented activities to raise staff awareness. For example, the purchase of thermometers for each room of the company that allow staff to check the temperature of the room and adjust accordingly the thermoconvectors in order not to exceed the temperature of 20 °C.



At the end of 2022, **photovoltaic panels** were installed in the chemical production department, which produces approximately 30% of the energy consumed.



From the installation to date, this technology has contributed to environmental benefits:



# Production of electricity from photovoltaic panels (2023)

Yield: **54.74** MWh



Consumed: **40.12** MWh

Fed to grid: **14.62** MWh

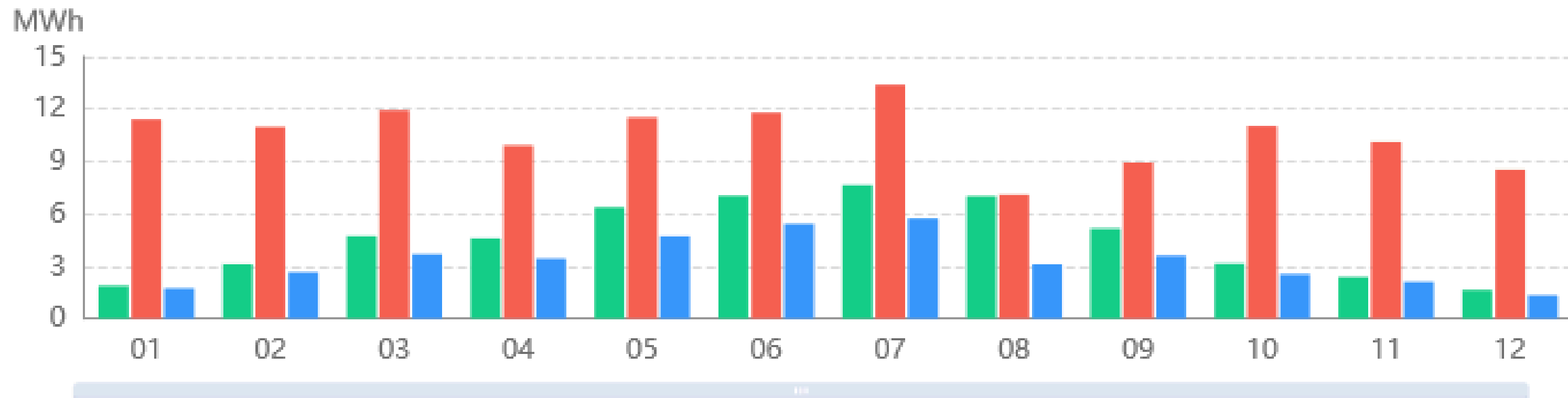
Consumption: **126.73** MWh



From PV: **40.12** MWh

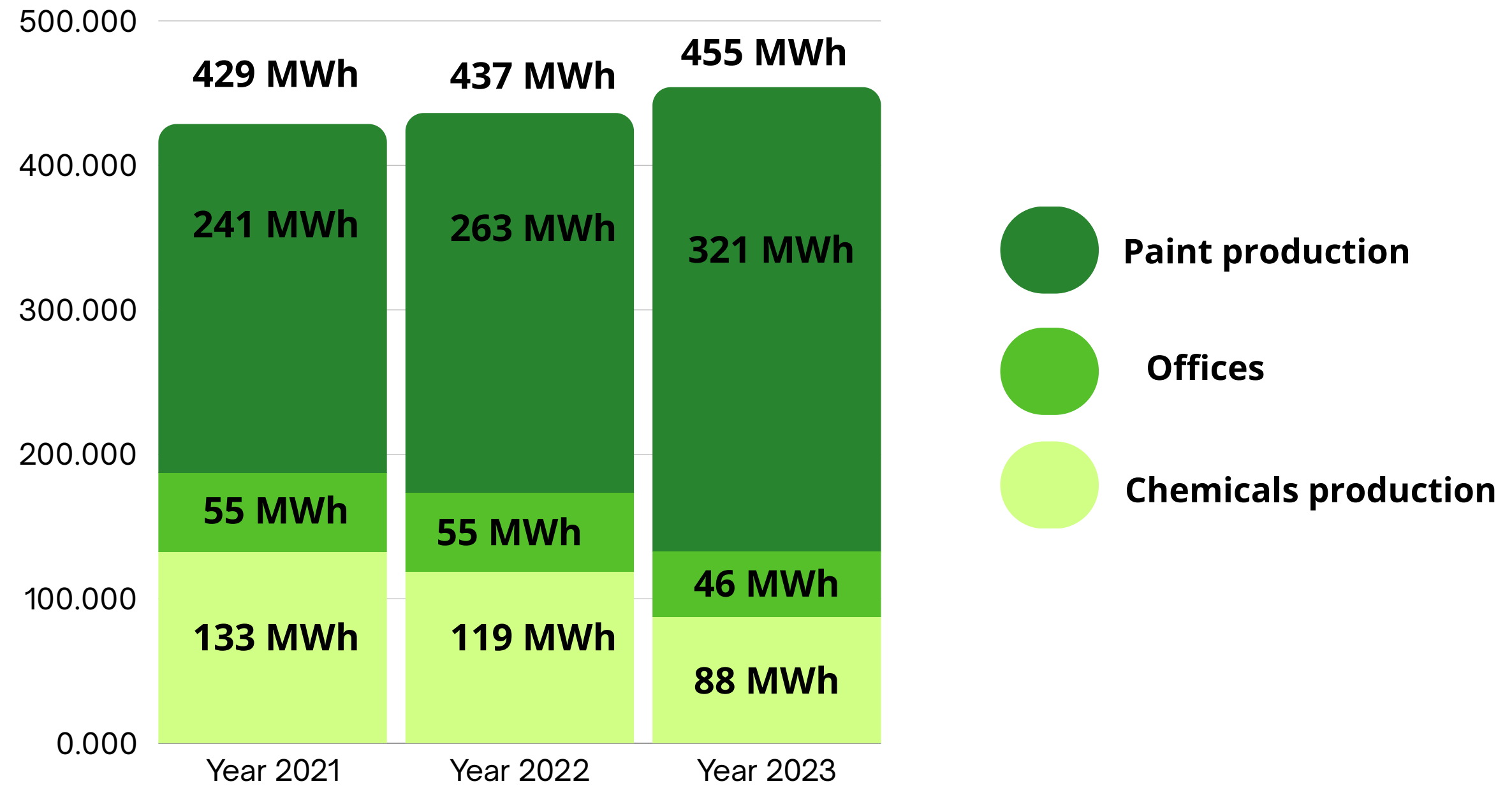
From grid: **86.61** MWh

■ Yield ■ Consumption ■ Consumed from PV



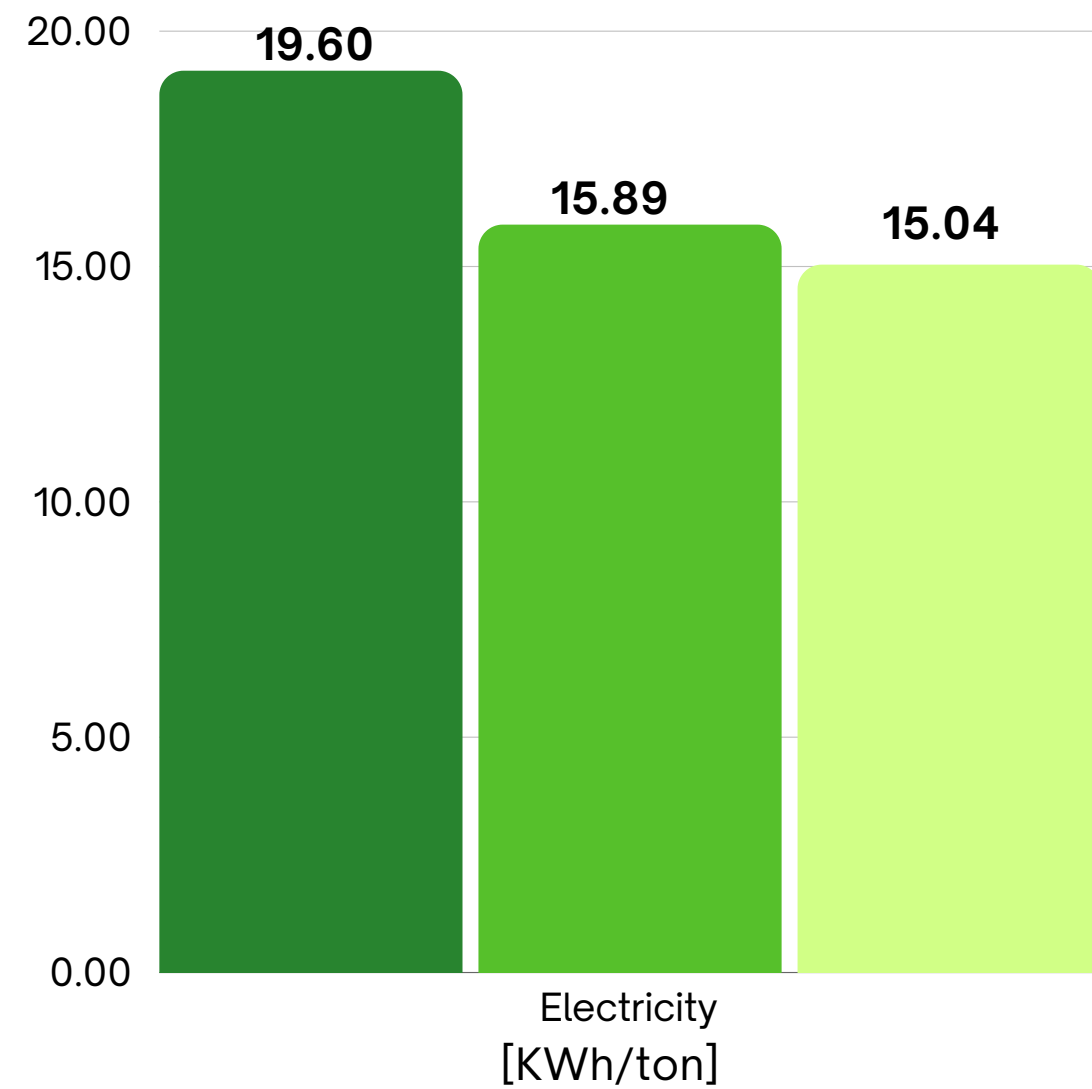
Data refer to chemical production department only

# Electricity consumption over three years (2021-2023)



# Electricity consumption per tons of product over three years (2021-2023)

## Chemicals



## Paints



## Water

The water supply is for both civil and industrial consumption, in particular for the production of liquid formulations. Most of the formulated products have water as their main component.

The production unit estimated that the above quantities can be divided as follows:

- 100% for toilets, general services, offices, production
- 1% accidental loss of the plant (office boiler)

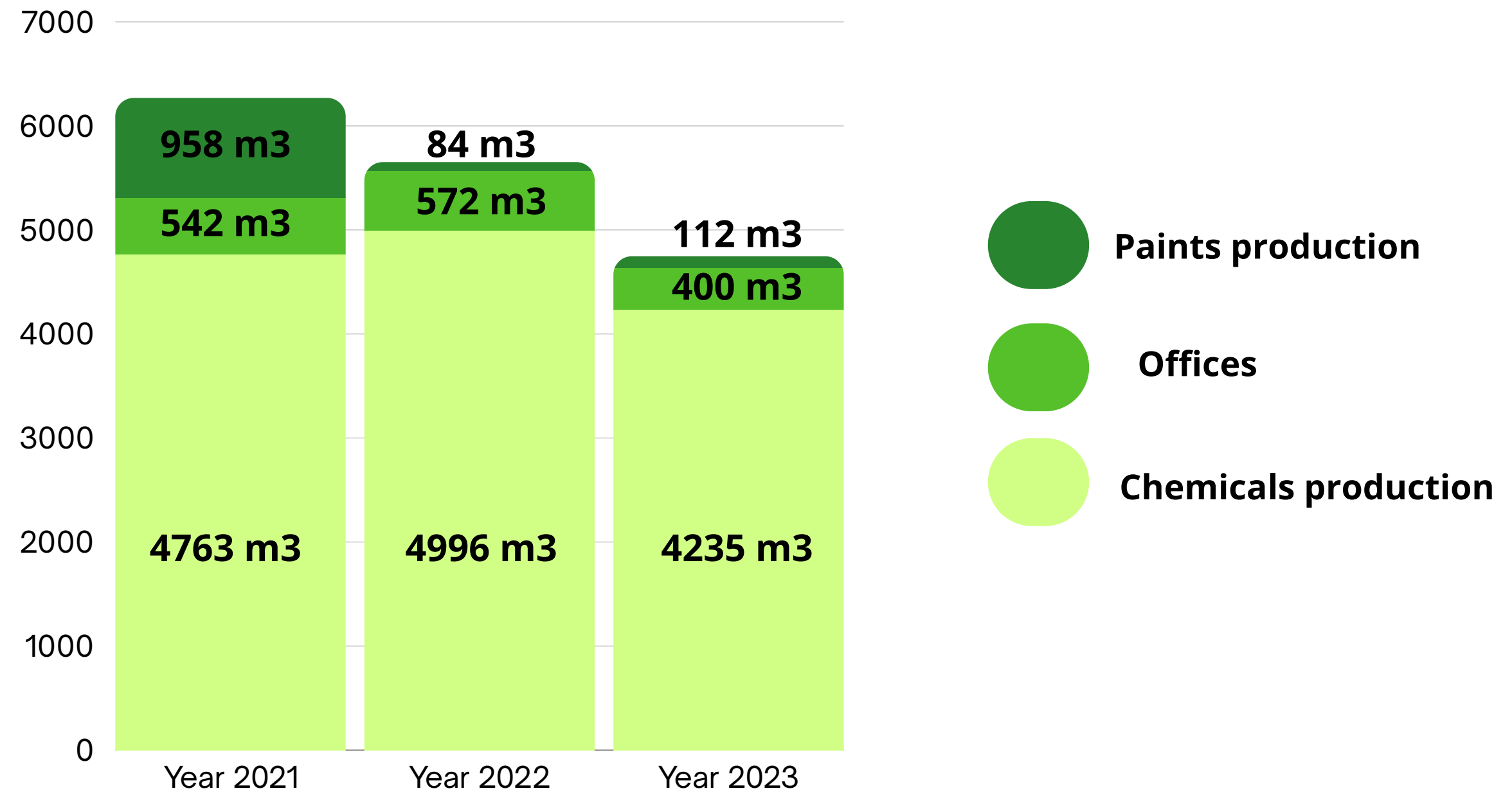
Water for production is used as it is or after reverse osmosis treatment. Of the mains water that is treated with the demineralizer only about half comes out as demineralized water. The remaining (concentrate) is used for a first wash of the tanks/mixers.

The water used for the cooling of the mixers is recovered and used for the production of demineralized water.

A large amount of water is consumed for cooling mixers. This water is largely recovered for the production of distilled water.

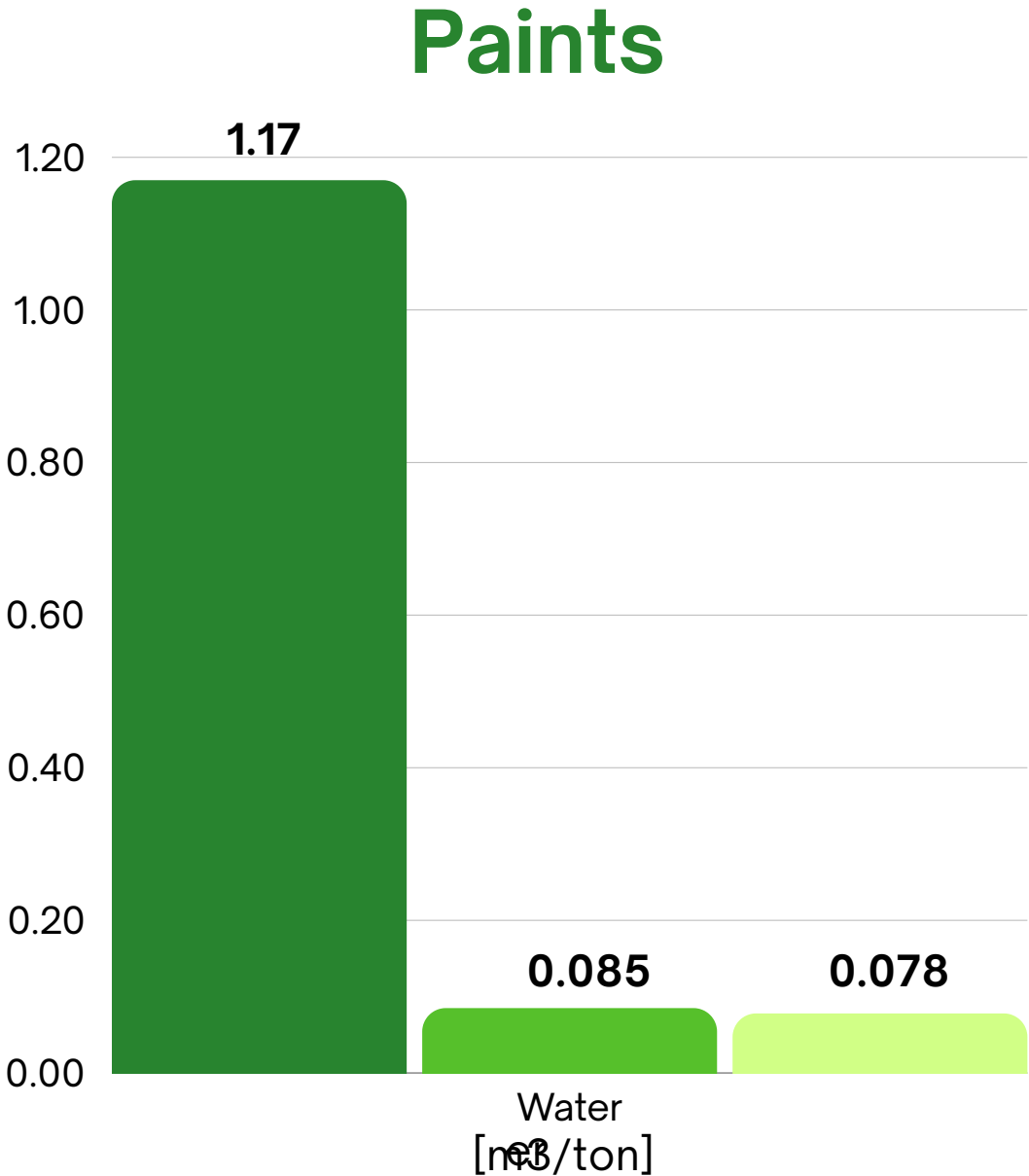
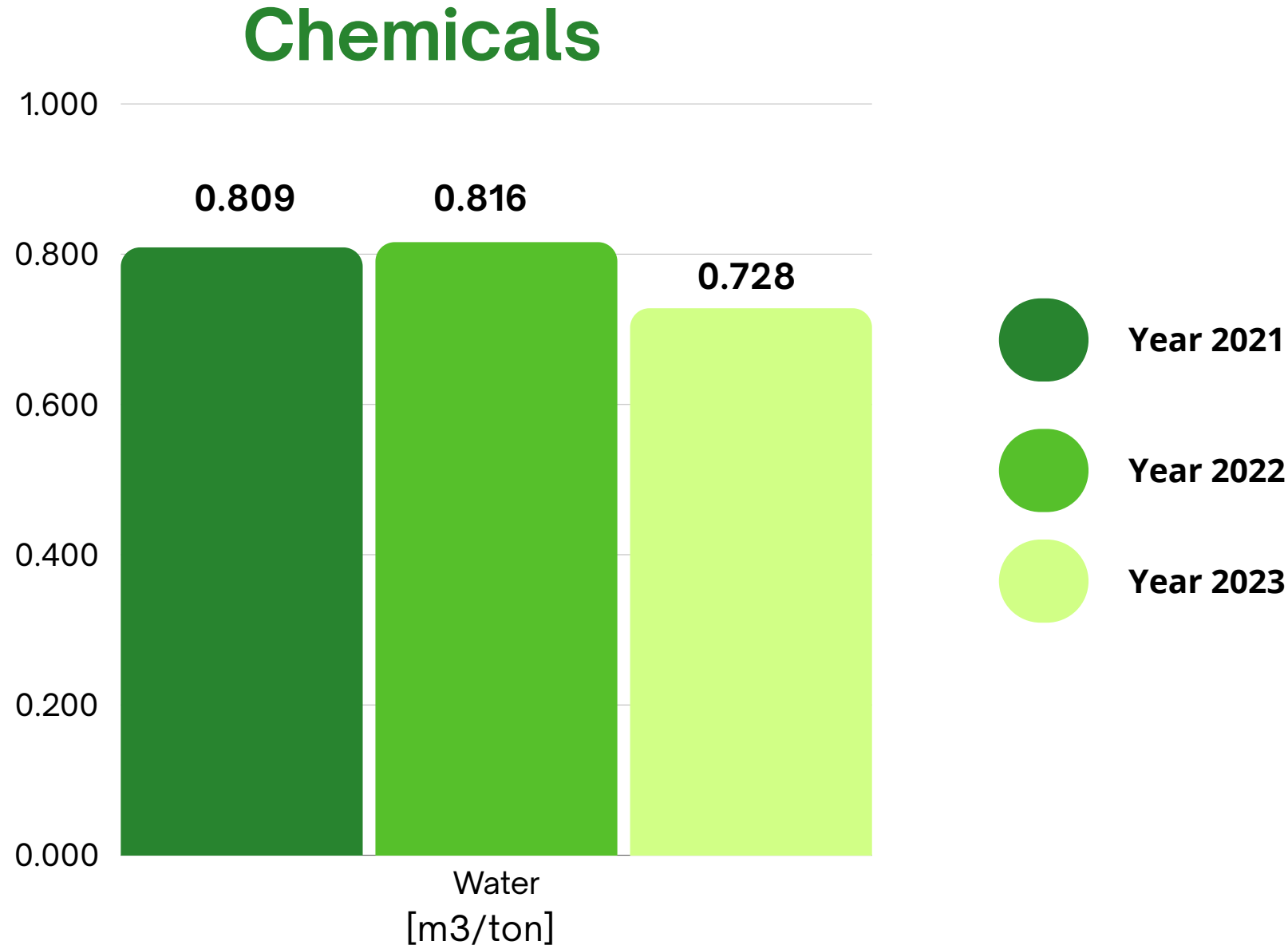


# Water consumption over three years 2021-2023





# Water consumption per ton of product over three years (2021-2023)

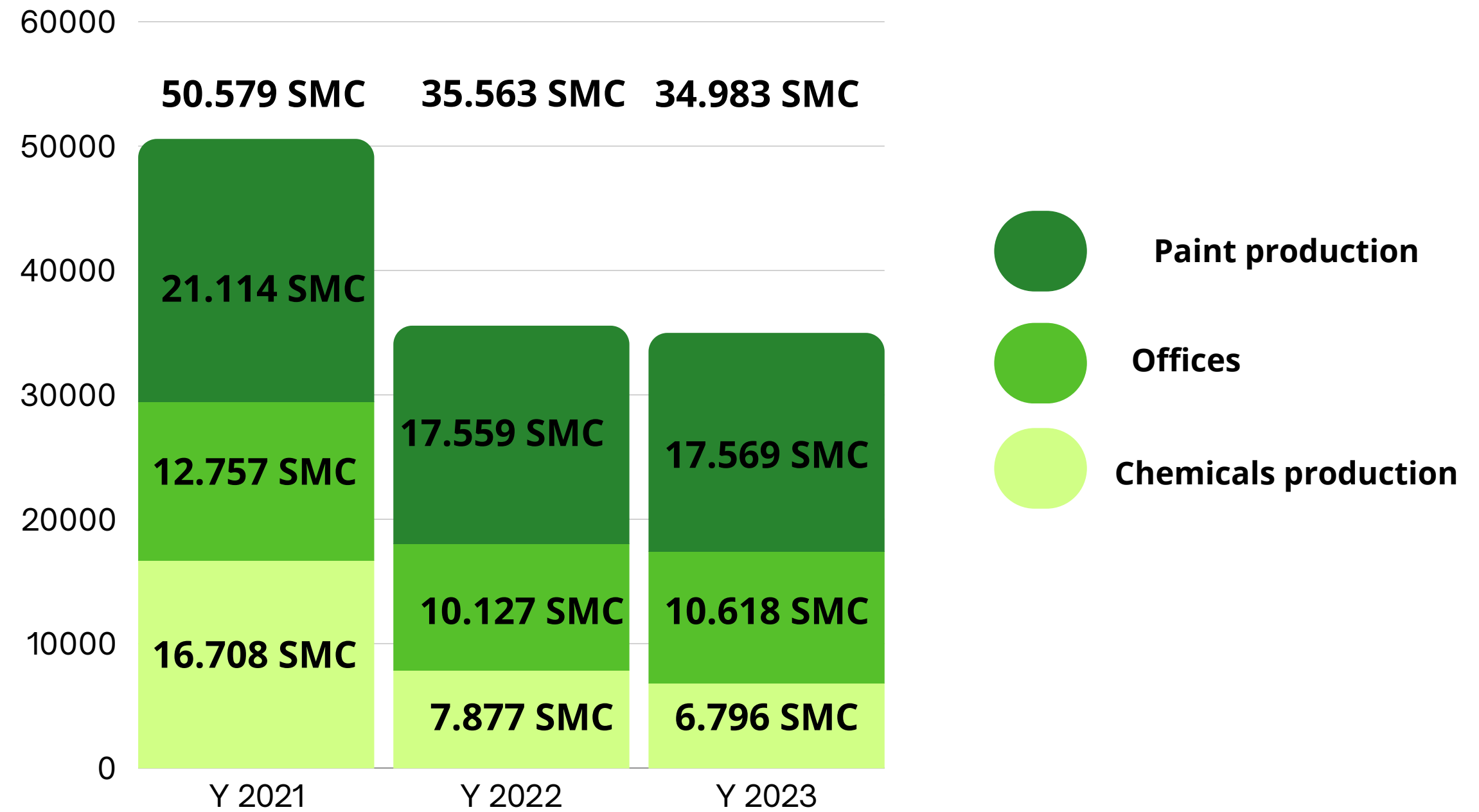


## Gas

Il gas metano è utilizzato principalmente per riscaldamento dei reparti produttivi e degli uffici amministrativi e in minor parte per la generazione di acqua calda. Nel 2019, in occasione dell'intervento di rifacimento impiantistico di una palazzina la caldaia è stata sostituita da un sistema in pompa di calore alimentato elettricamente.



# Gas consumption over three years (2021-2023)



## Waste

In order to reduce the amount of waste, some measures have been taken:

- Verification of the physical chemical parameters and properties of certain raw materials/finished products expired for their reconditioning and then use.
- Washing and regeneration of tanks for reuse
- Placement of fountains for water filtration and cooling and delivery of stainless steel water bottles to all employees to eliminate the consumption of plastic bottles.

During 2023, the rinsing water of the equipment was retained for reuse in the production of the same product or products compatible with it. This has not led to a significant reduction in waste. More effective action will be assessed in 2024.

Similarly, the counter-samples of the production batches, which are kept for a few months, when no longer needed are recovered in shipments to customers taking care that the quantity of these does not exceed 0.5% of the total quantity of product.

To further reduce the production of waste there has been a change in the planning of production, organizing it in order to produce larger quantities to keep in stock.

By optimizing production, batches of greater volume can be defined, allowing both to increase productivity and reduce the necessary rinsing volumes at the end of production.

In order to optimize this activity, the laboratory is considering the possibility of reducing the number of formulations.



With regard to the production of paints, a programme to reduce waste and disposal has already been launched some time ago.

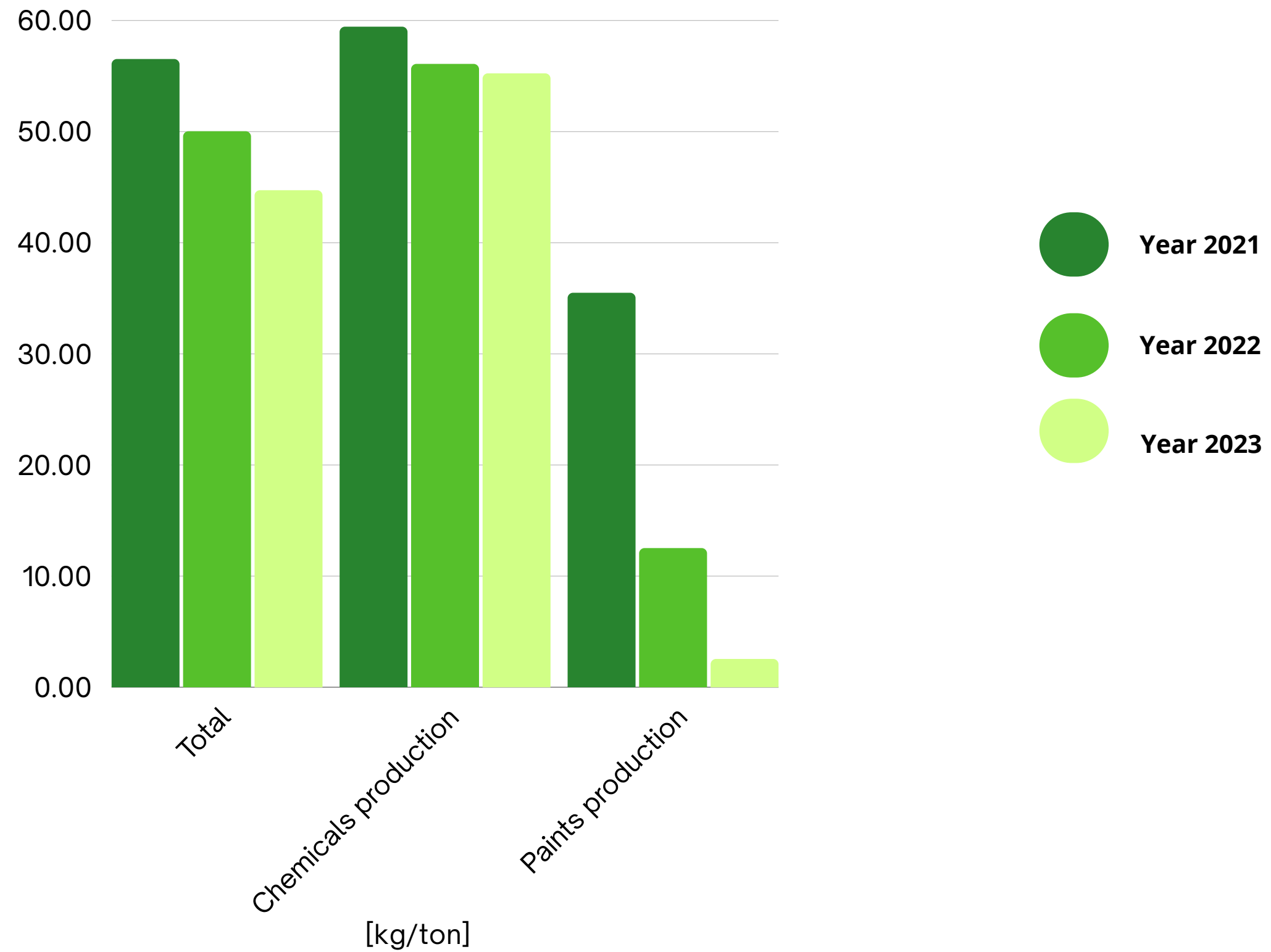
In particular:

- Agreements have been made with customers to provide all the quantity produced even if the eventual final corrections lead to produce volumes higher than the ordered.
- All laboratory counter-samples with any production leftovers and distiller concentrate are recovered in the production of certain types of paints.
- The washing solvent is recovered by distiller.

The distiller has allowed, since 2022, to zero the disposal of the solvent that, in the previous year, had been equal to 28,930 kg.



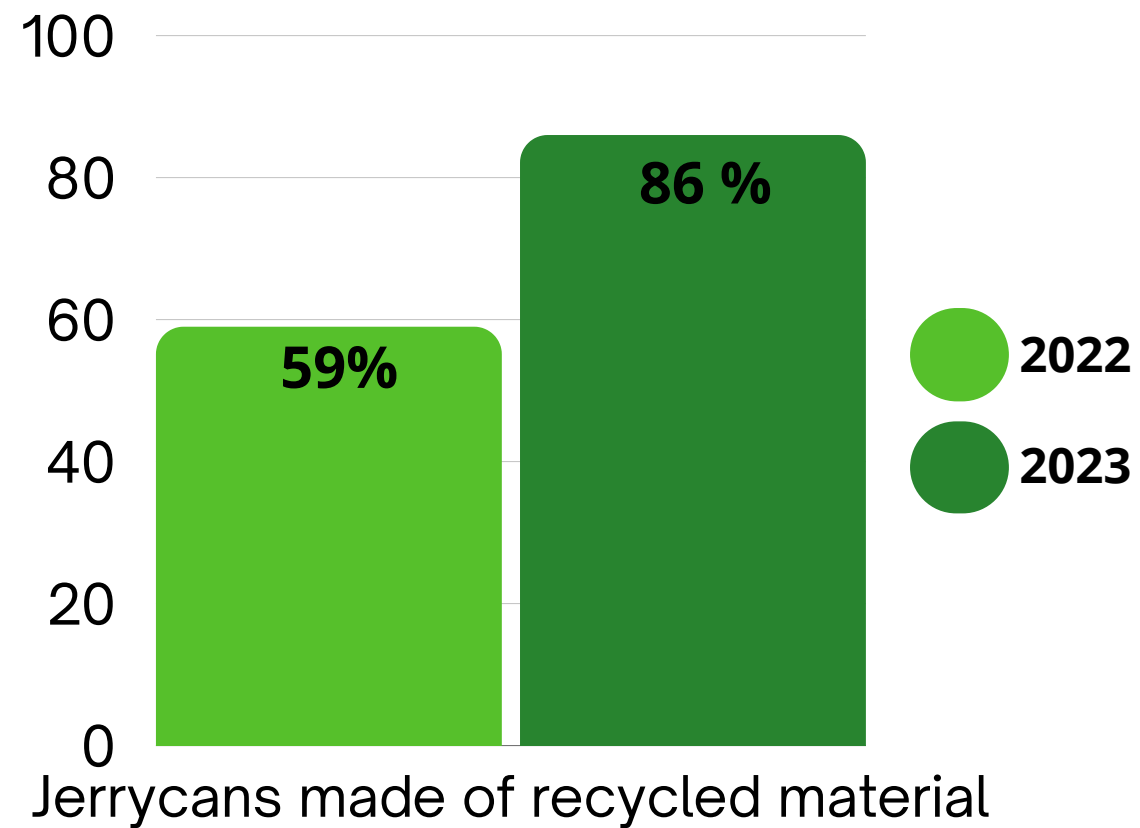
# Liquid waste disposed per ton of product over three years (2021-2023)



## Recycled material

The third important objective included in the 2030 Agenda of Condoroil involves the use of 90% of recycled materials. In this sense, Condoroil has already made great strides in recent years:

- reuse of all tanks after washing
- purchase of recycled material jerrycans
- purchase of recycled paper



Starting in December 2023, the procurement of 200-litre drums that are made from recycled materials has begun.



## CO2 emission factor

In 2023, Condoroil requested from all suppliers the CO2 emission factor for the purchased raw materials. Once all the necessary data have been obtained, the CO2 emissions per tonne of product will be calculated. Such data will be shared with customers who request it, in particular with those who must comply with the CBAM mechanism.

# GOVERNANCE

ESG





## Governance

Condoroil is managed by a Board of Directors formed by the siblings Marco and Paola Zavattoni. Corporate Governance is based on the development of a business model capable of enhancing the efficiency of resources at all stages in the value chain, extending the life of products through possible regeneration of the same for their reuse.

The Board of Directors defines development strategies and assesses the consistency with the objectives set, verifying the progress made.

In order to ensure a correct implementation of the strategy and monitoring of the progress achieved, the Management is supported by the Quality and Safety Manager and the Environment and Communications Manager. These two figures are responsible for informing the board about new regulations and company performance monitoring. Together they coordinate the activities deriving from the guidelines and sustainability strategies defined by the Board.



## Ethical code

Condoroil's **Ethical code** aims to spread a culture based on ethical and responsible behavior. The document contains the values, the Guidelines and the ethical principles and the Code of Conduct to which the subjects operating for the Company (Condoroil Personnel and stakeholders) must expect in the daily management of the activities.

The Code is delivered to the Condoroil Staff at the time of recruitment, which is obliged to respect. The principles of the code of ethics are also communicated through training, awareness-raising and communication activities. The Code of Ethics is also sent to suppliers.

In order to allow all personnel to report behaviour not in line with the Code of Ethics, Policies and Procedures or the applicable rules, Condoroil has a **Whistleblowing Policy**. The Management and any other person who becomes aware of the alert guarantee the confidentiality of the information received and condemn any repercussions.

## Anti-corruption

For Condoroil it is essential to protect its reputation as a fair, loyal, transparent, honest Company, respectful of laws, regulations and guidelines on social responsibility. For this reason Condoroil decided to adopt an anti-corruption policy.

Condoroil's **Anti-Corruption Policy** is consistent with national and international anti-corruption laws. It applies to all interested parties, namely all employees, directors of the Company, suppliers, partners and more generally to all those with whom Condoroil comes into contact during its activity.

Condoroil therefore requires all its stakeholders to comply with the laws for the prevention of corruption applicable to their context, through the commitment to meet the requirements of the management system for the prevention of corruption and to encourage the continuous improvement of the system.

The Code of Ethics, the Whistleblowing Policy and the Anti-Corruption Policy are available to all as documented information, are distributed to employees in the recruitment phase and will be published on the new online website from 2024.

## Risk assessment

Condoroil adopts a risk management system with a mapping of all the risks to which the company is subjected. Risks on production, supplies, personnel, environment, safety etc.

**Risk assessment** is carried out annually and the risks are identified, evaluated and classified in order of priority. Following the evaluation, the Management, together with the process managers, will define the action plan for the management and treatment of the identified risks, and the related monitoring and reporting activities and identifies those responsible for specific risk management.

For each risk, an opportunity for improvement is determined and implemented and monitored throughout the year.



## Privacy policy

Regarding privacy, Condoroil has taken all the necessary actions required by EU Regulation 2016/679, **GDPR** - General Data Protection Regulation. Condoroil, after a careful risk analysis, has taken the appropriate measures to ensure maximum security with regard to company data.

The Privacy Policy is provided to all interested personnel and is periodically trained.

## Cyber security

The entire Condoroil computer system is secured through multiple daily incremental back ups and a weekly full house.

In 2022, with the support of CCIAA of Varese, we run a test through our cyber security system, carried out by a pool of computer technicians. The result confirmed the suitability of the measures taken.

Disaster recovery tests are also periodically carried out.

In addition, internal training courses are held for all staff who use company computers in order to make them more aware about spam mails, fraud etc.

In anticipation of the new EU Directive 2022/2555-NIS 2 about cyber security, issued by the EU to be transposed by member states by October 2024, IT staff has already taken steps to meet the requirements of its standard.

