



SUSTAINABILITY REPORT

2025

Dear Stakeholders,

With this Report, we sought to present in a single document our commitment to sustainability, today a major priority for the responsible development of all companies that approach the market with a focus on protecting and respecting the environment. This approach has paved Propagroup's path from its origins to today, progressively forging our vision and our way of operating.

Our Company was founded in 1967, as a distributor of traditional packaging materials, evolving to become a leader in protecting goods against corrosion, moisture and handling-related risks. Over the years, we have grown and transformed, investing in research, technology and skills, to now be an international operation with a precise mission: to help our customers protect what matters most, the "value of their products". This evolution has been guided by a clear vision that focuses on combining industrial solidity, quality and the ability to adapt to market expectations and changes, with customer satisfaction always the primary objective.

In this regard, Quality Management, the primary purpose of which is customer satisfaction, has always been a main pillar. Indeed, Propagroup was one of the first Italian companies in the sector to obtain Quality Certification, in compliance with the International Standard of UNI EN ISO 9001, as well as Product Certification per DIN 55473 for desiccant bags. Since then, we have continued to consolidate and integrate our Management Systems, obtaining Environmental Certification in 2010, in compliance with the International Standard UNI EN ISO 14001, and Occupational Health and Safety Certification in 2023, in compliance with the International Standard UNI EN ISO 45001.

In recent years, aware of the role organisations can play in promoting a more sustainable future, we considered it necessary to strengthen our commitment to environmental sustainability by measuring and managing Greenhouse Gas emissions, calculating both the direct emissions from our industrial processes and those generated along the value chain, being certified per International Standard UNI EN ISO 14064-1.





This rendered it possible to carry out investments aimed at reducing our carbon footprint, including the installation of a photovoltaic system, new boilers and heat pumps, boosting our energy efficiency and reducing the consumption of energy supplied by the grid. In parallel, we considered it imperative to focus on the circular economy, focusing over time both on the choice of materials – through the use of recycled plastic material and the achievement of the Plastic Second Life marking – and on reducing the use of raw materials, through the design and development of new plastic films that thinner yet with high technical characteristics.

Our commitment for the future will thus be to continue improving our environmental performance through concrete actions, including:

- Continuing along the path of reducing CO₂ emissions;
- Upping the use of renewable energy sources;
- Increasing and fostering circular economy practices;
- Actively involving employees, suppliers and partners in awareness-raising and pathways for continuous improvement.

Aware, therefore, that sustainability is a fundamental journey that requires continuity, listening and collaboration, through this Report we intend to share with people inside and outside Propagroup our commitment, the results achieved and the challenges still to face, with the aim of continuing to protect the value of our customers' products, integrating innovation, efficiency and environmental responsibility into our growth model.

Dante Vaula

Summary

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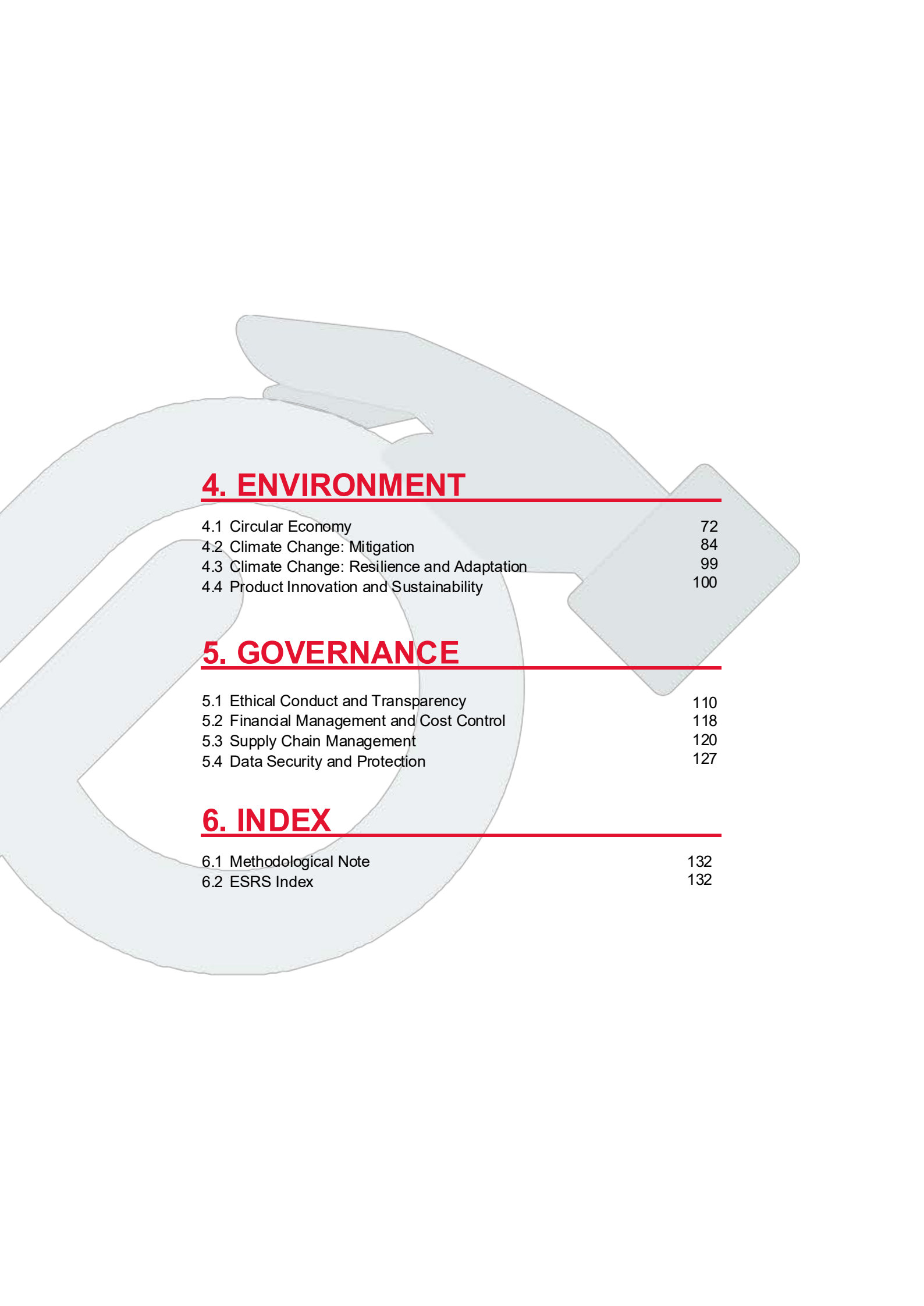
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CHAPTER 1

OUR IDENTITY



1.1 Propagroup

“Our identity is the result of experience, innovation and a constant commitment to ensuring safety and reliability for our customers. For almost sixty years, we have been safeguarding what truly matters: product value”

Propagroup S.p.A. was founded and has grown around a clear idea: **to protect the value of products along their journey**, from the production site to the final destination. In operation for almost sixty years, Propagroup is dedicated to the design, production and distribution of products and systems for protecting goods during transport and storage.

Over time, the Company has followed the evolution of markets and logistics chains, developing solutions able to prevent damage to and deterioration of goods even in the most complex handling and storage conditions. The experience gained and the ongoing dialogue with customers have helped build an **approach based on listening and the search for effective, often customised, solutions** that respond to specific application needs and diversified operating contexts.

Propagroup's offering is based on a balance between in-house production and the qualified selection of complementary solutions, aimed at total and complete protection for all materials in transit. This model allows the Company to be positioned as a single partner, supporting customers in choosing the most suitable solutions in accordance with the product, sector and modes of transport and storage.

The robustness of the Company's processes is underpinned by an integrated Quality, Environment, Health and Safety and Greenhouse Gas (GHG) Management System, certified per the UNI EN ISO 9001, ISO 14001, ISO 45001 and ISO 14064 standards. These certifications attest to Company's intention to be a reliable partner and its attention to the **responsible management of environmental impacts and the protection of people's health and safety**, with a view to continuous improvement.

The Company's headquarters and production site are located in Rivoli (Turin), in addition to a commercial branch in France – Propagroup S.a.r.l. – with registered office in Villeurbanne, operating through a network of agents across the territory.

Thanks to an organised sales structure and a consolidated network of distributors, Propagroup supports national and international customers in numerous countries, contributing to the protection of their products along increasingly-complex and global logistics chains.



2025 in figures

30.910.039

€ in revenue ¹

4

Product lines ²

4

Product certifications ³

4

System certifications ⁴

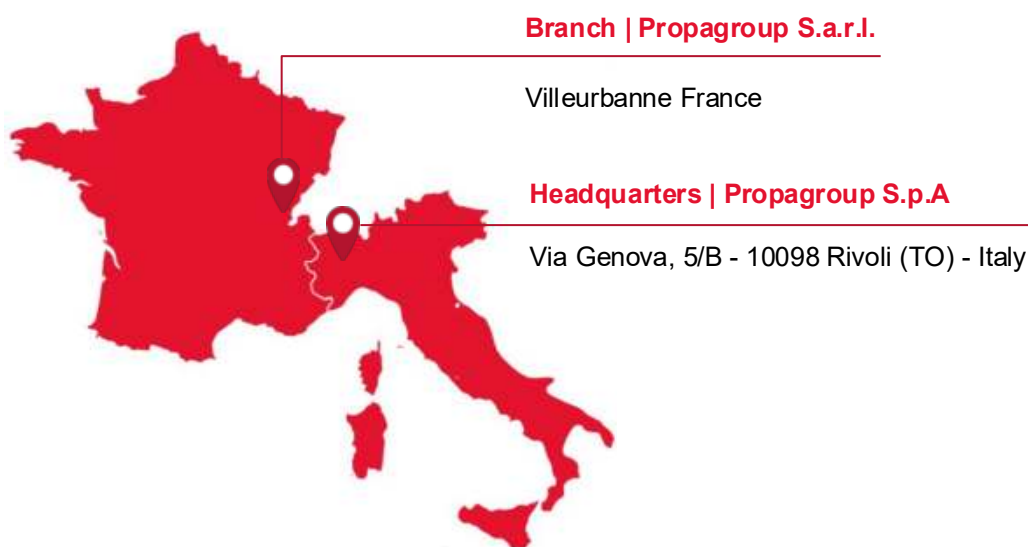
76

Employees and contractors ⁵

58

Years of market experience

Propagroup's Locations



¹ The reported revenue includes the combined figures for Propagroup S.p.A. and its subsidiary Propagroup S.a.r.l., therefore representing the consolidated total of the two entities.

² The product lines are the main broad categories into which Propagroup organises its solutions for protecting goods: Moisture, Corrosion, Handling and Monitoring.

³ DIN 55473; NFH 321; MIL D 3464 E; PVS MIX ECO.

⁴ The system certifications confirm compliance with International Standards for Quality, Environment, Safety and Emissions. Propagroup is certified ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 14064-1:2018.

⁵ "Contractors" refers to Propagroup's non-employee workers.



Our Global Presence

47

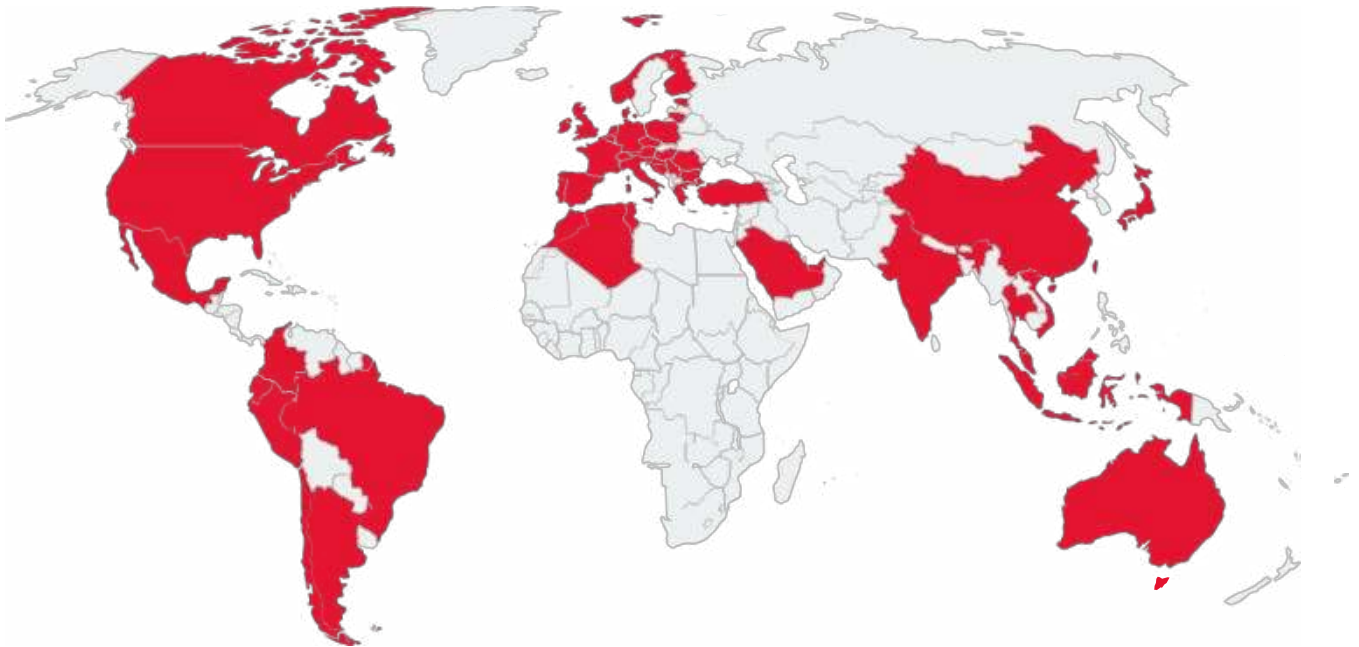
Countries covered

5

Continents

50+

Distributors



North America

Mexico
United States
Canada

South America

Colombia
Ecuador
Brazil
Peru
Chile Argentina

Africa

Morocco
Algeria
Tunisia

Asia

Turkey
Saudi Arabia
United Arab Emirates
India
China
Vietnam
Thailand
Malaysia
Singapore
Indonesia
Taiwan
Japan

Oceania

Australia

Europe

Portugal
Spain
Ireland
United Kingdom
France
Netherlands
Luxembourg
Belgium
Liechtenstein
Germany
Austria
Switzerland
Czech Republic
Slovenia
Italy
Croatia

Bosnia and Herzegovina

Albania
Greece
Macedonia
Serbia
Bulgaria
Romania
Hungary
Slovakia
Poland
Denmark
Norway
Sweden
Lithuania
Finland
Estonia



Our History

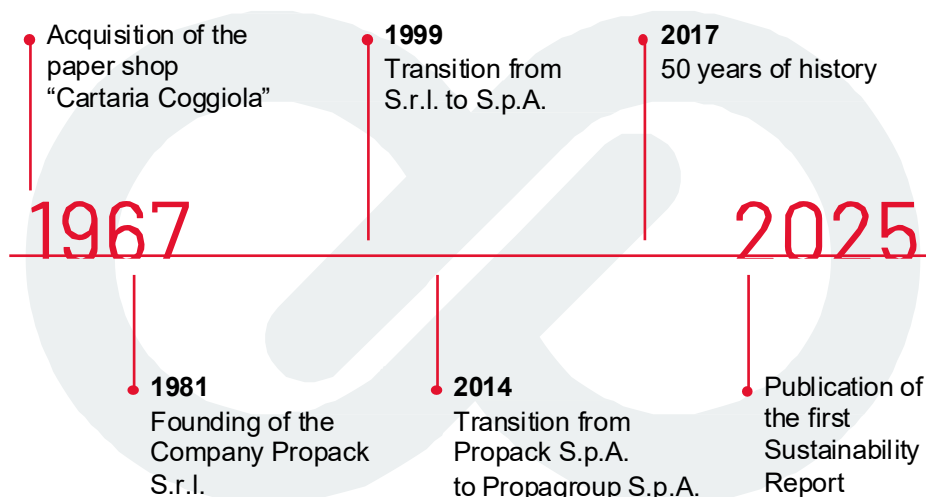
“Our history is a path of growth built on the ability to seize change and transform it into concrete solutions for our customers”

Propagroup was founded in **1967** as a small family-run business, characterised from the outset by a strong entrepreneurial spirit and a **willingness to embrace innovation**. Indeed, since its inception, the Company has been distinguished by its ability to identify new materials, technologies and emerging products within the packaging sector, contributing to their adoption on the Italian market.

Over time, this aptitude for experimentation and listening to market needs accompanied a progressive evolution of the business model. From the distribution of third-party solutions, Propagroup embarked on a path of industrial development that led to the design and manufacture of its own products, increasingly specialised in **protecting goods from possible damage caused by moisture and temperature, corrosion and handling**.

The Company's growth also took place thanks to a principle that has remained unchanged over time: **thoroughly understanding customers' needs and turning them into effective solutions**, in order to effectively protect and preserve goods during transport and storage. This approach allowed Propagroup to evolve from a family business into a structured industrial partner, now operating on an international scale.

The experience gained over almost sixty years of activity now represents a solid foundation on which to continue building Propagroup's future in the spirit of continuous innovation, always with the same objective: **to protect the value of customers' products**.







Our Work

“Every solution stems from a concrete need: to understand customers' needs to transform them into reliable and durable technical solutions”

Propagroup designs, produces and distributes integrated solutions for protecting goods during transport and storage, supporting customers in safeguarding against the main risks that can compromise product integrity. The Company **supports businesses in identifying the most suitable solutions for protecting goods** based on the logistics context, environmental conditions and specific characteristics of the goods to be handled and stored.

Propagroup's production activities mainly take place at the Italian sites and concern the design and production of a broad range of solutions for protecting goods along the logistics chain.

The solutions developed by Propagroup take shape from a careful observation of the critical issues that can arise along the logistics chain and from the analysis of the risks to which goods are exposed during transport, handling and storage. This process of analysis translates into **systems designed to prevent damage, operational inefficiencies and losses related to product deterioration**.

Each solution is the result of a calibrated combination of materials, designed to adapt to the specific operating conditions and application needs of the various sectors. The approach adopted renders it possible to proceed in a targeted way to protect against the main risk factors – such as moisture, corrosion, impacts, temperature, thermal shocks and environmental variables – through modular solutions that can be integrated with one another.



Infinite solutions



Moisture protection

Desiccants and environmental control systems make it possible to prevent and control moisture during transport and storage by:

- Preventing the formation of condensation and moisture;
- Reducing product deterioration;
- Being the ideal product for complex logistics and maritime transport.



Handling protection

Systems for impact absorption, pallet stabilisation and load space optimisation help to:

- Ensure safe handling of goods;
- Reduce damage from shocks, vibrations and load instability;
- Improve operator safety.



Protection Against Corrosion

Through the PROPATECH VCI system, Propagroup offers advanced anti-corrosion solutions for protecting ferrous and non-ferrous metals. To this end, volatile corrosion inhibitors:

- Create an invisible protective barrier that preserves the materials without the use of oils or greases, allowing immediate use;
- Reduce operating costs.



Monitoring of transport and storage conditions

Monitoring solutions for controlling environmental and mechanical parameters (temperature, moisture, shocks and overturning) render it possible to:

- Track goods during handling; Support complaint management;
- Identify any anomalies;
- Continuously improve logistics processes.



Our solutions



Protection from climatic conditions



Protection from atmospheric agents



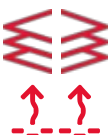
Control of moisture fluctuations



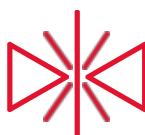
Prevention of condensation formation



Management of prolonged moisture



Treatment of wet pallets



Optimisation of confined spaces



Protection from shocks and impacts



Prevention of compression/abrasion



Protection from damage caused by protrusions



Management of overlaps



Filling of voids between loads



Stabilisation and monitoring of unstable loads



Prevention of corrosion and oxidation



Advanced traceability systems



Control of tilting and overturning



Complete recording of the event



Shelf-life expiry control



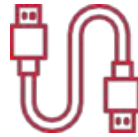
Main sectors of application



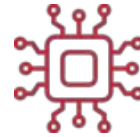
Food and
beverage



Automotive



Cables and
optical fibre



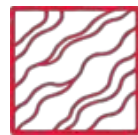
Electronics



Pharmaceutical



Logistics and
packaging



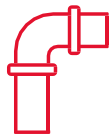
Furniture and
marble



Pet food



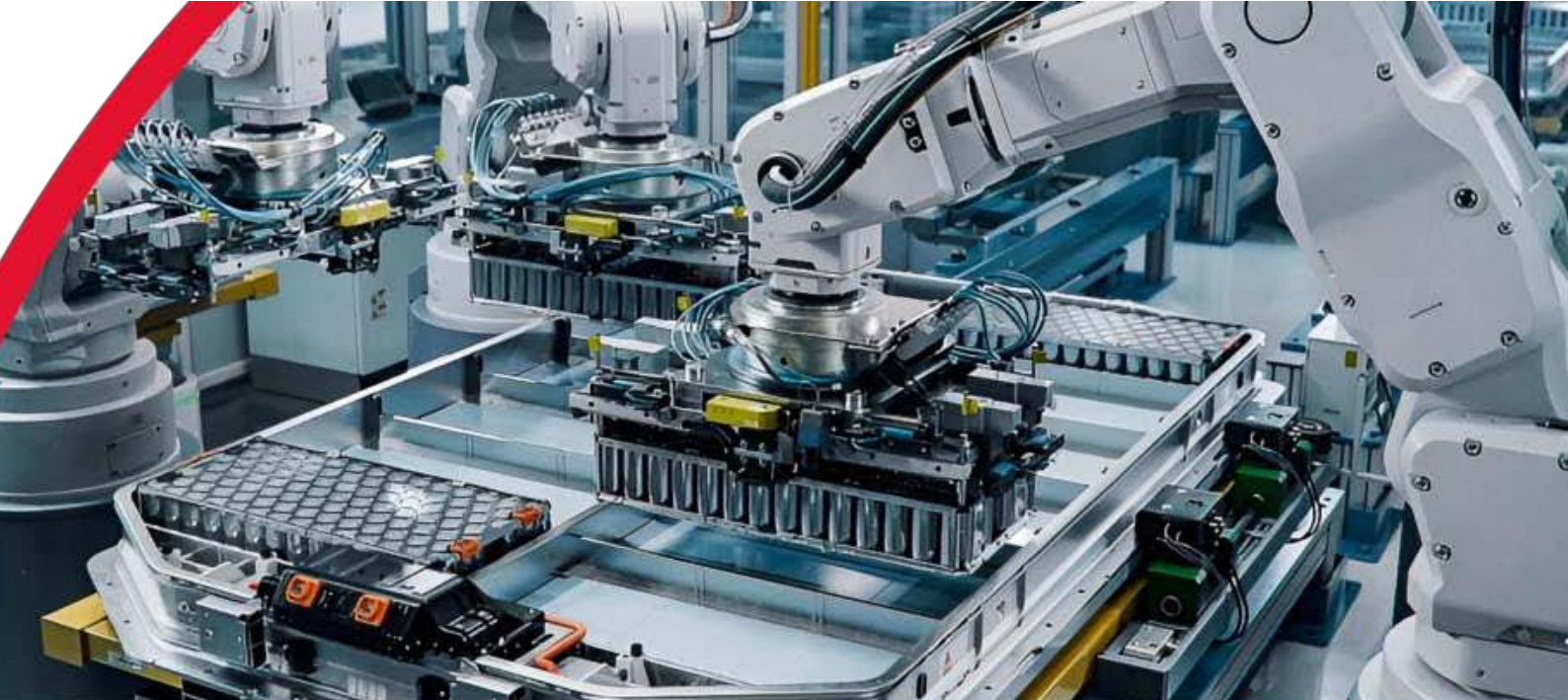
Metal products



Pipes



... and much
more





1.2 Product Quality and Safety

“For us, quality is not just a technical requirement but a value that guides every decision, from design right through to our relationship with the customer”



Product **quality** and **safety** are the cornerstones of Propagroup's industrial approach and the key factors underpinning the Company's ability to offer reliable, high-performance solutions that comply with regulatory requirements across the various fields of application. This commitment is reflected in an **integrated system based on Quality, Environment and Safety certifications**, the constant monitoring of production processes and transparent and ongoing dialogue with customers.

Our system certifications

ISO-9001:2015; ISO-14001:2015; ISO-45001:2018; ISO-14064-1:2018

Quality Assurance

Propagroup's commitment to product quality and safety is underpinned by a structured, certified and continuously-updated Management System. Since 2000, the Company has been certified to the **ISO 9001** standard for the design, manufacture and marketing of products and accessories for the packaging, preservation, wrapping and protection of goods.

The certification – being subject to periodic audits by independent third-party bodies – is based on the implementation of a Quality Policy and Quality Manual, as well as on Procedures and Operating Instructions designed to ensure compliance with the quality requirements of the various markets and sectors served.

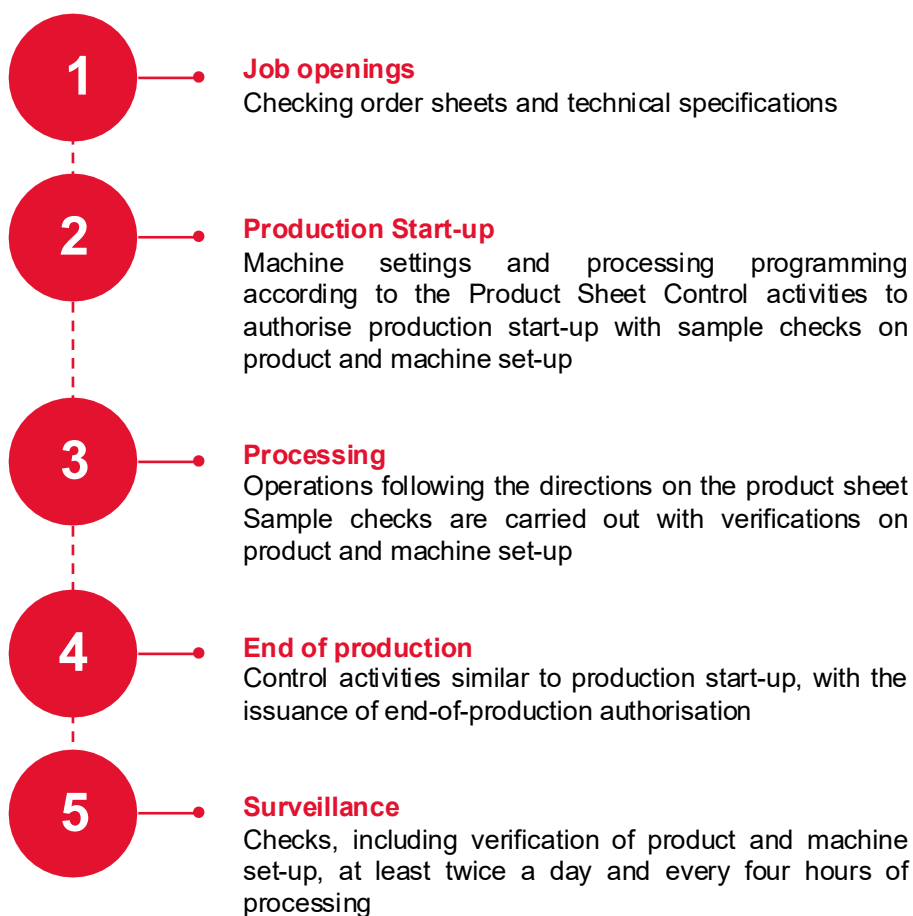
The system enables all stages of the production cycle to be monitored in a structured way, ensuring **product compliance and the traceability of quality controls**.



The corporate organisation dedicated to quality is coordinated by the Quality Assurance Manager, based on a structured collaboration between the Quality Control Manager and Machine Operator Manager. This operating model makes it possible to continuously oversee the production phases, offering high processing standards and constant monitoring of production through self-control activities integrated into the workflow.

At the same time, the Research & Development function is involved in the operational flow, in the implementation of new products, in the introduction of new working methods and in the evolution of control methods, contributing to the **continuous improvement of product quality and safety performance**.

Workflow and QUALITY CONTROLS





Controls are supported by digitalised systems, with product and processing sheets made available on tablets, verification records created through the MES (Manufacturing Execution System), along with the management of Non-Conformities integrated into the BC management software for root-cause analysis and the implementation of targeted corrective actions. The presence of an integrated messaging system also facilitates coordination between the functions involved. Mechanical and physical-chemical control tests on products are carried out internally at Propagroup's Quality Control (QC) laboratory. The Company is likewise equipped with four climatic chambers that render it possible to simulate critical environmental conditions to assess the effectiveness of solutions in real transport scenarios.



Climatic test for anti-corrosion packaging



The laboratory test is carried out to evaluate the VCI (Volatile Corrosion Inhibitor) added to the packing materials. VCI technology renders it possible to create an invisible protective barrier that preserves steel, aluminium and other metallic materials from corrosion and oxidation.

A climatic test is carried out in order to verify whether the protection is effective in difficult environmental conditions, such as those that occur during transport by sea, land or air, or during storage with exposure to humid, hot, cold or variable climates.

Product Safety

Product quality and safety are managed by Propagroup starting from the design phase, considering – along with customer needs and market analyses – the laws and regulations applicable to the product and the implementation of specific environmental requirements.





Our Product Certifications

Over the years, Propagroup has obtained product certifications that attest to compliance with the performance requirements set out by the relevant standards for the main international markets.

Our product certifications:

- DIN 55473 for PROPASEC desiccants;
- NFH 321 for PROPASEC desiccants;
- MIL D 3464 E for PROPASEC desiccants and PROPASIL desiccants;
- Plastic Second Life MIX ECO for PROPAFLEX and for plastic films with and without PROPATECH VCI FILM.

The safety of products to protect user health is ensured by compliance with the REACH Regulation, as well as by tests carried out at external laboratories for specific applications, such as food contact or use in the pharmaceutical field.

In particular, Propagroup products undergo specific controls in three main sectors:

Automotive, Logistics and Industrial Packaging sector (anti-corrosion VCI films)



The materials are enriched with dedicated chemical compounds to improve their performance and the protection of goods. Safety is verified through internal tests and analyses by third-party laboratories. For example, according to the German TRGS 615 Standard, protection from exposure to N-nitrosamines is guaranteed for PROPATECH VCI PAPER and PROPATECH VCI films.

Food and beverage sector (“food contact”)



Propagroup verifies that the materials used are authorised for food contact and subjects the products to migration tests to ensure the absence of contamination. The conditions of use are evaluated in relation to time and temperature, ensuring full compliance with regulations and safety of use.

Pharmaceutical sector



For products intended for this field, Drug Master Files (DMFs) are prepared and sent to the FDA, containing confidential information on materials, processes, packaging and storage, to ensure that there are no negative interactions that could compromise the integrity of the medicines.



These controls, representative of Propagroup's approach to product safety, make it possible to guarantee **reliable performance, regulatory compliance and maximum protection for end users.**

In addition, technical and safety information – including Technical Data Sheets, Safety Data Sheets and declarations of conformity – is shared transparently with customers to support the correct and informed use of the proposed solutions.



Product tests for food & beverage and pharmaceutical

Specific tests related to materials intended for food contact are carried out in relation to Propagroup products for the food and pharmaceutical sectors, in compliance with current European and International Standards, including:

- Regulation (EC) No. 1935/2004 and subsequent amendments;
- Commission Regulation (EC) No. 2023/2006 (GMP) and subsequent amendments;
- Directive 94/62/EC and subsequent amendments;
- Regulation (EC) No. 1895/2005;
- Commission Regulation (EC) No. 10/2011 on plastic materials and items intended for food contact and subsequent amendments;
- Food and Drug Administration (FDA);
- European Pharmacopoeia.





Finally, training and updating in the Quality field represent a further key element of Propagroup's ISO 9001 System. Training activities are carried out periodically, with particular attention to **regulatory updates**, **specific customer requests** and the **implementation of internal procedures**.

Training is provided both upon the **onboarding of new employees** and through continuous updating for resources already in operation, in order to strengthen knowledge of the system's requirements, awareness and the involvement of corporate functions in Quality Oversight.

Operating instructions and work procedures are made available via **desktop PC**, while continuous updating covers regulatory aspects, the management of customer requests and the implementation of the **Quality Management System**, ensuring a professional growth path consistent with Company standards.





Customer care and focus

“Product quality also comes from the quality of the relationship, where listening, collaboration and reliability underly everything we do”

Alongside the technical quality of its solutions, Propagroup pays great attention to **service quality** and to **managing customer rapports**. The approach adopted is oriented toward collaboration and customisation, with the aim of thoroughly understanding the needs of the various application sectors and translating them into effective, tailor-made solutions.

The sales function is structured to systematically ascertain customers' needs then pass them on to the internal functions involved – Purchasing, QHSE, R&D, Production and Marketing – activating development processes consistent with the technical, regulatory and performance requirements demanded. This model ensures production flexibility and rapid response, both in the domestic and international markets.

The Customer Experience is monitored through periodic feedback-collection procedures and via direct dialogue with customers, made possible by the presence of a dedicated sales network. The evaluation indicators include order management, product quality, the commercial relationship and the handling of returns and non-conformities, which are tracked and managed through structured workflows in the Company Management System.

2025

0,13%

0,29%

99,89%

Customer returns status ⁶ Service disruption trend ⁷ Customer satisfaction level

Customers' needs also represent a central factor in Propagroup's innovation process. Through the involvement of the R&D function, market demands become the starting point for projects focused on continuous improvement and the development of new solutions, able to respond to increasingly-stringent technical, regulatory and sustainability requirements.

⁶ Calculated as the ratio of returns to total sold

⁷ Calculated as the ratio of the number of complaints to total products shipped



Propadyn Museart - Moisture stabiliser

When it comes to artworks, it is essential to ensure protection from moisture variations and to guarantee ideal conditions during every exhibition, transport and conservation contexts.

Thanks to the analysis of market needs and collaboration with customers, Propagroup developed and patented Propadyn Museart, a moisture stabiliser designed to safeguard works of art. This solution stems from the integration of technical expertise, customisation capability and attention to the sector's specific application requirements.

Propadyn Museart renders it possible to keep the desired moisture level constant inside display cases, crates and special packaging, ensuring stable conditions during transport and storage even in variable climatic contexts. The system can even be configured in accordance with specific needs, with controlled moisture values between 35% and 80%, adapting to the various types of works and materials. Propadyn Museart also complies with the Oddy test. This accelerated-ageing test verifies whether materials release harmful volatile compounds that could corrode and/or damage precious artefacts.

Safety is an important aspect. Indeed, the product acts as a flame retardant, certified according to the EN 13501-1 Standard, helping to limit the spread of fire. In addition, Propadyn Museart does not release liquids or dust during use, ensuring safety even in particularly sensitive contexts.

The development path of Propadyn Museart was strengthened by the direct involvement of customers and cultural institutions, making it possible to create customised versions for specific application contexts. Among the collaborations activated are the Musée de l'Éphèbe in Cap d'Agde, the Royal Armoury of Turin and the Royal Library of Turin, as concrete examples of how dialogue with customers can translate into effective, tailor-made solutions.



Finally, Propagroup recognises the **importance of the quality and accuracy of the information provided externally**. For this reason, commercial communication and marketing activities are developed in coordination with all internal Propagroup functions, including R&D, Quality and Logistics, to ensure the consistency, currency and accuracy of the technical and regulatory content shared with customers. This approach helps strengthen stakeholder trust and support informed choices in the use of the proposed solutions.







CHAPTER 2

SUSTAINABILITY STRATEGY



2.1 Our Journey

“For us, sustainability is an evolutionary path paved over time, having its foundations in the culture of quality and respect for the environment”

Quality and respect for the environment have always been central elements of Propagroup's way of operating. Over time, these dimensions have been progressively formalised and strengthened through governance tools, certified Management Systems and dedicated projects, with the aim of making the **Company's commitment increasingly structured and measurable**.

The certifications and initiatives undertaken over the years thus mark the Company's intention to make the management practices of environmental, social and governance issues increasingly systemic and integrated. This path has accompanied Propagroup's growth, making it possible to consciously address operational, environmental and social risks and to respond to the expectations of customers, contractors and other stakeholders.

In more recent years, attention to sustainability has further developed through the introduction of ESG rating tools, specific projects dedicated to reducing Greenhouse Gas emissions and the definition of a structured sustainability strategy.



This path now finds an initial organic synthesis in the **publication of the first Group Sustainability Report**, which represents a further step toward structured and transparent reporting.



GreenSME Project

In 2025, Propagroup was selected to take part in the European **GreenSME** project, a programme funded by the European Union aimed at supporting manufacturing SMEs in adopting advanced technologies and integrating sustainability into business models.

Through the GreenSME self-assessment tool, two strategic priorities were identified:



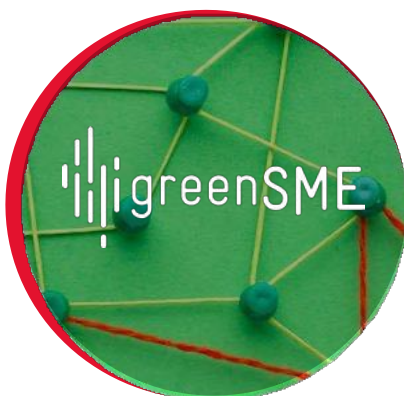
Quantification of the Organisation's Carbon Footprint;



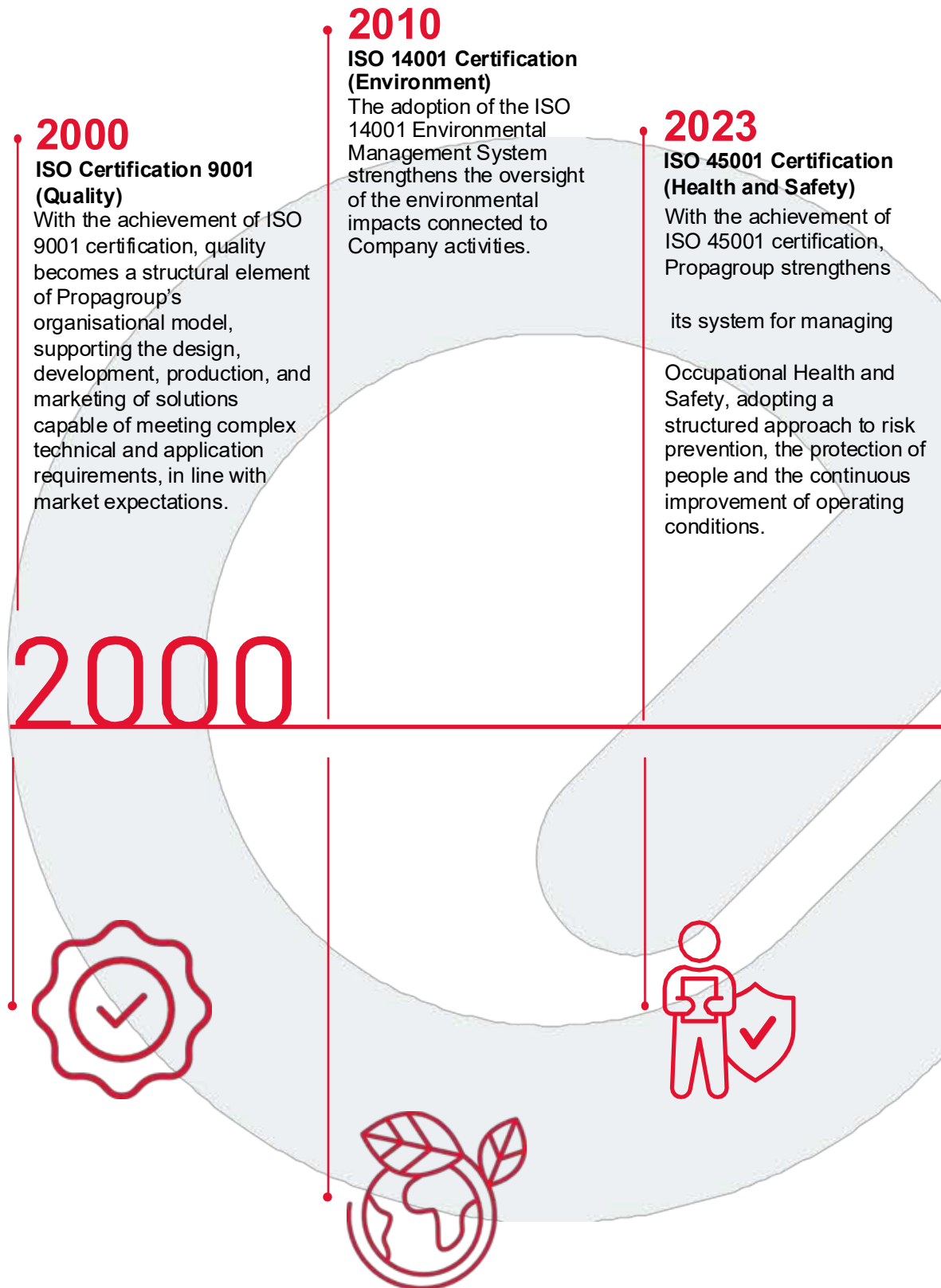
Definition of a Greenhouse Gas Emissions Reduction Plan.

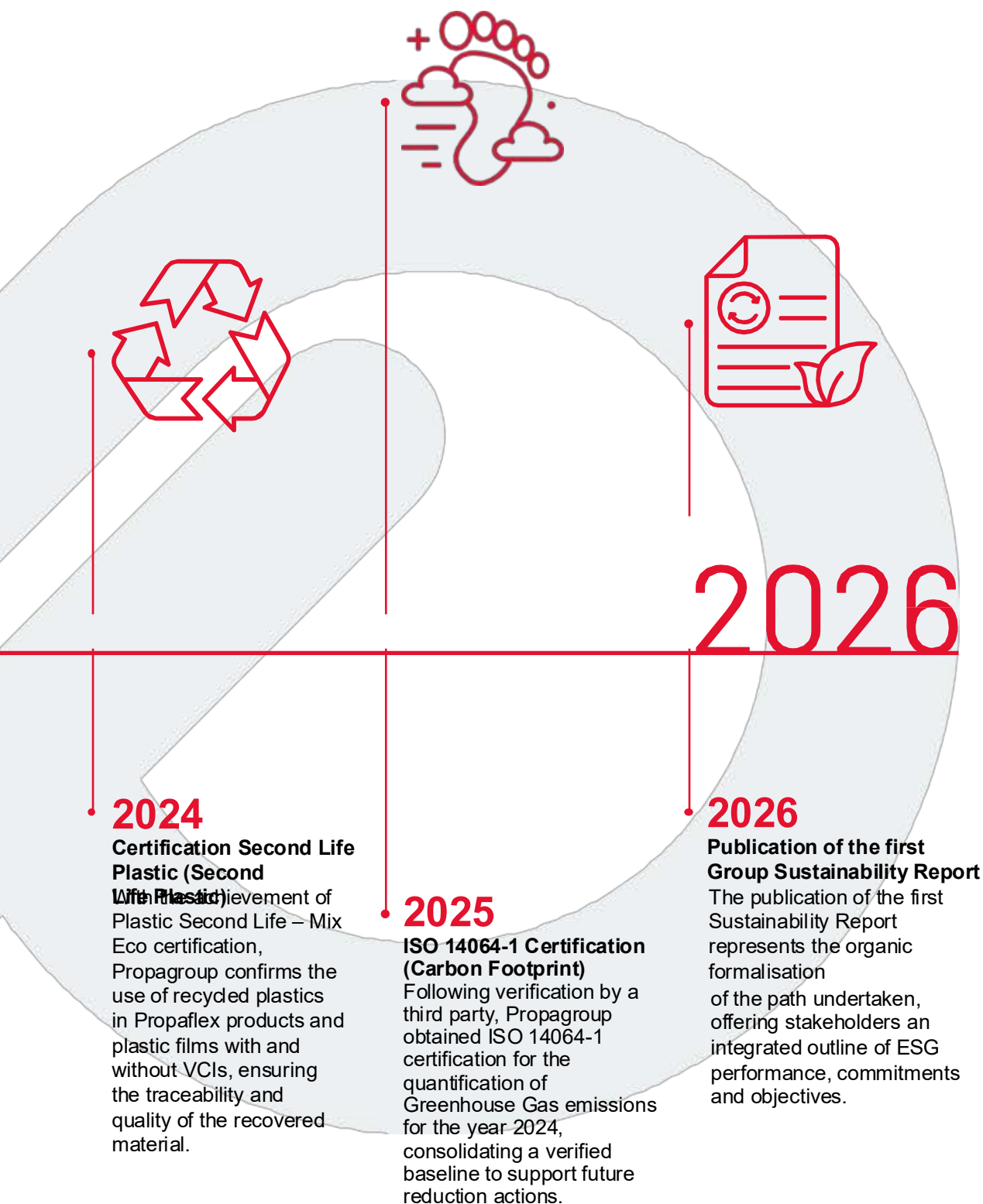
Participation allowed Propagroup to launch the "PropaCarbonReduction" project, which made it possible to:

- Quantify Propagroup's Carbon Footprint in compliance with the ISO 14064-1 Standard, identifying the main emission hotspots in Company processes and along the value chain;
- Analyse possible technologies and improvement solutions for reducing direct and indirect emissions;
- Actively involve Company functions and external stakeholders (suppliers, logistics partners and customers), fostering greater shared awareness on sustainability issues;
- Define emission reduction actions in the main areas of intervention, supported by quantitative assessments and sensitivity analyses.



The project results led to the revision of the business model and the drafting of two key documents: the **GHG Emissions Reduction Plan and the Sustainability Strategy Paper**, which today form the basis for the future development of Propagroup's sustainability strategy (see paragraph 4.2 - Climate Change: Mitigation).







2.2 Double Materiality Analysis

The **Double Materiality Analysis** represents the process through which Propagroup identified the most relevant sustainability topics and defined the material topics to be included in the first edition of the Sustainability Report. In a structured way, this tool helps identify the **Environmental, Social and Governance (ESG)** areas that are priorities both in relation to the impacts generated by the Company and with respect to stakeholders' expectations and needs.

The process was conducted in line with the *European Sustainability Reporting Standards (ESRS)*¹ that define a structured and homogeneous framework of topics, disclosure requirements and evaluation criteria that companies are called upon to consider in order to ensure transparency, comparability and completeness of ESG information in their Sustainability Reports.

The Double Materiality Analysis is based on the integration of two complementary perspectives:

- **Impact materiality** (inside-out) considers the effects, actual or potential, positive or negative, that Propagroup's activities produce on the environment and on society.
- **Financial materiality** (outside-in) then evaluates the risks and opportunities that ESG topics can generate for the business model, the economic-financial performance and the Company's competitive position.



In both cases, the evaluation takes into account criteria such as the extent, magnitude and probability of impacts, risks and opportunities. In 2025, Propagroup launched the first phase of the Double Materiality Analysis, focusing on **impact materiality**, with the aim of identifying and prioritising the environmental, social and governance impacts connected to its activities and value chain. In a subsequent phase, the process will be completed with the **Financial Materiality Analysis**, in order to fully integrate the assessment of ESG risks and opportunities.

¹ Commission Delegated Regulation (EU) 2023/2772 of 31st July 2023, supplementing Directive 2013/34/EU as regards sustainability reporting standards (ESRS), adopted in implementation of Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive (CSRD).



Evaluation methodology

The Impact Materiality Analysis phase was conducted adopting a *bottom-up* approach, structured in a series of progressive phases that made it possible to integrate documentary analysis, the involvement of Company functions and the contribution of external stakeholders.

1

PHASE 1 | Analysis and Understanding of the Context

The first phase involved a structured analysis of the internal and external context in which Propagroup operates. Within this scope, a review of the available Company documentation was carried out – including past projects, Group policies, certifications and environmental and social data – with the aim of acquiring an organic view of the activities, processes and main impacts generated along the value chain.

2

PHASE 2 | Collection and In-depth Study of Information

The information that emerged in the preliminary phase was explored in greater depth through individual interviews with Propagroup's corporate functions. The interviews aimed to:

- Frame the activities already in place attributable to ESG topics;
- Identify the relevant internal and external stakeholders;
- Preliminarily identify the potential environmental, social and governance sustainability topics relevant for the 2025 Sustainability Report.

Propagroup Functions Involved in the Materiality Analysis



General
Management



Environment
& Safety



Human
Resources



Sales



Logistics



Purchasing



Marketing



Operations



Finance-
Administration



Quality



IT



R&D



On the basis of the evidence gathered during the interviews, the mapping of Propagroup's stakeholders was also developed, assessing their level of involvement and influence with respect to Company activities. This step made it possible to identify the parties most affected by the Organisation's impacts and sustainability strategies.



3

PHASE 3 | Stakeholder Involvement

For the Impact Materiality Analysis, reference was made to the information collected in 2025 within the GreenSME project, administering ESG questionnaires to a selection of external stakeholders, in particular raw material and logistics service suppliers (see paragraph 4.2 - Climate Change: Mitigation).

The questionnaires made it possible to assess the level of oversight of ESG topics by suppliers, with reference to the actions implemented and any certifications held. Based on the level of oversight, each topic analysed was associated with a certain level of "interest" on the part of the stakeholders considered, as shown in the table below.

The information collected was then integrated into the process of assessing the relevance of the Material Topics, making it possible to consider the degree of attention of suppliers to environmental and social aspects.

Numerical value Relevance Description

1	Very high	Key topic, a priority for most Stakeholders
$0,75 \leq x < 1$	High	Topic relevant for some Stakeholders
$0,50 \leq x < 0,75$	Medium	Topic noted but not central
$0,25 \leq x < 0,50$	Low	Marginal relevance of the topic, limited interest
$< 0,25$	Irrelevant	The topic is perceived as irrelevant or unknown



Stakeholder involvement

Alongside direct involvement, Propagroup has also valued **forms of indirect Stakeholder involvement**, through tools and processes already consolidated in its Management Systems.

In particular, within the ISO 9001 Quality Management System, a specific sampling of customers on quality topics is envisaged, gathering their point of view, both in Italy and abroad, through periodic satisfaction questionnaires that avail of rating scales to evaluate aspects such as order management, product quality, response times, the commercial relationship and the management of non-conformities.

The contribution from employees is instead gathered through Company **climate surveys** activated, when necessary, with the support of an occupational psychologist in order to monitor organisational, relational and well-being aspects (see paragraph 5.1 - Ethical Conduct and Transparency). This activity is part of a broader ESG performance evaluation system, which includes the audits conducted within the **EcoVadis** platform and the **SMETA** (Sedex Members Ethical Trade Audit), successfully passed by Propagroup in 2020. The latter marked the start of a structured evaluation of **social, ethical and environmental aspects**, both internally and along the supply chain (see paragraph 5.1 - Ethical Conduct and Transparency).



4

PHASE 4 | Identification, Evaluation and Prioritisation of Material Impacts

Based on the information collected in the previous phases and in line with the ESRS requirements, Propagroup launched the process for identifying and evaluating the potential material impacts connected to its activities.

The analysis focused exclusively on impact materiality, considering actual and potential impacts, positive and negative impacts, effects generated directly by Company activities and along the value chain.

The starting point was the list of Sustainability Topics set out by the ESRS, organised according to a hierarchical structure that includes standards, topics, subtopics and sub-subtopics.

A total of **128 potential impacts** were analysed, broken down as follows:

- **56** related to environmental ESRS;
- **64** related to social ESRS;
- **8** related to governance ESRS.

For each sub-subtopic, a detailed analysis of Propagroup's level of oversight was conducted, through the review of policies, procedures, management documentation and operational data available. On this basis, each impact was evaluated individually by applying the Impact Materiality criteria, considering the severity and probability of occurrence.

The numerical value associated with materiality was determined as the product of severity and probability, making it possible to rank and prioritise the topics based on their relevance to the organisation.

Impact Materiality = severity x probability

> 19	Priority	Relevance threshold
(17,19)	Significant	
(13,17)	Important	
(8,13)	Informative	
<8	Minimal	

Materiality Analysis Results

The process led to the definition of a structured list of Material Topics, ranked by level of relevance and integrated with stakeholder contributions. Based on predefined thresholds, the Topics were classified into three levels: “important” impacts, “significant” impacts and “priority” impacts.

Each sub-topic that proved material was then associated with the relevant ESRS (macro-topic).

Once the individual Material Topics were identified, subsequently associated with the relevant **ESRS and aggregated into “macro-tags”**, the results were represented both in tabular form and through a materiality matrix, which positions each topic based on Impact Materiality and the relevance attributed by stakeholders.

- Adaptation to climate change (1 specific impact);
- Mitigation of climate change (3 specific impacts);
- Use of energy from fossil sources (1 specific impact);
- Energy efficiency (1 specific impact);
- Use of energy from renewable sources (1 specific impact).



To make the results clearer and more readable, the sub-topics linked to the same ESRS were grouped into “macro-tags,” being synthetic labels that bring together consistent impacts. For example, for **ESRS E1 – Climate change**, five macro-tags were identified:



 **propa**[®]
group

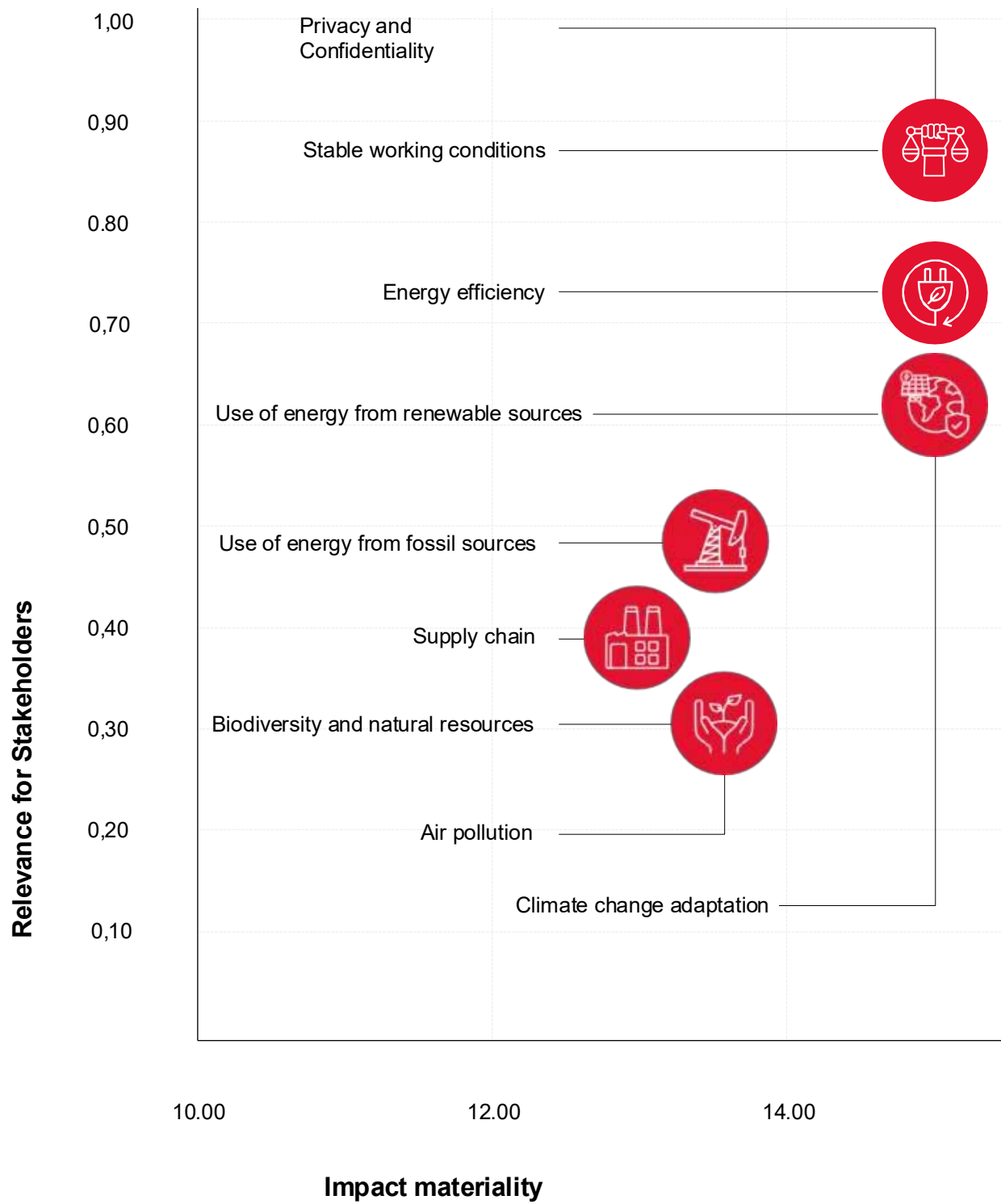


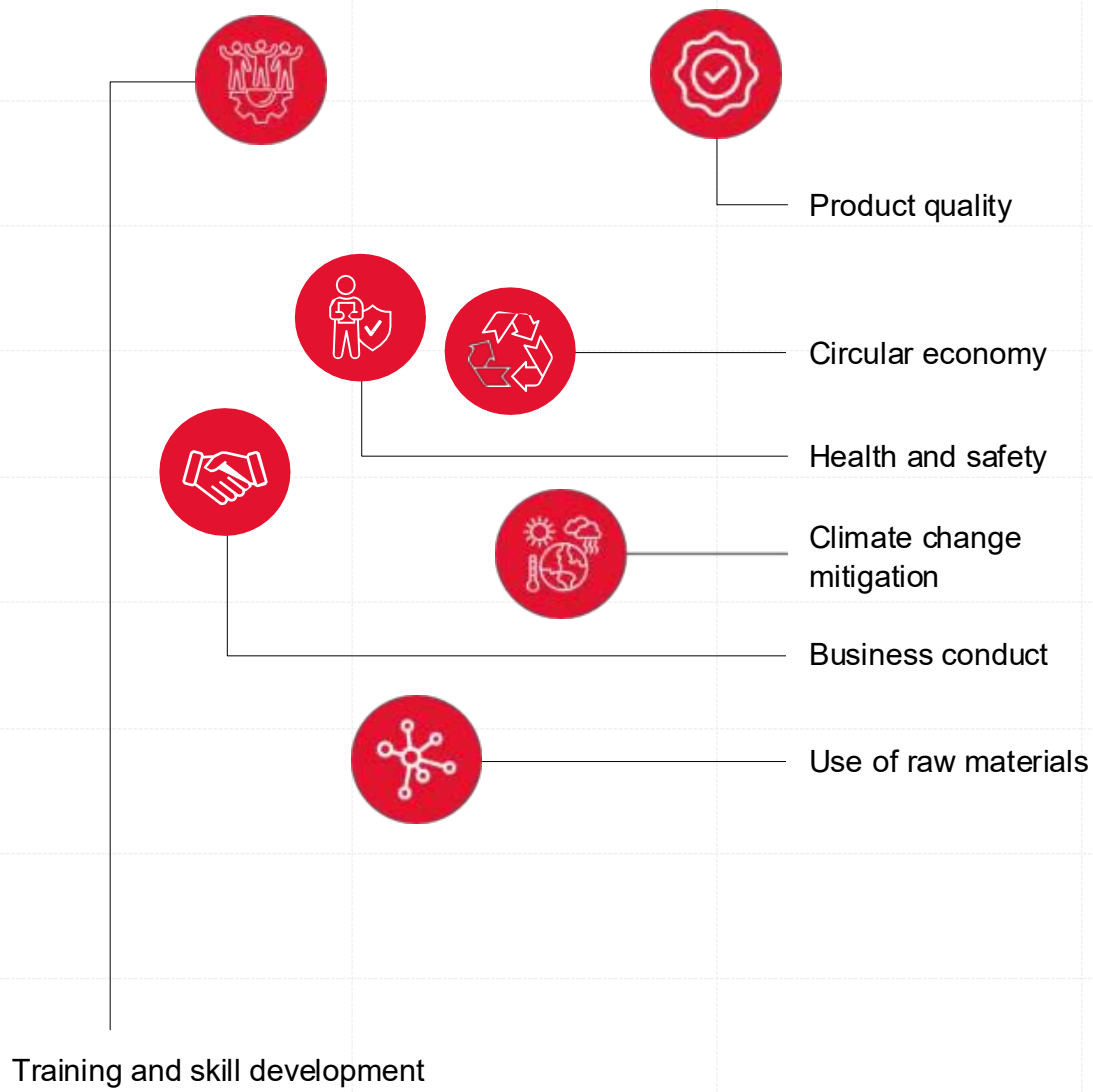
ESRS	Material Topics (macro-tag)	Level of Materiality Impact	Stakeholder relevance
ESRS E1 - Climate Change	Climate change mitigation (3)	Priority	Medium
	Energy efficiency (1)	Important	Medium
	Climate change adaptation (1)	Important	Medium
	Use of energy from renewable sources (1)	Important	Medium
	Use of energy from fossil sources (1)	Important	Low
ESRS E2 - Pollution	Air pollution (1)	Important	Low
ESRS E4 - Biodiversity	Biodiversity and natural resources (5)	Important	Low
ESRS E5 – Circular economy	Circular economy (2)	Significant	Medium
	Use of raw materials (1)	Significant	Low
ESRS S1 - Own workforce	Health and safety (4)	Significant	High
	Training and skills development (2)	Significant	High
	Stable working conditions (5)	Important	High
ESRS S2 - Workers in the value chain	Supply chain (4)	Important	Low
ESRS S4 - End users	Product quality (4)	Priority	High
	Privacy and confidentiality (2)	Important	High
ESRS G1 - Governance	Ethical business conduct (5)	Significant	Medium

In red, the number of individual impacts associated with the relevant macro-tag.



Materiality matrix impact





16.00

18.00

20.00

22.00



Among the main Material Topics identified for Propagroup are:

ESG	ESRS	Macro-tag	Number of individual material impacts associated
Environment (E) 	ESRS E1 - Climate change	Mitigation of Climate change	3
	ESRS E5 - Circular Economy	Circular economy	2
		Use of raw materials	1
Social (S) 	ESRS S4 - End users	Product quality	4
	ESRS S1 - Own Workforce	Health and safety	4
		Training and skill development	2
Governance (G) 	ESRS G1 - Governance	Ethical business conduct	5

The **mapping of Material Topics** thus formed the basis for **defining the index of this Sustainability Report**, ensuring reporting consistent with the **ESRS** standards and focused on the areas of greatest relevance. For certain areas, Propagroup already has consolidated **management tools** whereas for others, the results of the analysis represent a starting point for defining development objectives and strengthening the oversight of relevant impacts.







CHAPTER 3

VALUING PEOPLE



3.1 The People of Propagroup

Propagroup's growth and solidity are closely tied to the Company's ability to **value its people**.

Human capital is actually a central element of the Company's development model where skills, experience and a sense of belonging constitute an asset built over time, contributing to **product quality**, **operational continuity** and the **ability to innovate**.

The commitment to people translates into a structured and consistent approach, based on a number of guiding principles:

- 1 Full compliance with legislative requirements and regulatory standards regarding worker occupational health and safety
- 2 Assessment and management of health and safety risks
- 3 A focus on the prevention of injuries, occupational illnesses and risk situations
- 4 Preparedness and capacity for an effective response to emergencies
- 5 Continuous monitoring of safety performance
- 6 Internal training and awareness-raising on matters of people's health and safety





In line with the Company's Environment and Safety Policy, Propagroup pursues continuous improvement objectives, including:

- Active involvement of personnel in Company processes, health and safety training and information activities in compliance with current regulations;
- Actions to promote a safety culture;
- Workplace improvement work; An injury reduction plan;
- Strengthening of emergency management preparedness.

Key workforce figures 2025

76

Amongst employees and contractors

0

Reports received ¹

99%

Employees on permanent contracts

91%

Direct Propagroup employees

100%

Employees covered by Collective Bargaining Agreements

52%

Employees who have worked at Propagroup for more than 15 years

Our Team

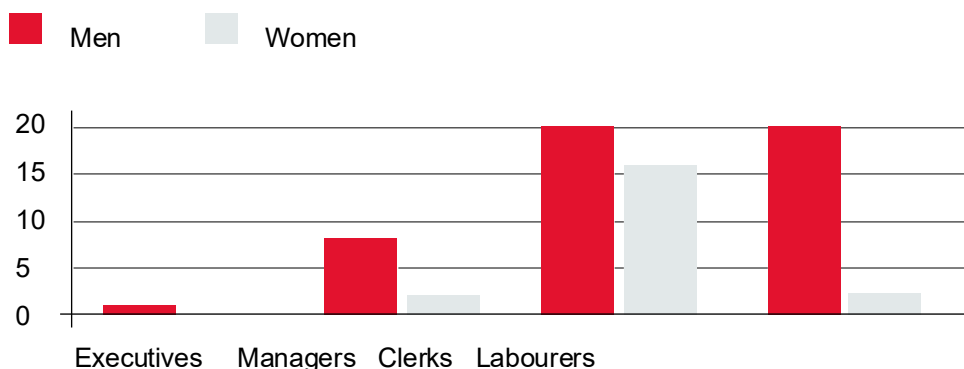
In 2025, the number of Propagroup employees stands at 69, a figure that has remained substantially stable over the last three years. Alongside them are 7 external contractors, employed in strategic activities to support business continuity.

		2023			2024			2025		
Workforce composition	UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	No.	48	22	70	48	22	70	49	20	69
Workers (non-employees)	No.	3	1	4	3	1	4	5	2	7

¹ Total number of reports submitted by employees through a anonymous channels (such as Whistleblowing).



COMPANY ROLES 2025



Propagroup adopts an employment model oriented toward stability and the enhancement of human capital, favouring the use of permanent contracts (**99%**) and full-time contracts (**97%**) for its employees, as shown in the table below.

		2023			2024			2025		
Contract Types	UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Fixed-term employees	No.	-	-	-	1	-	1	1	-	1
Permanent employees	No.	48	22	70	47	22	69	46	22	68

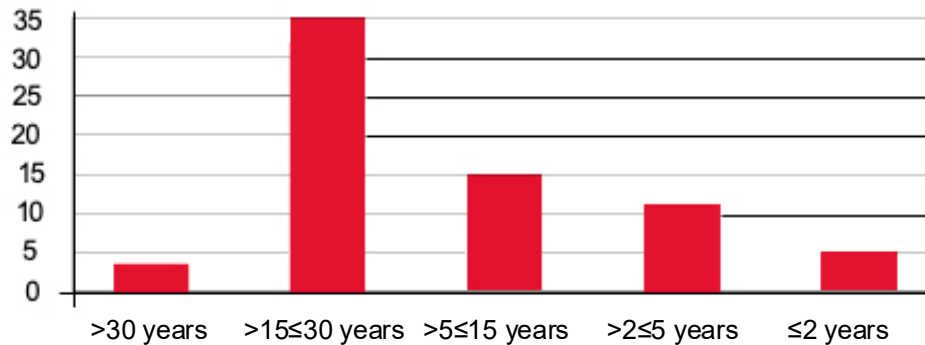
		2023			2024			2025		
Contract Types	UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	No.	48	18	66	48	19	67	49	18	67
Part-time employees	No.	-	3	3	-	3	3	-	2	2

This choice reflects the Company's desire to **foster the lasting integration** of people into the organisation, promoting solid professional relationships and long-term development prospects, as demonstrated by the seniority of employees: 48% have worked at Propagroup for 15–30 years, 22% for 5–15 years and 17% for over 2 years.

Consolidated experience and long-term tenure represent a distinctive trait of Propagroup, contributing to the transfer of technical skills, the quality of processes and the solidity of internal relationships.



EMPLOYEE SENIORITY 2025



Training and personal growth

“Experience and technical know-how represent one of our main distinctive advantages: the ability to protect the value of products also comes through the development of constantly-updated technical skills”

In a market context characterised by growing regulatory complexity, technological evolution and increasingly high-quality standards, Propagroup recognises training and skills development as a **strategic factor** for ensuring **continuity, product quality and long-term competitiveness**.

Training management takes place through structured annual planning, supported by internal monitoring tools and a control matrix that makes it possible to map skills, job classifications and length of service, monitor mandatory training deadlines (such as safety), plan technical and regulatory updating paths plus anticipate needs related to retirement or organisational changes.

The Company uses digital tools and dedicated monitoring systems to keep track of the distribution of skills by department, seniority and contractual evolution, so as to be able to plan in advance any new hires or internal growth paths consistent with the technical and application requirements of its products.

Training extends to the following topics:



Occupational health and safety: includes the mandatory courses required by current regulations plus additional training to raise personnel awareness



Technical-specialist skills: aimed at consolidating Company know-how and the quality of production processes



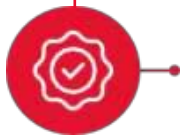
Regulatory updating and compliance: includes paths dedicated to the evolution of the regulations applicable to the sector



Information security: training in cybersecurity and management tools



Sustainability (ESG): in-depth paths on environmental, social and governance (ESG) topics



Ethical conduct: training activities dedicated to ethical principles and Company conduct according to Propagroup's Code of Ethics

For the definition of development paths, Propagroup relies on the collaboration of leading specialised firms that propose targeted plans on updating topics and the definition of training plans dedicated to employees. In 2025, a total of **283** hours of training were provided for male employees and **190** hours for female employees, covering both mandatory and voluntary activities, confirming the growth trend of recent years.

In particular, in 2025, **94%** of Propagroup employees took part in voluntary training activities.

Employees involved in voluntary training

UoM	2023	2024	2025
%	94%	74%	94%







Company welfare

Propagroup directs its activities in **compliance with the principles of ethical and social responsibility**, formalised in the Company Code of Ethics that defines the values, rules of conduct and standards of integrity required of all those who operate on behalf of the Company (see paragraph 5.1 - Ethical Conduct and Transparency).

Supporting this system is an active whistleblowing platform that ensures confidentiality and protection of the whistleblower (see paragraph 5.1 - Ethical Conduct and Transparency). In the three-year period of 2023–2025, no reports were received concerning episodes of discrimination or human rights violations, nor were any penalties or compensation claims recorded.

Propagroup reports	UoM	2023	2024	2025
Total number of cases of discrimination during the reporting period	No.	-	-	-
Amount of penalties or compensation for damages resulting from recorded episodes of discrimination	€	-	-	-

In the context of internal health and safety management, the corporate climate is monitored through periodic assessments of the risk of work-related stress (see paragraph 5.1 - Ethical Conduct and Transparency).

Personnel management is also governed by the **National Collective Labour Agreement for the Rubber and Plastics Industry**, applied in full to **100%** of employees, which guarantees protections in the event of illness, injury, parental leave and retirement, as well as compliance with the minimum wage levels established. Administrative and contractual management is supported by an internal monitoring matrix that ensures consistency and traceability in the contractual management of all employees.

Also with regards to internal welfare, Propagroup has activated a **supplementary healthcare system** that covers the entire Company population.

Upon considering and evaluating the Company's annual economic performance and that of planned and/or to-be-planned investments, Propagroup then decides whether or not to grant its contractors benefits in-kind and/or bonuses at year's end.



Internal involvement



The **involvement of in-house people** represents a central element for organisational wellbeing and for building a participatory work environment.

For this reason, in addition to the communication tools already in place (Company email and internal chats on the Teams platform), a box was added in 2025 for gathering ideas and suggestions, with the aim of offering people a space through which to propose contributions and improvement ideas.

Since 2023, the *Propapeople* project has also been active, as an initiative aimed both at strengthening in-house involvement and the sense of belonging, as well as externally showcasing the people of the organisation through the periodic presentation of teams and Company functions. Through dedicated content, accompanied also by photographic and video material, the project intends to convey the “face” of the Company and reaffirm how the value of products is the result of the contribution of all the professionals involved. This initiative is progressively updated with the addition of new resources.





Shared Value: Support for Communities

Propagroup's attention to people **extends beyond corporate boundaries**, with the aim of contributing to the wellbeing of communities. In line with this commitment, the Company has supported two organisations active in the social-healthcare and research fields, through ongoing donations over three years.



Lega del Filo d'Oro

Founded in 1964, it represents a point of reference in Italy for the assistance, education, rehabilitation and recovery of deafblind people and people with multiple psycho-sensory disabilities. The organisation's work is oriented towards exalting residual potential and supporting the greatest possible autonomy of the people it assists.

Candiolo Research Institute IRCCS

Specialised in the treatment of oncological diseases, the Institute is part of the Oncology Network of Piedmont and the Aosta Valley, as an international centre of reference. It is the only oncological IRCCS (Scientific Hospital and Care Institution) in Piedmont recognised by the Ministry of Health and, since 2022, has been certified by the European Organisation of Cancer Institutes (OEI) as a Comprehensive Cancer Centre. The Institute develops multidisciplinary programmes for the diagnosis and treatment of oncological diseases, integrating research and clinical care with the aim of ensuring quality of care and attention to patients' quality of life.



Breast Cancer Prevention | WelfareCare Initiative

In 2023, Propagroup supported a prevention initiative dedicated to women's health, promoted in collaboration with WelfareCare - Benefit Corporation. The event offered **free mammograms** to women in the area between the ages of 35 and 49 years, helping to promote early diagnosis of breast cancer and the spread of a culture of prevention. The initiative is part of the Company's commitment to support the wellbeing of local communities through awareness-raising activities and access to preventive healthcare services.





3.2 Occupational Health and Safety

“For us, protecting people’s health and safety represents an unwavering priority and a founding factor of our way of doing business. Ensuring safe and healthy work environments, preventing risks and promoting responsible conduct means protecting the most important value of the organisation: people”

Propagroup is committed to **ensuring high health and safety standards** through a Management System certified according to the ISO 45001 Standard, oriented toward risk prevention, constant monitoring of operating conditions and continuous improvement of performance. This commitment translates into the definition of measurable annual objectives, the adoption of specific procedures and controls, the implementation of targeted investments and the promotion of dedicated training paths.

Key Safety Figures 2025

476

Hours of safety training

110.025

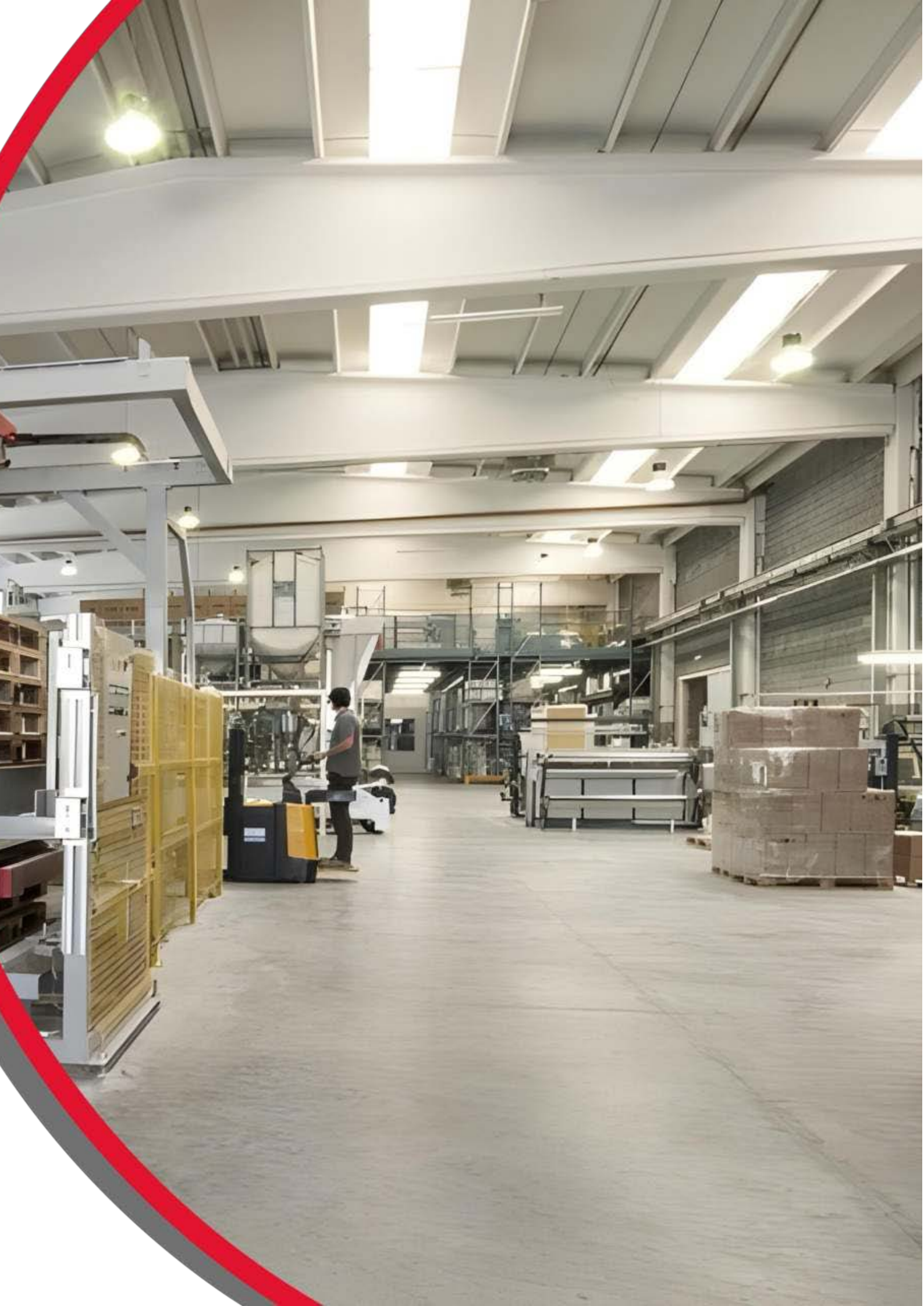
Hours worked

0

Recorded occupational illnesses

0

Injuries





Our Objectives

To enact its commitment to managing Occupational Health and Safety, Propagroup annually defines **specific monitoring indicators**, associated with numerical performance objectives.

These objectives render it possible to systematically monitor the trend of the relevant variables, not only to prevent but also improve the internal management of these aspects, year after year.

Thanks to a structured Safety Management System, risks are assessed and managed through the adoption of prevention and protection measures, periodic monitoring plans and continuous training activities aimed at employees. Thanks also to the investments made over time, both in 2024 and in 2025, **Propagroup achieved all its performance targets**.

Monitoring indicator	Performance objective	2024 Results	2025 Results
% delay in carrying out worker health monitoring	≤5%	0% ✓	0% ✓
No. of people trained on safety with specific roles	≥100%	100% ✓	100% ✓
% of safety training required by law provided past deadline	≤0%	0% ✓	0% ✓
% of employees trained on safety beyond legal requirements	≥75%	100% ✓	100% ✓
Occupational injury incidence index	≤0%	0% ✓	0% ✓

Internal Organisation

Health and Safety Management is structured through a defined and formalised internal organisation, which **identifies roles**, responsibilities and oversight levels in line with current regulations, Legislative Decree 81/2008 and subsequent amendments.



**Board of
Directors (CDA)**



**Employer
(DLA)**

**First aid responders
(APS)**

Company Doctor

**Prevention and
Protection Service
Manager**

**Workers' Safety
Representative**

**Fire-fighting and evacuation
emergency responders
(AEA)**

**Safety Supervisors
Warehouse
(MAG)**

**Production/Warehouse
Safety Managers**

Workers

Sales/Marketing Office | Purchasing
Office | Accounting Office | IT Office

Workers Warehouse Department

**Safety Supervisors
Production
(PR)**

**Safety Supervisors
Laboratory
(LAB)**

**Workers Production
Department**

**Workers Laboratory
Department**



The Employer is identified as the QHSE Director whilst the Operations Director is the delegated Safety Manager who supervises the Safety Supervisors. The Prevention and Protection Service relies on an external Prevention and Protection Service Manager, supported by the Workers' Safety Representative, appointed via election by the workers.

Within the various operating areas, specific Supervisors are appointed by department and task (Warehouse, Production and other Company functions), each with a deputy responsible for stepping up in the case of absences, in order to ensure continuity in the oversight of activities.

In addition, first aid responders, fire-fighting emergency management responders and AED (defibrillator) operators are designated. The AED devices are installed at the registered office at Via Genova 5/b and at the site on Corso Allamano 115, managed with annual routine maintenance schedules.

The control system is reinforced by the presence of an external Supervisory Body within the framework of the 231 Model, with periodic audits conducted to verify the correct application of the system relating to corporate safety, with prevention and control action regarding offences related to serious or fatal workplace injuries.

Structured moments of dialogue are also envisaged. Periodic meetings are held between the Company and Prevention and Protection Service Manager for regulatory updates and the sharing of operational needs, as well as a bi-monthly management review in the area of ISO 45001. An annual meeting is held between the Employer, Prevention and Protection Service Manager, Workers' Safety Representative, Occupational Physician and operating functions for the prevention of and protection from risks, during which training deadlines and workplace checks (noise, air quality and other parameters) are analysed, defining the activity programme for the following year.





Management of external contractors

Propagroup adopts **specific procedures for managing contractors and external workers**. Depending on the duration and type of activity carried out, the **Interference Risk Assessment Document** is drafted and signed, customised according to the activity carried out, the department of intervention and the relative processing risks of the department of intervention.

Access to corporate areas is regulated through badges that grant entry exclusively to authorised spaces, whereas a paper register is in place for the traceability of entries. Supplier companies are asked for insurance documents, documentation relating to the workers employed and the equipment used. In the event of the use of Company equipment, the signing of specific documentation is required that governs the granting of work equipment for use by third parties and the relative responsibilities. As regards the specific category of transporters, they operate exclusively in the external yard and do not access the internal premises.

Risk Management

Health and Safety Risk Management is part of the structured system adopted by Propagroup and **certified according to the ISO 45001:2018** Standard, relating to the Occupational Health and Safety Management System.

This certification strengthens the Company's methodological approach to prevention, ensuring a constantly-updated analysis of risk factors and their management, the monitoring of Company activities and full compliance with current regulations. The system also promotes personnel **involvement and awareness** on the topics of health, safety and wellbeing in the workplace.

Through the Risk Assessment Document, Propagroup analyses the main risk factors related to the workplace and to specific tasks (for example, risks related to the manual handling of loads, noise, vibrations, fires, etc.), tailoring them to the activities actually carried out in the Company.

Risks are assessed for each individual task, in order to adopt prevention and protection measures consistent with the operating characteristics of each role.



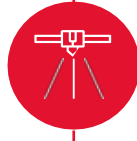
Main investments in health and safety 2023–2025

Periodic risk analyses make it possible for Propagroup to identify areas for improvement in advance and to **plan investments** aimed at reducing risks and strengthening prevention and protection measures.

Among the main interventions carried out in the three-year period of 2023–2025 are:



Installation of manipulators and mechanical arms to reduce manual load handling



Installation of the sprinkler system in the raw materials storage area



Implementation of floor signage to direct pedestrian and vehicle flows



Installation of jib cranes and additional handling support devices



Dust extraction and filtration systems in the production departments

Health and Safety training

Training represents one of the central tools through which Propagroup **promotes a culture of prevention**. All health and safety training activities are planned, monitored and updated by the Safety function through a dedicated schedule, which makes it possible to oversee regulatory deadlines and promptly schedule planned updates.



100% of personnel with specific safety roles are trained as required by current regulations, in line with the State-Regions Agreement, in application of Legislative Decree 81/2008 and subsequent amendments.

Training is provided predominantly in person, a choice that makes it possible to contextualise the content to the Company's production reality and foster greater involvement amongst participants. In addition to the mandatory pathways, Propagroup integrates moments of updating and in-depth study aimed at strengthening awareness of the specific risks inherent to the various tasks.

Particular attention is dedicated to **operational training**. Every new hire involves a structured period of on-the-job shadowing with experienced operators and department heads before starting activities independently. Likewise, when new machinery or equipment is introduced, training is provided directly by the manufacturer and formally recorded in corporate systems.

Specific training paths are envisaged for particular activities, such as work at height and the use of Company-owned elevating work platforms, thus ensuring full suitability and operator qualification.

The documentation relating to health and safety (policy, manual, procedures, operating instructions) is made available to all personnel via the Company server, ensuring **transparency and accessibility of information**.

Health and Safety training	UoM	2023	2024	2025
Hours of training provided on health and safety	No.	70	70	180
Employees who took part in health and safety training	No.	8	11	37
Hours of training on machinery and equipment	No.	56	187	296
Employees who took part in training on machinery and equipment	No.	4	29	14
Total training hours	No.	126	257	476



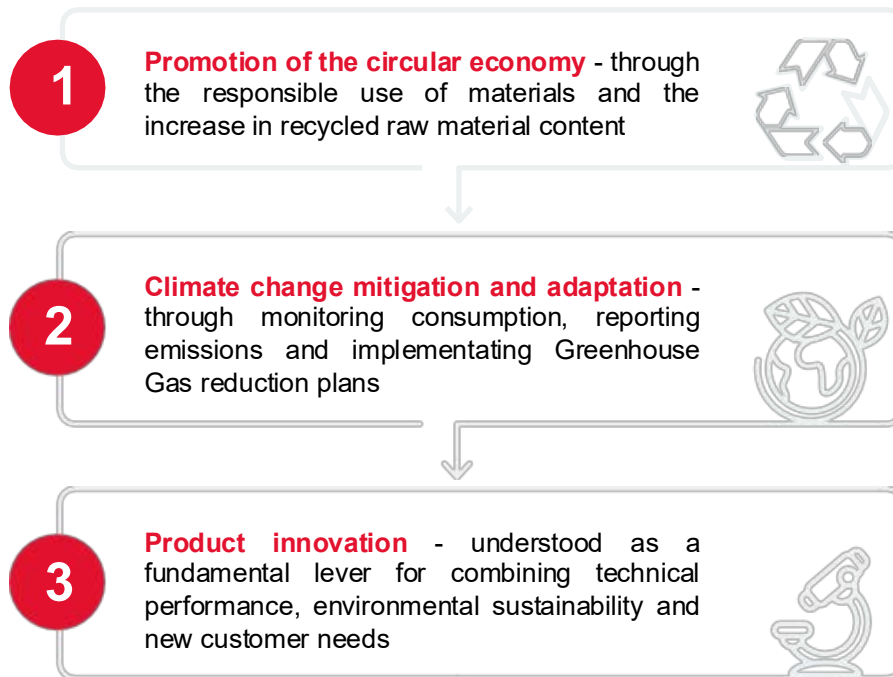


CHAPTER 4

ENVIRONMENT



For Propagroup, protecting the environment represents a strategic area of action, integrated into the business model and the organisation's decision-making processes. The Company's approach is structured along **three main lines**:



This chapter describes the actions undertaken, the results achieved and the future paths for improvement that guide Propagroup's environmental commitment, in line with the Sustainability Strategy and the Materiality Analysis results.





4.1 Circular Economy

“The paradigm shift in the use of plastic, thinner films and more recycled content, exploring the potential of bioplastics”

The circular economy represents one of the areas through which Propagroup addresses the issue of **efficient resource use and material management throughout the product life cycle**.

Over time, Propagroup has launched initiatives aimed at the progressive integration of circularity principles into its products and processes, acting both on the **choice of materials** through the use of recycled content and the achievement of the Plastic Second Life certification and on **reducing the use of raw materials**, through projects to optimise the thickness of plastic films. In parallel, the Company is exploring alternative solutions consistent with the technical and application requirements of its products.

Increasing the circularity of its products: Propagroup's Actions



The Plastic Second Life

Certification In 2024 Propagroup obtained the Plastic Second Life Mix Eco certification for Propaflex products and for plastic films with and without VCIs.

Plastic Second Life Mix Eco means products obtained from blends of materials derived from separate waste collection and/or industrial scrap that comply with a minimum recycled plastic content of 5%.



The Plastic Second Life certification was created by the Institute for the Promotion of Recycled Plastics (IPPR) and allows for the use of a Type II environmental label according to the UNI EN ISO 14021:2021 Standard, the “**Second Life Plastic**” mark.

The certification process is **subject to third-party verification** and takes into account aspects related to the quality and traceability of the recovered material, with a view to enhancing the circular economy of secondary plastic raw materials.



The applied standards of reference are the following:

- **UNI UNIPLAST 10667-1:2017** - general provisions on secondary plastic raw materials;
- **UNI EN 15343:2008** - traceability of plastics recycling and assessment of Conformity and content.

In addition, IPPR publishes and keeps updated the Repertoire of materials and products bearing the “Second Life Plastic” mark on the relevant website in order to make certified solutions more visible on the market.



For Propaflex, implementation of the **Plastic Second Life certification** made it possible to achieve the circular economy objectives set by the **European Union Regulation PPWR** (Packaging and Packaging Waste Regulation) ahead of schedule. For plastic packaging intended for industrial use, the Regulation establishes the target of 35% recycled material from post-consumer waste by 2030.



Plastic products with circularity characteristics

The products described below represent certain application examples of high-performance plastic solutions developed by Propagroup, seeing technical protection needs integrated with material circularity criteria.



Propatech VCI Film T1500 Version R30

A transparent, high-strength anti-corrosion co-extruded film, with the main technical characteristics being:

- **High mechanical strength** - the inner layer ensures immediate protection of the items to be protected.
- **Maximum VCI effectiveness** - the intermediate layer acts as a reservoir of VCI molecules for long-term protection whilst ensuring unidirectionality.
- **Protection in severe environmental conditions** - the outer layer acts as a barrier against atmospheric agents and allows for further containment of the protective action.
- **Customised co-extrusion method** - 3-5 layer co-extrusion technology that provides unidirectionality of the VCI molecules, creating progressive and prolonged anti-corrosion protection.



Prevention of corrosion
and oxidation

Propaflex

A solution designed for lamellar protection for coils and cables, whose quality characteristics include:

- **Applicability** - applicable to products in rolls, cables and optical fibres, pipes and metal products.
- **Protective foil** - consisting of a smooth inner surface and a corrugated outer surface, respectively with functions of adhesion and resistance to violent impacts and compression, impermeability and flexibility in all directions, as well as being oil-repellent.
- **Customisations** - weldable.



Protection from climatic conditions



Protection from shocks and impacts



Prevention of compression/abrasion



Protection from damage caused by protrusions

Propaflex and **Propatech VCI** products have distinctive characteristics related to circularity, taking into account the origin of the raw materials used and the end-of-life management methods for the finished products.

- **50% recycled polyethylene for Propaflex and 30% for Propatech VCI version R30** - in order to ensure the use of recycled LDPE plastic, Propagroup purchases secondary raw material from facilities authorised for the treatment and recovery of post-consumer or post-industrial waste;
- **Plastic Second Life Mix Eco certified product** - the PSL certification, subject to periodic control by a third-party body, makes it possible to demonstrate the actuality of the recycled plastic content used, the compliance with material quality criteria for the new use and the traceability of recycled materials through control of the supply chain;
- **100% recyclable material** - the LDPE material in use has recyclability characteristics in relation to its chemical structure and thermoplastic nature. The recycled material retains its flexibility, chemical resistance and workability, making it suitable for multiple applications.



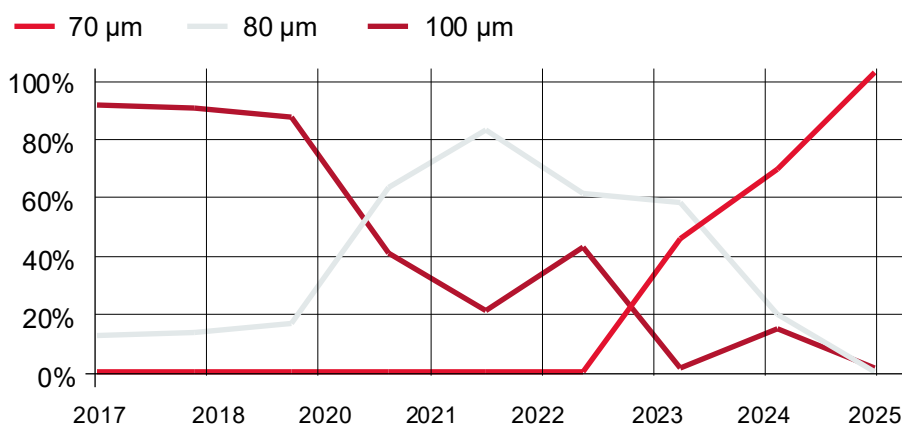


Propatech VCI | Reducing Plastic Film Thickness

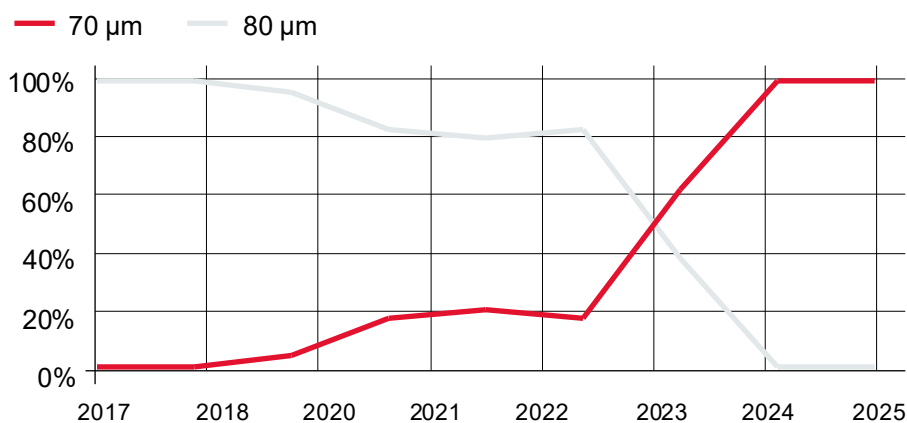
For Propagroup, the implementation of improvement actions in the context of material circularity is achieved in the case of Propatech VCI, a solution in recent years subject to the progressive reduction of film thickness. This action makes it possible to decrease the net consumption of raw material while ensuring the persistence of the product's performance and quality characteristics. Cooperation between customers and Propagroup's Research & Development function played a decisive role in identifying the technical criteria for making the product and in meeting the needs dictated by the market as well as the impact of the Plastic Tax on the supply chain.

The analysis of the production volumes of two Propatech VCI versions, Code 310 and Code 317, confirms Propagroup's application of measures aimed at the progressive reduction of film thickness from 100 μm to 70 μm .

REDUCTION IN % OF PLASTIC FILMS FROM 100 μm TO 70 μm | VCI PROPATECH PLAST:310



REDUCTION IN % OF PLASTIC FILMS FROM 80 μm TO 70 μm | HIGH-STRENGTH TECHNICAL VCI FILMS:317





Future Improvement: Alternative Circular Economy Solutions

The development of innovative solutions to increase the circularity of plastic materials represents a fundamental principle for Propagroup, driven by the Research & Development and Quality functions. Two significant examples are: **the increase in recycled polyethylene content through by-products for Propaflex** and **the use of bio-based plastics to replace fossil-origin materials**.

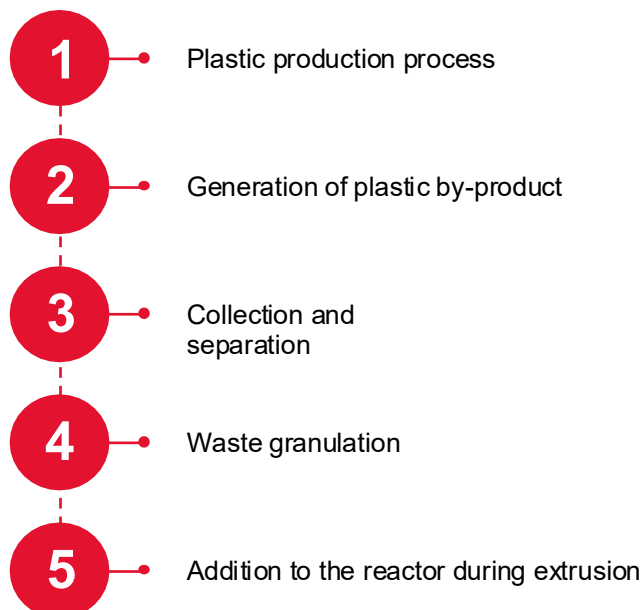
Project 1 | Plastic By-product Usage

The first project of interest, in the Feasibility Analysis phase at Propagroup, concerns the increase in recycled polyethylene content with the by-product for Propaflex.

Propaflex, which in its **commercial version contains 50% of recovered polyethylene** certified Plastic Second Life Mix Eco, can be improved because the by-product, the scrap fraction deriving from Propagroup's production process, is not considered in calculating the percentage.

These plastic materials are identified as by-products, in application of Article 184-bis of Legislative Decree 152/2006 and subsequent amendments, as pre-consumer plastic industrial residues, trimmings and scraps that are effectively used in the processing without further treatment other than normal industrial practices.

Phases of By-product Recovery





For **Propaflex**, the percentage content of by-product used in the highest-performance configuration is **25%** whereas the expected value of recycled plastic is consequently 75%, calculated as the weighted average relating to the specific content of the various versions of Propaflex.

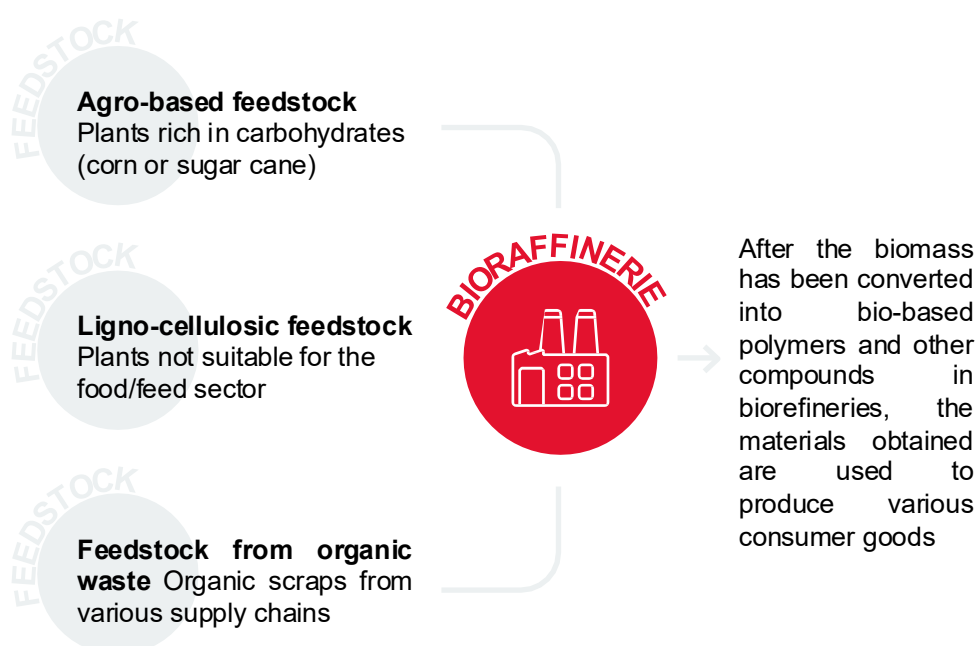
In this context Propagroup is carrying out feasibility assessments on the by-product, the regulatory analysis for the classification of materials and the requirements of the **Plastic Second Life by-product certification**.

Project 2 | Bio-based Plastic

In the context of the use of **bio-based plastics**, originating from biological and renewable raw materials to replace virgin fossil plastics, Propagroup has developed and implemented projects in collaboration with private customers, Universities and Research Centres, also actively participating in European Projects (see paragraph 4.4 - Product Innovation and Sustainability).

For us, material innovation and attention to circularity in the protective packaging sector represent a constant commitment that guides us in the implementation of research projects in the area of bio-based plastics

Bio-based plastics derive from biomass such as agricultural crops (corn, soy, sugar cane), plant waste (straw, wood scraps) and urban organic waste.





Their production takes place through a biorefinery process as follows:

- Natural polymers, such as starch-based plastics;

•

Chemical or fermentative polymerisation of bio-based monomers, such as polylactic acid (PLA);

- Bacterial fermentation for polyhydroxyalkanoates (PHA).

PLA and PHA represent concrete alternatives to conventional plastics – PLA is suitable for packaging similar to PET, while PHA finds application in sectors such as agriculture, food, packaging and medical devices.

Their biological origin reduces environmental impact compared to fossil plastics, while maintaining equivalent or improved characteristics of strength, flexibility and thermal stability. In addition, the **biodegradability** of bio-based materials favours a more sustainable end-of-life management, helping to limit the accumulation of micro- and nano-plastics in the environment and in the food chain.

By means of these Research & Development activities, Propagroup has acquired and continues to acquire valuable information regarding the production and processing of bio-based plastics, materials which, in relation to specific sectors and taking into account market needs and receptiveness, may be proposed as innovative solutions to protect environmental and circularity aspects.

The graphs below show intensity values with reference to the consumption and emissions data analysed. In all graphs, intensity is calculated by relating the consumption/emission value to two Propagroup parameters:

- Annual production value in tonnes (t);
- Annual revenue value in kiloeuros (k€).

Raw Materials and Resources Used

The broad spectrum of solutions offered by Propagroup in the protective packaging sector involves the use of the following types of materials:

- Non-renewable - desiccants (silica gel, bentonite), plastics (LDPE, HDPE, PET);

2025

– paper, cardboard and wood.

13%

Share of renewable materials

87%

Share of non-renewable materials



While working to increase the use of recycled materials and reduce virgin raw materials, the significant use of the latter remains for Propagroup a necessity linked to compliance with stringent technical requirements, the maintenance of product performance and the satisfaction of customers' specific needs.

In Propagroup's solutions, the use of chemical products is envisaged to allows for the integration of additional characteristics for the protection of packaging, both to improve preservation performance (such as impregnated paper) and as the basis of the moisture-regulating action (like silica gel).

In most cases, Propagroup's finished products are classified as **non-hazardous**. Indeed, Propagroup's choice of raw materials takes into account the application of the REACH Regulation and the safety criteria relating to the sector of use.

2025

98%

Share of finished products classified as non-hazardous

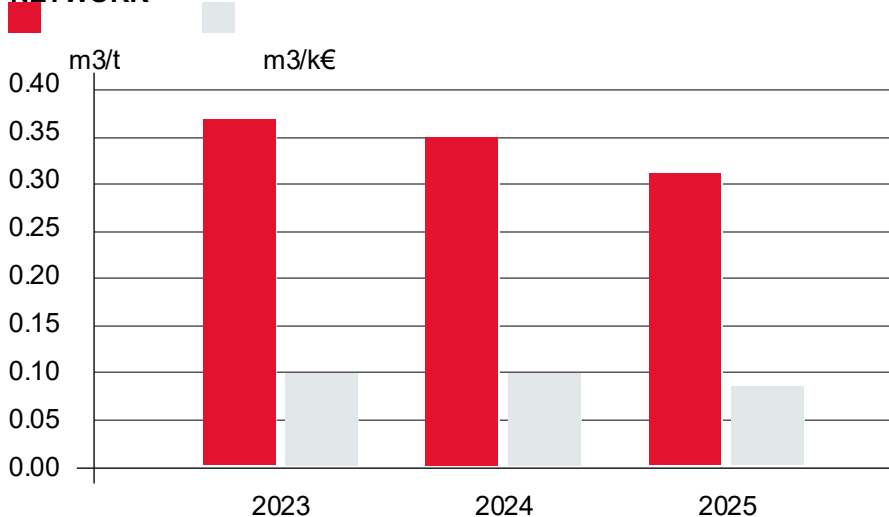
2%

Share of finished products classified as hazardous

WATER RESOURCES

With regard to water consumption, Propagroup uses reduced volumes, as water resources are not used directly in the production process but for domestic and sanitary purposes, with water drawn exclusively from the mains supply, as shown in the graph below.

WATER WITHDRAWAL INTENSITY FROM THE WATER SUPPLY NETWORK





Waste management

The waste produced at Propagroup's facilities is managed in accordance with the requirements of Legislative Decree 152/2006 and subsequent amendments, the Consolidated Environmental Act and through the procedures of the ISO 14001 Management System.

2025

181.402

Kg of waste produced

99%

Of produced waste, is non-hazardous

98%

Of the produced waste, is destined for recovery

2%

Of the produced waste, is destined for disposal

92.298

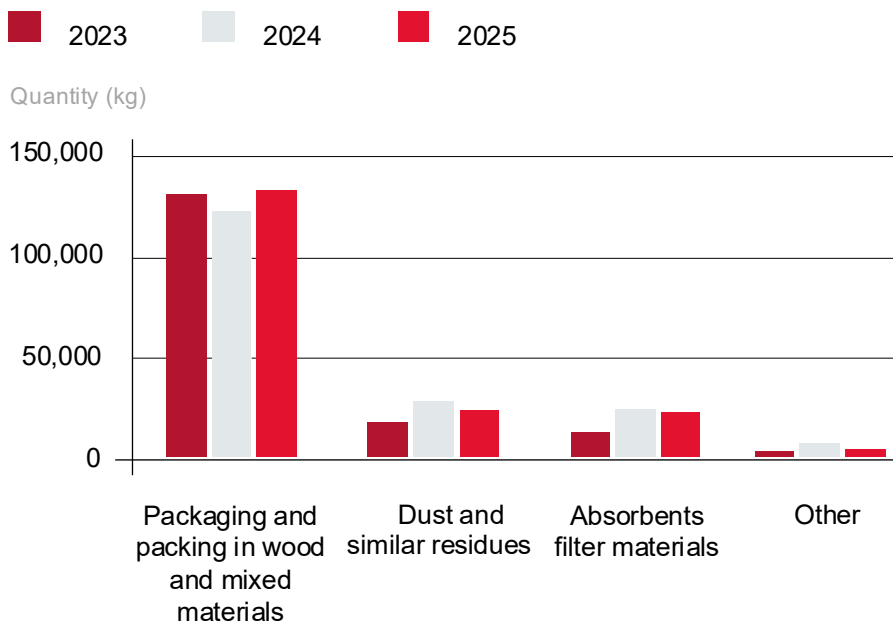
Kg of plastic by-products reused for the production of regenerated plastic

In relation to the **waste deriving from production activities**, the most frequent types are residual or non-reusable packaging and the dust captured by the extraction system in the production departments. Lower-volume quantities are linked to absorbents and filter materials, organic waste, aqueous washing solutions and ink sludge or scraps. There is then the presence of waste linked to extraordinary maintenance, such as ferrous scrap or electronic components and to the routine upkeep of equipment for oil replacement.

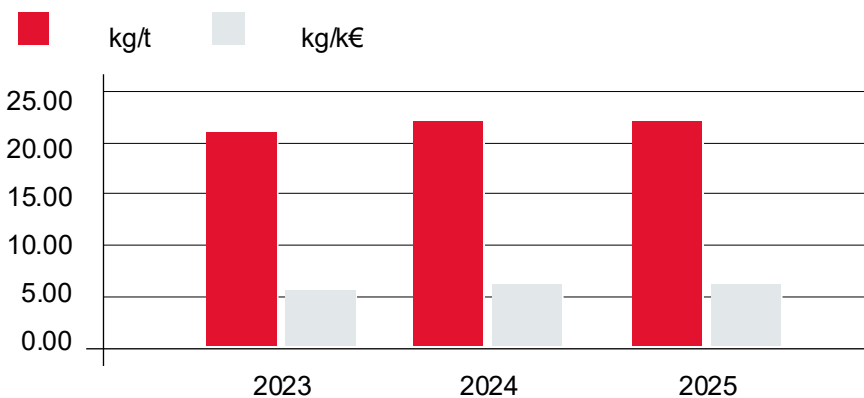




MAIN QUANTITIES AND TYPES OF SPECIAL WASTE PRODUCED



WASTE PRODUCTION INTENSITY



The treatment methods and management of waste are an aspect taken into consideration by Propagroup, which **favours recovery/recycling processes** over other disposal management methods. One practice of interest implemented by Propagroup is the **reuse and recovery of plastic by-products**, which are sent to a third-party company equipped with facilities able to granulate offcuts and produce regenerated plastics, which are then added during the extrusion of new products, contributing to the recycled plastic content.



4.2 Climate Change: Mitigation

“Solid foundations in the analysis of consumption and in the study of materials, together with the assessment of the Carbon footprint, have led to new milestones in the reduction of Greenhouse Gas emissions”

Climate change represents one of the main environmental challenges for businesses globally, with direct impacts on production processes, energy consumption and resource management.

Propagroup addresses this challenge with an integrated approach, based on the monitoring of consumption, the quantification of Greenhouse Gas emissions and the implementation of actions aimed at energy efficiency and the production of energy from renewable sources, with the aim of concretely reducing its carbon footprint.

Energy consumption and emissions

The definition of programmes for managing and reducing Greenhouse Gas emissions is founded on the **precise monitoring of energy consumption and stack emissions relating to Propagroup's production facilities**. These processes are appropriately governed through the procedures and instructions of the ISO 14001 Management System, with the involvement and commitment of the Operations Management, QHSE Management and Quality department functions.

2025

61.546

Sm³ Natural gas consumption

503.155

kWh Grid electricity consumption

122.584

kWh Energy self-produced from Photovoltaic and consumed internally

33.275

Fuel consumption for the Company fleet

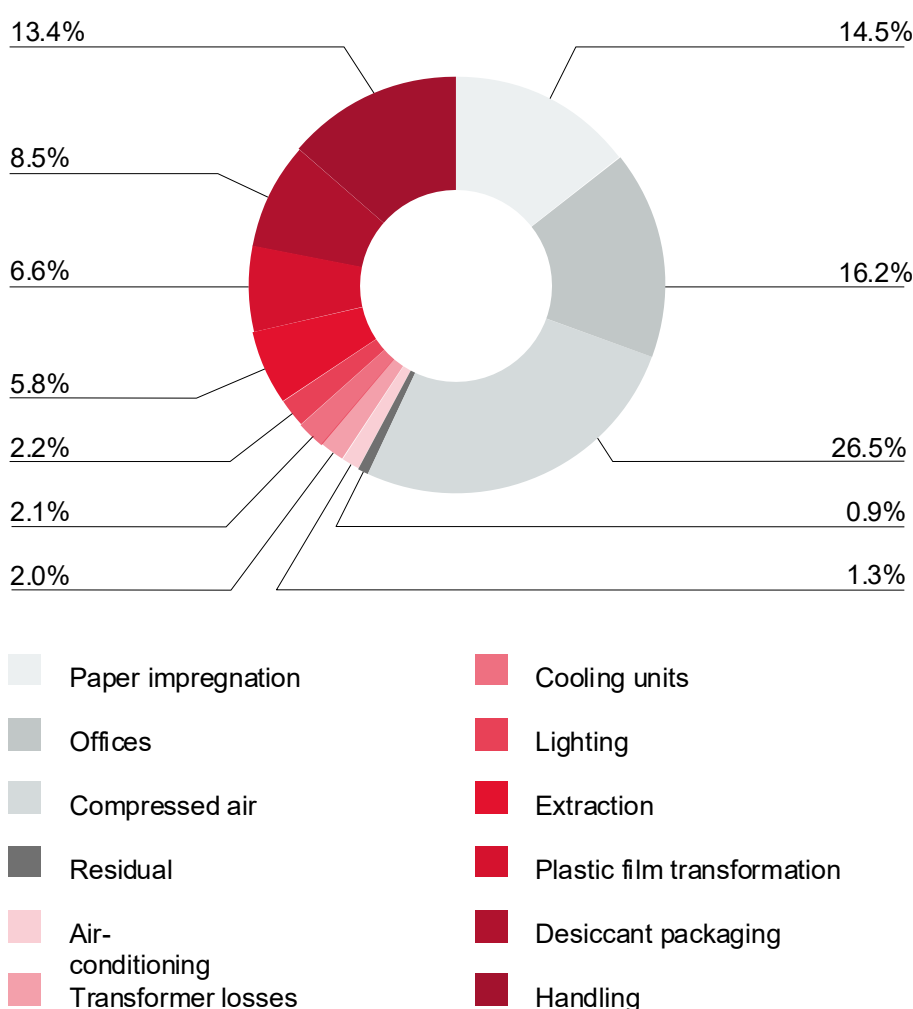
507.000

kWh Guarantee of Origin



The need for electricity is mainly associated with production activities, including the generation of compressed air, the paper impregnation process and the recharging of forklifts used for handling materials. Monitoring of electricity consumption is periodically carried out by Propagroup, analysing the bills issued by the supplier and through the precise consumption data extrapolated from the meters installed on the machinery and equipment.

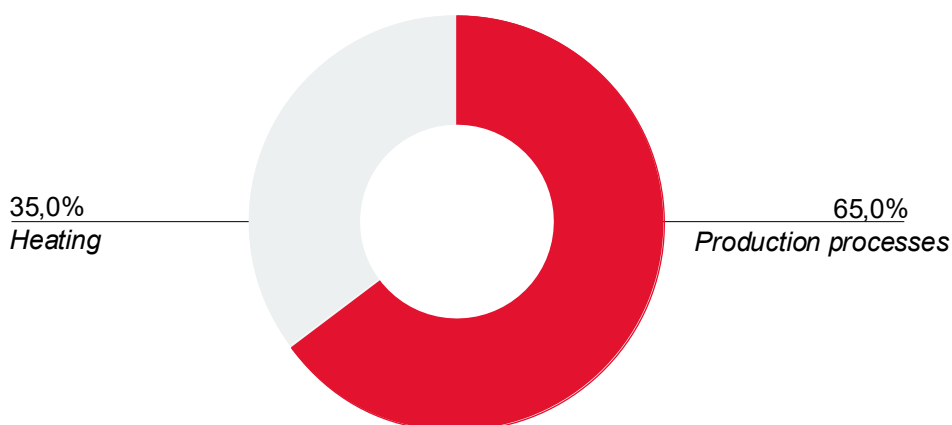
BREAKDOWN OF ELECTRICITY CONSUMPTION



Natural gas is primarily used in production processes, while the remaining part is used for heating purposes. The periodic monitoring of consumption takes place through the analysis of bills and fixed meters.

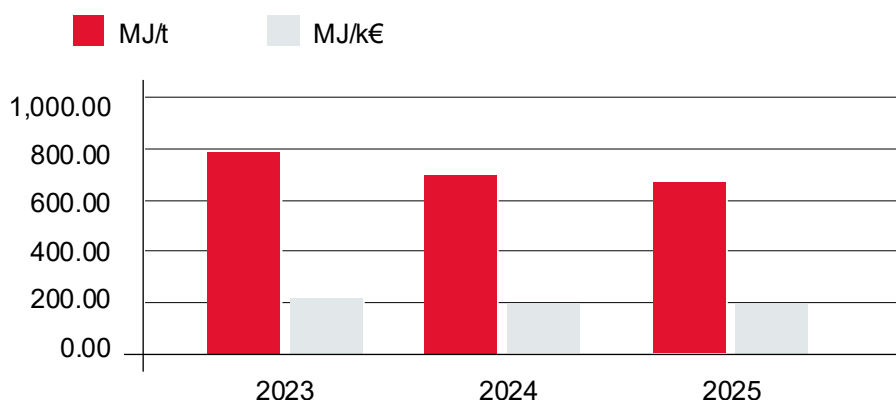


BREAKDOWN OF NATURAL GAS CONSUMPTION



Energy efficiency and consumption optimisation assessments were explored in depth by Propagroup through the voluntary drafting in 2024 of an **Energy Audit pursuant to Legislative Decree 102/2014 and subsequent amendments**.

ENERGY CONSUMPTION INTENSITY

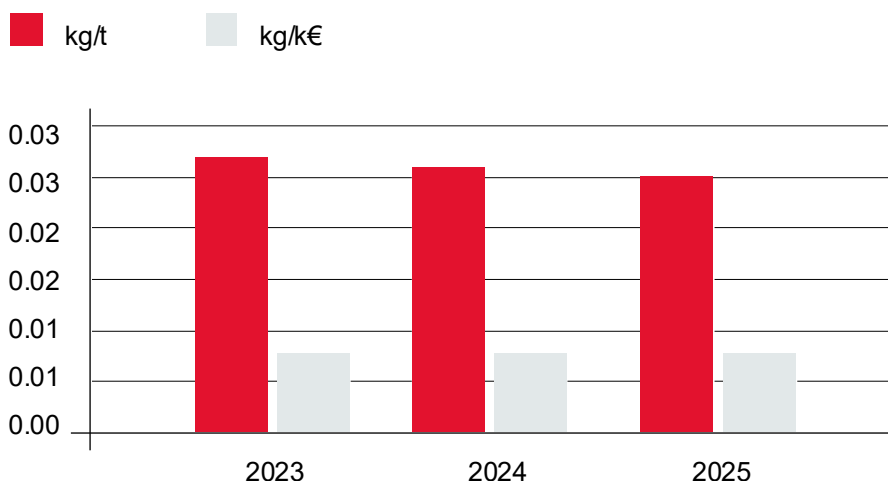


The control of air emissions deriving from production processes is carried out by Propagroup following the directives of the **AUA authorisation, including periodic self-monitoring**.

The emissions linked to the combustion of natural gas used for production/heating are in line with legal limits. Operating efficiency is then maintained through periodic maintenance checks in accordance with the regulations of reference. Any leaks of refrigerant gases (F-GAS) linked to air-conditioning systems are monitored through analyses carried out by qualified external technicians.



AIR EMISSIONS INTENSITY



Reporting Emissions: The Organisation's Carbon Footprint | CFO

“The initial quantification of Propagroup's Greenhouse Gas (GHG) emissions concerns the year 2024. The reporting of emissions was subjected to the ISO 14064-1:2018 certification process by a third-party body, with the issuance of the Certificate on 24th June 2025”

This milestone is part of the sustainability journey launched by the Company with the GreenSME project and includes the commitment to maintain a structured emissions management system over time. The CFO analysis for the year 2025 is currently being carried out and is expected to be completed within the first half of the year 2026. The purposes of the CFO study¹ are:



The **evaluation of Company performance** from a strategic point of view



The **communication** of results along the supply chain



The **identification of carbon hotspots** underlying the definition of Improvement Programmes

¹ The CFO study refers to the Propagroup sites located in Rivoli at Via Genova 5B (Headquarters and Production Site), Corso Allamano 115 (Warehouse) and Via Alessandria 90/A (Warehouse). The emissive aspects relating to the Propagroup branch with registered office in Villeurbanne in France at Rue de la Doua 4 are also taken into account. This branch is classified as a legal entity without an operating site and is composed of sales agents.



Emissions can be divided into Scope 1, Scope 2 and Scope 3 per the GHG Protocol:²



SCOPE 1 | Direct Emissions

These derive from sources directly controlled by the Company, such as the use of fuels, the transport of goods with Company-owned vehicles, the use of corporate vehicles and – to a lesser extent – from fugitive emissions linked to air-conditioning/refrigeration systems.



SCOPE 2 | Indirect Emissions

These derive from sources directly controlled by the Company, such as the use of fuels, the transport of goods with Company-owned vehicles, the use of corporate vehicles and – to a lesser extent – from fugitive emissions linked to air-conditioning/refrigeration systems.



SCOPE 3 | Indirect Emissions

They include all the other indirect emissions generated by activities not directly controlled by the Company but over which Propagroup exercises an influence (such as production and transport of the raw materials used by the Company, management of the waste generated, transport and end-of-life of the products made, business travel and employee commuting, purchase of goods and services, etcetera).

² In this Document, the classification of Greenhouse Gas emissions in the Scopes is reported according to the GHG Protocol, aligning with the ISO 14064-1 study, considering the correspondence of Scope 1 -Category 1, Scope 2 - Category 2 and Scope 3 - Category 3, 4, 5 and 6



Reporting according to the ISO 14064-1:2018 Standard of Propagroup's GHG emissions follows the "control" consolidation approach aimed at considering 100% of the Greenhouse Gas emissions under Propagroup's operational control.

The data used for reporting are primary, collected through specific questionnaires for the Propagroup sites or secondary whereby deriving from databases or literature. The emission factors used refer to the Ecoinvent database or the ADEME database for monetary emission factors. The CFO calculation model was created using the professional tool SimaPro Craft v 10.1, applying a consolidated Life Cycle Assessment (LCA) approach.

2024

16.325	223
tCO ₂ e SCOPE 1-2-3 Total emissions	tCO ₂ e SCOPE 1 Direct emissions

177	15.925
tCO ₂ e SCOPE 2 Indirect Emissions	tCO ₂ e SCOPE 3 Indirect Emissions

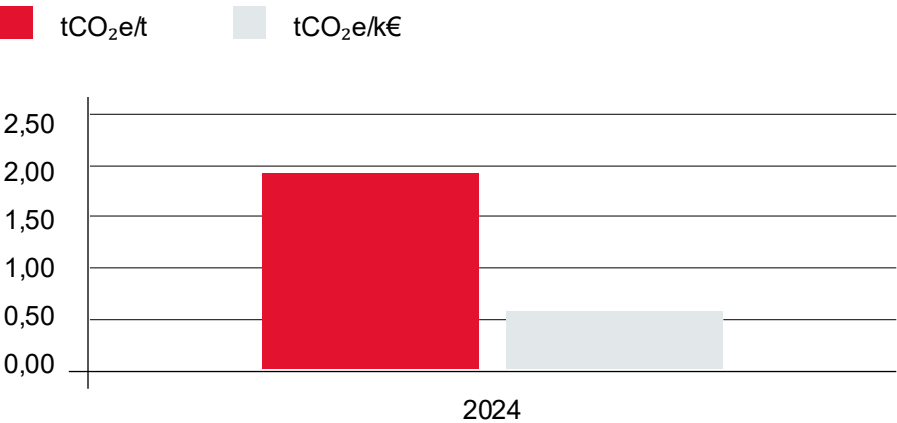
2.425
tCO ₂ e Biogenic Emissions



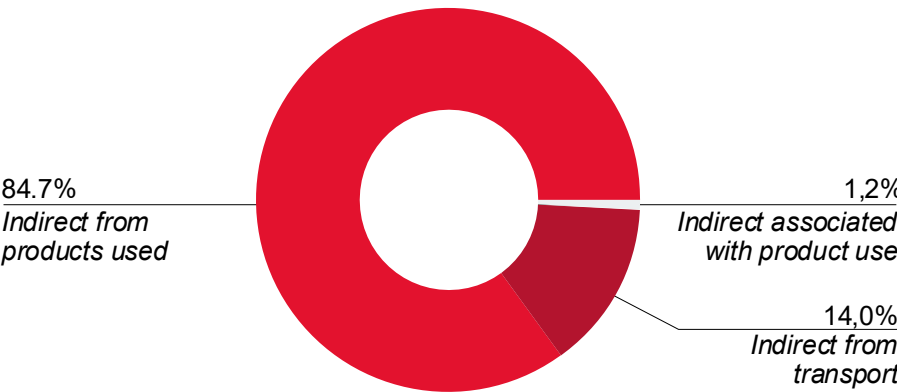
GREENHOUSE GAS EMISSIONS CONTRIBUTIONS | TOTAL GHG



GREENHOUSE GAS EMISSIONS INTENSITY | TOTAL GHG



GREENHOUSE GAS EMISSIONS CONTRIBUTIONS | SCOPE 3



Our Emission Reduction Plan

“We address the challenge of reducing emissions with a concrete and measurable approach. Indeed, our commitment starts from the analysis of consumption and emissions data, then translates into targeted actions to improve energy efficiency and increase the use of renewable sources”

Propagroup's GHG Reduction Plan, developed in the context of the GreenSME Project, defines the **reduction interventions** for 2025, based on 2024 data, and anticipates the actions being evaluated for 2026, including the purchase of certified renewable energy and other energy efficiency initiatives.

GHG Reduction Plan | 2025

The CFO analysis represents the starting point for Propagroup's definition of the GHG Reduction Plan, being the Greenhouse Gas Emissions Management Plan (Carbon Management Plan), aimed at reducing GHG emissions in 2025.

The design of the GHG plans was set up by defining the year 2024 as the baseline and estimating the expected reductions in 2025 in relation to the identified reduction projects. The GHG emission reduction estimates consider the actual data for the year 2025. In order to ensure comparability, the emission values normalised to production quantities (kgCO₂e/t production) were calculated and the annual emission results were subsequently estimated (tCO₂e/year).

The reduction projects **identified and implemented** by Propagroup in 2025 concern the improvement of energy efficiency through the **production of electricity from renewable sources with the installation of a photovoltaic system**, as well as the **replacement of the boilers and the installation of a new heat pump**.





Installation of a new photovoltaic system

Project Objective: reduce Greenhouse Gas emissions associated with electricity consumption through the use of self-produced renewable energy, replacing energy drawn from the national grid.

Scope of intervention: Installation of a rooftop photovoltaic system at the Propagroup headquarters at Via Genova 5B, Rivoli (TO).

Starting point (Baseline 2024):

Electricity drawn entirely from the grid:

- Grid electricity consumption 2024: 75,6 kWh/t [641.564 kWh/year]
- **GHG Emissions 2024 Scope 2: 21 kgCO₂e/t [177 tCO₂e/year]**

Description of the Operation: The project involves the installation of a photovoltaic system with peak power of approximately **332 kWp**, capable of producing **400.173 kWh** of electricity annually, largely destined for in-house self-consumption.

2025 Results³:

- Grid electricity consumption 2025: 61,8 kWh/t [514.118 kWh/year]
- Photovoltaic electricity production and self-consumption 2025: 25.8 kWh/t [215,016 kWh/year]
- **Estimated GHG Emissions 2025 Scope 2: 17 kgCO₂e/t [142 tCO₂e/year]**

Estimated GHG emissions reduction 2024–25 Scope 2: -19%

³ The reported results refer to consumption with the photovoltaic system active from August 2025.



Boiler replacement and heat pump installation

Project Objective: Reduce Greenhouse Gas emissions linked to the production of thermal energy through the installation of new high-efficiency systems and the integration of an electrically-powered heat pump.

Scope of intervention: Replacement of the existing boilers and installation of a heat pump at the Propagroup headquarters at Via Genova 5B, Rivoli (TO).

Starting point (Baseline 2024):

- Production of thermal energy from natural gas:
- Nominal power of systems: 1.234 kW Natural gas consumption 2024: 8,3 Sm³/t [70,779 Sm³/year]
- **GHG Emissions 2024 Scope 1: 26 kgCO₂e/t [223 tCO₂e/year]**

Description of the Operation: The project involved the installation of **three new high-efficiency boilers** and an **electric heat pump**, reducing the overall nominal power of the systems and improving the energy efficiency of the air-conditioning system.

2025 Results⁴:

- Natural gas consumption 2025: 7,4 Sm³/t [61.546 Sm³/year]
- Estimated GHG emissions 2025 Scope 1: 24 kgCO₂e/t [204 tCO₂e/year]

Estimated GHG emissions reduction 2024–25 Scope 1: -7%

⁴ In the estimate of GHG emission reductions for Scope 1 for the year 2025, the emissions relating to Category 1.2, 1.3 and 1.4 were unchanged compared to 2024

Taking into account the GHG emission reduction projects, the estimate of Propagroup's Scope 1–2 emissions expected for 2025 is reported below, in comparison with the results of the 2024 ISO 14064 study.



Scope	Project	2024 Emission (tCO ₂ e)	2025 Estimated Emissions (tCO ₂ e)	% Estimate d Reductio n
Scope 2 Emissions Electricity	Installation of new photovoltaic system	177	142	-19%
Scope 1 Emissions Combustion and Direct Emissions	Boiler replacement and heat pump installation	223	204	-7%
Total		400	345	-12% Scope 1 and 2



FOCUS | Photovoltaic System

In 2025, Propagroup implemented the installation of the new photovoltaic system on the roof of the site at Via Genova, 5B Rivoli (TO), with a peak power of approximately **332 kWp**. The initiative benefited from financial support thanks to participation in the “Energy Efficiency and Renewable Energy in Businesses 2024” call for tenders.



The use of self-produced electricity through a photovoltaic system makes it possible to reduce GHG emissions compared to the use of electricity drawn from the grid and the relative national electricity mix. In the event of excess energy production, in addition to the possibility of feeding into the grid, a connection with the electrical systems of the Propagroup warehouses is envisaged to ensure maximum use of the self-produced electricity in Propagroup's facilities.

Descriptive data on the operation of the photovoltaic system are published in real time on Propagroup's website, including the electricity generated (daily, monthly, total) and the corresponding reduction in Greenhouse Gas emissions compared with drawing electricity from the grid.



Project characteristics

Installed power: 332 kW

Annual PV Production: 400.173 kWh

Self-consumed Produced Energy: 64%

Energy Generated and Fed into the Grid: 36%

GHG Reduction Plan | 2026

Propagroup's commitment to the efficient management of energy has made it possible to define a new intervention plan for 2026, based on the purchase of shares of electricity from renewable sources through **Guarantee of Origin (GO)⁵**, with the aim of covering the consumption of electricity drawn from the grid in 2025 and reducing **Scope 2 GHG emissions**. In addition, in relation to consumption for the year 2026, the renewable GO share will be directly accounted for in the bill. Propagroup has **cancelled out the GOs for 2025**, with the official registration of the exclusive use of these certificates to cover its energy consumption. The **Cancellation Certificate** is available, representing **formal proof** of the actual use of renewable energy and preventing the same GOs from being reused by other parties. In relation to the estimate of GHG reductions, account must be taken of the instructions in the GHG Protocol, which states that renewable energy – such as solar, wind, geothermal and hydroelectric – has no direct emissions from the point of view of electricity generation and thus uses an emission factor equal to zero. Consequently, the savings in terms of GHG emissions are equal to the avoided emissions of energy purchased from the grid.

Scope 2 Emissions | Electricity

Project: Guarantee of Origin

2025 estimated emission without GO (tCO₂e): 139

2025 estimated emission with GO (tCO₂e): 0⁶

Estimated reduction percentage (%): -100%



⁵ The Guarantee of Origin (GO) document attests that the energy purchased derives from a FER (Renewable Energy Sources) produced by qualified IGO plants and is issued in compliance with EU Directive 2018/2001 and EU Directive 2023/2413. Each title has a value equal to 1 MWh and is issued by the Energy Services Manager - GSE in Italy.

⁶ GHG emissions estimate prepared considering that the GOs equal to 507 MWh cover approximately 99% of the electricity purchased from the grid in 2025, equal to 514 MWh.



In light of the growing interest of customers regarding the implementation of the Plastic Tax and the various forms of environmental taxation on the use of plastic adopted in the countries of the European Union, Propagroup upholds its research aimed at reducing the thickness of plastic films. Propagroup's **challenge is to reduce the quantities of raw material to be used per unit of finished product**, with the guarantee of maintaining the technical and quality characteristics. The future improvement action currently under feasibility analysis at Propagroup concerns the reduction of the thickness of the Propatech VCI film product (100 µm, 90 µm, 80 µm, 70 µm) (see paragraph - 4.1 Circular Economy). The calculations of the GHG emission reductions were carried out considering the volumes purchased in 2024, recalculating by proportion the weights expected following the reduction of thicknesses.

Product	Product 1	Product 2	Product 3	Product 4	Thickness reduction hypothesis
Thickness (cm)	0,010	0,009	0,008	0,007	-
Quantity Purchased 2024 (kg)	199.265	16.510	79.079	61.469	-
Quantity with weight reduction based on thickness (kg)	119.559	11.006	59.309	52.687	-
Emission purchased in 2024 (kgCO ₂ e/year)	598.563	49.593	237.541	184.643	1,070,340
Emission with weight of thickness (CO ₂ e kg/year)	359.138	33.062	178.156	158.265	728,621
Estimated Percentage reduction (%)	-40%	-33%	-25%	-14%	-32%



In order to contextualise within the CFO the **benefit in terms of GHG emissions reduction linked to the reduction of thickness**, the emissions calculated according to ISO 14064-1:2018 are compared with the emission estimate made for the year 2026.

Scope 3 Emissions | Contribution of the Film's Raw Materials

Project: Reduction of film thickness
2024 Emission (tCO₂e): 1,070
2026 estimated emission (tCO₂e): 729
Estimated reduction percentage (%): -32%



Management of empty containers and packaging reuse

The **reasoned management of logistics** is an aspect taken into consideration by Propagroup in order to optimise transport costs and keep GHG emissions under control during the goods handling phases, in terms of vehicle fuel consumption and the reuse of packaging materials.

Propagroup's logistics function is responsible for collaborations with external transporters, defining the **routes of the vehicles in the case of shuttling**, with the aim of saturating the load space and consequently efficiently managing outbound trips and avoiding the return of empty vehicles.

The information deriving from the warehouses – regarding the codes to be loaded with the measurements and weight of the pallets to be handled – is collected and processed through professional and specific software, which makes it possible to configure the filling of the containers or trucks used for transport. The extrapolation of the pallet measurement data is carried out automatically through the AZE software. Each type of material being transported actually has special pallet characteristics that are evaluated in an integrated way into the software in relation to the available spaces in the container or truck. In the load design, the weight limits established by customs specific to the destination countries are also considered.

Alongside the reasoned management of transport, **packaging recovery procedures** are implemented in the following cases:

- Reuse of EPAL wooden pallets in collaborations with subcontractors;
- Reuse of PVC reels in collaborations with subcontractors;
- Resale of part of the pallets originating from outside the EU to a specialised company.





4.3 Climate Change: Resilience and Adaptation

Among the **highest-impact consequences of climate change, the increase in the frequency and intensity of extreme environmental events is generally recognised**, including heat waves, intense rains and floods, violent atmospheric phenomena, periods of drought and intense cold.

With a view to **adaptation to climate change**, Propagroup first activated an **insurance policy covering catastrophic events**, including the main extreme weather risks, to protect the systems, equipment and buildings used (for the latter, in coordination with the property owner). On an operational level, the Company has prepared an **Emergency Management Plan** and appointed personnel adequately trained and prepared for the management of any emergency situations connected to climatic events.

In addition, in view of the increase in average temperatures during the summer period, Propagroup is in the process of defining specific procedures for the management of the in-house microclimate and the **protection of workers' health**, developed in collaboration with the Occupational Physician. The measures under evaluation include the strengthening of the water supply and rescheduling of working hours, with the aim of reducing exposure during the central hours of the day characterised by higher temperatures.



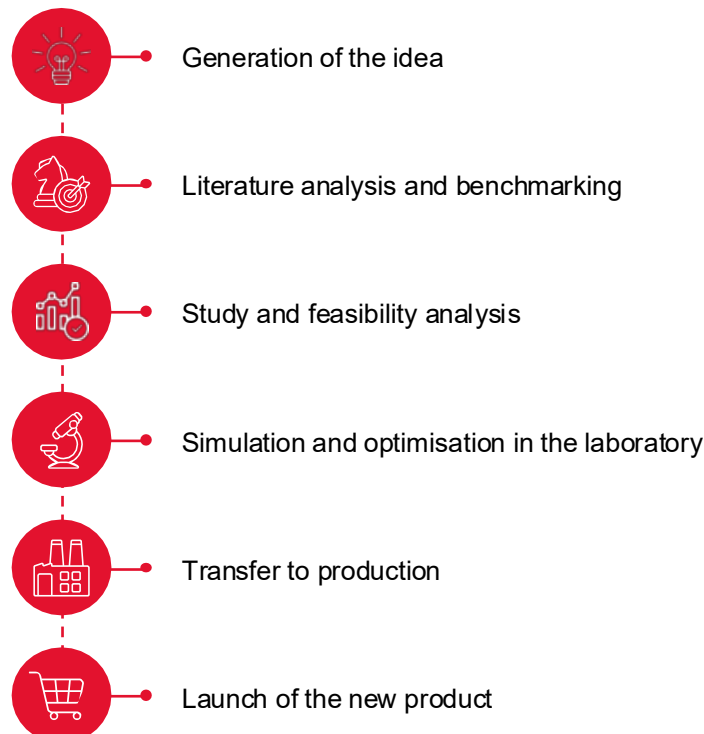


4.4 Product Innovation and Sustainability

“The creative spark of innovation merges with market needs, in order to ensure product functionality and environmental performance”

The search for new innovative solutions is a vital aspect at Propagroup that emerges in the creation process guided by the **R&D function** and requiring interaction among all internal and external stakeholders of the Company's operating perimeter.

From Idea to Product: Design and Development





The design and development phase of the new Propagroup solutions is integrated into the Quality Management System through the Product Design procedure, which envisages the evaluation of the following input data:

- **Market analysis**, with reference to the application sectors and emerging needs;
- **Customer requirements**, formalised through drawings, samples, specifications, quote requests or technical specifications;
- **Mandatory requirements**, defined by the customer or implicit, deriving from specifications, laws and regulations applicable to the product;
- **Environmental requirements**, including, for example, product recyclability;
- **Other supporting information**, such as past experiences and solutions already developed and validated.



FOCUS | End-of-life Handling of Propagroup Products

Propagroup takes into consideration the environmental aspects of finished products, with particular attention to end-of-life management. Indeed, in most cases, Propagroup products have recyclability characteristics and are suitable for reuse. In a few cases, handling is directed toward disposal. The percentage data relating to the end-of-life management methods for Propagroup's production in the year 2025 are reported below.

3%

Products intended for disposal

50%

Reusable products

47%

Recyclable products

These performance characteristics are the result of a consolidated design and development process, which internalises environmental criteria in the choice of raw materials and in the processing and production processes.

Depending on the phases, the envisaged outputs from the design are:

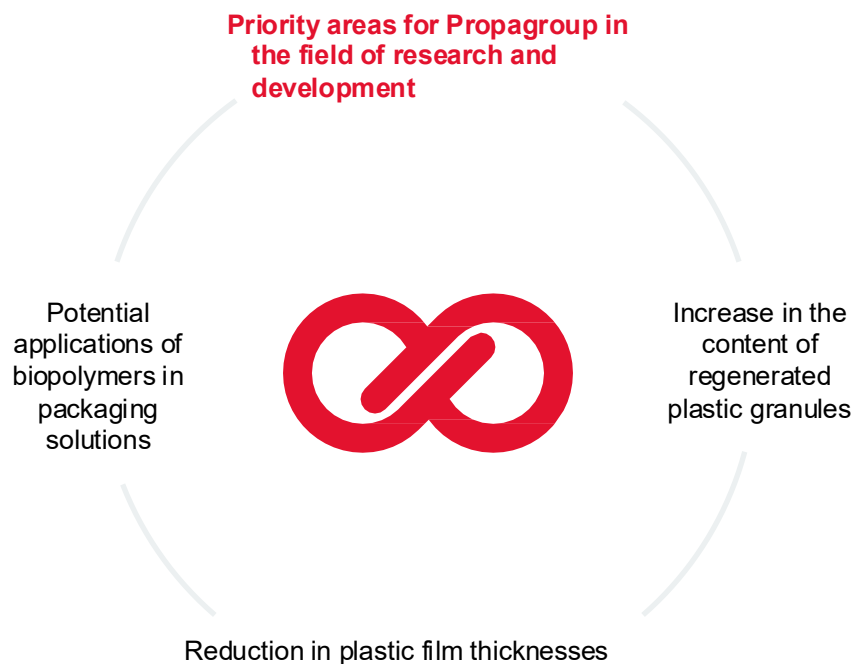
- **Descriptive specifications** - preliminary and final studies, drawings, details on offers, reports, technical specifications; executive specifications;
- **Work instructions**, product sheets, safety data sheets, notes on the order sheet.



The participation of all interested parties in the **Design and Development Review** is fundamental in including all different relevant aspects, from the internal functions as regards purchasing and production, to the external functions such as customers and suppliers representative of market needs. The evaluation must take into account the results of the project phases in relation to the achievement of the expected objectives (product quality, costs, implementation timelines) and propose shared solutions to any problems present (like changes in activity, contractual revisions with customers/suppliers, additional resources, spending alternatives).

The **design and development verification phase** involves checking on operation through tests and trials in real or simulated conditions, comparison with alternative methods and calculations along with the comparison of the results obtained from similar projects.

The process reaches its conclusion in the design and development **validation phase** which, in relation to the specific and descriptive contents of the project, can be carried out with the approval issued by the Customer, the evaluation relating to the results obtained from projects already validated prior or checks under particular operating conditions, both internal and external.





In the past, Propagroup has implemented multiple projects with private companies, Universities and Research Centres in order to optimise and customise products per specific needs.

The Research & Development function is constantly engaged in the context of European Projects on the theme of environmental protection and sustainability, from the study on the application of bio-polymers deriving from organic scraps or waste to new packaging solutions.

Propagroup's collaboration with European partners (Research Centres, Universities and SMEs) in the Horizon2020 and HorizonEurope programmes makes it possible to analyse the replacement of virgin fossil-origin plastic with the bio-based version, derived from raw materials of biological and renewable origin.



Propagroup European Projects: Bio-Based

Viss Project



Propagroup participates in the ViSS (Viable, Safe and Sustainable PHBV value chain) project, funded by the European Union under Horizon Europe. The initiative aims to create a circular supply chain for the production of PHBV bio-polymers derived from organic scraps, intended for new biodegradable and safe food packaging. In the context of the project, Propagroup handles industrial prototyping, transforming the bio-polymer granule into film and containers. A concrete contribution towards more sustainable and fully-European food packaging.

Period 2023–2027



WASTE2BIOCOMP



Waste2BioComp is a project aimed at transforming organic waste into bio-based components for sustainable packaging, with applications in the packaging, textile and footwear sectors. Part of the Horizon Europe 2021–2027 program, it involves a network of 13 European partners, including Research Centres, Universities and SMEs. The initiative aims to develop innovative solutions to reduce the ecological footprint, focusing on the design and extrusion of bio-films, an area in which Propagroup has already gained experience in previous national and European projects. The common objective is to help build a greener and more sustainable future.

Period 2022–2025

E-OilÉ



E-OilÉ aims to replace single-use plastics of fossil origin for the single-dose packaging of oily products in the food and cosmetic sectors with innovative and biodegradable solutions. The project combines advanced bio-based materials with digital technologies to promote circularity, reduce environmental impact and accelerate the EU's transition toward a greener economy. Propagroup contributes to the design and scalability of the production of semi-rigid, single-dose capsules for olive oil.

Period 2025–2029

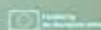


waste2
biocomp

Waste2BioComp

3rd Consortium Meeting, 11/12-07-2023
Turin, Italy

Authors: C2B2 & WP leaders





Two new EU Projects – AIM-PACE and BioFab-EUlas – are also currently present, with proposals submitted in 2025 and under evaluation for an activation decision.



FI Europe

An international event held in Paris dedicated to ingredients and solutions for the pet food and food & beverage sectors, with insights relating to innovation and new technological solutions.

AIC



american
institute for
conservation
Preserving Cultural
Heritage

Propagroup was an exhibitor at the AIC 2025 fair held in Minneapolis, organised by the American Institute for Conservation, an international point of reference for professionals in the conservation and protection of cultural heritage.

AR CO

Madrid

Arco

Propagroup was the official sponsor of ARCO Madrid 2025, an international fair dedicated to contemporary art, showcasing the innovative characteristics of Propadyn Museart: “Superior-quality Museum Solutions to Stabilise Humidity, Prevent Biological Deterioration and Structural Damage During Transport”.

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Propagroup's ideas for technological innovation are amplified thanks to networking, the exchange of knowledge and updating to the new needs of the packaging landscape, through **Propagroup's participation as an exhibitor at trade fair events in 2025.**

FACHPACK

Trade fair event held in Nuremberg relating to packaging, with a focus on solutions for packaging industrial and consumer products, along with packaging materials, production, technologies, logistics, systems and printing.



IPACK-IMA

An international fair in Milan that is a point of reference for materials and technologies for processing and packaging intended for the food and non-food sectors. This is dedicated to the Fast-Moving Consumer Goods (FMCG) and Durable Goods industry, focused on the cereal-based food, beverage, pharma and Food-Fresh & Convenience markets.



SITEM

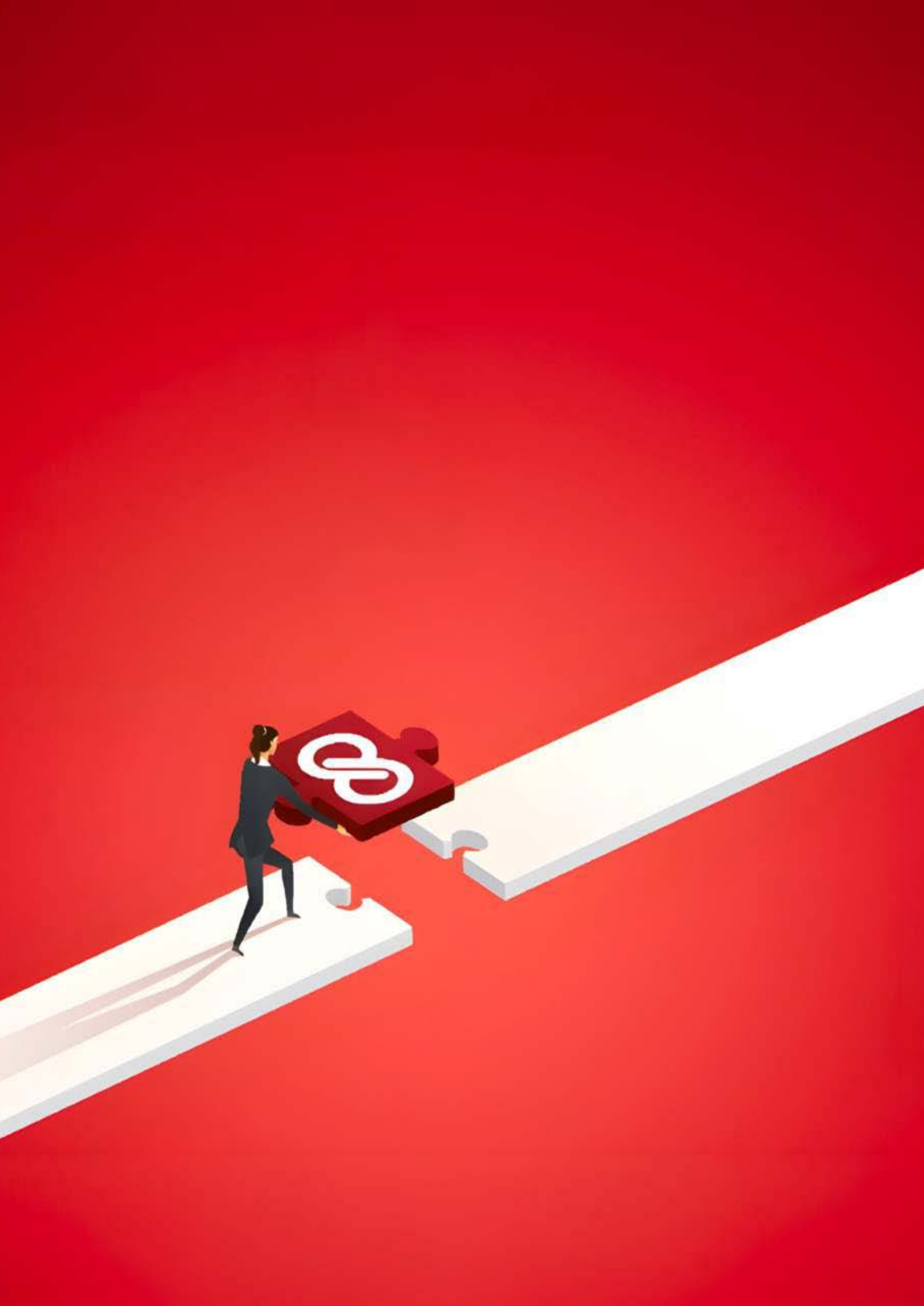
Propagroup took part in SITEM 2025, the international trade fair for museums, cultural heritage and tourism, held in Paris. The Propadyn smart product was presented in the context of innovative solutions for museum preservation.

Europe

Conference located in Barcelona relating to innovative solutions, technologies and cutting-edge processes designed to optimise supply chain operations and improve clinical trial timelines, with the aim of building more robust and efficient supply chains for the future.

CTS
26TH ANNUAL
CLINICAL TRIAL SUPPLY
EUROPE 2025
25-26 FEBRUARY | BARCELONA, SPAIN

2025 will mark the 26th Annual Clinical Trial Supply Europe conference in Barcelona, where pharma, biotech, and small molecule manufacturers will have the opportunity to connect, discuss, and discover new insights and approaches to diversified supply chain operations.





CHAPTER 5

GOVERNANCE



5.1 Ethical Conduct and Transparency

“Our growth is built on responsible and consistent choices where operating with transparency and fairness represents a concrete commitment to people and to the market”

For Propagroup, a **solid and transparent Governance System** represents the basic condition for generating value over the long term. For this reason Propagroup integrates control tools, internal policies, certified systems and risk-prevention mechanisms through its Governance System, with the aim of **ensuring ethical management across all operations**.

SMETA Audit

In 2020, Propagroup successfully passed the **SMETA (Sedex Members Ethical Trade Audit)**, conducted by an independent third party in accordance with the SMETA Best Practice Guidance and the relative measurement criteria. The audit covered the entire production site and all categories of workers present. In a structured way, the audit assessed:



Working conditions



Health and Safety



Environmental aspects



Business ethics

The topics covered include freedom of association, working hours, remuneration, the absence of discrimination, the prevention of child and forced labour, plus conditions of safety and integrity in business conduct.

The positive outcome confirmed the soundness of the Management Systems already implemented by Propagroup.

Our Code of Ethics

The **Code of Ethics** represents one of the pillars of Propagroup's governance system. Adopted on January 13, 2020, the document defines the principles and rules of conduct that guide the activities of the Company and all the people who act on its behalf, in internal and external relationships.



...e i lavoratori agli obiettivi dell'impresa.

9) Fatti gestionali e dati contabili, trasparenza dei

La completezza e la chiarezza dei dati contabili, delle re
ntale nei rapporti con i proprietari, con i terzi che vengono in co
za (ove coinvolti).

La contabilità è rigorosamente improntata ai principi generali di verit

enza del dato registrato.

Nei loro comportamenti i dipendenti e i collaboratori sono obbligati ad as

, che violi direttamente o indirettamente i principi di cui al comma preceden

ngono alla formazione dei documenti contabili e alla loro rappresentazione all'e

Propagroup si impegna a garantire la massima correttezza e trasparenza nella

correlate, in conformità alle disposizioni emanate in materia dall'Autorità.

Propagroup favorisce la partecipazione ad iniziative di formazione e di aggiorname

aggiornati i Destinatari in ordine alle regole e alle procedure che presiedono alla produzi

documentazione contabile.

I Bilanci della Propagroup rispondono rigorosamente ai principi generali di rappresentaz

della situazione patrimoniale, economica e finanziaria nel rispetto della vigente normativa

I criteri di valutazione fanno riferimento alla normativa civilistica e agli standard di generale accet

10) Tutela della privacy

Propagroup cura l'applicazione ed il costante aggiornamento di specifiche procedure finalizzate alla

Propagroup si impegna a tutelare la riservatezza di tutte le informazioni di qualsivoglia natura od oggetto

in possesso nello svolgimento dell'attività di impresa, evitando ogni uso improprio o indebita diffusione di tali

zioni.

Propagroup effettua un monitoraggio periodico dei rischi e delle minacce connesse al trattamento dei dati

gli acquisti, del possibile impatto sulla sicurezza, nonché delle misure tecniche organizzative e di verifica per

giare i rischi di volta in volta individuati.

Propagroup si impegna a tutelare i dati personali acquisiti, custoditi e trattati nell'ambito della propria attività

attraverso attività formative degli incaricati interni al trattamento dei dati sulle modalità di utilizzo,

azione, conservazione e distruzione degli stessi.

Propagroup verifica annualmente l'attuazione corretta del sistema di modifica periodica delle password in

ta con quanto previsto dalla vigente normativa in materia di privacy (Regolamento UE 2016/679 GDPR).

11) Formazione

Propagroup di cui al presente Codice Etico sono oggetto di formazione specifica dell'azienda

immissione viene documentata adeguatamente, secondo procedura specifica del sistema qualità

La Direzione

Propagroup S.p.A.

Un progetto

11100000 - COD. CEE IT 000000011

1014400 - COD. CEE IT 000000011





Our Values

People's

Wellbeing Propagroup promotes an inclusive and respectful working environment, countering all forms of discrimination and protecting the dignity of the individual. Health and safety are overseen with a preventive approach, while continuous training supports awareness, professional growth and individual responsibility.



Health and Safety

Safety is a central value of the organisation. Propagroup adopts a preventive approach to risk management, promotes responsible behaviour and continuously protects the health of workers.



Integrity

Propagroup calls for impartial conduct consistent with the Company's interest, preventing any conflicts of interest. All forms of corruption and money laundering is actively countered, operating in full compliance with applicable regulations.





Fairness

Relationships with customers, suppliers, institutions and political or trade-union organisations are based on transparency, neutrality and respect for the rules. Propagroup promotes market relationships founded on quality, fair competition and responsibility.



Management Transparency

The completeness and accuracy of accounting data represent a fundamental value in relationships with shareholders, stakeholders and supervisory bodies. The Financial Statements are drafted in compliance with the principles of true and fair representation and in accordance with applicable regulations.



Data Protection

Propagroup protects the Company information and personal data processed in carrying out its activities, adopting organisational measures and periodic controls in compliance with EU Regulation 2016/679 (GDPR) and applicable regulations.



The Code of Ethics is defined in compliance with the standards set out by the SMETA, the contents of the Quality and Environment Policy and the principles of Food Defence, ensuring consistency between the Management System and ethical conduct. In this way, the Code does not represent an isolated element but constitutes an integral **part of the Organisational Model and Company processes**.

To ensure effective application, a Representative was appointed to manage the Code, with the task of promoting its dissemination, regulatory updating and staff training, distributing the document to all employees, new hires and, where relevant, stakeholders. The adequacy of the document is also **verified annually** during the Management Review.

Reporting system (Whistleblowing)

As of 17th December 2023, in compliance with Legislative Decree 24/2023, Propagroup activated a **confidential reporting system** for communicating any violations of European Union law or conduct not compliant with Company principles. This channel is accessible from the homepage of the corporate website and guarantees the protection of the reporter's confidentiality.

Reports are managed by a **dedicated Ethics Committee** that operates autonomously and independently, ensuring impartiality in the evaluation of cases and protection from any retaliation.



This tool represents a further safeguard supporting a culture of transparency and individual responsibility. In 2025, no reports were recorded through the whistleblowing platform.



Organisational well-being and work-related stress



Attention to the protection of people also includes the appropriate management of psychosocial risks. For this reason, and in compliance with the provisions of the current safety regulations (Legislative Decree 81/08), Propagroup periodically carries out **work-related Stress Risk Assessments**, integrating the objective analysis of sentinel events and the organisational context with a subjective assessment based on the direct involvement of workers.

The qualitative in-depth study is carried out through focus groups moderated by a professional work psychologist to ensure impartiality. The groups are defined in collaboration with the relevant Company functions and built according to a logic of organisational homogeneity, representing the various Company areas – production and logistics, office functions, the commercial and administrative department, as well as roles of responsibility – and ensuring a balanced composition by gender and job role. Overall, a Company sample considered representative of the organisational structure and the various operating contexts is involved.

The latest results confirm an overall positive picture and help guide any **actions for improvement**.



Governance Recognitions

The soundness and reliability of Propagroup in the commercial, governance and legality areas are also reflected in independent external assessments.

1



CRIBIS Prime Company

In 2022, Propagroup obtained the “CRIBIS Prime Company” award, granted to companies with the highest level of commercial reliability according to the CRIBIS Rating, which assesses the credit risk profile and the ability of the Company to meet its obligations.

2

AGCM Legality Rating

In December 2025, the Italian Competition Authority (AGCM) awarded Propagroup the Legality Rating, a tool aimed at promoting and recognising the adoption of Company conduct based on legality, transparency and fairness.

Acknowledging compliance with the requirements set out by the implementing regulation and the adoption of additional merit-based criteria in the area of governance and fairness in relationships with the market, Propagroup was awarded the score ++, which indicates compliance with all requirements set out in the Implementing Regulation on the Legality Rating, as well as the presence of additional requirements, flagged with the symbols +.



3**Imprese Vincenti Intesa Sanpaolo**

Propagroup was selected among the ten “**Imprese Vincenti**” (Winning Companies) for 2022–2023 within the programme promoted by Intesa Sanpaolo.

The initiative is aimed at recognising companies that stand out for their **soundness, growth capacity and strategic responsiveness**, with particular attention to the consistency of investments with respect to the guidelines of the PNRR (Italian National Recovery and Resilience Plan).

The selection process involved some 4,000 SMEs that applied at the national level. Among these, 140 companies were identified for the quality of the relaunch and transformation plans launched, with projects oriented toward digitalisation, sustainability and the ecological transition, innovation, research and training, as well as initiatives in the area of welfare and health.

The recognition attests to Propagroup's commitment to **combining industrial development, innovation and sustainability** in a medium- to long-term perspective.





5.2 Financial Management and Cost Control

“Transparent and structured management of economic flows is an essential condition for ensuring soundness, reliability and continuity over time”

Propagroup adopts planning and control tools that enable the precise management of incoming and outgoing financial flows, as well as of in-house costs. The objective is to ensure economic balance, fairness in payments to suppliers and full awareness of the profitability of the products and services offered.

Cash-flow management and monitoring system

Liquidity management at Propagroup is overseen through a **structured cash-flow assessment system** that makes it possible to accurately plan financial inflows and outflows.

Payments to suppliers are planned according to monthly deadlines, ensuring regularity and punctuality in commercial relationships. The treasury function monitors bank movements daily, checking the trend of inflows and intervening with reminder actions where necessary. The monitoring distinguishes between domestic and foreign customers, allowing targeted management of the various types of receivables.

The assessment system also includes a preventive analysis of expected inflows and of the trend of financial flows, in order to ensure planning consistent with corporate commitments.

Management control - Activity-Based Costing

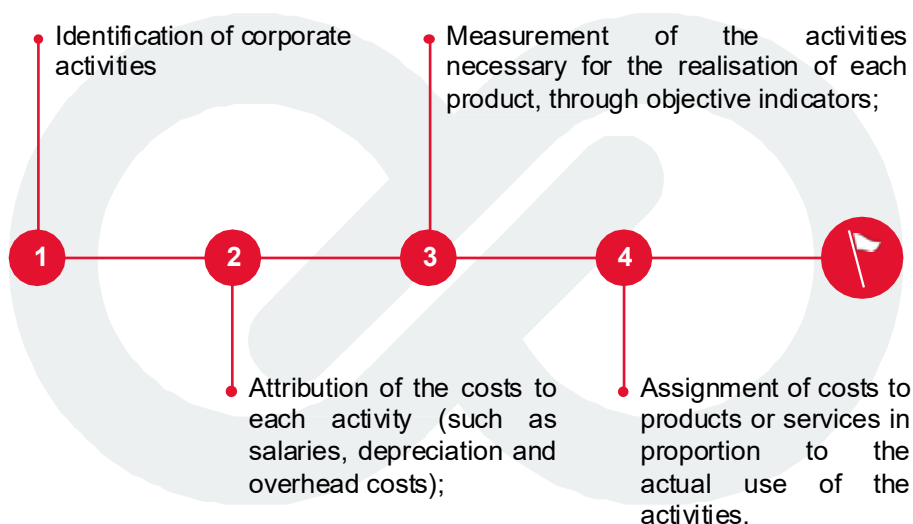
Alongside financial management, Propagroup adopts an advanced management control system based on the **Activity Based Costing (ABC)** methodology, implemented in 2012 with the support of specialised academic expertise and integrated into the Company Management Software.

ABC is a cost-allocation method based on managing the business by activity, requiring an analytical accounting system capable of attributing the costs, direct and indirect, of the activities related to production. In a context characterised by strong product differentiation, this allows for a more precise allocation of indirect costs.



For this reason, the system analyses corporate processes, identifies the activities carried out (for example, order management, machine set-up, quality control, logistics, support services) and attributes costs based on their actual use.

The method is applied across four steps:



Thanks to this approach, every item marketed transparently incorporates the total of Company costs (production, management and support) which, combined with the revenue linked to the sale, **offers a complete overview of the profitability of each product.**

The results feed into the **periodic reporting of Management Control**, strengthening management's ability to make informed choices consistent with the **economic sustainability** of the Company.

The method makes it possible to:



Improve the view of profitability by product, customer or line



Identify any low-value-added activities



Support strategic decisions on prices, investments and resource allocation



5.3 Supply Chain Management

“Knowing the supply chain is a path of growth that builds on the analysis of the risks of raw material supply, with the future objective of internalising ESG criteria into the strategy”

Propagroup's supply chain is an interconnection of stakeholders distributed globally and linking the **raw material suppliers and transporters** that are part of the logistics network for supply and distribution to the Customer.

Several aspects must be considered in the analysis of the value chain in order to ensure that Propagroup maintains its level of corporate reputation, business continuity and financial balance. In this regard, Propagroup first analyses the **risks related to the supply of raw materials**, examining the corporate status of suppliers and managing price volatility through actions that ensure the presence of material stocks throughout the year.

In addition, the environmental requirements of suppliers are analysed in terms of the implementation of Management Systems and Certifications, with annual issuance of Supplier Qualification.

Propagroup's corporate strategy is being developed and updated in order to internalise ESG aspects into the selection of suppliers, considering environmental, social and organisational aspects that are relevant to the management of risks along the production supply chain.



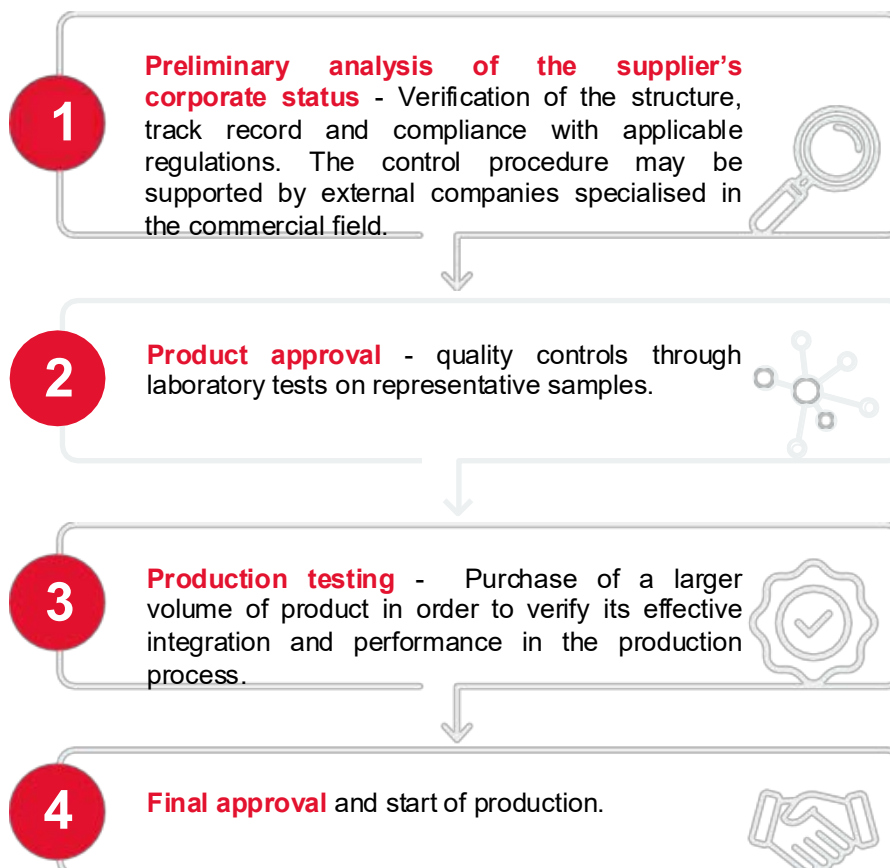
Risk Management Along the Supply Chain

Propagroup's business strategy makes it possible to manage supply chain risks, mainly through investments in **controlling the security of the supply of raw materials**.

The Purchasing, Sales and Quality functions cooperate in order to gather information regarding suppliers in terms of **economic and commercial stability**, in a process that is essential in the current context of a globalised market.



Control suppliers and their products



Propagroup's action for controlling market risk is based on the analysis of **variations in raw material costs**, with the aim of managing the relative fluctuations and anticipating adaptation through the recalibration of prices. Volatility is maintained through the analysis of raw material costs on the market and a comparison with the costs of closed negotiations. The risk aspect related to the availability of raw materials on the market, closely linked to local and global socioeconomic issues, is actively managed by Propagroup through a specific procedure for **stocking material reserves** throughout the year. The management and control of the warehouses, in terms of location and storage timing, also take into account the ageing time of materials, in order to plan handling for use in an ordered way. Specifically, delivery timing is established and handled through internal management software and verification as the material delivery due date approaches, which makes it possible to analyse the supply days and material shortages, for the purpose of handling stock replenishment.



Supplier Qualification

Propagroup adopts a Supplier Qualification Procedure aimed at annually assessing and monitoring the main aspects of regulatory, organisational and environmental compliance of its commercial partners. The assessment covers a selection of suppliers deemed relevant on the basis of the number of deliveries made during the year of reference. Through direct requests for information, the Company verifies compliance with applicable national regulations, the presence of internal Management Systems and the possible holding of recognised certifications.

In particular, elements such as the following are considered:

- Compliance with national laws;
- The internal system applied; ISO 9001;
- ISO 14001;
- ISO 50001;
- ISO 45001;
- Environmental target;
- Other certifications (e.g., FITOK, Plastic Second Life, OK compost, FSC, Sustainability Report, OEKO-TEX, GRS).

On the basis of the information collected, suppliers are classified according to three environmental classes:

- **Class A** - suppliers with an excellent environmental profile and holding ISO 14001 certification.
- **Class B** - suppliers with a good environmental profile, equipped with an internal Environmental Management System but not yet ISO 14001 certified;
- **Class C** - suppliers with a satisfactory profile, lacking ISO 14001 certification and with an Environmental System in the planning or consolidation phase.

GreenSME Project: ESG criteria in supplier assessment

Through the **GreenSME project**, Propagroup launched a pilot initiative aimed at **integrating ESG criteria into supplier analysis** in a structured manner, laying the foundations for a progressive incorporation of such aspects into the corporate strategy and into the selection and qualification processes of external stakeholders.

The initiative involved a selection of **plastic raw material suppliers and transport operators**,¹ identified based on the relevance of supplies and the volumes managed.

¹ Specifically, three raw material suppliers and three hauliers.



The involvement took place through the direct administration of **structured questionnaires**, aimed at collecting data and evidence useful for describing the ESG profile of commercial partners.

Particular attention was paid to the reporting of Greenhouse Gas (**GHG emissions**) and the possible adoption of **reduction plans**, in line with the Company's commitment regarding climate change. The questionnaire included both prescriptive requirements (regulatory compliance, presence of certified Management Systems) and voluntary elements, considered an expression of a proactive commitment to sustainability.



Availability of ESG documentation (ISO Certifications, Management Systems, Sustainability Reporting, etc.)



In-depth study of economic, social and environmental sustainability aspects such as sustainability criteria and projects on materials, the production process, transport Initiatives linked to valuing workers and the local area along with criteria for the selection and qualification of suppliers in relation to environmental and social sustainability aspects and the protection of biodiversity in the relevant areas



Presence of specific projects for the reduction of GHG emissions

The responses were analysed by assigning a score for each requirement met. The results were aggregated into three assessment areas ("Certification Points", "GHG Project Points" and "ESG Points"), allowing for a comparative reading of supplier performance.

The level of ESG performance was classified as:

Low	Medium	High
<25% positive responses than 50%	25% to 50%	Equal to or greater



The analysis revealed a heterogeneous distribution of ESG levels among the suppliers involved, highlighting room for improvement and areas of potential collaboration to strengthen performance along the supply chain.



Raw material suppliers

ESG Score	Supplier 1	Supplier 2	Supplier 3
Total Questions	44	44	44
Total ESG Scores	38	14	18
% positive responses	86%	32%	41%
ESG Level	High	Medium	Medium



Transport suppliers

ESG Score	Supplier 1	Supplier 2	Supplier 3
Total Questions	34	34	34
Total ESG Scores	10	17	7
% positive responses	29%	50%	21%
ESG Level	Medium	High	Low

The GreenSME project represented an important methodological experience for Propagroup, aimed at systematically **integrating environmental, social and governance factors into the supply chain management**. The initiative is part of a continuous path of improvement aimed at preventing and managing supply chain risks, protecting corporate reputation, ensuring operational continuity and strengthening the economic-financial balance.

From this standpoint, Propagroup is progressively internalising into its strategy the environmental (such as climate change), social (workers' health and safety) and organisational (legal responsibility and resource management) aspects, with the aim of consolidating the management of supply chain risks. As a future perspective, moreover, Propagroup plans to integrate EcoVadis assessments and those of other ESG performance comparison portals in the supply chain into its supplier analysis.







5.4 Data Security and Protection

“Protecting corporate information and the data of our stakeholders means ensuring operational continuity, reliability and trust over time”

Propagroup operates in compliance with EU Regulation 2016/679 (GDPR) and maintains a **structured Information Security Management System**, formalised through internal policies and privacy policies.

The processing of personal data takes place through individual authentication systems (User IDs and personal passwords with periodic renewal), with the formal assignment of tasks and the definition of responsibilities. The data processed mainly concern employees (common and health data for personnel management) or customers and suppliers (common data for managing commercial relationships).

The Company maintains the Security Planning Document as a voluntary tool for self-assessment of its protection system, even though it is no longer required by law.

In 2024, a **Gap Analysis was conducted with reference to ISO 27001**, aimed at assessing the level of exposure to IT risks and the adequacy of existing measures. The analysis did not reveal any significant critical issues, confirming the soundness of the control framework.

Propagroup is also covered by an **insurance policy for cyber risk**, which includes an annual assessment of the risk profile through a technical questionnaire.

237,5

k€ invested in cybersecurity from 2022 to 2025

46

Hours of training on cybersecurity in 2025

0

IT security incidents 2023–2025



Annual cyber risk insurance since 2019



Protection measures for IT security

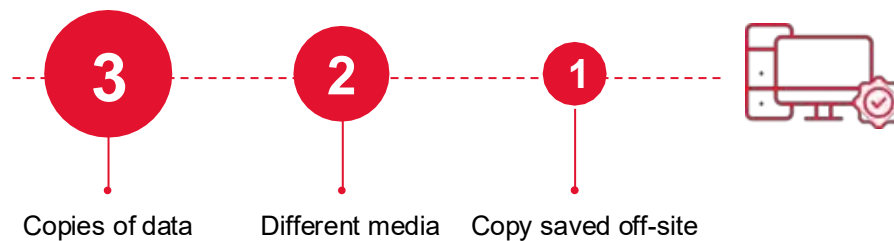
Propagroup's IT security is based on an integrated system of **technological solutions** aimed at preventing unauthorised access, malware, phishing and other digital threats.

Centralised systems for protecting Company networks and devices are in place, including firewalls, antispam filters, monitoring of cloud environments and tools for controlling applications and web browsing. Mobile devices are equipped with **dedicated safeguards** against IT threats.

Company laptops and smartphones are updated periodically and, before being decommissioned or reused, are subjected to "**secure erase**" procedures, meaning the complete deletion of data.

The protection of information is also ensured by a **structured backup system** compliant with the "3-2-1" rule.

3-2-1 Rule



The following are active:

- Backups of Propagroup's internal data on virtual servers managed by external providers;
- A primary internal site and secondary Disaster Recovery site, which receives daily the replicas of the production virtual servers through the internal network;
- Emergency power supply systems to ensure operational continuity.



Training and Data Protection

IT security is based on the awareness and attention of employees. For this reason, Propagroup activated a structured **security awareness** programme with the support of an external specialised company.

The programme includes:

- Mandatory online training modules for all employees (updated every 6 months);
- Periodic simulated phishing campaigns, integration with Microsoft Outlook through a “Phish Alert” button for the immediate reporting of suspicious emails;
- Annual reporting on the trend of simulations.

The simulations make it possible to monitor user behaviour and, where necessary, to intervene with targeted training. In the administrative and financial area, any anomalous payment requests are always verified through direct confirmation, including by telephone, before proceeding.

	UoM	2023	2024	2025
Number of confirmed information security incidents	No.	0	0	0
Number of cyberattack attempts blocked	No.	45	55	66
Number of phishing emails reported	No.	3350	4000	4818
No. of phishing simulations carried out during the year	No.	N/A	450	552

Cybersecurity Training	2025		
UoM	Men	Women	Total
Total hours	28	18	46





CHAPTER 6

INDEX



6.1 Methodological Note

This document is the first edition of Propagroup's Sustainability Report.

The Report was prepared drawing on the European Sustainability Reporting Standards (ESRS), published by the European Commission on 31st July 2023 under the Corporate Sustainability Reporting Directive (CSRD). Although the Company is not currently subject to the reporting obligations set out by the Regulation, it has chosen to adopt its principles of reference as a methodological guide to structure a transparent, consistent reporting system that is progressively aligned with European standards.

In line with the CSRD guidelines, the contents of the Report were defined based on the results of the Materiality Analysis, with particular reference to Impact Materiality, in order to identify and report the topics relevant to the Company and its stakeholders. The information and indicators presented refer to the 2025 calendar year and are reported on an annual basis. Where available, a comparison with previous years has been provided to offer a reading of how performance has evolved over time.

The reporting scope includes the headquarters of Propagroup S.p.A., located at Via Genova 5/B – 10098 Rivoli (Turin), Italy, and the branch Propagroup S.a.r.l., based at 4, rue de la Doua – 69100 Villeurbanne, France, both falling under the corporate name of Propagroup S.p.A.

Further information on the contents of this Report can be obtained by contacting the Company via the email address info@propagroup.com.

6.2 ESRS Index

ESRS	Disclosure Standard	Paragraph of reference
E1	E1-2 Policies related to climate change mitigation and adaptation	Climate change: mitigation Climate change: resilience and adaptation
	E1-3 Actions and resources related to climate change policies	Climate change: mitigation Climate change: resilience and adaptation
	E1-4 Targets related to climate change mitigation and adaptation	Our Emission Reduction Plan
	E1-5 Energy consumption and energy mix	Energy consumption and emissions
	E1-6 Gross Scope 1, 2, 3 - GHG Emissions and Total GHG Emissions	Reporting emissions: the organisation's Carbon Footprint - CFO
E2	E2-1 Pollution-related policies	Waste management Energy consumption and emissions
E4	E4-2 Policies related to biodiversity and ecosystems	N/R
	E4-3 Actions and resources related to biodiversity and ecosystems	N/R
E5	E4-4 Targets related to biodiversity and ecosystems	N/R

N/R = Not Reported



ESRS Standard	Disclosure	Paragraph of reference
E5	E4-5 Impact metrics related to biodiversity and ecosystem change	N/R
S1	S1-1 Policies related to own workforce	The People of Propagroup
	S1-3 Processes to remediate negative impacts and channels enabling own workers to raise concerns	Ethical conduct and transparency
	S1-4 Actions taken to manage significant impacts on its own workforce, with related approaches to mitigate risks and seize relevant opportunities, as well as the effectiveness of the measures adopted.	Occupational Health and Safety
	S1-5 Targets related to handling relevant negative impacts, enhancing positive impacts and managing relevant risks and opportunities	Our Objectives
	S1-6 Characteristics of the Company's employees	Our Team
	S1-7 Characteristics of non-employee workers in the Company's own workforce	Our Team
	S1-8 Collective bargaining coverage and social dialogue	Company welfare
	S1-9 Diversity metrics	Our Team
	S1-10 Fair wages	Company welfare
	S1-11 Social protection	Company welfare
	S1-13 Training and skill development metrics	Training and professional growth
	S1-14 Health and safety metrics	Occupational Health and Safety
	S1-15 Work-life balance metrics	Company welfare
	S1-17 Serious human rights incidents, complaints and impacts	Company welfare
S2	S2-1 Policies related to value chain workers	Supply chain management
S3	S3-2 Processes for engaging affected communities on impacts	N/R
S4	S4-1 Policies related to consumers and end users	Product quality and safety
	S4-2 Processes for engaging consumers and end users on impacts	Customer care and focus



ESRS Standard	Disclosure	Paragraph of reference
S4	S4-3 Processes to remediate negative impacts and channels enabling consumers and end users to raise concerns	Customer care and focus
	S4-4 Actions taken to manage significant impacts on consumers and end users, with related approaches to mitigate risks and seize relevant opportunities, as well as the effectiveness of the measures adopted	Product quality and safety
G1	G1-1 Policies on corporate culture and business conduct	Ethical conduct and transparency
	G1-2 Management of supplier relationships	Financial management and cost control
	G1-3 Prevention and detection of active and passive corruption	Ethical conduct and transparency
	G1-4 Confirmed incidents of active or passive corruption	Index
	G1-6 Payment practices	Financial management and cost control

Environmental information

ESRS E1; ESRS E2; ESRS E5

The charts below show intensity values with reference to the consumption and emissions data analysed. In all charts, intensity is calculated by relating the consumption/emission value to two Propagroup parameters:

- annual production value in tonnes (t) and annual revenue value in kilo-euro (k€).

N/A = Not Applicable

N/D = Not Available

"-" = value equal to zero

Energy consumption and energy mix	UoM	2023	2024	2025
Fuel consumption from coal and coal products	MJ	-	-	-
Fuel consumption from crude oil and petroleum products	MJ	1.776.184,06	1.091.514,96	1.204.773,07
Fuel consumption from natural gas	MJ	2.431.853,80	2.509.611,00	2.182.236,52
Fuel consumption from other non-renewable sources	MJ	-	-	-
Electricity, heat, steam and cooling consumption from fossil sources, purchased or acquired	MJ	2.057.292,00	2.309.630,40	-
Total energy consumption from fossil sources	MJ	6.265.329,87	5.910.756,36	3.387.009,59
Share of fossil sources in total energy consumption	%	100%	100%	60%



Energy consumption and energy mix	UoM	2023	2024	2025
Consumption from nuclear sources	MJ	-	-	-
Share of nuclear sources in total energy consumption	%	0%	0%	0%
Fuel consumption for renewable sources, including biomass (also includes industrial and municipal waste biological origin, biogas, renewable hydrogen, etc.	MJ	-	-	-
Electricity, heat, steam and cooling consumption from renewable sources, purchased or acquired – Guarantee of Origin	MJ	-	-	1.811.358,36
Self-produced renewable energy consumption without using fuels – Photovoltaic	MJ	-	-	441.302
Total energy consumption from renewable sources	MJ	-	-	2.252.660,76
Share of renewable sources in total energy consumption	%	0%	0%	40%
Total energy consumption	MJ	6.265.329,87	5.910.756,36	5.639.670,35
ENERGY CONSUMPTION INTENSITY	MJ/t	789,58	696,45	677,60
ENERGY CONSUMPTION INTENSITY	MJ/k€	214,78	197,61	192,22

CO ₂ e Emissions	UoM	2023	2024	2025
SCOPE 1 - Direct GHG Emissions and Removals	tCO ₂ e	N/D	223,08	N/D
1.1 Direct Emissions from Stationary Combustion	tCO ₂ e	N/D	148,16	N/D
1.2 Direct Emissions from Mobile Combustion	tCO ₂ e	N/D	73,03	N/D
1.3 Direct Process Emissions and Extractions From Industrial Processes	tCO ₂ e	N/D	-	N/D
1.4 Direct Fugitive Emissions From the Release of Greenhouse Gases into the Anthropogenic System	tCO ₂ e	N/D	1,89	N/D
1.5 Direct Emissions and Removals From Land Use, Land-Use Change and Forestry	tCO ₂ e	N/D	N/A	N/D
DIRECT BIOGENIC EMISSIONS	tCO ₂ e	N/D	-	N/D
SCOPE 1 EMISSIONS	tCO₂e	N/D	223,08	N/D
SCOPE 1 EMISSIONS INTENSITY	tCO₂e	N/D	0,03	N/D
SCOPE 1 EMISSIONS INTENSITY	tCO₂e	N/D	0,01	N/D



CO ₂ e Emissions	UoM	2023	2024	2025
SCOPE 2-Indirect GHG emissions from imported energy	tCO ₂ e	N/D	177,38	N/D
1. Indirect emissions from imported electricity	tCO ₂ e	N/D	177,38	N/D
2. Indirect emissions from energy - imported and from sources other than electricity	tCO ₂ e	N/D	N/D	N/D
INDIRECT BIOGENIC EMISSIONS	tCO ₂ e	N/D	30,40	N/D
SCOPE 2 EMISSIONS	tCO₂e	N/D	177,38	N/D
SCOPE 2 EMISSIONS INTENSITY	tCO₂e/t	N/D	0,02	N/D
SCOPE 2 EMISSIONS INTENSITY	tCO₂e/k€	N/D	0,01	N/D
SCOPE 3 - Indirect GHG Emissions	tCO ₂ e	N/D	15.924,79	N/D
3. Indirect GHG emissions from transport	tCO ₂ e	N/D	2.233,65	N/D
3.1 Indirect Emissions from Upstream Transport and distribution of goods	tCO ₂ e	N/D	1.175,89	N/D
3.2 Indirect Emissions from Downstream Transport and distribution of goods	tCO ₂ e	N/D	915,72	N/D
3.3 Indirect Emissions from Employee Commuting	tCO ₂ e	N/D	74,02	N/D
3.4 Indirect Emissions from Customers and Visitors Transport	tCO ₂ e	N/D	39,58	N/D
3.5 Indirect Emissions from Business Travel	tCO ₂ e	N/D	28,44	N/D
INDIRECT BIOGENIC EMISSIONS	tCO₂e	N/D	2,18	N/D
4. Indirect GHG emissions from products used by the Organisation	tCO ₂ e	N/D	13.493,44	N/D
4.1 Indirect Emissions from Purchased Goods	tCO ₂ e	N/D	13.156,76	N/D
4.2 Indirect Emissions from Capital Goods	tCO ₂ e	N/D	250,64	N/D
4.3 Indirect Emissions from Solid and Liquid Waste disposal	tCO ₂ e	N/D	4,22	N/D
4.4 Indirect Emissions from the Use of Leased Goods	tCO ₂ e	N/D	-	N/D



CO ₂ e Emissions	UoM	2023	2024	2025
4.5 Indirect Emissions from the Use of Other Services	tCO ₂ e	N/D	81,83	N/D
INDIRECT BIOGENIC EMISSIONS	tCO₂e	N/D	2.257,43	N/D
5. Indirect GHG emissions associated with the use of the Organisation's products	tCO ₂ e	N/D	197.70	N/D
5.1 Indirect Emissions or Removals During the Product'S Use Phase	tCO ₂ e	N/D	N/D	N/D
5.2 Indirect Emissions from Downstream Leasing Activities	tCO ₂ e	N/D	N/D	N/D
5.3 Indirect Emissions From the Product End-of-Life Phase	tCO ₂ e	N/D	197,70	N/D
5.4 Indirect Emissions From Investments	tCO ₂ e	N/D	N/A	N/D
INDIRECT BIOGENIC EMISSIONS	tCO ₂ e	N/D	135,00	N/D
SCOPE 3 EMISSIONS	tCO₂e	N/D	15.924.,9	N/D
SCOPE 3 EMISSIONS INTENSITY	tCO₂e/t	N/D	1,88	N/D
SCOPE 3 EMISSIONS INTENSITY	tCO₂e/k€	N/D	0,53	N/D
		N/D		N/D
SCOPE 1-2-3 EMISSIONS	tCO₂e	N/D	16.325,25	N/D
INDIRECT BIOGENIC EMISSIONS 1-2-3	tCO₂e	N/D	2.425,00	N/D
SCOPE 1-2-3 EMISSIONS INTENSITY	tCO₂e/t	N/D	1,92	N/D
SCOPE 1-2-3 EMISSIONS INTENSITY	tCO₂e/k€	N/D	0,55	N/D
Air emissions	UoM	2023	2024	2025
Total dust	kg	212,44	215,41	200,67
TOC	kg	1,02	0,85	1,73
Ozone	kg	1,22	1,57	1,39
F-GAS R404A	kg	-	0,40	4,20
AIR EMISSIONS INTENSITY	kg/t	0,027	0,026	0,025
AIR EMISSIONS INTENSITY	kg/k€	0,007	0,007	0,007



Water withdrawal	UoM	2023	2024	2025
Withdrawal from wells	m ³	-	-	-
Withdrawal from water mains	m ³	2,967.00	2,959.00	2,580.00
Withdrawal from other sources	m ³	-	-	-
TOTAL WATER WITHDRAWAL	m ³	2,967.00	2,959.00	2,580.00
WATER WITHDRAWAL INTENSITY	m³/t	0.37	0.35	0.31
WATER WITHDRAWAL INTENSITY	m³/k€	0.10	0.10	0.09

Special waste and by-products	UoM	2023	2024	2025
TOTAL WASTE PRODUCED	kg	164.703,00	181.078,00	181.402,00
Waste destined for recovery	kg	163.163,00	175.153,00	177.005,00
Waste destined for disposal	kg	1.540,00	5.925,00	4.397,00
Hazardous waste	kg	1.750,00	2.367,00	1.707,00
· Hazardous, to disposal	kg	970,00	1.885,00	1.457,00
· Hazardous, to recovery	kg	780,00	482,00	250,00
Non-hazardous waste	kg	162.953,00	178.711,00	179.695,00
· Non-hazardous, to recovery	kg	162.383,00	174.671,00	176.755,00
· Non-hazardous, to disposal	kg	570,00	4.040,00	2.940,00
Radioactive waste	kg	-	-	-
SHARE OF WASTE RECOVERED	%	99%	97%	98%
SHARE OF WASTE DISPOSED	%	1%	3%	2%
SHARE OF HAZARDOUS WASTE	%	1%	1%	1%
SHARE OF NON-HAZARDOUS WASTE	%	99%	99%	99%
WASTE INTENSITY	kg/t	20,76	21,34	21,80
WASTE INTENSITY	kg/k€	5,65	6,05	6,18
TOTAL BY-PRODUCT OUTPUT	kg	98.821,76	120.129,03	92.297,55



Total by-product output	UoM	2023	2024	2025
By-products recovered	kg	98.821,76	120.129,03	92.297,55
By-products sold	kg	-	-	-
SHARE OF BY-PRODUCTS RECOVERED	%	100%	100%	100%
SHARE OF BY-PRODUCTS SOLD	%	0%	0%	0%
TOTAL WASTE AND BY-PRODUCTS	kg	263.524,76	301.207,03	273.699,55
WASTE AND BY-PRODUCT INTENSITY	kg/t	33,21	35,49	32,88
WASTE AND BY-PRODUCT INTENSITY	kg/k€	9,03	10,07	9,33

Main types of special waste produced	UoM	2023	2024	2025
Wood and mixed packaging	kg	129.865,00	121.150,00	131.580,00
Dust and similar residues	kg	17.700,00	27.960,00	22.970,00
Absorbents and filter materials	kg	13.130,00	24.580,00	22.260,00
Other	kg	4.008,00	7.388,00	4.592,00
TOTAL	kg	164.703,00	181.078,00	181.402,00

Materials and hazardousness of finished products	UoM	2023	2024	2025
TOTAL MATERIALS	t	8.777,77	11.344,79	10.027,48
Renewable materials	t	1.040,27	1.388,53	1.310,92
Non-renewable materials	t	7.737,50	9.956,26	8.716,56
SHARE OF RENEWABLE MATERIALS	%	12%	12%	13%
SHARE OF NON-RENEWABLE MATERIALS	%	88%	88%	87%
RENEWABLE MATERIAL INTENSITY	t/t	0,13	0,16	0,16
RENEWABLE MATERIAL INTENSITY	t/k€	0,04	0,05	0,04
NON-RENEWABLE MATERIAL INTENSITY	t/t	0,98	1,17	1,05
NON-RENEWABLE MATERIAL INTENSITY	t/k€	0,27	0,33	0,30
Finished products classified as hazardous	t	145.693,00	166.978,00	120.300,00



Materials and hazardousness of finished products	UoM	2023	2024	2025
Finished products classified as non-hazardous	t	4.349.669,00	5.006.004,00	4.693.066,00
SHARE OF HAZARDOUS PRODUCTS	%	3%	3%	2%
SHARE OF NON-HAZARDOUS PRODUCTS	%	97%	97%	98%
HAZARDOUS PRODUCT INTENSITY	kg/t	18,36	19,67	14,45
HAZARDOUS PRODUCT INTENSITY	t/k€	4,99	5,58	4,10
NON-HAZARDOUS PRODUCTS INTENSITY	kg/t	548,16	589,84	563,87
NON-HAZARDOUS PRODUCTS INTENSITY	t/k€	149,11	167,36	159,96

Product end-of-life	UoM	2023	2024	2025
TOTAL PRODUCTS	%			
Recyclable products	%	47%	47%	47,26%
Reusable products	%	49%	50%	49,46%
Products usable for energy recovery	%	0,01%	0,01%	0,01%
Products destined for disposal	%	4%	3%	3,28%

Emergencies	UoM	2023	2024	2025
Accidental pollution incidents (e.g., spills, leaks)		-	-	-

Corporate information

ESRS S1			2023			2024			2025		
		UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Data gender	Employees	No.	48	22	70	48	22	70	49	20	69
	Workers (non-employees)	No.	3	1	4	3	1	4	5	2	7



			2023				2024				2025				
			UoM	>50 years	30–50 years	<30 years	Total	>50 years	30–50 years	<30 years	Total	>50 years	30–50 years	<30 years	Total
Distribution of employees by age group	Employees	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	34	32	3	69
	Workers (non-employees)	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	1	4	2	7
			2023				2024				2025				
			UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total			
Data gender	Employees on a fixed-term basis	No.	-	-	-	1	-	1	1	-	1				
	Employees on a permanent basis	No.	48	22	70	47	22	69	46	22	68				
			2023				2024				2025				
			UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total			
Data gender	Employees Full-time	No.	48	18	66	48	19	67	49	18	67				
	Employees Part-time	No.	-	3	3	-	3	3	-	2	2				
			2023				2024				2025				
			UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total			
Roles	Executives	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	1	-	1			
	Middle managers	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	8	2	10			
	Office workers (White collar)	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	20	16	36			
	Manual workers (Blue collar)	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	20	2	22			
	Interns	No.	N/D	N/D	N/D	N/D	N/D	N/D	N/D	-	-	-			



			2023		2024		2025								
							Male				Female				Total
											<30 years	≥30<50 years	≥50 years	Total	
Roles		UoM													
	Executives	No.	N/D	N/D	-	-	1	1	-	-	-	-	1		
	Middle managers	No.	N/D	N/D	-	3	5	8	-	1	1	2	10		
	Office workers (White collar)	No.	N/D	N/D	2	9	8	19	-	8	9	17	36		
	Manual workers (Blue collar)	No.	N/D	N/D	-	9	11	20	-	1	1	2	22		
	Interns	No.	N/D	N/D	-	-	-	-	-	-	-	-	-		
Total		No.	N/D	N/D	2	21	25	48	-	10	11	21	69		

			2023			2024			2025		
UoM			Male	Female	Total	Male	Female	Total	Male	Female	Total
New employee hires	<30 years	No.	1	-	1	1	-	1	1	-	1
	≥30 <50 years	No.	1	1	2	1	1	2	-	-	-
	≥50 years	No.	-	-	-	-	-	-	-	-	-
Total		No.	2	1	3	2	1	3	1	-	1

			2023			2024			2025		
UoM			Male	Female	Total	Male	Female	Total	Male	Female	Total
Staff departures	<30 years	No.	-	-	-	-	-	-	1	-	1
	≥30 <50 years	No.	-	-	-	-	-	-	-	-	-
	≥50 years	No.	1	-	1	-	1	1	-	1	1
Total		No.	1	-	1	-	1	1	1	1	2



	UoM	2023	2024	2025	Notes on the methodology for calculating turnover rate
Employee turnover rate	%	1.4	1.4	2.9	TOTAL number of leavers/total workforce at year-end

		2023			2024			2025		
	UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of internal mobility cases (level changes)	No.	N/D	N/D	N/D	N/D	N/D	N/D	-	2	2
% of employees with a personal development plan	%	N/D	N/D	N/D	N/D	N/D	N/D	100%	100%	100%

			2023			2024			2025		
		UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Seniority of employees	>30 years	No.	N/D	N/D	N/D	N/D	N/D	N/D	2	1	3
	>15 ≤30 years	No.	N/D	N/D	N/D	N/D	N/D	N/D	19	12	33
	>5 ≤15 years	No.	N/D	N/D	N/D	N/D	N/D	N/D	13	2	15
	>2 ≤5 years	No.	N/D	N/D	N/D	N/D	N/D	N/D	9	3	12
	≤2 years	No.	N/D	N/D	N/D	N/D	N/D	N/D	3	2	6

			2023			2024			2025		
		UoM	Male	Female	Total	Male	Female	Total	Male	Female	Total
Collective bargaining and Social dialogue	Employees covered by Collective Bargaining Agreements	%	100	100	100	100	100	100	100	100	100
	Number of employees in the union	Number	-	-	-	-	-	-	-	-	-



			2023		2024		2025	
UoM			Male	Female	Male	Female	Male	Female
Voluntary training of employees	Executives	AVERAGE hours	N/D	N/D	N/D	N/D	2,3	-
	Middle managers	AVERAGE hours	N/D	N/D	N/D	N/D	8,3	14,3
	Office workers (White collar)	AVERAGE hours	N/D	N/D	N/D	N/D	0,8	7,6
	Manual workers (Blue collar)	AVERAGE hours	N/D	N/D	N/D	N/D	1,4	1,3
	Interns	AVERAGE hours	N/D	N/D	N/D	N/D	-	-

			2023		2024		2025	
UoM			Male	Female	Male	Female	Male	Female
Voluntary and mandatory employee training	Mandatory training (safety)	AVERAGE hours	1,3	0,4	1,3	0,3	3,2	1,1
	Technical training (e.g., quality)	AVERAGE hours	1,0	1,0	1,0	1,0	1,0	1,0
	Regulatory update training	AVERAGE hours	0,2	0,4	0,2	0,4	-	3,2
	Customs training	AVERAGE hours	-	0,7	-	1,0	-	0,9
	Cybersecurity training	AVERAGE hours	-	-	0,6	0,8	0,6	0,9
	ESG training	AVERAGE hours	-	-	-	-	1,0	2,4
	Ethical conduct training (Code of Ethics, Whistleblowing platform, harassment prevention, etc.)	AVERAGE hours	0,2	0,2	0,3	0,3	-	-

	UoM	2023	2024	2025
Employees with disabilities	%	5.7	5.7	5.8



	UoM	2023			2024			2025		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Total NUMBER of REPORTS submitted by EMPLOYEES through anonymous channels (e.g., Whistleblowing)	No.	-	-	-	-	-	-	-	-	-
Total NUMBER of discrimination incidents during the reporting period	No.	-	-	-	-	-	-	-	-	-
Amount of fines or compensation for damages resulting from recorded discrimination incidents	€	-	-	-	-	-	-	-	-	-
Number of reported cases of child or forced labour	No.	-	-	-	-	-	-	-	-	-

	UoM	2023	2024	2025
Total number of confirmed incidents of active or passive corruption	No.	-	-	-

	UoM		2023	2024	2025				
					Male		Female		Total
					No.	%	No.	%	No.
General Information on composition of decision-making bodies	CDA	No. and %	N/D	N/D	2	66,7	1	33,3	3
	Board of Statutory Auditors	No. and %	N/D	N/D	2	66,7	1	33,3	3
	People in the Organisation Chart	No. and %	N/D	N/D	7	87,5	1	12,5	8



	Description	UoM	2023 2024		2025									
					Male					Female				Total
					<30 years	≥30 <50 years	≥50 years	Total	<30 years	≥30 <50 years	≥50 years	Total		
Specific information and composition of decision-making bodies	Board of Directors	No.	N/D	N/D	-	-	2	2	-	-	1	1	3	
	Board of Statutory Auditors	No.	N/D	N/D	-	-	2	2	-	-	1	1	3	
	People in the Organisation Chart	No.	N/D	N/D	-	1	6	7	-	1	-	1	8	

Are EMPLOYEES protected by forms of social coverage (both public and provided by the Company) intended to cover the listed events?		2023		2024		2025	
		Yes	No	Yes	No	Yes	No
Forms of social coverage	Illness	x		x		x	
	Unemployment (after the end of the employment relationship with the reporting Company)	x		x		x	
	Workplace injury and resulting disability	x		x		x	
	Parental leave	x		x		x	
	Retirement	x		x		x	

		UoM	2023			2024			2025		
			Male	Female	Total	Male	Female	Total	Male	Female	Total
Family leave	Employees who can contractually take family leave	%	100	100	100	100	100	100	100	100	100
	Employees covered by supplementary insurance policies	%	100	100	100	100	100	100	100	100	100



		UoM	2023	2024	2025
Workplace injury rates, employees	Hours worked	No.	107.234	113.034	110.025
	Total workplace injuries	No.	-	-	-
	Deaths resulting from workplace injuries	No.	-	-	-
	Workplace injuries with serious consequences (excluding deaths)	No.	-	-	-
	Days lost due to injury	No.	-	-	-
	Frequency Index		-	-	-
	Severity Index		-	-	-
	Risk Index		-	-	-

		UoM	2023	2024	2025
Workplace injury rates, non-employee workers	Hours worked	No.	107.234	113.034	110.025
	Total workplace injuries	No.	N/D	N/D	-
	Deaths resulting from workplace injuries	No.	N/D	N/D	-
	Workplace injuries with serious consequences (excluding deaths)	No.	N/D	N/D	-
	Days lost due to injury	No.	N/D	N/D	-
	Frequency Index		N/D	N/D	-
	Severity Index		N/D	N/D	-
	Risk Index		N/D	N/D	-

		UoM	2023	2024	2025
Occupational diseases	Number of recorded cases of occupational disease	No.	N/D	N/D	-
	Number of recorded deaths from occupational disease	No.	N/D	N/D	-



		UoM	2023	2024	2025
Absenteeism rate	% of total recorded employee absence days	%	N/D	N/D	2,31

		UoM	2023	2024	2025
Training	Number of training hours delivered on health and safety	No.	70	70	180
	Number of employees who attended health and safety training	No.	8	11	37
	Number of hours of training on machinery and equipment	No.	56	187	296
	Number of employees who attended training on machinery and equipment	No.	4	29	14
Total training hours		No.	126	257	476

Additional data and disclosures

Production data	UoM	2023	2024	2025
Total production volume	t	7.935,00	8.487,00	8.323,00
Revenue	k€	29.171,53	29.911,92	29.339,72

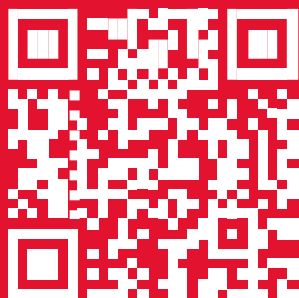
		UoM	2023	2024	2025
Economic KPIs	Sales revenue (turnover)	k€	28.921.111	29.696.211	29.045.852

		UoM	2023	2024	2025
Cybersecurity KPIs	Number of confirmed information security incidents	No.	-	-	-
	Number of blocked cyber attack attempts	No.	45	55	66
	Number of reported phishing emails	No.	3350	4000	4818
	No. of phishing simulations carried out during the year	No.	N/A	450	552



		UoM	2023	2024	2025
Quality KPIs	Customer returns status	%	0,06	0,08	0,13
	Service disruption trend	%	0,25	0,42	0,29
	Customer satisfaction level	%	99,90	99,90	99,89

		UoM	2023	2024	2025
Laboratory analysis KPIs	Total number of analyses at the in-house laboratory	No.	618	757	887



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Tel +39 011 9507777 info@propagroup.com
www.propagroup.com Via Genova, 5/B -
10098 Rivoli (TO)