

# 2024 Issue 2024 ESG Supply Chain





## Global Policy (GPL)

# **ESG Supply Chain**

<b>Code:</b> GPL.113.24	<b>Issue:</b> 02 (December 2024)
<b>Purpose</b>	Formalize the process adopted for the selection and evaluation of suppliers according to ESG criteria.
<b>What I have to do</b>	Read and supervise the execution of the reported activities in a timely and effective manner to ensure compliance with ESG principles in the value chain.

<b>Sponsor</b>	<b>Chief Executive Officer</b>
<b>Key Content Owner</b>	Global Procurement
<b>Other impacted functions</b>	All
<b>References</b>	<ul style="list-style-type: none"> <li><i>Code of Ethics</i></li> <li><i>Supplier Code of Ethics</i></li> <li><i>DN.GPL.107 -Human Rights Policy</i></li> <li><i>DN.GPL.100 Global Anti-Corruption Policy</i></li> </ul>
<b>Superseded Docs</b>	<b>None</b>
<b>Applicability</b>	<ul style="list-style-type: none"> <li>All De Nora Legal Entities and Personnel</li> <li>Any other parties who, for any reason, contribute towards attaining the Group purposes and objectives</li> </ul>
<b>Distribution</b>	All DN Personnel and Third parties
<b>Approver</b>	Chief Executive Officer Paolo Dellachà 

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### *Acronyms and definitions*

**ESG:** The acronym “ESG” refers to three main areas, respectively Environment, Social and Governance, essential for verifying, measuring, monitoring, and evaluate a company's or organization's sustainability profile. Each of these pillars is related to a specific set of criteria, such as: commitment in promoting production processes with a lower impact on the environment, respect of the territory, people and community, and a management modelled on good practices and corporate ethical principles.



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**Noble Metals:** Chemical elements belonging to the category of metals that, due to their chemical characteristics, can guarantee high performance in terms of resistance to oxidation, high conductivity, and are crucial for the functioning of De Nora products.

**Suppliers:** Companies belonging to the supply chain and providing De Nora with raw materials, semi-finished products, components, services, etc.

**Top management:** The corporate functions representing the ultimate source of authority between the management levels, which are responsible for defining the company's objectives and strategic plans and providing guidance and direction.

**Conflict Minerals:** Minerals mined in regions or conditions where armed conflict and human rights abuses are prevalent. These minerals are commonly referred to 3TG, and comprise: tin, tantalum, tungsten, and gold.

## 1. Key Principles

In order to progress on an evolutionary path towards sustainability and integrate ESG issues into its long-term strategy, De Nora believes it is important to define a *governance* and supply chain management structure specific to ESG issues that ensures the effective application of these principles.

This document aims at formalizing and presenting the Group's supply chain process of qualification and selection of suppliers, according to ESG criteria.

This Policy applies to the entire De Nora Group and the commitments outlined, fully supported by the *top management*, must be observed by the entire Group.

Periodically, this document will be subject to updates based on changes in *governance*, management systems, and internal assessments and will be reviewed to assess its adequacy or to define any changes and/or improvement actions to be implemented.

## 2. De Nora's Supply Chain

Developing a sustainable supply chain is part of De Nora's broader vision, aimed at raising awareness and strengthening social and environmental responsibility at all the levels of the Group.

To achieve this goal, it is crucial to establish long-term relationships based on proactive collaboration with professional suppliers and business partners and to equip with the necessary safeguards to evaluate and monitor their performance.

Within its business, the expenditure of raw materials constitutes the relevant portion of the expenditure in the various geographical areas where the Group operates. This is a consequence of the type of supply, which essentially includes materials such as noble metals (e.g. iridium, ruthenium, platinum, etc.), titanium and nickel. De Nora is aware that noble metals, which play an essential role in the functioning of its products, are among the rarest raw materials in the Earth's crust.

The remaining purchases consist mainly of semi-finished products (mechanical components, water treatment components and systems) and services.

De Nora is committed to establishing business relationships with suppliers and business partners engaged in the protection and respect of human rights and environment.

## 3. Responsible Supply Chain Management

De Nora, in line with its sustainability-oriented strategy, has implemented a series of tools regarding the selection and evaluation of suppliers, to monitor compliance with ESG issues throughout the procurement process:

1. Compliance with the principles outlined in the Suppliers' Code of Ethics;
2. ESG performance evaluation of De Nora's suppliers through an assessment carried out by a third party.

### 3.1 Compliance with the Code of Ethics and Supplier Code of Ethics

When the supplier becomes a supplier of the Group, De Nora requires compliance with the principles set out in the Code of Ethics and the Supplier Code of Ethics.

These documents define the conduct guidelines that De Nora requires third parties to apply in the performance of their business activities, about aspects of ethics, compliance, health and safety, environment, corruption, human resources, relations with stakeholders, transparency and anti-fraud. Failure to comply with these principles constitutes grounds for termination of any contracts or agreements, and, where applicable, compensation for damages or costs incurred.

In each purchase order, the supplier's adherence to the Supplier Code of Ethics should be included in the Purchase General Terms and Conditions or other contractual terms, as applicable, outlining the minimum standards related to the workplace and business practices required for its suppliers, with further reference to the Code of Ethics.

### 3.2 ESG assessment of suppliers

Along with the request for *compliance* with De Nora's Codes, the most relevant suppliers in terms of expenditure are subjected to an assessment process based on the completion of a detailed questionnaire on sustainability topics issued by a third party.

The company mandates that ESG assessments be carried out by a specific, authorized third-party organization. This designated organization has been selected due to its expertise, reliability, and alignment with industry standards in ESG evaluations.

Recognizing the variety of credible ESG certifications available, the company also accepts equivalent ESG certifications from other third-party organizations, provided these organizations are accredited and authorized to issue this type of certification. Suppliers who hold such certifications must submit documentation verifying the certification's validity and relevance to the company's ESG standards. The alternative certification must cover equivalent criteria and standards as those required by the designated third-party ESG assessment provider.

To maintain an ongoing commitment to ESG principles, suppliers must undergo annual reassessments or renew their ESG certifications through either the company's designated third party or an approved certifier. This ensures that suppliers continue to uphold ESG practices that align with the company's expectations and respond proactively to evolving standards.

### 3.3 Conflict Minerals and Responsible Sourcing

De Nora is aware that the purchase of certain goods may have negative environmental or undesirable social impacts. The Group is committed to establishing business relationships with suppliers and business partners able to demonstrate and uphold the protection and respect of human rights along the production chain.

Conflict Minerals are resources that are mined in regions affected by violence, human rights abuses, and other forms of armed conflict, and are often used to influence and fund armed groups responsible for committing human rights abuses in many parts of the world. In the United States, the Dodd-Frank Act, Section 1502, requires companies publicly traded in U.S. markets to disclose the presence of Conflict Minerals in either the product they manufacture or contract to manufacture or use in the production process. De Nora is not publicly traded in U.S. markets and does not file reports with the SEC and therefore has no obligation to disclose conflict minerals in its supply chain. Similarly, Regulation 2017/821 in Europe outlines supply chain due diligence obligations for EU importers of Conflict Minerals. As De Nora does not import such minerals into the EU, the mandatory supply chain due diligence requirements of the regulation do not apply.

Notwithstanding the regulatory obligations do not directly currently apply to the Group, De Nora understands the importance of sourcing conflict-free minerals and the Group strives to interact with suppliers who can provide documentation declaring responsible sourcing. Further, as applicable laws and regulations change, De Nora shall continue to take all steps necessary to remain compliant with such laws and regulations.

## 4. Change log

Issue	Change description / Reason for Change	Interested Chapters
1 (03.2024)	First Issue	All
2 (12.2024)	• Revised chapter content	2

	<ul style="list-style-type: none"><li>• Revised chapter content</li><li>• New paragraph including details about Conflict Minerals</li></ul>	3
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