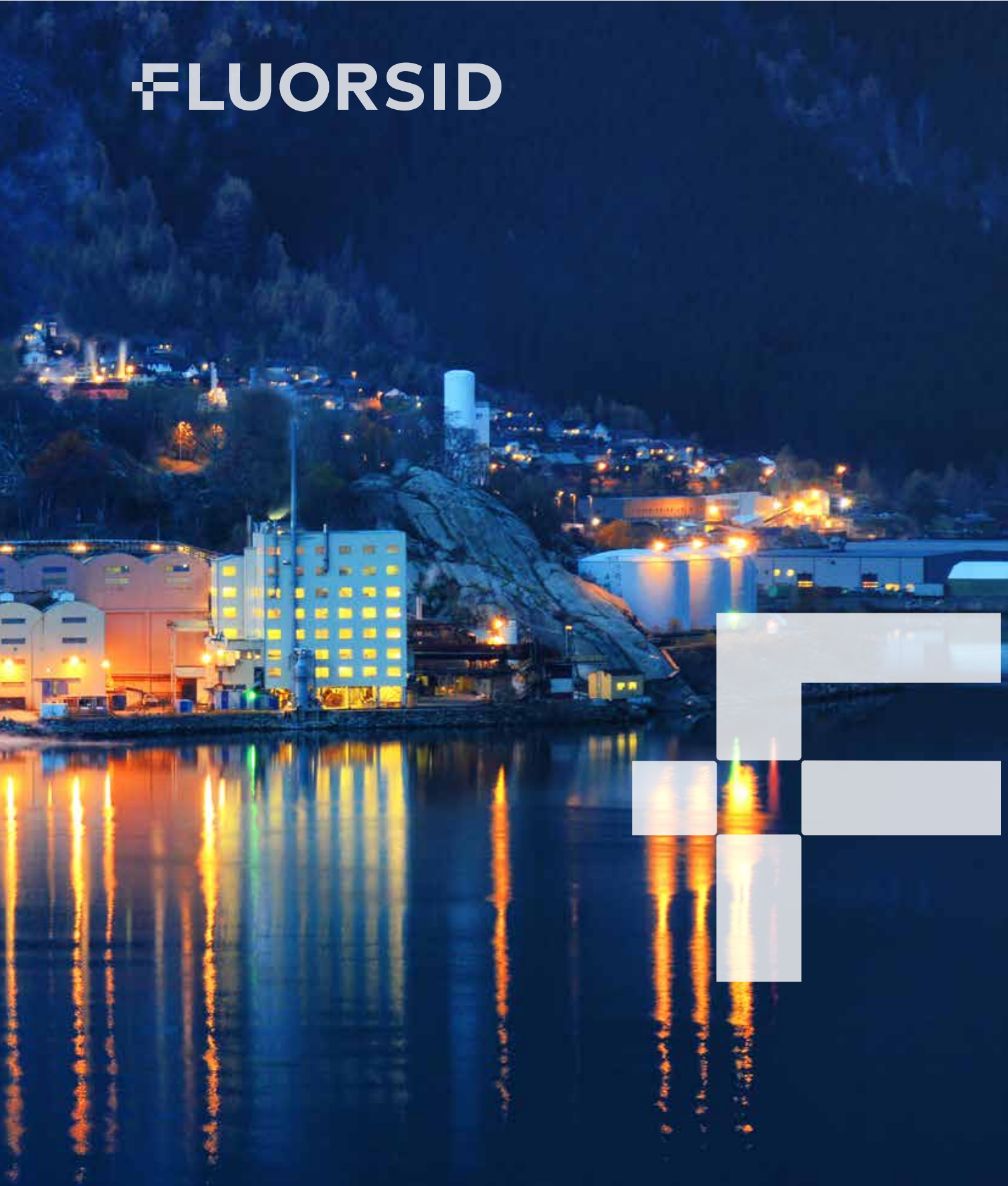
FLUORSID



FLUORSID REPORT 2020

Integrated corporate report
on environmental and
social performance

FLUORSID

Contents

LETTER TO THE STAKEHOLDERS

Integrity, Ambition, Perseverance.

These are our core values and we want them to represent what we have always believed in.

Because FLUORSID is not just an industrial group in constant growth but, above all, a reality that cares about the environment in which it operates. That's why FLUORSID always acts and gives its maximum contribution to the local community.

Sustainability is essential in everything we do: a crucial segment consisting of attention to territories and communities. We are always looking for something more, a characteristic that has been our own since my father's time, from the beginning of the mining activity in Sardinia, and which we have strengthened over the years, through expansions, business diversification and acquisitions.

All of this was fundamental in 2020, a year that upset everyone's everyday life. Unity of purpose, a look projected into the future, indomitable character to overcome adversity and transform them into opportunities.

What FLUORSID does for itself and for others can be found in projects and actions, in a vision that speaks of modernity not only technical wise but as well of thought.

Tommaso Giulini, Chairman of FLUORSID

SUSTAINABILITY AND RESPECT FOR THE ENVIRONMENT

Continuity in innovation.

I am proud to be part of a Group that has been able - with firm conviction - to put the protection of the environment and the health and safety of its workers at the top of its objectives.

2020 marked a turning point for the Macchiareddu production plant - the most important of the Group.

An Integrated Environmental Authorization (IEA) was issued, it was one of the most challenging ever for both the Organization and the Authorities, which understood the management's willingness to plan and promote the change of production processes in a green key. Also, 2020 was characterized by a result that speaks for itself: zero accidents at work!

The Sustainability Report tells a story that has its roots in the past and collects its testimony by reviewing key principles, values and methods to testify, today more than ever, that FLUORSID is fully inserted within the greener of the supply chains. The production and use of aluminum in many sectors and industrial areas, that affect our daily life as well, are indeed crucial, given the possibility of uses and (infinite) recyclability of this precious metal.

Not everyone knows that the green aluminum supply chain arises from two important ingredients: aluminum fluoride and cryolite. Without them the consumption of energy for production would make the metal so expensive to be used only for special goods and destined for niche markets with high added value.

Instead, thanks to the energy savings achieved in the electrolytic baths by smelters, aluminum has become a daily use metal, easy to recycle and undoubtedly valuable for its countless functions.

FLUORSID is very attentive to the green supply chain of which it is proudly part, of which it is an essential, important and necessary link; where there is aluminum there is FLUORSID.

Production is growing more and more environmentally sustainable and respectful of the territory that hosts each production plant, as proved by the environmental certifications (ISO 14001: 2015).

The attention to the raw materials at the base of the production processes (fluorite, aluminium hydrate, sulphur, salt) is maximum both with regard to their quality and their places of origin.This is in line with the social accountability policy that led the parent company to obtain SA 8000 certification, which values extend to all subsidiaries.

FLUORSID can testify - and it does so also through the Sustainability Report - its commitment to the protection of the environment and energy saving, respect for workers and the communities that host mines and production plants.

These are the goals, already achieved and documented in the Sustainability Report in one of the Group's plants and production sites:

1. energetic self-sufficiency of the production plant

2. the use of steam - self-produced at zero cost - to avoid the use of fossil fuels for the operation of otherwise very energy-intensive plants

3. the use of sulphur, by-product from the refinery for the production of sulphuric acid, adopting a recovery and reuse policy that has its roots in a prospective, far-sighted and visionary vision inherited from the founding fathers of the Group, which Italy is only now discovering with its PNRR

4. a very low production of special waste, managed according to the strictest protocols

5. the enhancement of its by-products (anhydrite, ground anhydrite and gypsum pellets), with their Environmental Product Declarations (EPD), that are used instead of growing (natural) gypsum

6. the pre-treatment of the water that produces, thanks to specific chemical-physical processes, a by-product (synthetic calcium fluoride) of significant importance for the cement industry, reducing energy costs and the consumption of non-renewable natural raw materials

7. the reduction, within the stringent limits of BAT, of emissions into the atmosphere

8. the strong attention to the issues of administrative responsibility, the prevention of corruption, and social responsibility

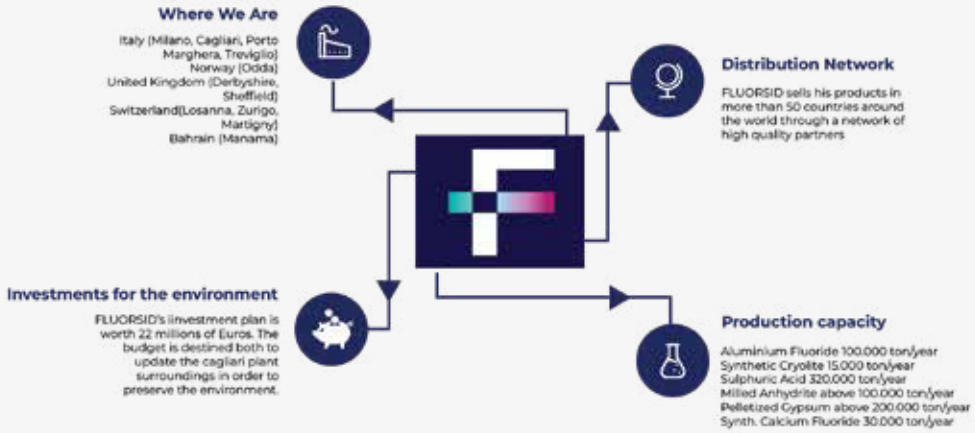
9. the know how to reconcile production, quality of processes and products, guaranteeing and ensuring the protection and integrated prevention of pollution on a daily basis

10. the respect for the people who pass through the implementation of procedures aimed at reducing and preventing accidents and occupational diseases as well as major accidents.

Andrea Alessandro Muntoni, Chief HSE Officer FLUORSID

1. FLUORSID AT A GLANCE

Our history since 1969



1.1. WHO WE ARE

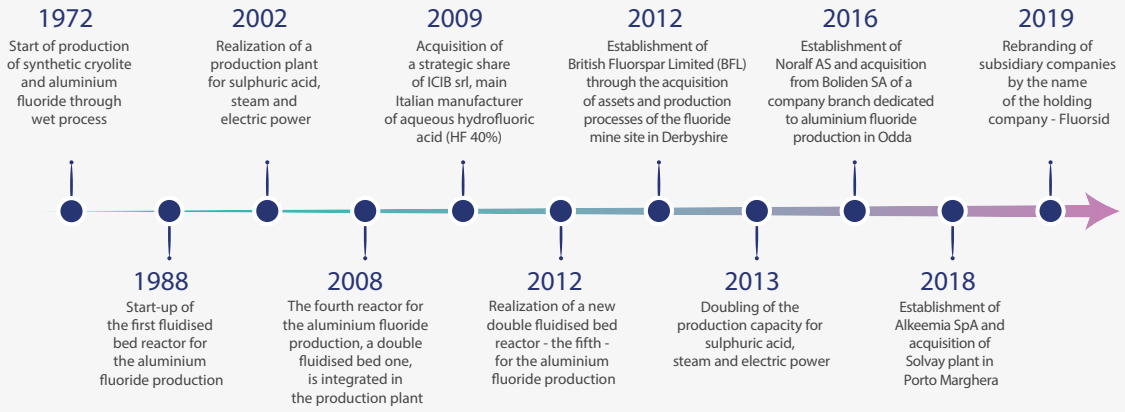
102-1, 102-2, 102-3, 102-4 **GRI**

FLUORSID was founded in 1969 in Sardinia and through its various factories, mines and offices located between Italy, Norway, United Kingdom, Switzerland and Bahrain, it covers the entire fluorine value chain, from the extraction of fluorspar to HF, with the production and sale of derivatives and non-ferrous metals, mainly intended for the primary aluminum, fluoropolymer, special steel and construction markets.

The management of all phases of the production process, together with the integrated services relating to the marketing and management of market dynamics, guarantee the customer constant supplies and support, with maximum quality and efficiency.

Through its production of gypsum and anhydrite, FLUORSID operates in multiple sectors such as cement and construction in general, while with the important volumes of sulfuric acid that come out of its plants, it represents an essential support in various industries, such as that of fertilizers, passing through manufacturers of synthetic detergents and arriving at pharmaceutical companies.

In its fifty-year history, the company has constantly improved thanks to its internal know-how, technological developments driven by research and, last but not least, the combination of continuous investments and targeted acquisitions.



1.2. CORPORATE VALUES, MISSION AND VISION

102-16 GRI

FLUORSID strongly believes on three main pillars based on Integrity, Ambition and Perseverance, that guide decisions at every level and that are constantly kept in mind. The leadership team leverage them while shaping the direction of tomorrow, throughout a process that speaks about Life, Respect and – above all – Transformation. That same transformation that is clearly inside the materials and within the people who work at FLUORSID. It's considered as a symbol of the ability to move forward and to evolve immediately, while the company is planning the times ahead. We always prefer doing business the right way, in fact our day-by-day approach is based valuing how we work as much as what we achieve and our three values are there to remind us how we all scale our job. No matter how hard it is.

Integrity:

Respect as number one priority. To people, to environment, to ethic.

Ambition:

The willingness to leave something valuable and consistent.
To make the difference in what we do. At every level.

Perseverance:

Since the very beginning. This has been the legacy given
by the founder and nowadays it's still very clear to all of us. Every day.

These are important words, which marvelously enclose different aspects of this company and its first half century of activity: the people, the many stories, the passion with which it operates at all levels and that concept of "transforming", so beautiful and transversal, to be able to touch in one fell swoop chemistry, the different activities and that combination of evolution and innovation that FLUORSID strongly wants to implement while facing the opportunities of the future.

FLUORSID has developed over the years its strategy with an ever-increasing focus on environmental and social sustainability, recognizing the importance of safety and environmental protection in the conduct of business and company activities. It has clearly and transparently identified the corporate values on which it bases its business in order to achieve success and development. FLUORSID requires all its collaborators and all those who cooperate with the company to respect the rules and principles that are recognized as essential for the proper functioning, reliability, reputation and image of the Company itself.

FLUORSID's mission is to ensure customers high quality levels of its products and services, through constant research and development of production systems and technologies. At the same time, FLUORSID carries out its activities with the utmost attention to aspects relating to quality, safety and the environment in order to ensure long-term sustainability. The company bases its vision on excellence in serving its customers with the aim of creating value for shareholders and for all stakeholders, maintaining and developing relationships inspired by the principles of integrity, loyalty and transparency, impartiality and compliance with the law. and the regulations in force in the countries in which the Company operates.

1.3. OUR PRODUCTS

102-2, 102-4, 102-6, 103-2, 103-3 **GRI**

AlF_3

Aluminium fluoride (AlF_3) is a white free-flowing powder, mainly used as an additive for the production of primary aluminium metal. The addition of aluminum fluoride to the raw materials used in the aluminum smelting process reduces the temperature and improves the conductivity of the molten bath, reducing the electric power consumption. FLUORSID produces high-density aluminium fluoride through the "dry process", according to the following reactions:

1. dry acid grade fluorspar (CaF_2) reacts with sulphuric acid (H_2SO_4) in externally heated rotary kilns, generating gaseous hydrogen fluoride (HF) and calcium sulphate ($CaSO_4$);
2. the gaseous HF reacts with dry aluminium hydrate Al(OH)3 in fluidised bed reactors to produce high density aluminium fluoride.

FLUORSID has a total capacity of approx. 150,000 MT/y of aluminium fluoride, in two sites:

- Cagliari 110.000 MT/year;
- Odda 40.000 MT/year.

Aluminium fluoride is available in bulk (silo trucks or bulk vessels) or bagged in 1 MT big bags, 1.5 MT big bags, 15, 25 or 50 kg paper bags on pallets.

Synthetic Cryolite

Cryolite (Na3AlF6, trisodium hexafluoroaluminate) is an important raw material for the primary aluminium smelting.

It is used as a flux agent to dissolve the alumina in the electrolytic metal extraction process. Cryolite is also consumed in the abrasives, ceramic and glass industries.

FLUORSID produces granular cryolite by reacting diluted hydrofluoric acid (HF) and aluminium hydrate (Al(OH)3). The H3AlF6 acid is then converted into sodium salt by ion exchange reaction with a sodium chloride solution. After a solid-liquid separation, the slurry of cryolite is calcined in an internally heated rotary kiln. The final product is in the form of pale pink granules. Milled cryolite is obtained from the granular quality after rotary milling.

FLUORSID's cryolite plant has a production capacity of 5,000 MT/y. Synthetic cryolite is available in 1 MT big bags or 25, 50 kg paper bags on pallets.

Sulphuric acid

Sulphuric acid (H2SO4) is a strong, colourless, liquid mineral acid. It is an important industrial commodity, extensively used in oil refining, water treatment, uranium processing, inorganic acids production, metallurgical, fertilizer, pulp and paper industries.

FLUORSID consumes sulphuric acid for the production of hydrogen fluoride (HF) and manufactures it in Cagliari from molten sulphur according to the "Double Contact Double Absorption" process, in two parallel plants. The reactions are highly exothermic, allowing the co-production of steam and electric power.

The plants are designed and built with the best available techniques with a total production capacity of 320,000 MT/y. The energy recovered from these plants allows FLUORSID to be self-sufficient in terms of steam and electric power requirements and

to sell both to third parties. The power production exceeds 11 MW.

The production of sulfuric acid exceeding the internal consumption is sold at a concentration between 98% and 99.5% and is delivered in tank trucks or sent via pipeline to a jetty, where vessel tankers are loaded.

Fluorspar

Acid Grade Fluorspar (CaF2-97%) is the key raw material for the production of hydrogen fluoride, fluorocarbons, fluoropolymers and inorganic fluorides.

FLUORSID produces acid grade fluorspar at its subsidiary FLUORSID British Fluorspar Ltd, where lead concentrates, barytes and aggregates are also produced. The site is well positioned to serve customers throughout Europe enabling quick and reliable supply
of the mineral products.

The operations are run within the Peak District National Park, in Derbyshire, UK, with two underground mines and a processing plant, with special focus on the protection of the natural resources and landscape together with the enhancement of the local community.

GYPSOS

GYPSOS is certified, eco friendly anhydrous calcium sulphate (anhydrite), produced by FLUORSID in its fluorochemical sites of Cagliari, Treviglio and Odda.

Gypsos is obtained from the reaction of dried acid grade Fluorspar (CaF2 97%) and Sulphuric Acid (H2SO4) during the production of Hydrogen Fluoride (HF): CaF2(solid) + H2SO4(liquid) —› 2HF (gas) + CaSO4(solid).

Prior to be sent to further processes or storage, GYPSOS is neutralized with a small excess of lime.

Its physical and mechanical features can be adjusted depending on the specific needs, to make it suitable for different applications, in building, cement and fertilizer industries.

In the building industry, it is widely used for the production of self-levelling mats. GYPSOS milled is also an excellent alternative to cement in many non-structural concretes and mortars, as well as in various indoor applications as plasters, blocks for fire system solutions and aerated concrete.

In the cement industry, it is used as an alternative to natural gypsum, FGD gypsum and phosphogypsum, as an additive to regulate cement's setting time.

In fertilizers' production, it is an excellent calcium and SO3-bearing raw material. GYPSOS based fertilizers help to improve the soil structure and workability and balance the uptake of nutrients and minerals.

Synthetic Calcium Fluoride

Synthetic Calcium Fluoride is obtained by the filtration of fluorine-rich process water and is sold as a flux to the cement industry, as an alternative to low grade natural fluorspar (CaF2). The waste waters from FLUORSID's processes are collected and treated with limestone and lime. A fluorine-rich sludge (min 40% of CaF2) is obtained and then filtered in high pressure membrane filters.

FLUORSID has developed a patented proprietary process.

The Synthetic Calcium Fluoride is delivered in bulk by vessel or truck.

Anhydrous HF

Anhydrous hydrogen fluoride (AHF) is a strong acid, gaseous in standard environmental conditions.

HF is a reactive solvent in the electrochemical fluorination of most inorganic and all organic compounds. It is also one of the most used catalyst in the crude oil industry. The production of HF is obtained through the following steps:

1. the reaction of dry acid grade fluorspar (CaF2) with sulphuric acid (H2SO4) in externally heated rotary kilns, with production of gaseous HF and calcium sulphate (CaSO4) as a by-product;
2. the purification and distillation of gaseous HF to produce Anhydrous Hydrofluoric Acid.

Porto Marghera (VE) plant produces around 27 kt/year.

FLUORSID's AHF is delivered in tank trucks, ISO TANKS or vessel tankers.

Aqueous HF

Aqueous hydrofluoric acid (HF 40%) is a weak acid used in steel and glass etching, as well as many other applications.

The production of Aqueous HF is obtained through the following steps:

1. the reaction of dry acid grade fluorspar (CaF2) with sulphuric acid (H2SO4) in externally heated rotary kilns, with production of gaseous HF and calcium sulphate (CaSO4) as a by-product;
2. the absorption of gaseous HF in water to produce Aqueous Hydrofluoric Acid.

FLUORSID has a capacity of approx. 10,000 MT/y of HF 40% at its FLUORSID ICIB site in Treviglio.

FLUORSID's Aqueous HF is available in bulk or packaged.

1.4. WHERE WE ARE

102-4, 102-6 **GRI**

All FLUORSID fluoride plants have been designed, engineered and then built with in-house know-how and technology. Their performance in terms of energy efficiency, consumption of raw materials, product quality and environmental impact are all of the highest level.

Cagliari
The industrial port of Cagliari represents a strategic point of departure, thanks to its centrality in the Mediterranean Sea, for all destinations. The products are shipped using trucks, silos, containers and also in bulk.

Porto Marghera
FLUORSID Alkeemia plant, located in Porto Marghera (Venice) in the north-east of Italy, is one of the biggest European producers of Hydrogen Fluoride (HF), commercially known as Hydrofluoric acid. It is also one of the places of origin of fluorine derivatives in Europe.

Treviglio
Treviglio plant, FLUORSID ICIB, operates in the Bergamo area not far from Milan. Since 1949 this plant has been the biggest national producer of hydrofluoric aqueous acid (HF 40%) with a yearly production of around 10.000 MT.

Odda
On the shore of a suggestive peninsula in the middle of a beautiful fjord, the Odda plant was founded in 1970 and is one of the most efficient and ecological industrial sites in Europe.

Derbyshire
FLUORSID established its presence in Derbyshire in 2012 at Cavendish Mill within the Peak District National Park, with the aim of becoming a leading mining supplier of premium quality acid grade fluorite to the fluorine chemical industry.

Cagliari plant

FLUORSID S.p.A.

Aluminium fluoride is produced simultaneously in five production lines. Two of the five reactors are equipped with highly efficient double bed technology, designed with proprietary know-how and built in 2008 and 2013 respectively.

Sulphuric acid is produced in two parallel plants, the first built in 2002 and the second, of the same capacity, in 2013. These, based on the Monsanto license, have been designed according to the best available techniques and have been further improved, with internal know-how, to obtain excellent performance in terms of efficiency, safety and environmental control.

The raw material for both plants is liquid sulphur, a by-product from the local oil refinery. The process is highly exothermic and, thanks to a very efficient heat recovery system, the steam generated in the process is sent to two turbine generators of 5 and 7 MW capacity. Therefore, starting from a zero-km by-product, FLUORSID is self-sufficient in terms of sulfuric acid, steam and electricity without the use of fuels, CO2 emissions or other greenhouse gases, in line with the principles of the circular economy. The products manufactured in the factory are: sulfuric acid - aluminum fluoride - synthetic cryolite - synthetic calcium fluoride - anhydrite (raw and ground) - gypsum pellets.

FLUORSID S.p.A. has achieved ISO 9001: 2015 certification which defines the requirements for the implementation of a quality management system within an organization. In addition, the Cagliari plant has also obtained the Certificate of Excellence from Certiquality for the quality, safety and environmental management system.

Porto Marghera plant

FLUORSID Alkeemia

In 2018, FLUORSID acquired the business unit now called FLUORSID Alkeemia from Solvay

The plant is located in Porto Marghera (Venice), in the north-east of Italy. It is in Europe one of the places of origin of fluorine derivatives. This plant produces: anhydrous hydrogen fluoride (AHF) - hydrofluoric acid in solution (HF) - anhydrite (raw and ground) - gypsum pellets.

Treviglio plant

FLUORSID ICIB

The plant is located in Treviglio (Bergamo area) and since 1949 has been the main Italian producer of hydrofluoric acid (HF 40% in solution).

The plant also produces gypsum pellets. FLUORSID Icib has achieved the ISO 9001: 2015 certification

Derbyshire plant

FLUORSID British Fluorspar

FLUORSID established its presence in Derbyshire in 2012 at Cavendish Mill within the Peak District National Park, with the aim of becoming a leading mining supplier of premium quality acid grade fluorite to the fluorine chemical industry.

Through efficient logistical links with customers across Europe, FLUORSID guarantees a fast and reliable supply of minerals.

Odda plant

FLUORSID Noralf

On the shore of a suggestive peninsula in the middle of a beautiful fjord, the Odda plant was founded in 1970 and is one of the most efficient and ecological industrial sites in Europe. The manufactured products are aluminum fluoride and raw anhydrite.

Main certifications of production sites

SITO	ISO 9001	ISO 14001	ISO 45001 OHSAS 18001	ISO 37001	ALTRE
Cagliari	·	·	·	·	UNI 10617: 2012 SA8000
Porto Marghera	·	·			
Treviglio	·	·			
Derbyshire					
Odda	·	·	·		

1.5. CORPORATE GOVERNANCE

102-5, 102-6, 102-7, 102-10, 102-18, 102-22, 405-1 GRI

FLUORSID S.p.A. controls several subsidiaries which can be divided into two macro areas: Chemicals and Metals.

The Chemical area includes FLUORSID Alkeemia, European leader in the production of hydrofluoric acid and calcium sulphate; FLUORSID ICIB, the largest Italian producer of hydrofluoric acid and derivatives; FLUORSID Noralf, one of the European leaders in the production of fluorine of aluminum and FLUORSID British Fluorspar, an important company in the extraction of fluorite, barite and lead.

In the Metals area, FLUORSID Mimeta, a company entrusted with the trading activities of the group; FLUORSID ACTIVE METAL, a reference point in titanium; FLUORSID SFM and the Russian company SEMP both specialized in the production of magnesium anodes, powders and shavings and Simplis Logistics, a logistics hub located in Bahrain.

The Group

The complexity of the business in which FLUORSID operates has led to the development of an organizational structure based on the effectiveness and efficiency of the processes. These characteristics are guaranteed by a clear and articulated governance at different levels and by a functional organizational structure, in which the Departments represent the decision-making centers in support of the governance bodies.

The company adopts a simplified and streamlined structure in which management is led by the Board of Directors (BoD) of FLUORSID, to which the BoDs of the subsidiaries also refer. While the BoD has full decision-making power, the Chief Executive Officer is also entitled of power of attorney, ensuring an efficient and smoothless approach at every level.

The plant managers of FLUORSID S.p.A., FLUORSID Alkeemia, FLUORSID Icib, FLUORSID Noralf, and FLUORSID British Fluorspar report directly to the CEO of FLUORSID S.p.A.

Government bodies

THE BOARD

The Board is composed by 6 members and it is responsible for both ordinary and extraordinary management of FLUORSID. The subsidiaries Boards of Directors report to the Board of Directors of FLUORSID that is supported by the Board of Statutory Auditors and by an external advisory firm.

THE CHAIRMAN OF THE BOARD

The Chairman of the Board is chosen by the Shareholders among the Directors for a period of 3 mandates. The President, and in case of absence or impediment of the latter the Vice president, holds the powers conferred by the Board of Directors and the legal representation of FLUORSID before third parties and judicial authorities.

THE CHIEF EXECUTIVE OFFICER - CEO

The Chief Executive Officer (CEO) is appointed by the Shareholders Meeting for a period of 3 mandates. In addition to the powers conferred by the Board of Directors, the Chief Executive Officer is responsible for the legal representation of the Company before third parties and judicial authorities as indicated in the specific proxy.

THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors verifies the adequacy of the company's management, organizational and accounting structures and ensures its correct functioning.

LEGAL AUDIT OF ACCOUNTS

Legal Audit of Accounts for FLUORSID is carried out by an external audit or accounting firm enrolled in the Italian Business Register.

FLUORSID
Tommaso E. Giulini (Chairman)
Lorenzo Di Donato (CEO)
Gianluca Ligas (CFO)
Stefano Melis (CMO)
Lior Metzinger (CCO)
Andrea Alessandro Muntoni (HSEO)
Daniele Tocco (Site Director)

Shareholder orientation

The creation of a mid-long term value for Shareholders is FLUORSID's main interest. Implementing an industrial policy guarantees them an adequate remuneration of the share capital and the increase of the company assets thanks to the optimization of the resources and the growth of competitive ability.

Well aware of the importance of establishing a trustworthy relationship with shareholders and lenders, FLUORSID believes in behaviors inspired by transparency and continuous, timely and clear communication. The company also adopts an internal control and management system aimed at ensuring the truthfulness and correctness of corporate communications in order to prevent corporate crimes that could harm the interests of shareholders.

Customer orientation

Relations with customers are based on the values of fairness, honesty, professionalism, transparency, reliability, quality, legality and impartiality. In providing its services, FLUORSID ensures fairness of treatment between actual and potential customers. The company shapes its relationship with customers on availability, respect, courtesy, participation and commitment to their satisfaction. Being sensitive to the value of listening and dialogue, it establishes tools and channels in order to ensure the timeliness and quality of information and communication to customers.

FLUORSID commits to inform the customer in a transparent and timely manner on the characteristics and risks of the product offered. All communications to customers must be true, complete, correct and fair. FLUORSID strives to execute negotiations and to fulfill commercial deals to ensure the excellence and the quality of the service in all its business areas, depending on the different territorial characteristics and local regulations. The company knows the difference among the markets in which operates and so it guarantees the correctness in contracts and commercial relationships by committing to issue contracts, documents, communications and any other information that are:

a) clear and simple, formulated in a language that is as direct as possible and in common use;

b) complete and truthful, so as not to overlook any element relevant to the decision for the customer;

c) compliant with current regulations, without resorting to elusive practices.

FLUORSID truly believes on key guide principles when it's about the relationships with its partners

INTEGRITY	FLUORSID promotes respect for the psycho-physical well-being and cultural integrity of the person and its enhancement as a key resource for competitiveness and success while ensuring working conditions that respect human dignity. On the other hand, administrators, mayors, managers and collaborators behave professionally and responsibly and undertake to act in a correct, transparent and moral way, avoiding misleading information and conduct that could result in undue advantage or potential conflicts
LOYALTY AND TRANSPARENCY	Administrators, mayors, managers and collaborators commit to provide all the interlocutors with information that is complete, transparent, understandable and accurate, so that the Stakeholders are able to make independent decisions being aware of the interests involved, alternative scenarios and relevant consequences.
LEGALITY	FLUORSID regulates its conduct according to all national and international in force regulations, to the Code of Ethics and to the internal rules. In no case the pursuit of the interest or the advantage of the Company can justify conduct in violation and / or non-compliance with the applicable legal or regulatory provisions.
NEUTRALITY AND EQUAL OPPORTUNITY	Administrators, mayors, managers and collaborators operate in full respect of each individual personal characteristics. They respect diversity and repudiate any possible discrimination based on age, state of health, sex, religion, race, nationality, political and cultural opinions, as well as personal or social condition.
ENVIRONMENT, HEALTH & SAFETY	While the respect for environment is a key priority at FLUORSID, the company looks at every business activities in a sustainable way, ensuring that the achievement of the corporate goals in the short term does not compromise the future ability of the territory and of its stakeholder to pursue long-term economic, social, environmental and institutional objectives.

Key policies of the Group

102-16, 103-2, 103-3, 205-3, 408-1, 409-1 **GRI**

FLUORSID has adopted a specific Code of Conduct. The Code, aimed at every individual of the company, including as well collaborators, consultants and any other stakeholder, aims to transparently identify the set of values that inspire its business model. At FLUORSID, compliance with the principles enshrined in the Code of Conduct is essential for the achievement of success and development, for the proper functioning, reliability and reputation of the whole company.

FLUORSID is against child labor or forced labor in general and adopts a firm and absolutely forbidden approach towards any form of corruption: with the aim of consolidating the principles of the Code of Conduct and the Organization, Management and Control Model and in order to avoid any unlawful act or crime, FLUORSID has a dedicated anti-corruption policy. FLUORSID's commitment to the continuous improvement of health and safety performance in the workplace and to the protection of the environment is expressed through the principles disseminated in the Quality, Safety and Environment Policy. In this regard, a clear reference is reported in the chapters relating to these material issues.

Code of Conduct and Organization Management and Control Model (MOGC 231) with its related parts

The Italian Legislative Decree 231/2001 introduced the principle of the administrative liability of companies for certain crimes committed in its interest or to its advantage, by people covering top positions or subject to their management or supervision.

FLUORSID S.p.A., aiming at making its organisational system compliant with the requirements of Italian Legislative Decree 231/2001 and to prevent the commission of crimes or offenses contemplated therein, in 2009 adopted an Organization Management and Control Model (MOGC 231). This Model was later modified in 2012, following the corporate re-org, the new legal provisions and the subsequent additions of new crimes into Italian Legislative Decree 231/2001.

Model 231 is just a portion of a broader corporate policy of FLUORSID, aimed at ensuring conditions of fairness and transparency while conducting any kind of business and corporate activities, which also led to the approval of a Code of Conduct that defines the general reference principles and values to which it is believed the behaviour of employees, directors, collaborators, customers and suppliers and - in general - of all those who come into contact with the Company for any reason.

A dedicated extern MOGC 231 pursuant to the Italian Legislative Decree 231/2001 and also ensuring compliance with the Code of Conduct.

Anti-bribery policy

FLUORSID S.p.A. stands firmly against any form of corruption in the broadest sense of the term, including any form of abuse for private purposes or as malpractice practices, integrated with promise, induction, instigation, request, offer of incentives or other utility as a reward to a person to act or omit actions, whether due or not due.

As a consequence, FLUORSID S.p.A. has decided to provide to all its employees, clear guidelines and rules to follow in order to ensure full compliance with the Anti-Corruption Laws, in Italy and in all the countries in which it operates. Starting from a deeply rooted cultural and values system, according to its Code of Conduct and inspired by the best Anti-Corruption best practices and the international standard ISO 37001: 2016, the Company has defined this "Policy for the prevention of corruption "(hereinafter" the Policy "). That will always minimize the risk of engaging in active and passive corruption, committing to prevent and combat the occurrence of offenses in the performance of its activities, assuming - among its primary values – those corporate ethics, through which it transmits messages of loyalty, transparency and integrity.

This anti-corruption policy applies to all employees, who must comply with the highest standards of correctness in behavior and moral integrity, without distinction of role and/or level, as well as all FLUORSID contractors and suppliers no matter what is the contractual relationship (stand alone projects, consultants, professionals, trainees, etc.).

2. CORPORATE SOCIAL RESPONSIBILITY

Our contribution towards a sustainable chemistry

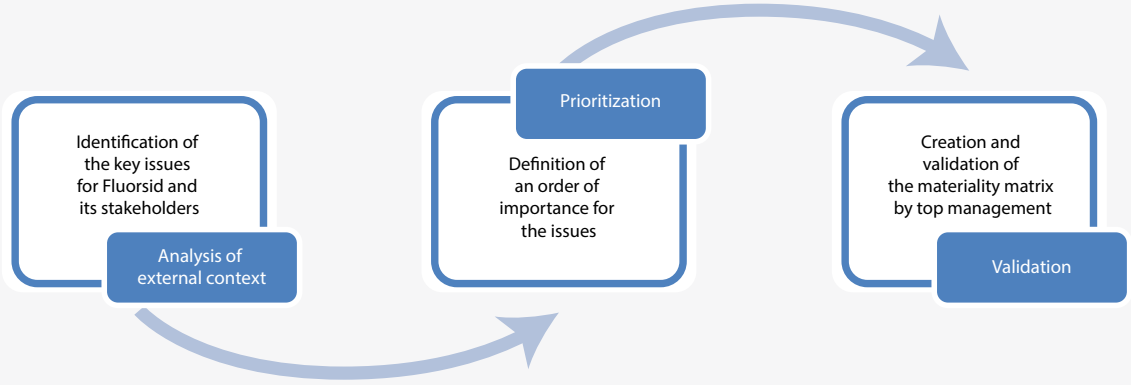
2.1. MATERIALITY ASSESSMENT

102-47, 103-1 **GRI**

Non-financial reporting is focused on material or significant issues, which show both positive or negative impacts generated by FLUORSID's activities on the economic, environmental and social fabric of the context in which the company operates. This analysis was carried out by crossing the strategic aspects for the company and the ones considered relevant for the stakeholders. The approach adopted by FLUORSID followed what is prescribed by the main international methodologies, the best practices of the sector, what indicated by the GRI Sustainability Reporting Standards and, in terms of process, by the AccountAbility 1000 - Stakeholder Engagement Standard 2015 (see the Methodological Note).

The analysis was performed to draft the Group 2019 Sustainability Report. The outcome is graphically shown in the FLUORSID Materiality Matrix in which it is possible to locate the relevance for the company and for the stakeholders in the vertical axis and in horizontal axis, respectively.

The top management was involved in the analysis, carried out with the backing of an external consulting firm. The process considered three distinct phases:



Analysis of external context - Identification of the key issues for FLUORSID and its stakeholder Prioritization - Definition of an order of importance for the issues Validation - Creation and validation of the materiality matrix by the top management. The first phase of analysis consisted of a benchmarking activity that was propaedeutic for the identification of the issues potentially relevant for FLUORSID (in terms of objectives and strategies) and for the external context (in terms of macrotrend in the ESG field, main sectoral issues and topics of interest to the main stakeholders). In order to complete this first phase, several internal document sources (2018 Sustainability Report, 2019 Annual Report, MOG231, Management Procedures, Risk Assessment Document, Integrated Environmental Authorization, website) and external sources (Charter of principles for Environmental sustainability of Confindustria, Federchimica's 25th Annual Responsible Care Report, What do Stakeholders want to know? GRI, Materiality Map - chemicals sector - of the Sustainability Accounting Standards Board, Sustainability Reports and Non-Financial Statements of comparable realities) were analyzed.

A list of potentially relevant issues was drafted and validated thanks to the involvement of the managers of all functions and business areas. Information on the priorities in company strategies,on the current management approach, on the main risks and impact and on any emerging regulatory stimuli was collected specifically for every function. Prioritization phase was functional to define a list of priority for each issue, taking into consideration both FLUORSID interests in terms of targets and company strategies and Stakeholders needs and expectations. Issues had been assessed using a quantitative measure that came out from an online survey questionnaire submitted both to the top management and to a selected panel of stakeholders (internal and external).

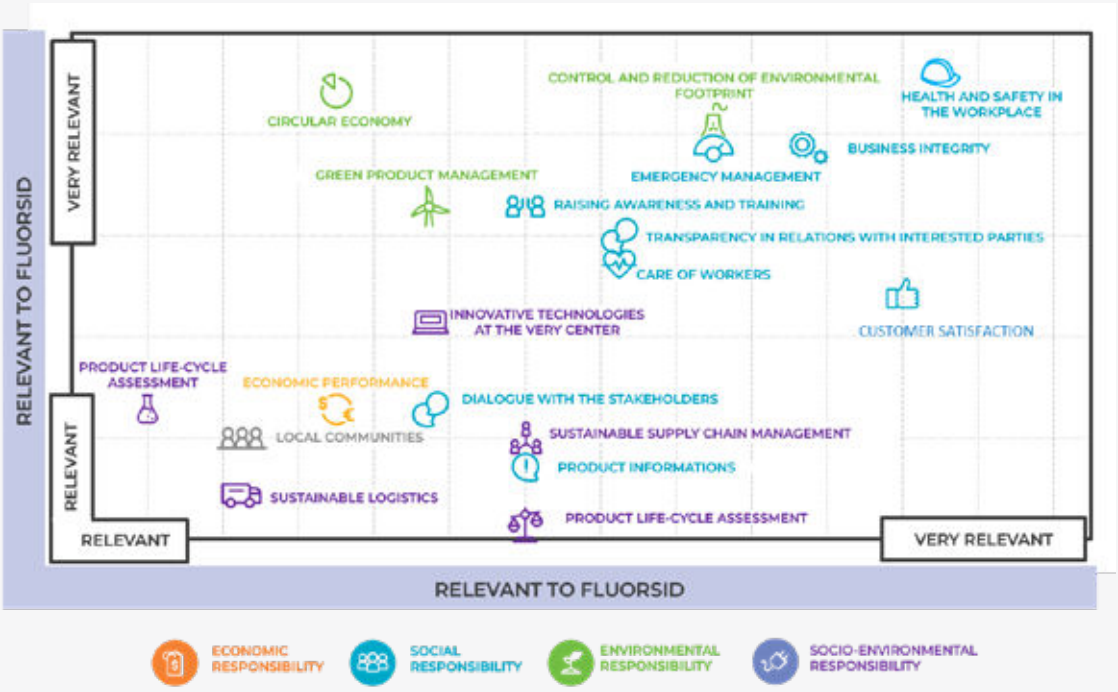
The results collected were represented in the Materiality Matrix in which the most relevant issues for both the company and its stakeholders are taken into consideration in this document.

During the Validation phase the data were shared with FLUORSID top management. In the last year, the Group did not consider it worthwhile to perform an update of the Materiality Assessment but both a benchmarking activity and a context analysis were carried out in order to confirm the verify worth of the ESG macrotrends in the Materiality Matrix.

Materiality Matrix

The most relevant issues for the Group and its stakeholders are health and safety in the workplace as well as business integrity. These are essential aspects for FLUORSID's way of doing business and they guide the organization's actions every day. Environmental impacts and emergency management are equally important, reflecting the Group's effort in minimizing its impact on the environment and the social sphere. Beside these, there are some issues related to innovation (Circular economy and Innovative technologies at the very center) and the transparent management of the relationship with the various stakeholders (Transparency with involved third parties, well-being among workers, Customer satisfaction, Raising awareness and training). The remaining issues relating to economic, social and environmental responsibility complete the picture of the sustainability aspects that are described in the rest of the document.

The following chart provides a better interpretation of the issues together with the GRI topics.



Material topics

MATERIAL TOPIC	DESCRIPTION	GRI[1] TOPIC	IMPACT PERIMETER	
			Where	FLUORSID involvement
EFFICIENT USE OF NATURAL RESOURCES	Promote an efficient use of natural resources with particular regard to water and energetic resources management;	• Material • Energy • Water	Group	Produced by the Group
ENVIRONMENTAL IMPACT REDUCTION	Control and whenever possible reduce the gas emission in the atmosphere; Reducing waste production and improve their management aiming at recycling and reuse, adopt measures to reduce the environmental impact of activities, promote biodiversity and ecosystems conservation; ENVIRONMENTAL IMPACT OF ACTIVITIES, PROMOTE BIODIVERSITY AND ECOSYSTEMS CONSERVATION;	• Biodiversity • Emissions • Waste	Group	Produced by the Group
INNOVATIVE TECHNOLOGIES AT THE VERY CENTER	Invest inresearch, development and innovation for greener processes, products and services;	N/A	Group	Produced by the Group

1 Whenever the reconciliation of the material issues with the GRI topics was not possible, the Group provides a description on how to manage the issues in this document.

HEALTH AND SAFETY IN THE WORKPLACE	Minimize the risk of occupational injuries and spread a 360° safety culture;	• Health and safety in the workplace	Group	Produced by the Group
SUSTAINABLE SUPPLY CHAIN MANAGEMENT	Promote the protection of environment through a better supply chain management by involving vendors, customers and interested parties in the process;	• Supply practices • Environmental vendor assessment • Social vendor assessment	Group and vendors	Produced by the Group and directly linked to business relations
RAISING AWARENESS AND TRAINING	Raising awareness and training in order to involve the organization in the realization of the environmental policy;	• Training and education	Group	Produced by the Group
TRANSPARENCY WITH INVOLVED THIRD PARTIES	Promote clear relations with interested parties in order to pursue shared environmental policies;	• N/A	Group and business partner	Produced by the Group and directly linked to business relations

CARE FOR WORKERS	Set up a talent development in-house program, create a welfare company program for employees, make responsible choices with regards to relations with employees (diversity, non-discrimination, collective bargaining, post-covid actions);	• Occupation • Diversity and opportunity • Non discrimination	Group	Produced by the Group
PRODUCT INFORMATION	Transparent Information and communication on toxicological characteristics of our products and on risks for people and environment;	• Marketing and labeling	Group	Produced by the Group

DIALOGUE WITH STAKEHOLDERS	Build and strengthen the relationship with the stakeholders and raising awareness on the key role of chemistry in the sustainable development of the territory (effective dialogue with the local communities for the sites listed in the Seveso Directive, Work-School projects, monitoring of workspace noise, collaboration with the universities, FLUORSID and the soccer world);	• N/A	Group and Business Partner	Produced by the Group and directly linked to business relations
CIRCULAR ECONOMY	By-products management and reuse;	• N/A	Group	Produced by the Group
PRODUCT LIFE-CYCLE ASSESSMENT	Analysis of environmental impacts and safety & health of people related to the use of products;	• N/A	Group and Business Partner	Produced by the Group and directly linked to business relations

EMERGENCIES MANAGEMENT	Prevent injuries and accidents in the workplace through a management approach. Limit the negative effects of accidents (emergency plans, integrated management system, risk assessment, yearly budget specifically dedicated to safety);	• N/A		Produced by the Group
SUSTAINABLE LOGISTICS	Commitment to promote new ways of transportation for finished goods with a minor social (safety and traffic) and environmental impact (emissions);	• N/A	Group and vendors	Produced by the Group and directly linked to business relations
LOCAL COMMUNITIES	Contribution to the economic and social development of the local communities (infrastructures, post-covid actions);	• N/A	Group	Produced by the Group
ECONOMIC PERFORMANCE	Contribution to wealth by increasing value;	• Economic performance	Group	Produced by the Group
CUSTOMER SATISFACTION	Create a continuous dialogue with clients and use their feedbacks in order to increase the product quality;	• N/A	Group	Produced by the Group

GREEN PRODUCT MANAGEMENT	Promote a functional management for products/services throughout the whole life-cycle, in order to improve performances and minimize environmental impacts by informing the customers on how to deal with the product at the end of his cycle;	• Consumer safety and health	Group	Produced by the Group
BUSINESS INTEGRITY	Promote a governance in compliancewith the laws and regulations and inspired by the principles of ethics and integrity;	• Anti-bribery • Anti-competitive practices • Child labour • Forced or compulsory labour	Group and Business Partner	Produced by the Group and directly linked to business relations

2.2. STAKEHOLDER ENGAGEMENT

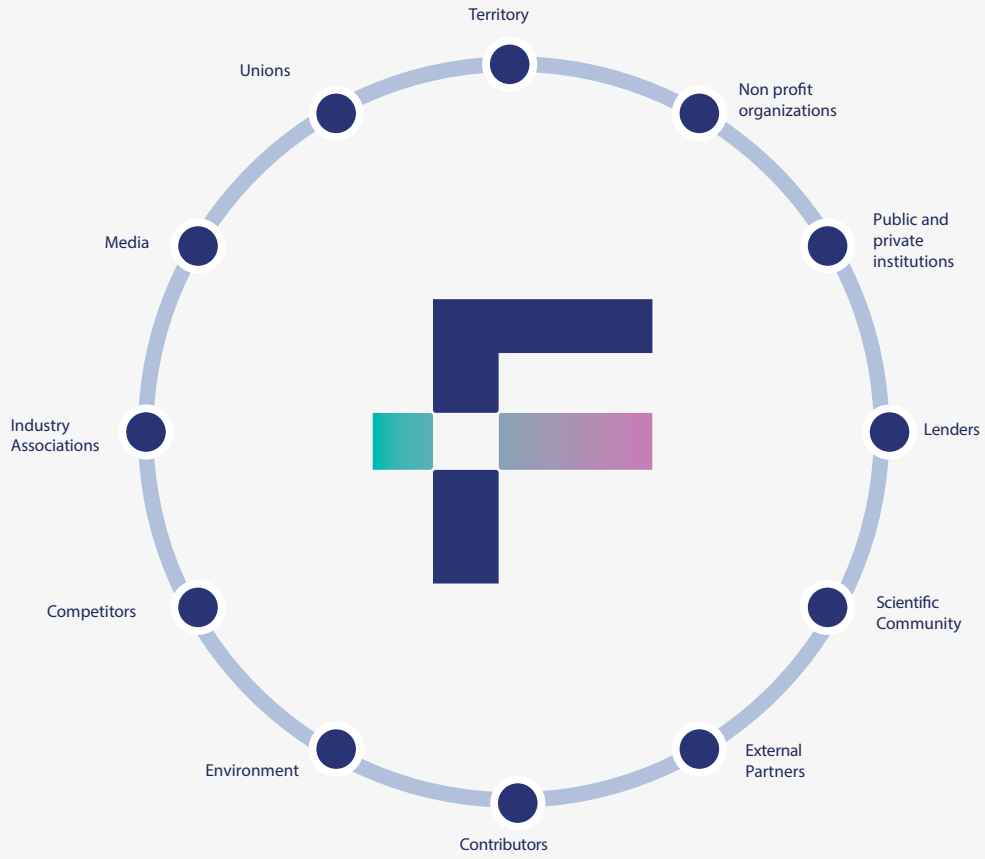
102-40, 102-42, 102-43, 102-44, 103-2, 103-3 **GRI**

A two ways dialogue with stakeholders is a key element of FLUORSID's strategy, as the company considers the relationship of mutual trust with stakeholders an essential prerogative to carry out its business in a sustainable way.

At FLUORSID the daily exchange of ideas and point of views with other stakeholders is crucial, as the Group is able to trigger virtuous mechanisms of development, innovation and mutually profitable dialogue from that process.

A meticulous management of stakeholder interests starts with a structured identification of the key audience, followed by a specific action aimed to promote periodic comparison initiatives. In this way, the Group has carried out a series of internal surveys with the corporate structures responsible for interacting with stakeholders on a daily basis and has built the following stakeholder map.

Stakeholders map



The Stakeholder ecosystem

	Stakeholders category	Description
	Territory	Local communities of the areas where FLUORSID operates, i.e. local administrations, schools, citizens and civil associations.
	Non-profit organizations	Non-governmental organizations engaged for socially purposes such as environmental associations.
	Private and public authorities	Authorities that - national and international wise - regulate the chemical sector, supervise the safety of the industry, public health and environmental protection, promote research and manage major global emergencies.
	Financial partners	Those partners who contribute financially to the development of FLUORSID.
	Scientific Community	Scientific companies belonging to the chemical sector, universities, scientific foundations and research centers engaged in the development of the chemical industry.
	Supply chain partners	Suppliers, distributors and customers.
	Employees	FLUORSID employees from every function and role.
	Company ecosystem	Natural context within which the activities of FLUORSID find their origin, purpose and limit.
	Competitors	Direct competitors in the category (fluorine value chain), direct and indirect competitors in the chemical industry.
	Industry associations	Associations, National and international organizations, public and private, which aim to represent the orientations of the chemical sector (i.e. Confindustria).
	Media	Social networks, blogs and websites of digital information, press and television at local, national and international level. As well as specialized press in the chemical industry.
	Unions	Associations who represent the social unions.

FLUORSID communicates and informs its stakeholders through multiple channels like the corporate website www.fluorsid.com - in which press releases and updates about former and ongoing initiatives are constantly kept available.

In February 2020, through the participation of the commercial department, FLUORSID attended the TMS (an annual exhibition organized by Minerals, Metals & Materials Society) that this year was hosted in California. The event - held at the San Diego Convention Center and Marriott Marquis San Diego Marina - brings together more than 4,000 engineers, scientists, business leaders and other professionals from the minerals, metals and materials industries. The goal is a deep dive and interdisciplinary exchange of technical knowledge, which covers a wide range of topics related to minerals, metals, materials science and engineering.

Due to Covid-19 it was not possible to hold other international sector events and/or conferences that had characterized the Group in previous years.

Events and conferences attended by FLUORSID in the last few years

EVENT TITLE	LOCATION	ATTENDEES
TMS	USA	Lior Metzinger (CCO FLUORSID) and Marta Gandini (Sales Manager FLUORSID)
Argus Europe Fertilizer Conference	Malta	Cesare Mercandino (Sales Manager FLUORSID)
LME Week	London	Lior Metzinger (CCO FLUORSID) and Marta Gandini (Sales Manager FLUORSID)
MB Conference	Malta	Lior Metzinger (CCO FLUORSID) and Marta Gandini (Sales Manager FLUORSID)
Fluorspar Conference	Praga; London	Lior Metzinger (CCO FLUORSID)
Gulf Aluminium Dinner	Abu Dhabi	Lior Metzinger (CCO FLUORSID)
Arab International Aluminium Conference (ARABAL)	Bahrein	Lior Metzinger (CCO FLUORSID)

Stakeholders have been also involved in the process of updating the materiality assessment by sending specific surveys created for the occasion to a representative sample of the category, thus focusing the dialogue not only on the product, but also on a value dimension and on the expectations that stakeholders place towards FLUORSID. The results of the activity, which provided a clear vision of the concept of sustainability for the Group's stakeholders, were integrated with the considerations that emerged from discussions with top management.

The stakeholder engagement process - which was enriched for the first time by this specific activity in 2019 - will be then further extended and amplified in the years to come.

2.3. SUSTAINABILITY ALONG THE VALUE CHAIN

102-12, 102-16 **GRI**

The global strategy for sustainable development is embodied in the ambitious plan of the United Nations: the 2030 Agenda for Sustainable Development. The document - signed in September 2015 by 193 countries- including Italy, aims to lead the world towards the achievement of 17 objectives (the Sustainable Development Goals - SDGs) to be achieved by 2030, which are specifically organized into 169 targets and more than 240 indicators. The 2030 Agenda is not just a document that establishes 17 goals to be achieved for a sustainable future, but it is a global challenge that involves the entire population. Eliminating poverty and inequalities, encouraging responsible consumption and production are just some of the objectives that Countries and individual citizens must try to solve in order to become responsible: cities, territories, schools, teachers, students. Everyone is involved in trying to define new sustainable development strategies through a path that is as aware and inclusive as possible.

Some of the challenges included in the 2030 Agenda are closely linked with the chemical industry, strongly connected to scientific development and therefore constantly looking for innovative solutions aimed to tackle the challenges around sustainable development. In the common imagination the chemical industry can often be associated with negative impacts on the environment, but if the commitment and efforts of chemistry in recent years have led to tangible results in terms of reducing the environmental impact (less gas emissions greenhouse effect, less water consumption, less energy consumption), the attention to social aspects have been a driving force for the growth of the whole sector, with human resources having claimed a central role in many sustainable development projects.

In a general scenario in which issues related to sustainability are predominantly entering the management of the business, FLUORSID has launched a process of integrating the 2030 Agenda into the business. More specifically that comes with an initial analysis and understanding of the SDGs, in order to evaluate their convergence with the strategic objectives of the business, then with an implementation of first concrete actions aimed to contribute to the achievement of some of the objectives.

SDGs, commitment and activity of FLUORSID

Area	Relevant topics for FLUORSID	Our commitment and activities	relevant SDGs
Economic involvement	Business integrity • Economic Performance • Transparency with involved third parties • Innovative technologies at the very center • Customer satisfaction	FLUORSID's strategy is based on a solid economic-financial and equity structure: without economic sustainability there isn't any resilience of the company. The company has always been committed to customer satisfaction by applying the highest professional and ethical standards while delivering its activities. The Group's attention - especially in recent years - has been focused on launching innovative projects and collaborations with universities (such as the research with the University of Cagliari over the use of calcium sulphate), accompanied by a significant commitment to internal training.	 

Social Responsibility

- Workplace safety
- Emergency management
- Dedicated classes and courses
- Care of workers
- Connection with the stakeholders
- Responsible management of the production chain
- Product informations
- Local communities

Attention to all its employees has always been a priority for the Group.

Innovation can only be supported leveraging trained workers and that is exactly why for the technical training the FLUORSID Academy has been established and a dedicated PhD of the University of Cagliari has been supported and funded.

Health and safety for all the employees are a key priority and a prerequisite for the Group, which has obtained ISO 45001 certification for its management systems in several plants.

Aware of operating in a sector where the workforce is predominantly male, the Group is committed to ensuring fair treatment and a wide range of HR actions who are aimed to encourage diversity across its offices, also being able to count on a modern work environment that is attentive to everyone's needs and in which corporate welfare has always assumed a leading role.

The Company is committed to keep a strong relationship with the local community, aware of the direct and indirect economic impacts of its activities, as well as leveraging the collaboration with local sports organizations that well represent the values in which the Group identifies itself

.

Environmental responsibility

- Control and reduction of environmental impacts
- Circular economy
- Efficient use of natural resources
- Responsible product management
- Sustainable logistic
- Products Life Cycle Assessment

FLUORSID is constantly committed towards monitoring and reducing environmental impacts and has obtained ISO 14001 certification for its management systems in several plants. The Group is particularly active in R&D activities aimed at innovating production processes, conducted both internally and in collaboration with external entities. The Group's commitment is expressed in the reduction of waste, in the effort to self-produce energy, in the minimization of emissions, in the efficient management of by-products and in the attention that the company has over the biodiversity of the places where the production and the plants are located.

Following some of the main activities undertaken by the company:

- Lifestyle Cycle activities assessment in order to obtain the Environmental Product Declaration (EPD)
- INNCED project, in collaboration with ENEA, aimed at creating innovative panels for construction industry through the use of a by-product of the chemical industry
- ZERO FRONT LOADER project that will reduce the dispersion of powdery material and dust in the surrounding environment
- Installation of waste water treatment plant in Cagliari
- Simplis Logistic, a strategic hub in the Middle East, specifically designed to amplify the distribution of products towards the east markets

3. FLUORSID AND ENVIRONMENT

Reducing the environmental impact is our mission

1.347.739 GJ Energy consumption 2020

87.719 Emissions tCO_{2eq}

ISO 14001 Certification for the plants of Cagliari, Treviglio and Odda

FLUORSID is aware of the inevitable impact that its industrial process has on the environment, with particular reference to the materials used, emissions and energy consumed. For this reason, the Group is constantly committed to monitoring and minimizing environmental impacts through significant investments. The action plan mainly involves waste reduction, energy efficiency, monitoring of emissions aimed at their correct management and huge attention to the impact that the company can have on the biodiversity of the places where the production facilities are based.

Environmental Management System

The company is structured with a specific Environmental Management System which aims to allow the control of every aspect related to environmental impacts and to promote as well the continuous improvement of performance through a Risk Based approach. Currently, this management system is ISO 14001: 2015 certified by a third party for the plants of Cagliari (FLUORSID S.p.A.), Treviglio (FLUORSID Icib Srl) and Odda (FLUORSID Noralf).

3.1. USE OF RAW MATERIALS

103-2, 103-3, 301-1 **GRI**

The production cycle involves multiple materials, components and equipment. Among the raw materials, the most relevant quantities are related to Fluorite, Sulfuric Acid and Hydrated Alumina. In addition to these, the Group get the most of big bags, paper bags, stretch film, hood, flap and sheet in PE, belts, cartons and wooden pallets, etc.

More in details, the most significant use is represented by minerals such as Fluorite, used for almost 280 thousand tons (equal to about 30.3% of the total) and mineral acids such as sulfuric acid (about 313 tons, equal to 34 , 8% of the total). Total investment on raw materials in 2020 was about 151 million euro[2].

Especially in its supply chain and whenever possible FLUORSID has always encouraged solutions aimed at the reuse of those materials, with a particular attention to encourage the application of an efficient circular economy. Looking at raw materials, a big importance is given to the selection of suppliers and all of them must guarantee the highest standards of requirement/quality at every level.

2 This value takes into consideration the purchase of heating oil, LPG and diesel oil.

Materiali consumati nel corso dell'anno

Type of material (ton)[3]	2019	2020
Fluorspar	267.611	272.769
Hydrated alumina	139.121	147.845
Sulphuric acid	303.521	313.367
Oleum	20.170	17.406
Liquid sulfur	99.605	92.572
Calcium hydroxide	15.747	14.941
Calcium oxide	10.474	11.016
Sodium chloride	8.930	11.847
Calcium carbonate	586	1.723
Infusible grease	24	25
Lye 30%	338	695
Lye 50%	860	488
Calcium chloride	985	478
Total	882.689	901.098

ZERO FRONT LOADER PROJECT

During 2020 the implementation of ZERO FRONT LOADER PROJECT continued.

The main targets of this project, which started in 2019 and consists in adopting closed warehouses for raw materials storage, are an increased warehouse capacity, the economic savings that comes from using own warehouses and the reduced environmental impact. Thanks to the direct management of the warehouses, in fact, the Group has been able to implement a series of cutting-edge technical measures, such as the replacement of mechanical shovels with an automated system, that result in a lower environmental impact.

3 This data do not include British Fluorspar: the company, in fact, do not register significant consumption of materials as in the other subsidiaries due to its exclusively extractive activity.

3.2. BY-PRODUCTS AND CIRCULAR ECONOMY

103-2, 103-3 GRI

The concept of circular economy implies that the value of products, materials and resources is kept as long as possible in the economic system, through efficiency and activities regarding recycle, reuse and waste sorting. In the last few years, more and more companies of different industrial sectors are taking into consideration these themes by interpreting sustainability as a transition from linear to circular economy.

FLUORSID completed its sustainability strategy with the concept of circularity by responsibly managing by-products that came from its productive cycles. They are not seen as waste but as a resource that needs to be kept in the economic system as long as possible. According to D.Lgs. 152/06 e s.m.i. a by-product must have all these requirements:

a. the substance or the object derives from a productive cycle, and it is an integral part of it. The main scope of the above mentioned productive cycle is not the production of the substance or the object;

b. it is certain that the substance or the object will be used in a productive cycle by the owner or by third parties;

c. the substance or the object can be used directly, without further treatments;

d. the use is legit, the substance or the object meets the product and the safety and health requirements.Moreover, it will not cause negative impacts on human health or environment.

FLUORSID's main activity is the production and sale of inorganic fluorine derivatives, which are used in the aluminum industry. The main finished goods are aluminum fluoride and synthetic cryolite, primarily used as components of the electrolytic bath in aluminum production.

Hydrofluoric acid (HF) is an intermediate in the reaction for the production of cryolite and aluminum fluoride. The production of hydrofluoric acid requires fluorite (CaF2) and sulfuric acid (H2SO4) as raw materials. The reaction is the following:

$$CaF_2 + H_sSO_4 \rightarrow \qquad 2HF + CaSO_4$$

The reaction between Fluorite (CaF2) and Sulphuric acid makes Hydrofluoric acid (HF) and Calcium sulfate (CaSO4)

Calcium sulfate is a by-product that FLUORSID manages according to European and Italian regulations. The by-product is sold in Italian and international markets in three different physical forms:

- anhydrite
- granular anhydrite, produced thanks to a mechanical process

Granular anhydrite is mainly used in agriculture and in the construction industry. In the latter,it is only used indoors due to its hygroscopic property. It is commonly used as an additive in mats, cement, concrete blocks and air-entrained concrete.

The main market is undoubtedly that of self-leveling mats. In Italy, unlike what happens abroad, the foundation mats are mainly cementitious and the percentages of anhydrite use are low. Beyond national borders, on the other hand, both due to different construction cultures and climatic differences, self-leveling foundation mats have been using ground anhydrite for 30 years already. Another commercially relevant outlet for ground anhydrite is that of NPK nitrogen fertilizer producers.

The main market for pelletized gypsum is the cement market, where it is used as a set retardant. It is added during the grinding phase of the clinker and, therefore, it is used both by full cycle cement plants and by grinding centers. Italian cement production in recent years has stood at around 20 million tons and it is likely that this will be the trend for the near future, in the absence of strong economic stimuli.

The percentage of gypsum used goes from 3.5% to 5% per ton of cement: maximum annual consumption is around 1 million tons. This quantity must be divided between pelletized gypsum, natural gypsum, present everywhere and with the majority of deposits in northern Italy, and Desulfurization gypsum (FGD), with the main producers in Liguria, Lazio and Puglia.

Cagliari plant has a system that allows the transformation of fluoridated water, generated from the production of synthetic cryolite, into synthetic calcium fluoride, a by-product used in cement factories to replace natural fluorite.

FLUORSID, aware of the positive environmental implications that can derive from the correct management and enhancement of its by-products (calcium sulphate and synthetic calcium fluoride) made the decision, on the basis of Minimum Environmental Criteria (MEC) issued by the Ministry to

encourage the use of by-products for the production of goods for the Public Administration (PA), to start a virtuous path for obtaining the Environmental Product Declaration (EPD).

3.3. ENERGY EVOLUTION

103-2, 103-3, 302-1 **GRI**

Aware of the impact generated by the production process in terms of energy consumption, FLUORSID has always tried to responsibly manage the production sites energy requirements.

FLUORSID does not require so much energy to function. On average, energy consumption of the chemical industry in Italy represents around 8% of the national total[4] energy consumption and if we compare this parameter to the value of production, FLUORSID has an index of approximately 6.7 MJ per € turnover, while other companies belonging to Federchimica present - approx - 1.6 times higher values[5].

Energy consumption (in GJ)

ENERGY CONSUMPTION	2019	2020
Non Renewable fuel	1.232.953	1.243.087
Natural Gas	622.874	580.780
Dense Fuel Oil BTZ	603.888	656.023
Diesel fuel	4.431	4.722
LPG	1.760	1.562
Purchased energy	98.261	104.642
of which from a non-renewable source	68.179	75.968
of which from a renewable source	30.082	28.674
Self-produced energy	326.158	279.440
of which used on site	270.832	253.773
of which put back into the grid	55.326	25.667

Although part of the energy carriers useful to meet the needs of the Group's activities are still purchased from third parties, the company is increasingly orienting its production process in the direction of self-consumption.
More in particular, the energy carriers purchased from third parties include electricity from the network, natural gas, BTZ fuel oil, LPG and diesel, while self-production refers to the carriers of electrical and thermal energy in the form of steam.

4 Federchimica. L'industria chimica in Italia, 2017-2018 Report.
5 Data obtained, both for FLUORSID and for a sample of Federchimica member organizations, by relating total energy consumption to turnover (Source: 26th annual Responsible Care report).

The company has internal energy conversion facilities in its main production processes. In fact, the energy recovered from the exothermic reactions present in the process is used for the production of electricity and thermal energy.

- Looking at the Cagliari plant, the self-production that - when fully operational - allows to cover almost entirely the consumption of electricity and the entire thermal energy requirement. More specifically, there is a high-efficiency cogeneration plant consisting of a multistage turbine which, fed with the high-pressure steam produced in the sulfuric acid production process, generates electricity to cover internal needs, while the surplus is sold to the network. In addition to electricity, medium and low pressure steam is also tapped from the turbine, which supplies the entire plant's steam needs too.
- In the Porto Marghera plant, the entire self-production of electricity is used for internal needs.
- The Norwegian plant of Odda - on the other hand - covers its energy needs through electricity coming exclusively from renewable sources.
- Electricity self-production aligned with the needs of the company is another pillar the company's sustainability strategy rests on, able to exploit the energy vectors with different enthalpy contents of its production process, avoiding to dissipate them externally.

3.4. CO_2 EMISSIONS

103-2, 103-3, 305-1, 305-2, 305-7 **GRI**

The issue of emissions into the atmosphere is linked to the energy topic: the chemical industry has a minimal impact on greenhouse gas emissions in Italy, with about 3.5% of total emissions[6], therefore the company's contribution to the national emissions scenario must be framed in this context.

Total emissions (Scope 1 and Scope 2 market based) for 2020 are 87,719 tons of CO_2eq. Odda's plant, in 2019 purchased approximately 28,674 GJ of electricity from renewable sources, thus making it possible to avoid emissions of 3,359 tons of CO_2e.

6 Federchimica. 26° Rapporto annuale Responsible care, 2020.

CO_2 Emissions (tCO_2e)

CO_2 EMISSIONS (TCO_2E)[7]	2019	2020
SCOPE 1	77.148	78.885
SCOPE 2 (Market Based)	7.857	8.834
SCOPE 2 (Location Based)	5.652	6.328

SCOPE 1

Greenhouse gas emissions produced directly by FLUORSID as a result of the fossil fuel combustion needed for the plant functioning.

SCOPE 2

Greenhouse gas indirect emissions that derive from the production of electricity purchased by FLUORSID.

Market Based: reflects the average intensity of emissions deriving from electricity that the organization has specifically chosen. It can be calculated with the default emission factors that represent the residual mix, i.e. energy and non-monitored and unclaimed emissions.

Location Based: reflects the average intensity of emissions deriving from the production of total national electricity

.

It is particularly interesting to have a look at the data regarding the CO2 emissions needed to generate a 1 euro turnover: the value regarding 2020 for FLUORSID was 365 t CO2 / M €, while among the companies belonging to Federchimica there are values even 1.7 times higher[8].

The production cycle involves the emission of dust and gasses that are specific for each phase. These are conveyed to the chimneys of the factories. In order to evaluate the specific atmospheric emissions, data from the measured values of pollutants and flow to the chimneys are collected.

The pollutants emitted by the site's chimneys refer to emissions of nitrogen oxides (NOX), sulfur oxides (SOX) and particulate matter.

7 The following emissions factors were used to estimate the emissions:

Scope1: "Defra - UK Government GHG Conversion Factors for Company Reporting" 2019;

Scope2 - Market-Based: "The Association of Issuing Bodies - Residual Mixes and European Attribute Mix 2020" (dati in CO_2 equivalente);

Scope 2 –Location Based: "Confronti internazionali 2019" published by Terna. Data expressed as CO2 tons, but the percentage of methane and Nitrous oxide is unimportant on greenhouse gasses total emissions (CO2 equivalent) as stated in the literature.

8 Data obtained, both for FLUORSID and for a sample of Federchimica member organizations, by relating CO2 emissions in atmosphere (Scope 1 + Scope 2 market based) to turnover. (Source: 26th annual Responsible Care report).

Furthermore, the productive cycle generates the emission of standard categories of atmospheric agents but the Company is constantly committed to trying to control and reduce the atmospheric emissions of these agents.

Cagliari, Porto Marghera and Treviglio plants are subject to Integrated Environmental Authorization (IEA), through which they conform to the principles of Pollution Prevention and Control imposed by the European Union (European Directive 2010/75 / EU). Emissions of climate-altering gasses into the atmosphere are therefore exclusively governed in accordance with the limits set by the regulatory provisions in force in the countries in which FLUORSID operates.

Other gasses emissions (ton/year)

Other gasses emissions (ton)	2019	2020
NOx	71,07	76,09
SOx	224,71	198,39
Dusts	11,34	13,04
Other standard categories of atmospheric agents	11,05	14,20

3.5. WATER MANAGEMENT[9]

103-2, 103-3, 303-3, 303-4, 303-5 **GRI**

As emerged from the 2018 World Water Development Report[10], published by Unesco and the United Nations UN Water Program, around 5 billion people could lack regular access to water in 2050.

In this context, the chemical industry is known to have a very high water resource requirement, being the Italian manufacturing industry sector with the highest use of water (approximately 681 million m3, or approximately 12% of the total value used by the manufacturing industry)[11]. It is clear that all chemical industrial companies must pay attention in the management of water resources.

FLUORSID is well aware that water is a really valuable good, both for the environment and the economy given its importance as a precious resource in the productive cycle.

The water withdrawal is evenly distributed between groundwater and marine water (overall 47%) and third party supplier (53%).

In terms of water quality, supply from less valuable sources is preferred (61%), while those of higher quality (dissolved solids <1,000 mg / l) cover about 39% of the total. Finally, the company does not source from (nor operate in) areas that are subject to water stress.

9 Data do not include British Fluorspar: the company, in fact, does not register significant water supply and consumption as in other subsidiaries due to its exclusively extractive activity.

10 UNESCO World Assessment Programme (WWA). *Nature-based solution for water*, 2018.

11 ISTAT. International Water Day. ISTAT Statistics, 2016.

Water supply by source

WATER SUPPLY (M^3 X 10^3)	2019	2020
Groundwater	**727**	**781**
of which freshwater (≤1.000 mg / L total dissolved solids)	*727*	*781*
of which water from other sources (>1.000 mg / L total dissolved solids)	*0*	*0*
Sea water	**2.453**	**2.453**
of which freshwater (≤1.000 mg / L total dissolved solids)	*0*	*0*
of which water from other sources (>1.000 mg / l total dissolved solids)	*2.453*	*2.453*
Supply from third parties	**3.640**	**3.583**
of which freshwater (≤1.000 mg / L total dissolved solids)	*1.916*	*1.876*
of which water from other sources (>1.000 mg / l total dissolved solids)	*1.724*	*1.707*
Total	**6.820**	**6.817**
of which freshwater (≤1.000 mg / L total dissolved solids)	*2.643*	*2.657*
of which water from other sources (>1.000 mg / l total dissolved solids)	*4.177*	*4.160*

Group's water consumption in 2020 was 586,948 m^3. The company is committed to adopting specific improvement measures aimed at an efficient management of this resource in order to minimize the impact caused by the withdrawal of water. Particularly interesting is the data relating to the average supply of water to generate a turnover of one euro: FLUORSID records a value of approximately 0.03 m^3 / €, while among the companies belonging to Federchimica there are higher values (0.04 m^3 / €)[12].

Italian plants are subject to Integrated Environmental Authorization (IEA), through which they conform to the environmental regulations in force, even though FLUORSID sets itself higher goals in natural resources management. Specifically, all Italian plants are equipped with an internal purification system, while the Norwegian plant is the only one that discharges its waste partly into a surface water body and partly to a third party. Dangerous substances present in waste water are mainly fluorides at high (chlorinated waters) and low (fluorinated waters) concentrations of chlorides and sulphates.

12 Dato ottenuto, sia per FLUORSID sia per un campione di organizzazioni aderenti a Federchimica, rapportando l'approvvigionamento idrico totale a al fatturato. (Fonte: 26° rapporto annuale Responsible Care).

Wastewaters

Wastewaters (m^3 x 10^3)		2019	2020
Wastewaters by destination	Groundwater	0	0
	Sea water	2.453	2.453
	Shallow water	490	609
	Water resource by third parties	3.232	3.168
	of which sent to other organizations	1.222	1.235
Total wastewaters	Groundwater + Seawater + Shallow water + third parties	6.175	6.230
Wastewaters by type of water	Freshwater (≤1.000 mg/l total dissolved solids)	494	609
	Other type of water (>1.000 mg/l total dissolved solids)	5.680	5.621

3.6. WASTE MANAGEMENT[13]

103-2, 103-3, 306-3, 306-4, 306-5 GRI

At Group level, production of waste mainly comes from maintenance activities and for all of them the company has always encouraged a smart ecosystem (disposal, recovery and recycling of materials used in industrial processes).

In Italy, hazardous and non-hazardous waste disposal activities are managed in compliance with national Legislative Decree 152/06, which provides for specific recovery and recycling and waste treatment actions in compliance with environmental quality and human health.

In 2020, FLUORSID produced approximately 12,155 tons of waste, 274 tons of them were classified as hazardous waste and 11,881 tons of non-hazardous waste. The significant increase in non-hazardous waste compared to 2019 is mainly due to the demolition of plant segments as part of the Zero Front Loader project.

13 data do not include British Fluorspar: the company, in fact, does not register significant production of waste as the other subsidiaries due to its exclusively extractive activity.

Destination of hazardous and non-hazardous waste

Destination (ton)[14]	2019	2020
Waste sent for disposal	**2.081**	**4.938**
Incineration	**41**	**51**
Dangerous	*41*	*51*
Non dangerous	*0*	*0*
Rubbish dump	**1.427**	**3.608**
Dangerous	*9*	*14*
Non dangerous	*1.418*	*3.594*
Other disposal operations	**613**	**1.280**
Dangerous	*94*	*101*
Non dangerous	*519*	*1.179*
Waste sent for recovery	**4.803**	**6.234**
Treatment and selection or storage plants	**4.416**	**6.170**
Dangerous	*47*	*43*
Non dangerous	*4.369*	*6.127*
Re-use	**27**	**26**
Dangerous	*27*	*26*
Non dangerous	*0*	*0*
Ricycle	**360**	**37**
Dangerous	*0*	*0*
Non dangerous	*360*	*37*
Total	**6.884**	**11.172**

The ratio between the production of waste to generate one euro of turnover and the value for 2020 of FLUORSID is around 51 t/M€[15]. As already reported, the value was affected by the increase in waste due to demolitions related to the Zero Front Loader project.

14 This value does not coincide with the total waste produced during the year, as there is the possibility for waste producers to have stocks at the end of the year that are recovered in the following year.

15 Data obtained - both for FLUORSID and for the Federchimica member organizations - by relating the total waste produced to the turnover (benchmark source: Federchimica, 26th Annual Responsible Care Report, 2020).

3.7. FLUORSID AND BIODIVERSITY

103-2, 103-3, 304-1 **GRI**

321 employees

Average gross payroll of about 41.000 €

Over 5.400 hours of training classes

98% of permanent contracts
30% of employees made up of women

Protecting the natural heritage is an ethical imperative for FLUORSID, that is why the company has always been committed to actions capable of generating the lowest possible environmental impact, both to protect biodiversity and the landscape.

FLUORSID's attention to the environment is also very clear from the scrupulous attention paid to accidental spills that could alter the biodiversity of the surrounding environment.

The company boasts related precautionary measures, such as - for example - those aimed at controlling spills that could irreparably alter the environment as evidence of its attention to the natural environment.

In 2020 there were no significant negative impacts in terms of the loss of the number of species on the IUCN Red List and of the species on the national conservation lists by the Group's activity.

CAGLIARI PLANT

The plant in the Macchiareddu Industrial Area (Cagliari, Sardinia) is located about 4 km from the Santa Gilla lagoon. The vegetation of the lagoon is of great naturalistic relevance because it is considered keyl to ensure the maintenance of biodiversity, especially as regards to the fauna. The pond of Santa Gilla and the nearby pond of Molentargius are among the most important European stopping points in the migrations of the pink flamingo (Phoenicopterus roseus). The list of species present in the pond is quite long, considering both the nesting species and those that live in the pond without nesting.

PORTO MARGHERA PLANT

The plant is located nearby the Venice Lagoon Special Protection Area (SPA), designated by UNESCO (United Nations Organization for Education, Science and Culture) as a World Heritage Site and registered in 1987 in the list of the Natural Heritage of Humanity (World Heritage List). The plant is also located about 5 km away from the Carpenedolo wood, Site of Community Interest (SIC) belonging to the European ecological network Natura 2000. The area is protected by the European Union for the quality and rarity of the environments it contains. Among others there are mixed plain wood of oaks that settled in the last post glacial period and the mesophilic meadows. Furthermore, due to the characteristics of the avifauna present here, the area has also been defined as a ZPS.

TREVIGLIO PLANT

This northern Italy plant is located about 10 km from the Fontanile Brancaleone ZPS, a partial biological regional nature reserve that extends over an area of about 100 hectares. The reserve is characterized by the presence of invertebrate fauna of great scientific interest, in particular Niphargus stigocharis italicus and Niphargus transitivus dissonus, amphipod crustaceans from a phreatic environment, which represent a real rarity to be protected. In the fountain gushes spring water given by the confluence of numerous heads.

ODDA PLANT

Looking at a Norwegian map, the plant is adjacent to the Folgefonna national park. This park is classified as IUCN II: wilderness area in its size with the main goal of protecting the functioning of ecosystems.

DERBYSHIRE PLANT

The plant is located within a large area (about 1,440 km2) that constitutes the Peak District National Park, where there are also other mines as the area has been involved in mining activities since medieval times, which then intensified in the 16th century. Today the activities are conducted with the utmost respect for local legislation and are aimed at not interfering with the flora and fauna of a park, which is one of the most visited in all of Europe.

4. OUR PEOPLE

A strong commitment from all the employees

321 employees

Average gross payroll of about 41.000 €

Over 5.400 hours of training classes

98% of permanent contracts
30% of employees made up of women

The care and attention to its employees have always been a priority at FLUORSID, as the Chemical sector is a complex sector and the technical and professional skills required are extremely high. People are - therefore - an important asset for the creation of value and for the improvement of company performance. For all these reasons, the company is committed to enhancing its employees, not only by promoting their development and professional growth, but also by promoting the balance between work and private life.

Employees at the very center

FLUORSID recognizes the central role of collaborators and is committed to deal with them through an approach based on loyalty, mutual respect and aimed at avoiding any form of discrimination. The company also undertakes to select the best profiles following merit-based logic and objective assessments as well as to hire them with regular employment contracts, in accordance with current legislation and the principles of the Civil Code and the Workers' Statute. Irregular hiring and activities that may favor the illegal entry into the territory of the State of clandestine subjects are prohibited. FLUORSID requires that in relations with its internal and external collaborators, no one is placed in a state of subjection through violence, threats, deceit, abuse of authority, exploitation of a situation of physical or mental inferiority.

The Company is against any mobbing activity. More specifically:

- any form of moral or sexual violence and/or psychological persecution aimed at offending the personality, dignity and psycho-physical integrity of collaborators, as well as endangering their employment or degrading the working climate;
- the distribution, disclosure, dissemination or possession within the company of pornographic material or virtual images using images of minors.

4.1. OUR EMPLOYEES

102-8, 103-2, 103-3, 401-1 GRI

The effective workforce at 31 December 2020 stated 321 employees, as summarized in the table below, with a stable employment level compared to 2019.

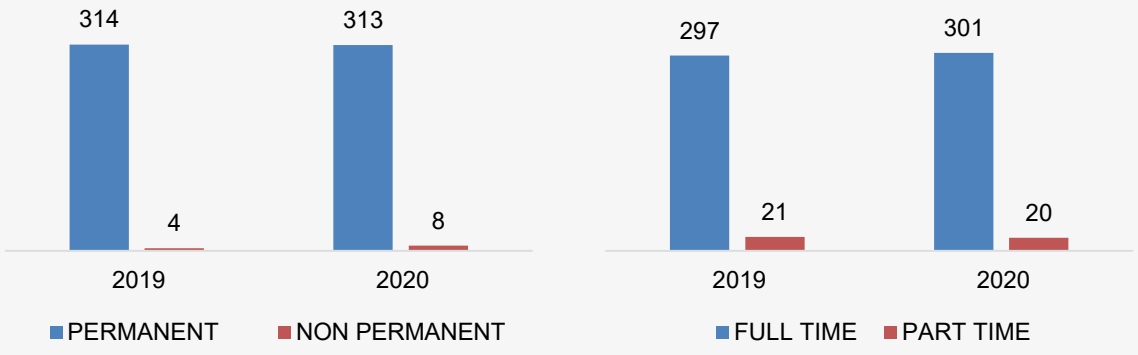
FLUORSID employees count

NUMBER OF EMPLOYEES	31/12/2019	31/12/2020
Directors	15	16
Managers	35	39
Employees and workers	268	266
Total	318	321

Even in 2020, the company population is more concentrated in Italy (72%) where are based the production plants of FLUORSID S.p.A., Alkeemia S.p.A. and I.C.I.B. S.r.l. A consistent share (19%) is employed in the United Kingdom, where the FLUORSID British plant is located, while the remaining share (9%) is employed in Norway, where there is the FLUORSID Noralf plant of Odda.

In line with its approach to sustainability, FLUORSID has confirmed its commitment to maintaining stable and long-lasting working relationships for 2020 as well.

Permanent contracts represent in fact 98% of the total number. This figure is higher than the national statistics relating to the chemical industry, which record a value of 95.9%[16]. Overall, 94% of employees have a full time contract.



16 Federchimica, Il Mercato del Lavoro nel 2020 – Indagine Confindustria.

Number of employees by contract and gender (Italy)

Type of contract	Breakdown of total number of employees by type of contract and gender					
	Italy					
	as of December the 31st 2019			as of December the 31st 2020		
	Men	Women	Total	Men	Women	Total
Permanent	197	23	220	199	25	224
Non permanent	2	2	4	7	1	8
Total	199	25	224	202	26	232

Number of employees by contract and gender (United Kingdom)

Type of contract	Breakdown of total number of employees by type of contract and gender					
	United Kingdom					
	as of December the 31st 2019			as of December the 31st 2020		
	Men	Women	Total	Men	Women	Total
Permanent	63	3	66	58	3	61
Non permanent	-	-	-	-	-	-
Total	63	3	66	58	3	61

Number of employees by contract and gender (Norway)

Type of contract	Breakdown of total number of employees by type of contract and gender					
	Norway					
	as of December the 31st 2019			as of December the 31st 2020		
	Men	Women	Total	Men	Women	Total
Permanent	23	5	28	24	4	28
Non permanent	-	-	-	-	-	-
Total	23	5	28	24	4	28

Despite 2020 being characterized by the Covid-19 health emergency, 28 new employees joined the Group, registering an entry rate of around 9%.

The rate of outbound turnover, (i.e. the ratio between the number of departures and total employees), instead, lined up at 6%, a value is lower than the average for the chemical sector (which is around 7,6%[17]), proving that the company offers a solid relationship and a structured career path that aims at developing internal resources, through a career plan that increases skills and responsibilities over time.

17 Federchimica, The Job Market in 2020 - Confindustria analysis.

Number and rate of new hires

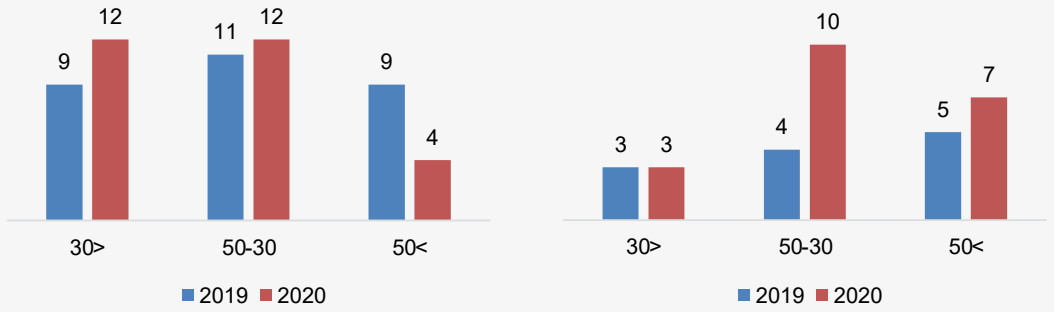
From the 1st of Jan. till the 31st of Dec. 2019						From the 1st of Jan. till the 31st of Dec. 2020				
	<30	30-50	>50	Total	Rate[18]	<30	30-50	>50	Total	Rate
Men	7	9	8	24	8,4%	12	10	4	26	9,0%
Women	2	2	1	5	15,2%	-	2	-	2	6,1%
Total	9	11	9	29	9,1%	12	12	4	28	8,7%
Tasso	42,9%	6,7%	6,8%	9,1%		46,2%	7,1%	3,2%	8,7%	

Number and rate of terminations

From the 1st of Jan. till the 31st of Dec 2019						From the 1st of Jan. till the 31st of Dec. 2020				
	<30	30-50	>50	Total	Rate[19]	<30	30-50	>50	Total	Rate
Men	2	3	5	10	3,1%	3	10	7	20	6,2%
Women	1	1	-	2	1,0%	-	-	-	-	0,0%
Total	3	4	5	12	4,0%	3	10	7	20	6,2%
Rate	0,9%	1,3%	1,6%	4,0%		0,9%	3,1%	2,2%	6,2%	

During 2020 FLUORSID availed itself of 16 temporary workers.

Number of new hires and terminations



4.2. COMPETITION FOR TALENT

103-2, 103-3, 404-1, 404-3 **GRI**

FLUORSID strongly believes in the importance of training and professional development of its employees and so the Group continued to invest in training activities in 2020 as well.

18 Percentage of new hires out of total employees ats of 31.12.2020.

19 Percentage of terminations out of total employees as of 31.12.2020.

In order to ensure continuous professional growth of its employees and to allow them to improve their skills regarding quality, health, safety and the environment, the company has defined a process aimed at:

1. organize and provide specific training and refresher courses for all staff, both in force and newly hired
2. train staff for general and specific emergency tasks and keep them updated, through drills and simulations;
3. keep an updated record of the involved staff and the qualification levels achieved.

The Group invested in 2020 more than 5,400 hours in training activities, 91% of which aimed at white-collar and blue-collar workers, 7% in middle managers and the remaining 2% to executives.

Due to the Covid-19 pandemic, training hours in 2020 have dropped compared to those of 2019. In fact, in person training has been suspended and the courses have been rethought for online use. The hours of training were provided through e-learning sessions for an average of 17.0 hours per person. The areas on which attention has been most focused are:

- Quality, Safety and Environment;
- Specific technical training for professionals.

The Group commitment into training activities regarding Quality, Safety and Environment continued this year too, in compliance with the relevant legal regulations that continuously require more and more attention on Health and Safety at work.

Specific technical trainings were provided to internal staff, but also to external staff thanks to the creation of the Academy in 2019.

The collaboration with CREA of the University of Cagliari was confirmed in 2020, proving the Group's great attention in training the "Executives" professional category.

Performance evaluation is one of the activities that the company plans for talent management, thus stimulating the growth of employees, allowing them to develop their potential and to contribute to business results.

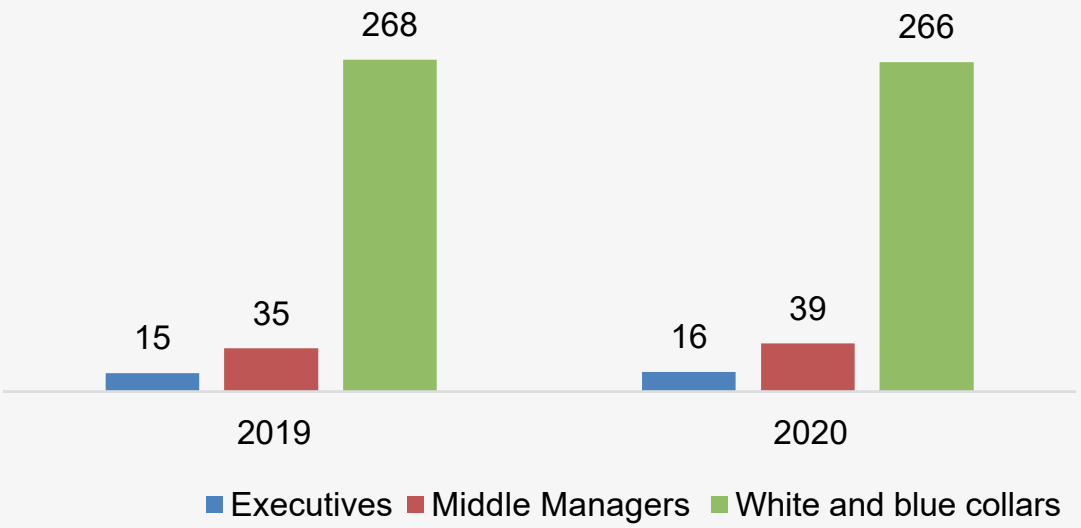
The creation of a performance assessment process, that involves all employees, is still underway also due to Covid-19 and, at the moment, concerns only Executives and Middle Managers.

Training hours by professionals category

From the 1st of January to the 31st of December 2019						
Group Total	Hours men	Avg. hours/ men	Hours women	Avg. hours/ women	Hours Total	Avg. hours
Executives	179	12,8	0	0	179	12,0
Middle Managers	805	23,7	0	0	805	10,7
White collars and Blue collars	4.580	19,3	468	15,1	5.049	18,8
Total	5.565	19,5	468	14,2	4.753	18,3

From the 1st of January to the 31st of December 2020						
Croup Total	Hours men	Avg. hours/ men	Hours women	Avg. hours/ women	Hours Total	Avg. hours
Executives	63	4,2	16	16,0	79	4,9
Middle Managers	397	10,7	2	1,0	399	10,2
White collars and Blue collars	4.799	20,3	174	5,8	4.973	18,7
Total	5.258	18,3	192	5,8	5.450	17,0

FLUORSID has always paid particular attention to the academic world. The Group collaborates with the Universities by offering training internships and degree theses, so as to be able to approach talented young people and encourage the inclusion of young graduates.



3.1. DIVERSITY AND INCLUSION

GRI 103-2, 103-3, 405-1

Equality, inclusion and diversity are an integral part of corporate culture and values, as well as a determining factor for the growth model and way of doing business. In 2020 the presence of women as at 31 December was stable at around 10% of the total workforce, with the majority of them belonging to office and blue-collar workers, 1 woman in the Executives and 2 women belonging to the Middle managers. There were 288 male employees in 2020, equal to 90% of the total.

With reference to the breakdown by professional category, in 2020 there were no significant changes. Consistent with previous year, about 83% of employees are part of the White and Blue-collar category, while the remaining employees, 5% and 12%, are in the categories of Executives and Middle Managers respectively.

Breakdown of total number of employees by professional category and gender

	as of 31st of Dec. 2019			as of 31st of Dec. 2020		
Professional Category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	14	1	15	15	1	16
Middle Managers	34	1	35	37	2	39
White and Blue collars	237	31	268	236	30	266
Total	285	33	318	288	33	321

Breakdown of total number of employees by professional category and age

	as of 31st of Dec. 2019				as of 31st of Dec. 2020			
Professional Category	**< 30 y.o.**	**30-50 y.o.**	**> 50 y.o.**	**Total**	**< 30 y.o.**	**30-50 y.o.**	**> 50 y.o.**	**Total**
Executives	0	5	10	15	0	6	10	16
Middle Managers	0	20	15	35	0	23	16	39
White and Blue collars	21	139	108	268	26	141	99	266
Total	21	164	133	318	26	170	125	321

Employees represent the right mix between young talents with solid scientific training, to whom FLUORSID has always been ready to offer the opportunity to emerge in the world of chemistry, and people of proven competence and technical depth. As a consequence, the breakdown of employees by age group reflects the national average in the chemical sector, with a concentration of staff in the 30-50 age group of approximately 53%.

3.2. REMUNERATION POLICY

103-2, 103-3, 405-2 GRI

The remuneration system is differentiated depending on the professional category. In addition to a fixed salary, the system includes incentives linked to individual performance and company goals.

The members of the Board of Directors are remunerated with a fixed annual fee, the amount of which is commensurate with the commitment required from them. This amount is increased for the Directors assigned with particular roles or who participate in the Committees within the Board. The remuneration of the Executive Directors is determined according to the best practices of companies in the same sector for comparable offices. In 2020, the average salary, regardless of the position in the company, was around € 42.000. This is in line with the gross annual salary per employee in the chemical sector in Italy[20].

Welfare

The offer of Welfare services has been enhanced and enriched over time. In 2020 too employees could choose to allocate, entirely or partially, the participation bonus accrued to corporate welfare services such as the reimbursement of school enrollment fees, reimbursement of school texts and reimbursement of assistance services for elderly or non self-sufficient family members. In addition, employees could choose to convert the premium in a supplementary pension fund.

3.3. SUSTAINABILITY NEEDS TRANSPARENCY

103-2, 103-3 GRI

Involving, inspiring and promoting the participation of people through the diffusion of the corporate values has always been really important for the Group. Internal communication plays a fundamental role in the process of enhancing resources by allowing the promotion of sharing of values, strategies and objectives.

The widespread distribution of press releases and organizational notes determines a continuum in the communication flows from management to the whole staff. That's the reason why, as in the past years, various kinds of meetings are organized throughout the year in order to create a climate of sharing and collaboration between colleagues that promotes integration and exchange of knowledge and professional skills, with the aim to improve the quality of performance.

20 The gross annual salary per employee for the chemical industry (€ 41,688) was obtained from the publication of Federchimica "The chemical industry in figures 2019" (latest data available), considering a gross salary per employee in Italy of € 29,358 (source ISTAT) and multiplying this value by 1.42 (coefficient reported in the Federchimica publication).

Moreover, publications on the company website are added periodically and the Sustainability Report is also published and distributed.

Finally, the organization of periodic meetings at each production site represents an opportunity to discuss company results and share their perspectives.

Unions relations

The relationship with the trade unions during 2020 was maintained on a constructive collaboration plan making possible to build good relations in the industrial management. The percentage of employees covered by a collective agreement is 100% for the Italian plants and over 90% for the foreign ones.

3.4. HEALTH & SAFETY

102-11, 103-2, 103-3, 403-9, 403-10 **GRI**

Health and Safety at the workplace are key elements and essential values for FLUORSID, that confirms its maximum commitment constantly promoting activities of prevention.

In compliance with the relevant legislation, the Group ensures the execution of the investments considered necessary in each production plant in order to ensure a safe and responsible management of production and a secure environment for workers. These investments are proposed at the beginning of each year, following the assessments made by the Heads of Prevention and Protection Services together with the Employers and the Heads of Technical Services. If further investments, that are not budgeted in advance, are needed during the year, they will still be implemented.

Furthermore, each plant adopts a Safety Management System with the aim of making work procedures safer and more reliable. In particular, the plants of Cagliari (FLUORSID S.p.A.), Treviglio (FLUORSID Icib Srl) and Porto Marghera (FLUORSID Alkeemia S.p.A.) implement specific Safety Management Systems in compliance with a legal obligation deriving from the belonging of the sites to the so-called " Seveso Directive "(more precisely to Legislative Decree 105/2015, which is the Italian transposition of the European EEC directive, known as the" Seveso III Directive "). Moreover, both Cagliari and Odda plants (FLUORSID Noralf) obtained the OHSAS 18001: 2007 certification and the transition to ISO 45001: 2018 is underway for the Cagliari plant.

Specifically, the preventative measures carried out by the company are:

- staff training and awareness campaign on issues related to safety in the workplace;
- monitoring of the main indices related to accidents at work;
- improvement interventions, where necessary, in production sites and adoption of Best Available Technologies (BATs);
- updating of specific risk assessment documents, where necessary, to keep an adequate level of risk assessment for every situations in production sites;
- specific audits at the plants in order to monitor the practical application of the requirements in terms of safety and the environment accordingly with current legislation.

Coordination meetings on Health and Safety issues are held regularly at the Italian plants, and at the Norwegian and English plants.

Health and Safety at work indexes

	From the 1st of January to the 31st of December 2019			From the 1st of January to the 31st of December 2020		
Performance index	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Working days lost due to workplace injury	**273**	**0**	**273**	**51**	**0**	**51**
of which for severe injuries	**0**	**0**	**0**	**0**	**0**	**0**
of which for in itinere injury	**60**	**0**	**0**	**31**	**0**	**31**
Injuries	**8**	**0**	**8**	**2**	**0**	**2**
of which severe	**0**	**0**	**0**	**0**	**0**	**0**
of which in itinere injury	**1**	**0**	**1**	**1**	**0**	**1**
Scheduled work hours	**525.163**	**53.053**	**578.216**	**517.196**	**60.814**	**578.010**
Effective work hours	**480.759**	**47.768**	**528.527**	**459.063**	**54.189**	**513.253**
Scheduled work days	**67.415**	**7.545**	**74.960**	**67.083**	**8.103**	**75.186**
Frequency index[21]	**14,6**	**0**	**13,2**	**2,2**	**0**	**1,9**
Seriousness index[22]	**0,41**	**0,00**	**0,37**	**0,04**	**0,00**	**0,03**
Absentee rate[23]	**1,3%**	**0,8%**	**1,2%**	**3,0%**	**2,6%**	**2,9%**

As a confirmation of the extreme attention to these issues and the presence of a safe and healthy workplace in all our plants, no accidents at work with fatal outcomes or occupational diseases were registered during 2020.

21 Ratio between work injuries (in itinere injuries excluded) and working hours, multiplied by 1.000.000.

22 Ratio between working days lost due to workplace injury (in itinere injuries excluded) and scheduled working hours, multiplied by 1.000.

23 Ratio between days of absence and scheduled workdays, multiplied by 100.

It should be noted that companies subject to Seveso legislation, as FLUORSID, are characterized by events of low frequency, but of high severity. In this sense, the particular care paid by the company towards Health & Safety issues led to the registration of a severity index of 0.03. This value corresponds to an average duration of accidents (ratio between days of absence due to accidents at the work and total number of accidents in the workplace) of about 20 days, way lower than the average value of 38.3 days that was registered for accidents at work occurred in 2019 (latest data available) in Sardinia, where the majority of FLUORSID employees operate[24].

FLUORSID management of Covid-19 pandemic

2020 was undoubtedly an unprecedented year, marked by the explosion of the Covid-19 pandemic that crushed Italy and the whole world. The pandemic abruptly changed our lives and put a strain both on the health system and the economic fabric of all countries.

This change of perspective has required companies and institutions to be exceptionally responsive and flexible. Like everyone else, FLUORSID could not fail to face an epochal change in a proactive and future-oriented way, looking for new opportunities to create encouraging scenarios.

FLUORSID had to deal with the universal and powerful effects of the pandemic and, in particular, with the fact that it all started in China, which represents a central player in the fluorine chemistry sector for raw materials and finished products.

The impact, both on the industrial and commercial world, was huge. The advent of the pandemic in Europe led to a sudden collapse of prices and a decreased demand that hit companies of every production sector worldwide.

Throughout the medical emergency FLUORSID implemented strict precautionary and risk management measures.

The Company was considered essential by the Government and so the production never stopped in the various plants, albeit with stricter measures and fulfilments to keep safe a community affected by an unprecedented event.

During the COVID-19 emergency, FLUORSID contributed to protect the Health and Safety of its employees and to preserve both their and the local community well-being while ensuring business continuity at the same time. A work group was immediately set up to hold daily meetings and hypothesize different scenarios in order to find and plan possible solutions to be adopted such as special measures and precautions, actions in case of lost sales, new storage solutions, etc.). The company was thus able to guarantee continuous operations throughout the crisis period.

24 Benchmark data source: INAIL. Sardinia Annual Report 2019, Statistical addendum.

The Group has taken all necessary measures to ensure the protection of the health of employees, even going beyond the regulatory requirements from time to time:

- since the beginning of the emergency a massive supply of masks and disinfectants (PPE) was carried out. The use of serological testing was adopted and a protective visor made of 100% plexiglass made in Italy and called RMT Shield was created and made in the Treviglio plant, in the center of one of the areas most affected by the virus, to respond quickly to the lack of PPE in environments with a high risk of contagion;
- in addition to the efforts to guarantee the health and safety in the workplace, FLUORSID focused on the well-being of collaborators as well, by giving a 1,000 euros bonus in April paycheck slip. Moreover, a supplementary health coverage was financed and activated in favor of all employees (including those in smart working), in the event of contagion from Covid-19.

Aware of its role in the contexts in which it operates, FLUORSID promptly responded to requests from the local community through various solidarity initiatives and made multiple donations to non-profit organizations.

The company has established relationships with hospitals in Sardinia, Milan, Padua and Treviglio. It also pursues several projects in collaboration with Cagliari Calcio and the Giulini Foundation that involve kids in juvenile correctional facilities.

ANNEX

Chapter: Our People

Info on employees

	Breakdown of total number of employees by type of contract and gender					
	FLUORSID as of 31st of December 2019			FLUORSID as of 31st of December 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Permanent	283	31	314	281	32	313
Non permanent	2	2	4	7	1	8
Total	285	33	318	288	33	321

	Breakdown of total number of employees by type of contract and gender					
	Italy as of 31st Decembre 2019			Italy as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Permanent	197	23	220	199	25	224
Non permanent	2	2	4	7	1	8
Total	199	25	224	206	26	232

	Breakdown of total number of employees by type of contract and gender					
	Norway as of 31st Decembre 2019			Norway as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Permanent	23	5	28	24	4	28
Non permanent	0	0	0	0	0	0
Total	23	5	28	24	4	28

	Breakdown of total number of employees by type of contract and gender					
	UK as of 31st Decembre 2019			UK as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Permanent	63	3	66	58	3	61
Non permanent	0	0	0	0	0	0
Total	63	3	66	58	3	61

	Breakdown of total number of employees by type of full-time/part-time contract and gender					
	FLUORSID as of 31st Decembre 2019			FLUORSID as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Full-time	268	29	297	272	29	301
Part-time	17	4	21	16	4	20
Total	285	33	318	288	33	321

	Breakdown of total number of employees by type of full-time/part-time contract and gender					
	Italy as of 31st Decembre 2019			Italy as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Full-time	185	22	207	193	23	216
Part-time	14	3	17	13	3	16
Total	199	25	224	206	26	232

	Breakdown of total number of employees by type of full-time/part-time contract and gender					
	Norway as of 31st Decembre 2019			Norway as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Full-time	23	5	28	24	4	28
Part-time	0	0	0	0	0	0
Total	23	5	28	24	4	28

	Breakdown of total number of employees by type of full-time/part-time contract and gender					
	UK as of 31st Decembre 2019			UK as of 31st Decembre 2020		
Type of contract	Men	Women	Total	Men	Women	Total
Full-time	60	2	62	55	2	57
Part-time	3	1	4	3	1	4
Total	63	3	66	58	3	61

Number and rate of new hires and staff turnover

Number and rate of new hires and terminations					
FLUORSID					
New hires					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	12	10	4	26	9,0%
Women	0	2	0	2	6,1%
Total	12	12	4	28	8,7%
Terminations					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	3	10	7	20	6,9%
Women	0	0	0	0	0,0%
Total	3	10	7	20	6,2%

Number and rate of new hires and terminations					
Italy					
New hires					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	6	8	2	16	0,07%
Women	0	2	0	2	0,07%
Total	6	10	2	18	0,07%
Terminations					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	0	2	5	7	0,03%
Women	0	0	0	0	0%
Total	0	2	5	7	0,01%

Number and rate of new hires and terminations					
Norway					
New hires					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	0	1	0	1	0,04%
Women	0	0	0	0	0%
Total	0	1	0	1	0,04%
Terminations					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	0	0	0	0	0%
Women	0	0	0	0	0%
Total	0	0	0	0	0%

Number and rate of new hires and terminations					
United Kingdom					
New hires					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	6	1	2	9	0,16%
Women	0	0	0	0	0%
Total	6	1	2	9	0,15%
Terminations					
Number of people	2020				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	Rate
Men	3	8	2	13	0,22%
Women	0	0	0	0	0%
Total	3	8	2	13	0,21%

Type of injuries, injury rate, severity index, absenteeism rate and number of work-related deaths

Italy						
	From 1st of January to 31st December 2019			From 1st of January to 31st December 2020		
Performance Index	Men	Women	Total	Men	Women	Total
Working days lost due to workplace injury	248	0	248	31	0	31
of which for severe injuries	0	0	0	0	0	0
of which for in itinere injury	60	0	60	31	0	31
Injuries	6	0	6	1	0	1
of which severe	0	0	0	0	0	0
of which in itinere injury	1	0	1	1	0	1
Scheduled work hours	370.306	39.362	409.668	380.899	47.123	428.022
Effective work hours	325.981	34.077	360.058	322.911	40.498	363.409
Scheduled work days	47.538	5.716	53.254	48.371	6.274	54.645
Frequency index	15,3	0	13,9	0	0	0
Seriousness index	0,5	0	0,4	0	0	0
Absentee rate	0,012%	0,01%	0,012%	0,036 %	0,033%	0,036%

Norway						
	From 1st of January to 31st December 2019			From 1st of January to 31st December 2020		
Performance Index	Men	Women	Total	Men	Women	Total
Working days lost due to workplace injury	15	0	15	0	0	0
of which for severe injuries	0	0	0	0	0	0
of which for in itinere injury	0	0	0	0	0	0
Injuries	1	0	1	0	0	0
of which severe	0	0	0	0	0	0
of which in itinere injury	0	0	0	0	0	0
Scheduled work hours	38.985	8.475	47.460	38.985	8.475	47.460
Effective work hours	38.985	8.475	47.460	38.985	8.475	47.460
Scheduled work days	5.198	1.130	6.328	5.198	1.130	6.328
Frequency index	25,7	0	21,1	0	0	0
Seriousness index	0,4	0	0,3	0	0	0
Absentee rate	1,9%	0	1,6%	0	0	0

United Kingdom						
	From 1st of January to 31st December 2019			From 1st of January to 31st December 2020		
Performance Index	Men	Women	Total	Men	Women	Total
Working days lost due to workplace injury	10	0	10	20	0	20
of which for severe injuries	0	0	0	0	0	0
of which for in itinere injury	0	0	0	0	0	0
Injuries	1	0	1	1	0	1
of which severe	0	0	0	0	0	0
of which in itinere injury	0	0	0	0	0	0
Scheduled work hours	115.872	5.216	121.088	97.312	5.216	102.528
Effective work hours	115.793	5.216	121.009	97.168	5.216	102.384
Scheduled work days	14.679	699	15.378	13.514	699	14.213
Frequency index	8,6	0	8,3	10,3	0	9,8
Seriousness index	0,02	0	0,02	0,04	0	0,03
Absentee rate	1,2%	0,0%	1,2%	1,8%	0,0%	1,7%

4. FLUORSID AND THE TERRITORIES

Our work is the result of harmony with the territories where we are based

4.1. SUPPORTING LOCAL COMMUNITIES

103-2, 103-3 GRI

FLUORSID has always focused its sustainability strategy on amplifying the link with the territories in which it operates. The peculiarity of its business model leads the company towards a distinctly international driven approach, being sure of not leaving the places from which the entrepreneurial project started. Community and environment are the main actors leveraged by the company to develop and plan its actions - both locally and internationally - in order to generate a positive social and environmental impact.

The communities

The Cagliari plant - due to its competence organization and type of products - certainly represents one of the key strengths of the company's strategy, also underlined by the attention given to the growth of the professionalism of its staff.

In this context, in 2019, a project was launched with the municipalities of Cagliari and Assemini aimed at spreading knowledge of the chemical industry among middle and high school students. The project first involves a visit by the students to the Cagliari plant, then a competition of ideas among the lads to find the best representation of the concept of the chemical industry. The activity - which FLUORSID particularly cares about - unfortunately could

not be repeated in 2020 due to Covid-19, but will be back for sure in the coming years.

For the same reason, “The Chemistry Games”, launched in collaboration with the world of education, which represents a primary stakeholder for FLUORSID, could not continue in 2020.

The initiative is an event aimed at stimulating the interest of young people in the knowledge of chemistry. More in detail, the goal is to make students understand the importance of this science for the life of mankind and the entire universe. The strategic link between FLUORSID and the games of chemistry focuses on the training and research of young excellence in the area that can be the future generation for the human capital of the company.

To reiterate the commitment towards the academic world, an initiative was held in 2020, promoted by Samsung Electronics Italia, with the idea of accompanying students of Italian public universities in a training course on innovation, opening up new professional scenarios in the digital environment. In detail, FLUORSID asked students to redesign the process logistic process around raw materials within the operating sites, with the aim of automating all the phases.

During the pandemic, FLUORSID has been always alongside the communities donating hand sanitizing gel and masks to the hospitals of Cagliari, Treviglio, Mestre and San Carlo in Milan, as well as to the Sant’Elia Cooperative. The initiative undertaken together with the Carlo Enrico Giulini Foundation is significant and led to the donation of several thousand masks to the Quartucciu juvenile prison.

Furthermore, talking about corporate social responsibility, fair to underline the decision of the company to start the process for obtaining the Social Accountability SA8000 certification, which identifies an international certification standard drawn up by the CEPAA (Council of Economical Priorities Accreditation Agency). The process is aimed at certifying certain aspects of corporate management, relating to corporate social responsibility such as respect for human rights, respect for workers’ rights, protection against the exploitation of minors, guarantees of safety and health in the workplace.

One more important area of collaboration between FLUORSID and the local communities is represented by sport and more specifically the world of football. In fact, the company has a partnership in place with Cagliari Calcio starting from 2018 and with Olbia Calcio since 2017, being the main sponsor of the north Sardinia football club’s jersey.

FLUORSID and Olbia Calcio share the same core values, the deep passion for work and the strong social commitment for the territory. That is why the sponsorship deal has been announced will probably last another five sporting seasons.

Thanks to its partnerships with the world of football already tested in Sardinia, in the 2019-20 and 2020-21 begins the new deal with Venezia FC, showing FLUORSID's logo on their amazing Nike jerseys. The first official appearance took place on August 24 during the Serie B match against Cremonese.

A fourth club has been added as well in 2020, the Urena Sport Club, Venezuelan club from San Cristobàl. The relationship with FLUORSID was established through social initiatives and the inclusion of the brand as main sponsor in the game jerseys for official matches.

The environment

The management of FLUORSID by-products represents an international best practice, which implements the key principles of the circular economy, passing from waste management with strong environmental impacts, to a virtuous system that encourages the research operations of potential recipient companies ready to get - at low cost - the new raw material, establishing win-win relationships and creating valuable business networks. With the aim of continuous improvement, the company is always looking for new solutions to reuse the by-products deriving from its own production process.

In this perspective, the following initiatives should be taken on consideration:

- starting from 2020, the project called INNCED is planned to be implemented and FLUORSID has started a collaboration with ENEA for the development of innovative building panels. The one-year project uses a by-product of the industrial production cycle, 98% made by calcium sulphate (CaSO4), to make the panels. The ENEA researchers team is studying the creation of an innovative panel prototype for the construction sector, according to circular economy models and characterized by resistance to fire and mechanical stress, high levels of thermal and acoustic insulation and high lightness;
- collaboration with the University of Cagliari aiming at studying the use of CaSO4 to create the road foundation for rural roads;
- open table with the Government of Sardinia to study the possibility of leveraging anhydrite as it is to fill abandoned quarries/mines or in cultivation.

The quality and safety of products is a fundamental topic for FLUORSID, which is committed towards trying to contain and reduce environmental impacts throughout the product life cycle. In particular, the company has focused its efforts on the management of wastewater. To this end, a plant purifier was implemented in the Cagliari plant to treat the wastewater before sending it to the consortium network, in order to improve the quality of the surface water. In the Porto Marghera plant, the redefinition of the threshold values of the quality parameters of the water discharged into the consortium network is underway, a preventive action given the proximity to the Venice Lagoon.

4.2. CREATING AND SHARING VALUE

103-2, 103-3, 201-1 GRI

The company's sustainability strategy does not end with attention to the environmental and social impacts generated, but bases its foundations on a solid economic-financial and equity structure. 2020 was dominated by general uncertainty, with a contraction of the global economy of 3.5%. To return to pre-pandemic levels and in order to recover the output gaps, we will probably have to wait until 2023, when the growth of the global economy is expected to settle over 4%, in the presence of inflation levels that are estimated to be contained. All the investee companies have been affected by the emergency situation, in terms of contraction in consumption and restrictions on the circulation of goods and people, recording results that tend to be lower than 2019.

Analyzing the main economic-financial indicators, in 2020 a turnover of € 372 million was recorded. The following representation shows how the value created by the Group is then shared among the various FLUORSID stakeholders.

Reclassified income statement and representation of the generated economic value (data in € Mln)

ECONOMIC VALUE GENERATED	2020
1) Revenues from sales and services	371,91
2) Sell-through of work in progress, semi-finished and finished products	-2,34
4) Real estate value for internal work	0,70
Total other revenues and income	10,58
Total other financial income	1,74
Total revaluations	6,37
Total write-downs	0,00
17-bis) currency exchange gains and losses	-1,08
11) Sell-through of MP, subsidiaries, consumables and goods	17,59
12) Provision for risks	0,51
14) Various management fees	5,60
Total gross economic value generated:	364,17
Total depreciation and write-downs:	45,26
Total Net Economic Value Generated:	318,91

Starting from the quantification of the Economic Value Generated by the company in 2020, it was possible to determine the distribution prospectus among the various stakeholders.

Distributed Economic Value (data in € Mln)

DISTRIBUTED ECONOMIC VALUE:	2020
...of which to Vendors:	274,68
6) for MPs, subsidiaries, consumables and goods	207,53
7) for services	63,46
8) for the benefit of third parties	3,69
...of which to employees:	66,21
Total for staff	66,21
...of which to the Lenders:	2,88
Total interest and other financial charges	2,88
...referred to the Community:	-6,17
Total current, deferred and prepaid income taxes for the year	-6,17
...of which to the Shareholders:	0,00
Total Economic Value Distributed:	337,60

Economic value retained:	-18,69

The distribution of the Economic Value among the stakeholders is symptomatic of the investment strategy implemented by the company in recent years. In 2020, net of the economic value distributed to suppliers (equal to 275 million euros), the collaborators were among the most important stakeholders, having received approximately 66 million euros.

4.3. OUR VENDORS

102-9, 103-2, 103-3, 204-1, 308-1, 414-1 GRI

FLUORSID believes its vendors are partners who contribute towards the creation of shared value, rather than simple companies within the production chain.

The company - in fact - continuously invests in the search for the best supply options, focusing on the selection of vendors able to guarantee the best quality and cost-effectiveness. The selection is runned through a rigorous process which - in line with principles of transparency and impartiality - requires the evaluation of specific parameters and the presence of anti-mafia and anti-money laundering certifications and declarations.

For this reason, the company has developed a dedicated evaluation form that allows each vendor to be assigned a score based on the quality of the product or service provided, the economic conditions of supply and the certifications held by the vendor company.

The evaluation criteria of vendors

A		
Quality of the product/ service (product, features of the product/ service)	5	poor
	6	good
	7	very good
	10	excellent
B		
Economic conditions, convenience of prices	5	above market value
	6	aligned with market value
	10	below market value
C		
Punctuality and reliability (delivery times and compliance with them, flexibility and adaptability to needs)	5	poor
	6	good
	10	very good
D		

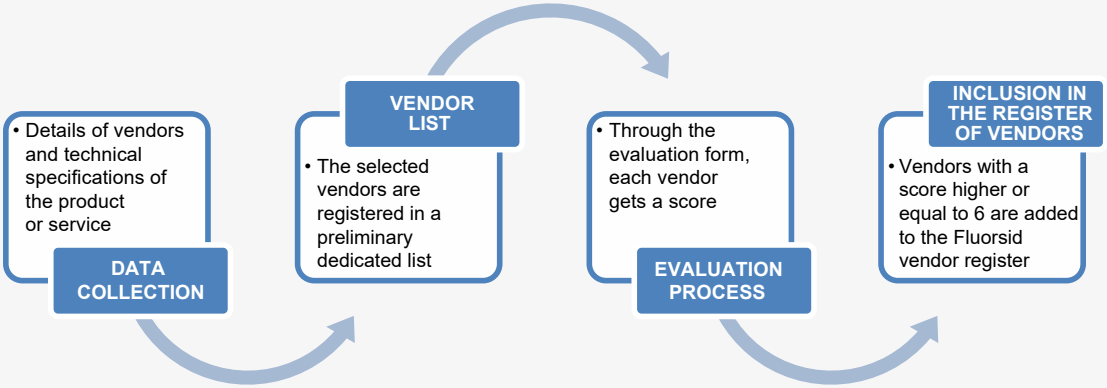
Certifications (additional score on the average between A, B, C)	0,5	Quality
	0,5	Environment
	0,5	Security
	0,5	MOGC 231
EVALUATION SCHEME		
Overall D score added on the average between A,B,C	4	Non qualified
	5	Qualified with reserve
	10	Qualified
RESULTS OF THE EVALUATION PROCESS		
EVALUATOR		

The attributable score covers a range from 0 to 10 and only if the vendor reaches a score equal to at least 6 tenths is it entered in its own Register of Vendors.

The procurement market is monitored carefully: the establishment of a dedicated Register allows the company to monitor the history of the relationships with the vendor companies at individual level.

Careful procurement is necessary and functional to achieve the high quality standards claimed by the company. The same considerations apply with reference to the assessment of the perception of corruption in the public sector and in the politics of the vendors' countries of origin, which appear to be of strategic importance. The complex vendor selection process has resulted in collaborative relationships with partners located throughout the world. Through stable and lasting relationships over time, FLUORSID does its best to generate extra value for all the territories in which it operates.

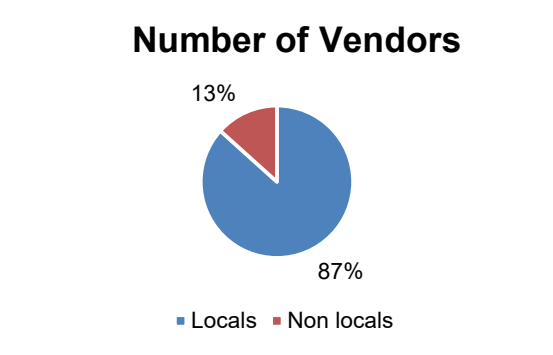
The vendor selection process

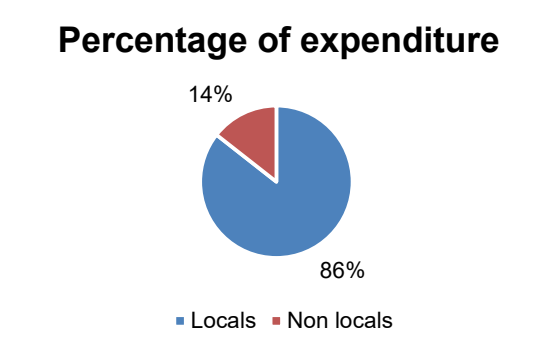


All selected vendors comply with required supply procedures, which increasingly go beyond traditional international standards of responsibility in production.

Among the supplier selection criteria, compliance with specific certifications is considered, requiring its suppliers not only to comply with stringent criteria relating to the quality of materials but also to the environment. The selection process ends with the evaluation of an additional indicator, the Corruption Perceptions Index, CPI. In fact, when sourcing on the international market, the company is subject to the risk of incurring events related to the political and economic instability of the different countries, to the obvious detriment of the entire production process.

Of particular importance is the origin of the purchases: wherever possible, purchases made locally are preferred, in order to create value for the local communities where FLUORSID operates[25].





In 2020, the expenditure on local vendors was more than € 105 million, that represents 86% of the total expenditure on supply. Encouraging relationships with local partners is the strategy that the company pursues to support the growth of the economy of the territories in which it directly operates. The Group's efforts in this way are evident in particular in Sardinia, where the Group works almost exclusively with local partners.

AGREEMENT WITH ALBA FOR EXPORTING IN DUBAI

Concerning the relationship with international customers, FLUORSID has signed an agreement with Alba for exports to Dubai. The deal - through its warehouse in Manama, Bahrain - allows the company to be more closely linked to one of the largest aluminum producers in the world, by increasing proximity to the Middle East.

25 Noralf is not included in the paragraph as the purchases are managed directly by FLUORSID S.p.A. in Italy

Thanks to this deal, the company will be able to obtain numerous benefits including the loyalty of customers who belong to that region, as well as cost savings advantages.

OVERVIEW AND ADDITIONAL INFORMATION ABOUT THE REPORT

102-42, 102-43, 102-45, 102-46, 102-48, 102-49, 102-50, 102-52, 102-53, 102-54 **GRI**

The 2020 Report (also "Sustainability Report") represents the document through which the initiatives and main results in terms of sustainability performance obtained by FLUORSID are described.

The document represents the commitment of the FLUORSID Group (the "Group") to establish structured and transparent reporting to stakeholders over its environmental and social performance. The 2020 Report aims to provide a description of the projects and results achieved with a view to creating value for the community and stakeholders.

This work reports on the performance of the Group, its results and the impact produced on the issues deemed relevant, to the extent necessary to ensure understanding of the business. This 2020 Report has been prepared in accordance with the Sustainability Reporting Standards published by the Global Reporting Initiative - GRI ("GRI Standards"), according to an "In accordance-Core" level. The GRI Standards are currently the most recognized and widespread international standard in the field of non-financial reporting.

All data and info included refer to the financial year 1 January - 31 December 2020, unless otherwise indicated. Where possible, comparative data referring to previous years have been reported, in order to present the trend of the Group's performance over a longer time horizon. To provide an accurate representation of performance, the inclusion of directly detectable and measurable qualitative and quantitative indicators was privileged, resorting to estimates only in limited cases, promptly reported.

With regards to data relating to the fiscal year 2019, considered the comparative reference in this Report, have been restated in order to also include FLUORSID British Fluorspar Limited in the reporting scope and allow a homogeneous comparison with the reporting scope for the 2020 financial year.

The contents to be reported were selected on the basis of the results of the materiality assessment, which identified the relevant issues for the economic, social and environmental impacts of FLUORSID and its Stakeholders.

The perimeter of all the data relating to employees includes FLUORSID S.p.A., FLUORSID Icib Srl, FLUORSID Alkeemia S.p.A., FLUORSID Noralf and FLUORSID British Fluorspar Ltd. The scope of the remaining social and environmental data considers the significant impacts of the companies indicated above, with particular reference to the Group's production plants. The economic-financial data coincide with the reporting perimeter of the Group's consolidated financial statements. Any boundary limitations are specified in the document.

The frequency of publication of the FLUORSID Report is at complete discretion of the Board of Directors.

For any information or enquiry about the FLUORSID Report, you can refer to the Marketing and Communication Department or to the CSR Department: (info@fluorsid.com)

INDICE DEI CONTENUTI GRI

GRI Standard	Page N.	Informations
GRI 102: General Disclosures 2016		
Organization profile		
GRI 102-1	10	Company name.
GRI 102-2	10, 13	Activities, brands, products, and services.
GRI 102-3	10	Location of headquarters.
GRI 102-4	10, 13-19	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.
GRI 102-5	23	Nature of ownership and legal form.
GRI 102-6	19, 23	Markets served, including (geographic locations where products and services are offered, sectors served, types of customers and beneficiaries).
GRI 102-7	23	Scale of the organization.
GRI 102-8	62	Information on employees and other workers.
GRI 102-9	87	A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services
GRI 102-10	23	Significant changes to the organization's size, structure, ownership, or supply chain,.
GRI 102-11	71	Whether and how the organization applies the Precautionary Principle or approach.
GRI 102-12	42	A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.
Ethic and integrity		
GRI 102-16	12, 28, 42	Values, principles, standards, and norms of behavior.

Governance		
GRI 102-18	**23**	**Governance.**
GRI 102-22	**23**	**Composition of the highest governance body and its committees**
Stakeholder Engagement		
GRI 102-40	**39**	**List of stakeholder groups engaged by the organization.**
GRI 102-41	**Italian sites have 100% employees under collective bargaining agreements, in the other countries above 90%.**	**Percentage of total employees covered by collective bargaining agreements.**
GRI 102-42	**39, 90**	**The basis for identifying and selecting stakeholders with whom to engage.**
GRI 102-43	**39, 90**	**The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.**

GRI 102-44	39	Key topics and concerns that have been raised through stakeholder engagement, including how the organization has responded to those key topics and concerns, including through its reporting, the stakeholder groups that raised each of the key topics and concerns.

Reporting practice

GRI 102-45	90	Entities included in the consolidated financial statements.
GRI 102-46	90	Defining report content and topic Boundaries.
GRI 102-47	90	List of the material topics identified in the process for defining report content.
GRI 102-48	90	The effect of any restatements of information given in previous reports, and the reasons for such restatements.
GRI 102-49	90	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.
GRI 102-50	90	Reporting period for the information provided.

GRI 102-51	FLUORSID's 2020 Sustainability report has been published on the institutional website https://fluorsid.com/it/	Date of most recent report
GRI 102-52	90	Reporting cycle
GRI 102-53	90	Contact point for questions regarding the report
GRI 102-54	90	Claims of reporting in accordance with the GRI Standards
GRI 102-55	92-103	GRI Content Index

GRI Standard	Page N.	Omission	Information
Material Topic: ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016			
GRI 103-1	30		Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91		The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91		Evaluation of the management approach
GRI 201: Economic performance 2020			
GRI 201-1	84		Direct economic value generated and distributed.
Material Topic: RESPONSIBLE MANAGEMENT OF THE PRODUCTION CHAIN			
GRI 103: Management Approach 2016			
GRI 103-1	30		Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91		The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91		Evaluation of the management approach
GRI 204: Vendors selection practice 2016			
GRI 204-1	87		Proportion of spending on local suppliers
GRI 308: Vendors evaluation by environmental parameters 2016			
GRI 308-1	During the evaluated period new vendors have been screened following the criteria explained in the paragraph “OUR VENDORS”.		New suppliers that were screened using environmental criteria

GRI 414: Vendors evaluation based on social criteria 2016		
GRI 414-1	During the evaluated period new vendors have been screened following the criteria explained in the paragraph "OUR VENDORS".	New suppliers that were screened using social criteria
Material Topic: BUSINESS INTEGRITY		
GRI 103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 205: Anti-Bribery 2016		
GRI 205-3	No incidents reported in the evaluated period of time.	Confirmed incidents of corruption and actions taken
GRI 206: Anti-competitive behaviour 2016		
GRI 206-1	No incidents reported in the evaluated period of time.	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 406: Non-discrimination 2016		
GRI 406-1	No incidents reported in the evaluated period of time.	Incidents of discrimination and corrective actions taken

GRI 408: Child Labor 2016		
GRI 408-1	28	Operations and suppliers at significant risk for incidents of child labor
GRI 409: Forced or compulsory Labor 2016		
GRI 409-1	28	Operations and suppliers at significant risk for incidents of forced or compulsory labor
Material Topic: EFFICIENT USE OF RAW MATERIALS		
GRI 103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 301: Materials 2016		
GRI 301-1	47	Materials used by weight or volume
GRI 302: Energy 2016		
GRI 302-1	51	Energy consumption within the organization
GRI 303: Water 2018		
GRI 303-3	52	Water withdrawal
GRI 303-4	52	Water discharge
GRI 303-5	52	Water consumption

Topic materiale: CONTROLLO E RIDUZIONE DEGLI IMPATTI AMBIENTALI		
GRI 103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 305: Emissions 2016		
GRI 305-1	52	Direct (Scope 1) GHG emissions
GRI 305-2	52	Energy indirect (Scope 2) GHG emissions
GRI 305-7	52	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
GRI 304: Biodiversity 2016		
GRI 304-1	59	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
GRI 306: Waste 2020		
GRI 306-3	57	Waste generated
GRI 306-4	57	Waste diverted from disposal
GRI 306-5	57	Waste directed to disposal
Material Topic: CARE OF WORKERS		
GRI 103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.

GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 401: Employment 2016		
GRI 401-1	62	Total number and rate of new employee hires and turnover during the reporting period, by age group, gender and region
GRI 405: Diversity and equal opportunities 2016		
GRI 405-1	23, 69	Diversity of governance bodies and employees
GRI 406: Non-discrimination 2016		
GRI 406-1	No incidents reported in the evaluated period of time.	Incidents of discrimination and corrective actions taken
Material Topic: TRAINING AND AWARENESS		
103: Management Approach 2020		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach

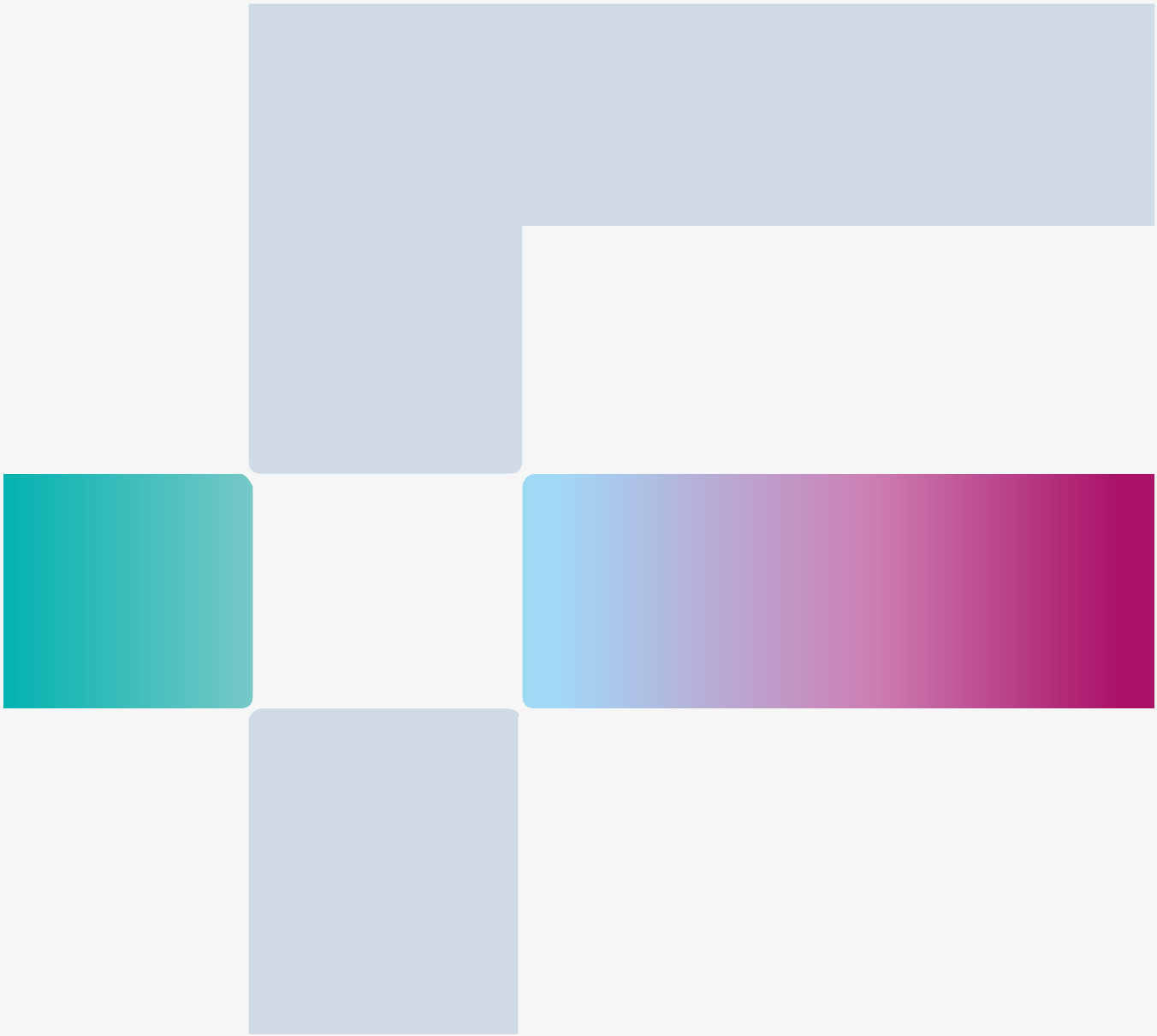
GRI 404: Training and education 2016		
GRI 404-1	64	Average hours of training per year per employee.

Material Topic: OCCUPATIONAL HEALTH & SAFETY		
103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 403: Occupational health and safety 2018		
GRI 403-1	70-73	Occupational health and safety management system
GRI 403-2	70-73	Hazard identification, risk assessment, and incident investigation
GRI 403-3	70-73	Occupational health services
GRI 403-4	70-73	Worker participation, consultation, and communication on occupational health and safety
GRI 403-5	70-73	Worker training on occupational health and safety
GRI 403-6	70-73	Promotion of worker health
GRI 403-9	71	Work-related injuries
GRI 403-10	71	Work-related ill health

Material Topic: RESPONSIBLE PRODUCT MANAGEMENT		
103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 416: Customer health and safety 2016		
GRI 416-2	No incidents reported in the evaluated period of time.	Incidents of non-compliance concerning the health and safety impacts of products and services
Material Topic: PRODUCT INFORMATIONS		
103: Management Approach 2016		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
GRI 417: Marketing and labeling 2016		
GRI 417-2	No incidents reported in the evaluated period of time.	Incidents of non-compliance concerning product and service information and labeling
Material Topic: CENTRALITY OF INNOVATIVE TECHNOLOGIES		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components

GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: TRANSPARENCY OF RELATIONS WITH INTERESTED PARTIES		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: DIALOGUE WITH STAKEHOLDERS		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: CIRCULAR ECONOMY		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic materiale: PRODUCTS LIFE-CYCLE ASSESSMENT		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components

GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: EMERGENCY MANAGEMENT		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: SUSTAINABLE LOGISTIC		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: LOCAL COMMUNITIES		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach
Material Topic: CUSTOMER SATISFACTION		
GRI 103-1	30	Explanation of the material topic and its Boundary.
GRI 103-2	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	The management approach and its components
GRI 103-3	13, 28, 39, 47, 49, 51, 52, 55, 57, 59, 62, 64, 69, 70, 71, 80, 84, 91	Evaluation of the management approach



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