



# SUSTAINABILITY REPORT

# 2024

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# LETTER TO STAKEHOLDER

Dear Stakeholders,

We are pleased to share with you Deimos's first Sustainability Report, a document that marks an important step in our journey to integrate sustainability into the company's operations and strategic decisions.

2024 marked the beginning of a structured ESG analysis and reporting process, which allowed us to look more consciously at our impact and responsibilities. This report stems from a structured and collaborative process of listening and internal engagement, and it reflects the company's commitment to creating value in a transparent, responsible, and long-term-oriented way.

Over the past year, Deimos developed its first Sustainability Plan and established a **dedicated ESG governance structure**, responsible for overseeing the implementation of sustainability initiatives and ensuring their continuity over time. On the environmental front, we strengthened our contribution to the **circular economy** through more efficient management of our inventory

shelf life, as well as targeted initiatives to reuse and valorise waste along the supply chain. On the social side, we continue to promote **operational flexibility and attentiveness to people's needs**, integrating well-being and performance throughout the organization.

Our objective is to keep moving forward in this direction, building on the work that has already been done and creating new projects that reinforce a culture of sustainability both within and beyond the company. For us, this means striving every day to enhance the quality of our relationships with clients, suppliers, employees, and the broader community. Ringraziamo tutte le persone che hanno reso possibile. We thank all those who made this project possible. We hope this document serves not only as a snapshot of what we have achieved so far, but also as a tool to jointly look ahead to the challenges of the future.

Enjoy the read.

**Hans Udo Wenzel**  
President

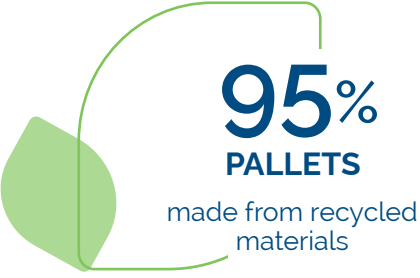


# HIGHLIGHTS 2024

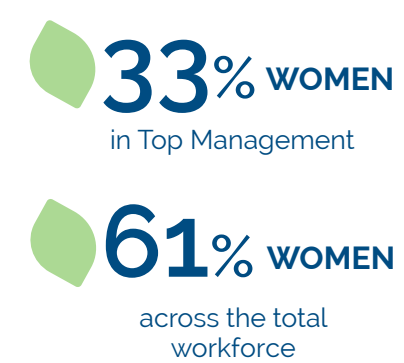
The following data represents key highlights from the 2024 Sustainability Report.

Percentage changes (delta) refer to differences compared to 2023 values.

## ENVIRONMENT



## SOCIAL



## GOVERNANCE





# WHO WE ARE

Deimos is a leading entrepreneurial company in Italy, specializing in the **distribution of raw materials, ingredients, and chemical specialties for the life science sectors.**

The company was born from the integration of several entities with long-standing experience in the food, cosmetics, pharmaceutical, agricultural, animal nutrition, and industrial sectors. By bringing together complementary expertise and specialized know-how, Deimos was created with the objective of offering **innovative, high-quality solutions** tailored to meet the specific and evolving needs of its clients with **accuracy and efficiency.**

The company's roots trace back to **2011** with the founding of Inalchim, followed by the **acquisition of Deimos in 2016** and their **merger in 2017.**

Our services and products include a broad portfolio of technical solutions and innovative ingredients, selected to meet the needs of clients operating in highly specialized fields.

At the heart of our business model are three core values that guide every strategic decision and inspire our daily work: **flexibility, knowledge, and entrepreneurship.**

We strive to be creators of innovative solutions and professionals in the distribution of ingredients and chemical specialties for the Life Science markets.



# Company History

## 2011 - The origins: it all starts with Inalchim

The story of Deimos Group began in 2011, driven by a bold and forward-looking entrepreneurial vision, supported by a strong industry experience. Hans Udo Wenzel, founder and former CEO of Azelis, together with his colleague and friend Tonio Grassmann, who held international leadership roles in the Food sector at Azelis, decided to open a new chapter by launching a new business venture together.

This led to the creation of Inalchim, the result of a strategic buyout of the Food and Pharma divisions from the historic company Inalco, a key player in the Italian distribution market for the Life Science sector. Inalchim took its first steps as a pure agency, representing prestigious European and non-European producers of food raw materials (such as starches and dairy derivatives) and pharmaceutical intermediates.

## 2014-2015: From agency to distribution

The first step toward a structural evolution came in **2014**, with the adoption of a direct distribution model (**buy & resell**) and the establishment of a logistics partnership with **Bertini Trasporti**, who assumed responsibility for warehousing and logistics operations. This shift laid the groundwork for structured organic growth, leading to a doubling of revenue within just two years.

In 2015, Hans Udo Wenzel brought on board a group of investors who were already active in Aromata Group, a company operating in the food flavouring sector. This led to the creation of Distrinvest, a financial company

Deimos Group is the result of the aggregation of several companies with a long-standing tradition in distribution for the pharmaceutical, food, and cosmetics markets, as well as adjacent industrial sectors

that entered as a majority shareholder to support the vision of building a reference hub for the distribution of raw materials for life sciences and chemical specialties.

## 2016 - The strategic turning point: the reverse merger

2016 marked a strategic milestone in the Group's growth **with the acquisition of Deimos S.r.l.**, a company specialized in the distribution of active pharmaceutical ingredients (APIs) and functional ingredients for the food and nutraceutical sectors, perfectly complementary to Inalchim's core business. A particularly significant aspect of this acquisition was Deimos' **GMP (Good Manufacturing Practices) certification**, a fundamental requirement for importing and com-

mercializing **active pharmaceutical ingredients** from non-European markets such as India and China. This certification, typically associated with pharmaceutical manufacturing facilities, is held by only a handful of distributors in Italy (approximately five).

To **preserve the value** of this authorization, the shareholders opted for a **reverse merger** integrating Inalchim into the acquired company, Deimos. This strategic choice allowed the Group to **retain GMP certification** and marked the official birth of Deimos Group.

## 2017-2021: Consolidation in the Food and Cosmetic sectors

In 2017, Aethra joined the Group, a company active in the distribution of nutraceutical ingredients and food raw materials, thus further strengthening Deimos' presence in the broader Food sector.

The 2019 acquisition of Eurochemicals, a company mainly specializing in hair colouring and bleaching, opened the door to additional sectors: cosmetics, agrochemicals, animal nutrition, and industrial applications. The latter, although not fully aligned with the Life Science focus, played a key role by enabling the use of intermediates beyond the pharmaceutical space.

The industrial division was renamed "Special Applications", and the transaction significantly expanded the product portfolio, positioning Deimos Group as a multi-sector distributor of chemical specialties.

In 2021, A.Erre, specialized in Personal Care (skincare, make-up, and toiletries), joined the Group, completing Deimos' cosmetics offering and integrating seamlessly with the business established through Eurochemicals.



2022: International expansion and the shift “from distribution to solution”

Deimos took its first steps internationally in 2022, through the acquisition of Croatian companies Palco (active in the Food sector) and Nutrfit (also operating in the animal nutrition and cosmetics/ cleansing sectors).

The two companies, already linked by a joint venture in Slovenia (PALCONutrfit Slovenia), were merged into a single integrated entity, PALCONutrfit, created to serve the entire Balkan region more efficiently.

Also in 2022, a major strategic shift began, paving the way for the transition “from distribution to solution”, with the acquisition of Aliseia, an Italian company specialized in the formulation and third-party production of functional blends for the meat sector.

Thanks to this operation, Deimos Group evolved from the traditional buy-and-resell model of the single ingredient to becoming a formulator of high value-added functional solutions for end users.

The acquisition of Aliseia became a catalyst for extending this business model to the bakery sector as well, culminating in the creation of the “Evolutia” brand by Deimos Food.

2024 - Growth and consolidation of partnership model

In 2024, the Group further strengthened its presence in the Food sector with the addition of QR Ingredients, specialized in the savoury and organic segments, and Log2Go, a Luxembourg-based company active in the trading of natural ingredients such as cocoa and dried fruits.

Deimos looks to the future towards innovation and sustainability, following the founders' vision

Deimos' Philosophy

The acquisitions carried out by Deimos Group have consistently reflected a clear vision: the creation of a genuine partnership model.

Each company that joins the Group brings not only its business but also a wealth of expertise, relationships, and entrepreneurial spirit. This approach has enabled Deimos to preserve strong technical and commercial

capabilities, maintain close relationships with clients, and ensure the flexibility that defines its identity, firmly rooted in Life Sciences.

The founders' vision, a strong alignment of values, and a continuous focus on **sustainability, quality, and innovation** have driven the Group's growth.

It is a story of success that continues every day, inspired by the same pioneering spirit that led Hans Udo Wenzel and Tonio Grassmann to embark on their journey in 2011. Looking ahead, Deimos remains focused on **innovation and sustainability**, with new and ambitious projects already on the horizon for 2025.

DEIMOS' JOURNEY





# Corporate Culture

At Deimos, company **culture** is a fundamental pillar, a constant guide in shaping both strategy and everyday actions.

It is a culture born from the convergence of **established expertise** and **entrepreneurial vision**, and it is continuously nurtured through listening, accountability, and collaboration

Everyone at Deimos is called to contribute to building a dynamic and stimulating environment, where **professional growth** goes hand in hand with **personal development**, and where the value of work lies in the ability to deliver tangible, sustainable solutions for clients, while respecting the environment, people, and relationships.

At the heart of it is a strong sense of **shared responsibility**, expressed through the desire to **learn, innovate, and continuously improve**, in a context that values initiative, trust and active participation in the life of the company



## MISSION

"We support our partners – clients, suppliers and Principals – by offering them a 360° application, logistics and technical-commercial service, personalized and built on years of experience and a deep commitment to quality and sustainability"



## VISION

"We strive to be creators of innovative solutions and professionals in the distribution of ingredients and chemical specialties for the market of Life Science"



## VALUES

- Flexibility: Enabled by the entrepreneurial spirit of the SMEs integrated into the Group.
- Knowledge: Born from the integration of the technical-commercial know-how of our entrepreneurs.
- Entrepreneurship: The foundation of our growth, shared by our founders and shareholders.





# Our Value Proposition

With solid experience built over time and an identity shaped by the integration of specialized expertise, Deimos is today a point of reference in the distribution of **raw materials, ingredients, and chemical specialties** for the Italian life science market.

The company operates along the entire supply chain, offering tailored solutions and qualified support to industries in the pharmaceutical, nutraceutical, food, cosmetics, agricultural, animal nutrition, industrial, and fine chemical sectors.

The constantly evolving portfolio reflects a careful selection of products and suppliers, ensuring high quality standards and full traceability across the supply chain.

To respond with flexibility, technical competence, and speed to the needs of the various sectors it serves, Deimos is structured into **seven Business Units: Pharma, Nutra, Food, Cosmetics, Agro&Feed, Fine Chemicals, and Special Applications.**

Supporting these BUs are **three warehouses.** One located in Concorezzo, managed by an external logistics supplier, and two - located in Naples and Cologno Monzese - rented. The warehouse in Cologno Monzese represents the company's main logistics hub.

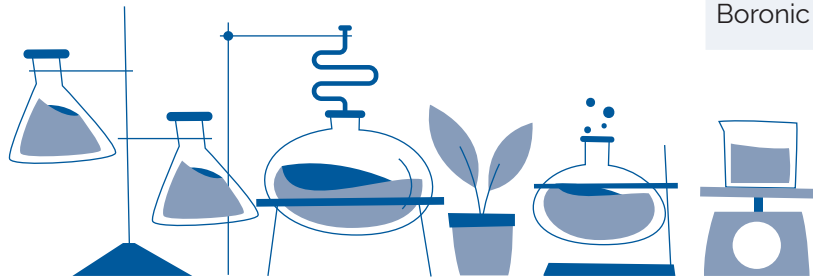
This integration of activities allows Deimos to support clients and suppliers in complex projects, with an entrepreneurial approach focused on building solid, long-lasting, and transparent relationships.



# DEIMOS FINE CHEMICALS

Deimos's Fine Chemicals Business Unit represents a selection of **European and non-European producers** active in the fine chemicals sector. The team offers tailored solutions aligned with the specific needs of each client, thanks to a broad range of high-tech organic and inorganic pharmaceutical intermediates.

The product portfolio includes over **1,000 specialties** and spans several product families, including fluorine derivatives, generic intermediates, silanes, chloroalkylamines and acid chlorides, used in synthesis processes for the production of active pharmaceutical ingredients (APIs) .



## PRODUCT FAMILIES

Silanes	Esters
Phosphorus derivatives	Alkoxides
Cyclopropane derivatives	Anhydrides
Amines and derivatives	Acids
Acid chlorides	Ethers
Grignard reagents	Miscellaneous
Chiral compounds	Monomers
Quaternary ammonium and phosphonium salts	Crosslinkers
Fluorinated organic derivatives	Adhesion promoters
Iodine derivatives	Chain extenders
Brominated organic derivatives	Long-chain epoxies
Intermediates for fragrances and flavors	Primers
Heterocyclic compounds	Boron trichloride complexes with organic amines
Boronic acids	





With over 480 specialty products, the Food Business Unit focuses on the **research and distribution of ingredients and raw materials, including organic options**, for the food industry. Particular attention is given to the sensory quality, functionality, and sustainability of the solutions offered. Each product is designed to deliver the right texture, taste, performance, appearance and food safety, in line with the evolving market and customer needs.

In addition to ingredient supply, Deimos Food offers an **in-house application lab**, for the development of innovative formulations, along with a **360° technical and regulatory consulting service**. The Business Unit works with a wide network of European and non-European manufacturing partners to provide a broad range of natural products and innovative solutions: from starches and derivatives to functional blends for Bakery and Meat, from plant-based proteins to sweeteners, from aroma chemicals to hydrocolloids, to meet the demands of today's evolving food system.

The Food team supports **over 600 clients** across key market segments, including bakery, beverage, meat, and free-from products, providing both technical and commercial support in developing tailored solutions for every need.



MARKETS AND PRODUCTS	
Food Additives	Emulsifiers
Starches and derivatives	Dietary Fibers
Antioxidants	Gelatins
Antifoaming Agents	Hydrocolloids
Flavors	Milk and Dairy Products
Natural Colorants	Yeasts
Preservatives	Enzymatic Improvers
Coconut Derivatives	Egg Products
High-Intensity Sweeteners	Plant-Based Proteins

OVER **600**  
CLIENTS

OVER **480**  
SPECIALTIES



With **over forty years of experience** in the pharmaceutical sector, Deimos Pharma is today one of the leading distributors of Active Pharmaceutical Ingredients (APIs) in Italy, thanks to a well-established network of European and non-European suppliers. Its in-depth knowledge of the market and its dynamics makes the company a reliable and skilled partner for projects focused on continuity and excellence..

The division's activities include the **distribution of APIs, dossier development for generic products**, and the **strategic selection of qualified products** for third-party manufacturing of finished pharmaceutical products intended for Marketing Authorization Holders.

PRODUCTS	
Alfacalcidol	Hydrochlorothiazide
Aciclovir	Irbesartan
Carvedilol	Lamotrigine
Ciprofloxacin HCl	Levofloxacin Hemihydrate
Citalopram HBr	Metoprolol Tartrate
Citalopram HCl	Pregabalin
Escitalopram Oxalate	Rosuvastatin Calcium
Fluconazole	Valproic Acid
Folic Acid Hydrate	



OVER **40** YEARS  
OF EXPERIENCE



# DEIMOS NUTRA

Through continuous scientific updates and applied research, Deimos Nutra has established itself as a point of reference in the **distribution of innovative and sustainable ingredients** for the nutraceutical industry. The division specializes in providing high value-added solutions designed to support both **physical and mental well-being**, with a holistic approach that combines quality, efficacy, and safety.

With over **twenty years of experience** in the sector and a multidisciplinary expert team, Deimos Nutra **supports** its clients **throughout the entire development process**: from the selection of the most suitable ingredients to the formulation of finished products such as dietary supplements, medical devices, foods for special medical purposes, and sports nutrition supplements. This offering is backed by solid and timely scientific, technical, and regulatory consulting.

The product portfolio spans numerous areas of application, including gastrointestinal health, joint and skin well-being, immune support, cognitive performance, metabolic control and clinical nutritional support, with **over 500 products, 70 specialties**, and active collaborations **with 47 selected partners worldwide**.

MARKETS AND PRODUCTS

Food additives and excipients	Peptides from hydrolyzed collagen
Standardized plant extracts	Plant-based protein
Plant, functional and probiotic fibres	Hydrolysed milk peptides and serum proteins
Rubbers and resins	Specialties supported by clinical trials
Nutraceutical ingredients	Vitamins and minerals

70  
SPECIALTIES

OVER 500  
PRODUCTS





# DEIMOS COSMETICS

The Deimos Cosmetics Business Unit is structured into two business lines: Hair Colouring and Personal Care. Hair Colouring represents the division's core business, developed through the acquisition of Eurochemicals, and includes functional ingredients and accessories for the formulation of hair dyes and bleaching products. The Personal Care product range, introduced with the acquisition of A.Erre, a distributor of high-tech specialties for skin and body care, includes actives, emollients, exfoliants, masks, botanical extracts, resins, and pigments.

Both business lines supply carefully **selected ingredients for the cosmetic industry**, working with **qualified suppliers** to ensure reliable solutions **aligned with market trends and evolving formulation needs**.

In-house R&D activities, carried out in the company's **application lab**, for both Hair Colouring and Personal Care, allow for testing and refinement of prototypes using ingredients from partner suppliers. This provides clients with **practical and tailored support** in developing new formulations. The offering is completed by all-round, flexible, and responsive technical, commercial and logistics support.



PRODUCT FAMILIES

PERSONAL CARE	HAIR CARE & HAIR COLORING
Natural actives	Semi-permanents
Natural emollients	Oxidation hair dyes
Functional actives	Plant-based hair dyes
Additives	Bleaching agents
Natural antioxidants	Specialties
Natural colorants	Conditioners
Minerals	Film formers
Masks	Functional actives

100  
RAW MATERIALS

14  
PARTNERS





# DEIMOS SPECIAL APPLICATIONS

Deimos Special Applications served the chemical industry with a focused offering of **primarily natural raw materials, characterized by a high technical profile and specialized applications.**

These sectors are defined by a high degree of complexity and strict regulatory frameworks, requiring **specific technical expertise and reliable partners.** For this reason, Deimos exclusively selects suppliers capable of consistently ensuring quality, traceability, and competitiveness.

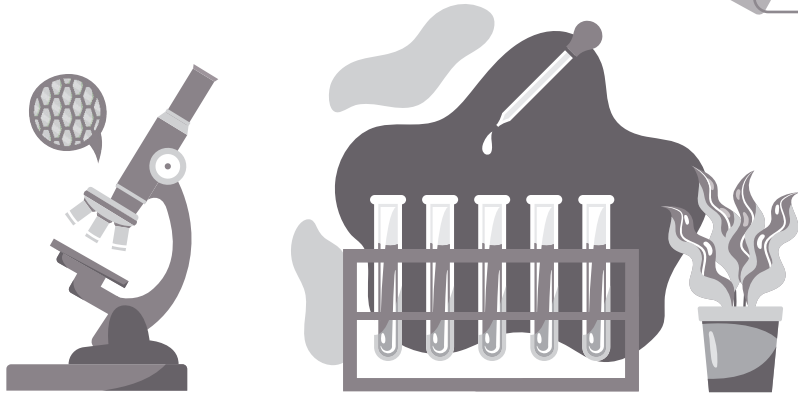
Thanks to an efficient and flexible organizational model, the Business Unit can respond promptly to market demands, ensuring continuity of supply and support in managing technical and regulatory requirements.

The portfolio includes a selected range of functional fillers, graphite, pigments, flame retardant and auxiliaries for fur processing, designed for high value-added applications in highly specialized industrial sectors.

PRODUCT FAMILIES	
Flame Retardant	Fur Processing Auxiliaries
Pigments	Additives
Graphite	Organic Compounds
Functional Fillers	Inorganic Compounds

NATURAL RAW  
MATERIALS

SELECTED  
RANGE  
OF FUNCTIONAL  
FILLERS





# DEIMOS AGRO & FEED

Deimos Agro & Feed is dedicated to the research and distribution of **innovative raw materials and ingredients for the agricultural and animal nutrition sectors.**

The division stands out for its ability to combine a wide range of solutions with highly specialized technical service, tailors to each customer's needs.

Support is offered throughout the entire process, from R&D to regulatory consulting, with the goal of consistently ensuring **high quality standards and a flexible, results-oriented approach.**

The product portfolio includes **over 500 items**, sourced from **25 selected suppliers**, and reaches more than **100 active clients** across Italy. Key product categories include raw materials and biostimulants for agriculture, feed additives, vitamins, algae, plant derivatives, and trace elements.



PRODUCT FAMILIES	
AGRO	FEED
Oligoelements	Oligoelements
Plant and Natural Derivatives	Macro & Micro Algae
Chelates	Natural Extracts
Algae	Essential Oils
Mineral Derivatives	Plant Proteins
Humic acids	Starches and Derivatives
Vitamins and amino acids	
Dyes	
Other	

OVER **500**  
PRODUCTS

**25**  
PARTNERS

**1105**  
CLIENTS



# ESRS 2

## General Information

### Reporting Criteria

Deimos' first Sustainability Report marks the **beginning of a structured ESG reporting** process, with the aim of **integrating sustainability into the company's strategy**.

#### General Criteria for Sustainability Reporting

BP-1

The vision of the founders, a strong cohesion of purpose and a **constant orientation towards sustainability, quality and innovation**

This document represents the **first Sustainability Report prepared by Deimos S.r.l.**, making the formal beginning of a **structured ESG reporting journey**. The report has been prepared on a **voluntary basis and at individual entity level**, with the aim of progressively aligning the organization with the **principles and requirements set forth by the European Sustainability Reporting Standards (ESRS)**, introduced by Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD) and transposed into Italian law under Legislative Decree 125/2023. .

The **reporting scope** for this first edition includes **Deimos S.r.l. only**. Starting in 2025, the **scope will be gradually extended to include the Group's foreign subsidiaries**, aligning eventually with the scope of the **consolidated financial statements**.

The information reported in the **Environmental (E), Social (S) and Governance (G)** sections has been selected based on the results of Deimos' **double**



**materiality assessment**, and includes content considered mandatory under **the European Sustainability Reporting Standards (ESRS) framework**.

In line with **ESRS E1-6**, this document includes **greenhouse gas (GHG) emissions** reporting for **Scope 1 and Scope 2**, calculated in accordance with the methodological criteria of the **Greenhouse Gas Protocol** and based on the operational control approach. The Report also provides an extended overview of **Deimos' supply chain**, both **upstream** (e.g. suppliers, business partners) and **downstream** (e.g. clients, market stakeholders), in cases where relevant impacts, risks or opportunities have been identified through the materiality analysis. The **policies, actions, and targets (PAT)** described in the document apply to these areas where applicable.

As of the 2024 reporting year, Deimos' **reporting methodology** and **accounting policies** are based on the ESRS. Where available, 2023 data have also been included to support **year-over-year comparability**.

The **sources and methodological assumptions** are described within each corresponding metrics section.

Disclosure Regarding Specific Circumstances

BP-2

Time Horizons

**Deimos S.r.l.** classifies **time horizons** in alignment with its **operating model and strategic planning logic**. The reference periods are defined as follow:

- **Short Term:** up to 12 months
- **Medium Term:** 1 to 3 years
- **Long Term:** over 3 years

This time structure is applied consistently throughout the organization both in defining ESG objectives and in designing the Sustainability Plan, detailed in Chapter "Strategy", paragraph SBM-1.

Use of Estimates and Degree of Uncertainty

In preparing this first Sustainability Report, **Deimos S.r.l.** has in some cases relied on **estimated assessments**, particularly when complete, updated, or directly measured data was unavailable. This approach has been particularly useful for some information areas related to **environmental and social** issues, where systematic data collection is still in the consolidation phase.

Estimates were developed using internationally **recognized methodologies** and techniques for **data integration and projection** based on partial datasets. Specifically, **recognized calculations coefficients** and **reconstruction tools based on available evidence** were used.

All assumptions applied are **disclosed in the relevant thematic chapters**, with clear references to the sources, methods used, and any applicable margins of approximation. Where data was unavailable, its **absence is clearly stated**, in line with the principle of **transparent disclosure**.

Despite some residual uncertainty, the overall framework adheres to criteria of **consistency, transparency, and reliability**, in line with international sustainability reporting standards.

Communication of Future Calculation Methodologies

The year 2024 marks the start of a structured non-financial reporting process for **Deimos S.r.l.** Although the company is not yet subject to regulatory sustainability reporting obligations, it has voluntarily chosen to prepare its **first Sustainability Report**, using the **European Sustainability Reporting Standards (ESRS)** as its methodological reference.

The decision anticipates future regulatory requirements and reflects the company's commitment to progressively build a **clear, reliable, and aligned to industry's best practices** reporting system, capable of effectively integrating ESG factors into corporate management.



To enable temporal comparison and evolving perspective, the Report includes – where available and consistent – **data from fiscal year 2023**, processed using **methodological criteria comparable** to those applied for 2024. In cases of unavailable or partial data, **methodological notes** are provided, including references to any estimates or assumptions used.

Any **future changes to the reporting system**, whether due to regulatory or technical developments, will be disclosed in subsequent reports, in order to ensure maximum transparency in trend interpretation and data comparability over time.

Use of Phased-in Disclosure in Accordance with Appendix C of ESRS 1

For its first year of reporting under the **European Sustainability Reporting Standards (ESRS)**, the company has chosen to apply the **phased-in disclosure** provisions outlined in **Appendix C of ESRS 1**. Specifically, Deimos has opted to defer reporting on the following standards: **ESRS E4 – Biodiversity and ecosystems**, **ESRS S2 – Workers in the value chain**, **ESRS S3 – Affected communities** and **ESRS S4 – Consumers and end-users**.

This choice reflects the company's intention to initially focus on the **most relevant aspects for its business model** and on the **actual** impact on its business operations, particularly those related to **climate change, pollution, resource use, workforce, and governance**. These topics have also been prioritized through the company's **double materiality assessment**, that guided the selection of reporting priorities.

In **future reporting cycles**, Deimos intends to progressively extend its materiality analysis to the areas **currently excluded**, with the aim of providing an increasingly **complete and integrated** view of its **sustainability-related** impacts, risks, and opportunities across the **supply chain**.

Governance

The Role of the Management, Supervisory, and Control Bodies

GOV-1

Information on Members

Governance Model and Structure of the Governing Bodies

Deimos S.r.l. adopts a **traditional governance** model that combines the long-term vision typical of family-owned businesses with the contribution of highly specialized managerial figures. This balance between **strong roots and innovation** enables the company to maintain strategic coherence and effective decision-making, even in a constantly evolving market environment.

**Strategic direction** is entrusted to the **SCD Steering Committee Distribution**, composed of **8 members** responsible for various commercial and functional departments. This committee is tasked with defining and implementing the actions approved by the **Board of Directors**, which is composed of **9 members**, including **2 non-executive members**. The Board oversees the overall performance of the company and guides its key management decisions.

In **2024**, with the appointment of a **Sustainability Manager** tasked with designing and leading Deimos's ESG roadmap, the company also formally established a **Sustainability Committee**, composed of **7 members**. This body supports the integration of environmental, social and governance criteria into corporate strategy, promoting coherence, awareness, and cross-functional ownership of sustainability initiatives.

Board of Director Members' Expertise and Backgrounds

**Hans Udo Wenzel:**  
PhD in Economics from the University of Zurich. He began his career at Hoechst AG before founding Azelis, now one of Europe's leading chemical distributors, where he served as CEO until 2010 and Chairman until 2015. A pioneer of M&A-driven growth, he played a central role in the founding of Nactarome and is currently Founder and Chairman of Deimos Group, a distributor of Life Science ingredients and intermediates with a pan-European growth vision.

**Guido Paolo Gamucci:**  
Holds a degree in Mechanical Engineering from the University of Rome and an MBA from INSEAD. He began his career at Citibank, eventually becoming Senior Vice President and Head of Investment Banking and Treasury for the Italian branches. He later served as CEO of UBS Capital and, from 1996 to 2010, as Managing Partner Italy at Permira, a leading European private equity fund, where he was also Executive Committee member and Asia Chairman. Since 2010, he has been active as an entrepreneur.

**Riccardo Ottone Gross:**  
Graduated in Business Administration from Bocconi University in 1978. He served as Managing Director of Giulio Gross, a chemical distributor, until 2000. He then became Managing Director of Azelis's Food division and Vice President of Azelis Italy until 2005. In 2017, he sold his company Aethra to Deimos Group, where he now serves as Managing Director of the Food and Health & Nutrition business units.

**Edgar Claudio Wenzel:**  
Holds a Global Executive MBA from SDA Bocconi and the Rotman School of Management, a degree in Business Administration & Accounting, and a Master's in International Business from KIMEP University (Almaty). He started at Inalchim as Business Development Manager Food and now serves as Chief Operating Officer of Deimos Group and is a Board member.

**Tonio Grassmann:**  
Holds a degree in Economics and Commerce from the University of Bayreuth (Germany). He has built a strong international career in the Food & Beverage industry, with leadership roles in sales and management. At Azelis, he led the Food & Health international division from 2007 to 2010, managing strategic development across 26 European countries. Since 2011, he has been Managing Director and Partner at Nactarome Group, a European multinational specialized in the production of natural flavours, aromatic extracts, and food colourings, primarily for the Food & Beverage industry. He holds operational and strategic responsibility for the Southern European area and is also a non-operational partner of Deimos Group.

**Marco Trazzi:**  
Holds a degree in Mathematics, Physics, and Natural Sciences from the University of Trieste and has extensive experience in the pharmaceutical sector, particularly in API distribution. Alongside Renato Tormen, he co-owned Deimos S.r.l. before selling the majority to Inalchim in 2016, thereby founding Deimos Group. He is currently President of Farmatech R&M SA, a full-service provider in the pharmaceutical sector.

**Saso Pavlovic:**  
An entrepreneur since 1984 in the chemical distribution sector, he founded PALCO GmbH, which became a key player in the Food segment in the former Yugoslavia. He later partnered with Luka Marjanovich, owner of Nutrifi doo, a Life Science distributor. Together, they merged their businesses to create the PALCONutrifi group.

**Oscar Vittorio Querro:**  
Food technologist, graduated from the University of Milan in 1987. He has extensive experience in the food sector: he began his career at Nestlé, before specializing in the distribution of food ingredients, holding management roles in leading companies such as Faravelli, Prodotti Gianni, Fiorio Colori, and Brenntag. In 2012, together with his friend and business partner Giorgio Ravasini, he decided to found QR Ingredients, a company specialized in the distribution of organic raw materials and savoury ingredients.

**Aldo Trisciuglio:**  
Agronomist with a degree from the University of Turin. In 1988, he began his career in procurement at Ferrero, at the Belgian plant in Arlon. In 1995, he became raw materials purchasing coordinator for Ferrero's factories in Belgium, France, Poland, and Ireland. From 1998 to 2001, he served as Strategic Purchasing Manager for categories such as cereals, eggs, nuts, fruits (excluding hazelnuts), and tropical fruits, overseeing sourcing for all Ferrero plants worldwide. In 2001, he chose the entrepreneurial path by founding Log2go SA, where he remains active today.





Responsibilities of Strategic Oversight, Management, and Control Bodies

In 2024, Deimos launched its first double materiality assessment, a fundamental methodology for evaluating both the **company’s impacts on society** and the **environment**, and the **financial implications** of ESG-related risks and opportunities.

During this initial phase, an **exploratory model was developed for identifying, assessing, and validating Impacts, Risks, and Opportunities (IROs)**, with the goal of laying the groundwork for a robust governance framework aligned with future reporting obligations.

The **Sustainability Manager**, supported by key department leads, coordinated the initial IRO evaluation, ensuring a cross-functional and context-specific analysis of the business. The process also involved direct participation from **Top Management** and **Sustainability Committee members**, who contributed to the **final validation** of the identified IROs.

Looking ahead, Deimos is committed to **strengthening this approach**, by structuring periodic updates, assigning clear internal responsibilities, and establishing monitoring mechanisms, all with the aim of ensuring continuous and integrated oversight of sustainability-related risks and opportunities within core business processes.

For further details on material IROs and their connection to corporate strategy, refer to chapter **SBM-3 – Material Impacts, Risks, and Opportunities**.

Information Provided to the Company’s Governance Bodies and Sustainability Issues Addressed by Them

GOV-2

In 2025, Deimos aims to further strengthen the structured communication process around sustainability topics toward its governance bodies, building on the groundwork laid in 2024 with the introduction of the **Sustainability Manager** role and the establishment of the **Sustainability Committee**.

Already in 2024, however, both the **Board of Directors** and the **Executive Committee** were **duly informed** of the company’s intention to carry out a **double materiality assessment**, including the identification of **Impacts, Risks, and Opportunities (IRO)** relevant to the business.

Integration of Sustainability Performance into Incentive Systems

GOV-3

In 2024, Deimos **designed a new Management by Objectives (MBO) system, also referred to internally as the Incentive Concept**, with the aim of standardizing the structure of performance-based incentives across all levels of the organization. The new model was originally planned to become **fully operational in 2025, but its implementation has been postponed to 2026 to allow for the inclusion of a new acquisition project**.

Until 2023, the incentive system was primarily based on **traditional economic and financial indicators**, such as EBITDA. It considered the percentage of added value contributed by each business unit to overall EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), as well as the year-over-year growth rate, resulting in **differentiated bonus packages for each unit**.

Under the new framework, the MBO system will be structured around three main components: **overall**



company profitability, individual goals (both quantitative and qualitative), and the specific performance of the relevant business unit.

Regardless of how the system evolves, **annual bonuses have always been available to all employees**, serving as a well-established mechanism of performance recognition.

As of today, **sustainability objectives have not yet been formally integrated into the incentive systems**. However, the company acknowledges the need to move in this direction. In light of **changing regulatory frameworks** and **rising stakeholder expectations**, Deimos sees it as strategic to launch a structured reflection on how to progressively **align incentive targets with ESG criteria**, in line with the broader effort to strengthen sustainability governance initiated in 2024.

Statement on the Duty of Due Diligence

GOV-4

Deimos S.r.l. has not yet established a formalized due diligence system in the area of sustainability. At this stage, no structured or codified processes have been introduced to systematically identify, prevent, or manage potential or actual negative impacts along its value chain. The adoption of a more integrated approach to ESG risk management represents one of the areas of development planned for the coming years.

Risk Management and Internal Controls over Sustainability Reporting

GOV-5

In **2024, Deimos** launched a structured process to formalize its **ESG Governance**, with the goal of ensuring a more robust and cross-functional oversight of environmental, social, and governance issues.

The first step was the appointment of a **Sustainability Manager**, a role filled by a professional with specific academic training in ESG, tasked with guiding the development of the company's sustainability strategy.

To support the ESG function, Deimos established a **Sustainability Committee** composed of seven members selected from across different departments. The committee was designed to bring together diverse competencies and ensure gender balance.

The Committee is responsible for:

- **Defining**, in collaboration with the Sustainability Manager, new actions to improve ESG performance through dedicated meeting;
- **Submitting** the most impactful and costly initiatives to the SCD Steering Committee Distribution for approval;
- **Implementing the approved actions**, ensuring alignment with their respective areas of responsibility.

The **Sustainability Manager** ensures the operational coordination of all ESG-related initiatives, through the **definition of a clear roadmap** and, where needed, the active involvement of members of the Sustainability Committee.



Strategy

Strategy, Business Model and Supply Chain

SBM-1

Products, Services, Sectors and Markets

**Deimos S.r.l.** is an Italian company specialized in the distribution of **raw materials, ingredients, and chemical specialties** for the life science sectors. The company holds a **strong position in the national market**, which accounts for the majority of its client base. Its operations are carried out through an integrated network that includes the **headquarters in Cologno Monzese**, a **third-party logistics warehouse in Concorezzo** and **one in Napoli**, and a **lean organizational structure with 66 employees**.

Deimos works consistently with a network of qualified **national and international suppliers**, positioning itself as a **reliable partner** capable of ensuring **high quality standards**, supply chain safety, and solid technical and commercial support. **Deimos does not operate in any of the sectors listed under paragraph 40(d) of ESRS 2 SBM-1**, such as fossil fuels, high-impact chemical production, controversial weapons, or tobacco, and **does not generate revenues associated with these activities**.

For a deeper overview of the **company's business areas and value proposition**, please refer to the Value Proposition chapter.

Sustainability Strategy and Business Model

Sustainability has become a **central strategic focus** for Deimos. In 2024, the company launched a structured process to strengthen its commitment to more re-

sponsible and conscious growth. A testament to this direction is the establishment of a **dedicated ESG governance structure**, with the appointment of a **Sustainability Manager** and the creation of an **inter-disciplinary Sustainability Committee**, tasked with integrating ESG principles into operational and decision-making processes.

On the product side, Deimos **offers a broad portfolio of natural-origin products**, with a strong focus on safe, innovative, and low-impact formulations. This product sustainability orientation is set to further intensify in the coming years, with the goal of **expanding the share of green and responsible solutions** offered to clients, in line with growing market demand.

In this perspective, Deimos has initiated **collaborations with selected partners and suppliers for the joint development of more sustainable alternatives**, combining performance, safety, and reduced impact throughout the value chain. Further details on these initiatives are provided in the Environment chapter.

At the foundation of Deimos' ESG strategy lies a **system of core values** that guide every decision and initiative:

- **Ethics and Responsibility:** operating with rigor, regulatory compliance, and awareness of the impact on people and the environment;
- **Transparency and Trust:** communicating clearly and accessibly, building long-lasting relationships with all stakeholders;
- **Sustainability Integration:** embedding ESG into business processes and performance evaluation tools;
- **Engagement and Dialogue:** fostering active stakeholder participation, recognizing diversity and collaboration as drivers of innovation.



In 2025, Deimos will formally reinforce its commitment by joining the United Nations Global Compact (UNGC), a global initiative promoting ten universal principles related to human rights, labour, the environment, and anti-corruption. This step underscores the company's intention to operate in alignment with the highest international standards of sustainability and corporate responsibility.

Through this approach, Deimos aims to **strengthen its role as a responsible and forward-looking player** in the distribution of raw materials for the Life Science sectors, contributing to a more sustainable, inclusive, and future-oriented value chain.

Interests and Views of Stakeholders

SBM-2

Deimos considers ongoing, structured engagement with its stakeholders a fundamental component of responsible and effective sustainability management. This dialogue serves as a **key tool for identifying ESG-related impacts, risks, and opportunities**, and for defining environmental, social, and governance priorities in an informed and balanced way.

Through **active stakeholder engagement**, the company is able **to promptly detect emerging expectations and needs**, integrating a plurality of perspectives into its decision-making processes—strengthening its ability to generate **shared, long-term value**.

Deimos' **stakeholder engagement approach** is guided by principles of **transparency, inclusiveness, and accountability**, in line with leading international sustainability and human rights frameworks, including: the **UN Guiding Principles on Business and Human Rights**, the **UN Declaration on the Rights of Indigenous Peoples**, the **OECD Guidelines for Multinational Enterprises**, and the **IFC Performance Standards**.

Stakeholder Engagement: Approach and Purpose

Deimos carries out stakeholder engagement through a wide range of tools and touchpoints, structured to reflect the specific characteristics and needs of different stakeholder groups. The objective is twofold: **to gather expectations, needs, and perceptions in a systematic way; and to enhance the coherence and effectiveness of the company's ESG-related strategic decisions.**

Stakeholder engagement enables Deimos to:

- gain a deeper understanding of **stakeholder priorities**;
- actively contribute to the **double materiality assessment**, supporting the identification of the **most relevant impacts, risks, and opportunities**;
- steer the **design and implementation of sustainability projects**, including through partnerships;
- promote **an inclusive and dialogue-oriented corporate culture**.

Based on a **structured stakeholder mapping process**, Deimos has activated **multiple channels for dialogue and feedback**. This dynamic and evolving approach allows the company to build strong, trust-based relationships and **to integrate stakeholder perspectives into its business decisions**.



Mapped Stakeholders and Engagement Methods

Deimos' stakeholder mapping is structured around five main macro-categories. Each group is associated with tailored engagement methods that reflect the nature of the relationship. The goal is to foster an open and continuous dialogue that creates shared value and reinforces mutual trust.

- 1. **Shareholders:** This group includes the company's owners and investors. Deimos ensures transparency and regular communication through periodic meetings with management and the sharing of financial and business documents. Engagement also includes updates on performance, growth prospects, and ESG initiatives.
- 2. **Employees:** Includes internal staff, collaborators, job applicants, and trade unions. Engagement occurs through direct interaction with the HR function and via a monthly newsletter sent by the President of Deimos to all employees.
- 3. **Clients:** Encompasses companies primarily operating in the food, pharmaceutical, and cosmetics sectors. Dialogue with clients takes place through participation in industry trade fairs and through thematic events organized by Deimos.
- 4. **Suppliers:** Refers to supply chain partners, with a specific focus on raw material suppliers. Relationships are based on collaboration and knowledge sharing, with the aim of developing sustainable solutions, exchanging best practices, and strengthening long-term partnerships.
- 5. **Communities and Institutions:** Includes industry associations, universities, citizens, and trade organizations. Deimos engages with these stakeholders primarily through the publication of research and studies made available on the company blog.

All these activities are designed to promote **active and informed engagement**, generate **positive and measurable impacts**, and strengthen Deimos' role as a responsible and integrated player within its broader social and economic ecosystem.

Stakeholder Engagement and Double Materiality

Stakeholder engagement was a **key component of Deimos' double materiality assessment** carried out in 2024. A structured consultation process was launched, involving both **internal stakeholders** – such as employees and top management – **and external ones, including clients, suppliers, and community representatives**.

Data collection was carried out through targeted **surveys, interviews, and dedicated discussion sessions**, designed to gather in-depth insights on stakeholder perceptions, needs, and expectations across environmental, social, and governance topics.

The insights gathered were integrated into the **identification and assessment of Impacts, Risks, and Opportunities (IRO)**, taking into account both **impact materiality** (i.e. the effects on the environment, society, and human rights) and **financial materiality** (i.e. the relevance of ESG issues for the company's medium-to-long-term economic performance).

The results were then **shared with Top Management**, which validated the final list of material IROs.

This approach enabled Deimos to **strengthen the alignment between its corporate strategy and stakeholder expectations**, positioning the double materiality assessment as a **strategic tool for planning future sustainability initiatives**.





Material Impacts, Risks and Opportunities and their Interactions with Business Strategy and Model

SBM-3

At Deimos, sustainability is considered a strategic lever to enhance competitiveness and long-term value creation. The integration of environmental, social, and governance (ESG) factors into the company's business model and operational processes reflects a deliberate commitment to combining economic development with responsibility toward stakeholders and the environment

In 2024, Deimos conducted its first assessment of material **Impacts, Risks, and Opportunities (IRO)** through a **double materiality approach**, in line with the principles set out in the **European Sustainability Reporting Standards (ESRS)**. This methodology enabled the company to evaluate both: the **outward impacts** of its activities on society and the environment (**impact materiality**), and its **exposure to ESG-related risks and opportunities** that may affect business performance (**financial materiality**).

The outcome is a reference framework that guides strategic decisions on more robust foundations, **promoting responsible governance and long-term thinking**, critical to effectively navigating today's complex operating environment.

The material IROs identified by Deimos have been analyzed in connection with the company's strategic priorities, with the goal of building a sustainability strategy that is not merely aspirational, but **actionable, measurable, and embedded in day-to-day operations**. Actively managing these aspects is essential to:

- **Strengthen trust among key stakeholders** such as clients, suppliers, institutional partners, and funders;
- **Anticipate and respond to emerging risks** with greater agility and resilience;

- **Unlock new opportunities for innovation, sustainable growth, and strategic collaboration;**
- **Reaffirm the company's commitment to transparency, fairness, and social responsibility.**

The management of materials IRO is ensured by an articulated **governance model**, involving the main business functions, including:

- The **Sustainability Manager**, who coordinates and oversees the ESG agenda;
- The **Sustainability Committee**, which monitors ongoing initiatives and ensures alignment with strategic goals;
- **Top Management**, which provides strategic input and validates actions taken.

For Deimos, sustainability is a strategic driver to strengthen competitiveness and the ability to create value over time

This setup enables Deimos to translate ESG priorities into **tangible actions**, integrating them across the organization's structure and decision-making processes.

The **Impacts, Risks, and Opportunities (IRO) identified during 2024 now serve as a central reference for the evolution of Deimos' ESG strategy**. These elements provide a solid foundation to steer sustainability-related decisions, strengthen alignment between business objectives and stakeholder expectations, and contribute to an increasingly transparent and integrated reporting system.

Looking ahead, **Deimos is committed to:**

- Regularly updating the IRO assessment to reflect regulatory developments and shifts in the competitive landscape;
- **Reinforcing stakeholder engagement** in the phases of review, validation, and monitoring;
- Communicating results with increasing **clarity, completeness, and alignment with international standards**.

Through this approach, Deimos reinforces its commitment to a business model that is **innovative, responsible, and open to dialogue**, capable of addressing environmental and social challenges with a forward-looking vision and collaboration.

The table below presents the IROs identified as material based on the double materiality analysis. These are the impacts, risks, and opportunities that exceeded the significance threshold defined by the adopted methodological model.



For each ESRS standard, the **specific related topic is indicated** (e.g., under ESRS E1 – Climate Change, subtopics include mitigation, adaptation, and energy). The tables include:

- A **brief description of the material IRO**;
- For impacts, a classification as either **actual or potential**, and **positive or negative**.

Further details, such as how each IRO is managed and overseen, are provided in the dedicated chapters covering the **Environmental, Social and Governance dimensions**.

Material Impacts, Risks and Opportunities (IRO) Resulting from the Materiality Assessment

List of Material IROs

STANDARD	THEME	DESCRIPTION IRO	TYPE
E1 - Climate Change	Climate Change Adaptation	Contribution of specialty chemicals distribution to climate change and ecosystem degradation	Actual negative impact
		Risks associated with extreme weather events	Risk
		Rising stakeholder expectations regarding the reduction of environmental impacts	Risk
		Changing end-customer preferences towards more sustainable products	Risk
		Evolving regulations in response to climate change	Risk
	Climate Change Mitigation	Installation of photovoltaic panels and reduction of costs and emissions	Opportunity
		Renewable raw materials, efficiency improvements and process optimization	Opportunity
		Reuse of food waste and reduction of emissions	Actual positive impact
		Government incentives for adopting technologies and solutions to mitigate climate change	Opportunity
	Energy	Greenhouse gas emissions resulting from the use of natural gas and purchase of non-renewable energy	Actual negative impact
		Regulatory and reputational risks related to sourcing energy from fossil fuels	Risk
		Investment in renewable energy to reduce costs and meet stakeholders expectations	Opportunity

	Emissions	Greenhouse gas emissions associated with product transport	Actual negative impact
		Reputational risks linked to lack of targets and transparency on emissions	Risk
		Distribution of low-impact products and emissions reduction	Opportunity
		Emission reductions resulting from collaboration with value chain companies	Actual positive impact
E5 – Circular Economy	Resources in input, including use of resources	Raw materials with reduced environmental impact	Actual positive impact
		Reuse of food waste for innovative products and R&D	Opportunity
		Increase of renewable raw materials and reduced dependency on fossil fuels	Opportunity
	Outflows of resources related to products and services	Secondary markets and circular economy development	Opportunity
		Recycling materials from resource outflows and increasing operational efficiency	Opportunity
	Waste	Reuse of food waste to meet customer needs	Actual positive impact
		Warehouse monitoring and waste recovery	Opportunity
		Sustainable waste management to attract investors and improve reputation	Opportunity
	Traceability	Traceability of products	Actual positive impact



S1 – Own Workforce	Social Dialogue	Active participation of employees in company decisions	Actual positive impact
	Work-life Balance	Competitive welfare package and attraction and retention of talent	Opportunity
		Investment in work-life balance and increased employee motivation and productivity	Opportunity
		Expansion of smart working days	Actual positive impact
	Health and Safety	Certifications ISO 45001 and SA 8000	Opportunity
	Training and skills development	Training on circularity and reuse of food waste	Opportunity
		Continuing training and opportunities for personal and professional development	Potential positive impact
	Gender equality and equal pay for work of equal value	An inclusive and fair working environment and increased collaboration, creativity and innovation	Actual positive impact
	Diversity	Diversity, innovation and problem-solving	Opportunity
		Diversity and inclusion and attraction of talent	Opportunity
	Engagement	Analysis of employee climate and well-being	Opportunity
		Positive and collaborative climate to attract new talents	Opportunity
		Sense of belonging and growth to retain talent	Potential positive impact
	Characteristics of workers	Enhancement of workers' characteristics	Opportunity

G1 – Business Conduct	Business Conduct	MOG 231, ethical business conduct and increasing employee satisfaction and loyalty	Actual positive impact
		Fair business practices and reduction of internal conflicts	Actual positive impact
		Increased productivity and efficiency as a consequence of an ethical and responsible working environment	Opportunity
	Corporate Culture	Positive corporate culture and increased involvement and motivation	Actual positive impact
		Positive corporate culture and increased productivity	Opportunity
		Inclusive culture and talent attraction and retention	Opportunity
	Relations with Suppliers	Binding ESG criteria and reduction of negative impacts along the supply chain	Opportunity
		Collaboration with suppliers for the development of materials from waste and/or with a lower environmental impact	Opportunity
		Attracting sustainability-sensitive customers by choosing responsible suppliers	Opportunity
		Promoting responsible practices through sustainable partnerships	Impatto potenziale positivo
	Integration of ESG Risks	Inadequate management of ESG risks and loss of financing opportunities	Risk
		Integrating ESG risks into the risk management system	Opportunity
	ESG Strategy and Objectives	ESG strategy and improving reputation and attractiveness	Opportunity
		ESG strategy and reducing the risk of regulatory violations	Opportunity
	Sustainability Communication	Transparent ESG communication and increased stakeholder trust	Actual positive impact
		Transparent ESG communication and customer relations	Opportunity
		Transparent ESG communication and attracting investors	Opportunity



# Management of Impacts, Risks, and Opportunities

Description of the Processes Used to Identify and Assess Material Impacts, Risks, and Opportunities

IRO-1

## The Double Materiality Assessment

In 2024, Deimos S.r.l. conducted its **first double materiality assessment**, structured into eight integrated phases:

### 1. Context Analysis

An internal assessment was conducted to deepen the understanding of Deimos's business model, core activities, critical dependencies (such as human capital, technical know-how, and supplier relationships), and competitive positioning.

In parallel, an external analysis focused on major regulatory and industry trends was carried out, integrating benchmarks, international standards (e.g. GRI, SASB), and insights from qualified stakeholders and sources.

To support this analysis, qualitative interviews were held with key function leads and members of management to surface ESG-related vulnerabilities and opportunities.

### 2. Preliminary Selection of Potentially Relevant Topics

The initial list of topics was based on paragraph AR 16 of ESRS 1, then expanded with additional subjects identified as relevant to Deimos's operational and sec-



tor-specific context. This integration included emerging strategic risks and opportunities. Topics were then assigned to internal reference persons for assessment.

3. Identification of IROs

For each topic, relevant IROs were identified as defined by the ESRS. Each was characterized based on:

- Origin (e.g. direct activities, value chain partners);
- Affected stakeholders;
- Time horizon;
- Relevant ESRS topic.

4. Assessment of Impact Materiality

Impacts were assessed according to the severity criteria outlined in EFRAG IG1: scale, scope, and irremediability, with likelihood also considered for potential impacts.

Severity was calculated as the average of the first three factors and weighted by probability in the case of potential impacts. Assessments were reviewed and validated with internal function leads.

5. Assessment of Risk and Opportunity Materiality

Risks and opportunities were evaluated using:

- Magnitude of potential financial impact;
- Likelihood of occurrence.

Scores were assigned on a 1–5 scale and supported by quantitative data where available, or by qualitative estimates and scenarios. Discussions with functional leads helped consolidate the assessments.

6. Stakeholder Engagement

Structured consultation was conducted through surveys and interviews with both internal stakeholders (employees, top management) and external ones (customers, suppliers, institutions, and local communities).

The feedback confirmed the relevance of the identified topics and improved the understanding of stakeholder expectations across the value chain.

7. Definition of Materiality Thresholds

Each IRO was assigned a materiality score. The following thresholds were adopted:

- Impact: score  $\geq 3.0$ ;
- Risks and opportunities: score  $\geq 2.0$ .

A topic was considered material if at least one associated IRO exceeded the defined threshold. These material topics were included in the ESG disclosure.

8. Validation and Approval

The final list of material IROs was reviewed with the Sustainability Manager and the internal stakeholders involved.

The results were then presented to the Sustainability Committee and approved by Top Management, confirming the strategic relevance of the process for the ESG roadmap and the development of the Sustainability Report.

The process was designed to be replicable and regularly updated to reflect regulatory and contextual changes.

The material IROs identified now guide Deimos's sustainability action plan and serve as the foundation for building a fully integrated environmental, social, and governance strategy.

Process Consistency and Replicability

The materiality assessment was developed using a formalized and documented internal methodology, designed to ensure:

- **Clarity and traceability** of information sources, underlying assumptions, and the evaluation criteria applied;

- **Consistency and replicability** over time, allowing the process to be updated in response to changes in the external environment, evolving regulatory requirements, emerging risks, and stakeholder feedback.

The scoring system defined during the 2024 cycle will serve as a reference point for future assessments, with the aim of progressively enhancing its methodological robustness, sensitivity to change, and effectiveness in supporting strategic ESG-related decision-making.

Transparent view of progress towards **responsible and inclusive growth**



List of Disclosure Requirements

IRO-2

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# Minimum Disclosure of Policies and Actions

## Policies Adopted to Manage Material Sustainability Matters

MDR-P

Over the years, Deimos S.r.l. has adopted key instruments to promote responsible conduct, value its people, and ensure a safe and inclusive working environment. Two cornerstone documents in this regard are the **Code of Ethics** and the **Smart Working Policy**.

The **Code of Ethics**, updated in 2023, sets out principles of integrity, legality, transparency, responsibility, and respect for individuals. These principles apply to all those who work with and for the company, including employees, suppliers, and partners. The document covers, among others, topics such as occupational health and safety, equal opportunity, environmental protection, fair competition, confidentiality of information, and conflict of interest management—serving as a binding and shared ethical reference point.

The **Smart Working Policy**, introduced in 2022, outlines the measures needed to ensure the health and safety of employees working remotely. It includes provisions on technical requirements, equipment, workspace ergonomics, and workers' rights (such as the right to disconnect), contributing to a corporate culture based on prevention, well-being, and individual accountability.

In 2024, Deimos also launched the **development of its Organizational, Management and Control Model (MOG 231)**, with the aim of strengthening its internal control and risk prevention systems, in accordance with Legislative Decree 231/2001. The model is expected **to be formally adopted by June 2025**.

As of 2024, Deimos holds the **following certifications**:

### ISO 9001:2008 – Quality Management System

Initially obtained in 2000, this certification applies to the commercialization of raw materials and semi-finished products for the chemical, pharmaceutical, cosmetics, food, nutraceutical, and feed sectors. It also covers the development of professional-grade food ingredients. The most recent renewal occurred in July 2024, valid until August 2027.

### IFS Logistic – Food Safety and Quality in Logistics

The certification process began in 2024, with expected completion by May 2025. It concerns the commercialization of shelf-stable food ingredients and products, confirming compliance with international IFS Logistic standards for food safety in transport and storage.

### IFS Broker – Supply Chain Safety and Compliance

Also initiated in 2024, this certification—expected in 2025—covers the management of commercial relationships with suppliers and clients for shelf-stable food products. It ensures brokerage activities meet quality, legal, and safety standards.

### FAMI-QS – Feed Additive Safety

Obtained in 2015, this certification ensures the safety and quality of products intended for animal feed. The latest audit took place in May 2025, and the certification remains valid until July 2026.

### Organic Certification – Distribution of Organic Products

Initially obtained between 2013 and 2014, this certification allows Deimos to distribute and market organic products, including for its own branded purposes. The most recent renewal was in April 2024, and it is valid until 2027.

### Halal – Compliance with Islamic Religious Requirements

Acquired in 2018, the Halal certification ensures that powdered semi-finished products intended for the food industry (including Alisea products) comply with Halal standards. The latest renewal took place in November 2024, valid until November 2025.

### Kosher – Compliance with Jewish Dietary Standards

Granted in 2024, this certification applies to the ALI-Fibre product line (part of the Alisea range), confirming adherence to Kosher dietary requirements. It remains valid through November 2025.

### GMP – Good Manufacturing Practice for Active Pharmaceutical Ingredients (APIs)

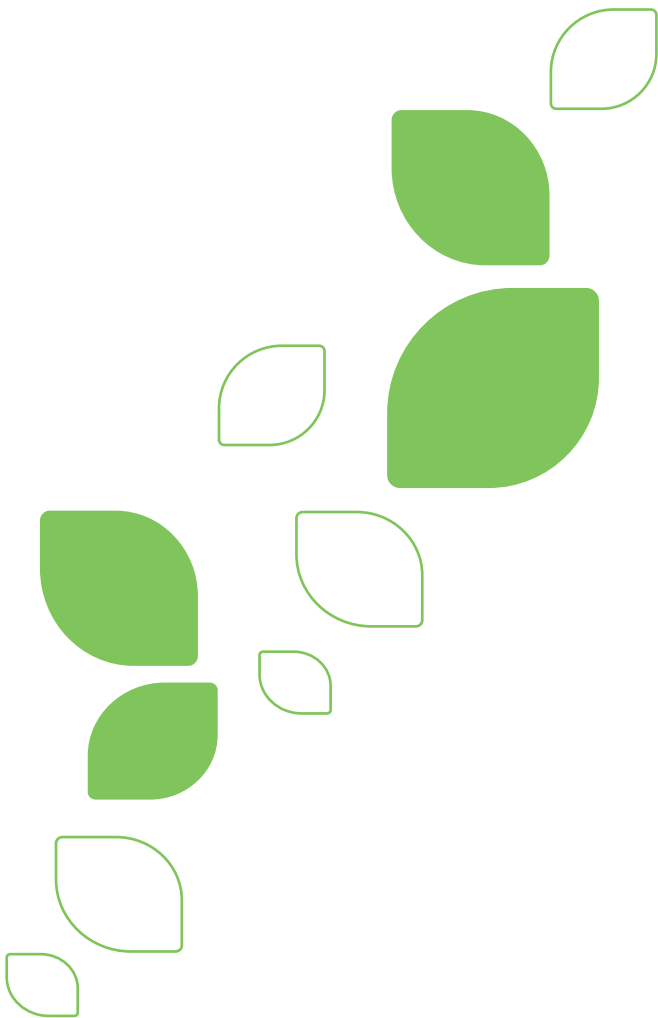
In place since 2014, the GMP certification confirms Deimos' compliance with European Good Manufacturing Practice standards for the importation of APIs. The most recent renewal occurred in June 2023, with validity through March 2027.

### AIFA Authorization – Importation of Active Pharmaceutical Ingredients

Deimos is officially authorized by AIFA (Italian Medicines Agency) to import pharmaceutical active ingredients, in alignment with its GMP certification. The authorization includes a list of approved APIs and shares the same expiration date: March 2027.

### ATS Authorization – Storage of Active Pharmaceutical Ingredients

Since June 19, 2020, Deimos has held an active authorization from ATS Milano for the storage of pharmaceutical active ingredients in its dedicated warehouse. This authorization is non-expiring and undergoes annual updates.





# ENVIRONMENT

Deimos addresses the challenge of climate change by working to **reduce waste and environmental impacts** along the life science supply chain, favouring **low-impact raw materials** and **reducing energy consumption**.

## Climate Change

E1

Deimos has already implemented **initiatives consistent** with European climate targets.

**Climate change mitigation** is one of the greatest challenges of the 21st century and requires the commitment of all actors across the value chain.

Aware of its role in the life science supply chain, Deimos is committed to the **responsible use of resources, reducing waste**, and **carefully managing the environmental impact** of its operations. In line with the goals of the Paris Agreement, the company has launched a journey to better understand its environmental footprint and define improvement actions.

The careful selection of **low-impact raw materials**, attention to the **origin of ingredients, reduction of energy consumption**, and ongoing collaboration with partners and suppliers support a more sustainable transition for the industry, through practical, long-term solutions.



Strategy

Transition Plan for Climate Change Mitigation

E1-1

Although Deimos has **not yet implemented a formal decarbonization plan**, in 2024—as in previous years—the **company continued its path toward mitigating climate-related impacts**, contributing to the **reduction of greenhouse gas (GHG) emissions** in line with European climate goals and the ESG principles integrated into its operational model.

Several preparatory initiatives have already been launched, including:

- Completion of **an energy audit**,
- Initiation of **GHG emissions calculations** (Scope 1 and 2),
- Actions to **reduce energy consumption and plastic usage**,
- **Optimization of transport and logistics flows**,
- Promotion of **lower-impact ingredients**,
- **Collaboration with partners** to develop more sustainable solutions.

These actions are part of **Deimos’ ESG Plan**, which represents the company’s first integrated strategic exercise to guide its environmental, social, and governance initiatives. Ongoing initiatives are detailed in the relevant thematic sections.

Management of Impacts, Risks, and Opportunities

Although Deimos is not a manufacturing company, its activities still generate **environmental impacts**, particularly **GHG emissions** related to energy use for heating and the distribution of goods via third-party carriers.

These impacts contribute to climate change and pose indirect risks to ecosystems. At the same time, Deimos identifies improvement opportunities through **renewable energy purchase, by-products reuse, optimization of logistics flows, and partnership with clients and suppliers to develop lower-impact solutions**, thus contributing to a more sustainable value chain.

PHYSICAL AND TRANSITION RISKS RELATED TO CLIMATE CHANGE

As part of the **double materiality analysis**, Deimos identified a set of risks linked to both the **consequences and mitigation of climate change** that could directly or indirectly affect its distribution activities across the life sciences value chain. This assessment helps evaluate potential effects on operational flows and business strategy.

Physical Risks

The **increasing frequency and intensity of extreme weather events**, such as heatwaves, floods, or prolonged droughts, could negatively affect production, logistics, and goods distribution, leading to delivery delays and higher transport costs. Due to its reliance on external infrastructure and third-party logistics across multiple geographies, certain products and services are more sensitive to climate variability.

These scenarios are actively monitored to assess their medium- and long-term relevance and to identify potential adaptation or mitigation measures to be shared with the logistics network and operational partners.

Transition Risks

**Evolving consumer expectations** and the **tightening of environmental regulations** are important transformation drivers for Deimos. Final customers—particularly in the Food, Nutra, and Cosmetics sectors—are increasingly focused on low-impact, health-conscious ingredients. To maintain competitiveness and meet stakeholder expectations, Deimos works closely with

suppliers and customers to co-develop more sustainable solutions.

Simultaneously, **the introduction of stricter environmental regulations** could restrict or ban the use of certain chemical substances, requiring the company to incur additional compliance costs and review its product portfolio more frequently,

To address these scenarios, Deimos is proactively committed to **continuously monitoring** environmental and sector-specific directives and regulations, and assessing their potential impacts across its business units, to **anticipate market shifts and strengthen resilience**.

Physical Risks

Physical risks refer to the direct impacts of climate change, such as extreme weather events (floods, droughts) and gradual changes (rising sea levels), which can cause direct damage to infrastructure, property, and economic activities.

Transition Risks

Transition risks are linked to the shift toward a low-carbon economy, including regulatory, technological, and market changes, which can have economic consequences for companies that fail to adapt.



Material impacts, risks, and opportunities and their interaction with strategy and the business model

IRO-1

IRO Type	Condition	VC Positioning	Title	Description
Impact	Negative, actual <sup>1</sup>	Entire value chain	Distribution of chemical specialties and contribution to climate change	The distribution of chemical specialties contributes to the release of greenhouse gases and environmental pollutants, intensifying global warming and altering ecosystems.
Physical Risk	Actual	Entire value chain	Risks related to extreme weather events	Extreme climate events may hinder product distribution and lead to increased transportation costs.
Transition Risk	Potential, short term	Own Operations	Rising stakeholder expectations on environmental impact reduction	Stakeholders, including investors and customers, may increase pressure on Deimos to reduce its carbon footprint or prioritize the distribution of lower-impact products.
Transition Risk	Actual	Own Operations	Shifting end-customer preferences toward more sustainable products	End customers may increasingly favor products and ingredients with lower environmental and health impacts. This requires Deimos to collaborate with clients and suppliers to develop more sustainable solutions and maintain competitiveness.

<sup>1</sup> Actual impacts and actual risks and opportunities are IROs that have already occurred or are producing concrete, observable and measurable effects in the present

Transition Risk	Actual	Own Operations	Regulatory developments in response to climate change	The evolution of environmental regulations may restrict or ban the use of specific chemical compounds, leading to additional compliance costs and requiring Deimos to revise its product portfolio.
Opportunity	Potential, short term	Own Operations	Installation of solar panels and reduction in costs and emissions	Installing photovoltaic panels on the warehouse roof would enable Deimos to generate electricity from renewable sources, reducing energy costs, fossil fuel dependency, and greenhouse gas emissions.
Opportunity	Potential, medium term	Own Operations	Renewable raw materials, process efficiency and optimization	The use of renewable materials, building and logistics efficiency, and process optimization help reduce the carbon footprint and strengthen business resilience, supporting competitiveness in the transition toward a greener economy.
Impact	Positive, actual	Own Operations	Reuse of food by-products and emission reduction	Reusing food by-products from certain business divisions as secondary raw materials in others reduces material consumption and the associated emissions.
Opportunity	Actual	Own Operations	Government incentives for adopting climate mitigation technologies	Green policies and government incentives may open up new markets and support the adoption of sustainable technologies and solutions that contribute to climate change mitigation.
Impact	Negative, actual	Own Operations	Greenhouse gas emissions from natural gas use	Deimos uses natural gas for heating, contributing to its carbon emissions.



Transition Risk	Actual	Own Operations	Regulatory and reputational risks linked to fos-sil-based energy sourcing	If Deimos remains reliant on fossil fuels and fails to diversify its energy sources, it may face increasing regulatory risks and reputational pressure from stake-holders, potentially compromising competitiveness in a market that fa-vours lower ecological footprints.
Opportunity	Potential, short term	Own Operations	Investments in renewa-ble energy to cut costs and meet stakeholder expectations	Investing in renewable energy (e.g. solar, wind, or biogas) presents an opportunity to reduce long-term operating costs, lower the company's carbon footprint, and better align with sustainability expectations from stakeholders and regulators.
Impact	Negative, actual	Value chain upstream and downstream	Greenhouse gas emissions associated with product transport	Although Deimos does not operate its own fleet, third-party transporters rely on fossil-fuelled vehicles, contributing to scope 3 emissions.
Transition Risk	Potential, medium term	Own Operations	Reputational risks due to lack of emission targets and transparency	Failure to set clear emission reduction targets and report progress transparently could harm Deimos' reputation, prompting scrutiny from clients and investors.

Opportunity	Actual	Own Operations	Distribution of low-impact products and emission reduction	Offering low-impact products presents a market opportunity to attract new clients and reduce emissions at the same time.
Impact	Positive, actual	Entire value chain	Emission reduction through collaboration within the value chain	Working with suppliers and clients to develop less impactful products or substances helps Deimos reduce emissions across its value chain.



The double materiality assessment conducted by Deimos identified **16 material Impacts, Risks, and Opportunities (IROs)** related to climate change, out of an initial set of 24. These include: 5 impacts (3 negative, 2 positive), 6 risks (1 physical, 5 transition-related), 5 opportunities, of which 3 are classified as potential.

Climate Change Policies

E1-2

As of 2024, Deimos has not yet adopted a formal policy specifically focused on climate change. However, general environmental protection principles are included in Chapter 4 of the company's **Code of Ethics**, which governs relations with the community and **environmental stewardship**.

This section acknowledges: the strategic value of promoting sustainable solutions, scientific and technological development aligned with environmental protection, preservation of natural resources, and responsible sourcing of raw materials.

These principles represent a foundational value base but do not yet constitute a comprehensive climate policy. The development of a **dedicated environmental and climate policy** is **planned by 2026**, which will accompany the future transition plan and provide a reference framework for managing climate-related impacts and risks across the value chain.

Climate Actions and Resources

E1-3

Although Deimos does not yet have a structured transition plan, numerous initiatives have already been launched to reduce the company's environmental impact through **more efficient and responsible resource use**, in line with a **broader ecological transition**.

These actions reflect a pragmatic approach consistent with the company's role as a distributor in the life science supply chain, and are developed along **two main lines**: on the one hand, the **reduction of the direct impact of its operational activities** through **targeted investments and more efficient practices**; on the other hand, the **promotion of circular and lower-impact solutions** along the value chain, through dialogue with partners and suppliers and the development of more sustainable products.

A significant contribution is represented by **participation in the FermAct project**, in which Deimos is actively involved both in the **development of new functional ingredients derived from agro-industrial waste and in the optimization of packaging** through **recycled materials**. **Investments in renewable energy** to power laboratory activities and the progressive integration of **raw materials from supply chain by-products** are two concrete examples of how sustainability is being integrated into the business model. These actions, described in the following thematic paragraphs, mark the beginning of a journey aimed at defining a more systemic environmental strategy.

MONITORING, REDUCTION AND OPTIMIZATION OF ENERGY CONSUMPTION

Deimos has launched a series of activities aimed at **monitoring** and **reducing energy consumption**. In 2023, an **energy audit** was carried out including Level 0 and Level 1 analyses, providing an initial assessment of the company's energy flows. The activity made it possible to map the **main sources of consumption**, collecting historical data starting from 2020, conducting site inspections in offices, and inspecting the building envelope to **identify any inefficiencies related to insulation or heat dispersion**.

Following the audit, Deimos began **systematically collecting daily data on energy consumption**. Monitoring makes it possible to **highlight potential waste**, such as energy use during non-working hours, and helps to promote an internal culture oriented toward conscious behaviour through the active involvement of

staff. In 2024, as part of the development of the first Sustainability Report, Deimos measured its **Scope 1 and 2 emissions**, reported in paragraph E1-6.

RENEWABLE ENERGY

Deimos has begun identifying potential suppliers for the **installation** of a **photovoltaic system** on the roof of its Cologno Monzese warehouse, with the aim of powering its applied research laboratories — particularly in the Bakery and Meat sectors — with **renewable energy**.

This initiative represents a concrete step forward in reducing the environmental impact of business operations, with a specific focus on **optimizing energy use during the development and testing of new ingredients and formulations**. The project is part of the company's broader commitment to making its research and development operations increasingly sustainable, contributing to the decarbonization of its emissions profile.

USE OF PLASTIC

Deimos actively contributes to the development of innovative solutions aimed at reducing the environmental impact of packaging, with particular focus on **decreasing the use of traditional plastic and non-biodegradable materials**.

The company promotes the use of **bio-based materials** derived from processing **residues of products such as pumpkin and tomato**. These innovative materials, characterized by high biodegradability and compostability, aim to **replace traditional polymers**, reduce greenhouse gas emissions, and contribute to cutting organic waste. The packaging adopted fits into a circular economy model, valorising agro-industrial by-products that would otherwise be lost, transforming them into useful resources with reduced environmental impact.

FERMACT PROJECT

**FermAct** is a research and development project funded by the **Lombardy Region**, implemented in collaboration with the **National Research Council (CNR)** and **six private companies**, including innovative startups and SMEs. The partnership covers the entire value chain — from agricultural production to scientific research, food processing, ingredient and packaging development, to supply chain digitalization and product commercialization.

The project's full title is "Fermentation of innovative crops and use of food waste for the production of functional foods and sustainable packaging." Its main objective is the **development of sustainable solutions** in the fields of nutraceuticals and packaging, leveraging legume fermentation and the **valorisation of agro-industrial waste**, with particular attention to **reducing environmental impact and climate-altering emissions**.

The project's main activities include:

- **Development of functional foods** based on fermented legumes for gut health and glyce-mic control;
- **Creation of dietary supplements** for diabetic and obese patients using fermented flours;
- **Valorisation of agro-food waste** such as tomatoes, pumpkins, and fermentation residues to obtain new functional ingredients;
- **Development of sustainable and functional packaging** using bio-based polymers and agro-industrial waste;
- **Reduction of food waste** through a predictive shelf-life tool integrated into a blockchain-based traceability platform;
- **Measurement of environmental impacts** via Lifecycle Assessment, monitoring of CO<sub>2</sub> emissions, and reduction of raw materials used and waste generated.



Deimos is one of the key industrial partners in the project, contributing to the creation of **functional ingredients** from fermented bean flours and agro-food waste such as pumpkin and tomato peels and seeds. Additionally, the company collaborates in developing **biodegradable and compostable materials derived from waste and bio-based polymers** and is evaluating powering its research laboratories with photovoltaic panels to reduce CO<sub>2</sub> emissions linked to energy consumption from experimental activities conducted within the project.

Through this partnership, Deimos plays a strategic role in developing application-ready solutions and directly contributing to emissions reduction, integrating circularity, clean energy, and sustainable ingredients in a shared path toward ecological transition.

PLANNED INITIATIVES

As part of its **ESG Plan**, Deimos has identified a series of initiatives aimed at reducing its environmental impact over the coming years.

These actions are designed to strengthen the company's commitment across the entire value chain, with particular focus on emissions reduction, circular economy, and responsible supplier management. Specifically, the planned initiatives include:

- **Mapping and quantification of indirect greenhouse gas emissions** (Scope 3), through the launch of a systematic process for measuring emissions related to all upstream and downstream supply chain activities, with the aim of improving climate change reporting and identifying priority intervention areas;
- **Increased use of food waste and other agro-industrial residues** as by-products or secondary raw materials, to be used in functional applications in the laboratories and for the development of innovative, low-impact packaging;
- **Supplier mapping based on sustainability criteria**, through a monitoring and assessment system based on environmental, social and go-

vernance (ESG) indicators to be integrated into procurement processes;

- **Strengthening collaborations with suppliers**, through the development of strategic partnerships aimed at co-designing and introducing lower environmental impact solutions, particularly regarding ingredients, packaging materials, and more sustainable operational practices.

These initiatives mark the beginning of **Deimos' energy transition journey**, with the goal of generating a positive environmental impact throughout the entire value chain and consolidating a model of responsible and circular innovation.

Deimos focuses on decreasing the use of traditional plastics and non-biodegradable materials in packaging





Metrics and Objectives

Targets related to energy transition and climate change

E1-4

As of 2024, the company has not yet defined quantitative targets for reducing greenhouse gas emissions. However, a **structured system for collecting and managing environmental data** is currently being developed, with the aim of including the subsidiaries within the scope of ESG reporting in the future.

Energy Consumption

E1-5

In 2024, the company's total energy consumption amounted to 589,81 MWh, an increase compared to 475,87 MWh in 2023. This increase is mainly due to

**business growth and the expansion of the company fleet** with the integration of six new vehicles, which led to higher energy consumption.

The share of energy from fossil sources rose from 339.38 MWh in 2023 to 444.87 MWh in 2024, representing a 32% increase. This consumption is attributable to the use of gasoline and diesel for the company fleet, as well as the natural gas used to heat the offices.

The consumption of non-renewable electricity in 2024 amounted to 144.94 MWh, marking a 6% increase compared to 136.49 MWh the previous year.

The overall increase in energy consumption in 2024 reflects the company's business growth and the integration of new vehicles into its fleet.

Energy Consumption

	2024		2023	
	MWh	%	MWh	%
Total Energy Consumption	589,81	24	475,87	-
Total Energy from Fossil Fuels	589,81	24	475,87	-
Consumption from fossil fuels	444,87	32	339,38	-
Of which coal	0	-	0	-
Of which diesel	249,79	19	210,80	-
Of which gasoline	94,82	47	64,51	-
Of which LPG	0	-	0	-
Of which natural gas	100,26	56	64,08	-
Of which other non-renewable sources	0	-	0	-

Consumption of electricity (non-renewable)	144,94	6	136,49	-
Consumption of thermal energy (non-renewable)	0	-	0	-
Total Energy Consumption from Renewable Sources	0	-	0	-
Consumption of renewable fuels	0	-	0	-
Of which biodiesel	0	-	0	-
Of which HVO biodiesel	0	-	0	-
Of which liquefied biomethane	0	-	0	-
Of which bioethanol	0	-	0	-
Of which biomass	0	-	0	-
Of which biogas	0	-	0	-
Consumption of renewable electricity purchased or acquired (with Guarantees of Origin)	0	-	0	-
Consumption of renewable electricity self-generated from renewable sources	0	-	0	-

Deimos' energy intensity, calculated as the total energy consumption in relation to revenue, increased by 13% in 2024. Since the company is involved in the distribution of products for the "life sciences" markets, it does not operate in high climate-impact sectors.

2

ACTIVE PROJECTS

for the reuse of food waste

The installation of photovoltaic panels combined with the optimisation of transport and logistics will contribute to the reduction of emissions in the coming years.



Energy Intensity

	u.m.	2024	2023
Total energy consumption from activities not in high-impact sectors	MWh	589,81	475,87
Net revenues from activities not in high-impact sectors used to calculate energy intensity	€	50.992.826 €	46.599.017 €
Net revenues (other)	€	-	-
Energy intensity (total consumption/net revenues)	MWh/€	0,0000116	0,0000102

Greenhouse Gas Emissions (GHG)

E1-6

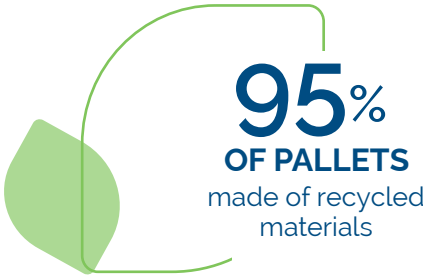
In 2024, Deimos' total **Scope 1 and 2** greenhouse gas emissions, calculated according to the **location-based** methodology of the **Greenhouse Gas Protocol** (GHG Protocol), amounted to 145 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), marking a 23% increase compared to 2023, when they were 118 tCO<sub>2</sub>e. Using the **market-based** methodology instead, total **Scope 1 and 2** emissions in 2024 amount to 181 tCO<sub>2</sub>e, up 19% from the previous year (151 tCO<sub>2</sub>e).

Direct **Scope 1** emissions, which include **natural gas used for heating** and **fuels used by the company fleet**, reached 108 tCO<sub>2</sub>e in 2024—a 29% increase compared to 83 tCO<sub>2</sub>e in 2023. This rise is primarily due to the increased use of diesel and gasoline, linked to **greater logistics activity** and the expansion of the vehicle fleet in line with business growth.

Indirect **Scope 2** emissions, related to electricity consumption, show a slight increase from 35 to 37 tCO<sub>2</sub>e in 2024 using the location-based approach, and from 68 to 73 tCO<sub>2</sub>e using the **market-based** methodology.

As of today, Deimos does not yet monitor **Scope 3** emissions, but the start of this activity is planned for the coming years, in line with the evolution of ESG reporting.

The overall increase in emissions is consistent with the expansion of the company vehicle fleet and the resulting increase in business travel. The **installation of photovoltaic pannels**, along with the **optimization of transport and logistics**, is expected to help reduce emissions in future reporting periods.



Total Scope 1 and Scope 2 Emissions

tCO <sub>2</sub> e	2024	%	2023	%
GHG Emissions - Scope 1	108	29	83	-
From natural gas	19	56	12	-
From diesel used for company vehicles	65	18	55	-
From gasoline used for company vehicles	24	47	16	-
From LPG used for company vehicles	0	-	0	-
GHG Emissions - Scope 2 Location Based	37	6	35	-
Electricity	37	6	35	-
Thermal Energy	0	-	0	-
GHG Emissions - Scope 2 Market Based	73	6	68	-
Electricity	73	6	68	-
Thermal Energy	0	-	0	-
Total GHG Emissions - Scope 1 e 2 - Location Based (tCO <sub>2</sub> e)	145	23	118	-
Total GHG Emissions - Scope 1 e 2 Market Based (tCO <sub>2</sub> e)	181	19	151	-

**Deimos' emissions intensity**, calculated as Scope 1 and 2 emissions relative to revenue, increased in 2024 by 12% compared to 2023 using the location-based approach, and by 9% using the market-based methodology.





Emissions Intensity Relative to Revenue

	2024	2023
Net revenue (million euro)	50.992.826 €	46.599.017 €
Total GHG emissions - Scope 1 and 2 - location based - compared to net revenue (tCO2e/million euro)	0,0000028	0,0000025
Total GHG emissions - Scope 1 and 2 - market based - compared to net revenue (tCO2e/million euro)	0,0000035	0,0000032

Scope 1 Emissions

Scope 1 includes "direct" emissions related to the company's own operations or those controlled by the organization. This includes all greenhouse gas emissions generated directly by the organization from the combustion of fossil fuels used to operate facilities, the company fleet, and to heat the offices

Scope 2 Emissions

Scope 2 includes indirect emissions resulting from the production of electricity by third parties in locations different from where it is used, but which can still be attributed to the company as the end user

Scope 3 Emissions

Scope 3 includes indirect emissions generated from sources not directly owned or controlled by the organization, such as the supply chain, transport, use, or disposal of products

Location Based Emissions

The Location-Based approach of the GHG Protocol estimates emissions using emission factors based on the national energy mix

Market Based Emissions

The Market-Based approach estimates emissions using emission factors associated with electricity purchased from suppliers selected by the organization





# Circular Economy

E5

The **efficient use of resources** and the transition toward a more **circular economic model** are key levers for reducing pressure on ecosystems and fostering sustainable growth. As a distributor operating in the life sciences supply chain, Deimos recognizes its responsibility in contributing to this shift through actions that aim to **enhance the value of raw materials, reduce waste, and limit environmental impact** throughout the product life cycle.

In recent years, the company has taken concrete steps toward more resource-conscious management by integrating circular economy principles into its operations and R&D projects. The use of agro-industrial by-products as **secondary raw materials**, the development of **bio-based and compostable packaging**, and the **reuse of ingredients otherwise destined for disposal** are tangible examples of this commitment.

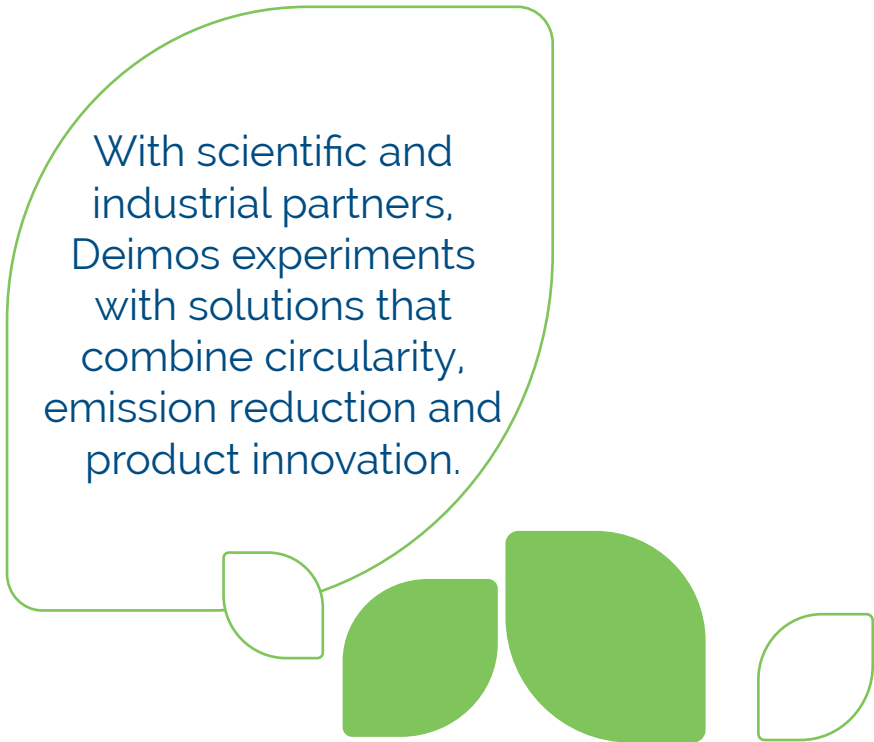
Through collaboration with scientific and industrial partners, Deimos is testing solutions that combine circularity, emissions reduction, and product innovation. The initiatives already underway, along with those currently being planned, demonstrate the company's growing commitment to ecological transition and to building a more resilient and sustainable food and production system.

## Impact, Risk, and Opportunity Management

As a distributor, Deimos' activities influence resource use across the value chain of client companies, primarily through **raw material selection, packaging choices, and waste and by-product management**. These activities contribute to shaping the overall environ-

mental footprint of the products placed on the market. The promotion of non-renewable raw materials, the use of non-recyclable materials, and inefficient waste management are all factors that may hinder the transition toward a more circular model.

Deimos is committed every day to improving its environmental impact through more efficient resource use, including the increased promotion and valorisation of **renewable and organic raw materials, the reuse of agri-food by-products** to create innovative ingredients, and the development of **biodegradable and compostable packaging**. Additionally, collaboration with suppliers and customers for **by-product recovery**, combined with **product traceability**, makes it possible to promote a more circular model that recovers materials otherwise destined for disposal, contributing to a supply chain that is more transparent, safe, and sustainable.



## Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1

IRO Type	Condition	VC Positioning	Title	Description
Impact	Positive, actual	Own operations	Low environmental impact raw materials	Deimos primarily distributes raw materials of natural origin (clean label) and with a low environmental impact.
Opportunity	Actual	Own operations and value chain upstream	Reuse of food waste for innovative prod-ucts and research	Deimos collaborates with suppliers to transform food waste into raw materials. In addition, food waste is used as ingredients for innovative products and for laboratory activities.
Opportunity	Actual	Own operations	Increase in renewable raw materials and reduction of depend-ence on fossil sources	Increasing the use of renewable or organic raw materials can represent an opportunity to reduce the company's ecological footprint and limit dependence on fossil resources.
Opportunity	Potential, medium term	Own operations	Secondary markets and circular economy	Some waste products can be turned into input resources for other companies, opening up opportunities in secondary markets and reducing the need for dis-posal.
Opportunity	Actual	Own operations	Recycling of materials from outbound re-source flows and in-created operational efficiency	Implementing advanced recycling and recovery practices for materials from outbound resource flows (e.g., reuse of waste or packaging) can reduce the need for virgin raw materials, lower costs, and improve operational efficiency.

Impact	Positive, actual	Own operations	Reuse of food waste to meet customer needs	Deimos reuses food waste to develop innovative raw materials, thus responding to customer needs.
Opportunity	Potential, short term	Own operations	Warehouse monitoring and waste recovery	By frequently monitoring the warehouse, Deimos could reduce waste by recovering part of the waste.
Opportunity	Potential, short term	Own operations	Sustainable waste management and cap-ital attraction	Adopting responsible and sustainable waste management policies attracts investors, banks, and insurers focused on environmental issues, opening up new financing opportunities and improving the company's reputation over the long term.
Impact	Positive, actual	Entire value chain	Product traceability	Deimos' product traceability ensures safety and quality throughout the supply chain, improving consumer trust.

The double materiality analysis conducted by Deimos led to the selection of **9 material impacts and opportunities** related to **resource use and the circular economy**, out of an initial set of 14 relevant IROs. Among these, three positive impacts and six opportunities were identified, all of which are current and effective, as they are already integrated into the company's operations and R&D projects.

Policies related to resource use and the circular economy

E5-1

At present, Deimos has not adopted a formal policy specifically focused on resource use and the circular economy. However, some general **environmental protection principles** are included in Chapter 4 of the

**Code of Ethics**, where the company commits to promoting sustainable solutions, scientific and technological development oriented toward environmental protection and resource conservation, as well as responsible sourcing of raw materials.

In line with these principles, Deimos has already launched various initiatives aligned with circular economy models, particularly within its Food Business Unit and R&D activities. These include the **reuse of agro-food by-products**, such as brewer's spent grains, for the formulation of new food mixtures, with the goal of valorising materials that would otherwise be discarded.

Although these practices are not yet framed within a structured strategy or policy, they represent a foundation for the progressive integration of circularity principles into business processes. The definition of a speci-

fic policy is currently under evaluation, in line with the evolution of the company's ESG roadmap.

Actions and resources related to resource use and the circular economy

E5-2

Although Deimos has not yet defined a formalized strategy on resource use and the circular economy, the company has undertaken several actions reflecting an approach based on **material reuse, waste reduction, and resource valorisation**.

These initiatives are part of a broader transition toward a more sustainable production and distribution model. The **use of agro-food by-products** to develop new raw materials, the internal **repurposing of ingredients no longer suitable for food use**, and ongoing dialogue with clients and partners to **promote innovative low-impact solutions** represent some of the key areas of focus. The actions described in the following paragraphs are the first steps toward systemic integration of circular economy principles within company operations.

REUSE AND VALORIZATION OF AGRO-FOOD BY-PRODUCTS

Deimos promotes the circular economy by **reusing certain food by-products to reduce waste** and generate value along the supply chain. A concrete example is the R&D activities within the Food Business Unit, where innovative blends based on brewer's spent grains—a by-product of the brewing industry traditionally destined for disposal—have been developed.

This ingredient has been successfully tested in several applications by clients in the bakery sector, including bakeries, cookie manufacturers, pasta producers, and pizza ingredient suppliers. The focus on resource reuse also extends to the management of raw materials that are no longer suitable for the Food Business Unit—due, for instance, to expiration or non-hazardous contamination. In these cases,

Deimos evaluates the potential **reuse of materials** within the Agro&Feed Business Unit, **avoiding disposal**. This helps **reduce waste** and **extend the useful life of resources**, in line with the principles of the waste hierarchy and the circular economy.

Another initiative promoted by Deimos is its participation in the **FermAct** project, where the company plays a central role. This is covered in more detail in chapter E1. Through these initiatives, Deimos integrates **applied research, by-product valorisation, and collaboration with industrial partners**, laying the foundation for more sustainable production and consumption models.

DEVELOPMENT OF SUSTAINABLE PACKAGING FROM WASTE MATERIALS

As part of FermAct, Deimos is involved in Action 4, aimed at **developing functional and low-impact packaging** using materials derived from agro-industrial waste. Extracted fibers and bioactive molecules are used to improve the shelf-life of products developed in the project, while also reducing the need for non-biodegradable plastic materials.

INCREASE IN RAW MATERIALS FROM EXHAUSTED MATERIALS IN THE VALUE CHAIN

Deimos is gradually integrating raw materials obtained from waste or exhausted materials in the value chain into its product portfolio. This approach not only demonstrates the potential to turn residues into valuable ingredients but also promotes a **production model based on circularity**, encouraging partners and suppliers to pursue the same path.



PLANNED INITIATIVES

Within its **ESG Plan**, Deimos has outlined a series of strategic initiatives aimed at reinforcing the adoption of circular economy practices and the **efficient management of resources**. These actions will be launched over the next three years and contribute to establishing a more sustainable and responsible production model. They include:

- **Expanding the product portfolio of natural origin**, prioritizing low environmental impact raw materials and valorising secondary ingredients obtained from agro-food by-products, to reduce reliance on virgin resources and promote eco-friendly solutions throughout the product life cycle;
- **Increasing the use of waste-derived products and low-impact packaging**, through biodegradable or compostable alternative materials, with the goal of reducing the use of conventional plastic and associated emissions;
- **Structuring monitoring of segregated warehouse** areas to quantify and reduce surpluses and contain waste of raw materials no longer suitable for their original use, by more timely evaluating potential reuse in other production areas;
- **Integrating ESG criteria in supplier selection and evaluation** to guide procurement practices towards more sustainable partners and promote greater accountability throughout the supply chain;
- **Strengthening strategic partnerships** with value chain actors who share sustainability values, through co-development projects of functional ingredients, packaging, and low-impact production processes;
- **Mapping and classifying the current product portfolio according to sustainability criteria**.

These initiatives represent an evolution of Deimos' existing efforts in the field of circular economy, laying the groundwork for increasingly efficient, innovative, and transparent resource management.



Metrics and Objectives

Objectives related to resource use and circular economy

E5-3

As of 2024, the company has not yet formalized specific targets regarding efficient resource use and the circular economy. However, Deimos has started **mapping its activities to identify priority areas** for future target development, with an initial focus on **waste reduction**, especially **plastic waste**.

In terms of products sold, the R&D team of the Food Business Unit is exploring the adoption of **ingredients and solutions inspired by circular economy principles**, while also promoting awareness-raising initiatives along the supply chain. Among the actions under consideration are **engagement activities with suppliers**, such as **webinars and podcasts**, with the aim of spreading the culture of using renewable and low-impact raw materials.

Input Resources

E5-4

As a distribution company, **Deimos is not directly involved in production activities** but plays a key role in managing material flows along the value chain. The resources used internally by Deimos mainly relate to **packaging materials** and **tools to support logistics and operational activities**, such as management software, office equipment, and material handling vehicles.

The company **does not directly use critical raw materials or rare earth elements**. Natural resource consumption, such as water, is limited to civil use within operating sites. Additionally, the machinery present is not used for production processes but supports storage and distribution operations.

Although Deimos does not directly transform raw materials through internal processes, it **manages and distributes a wide variety of input resources from its suppliers**. These include food ingredients, raw materials and intermediates for the cosmetics and pharmaceutical industries, chemical compounds, synthesis intermediates, and plant derivatives. These are received, stored, and delivered according to the needs of the different Business Units, representing a significant part of the company's operations.

Deimos purchases incoming materials packaged in various types of containers, including bags, boxes, metal or paper drums, plastic IBC tanks, and big bags, typically transported on pallets. The **packaging is provided by the manufacturers** and is disposed of by the end customers.

Sn the Food Business Unit, materials are generally packaged in larger formats, whereas in the Cosmetics Business Unit, larger quantities are often repackaged

into smaller units. In these cases, Deimos directly provides the packaging, predominantly paper-based.

Although not directly responsible for the primary design of packaging, Deimos is aware of the environmental impact of these materials and is committed to **promoting more sustainable and recyclable solutions** throughout the supply chain.

**95% of the pallets** used by Deimos are **made of recycled material**, aligning with the company's commitment to reducing the environmental impact of its logistics supports. Only 5% of the pallets are new and are exclusively used in the pharmaceutical sector, in compliance with regulations requiring the use of virgin materials to ensure adequate hygiene standards.

Incoming Materials by Business Unit

	2024		2023	
	ton	%	ton	%
Total Weight of Input Materials	9546,23	16%	8263,46	-
Incidence of products and materials - organic	9%		6%	
Weight of products and materials - organic	887,37	76%	503,43	-
NUTRA	3,76	94%	1,94	-
FOOD	812,52	85%	438,63	-
PHARMA	-	-	-	-
FINE CHEMICALS	-	-	-	-
SPECIAL APPLICATIONS	-	-	-	-
AGRO&FEED	65,22	16%	56,44	-

HAIR COLORING	1,00	-41%	1,71	-
PERSONAL CARE	4,87	3%	4,71	-
Weight of products and materials - technical	8658,86	12%	7760,03	-
NUTRA	983,18	-11%	1.109,81	-
FOOD	3.443,58	46%	2.354,99	-
PHARMA	9,86	-38%	15,80	-
FINE CHEMICALS	249,13	73%	144,04	-
SPECIAL APPLICATIONS	1.071,13	-9%	1.171,83	-
AGRO&FEED	2.397,55	3%	2.338,80	-
HAIR COLORING	462,80	-20%	577,15	-
PERSONAL CARE	41,64	-13%	47,62	-

In total, in 2024, Deimos purchased a total of **9,546.23 tonnes of materials** destined for its seven Business Units, marking a 16% increase compared to the 8,263.46 tonnes acquired the previous year. The largest share of inbound materials is attributable to the Food BU, which accounts for approximately 4,256.1 tonnes, or 45% of the total. This is followed by the Agro&Feed BU with 2,642.77 tonnes (26%), and the Special Applications BU with 1,071.13 tonnes, representing 11% of the total volume.

2024 saw a **significant increase in organic products**, which rose from 6% of the total in 2023 to **9% in 2024**. In absolute terms, the highest volume was recorded in the Food BU, where organic products represent 19% of total purchases, and in the Agro&Feed BU, where they make up about 3%. In relative terms, the second highest presence of organic products was seen in the Personal Care division, where they account for over 10% of total materials.

Overall, the company is progressively increasing the share of organic products in its supply chain, showing an overall increase of **76% compared to the previous year**, mainly driven by the Nutra BU (+94%) and Food BU (+85%).

Although Deimos' product portfolio already includes renewable and recycled materials, these components are not yet mapped systematically. The goal of tracking their presence and incidence in a structured way has been set for the upcoming reporting periods.

The data reported in this section was drawn from an **internal document**, which serves as the primary source for the analysis. The file includes **consolidated data on products sold during 2023 and 2024**, including volumes, margins, and classification between "BIO" and "Conventional" products.



Due to warehouse leftovers or damaged products that were not released to market, discrepancies exist between the quantities purchased and those actually sold — as explained in section E5-5 on outbound resources, with reference to 2023 data.

Output Resources

E5-5

Deimos is progressively integrating circular economy principles into its operations, aiming to **minimize waste and maximize the value of resources** throughout their lifecycle. As a distributor, Deimos' outbound resources stem mainly from logistics and operational activities, rather than from in-house production processes. These include **solid goods, packaging, storage residues, lab waste, and materials no longer suitable for sale**.

In recent years, the company has initiated efforts to **prevent and efficiently manage waste**. Notably, Deimos encourages the internal reuse of ingredients no longer usable in the Food BU by repurposing them within other units, such as Agro&Feed, thus helping to reduce waste. This cross-functional approach helps extend the useful life of resources and **reduce disposal needs**.

Deimos is also committed to actively collaborating with suppliers and clients to explore lower-impact solutions, including the development of **ingredients derived from secondary raw materials or agro-industrial by-products**. While the company does not yet systematically collect recycling rates across all waste categories, it is working on tracking this data and defining quantitative targets, which will be published starting from upcoming reporting cycles.

At the same time, through R&D projects, the company is experimenting with innovative applications in **packaging and formulation of new ingredients and processes**, with the goal of **maximizing the reuse of materials and agro-industrial residues**. These actions are part of a broader vision where circular economy is not just an operational practice, but a strategic lever for transitioning toward a more sustainable distribution and business model.

PRODUCTS SOLD

Output Materials

	2024		2023	
	ton	%	ton	%
Total Weight of Output Materials	9546,23	15%	8289,88	-
Total Weight of Recyclable Content	-	-	-	-
Percentage of Recyclable Content	-		-	

Currently, Deimos does not carry out a systematic monitoring of the quantity and percentage of recyclable content present in its products. However, this activity will be gradually implemented over the coming years, where deemed relevant, in line with the company's objectives of continuous improvement and focus on material circularity.

The difference between inbound resources and outbound materials in 2023 — amounting respectively to 8,263.46 tonnes and 8,289.88 tonnes — can be interpreted in light of Deimos' distribution-based business model:

- **Inbound resources** represent the total volume of materials purchased and received by the various Business Units throughout the year. These materials include a **wide range of ingredients, compounds, and functional substances** destined for various industrial sectors — from food to personal care, from agribusiness to nutraceuticals — and are managed primarily as transit flows, without undergoing internal production

transformations. This category also includes related **packaging materials, tools supporting logistics, and operational activities**;

- **Outbound materials**, instead, reflect the actual quantities sold to customers, based on consolidated management data. In 2023, this value was slightly higher than the volume of inbound resources due to:
  - **the sale of warehouse stock** acquired in previous years
  - **timing differences between purchases and sales**, which may cause discrepancies due to inventory management dynamics
  - **the nature of the data**, as the analysis of sold materials was calculated on a final accounting basis.

WASTE

Waste Generated

Type of Waste Produced (EWC)	Relevance U.M: T	2024			2023		
		Waste Generated	Sent for Recovery	Sent for Disposal	Waste Generated	Sent for Recovery	Sent for Disposal
150106	Non-dusty mixed-material packaging	11,05	3,32 <sup>2</sup>	7,73	8,28	2,48	5,8
020304	Waste unusable for consumption or processing	11	-	11	-	-	-
Total		22,05	3,32	18,73	8,28	2,48	5,8

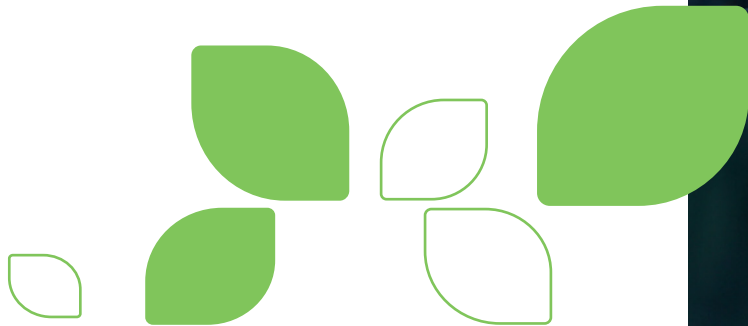
<sup>2</sup> The figure is currently being estimated: it is estimated that around 30% of packaging goes to recovery operations.



As a distribution company, Deimos is not directly involved in production processes; therefore, the waste it generates primarily consists of **packaging materials** (plastic, paper, wood), **residues from storage activities**, **food waste from laboratory operations**, and **goods no longer fit for sale**.

In 2024, Deimos produced a total of 22.05 tonnes of waste, comprising 11.05 tonnes of mixed non-powdered packaging materials and 11 tonnes of waste unsuitable for either consumption or transformation, stored at the Concorezzo warehouse and destined for disposal. The latter, which were not present in 2023, are mainly food waste that—due to expiry, contamination, or damage during transport—can no longer be used and are thus entirely allocated for disposal.

In 2024, it was possible to recover 3% of packaging waste, marking a slight decrease of 1% compared to the previous year. As of 31 December 2024, a significant portion of primarily food-related waste—generated by laboratory activities and accumulated in prior years—remains stored at the company's warehouse. Disposal of this waste is planned for 2026. At present, the company does not yet carry out a systematic and formalized distinction between hazardous and non-hazardous waste; the implementation of monitoring and classification by type is likewise scheduled for 2026.







# SOCIAL

Deimos has always **valued its human capital** as a **strategic lever for innovation and operational excellence**.

## Own Workforce

S1

Deimos has always recognized the strategic value of its **people** as a **central element** of the company's ability to adapt with **agility**, develop **tailored solutions**, and generate **long-term shared value**. In 2024, the organization further strengthened its internal structure, investing in human capital as a strategic lever to ensure operational excellence, service reliability, and innovation in its value proposition. In this context, workforce growth reflects not only a numerical expansion but also a consolidation of competencies and Deimos' capacity to respond promptly and proactively to its clients' needs.

Deimos promotes an **inclusive and collaborative environment**, attentive to people's well-being and aspirations

### Management of Impacts, Risks and Opportunities

Deimos' activities have direct effects on its **people**, shaping the **work environment, organizational culture**, and **opportunities for professional development**. As the company continues its growth trajectory, it generates significant impacts that intertwine with cultural, relational, and organizational aspects. These effects present both challenges and opportunities: from **strengthening skills to actively engaging employees**, from promoting **equity** to building relationships based on **respect and dialogue**. In this context, Deimos adopts a careful and responsible approach, aiming to

create an inclusive, collaborative environment aligned with individual aspirations. The company is fully aware that its value as an enterprise is closely linked to the growth and well-being of its people.

Material impacts, risks and opportunities and their interaction with strategy and business model

IRO Type	Condition	VC Positioning	Title	Description
Impact	Positive, actual	Own Operations	Active employee participation in company decisions	By fostering an environment where team members are encouraged to speak openly and contribute to decision-making processes, Deimos promotes a culture of active and shared participation.
Impact	Positive, actual	Own Operations	Extension of smart working days	The extension of remote working options, (e.g. in situations such as maternity), reflects a commitment to greater flexibility and employee well-being.
Opportunity	Potential, medium term	Own Operations	Competitive welfare package and talent attraction/retention	A well-structured welfare package that supports work-life balance enhances Deimos' competitiveness in the labour market, helping to attract high-quality talent and retain existing employees. Workers who feel supported in balancing personal and professional responsibilities are less likely to seek opportunities elsewhere.
Opportunity	Potential, medium term	Own Operations	Investment in work-life balance and employee motivation/productivity	Well-designed welfare programs can help reduce stress and improve mental and physical well-being, ultimately increasing motivation and productivity.
Opportunity	Potential, medium term	Own Operations	ISO 45001 and SA 8000 certifications	Pursuing certifications such as ISO 45001 and SA 8000 would further improve worker safety and reduce the incidence of workplace injuries and occupational illnesses.

Impact	Positive, potential	Own Operations	Ongoing training and opportunities for personal/ professional development	By investing in continuous learning, Deimos supports the growth of its workforce. Training programs not only strengthen technical competencies, but also foster personal development, contributing to a stimulating and fulfilling work environment.
Opportunity	Potential, medium term	Own Operations	Training on circularity and reuse of food waste	Through targeted training on material circularity and the reuse of food waste—and by engaging with universities and research projects—Deimos aims to develop innovative solutions, reduce raw material consumption, foster the creation of eco-friendly products, and potentially access new markets.
Impact	Positive, actual	Own Operations	Inclusive and equitable work environment boosting collaboration and innovation	An inclusive environment—where all employees, regardless of gender, are treated equitably—promotes greater collaboration, creativity, and innovation. Diverse experiences and perspectives enrich decision-making and problem-solving processes, fostering a culture of mutual respect.
Opportunity	Potential, medium term	Own Operations	Diversity, innovation, and problem-solving capacity	A diverse team, made up of people with varying backgrounds, experiences, and skills, enhances innovation and problem-solving capabilities—particularly relevant in the chemical sector, where innovation is essential to addressing sustainability and regulatory challenges.
Opportunity	Potential, medium term	Own Operations	Diversity and inclusion enhancing talent attraction	Companies that actively promote diversity and inclusion are more attractive to candidates seeking respectful, equitable, and innovative workplaces.



Impact	Positive, potential, long term	Own Operations	Sense of belonging and growth to retain talent	High employee engagement strengthens the sense of belonging, satisfaction, and prospects for growth, supporting long-term talent retention.
Opportunity	Potential, short term	Own Operations	Employee well-being and workplace climate assessments	Conducting climate surveys helps monitor employee well-being and identify areas for improvement. Feedback on perceptions of safety, satisfaction, and motivation provides valuable insights for creating a more positive work environment.
Opportunity	Potential, long term	Own Operations	Positive and collaborative workplace climate attracting new talent	A high level of engagement contributes to stronger collaboration and a positive organizational culture, improving morale and making Deimos a more attractive employer.
Opportunity	Potential, medium term	Own Operations	Recognition of employee capabilities	Valuing employees' specialized skills enables the development of innovative solutions, improves operational efficiency, and supports the company's response to challenges related to digitalization and sustainability.

In the double materiality analysis exercise, Deimos identified **14 material IROs**, from an initial set of 27 relevant IROs. Among these 14, there are **5 positive impacts and 9 material opportunities** related to issues such as social dialogue, work-life balance, health and safety, training, gender equality, diversity and personnel management.

Policies on Own Workforce

S1-1

Currently, Deimos does not have a formalized policy dedicated to the management of its workforce. Howe-

ver, Chapter 5 of the **Code of Ethics** defines a set of **moral and social principles** that all employees are required to follow. Among the stated values are professional commitment, respect for individuals and equal opportunities, as well as adherence to fundamental principles such as integrity, seriousness, honesty, responsibility, trust, loyalty, transparency, and fairness.

The Code also promotes respect for legality, the protection of health in the workplace, the absolute prohibition of harassing or bullying behaviour (mobbing), the building of relationships based on mutual respect, the safeguarding of privacy, and the prevention of conflicts of interest.

The violation of these provisions is considered a breach of contractual obligations and is managed in accordance with the applicable National Collective Labor Agreement.

With a view to continuous improvement of organizational well-being, Deimos has introduced a **Smart Working policy** that allows employees to work remotely up to three days a week, in compliance with the conditions set out in the document. This measure is integrated with the **Code of Ethics** and the **Company Regulation**, which govern the contractual obligations of workers, working hours, internal communication, the use of company assets, and health and safety measures.

During 2025, the company plans to adopt an **Organization, Management, and Control Model** pursuant to Legislative Decree 231/2001, aimed at preventing the commission of the offenses covered by the decree itself and at further strengthening the culture of responsibility and legality within the organization.

Processes to Engage Own Workers and Their Representatives on Impacts

S1-2

Deimos recognizes that **active and ongoing dialogue with its employees** and their representatives constitutes a structural element of the governance model, as well as a fundamental tool to foster constructive discussion and guide business decisions in a more informed way. This approach is particularly reflected in the definition of personnel management practices, the design of the internal organization, and the evaluation of results in terms of employee well-being and satisfaction.

In this perspective, the company is committed to ensuring regular opportunities for listening and discussion, promoting an environment in which collaborators can **express themselves freely and actively contribute to decision-making processes**. Shared participation is indeed considered a strategic lever to build a more

solid, transparent organization that is attentive to the needs of its people.

To support clear and constant internal communication, Deimos sends out a monthly informational newsletter to update all employees on the company's performance and on topics relevant to company life.

Corporate Culture

Through workshops, interviews, and internal surveys, Deimos involves its employees to collect diverse points of view and align the company identity with the expectations of the people who live it every day. In addition, the company invites employee contributions in identifying priority actions in the area of sustainability, asking them which topics they believe should be the focus of future commitment.

Climate Survey

On the occasion of the establishment of the whistleblowing system, Deimos organized dedicated meetings with the various business units and personnel, in order to illustrate the purposes of the tool and promote transparent dialogue within the organization.

In confirmation of this approach, a climate survey is planned for 2025, with the goal of collecting structured feedback on satisfaction levels, perceived well-being, and the quality of internal relationships, in order to identify potential areas for improvement and define targeted actions to strengthen employee engagement and participation.

Materiality Analysis

On the occasion of the materiality analysis conducted for the drafting of the 2024 Sustainability Report, Deimos actively involved its workers by distributing customized questionnaires to gather their perceptions regarding the topics deemed most relevant for reporting. The contribution of employees, along with that of other stakeholders, made it possible to identify the priority areas on which to focus corporate attention and deve-

lop improvement actions

Among the topics that emerged in the social area, those identified as particularly significant include social dialogue, work-life balance, workplace health and safety, training and skill development, gender equality, diversity enhancement, and personnel management.

Processes to Remedy Negative Impacts and Channels for Workers to Raise Concerns

S1-3

Deimos adopts a structured and transparent approach for managing any negative impacts that may occur towards its workforce, with the aim of promoting a safe, respectful working environment focused on listening. In this context, access to effective reporting and remedy mechanisms, such as the whistleblowing system, represents a cornerstone of the company's governance model and a guarantee of fairness and protection for all individuals operating within the organization.

The Whistleblowing Tool

Since December 2023, Deimos has implemented a **digital whistleblowing tool** that allows all employees to securely and confidentially report any irregularities, unlawful acts, or violations of rules and internal procedures.

The platform ensures the protection of the whistleblower's identity and the confidentiality of the report content, guaranteeing data protection through security protocols and encryption. Reports are managed by third-party professionals.

Report Management

The **management of reports** is entrusted to the **administrator of the whistleblowing system**, who operates in accordance with the timelines and procedures set forth by law. **Within 7 days** (excluding oral reports), the whistleblower receives a **confirmation of receipt**. A **preliminary verification** follows to assess the validity and completeness of the report. In cases of insufficient information, the whistleblower may be **asked to provide additional details**.

During the **internal investigation**, the facts are thoroughly analysed, maintaining **dialogue with the whistleblower and safeguarding the rights of all parties involved**. The final outcome is communicated within 3 months and may result in: **dismissal of the case, corrective actions, internal investigations, or involvement of authorities**.

The **confidentiality of the whistleblower's identity** is guaranteed, except in cases of explicit consent or legal obligation. **Protection is forfeited** in the event of **malicious or grossly negligent reports**, for which **disciplinary sanctions** are foreseen.

Dissemination and Training

Information regarding the Procedure is **made accessible to all employees**, with appropriate visibility in the workplace and a dedicated section on the company's website. In addition, this information is also provided at the time of hiring new employees. Training on Whistleblowing and on the provisions of the Procedure is included in company training plans dedicated to compliance, thereby ensuring correct dissemination and

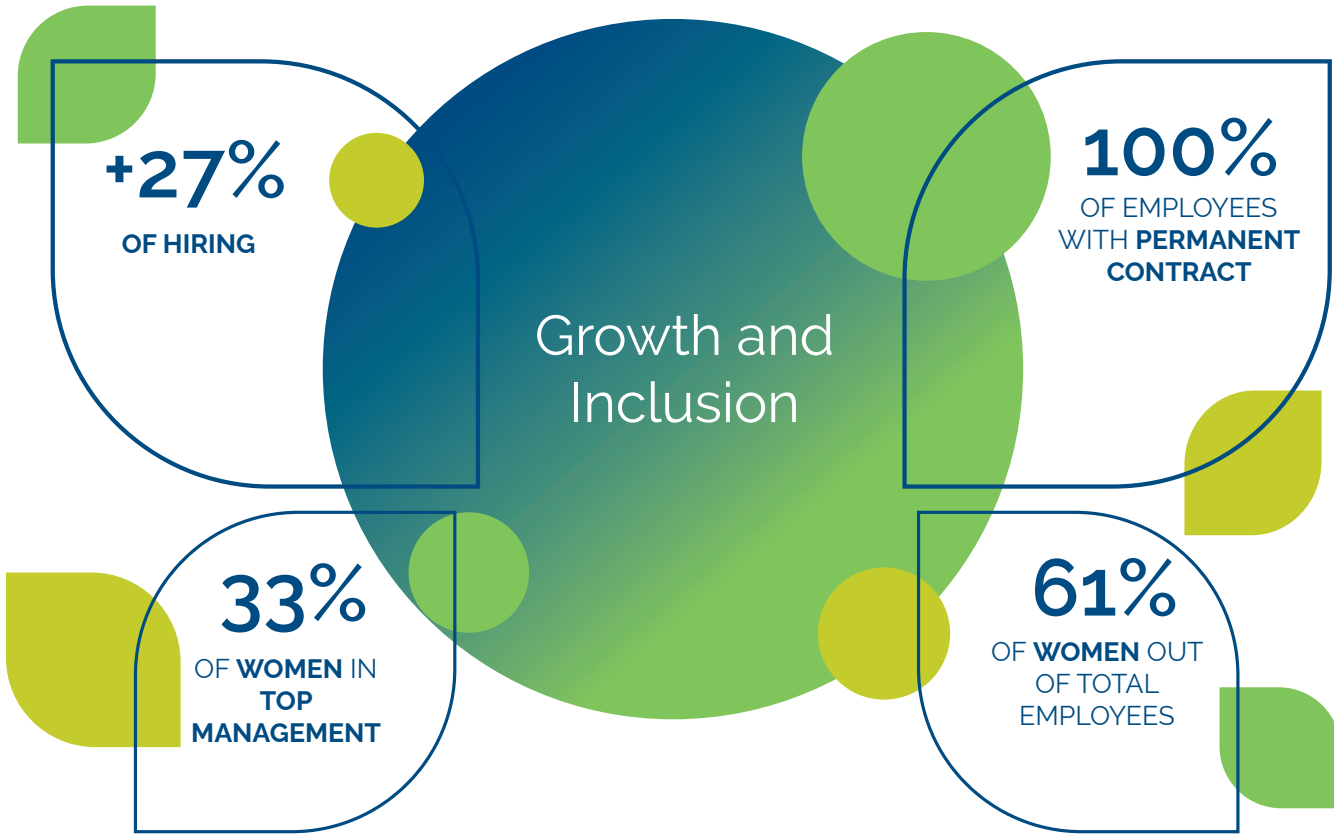
understanding across all staff.

Actions on material impacts on own workforce and approaches to mitigate risks and pursue material opportunities related to the workforce, as well as the effectiveness of these actions

S1-4

In line with the material topics identified through the double materiality assessment, Deimos has developed a coherent and integrated set of initiatives aimed at promoting organizational well-being, preventing and managing potential social risks, and enhancing the human capital within the company.

Work environment oriented towards **fairness, listening, active participation** and **employee satisfaction**.





Social Dialogue

Deimos fosters an open and participatory work environment, where employees are encouraged to freely share their views and actively contribute to company decisions. To support this approach, the company adopts various engagement tools, including interviews, surveys, and, in the context of sustainability reporting, the materiality assessment. These tools allow for the collection of structured feedback and help shape strategies in a shared and informed way.

Work-life Balance

The company allows employees to work remotely for up to three days a week. This arrangement can be extended, subject to agreement with managers, in specific cases such as maternity leave, to provide adequate support for employees' individual needs.

Health and Safety

Deimos is fully compliant with Legislative Decree 81/2008 regarding occupational health and safety. During the reporting period, no workplace incidents were recorded, and no activities involving heavy load handling are carried out.

The Risk Assessment Document (DVR) serves as the main reference for managing health and safety in the workplace. It includes a comprehensive evaluation of existing risks, covering mechanical, ergonomic (e.g. use of video terminals, manual handling), physical (noise, vibration, microclimate, electricity, radiation), chemical, biological, and organizational factors, with particular attention to sensitive categories such as pregnant workers or minors. The document provides detailed assessments for each specific risk, often presented in task-specific sheets that identify hazard sources, residual risk (based on probability and severity), and the prevention and protection measures adopted, including personal protective equipment. The DVR also includes a continuous improvement plan to reduce risks, prioritizing preventive actions over protective ones, and schedules necessary training and instruction

activities for employees. It is updated periodically or following significant changes in work processes, organization, or major incidents.

Training and Skills Development

The organization currently offers employees access to English language courses and refresher training in regulatory and quality-related areas. Informal internal training sessions on Artificial Intelligence have also been held, along with targeted sessions for the sales team. Starting in 2025, Deimos plans to strengthen its training offer through a more structured system of courses, potentially in collaboration with the industry association, in order to promote continuous professional development aligned with market trends.

Gender equality and equal pay for work of equal value

Deimos promotes an inclusive workplace where all employees, regardless of gender, are treated with fairness and respect. The company recognizes that diversity in thought and experience is a key asset for fostering collaboration, creativity, and innovation. This approach enriches decision-making processes and helps develop more effective solutions, fostering a company culture grounded in cooperation and mutual respect.

Diversity

Through the Code of Ethics, Deimos promotes an inclusive work environment, where all employees, regardless of gender, are treated with fairness and respect. The company recognises that diversity of thought and experience is a fundamental value in stimulating collaboration, creativity and innovation. This approach contributes to enriching decision-making processes and developing more effective solutions, fostering a corporate climate characterised by cooperation and mutual respect.

Engagement

In 2024, Deimos took its first meaningful steps toward increased employee engagement, especially alongside the introduction of sustainability themes. In July, during a pre-summer company event, a presentation open to all employees was held, outlining business unit performance, introducing new initiatives like the adoption of AI, and launching the ESG journey. The event ended with a convivial moment, encouraging informal exchange among colleagues. Later, during the Christmas dinner, a participatory and anonymous activity was proposed to gather employee perceptions of the workplace climate. Feedback highlighted the value of these listening opportunities and the need to make them more structured and frequent. Building on this input, Deimos announced new engagement initiatives starting in 2025.

Employee Characteristics

Deimos views the enhancement of employees' specialized skills as a strategic element to boost innovation capacity, improve operational efficiency, and effectively respond to challenges brought by digitalization and the shift toward more sustainable business models. The team's technical and cross-functional expertise, combined with a flexible and continuous improvement mindset, is a key strength that supports the company's competitiveness and ability to proactively adapt to market developments.

Through these initiatives and measures, the company strengthens an organizational model centred on people. A model capable of generating long-term value while fostering individual well-being, internal cohesion, and the capacity to innovate in an ever-evolving environment.

PLANNED INITIATIVES

As part of its ESG Plan, Deimos has outlined a series of strategic initiatives aimed at strengthening the responsible management of its workforce and promoting more inclusive organizational practices. These actions, which will be gradually implemented over the three-year plan, aim to enhance people's value, improve workplace well-being, and consolidate an inclusive, fair, and skills-development-oriented company model.

- **Organizational climate survey**, a key tool to measure employee satisfaction and identify targeted improvement actions;
- **Introduction of MBOs (Management by Objectives – Incentive Concept) for employees**, to foster a results-driven culture, strengthen alignment between individual goals and corporate strategy, and encourage active contribution toward achieving performance targets;
- **Establishment of regular team-building activities**, to reinforce cohesion among colleagues, improve cross-functional collaboration, and support a positive, inclusive work environment;
- **Development of a training and development plan, both individual and collective**, including ESG topics for all categories of employees. The objective is to enhance both technical and transversal skills, raise awareness on sustainability issues, and support professional growth aligned with company values and goals.

Through these initiatives, Deimos aims to shape a work environment that is increasingly conscious, engaging, and focused on people development—laying the groundwork for responsible and inclusive growth.

Metrics and Objectives

Objectives for managing material negative impacts, promoting positive impacts, and addressing material risks and opportunities

S1-5

At present, Deimos has not yet established quantitative objectives nor adopted structured monitoring tools regarding the impacts, risks, and opportunities linked to its workforce. However, in response to the priority topics that emerged from the materiality assessment, the company has initiated an improvement pathway involving the progressive implementation of targeted initiatives. These actions will be monitored over time and developed in line with the evolving regulatory

context and stakeholder expectations, with the goal of strengthening the strategic management of human resources and fostering a corporate culture that is increasingly aware and inclusive.

Characteristics of the company's employees

S1-6

As of December 31, 2024, Deimos employed **66 people<sup>3</sup>**, marking a 27% increase compared to the previous year. The workforce consists of 40 women (61%) and 26 men (39%), confirming the company's ongoing commitment to equity and to valuing talent regardless of gender.

Labour force composition by gender and year

GENDER	2024		2023	
Female	40	61%	36	69%
Male	26	39%	16	31%
Others	-	-	-	-
Not Reported	-	-	-	-
TOTAL EMPLOYEES	66	27%	52	-



The only country where Deimos is present with an employment level above the defined threshold (at least 10% of the total number of employees) is Italy, with a coverage of 100% of the total workforce. Information on the foreign offices will be reported starting with the next Sustainability Report, with a view to gradually extending and completing the scope of information.

<sup>3</sup> Data are reported in Head Count (HC) at the end of the reporting period (31 December) and refer to actual data





Number of employees in countries where the company has at least 50 employees representing at least 10% of the total number of employees

COUNTRY	2024	2023
Italy	66	52
Other Countries <sup>4</sup>	-	-
TOTAL EMPLOYEES	66	52

Similarly to the previous year, the **entire workforce of Deimos is employed on a permanent contract** in 2024. Of these, 58 out of 66 (or 88%) are full-time employees, a figure that is up from 2023, when the share stood at 81%. This trend reflects the company's desire to promote stable and lasting working relationships.

Information on employees by type of contract, broken down by gender

	2024				2023			
CONTRACT TYPE	Female	Male	Total	%	Female	Male	Total	%
Employees with permanent contracts	40	26	66	100,0%	36	16	52	100,0%
Employees with fixed-term contracts	-	-	-	-	-	-	-	-
Employees with variable hours	-	-	-		-	-	-	
TOTAL EMPLOYEES	40	26	66		36	16	52	

4 Includes companies acquired in Croatia and Slovenia and Luxembourg, both of which have fewer than 10 per cent of the total number of employees and are not included in the reporting scope of the Sustainability Report 2024

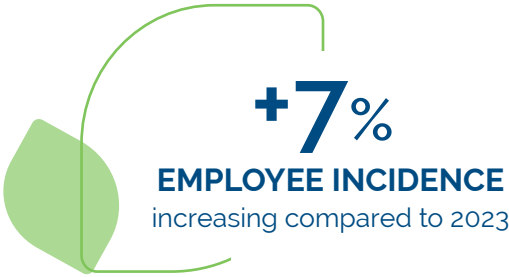
Information on employees by working hours, broken down by gender

	2024				2023			
CONTRACT TYPE	Female	Male	Total	%	Female	Male	Total	%
Full-time Employees	33	25	58	88%	27	15	42	81%
Part-time Employees	7	1	8	-	9	1	10	-
TOTAL EMPLOYEES	40	26	66		36	16	52	

As of 31 December 2024, there were only two outgoing employees, down from seven in the previous year. As a result, the outgoing turnover rate decreased significantly from 13,5% in 2023 to 3% in 2024.

Outgoing Turnover

	2024	2023
Outgoing Employees	2	7
Total employees at end of period	66	52
TURNOVER	3,0%	13,5%



Characteristics of non-employees in the company's own workforce

S1-7

In 2024, Deimos employed **19 non-employee workers**. Compared to 2023, this marks a decrease of two units in the non-employee workforce, which in the previous year included two additional agency workers.

Number of non-employees in their workforce

	2024	2023
Self-employee workers	19	19
Workers supplied by companies carrying out personnel recruitment, selection and supply activities (temporary workers)	0	2
Other types relevant to the company	0	0
Interns	0	0
TOTAL NON-EMPLOYEES	19 <sup>5</sup>	21 <sup>5</sup>

Coverage of collective bargaining and social dialogue

S1-8

As of December 31, 2024, consistent with 2023, **all employees** in Italy are **covered by collective bargaining agreements**.

Deimos does not currently apply second-level collective bargaining agreements, neither with internal union representatives nor with external trade unions. Worker protection in terms of health and safety is ensured through the presence of a **Workers' Health and Safety Representative (RLS)** — an internally elected figure who facilitates dialogue between the company and employees on these matters.

<sup>5</sup> Data are reported in Head Count (HC) at the end of the reporting period (31 December) and refer to actual data

Diversity Metrics

S1-9

Deimos' senior management includes 9 individuals, of which 6 are men and 3 are women. This group accounts for 14% of the total workforce in 2024, marking a slight decrease from 17% in the previous year.

Composition of senior management by gender and year

GENDER	MEMBERS	%
Female	3	33%
Male	6	67%





In 2024, Deimos has a total of **66 employees**, distributed by age group as follows: 8% are under 30 years old (5 people), 64% are between 30 and 50 years old (42 people), while 28% are over 50 (19 people). The under-30 age group shows a gender balance that remains substantially stable compared to the previous year. Staff between 30 and 50 years old are predominantly female, with a 60% representation, marking an increase of 9% compared to 2023. Among employees

over 50, a female majority is also confirmed, with a 9% increase compared to the previous year. These data highlight a **significant and growing female presence in the most represented age groups** within the company.

Distribution of employees by age group, gender and year

AGE	Gender	2024	%	2023	%
Under 30 years old	M	2	-33%	3	-
	F	3	50%	2	-
	Other	-	-	-	-
Total under 30	Total	5	-	5	-
30-50 years old	M	17	113%	8	-
	F	25	9%	23	-
	Other	-	-	-	-
Total 30-50 years old	Total	42	11%	38	-
Over 50 years old	M	7	40%	5	-
	F	12	9%	11	-
	Other	-	-	-	-
Total over 50 years old	Total	19	19%	16	-
TOTAL EMPLOYEES	Total	66	27%	52	-

As of December 31, 2024, Deimos' workforce is composed of 15% middle managers, 79% white-collar employees, and 6% blue-collar workers — a distribution aligned with the company's nature as a distributor. The middle management category shows a significant increase compared to 2023 and is predominantly male. White-collar employees, who represent the majority of

the workforce, are 71% women — a 12% increase from the previous year. The blue-collar category consists of 4 individuals.

Distribution of employees by classification, gender and year

CLASSIFICATION	Gender	2024	%	2023	%
Executive	M	0	-	0	-
	F	0	-	0	-
	Other	-	-	-	-
Total Executive	Total	0	-	0	-
Management	M	7	133%	3	-
	F	3	-	3	-
	Other	-	-	-	-
Total Management	Total	10	67%	6	-
White Collar	M	15	67%	9	-
	F	37	12%	33	-
	Other	-	-	-	-
Total White Collar	Total	52	24%	42	-



Blue Collar	M	4	-	4	-
	F	0	-	0	-
	Other	-	-	-	-
Total Blue Collar	Total	4	-	4	-
TOTAL EMPLOYEES	Total	66	27%	52	-

Adequate Wages

S1-10

All Deimos employees receive adequate remuneration, defined according to the provisions of the applicable national collective labour agreements. In Italy, all employees are covered by the relevant National Collective Bargaining Agreement (CCNL), which establishes minimum wages based on the employee's level and contractual classification.

Social Protection

S1-11

All Deimos employees benefit from social protection measures, provided both through national public programs and through benefits included in the applicable collective bargaining agreement, in full compliance with current regulations. The entire workforce is enrolled in the public social security and welfare system managed by INPS, which provides coverage in the event of illness, unemployment, maternity or paternity leave, disability, retirement, and other situations involving loss of income.

This protection is supplemented by mandatory workplace accident insurance managed by INAIL, which provides coverage in the event of work-related accidents or acquired disabilities. In addition, all Deimos

employees are covered by the National Collective Bargaining Agreement, which complements public protections with additional contractual benefits.

The company also subscribes to the Fondo EST, a supplementary healthcare fund designed to enhance and complement the services offered by the national healthcare system, ensuring an additional layer of protection for workers' health. For managers, mem-

bership in QuAS (Healthcare Assistance Fund for Managers) is provided.

As of December 31, 2024, in continuity with 2023, all employees and non-employees at Deimos were covered by forms of protection in the event of illness, unemployment, workplace injury, acquired disability, parental leave, and retirement.





Training and Skills Development Metrics

S1-13

In 2024, Deimos provided a total of **172 hours of training<sup>6</sup>**, **excluding informal sessions conducted by internal colleagues on AI**, marking a 13% increase compared to the previous year. The average number of training hours per male employee was 2.2<sup>7</sup>, a slight decrease from the previous year, while for female employees, it increased to 2.9 compared to 2.7 in 2023.

White-collars received the largest share of total training hours, accounting for 83%, with an average of 2.4 hours per person. However, middle managers recorded the highest average number of training hours per person, at 3.8. In total, 17 employees received training

during the year, representing more than a quarter of the company's workforce, with a 12% increase compared to 2023.

The average number of hours per trained employee was 10.1 hours. Deimos has set a goal of progressively increasing its training programs, recognizing continuous learning as a strategic tool to support innovation, personal growth, and professional development of its workforce.

Currently, Deimos does not have a formal performance evaluation process in place.

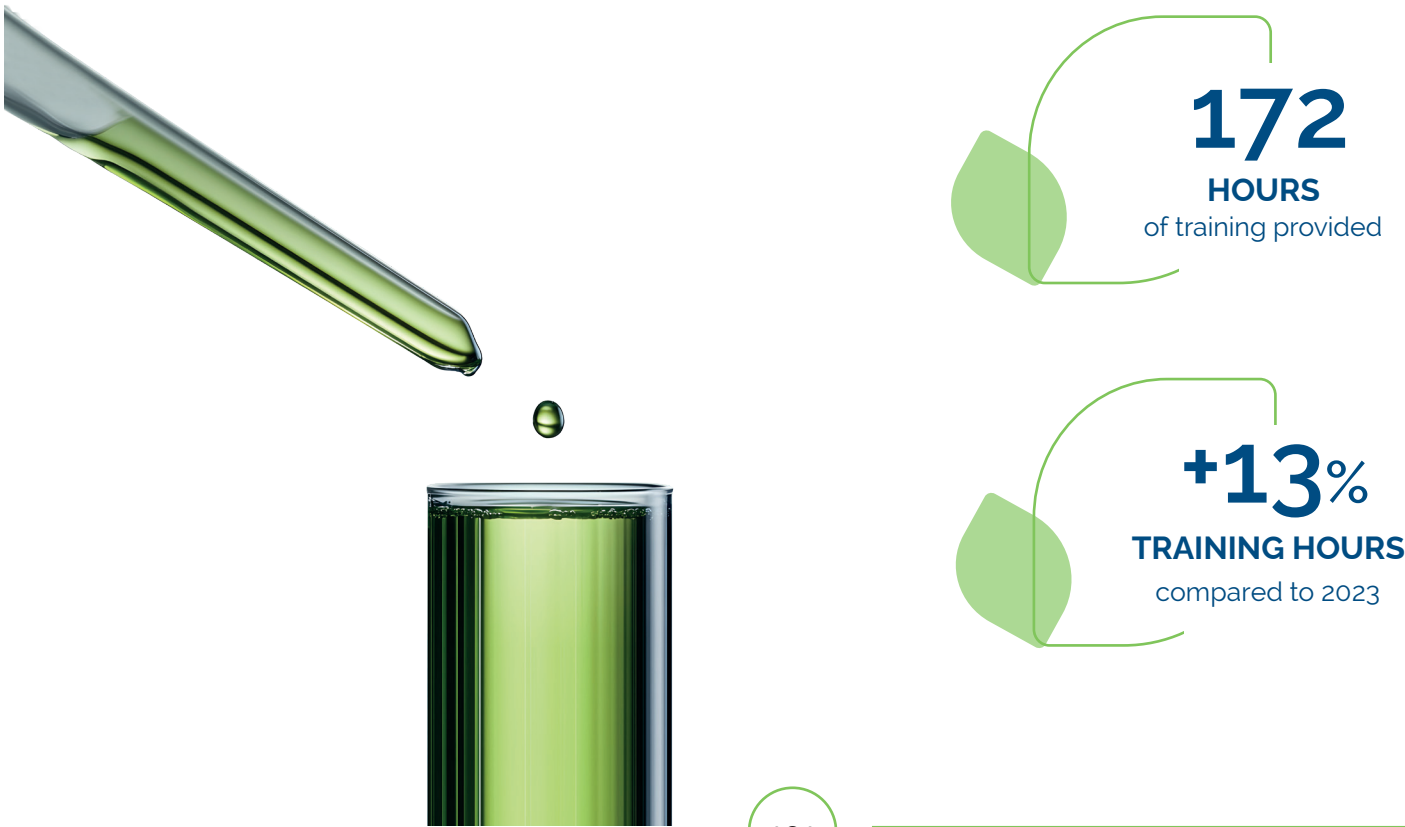
Average number of training hours by gender

2024				2023		
GENDER	Total number of employees	Total number of training hours	Average number of training hours per employee	Total number of employees	Total number of training hours	Average number of training hours per employee
Male	26	56	2,2	16	56	3,5
Female	40	116	2,9	36	96	2,7
Other	-	-	-	-	-	-
TOTAL EMPLOYEES	66	172	2,6	52	152	2,9

6 | "Training hours" refers to time devoted to the development of employees' skills, delivered through in-person or virtual sessions, online courses, workshops, and other training opportunities promoted by the company  
7 | For the calculation of average training hours per employee, the total number of hours provided in the reporting period is related to the workforce for each gender and by classification. All employees are included in the reporting boundary, in line with the requirements of the ESRS standards

Average number of training hours per category

2024				2023		
CATEGORY	Total number of employees	Total number of training hours	Average number of training hours per employee	Total number of employees	Total number of training hours	Average number of training hours per employee
Executive	0	0	-	0	0	-
Management	10	38	3,8	6	0	-
White Collar	52	126	2,4	42	104	2,5
Blue Collar	4	8	2	4	48	12
TOTAL EMPLOYEES	66	172	2,6	52	152	2,9



Number of employees trained by category and gender

		2024		2023	
	GENDER	Total number of employees	Number of trained employees	Total number of employees	Number of trained employees
Executive	M	0	0	0	0
	F	0	0	0	0
	Other	-	-	-	-
Management	M	7	0	3	0
	F	3	1	3	0
	Other	-	-	-	-
White Collar	M	9	7	12	6
	F	43	7	30	2
	Other	-	-	-	-
Blue Collar	M	4	2	4	4
	F	0	-	0	0
	Other	-	-	-	-
TOTAL EMPLOYEES		66	17	52	12

Occupational Health and Safety Metrics

S1-14

Deimos recognizes the protection of workers' health and safety as a fundamental aspect of its corporate responsibility, adopting a preventive and systematic approach aligned with relevant legal and international standards. The **entire workforce**, including both employees and non-employees, is **covered by a Health and Safety Management System** compliant with applicable regulations, including Legislative Decree 81/2008 in the Italian context.

Risk assessment and management are carried out through the **Risk Assessment Document (DVR)**, which serves as the main tool for identifying hazards, defining preventive measures, and planning continuous improvement actions. To ensure direct involvement of employees in safety matters, the company has appointed an **Employee Health and Safety Representative (RLS)**, elected internally, who maintains ongoing dialogue between the company and its personnel on these issues. Deimos' operations do not involve heavy lifting or exposure to particularly high-risk conditions, which contributes to an overall **low risk level**.

In 2024, there were no workplace injuries or fatalities, either among employees or other workers operating on company premises. No occupational illnesses or work-related deaths were reported. These results, consistent with 2023, highlight the effectiveness of the measures adopted.

Work-Life Balance Metrics

S1-15

**All Deimos employees are entitled to family-related leave**, in accordance with national legislation and applicable collective bargaining agreements.

The company is committed to fostering an inclusive work environment that supports work-life balance, by implementing internal policies that encourage organizational flexibility and parental support. Among these is the option, subject to agreement with line managers and compatible with business needs, to extend the number of smart working days beyond the standard three per week in case of specific personal or family-related needs. This approach reflects Deimos' intention to put people at the centre, creating conditions that support both individual well-being and continuity in professional engagement.

In both 2023 and 2024, **100% of eligible employees made use of parental leave**.



Use of parental leave by gender and year

Use of parental leave	2024		2023	
Male	2	8%	2	13%
Female	5	13%	5	14%
TOTAL EMPLOYEES	7	11%	7	13%



Remuneration Metrics (Pay Gap)

S1-16

Currently, Deimos does not systematically monitor the gender pay gap (GPG) disaggregated by role, skill set, gender, or seniority. However, the company acknowledges the importance of structurally analysing any pay disparities and is committed to initiating this activity in the coming years. The goal is to foster greater internal equity and transparency, while reinforcing inclusion policies and the recognition of merit. This commitment is part of a broader effort to strengthen an organizational culture that is attentive to gender equality and the fair valuation of competencies.

Incidents, Complaints, and Serious Human Rights Impacts

S1-17

In 2024, Deimos did not receive any reports related to negative impacts on human rights. Reports are managed through the whistleblowing channel, in accordance with internal procedures that ensure confidentiality, impartiality, and the protection of the whistleblower's identity. No financial liabilities were recorded in relation to these matters, nor were there any serious incidents related to human rights violations—further confirming the company's commitment to fostering a fair, respectful, and inclusive working environment.





# GOVERNANCE

Deimos reinforces its corporate identity through a **culture based on integrity, responsibility and transparency**, formalised in the Code of Ethics and disseminated through organisational practices, internal and digital communication.

## Business Conduct

G1

Management of impacts, risks, and opportunities

Policies on corporate culture and business conduct

G1-1

Corporate Culture

Deimos fosters a corporate culture rooted in **integrity, responsibility, and transparency**, values that guide the company's daily operations and are formally set out in the Code of Ethics, which is shared with employees, partners, and stakeholders. These principles are a core part of Deimos' identity and are fully aligned with the Group's entrepreneurial vision and international orientation.

Corporate culture based on **integrity, accountability** and **transparency**



Although a structured system for measuring corporate culture has not yet been implemented, **Deimos promotes it through concrete practices, targeted communications, and awareness-raising activities** aimed at staff. These values are integrated into key moments of corporate life, from new employee onboarding to training programs and internal communications initiatives.

Tools currently used to nurture and strengthen organizational culture include:

- **Distribution of the Code of Ethics**, made available and accessible to all employees;
- **Active promotion of company values through digital channels**, especially LinkedIn, where Deimos shares content related to sustainability, social responsibility, and internal initiatives;
- **Inclusion of explicit references to ethical principles and values in institutional communications**.

Through these actions, Deimos strives to **nurture a work environment grounded in ethics and mutual respect**, building trusted relationships with employees, customers, suppliers, and communities.

**Mechanisms for identifying, reporting, and investigating misconduct**

In 2024, Deimos implemented a structured **whistleblowing system** in compliance with **Legislative Decree 24/2023**, aiming to protect corporate integrity and foster a culture based on legality, transparency, and accountability. For more details, see section **S1-3**.

**Business Conduct**

The **Code of Ethics** is a cornerstone of Deimos' culture and a practical guide for all collaborators. Far from being a mere formality, it reflects the company's intent to operate in compliance with the **highest ethical and professional standards**, promoting **integrity, legality, fairness, transparency, and accountability** across all business activities.

The Code sets out binding principles and rules for all parties involved—from shareholders to employees, clients, suppliers, and external collaborators—with the goal of aligning behaviour with company values and current regulations. Dissemination of the Code is ensured through multiple channels, and adherence is considered a contractual obligation.

Deimos maintains a **zero-tolerance policy on all forms of corruption**, whether direct or indirect, active or passive. In line with the UN Convention against Corruption, the Code strictly prohibits employees and third parties from offering, promising, accepting, or soliciting money, benefits, or undue advantages. This prohibition applies across all company activities, including conduct that may lead to **conflicts of interest** or **unlawful favouritism**.

Moreover, the company is committed to ensuring **fair competition**, fostering a **safe and inclusive work environment**, and preventing any behaviours that undermine human dignity, such as harassment, mobbing, or discrimination.

To further strengthen its internal controls and mitigate non-financial risks, **Deimos plans to adopt in 2025 an Organizational, Management, and Control Model under Legislative Decree 231/2001**. This will represent a further step in structuring measures that protect legality, transparency, and corporate accountability.

The 231 Model will help systematically manage risks **related to corporate liability**, especially in areas such as **anti-corruption, the protection of health and safety in the workplace, and the traceability and integrity of decision-making processes**.

As part of the model's rollout, Deimos will launch targeted training programs for employees and department heads focused on ethical principles, compliance obligations, and crime prevention mechanisms. The goal is to foster internal awareness and promote a company-wide culture centred on integrity, compliance, and shared responsibility.





Functions at higher risk of corruption and extortion

Deimos has not yet conducted a structured mapping of business areas potentially exposed to corruption risks. However, it is planned to start targeted activities in 2025 to identify the functions most at risk of active and passive corruption, as part of the project to adopt Organisational Model 231.

This phase will include:

- Interviews with heads of various departments to gather insights on the most sensitive processes;
- The development of a risk map aimed at defining the most appropriate preventive safeguards.

This activity will be a key milestone in strengthening the company's internal control system and ensuring effective oversight of risks related to corporate liability.

Relationships with Suppliers

G1-2

Deimos manages relationships with its suppliers based on principles of fairness, reliability, and collaboration, recognizing the strategic role of the supply chain in ensuring quality, operational continuity, and innovation.

Although the company has not yet formalized a dedicated supplier policy, Deimos already operates a sustainability-oriented supply chain, particularly in the Nutra, Food, and Cosmetics business units, where natural products and renewable-sourced ingredients are highly represented. This commercial choice results in a supply chain already partly aligned with ESG principles, especially on the environmental front.

In 2024, Deimos carried out an initial ESG assessment of a group of strategic suppliers to obtain a baseline understanding of the supply chain's sustainability level and identify potential areas for future improvement.

Deimos also actively promotes collaborations with suppliers to develop circular solutions, such as material reuse, packaging optimization, and the integration of secondary raw materials—themes explored in greater depth in sections E1 and E5

Starting in 2025, Deimos plans to introduce ESG evaluation and monitoring tools, with the goal of fostering continuous improvement in supplier performance and strengthening the company's commitment to a more sustainable and transparent supply chain.

In line with regulatory developments and its commitment to deeper ESG integration, Deimos intends to implement a Supplier Policy in 2025. This policy will include specific contractual clauses addressing environmental, social, and integrity standards. It will form the foundation for a structured inclusion of ESG criteria in supplier qualification and evaluation processes, with the aim of promoting a more resilient and responsible supply chain.







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