

# Sustainability Report

## 2024



Paolo Corazzi Fibre S.r.l. - Cremona - Italy



# Information about the Report

Corazzi Fibre voluntarily commits to preparing its first Sustainability Report, adopting the ESRS (European Sustainability Reporting Standards) principles to ensure transparency and comparability at the European level. The goal is to communicate its non-financial performance, improving its environmental, social, and governance impact.

# History




*The customer is the most important person in this company.*



Originally dedicated to the production of steel wool, in the 1970s the company adapted its activities, shifting to the production of abrasive fibers, anticipating market trends. Since the 1960s, Paolo Corazzi successfully engaged in international trade, exporting over half of its production by the 1980s. In 1996, a new large plant covering 35,000 sqm was completed, enabling increased production capacity and entry into sectors such as professional and industrial cleaning. Subsequently, the company obtained major international certifications, investing in the renewal of production lines with particular attention to ethical and social aspects, demonstrating ongoing progress and innovation.

# Corazzi Fibre Business and the Economic Context

The company produces abrasive fibers on some of the largest plants in Europe, with a covered area of 18,000 sqm. Its business model is mainly **B2B (86% exports, 14% Italy)**, focusing on industrial sectors and after-sales support.



35.000 sqm



The global abrasives market is experiencing an average annual growth rate (CAGR) of over 5%, driven mainly by the electronics and metalworking sectors. Conversely, the chemical sector faces structural challenges due to intense Asian competition, rising energy costs, and geopolitical tensions. By 2025, opportunities are expected to accelerate, especially in high-tech niches and sustainable innovation, representing areas of potential development and future competitiveness.

1. GENERAL INFORMATION

# ESRS 2 (IRO 1)

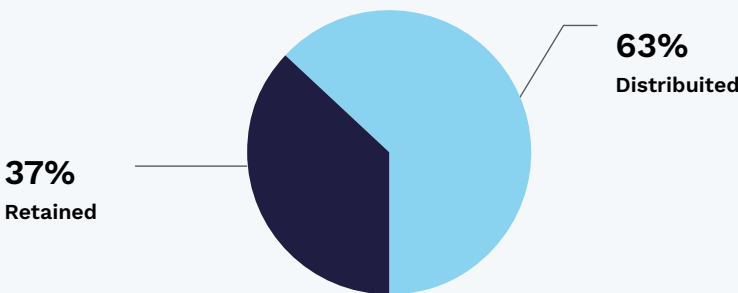
## Description of the process for identifying and assessing relevant impacts, risks and opportunities

The ESRS standards require sustainability disclosures to include information related to relevant Impacts, Risks, and Opportunities (IRO), identified through an evaluation process that explicitly considers both impact materiality and financial materiality. This analysis, conducted with digital tools and management involvement, highlighted key risks and opportunities, with particular attention to climate change, pollution, resources, health, and human rights.

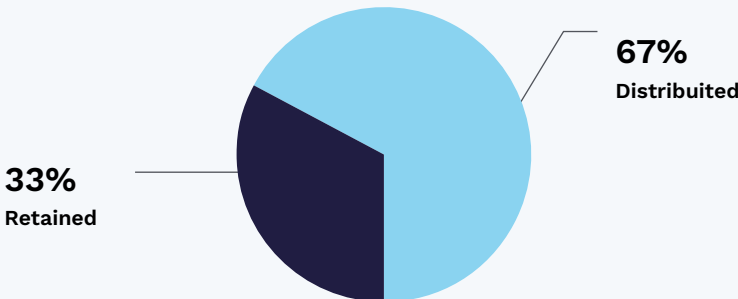
## Value Added and Its Distribution

Corazzi Fibre distributes the majority of the value added generated, maintaining a substantial consistency over time between value distributed and retained. The company's own workforce represents the primary recipients of the value created.

Breakdown of Value Added Distribution in 2024



Detail of Value Added Distribution in 2023



# General information

1.



2. ENVIRONMENTAL INFORMATION

# ESRS E1 (CLIMATE CHANGE)

**Corazzi Fibre is committed to combating the global climate crisis, pursuing the goal of contributing to a carbon-neutral society.**

The company has already initiated a process of monitoring and controlling GHG emissions, aligned with the Paris Agreement and the goal of limiting global temperature rise to 1.5°C. The 2024 Sustainability Report highlights data, objectives and actions aimed at improving the company’s environmental impact.

## Climate Transition Plan (E1-1)

Corazzi Fibre monitors CO2 equivalent emissions following SBTi methodology and Paris Agreement commitments. The 2030 reduction target is a fundamental challenge for the organization and its employees. The process for identifying and evaluating climate-related impacts, risks, and opportunities (see ESRS 2 IRO 1) includes an annual analysis that has identified risks such as droughts and heavy rains, with mitigation actions yielding positive results.

## Physical Risks

The physical risk analysis, in accordance with EU Regulation 2021/2139, highlighted a risk related to the internal temperature of the plants, which was managed with an improvement project that definitively resolved the problem.

## Climate Mitigation and Adaptation Policies (E1-2)

Corazzi Fibre has updated its climate management policies, focusing on climate neutrality, renewable energy use, and reducing fossil fuel consumption. The strategy also includes ongoing resilience analysis to climate change.

# Environmental Information

2.



### Actions and Resources for Climate Policies (E1-3)

- A** Developing a zero-emission strategy.
- B** Setting an initial 2030 efficiency target aligned with Italy's National Energy and Climate Plan (PNIEC, June 2024).
- C** Upgrading production lines, adopting more efficient furnaces, and utilizing Guarantees of Origin.
- D** Analysis of transition and adaptation risks: updated at least once a year.
- E** Implementing indicators to monitor results related to environmental activities.
- F** Reducing air transport emissions.

### Priority Climate Goals (E1-4)

Based on the double materiality analysis and data collection for validation, the following priority topics have been identified to mitigate risks:

- 1** Climate change mitigation with a 2030 target.
- 2** Energy mix and renewable sources.



## 2. ENVIRONMENTAL INFORMATIONS

# ESRS E2 (POLLUTION)

### General Information and Rationale (ESRS 2)

Corazzi Fibre has always prioritized reducing air, soil, and water pollution, with particular attention to atmospheric emissions. From 2019 to 2023, emissions in the atmosphere have been reduced by 84%, thanks to advanced technology and innovative production methods. The company has no industrial water discharges or significant spill incidents.



### Process Description for Identifying Impacts, Risks, and Opportunities (ESRS 2 IRO 1)

The double materiality analysis identified relevant issues, including:

- Air, water, soil, organisms, and food resource pollution (non-material).
- Substances of concern and very concern (material).
- Microplastics (non-material).

### Actions and Resources Related to Pollution (E2-2)

**Between 2019 and 2023, the company reduced its atmospheric emissions by 84% thanks to prevention investments.**

### Goals Related to Pollution (E2-3)

Corazzi Fibre has held ISO 14001 certification since 2015, sharing its principles with key suppliers, thereby reducing incident risks and creating new market opportunities.



## Substances of concern and substances of very high concern (E2-5)

The company commits to complying with European regulations regarding substances of concern and very concern (SVHC), as outlined in the REACH regulation, continuously monitoring their presence in products.

## ESRS E3 (WATER AND MARINE RESOURCES)

Thanks to investments in advanced recovery and recycling technologies and optimized production processes, **Corazzi Fibre has reduced water consumption by 50% over the past five years (2019–2023).**

## ESRS E5 (RESOURCE USE AND CIRCULAR ECONOMY)

Corazzi Fibre, consistently attentive to the environment, has implemented policies for reduction, reuse, and recycling, decreasing waste production by 25% from 2019 to 2023 and improving waste management.

### 2025 Objectives relating to resource use and the circular economy (E5-3)

In line with Italy's "National Strategy for Circular Economy" (June 2022), Corazzi Fibre has set the following goals:

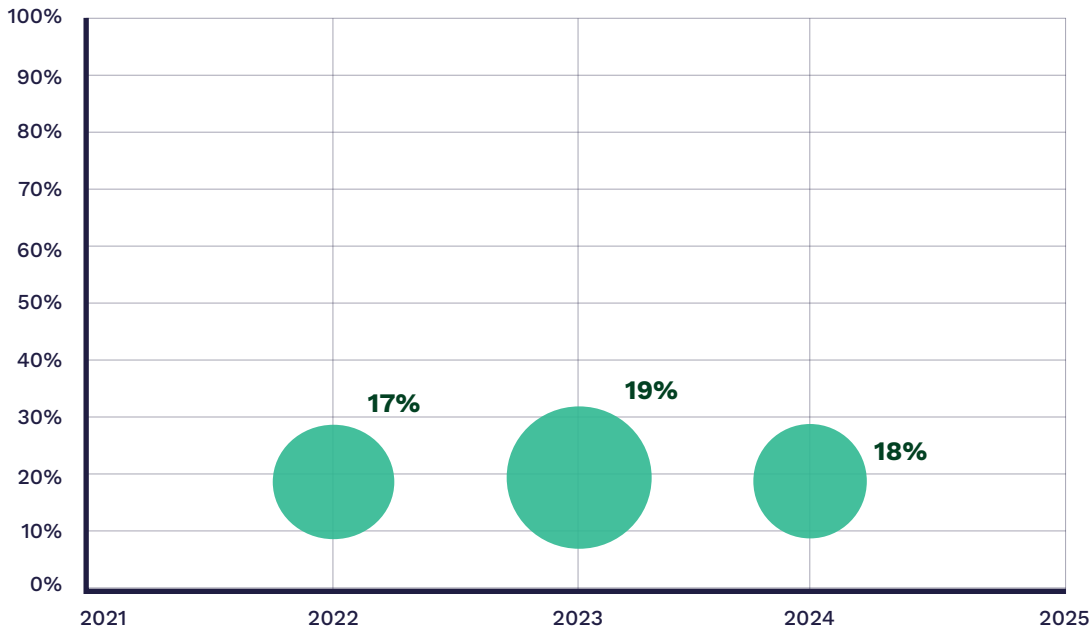
- Reduce the use of virgin raw materials.
- Certify recycled input products from suppliers.
- Recover production waste as secondary raw material and by-product.

## 2. ENVIRONMENTAL INFORMATIONS

### Raw Material and Semi-Finished Material

	2024			2023			2022		
Raw materials/ natural resources	Technical material	Biological materials	Total	Technical material	Biological materials	Total	Technical material	Biological materials	Total
Totale KG	2.570.876	21.280	14.256.376	2.498.378	37.500	13.271.508	2.426.876	25.280	13.900.742

### Percentage of recycled material (technical) out of total (raw materials/natural resources)



The percentage of recycled material (technical) in input products has been around 18% over the past three years, while the share of sustainable material is approximately 0.2%.



3. SOCIAL INFORMATIONS



ACTION PLANS

Corazzi Fibre conducted a double materiality analysis to assess impacts, risks, and opportunities related to its workforce. The results have guided strategic initiatives to enhance employee development and address labor market challenges, considering regulatory and societal changes.

A central role is assigned to skills development through continuous training, seen as an opportunity for professional growth and specialization aligned with business needs.



Social informations

3.



Main initiatives include:



### Training and Requalification:

Identifying new skills needed for a more sustainable organization



### Job Security and Social Dialogue:

Maintaining constructive dialogue with union representatives to share transition challenges and define support measures



### Internal mobility

Promoting internal mobility across functions to leverage employee skills and provide new growth opportunities



### Staff Support

Offering professional counseling services to help employees plan their careers and identify new job opportunities



### Corporate Welfare

Maintaining and continuously adapting the welfare plan to meet evolving employee needs, aligned with current labor and ecological transition regulations.

## 3. SOCIAL INFORMATIONS

### S3-1 Gender Pay Gap

The ratio of the average female salary to the average male salary for 2024 is 0.56, indicating a substantial absence of gender pay disparity.

## ACTIVITIES AND VIRTUOUS RELATIONS WITH THE TERRITORY

Corazzi Fibre is deeply rooted in the Cremona area, contributing beyond economic value to social and cultural initiatives. Its founder, Paolo Corazzi, supported numerous cultural projects, including the restoration of monuments such as the apse of the Cathedral and a mural by Boccaccio Boccaccino.

The Paolo and Ilde Anita Corazzi Foundation, established in 1991, is dedicated to assisting, recovering, and socially and professionally integrating disadvantaged youth through educational support, scholarships, and internships.





4. GOVERNANCE INFORMATIONS



# G1-1 CORPORATE CONDUCT

The reporting obligations related to governance aim to communicate the company’s behavior concerning issues affecting its reputation, such as:

a.

Ethics and corporate culture

b.

Supplier relationship management

c.

Political influence

Corazzi Fibre maintains responsible relationships with suppliers and is committed to adopting a behaviour that takes into account not only legitimate economic interests, but also factors such as company policies aimed at avoiding late payments. Political influence is not an issue in the economic context and business model adopted.

The company has adopted and maintains an updated Organisational Model 231, which is the preferred tool for exempting a company from administrative liability for offences.

The protocols within the Model 231 include:

 1 

The Code of Ethics

 2 

The Disciplinary System

 3 

The Supervisory Body (OdV)

 4 

Specific procedures for sensitive areas at risk of criminal activity

# Governance Information

4.





**CORAZZI FIBRE S.R.L.**



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