

2021

SUSTAINABILITY REPORT GROUP SOL

SUMMARY





LETTER TO STAKEHOLDERS

CONFIDENCE, DETERMINATION AND RESPONSIBILITY IN COMPLEX TIMES

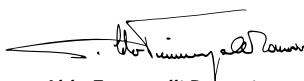
In these difficult years, 2021 due to Covid-19 and 2022 which began with invasion of Ukraine, the SOL Group was able to continue to **contribute to the fight against the pandemic**, and reacted to the sudden, unexpected and violent increase in the cost of raw materials.

The growth recorded in 2021 demonstrates our targets and our confidence in the future: the **turnover increased** from 974 to **1,113 million euros**, with a growth of 14.3% and with positive indices of profitability. The strategic asset of **our employees** increased from 4,613 in 2020 to **5,101** at the end of 2021.

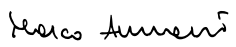
In 2021, the **SOL Group's 2021-2030 Development Plan** entered its operational phase. Our company has always operated by setting long-term economic and financial objectives, but also by increasing job opportunities and the quality of staff training, by paying attention to stakeholders, and by improving the contribution we can make, directly and indirectly, to the circular economy and energy efficiency. The focus on sustainability in all its forms is a recurring and characterising element of the Plan, in all its dimensions.

With this in mind, the Group implemented the **"safety campaign"**, focused on awareness of the risks in the workplace; and the **"Little Big Innovations" project**, which emphasised the involvement of all the Group's people and their role as promoters of sustainability.

In recent months, the Group has also been working on its first **Sustainability Plan**, the strategic priorities of which include the sustainability of our processes and those of the customers we work with, innovation, promoting an inclusive working environment, dialogue and listening to our main stakeholders.



Aldo Fumagalli Romario
SOL Group Chairman



Marco Annoni
SOL Group Deputy Chairman





THE 2021 KEY NUMBERS

	2017	2018	2019	2020	2021
ECONOMIC MEASUREMENTS (€ million)					
Group's net sales	756.8	833.5	904.3	973.8	1,112.9
Technical gas area net sales	369.2	403.2	412.6	438.2	558.4
Home care area net sales	387.6	430.3	491.7	535.6	554.5
Gross operating margin	167.2	186.9	211.3	255.4	260.8
Operating result	76.2	89.7	88.7	140.0	135.8
Investments	99.3	99.8	103.3	112.9	132.3

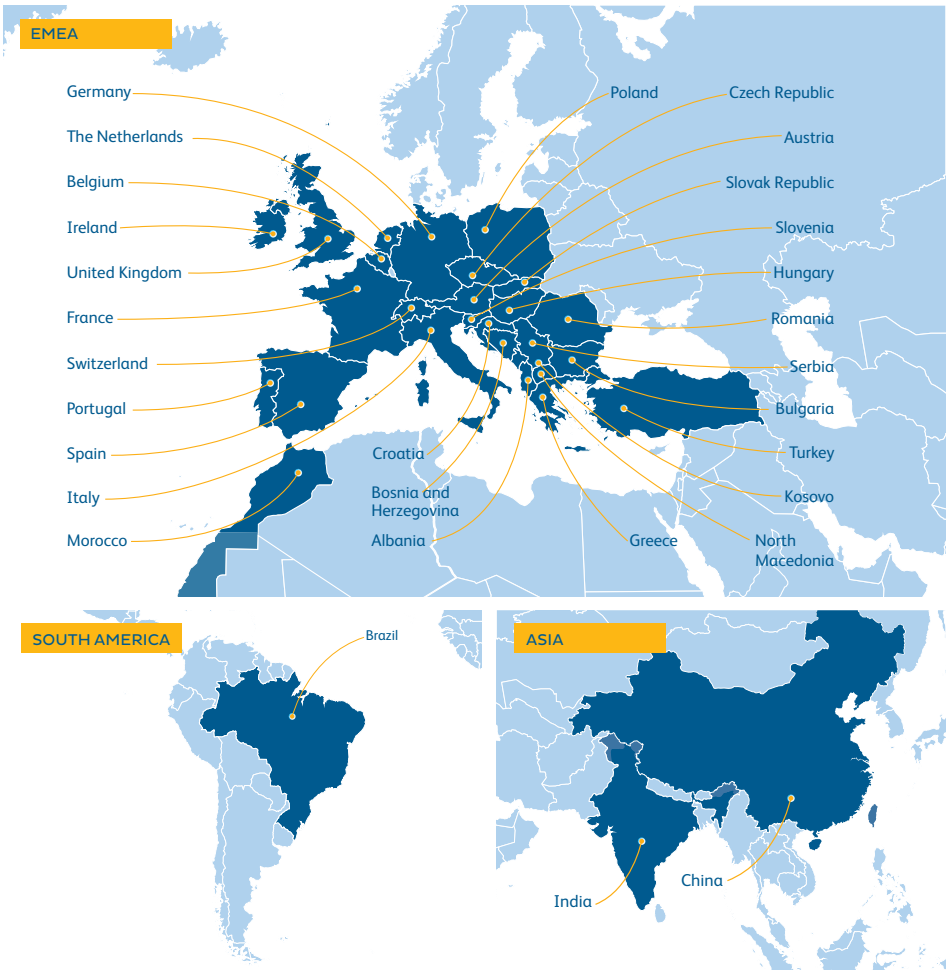
ENVIRONMENTAL MEASUREMENTS

Specific consumption (ASU; base 2017=100)	100	102	101	102	105
Electrical energy produced (GJ)	276,437	365,775	322,072	318,136	327,920
Greenhouse gas emissions (tonnes CO ₂ e)					
- Direct emissions	39,765	45,372	41,792	40,088	46,710
- Indirect emissions	244,910	260,214	272,317	252,279	288,193
- Direct and indirect emissions from product transportation	48,951	52,175	52,801	54,403	64,986

OUR PEOPLE

Employees as at 31/12	3,556	3,958	4,320	4,613	5,101
- Italy	1,136	1,194	1,218	1,248	1,350
- Other countries	2,420	2,764	3,102	3,365	3,751
Hours of training	50,501	64,739	71,821	61,150	67,281
Employees' injuries at work					
- Injury rate	3.1	4.6	3.4	3.6	3.8

THE SOL GROUP IN THE WORLD



30

Countries
in 4 continents



1,112.9

million Euro
net sale



5,101

employees



62

pharmaceutical
workshops

ABOUT US

Founded in Italy in 1927, the SOL Group operates in the sectors of the production, applied research and marketing of **technical and medical gases, home care services, biotechnology and energy production from renewable sources**.

In the **industrial sector**, SOL Group supplies technical gases (compressed, liquefied and cryogenic), equipment, systems and services to customers operating in most industrial sectors.

In the **healthcare sector**, SOL Group provides medical gases, medical devices for the administration and dosing of medical gases, equipment, gas distribution systems, plant management services, electro-medical equipment, sterilisation plants and the turnkey construction of cryobiological rooms and laboratories.

In the **field of Home Care**, SOL Group, one of the leading Home Care Provider in the Europe contest and beyond, provides health services for chronic patients who, on behalf of the Health Systems of the different countries, are cared for outside protected contexts such as hospitals. VIVISOL is able to comprehensively treat chronic patients who often

have disabling diseases and are in socially vulnerable conditions, or who need specific treatments and life support care, with the aim of maintaining their social and emotional context, thus improving their quality of life and likelihood to complete the treatment.

In the **biotechnology sector**, the Group develops tests and analytical services in the world of human and animal research and clinical diagnostics, carries out clinical studies aimed at developing proprietary biotechnological molecules, performs accredited genomic and molecular genetic diagnostic services, develops bioinformatics pipelines for clinical data management, and develops validated production processes for biotechnological molecules such as antibodies and recombinant proteins that it produces as medicinal products.

In the **production of energy from renewable sources**, SOL Group has built 16 hydroelectric plants in Albania, Bosnia and Herzegovina, North Macedonia and Slovenia.

Parent company SOL Spa has been listed on the Borsa Italiana since July 1998.



Over

50,000

industrial customers

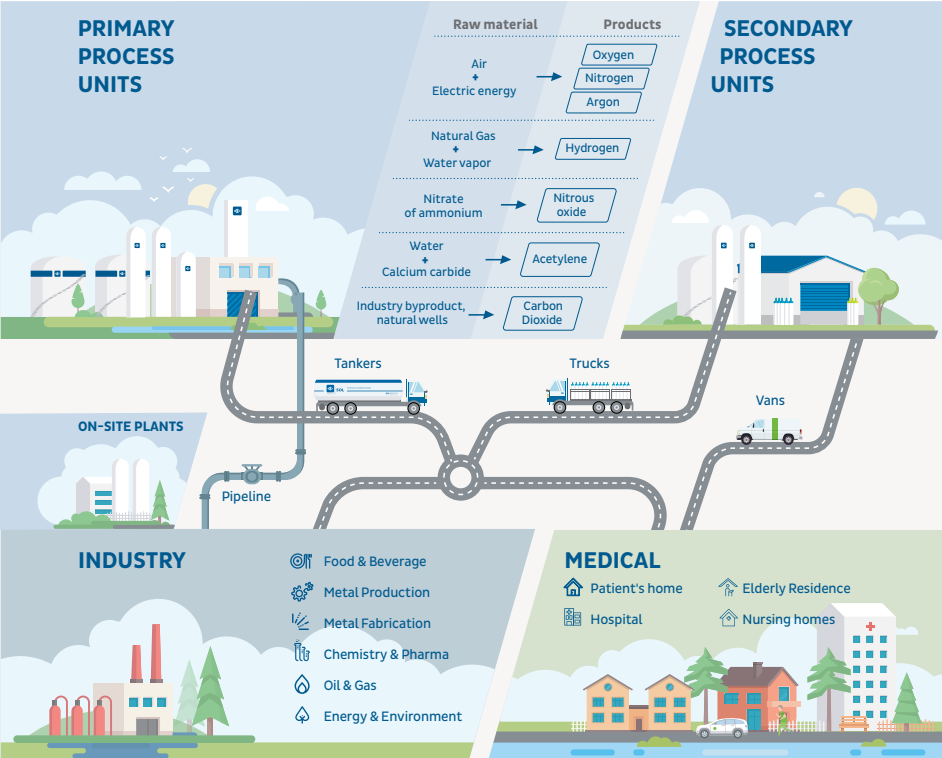


Over

550,000

patients served

SOL GROUP BUSINESS MODEL



35%
Industry net sales

65%
Healthcare net sales

42%
Italy net sales

58%
Other Countries net sales



151
certified
unites
ISO 9001

31
certified
unites
ISO 14001

77
certified
unites
ISO 45001

30
certified
unites
ISO 22000

19
certified
unites
ISO 13485

MISSION AND VALUES

For more than 90 years, our mission and values have guided us in the research of innovative and technologically advanced solutions as well as in the development of the best care for patients, contributing to improving the quality of life on the planet.

VALUES

Ethical behaviour in interpersonal relations towards all stakeholders.

Safety of all employees and collaborators, as well as the safety of our customers and patients.

Customer satisfaction providing innovative and technologically advanced solutions and to improving the life quality of our patients.

Balanced and constant development of the economic growth over the long term.

Environmental protection by optimising processes and energy resources.

Development of human resources by training and developing the capacities of individuals.

Since 2006, the SOL Group has adopted its own **Code of Ethics**, a reference tool for the members of corporate bodies, SOL Group employees, and for any third party who collaborates or works in the name, on behalf or in the interest of the SOL Group.

OUR CONTRIBUTION TO THE SDGs



Technologies for the conservation of food products



Medical Gases for diagnostic exams

Home care services in order to avoid hospitalization

Genomic diagnostic tests to prevent some illnesses

Commitment to guaranteeing the health and wellbeing of all internal and external workers



Commitment to overcoming all gender differences, ensure equal opportunities and social inclusion



Responsible management of water resources through processes for the water purification

Reduction of water consumption of our sites



Production of energy from renewable sources, through hydroelectric power plants



Promotion of more sustainable transport (through the promotion of hydrogen powering, biofuels and liquefied natural gas (LNG))



Development of integrated healthcare services

Development of innovative technologies for more effective, safer and environmentally friendly processes in the industrial sector

We invest in systems aimed at recovering carbon dioxide, which is otherwise released into the atmosphere.

SUSTAINABILITY GOVERNANCE

Our strategy

In 2021, the SOL Group drew up its first Sustainability Plan, a fundamental tool to identify the main areas of intervention ("Pillar") at the base of the SOL Group's strategic vision on sustainability. On the basis of these priorities, both qualitative and quantitative objectives have been defined to be carry forward in time.



Sustainable production process:

- increasing the percentage of energy consumed
- from renewable sources
- optimising the energy efficiency of the sites/ products supplied
- reducing CO₂ emissions from transport
- increasing circularity in our processes



Sustainability in the working environment:

- promoting an inclusive working environment
- maintaining high safety standards for our employees and partners working with us



Dialogue and listening:

- strengthening the process of listening to patients and doctors
- listening to employees to improve the working environment with more systematic and regular processes
- disseminating the principles of our Code of Ethics
- supporting the community



Sustainable innovation:

- offering customers sustainable products/ services, such as BioCO₂, BioLNG
- supporting our customers in improving the sustainability of their processes



The **Sustainability Plan** responds to some of the global challenges (United Nations Sustainable Development Goals, or SDGs) and integrates initiatives proposed by Group employees that were collected from the **Little Big Innovations** project.



During 2021, the SOL Group launched the **Little Big Innovations** campaign, an initiative that involved all the Group's employees in a process of **growth and awareness on the subject of sustainability**.

Colleagues speeded all over the world submitted their own initiative to help **strengthen and implement the Group's activities with a view to sustainable growth**.



The many shared ideas will allow 50,000 trees to be planted in the area of Jrašen (Armenia), thank to the collaboration of the local association *My Forest Armenia*.



Over
200
initiatives
collected



Over
5,000
tons of CO₂
absorbed



THE GROUP DEVELOPMENT

MAIN INVESTMENTS



SOL GAS PRIMARI VERONA

Work on the new unit for the production of liquid nitrogen, the new liquid nitrogen storage section and projects for enhancing the total production of oxygen and argon from the existing plant, was completed.

BIOWANZE SA

Work on the construction of the new biogenic carbon dioxide production plant at **Wanze (Belgio)**, was completed.

SOL NEDERLAND

Work on modernising the nitrous oxide production plant just began.

SOL DEUTSCHLAND

In **Burgbrohl**, work on modernising the carbon dioxide production plant, just began.



VIVISOL DEUTSCHLAND

In **Arnstadt** work is nearing completion on the new Home Care hub, the main storage and distribution point for Home Care facilities.

PALLMED

In **Poland**, the modernisation of the care facility in Znin was completed.



ENERGETIKA

Work to modernise and structurally consolidate the HE Gorje hydroelectric power plant in **Slovenia** was completed.

MAIN CORPORATE OPERATIONS

TAE HELLAS & VIVICARE HELLAS

In February 2021 the SOL Group finalised the **acquisition of two companies in Greece**, which are active in the industrial and medical sectors, and in home care, respectively.

OXYTECHNIC

In the **Czech Republic** the company, which operates in the home respiratory care sector, was acquired.

SHANGHAI SHENWEI, SHANGHAI MU KANG & SHANGHAI JIAWEI

The SOL Group entered China with the acquisition of shares equal to **70%** of the companies **SHENWEI** and **MU KANG**, and **30%** of **JIAWEI**. The companies are active in the medicinal gases and healthcare services sector.



132.3
million Euro
invested



47%
invested in the
technical gas sector



53%
invested in the home
care sector



CUSTOMERS AND PATIENTS

COMMITMENT TO A SUSTAINABLE INDUSTRY

The SOL Group, thanks to its accurate and timely service, provides to its industrial customers **innovative technological solutions**, capable of making industrial activities and processes increasingly **sustainable** and able to satisfy objectives in terms of **energy and production efficiency**, reduction of **environmental impact** and **protection of the health of employees**.

In addition to the supply of technical gases, are offered the most advanced **gas application** technologies, the construction of specific plants to be combined with customer processes and the provision of the necessary maintenance and technical assistance services.

The SOL Group provides customers operating in most industrial sectors: steel, metallurgy, glass and ceramics, metal fabrication, chemistry and pharmaceuticals, food and beverage industry, oil industry and services for the environment and transport of goods and people.

The main gases produced and distributed by SOL

- Oxygen
- Nitrogen
- Argon
- Hydrogen
- Carbon dioxide
- Sulphur dioxide
- Acetylene
- Nitrous oxide
- Gas mixtures
- High purity gases
- Food gases
- Gaseous helium
- Liquid helium
- Gases for electronics
- Ammonia
- Combustible gases for industrial use
- Liquefied natural gas (LNG)



FOOD & BEVERAGE



METAL PRODUCTION



METAL FABRICATION



CHEMISTRY & PHARMA



OIL & GAS



ENERGY & ENVIRONMENT

COMMITMENT TO HEALTHCARE

National Health Systems are increasingly orienting the treatment of the most critical diseases towards the so-called Smart Hospital, a hospital characterised by the most modern **clinical and diagnostic technologies**.

The SOL Group proposes itself as a **partner of the Health System** through the provision of medicinal products, services and technologies for the integrated management of operating flows within the hospital facility, to protect the quality and efficiency of healthcare services.

The SOL Group **supports hospitals** (public and private), Scientific Hospitals and Care Institutions, University Hospitals, Clinical Research Centres, Medically Assisted Procreation Centres, nursing homes and assisted-living centres.

Hospital sector services

- Medical Gases with AIC and Medical Devices
- Total Gas Management services
- Training services
- Medical Device classified Medicinal Gas Distribution Plants
- InfoHealth SOLution
- Global Service of electromedical equipment
- Hospital hygiene and environmental monitoring
- Total Ambulance Management
- Design and development of biobanks
- Disaster Recovery
- Bioshipping





HOME CARE SECTOR

VIVISOL has established itself in Italy, throughout Europe and Brazil as one of the leading **Home Care Providers** of technological and health services for complex therapies and often life support for chronic patients.

In a demographic and epidemiological context characterised by progressive population ageing and the increased incidence of major chronic diseases, the role of Home Care Providers becomes increasingly relevant for the **better management of chronic patients** who often suffer from multiple conditions as well as fragility. Adequate models of home care provided by specialised providers have a positive impact both on the health and well-being of patients and on the sustainability of different national healthcare systems.

VIVISOL has a **widespread presence in all the countries in which it operates** thanks to a territorial network of Health Service Centres and Operational Centres active 365 days a year, 24 hours a day, from which home activities are coordinated and managed for over 550,000 patients worldwide.

THE BIOTECHNOLOGY SECTOR

CRYOLAB is a highly specialized laboratory in cryo-conservation, which provides transfer, storage and handling services of biological samples.

DIATHEVA focuses on research, development, production and marketing of new and innovative products (such as monoclonal antibodies, recombinant proteins, molecular kits) for hospital research, diagnosis and clinical application, environmental, veterinary and food.

PERSONAL GENOMICS, provides preventive and precision medicine with Next Generation Sequencing technologies and advanced bioinformatics tools.



Vivisol for Home Care

Respiratory therapies

Oxygen therapy, mechanical ventilation, treatment of respiratory sleep disorders

Infusion therapies

Artificial nutrition, insulin therapy, immunotherapy, treatment of pain

Advanced Home Care

Home healthcare and social care services, wound care, palliative care

Telemedicine and digital services

Healthcare aids
Management and supply of healthcare aids





THE ENVIRONMENT

Electricity consumption in production plants and the **distribution of products** to customers, hospitals and patients are the most significant environmental aspects for the SOL Group.

The **attention in the design** and operation of production sites, the **process optimisation and renovation of plants**, cover each year an important percentage of investment budget.

GREENHOUSE GAS EMISSIONS AVOIDED

Since 2002 the Group has invested in the production of energy from **renewable sources** with 16 hydroelectric power plants, amounting to a total installed capacity of around 31 MW, located in Slovenia, Albania, Bosnia Herzegovina and Macedonia. The electricity produced and sold on the grid totalled 327.600 GJ in 2021, corresponding to 13% of the Group's energy consumption. Moreover, several companies of the Group are moving for **renewable sources supply**, partially or totally satisfying their energy needs.

For several years now, the SOL Group has decided to invest in plants that **recover carbon dioxide** from production processes, which would otherwise be released into the atmosphere. Thanks to SOL, this gas is recovered, purified and marketed in liquid form. Examples include the plants in Bulgaria (Ihtiman), in Germany (Zeitz) and in Belgium (Wanze) that recover CO₂ from bioethanol.



Where the characteristics of the gas and the customer's needs allow it, the installation of self-production systems for technical gases at customers' premises, called "**on-site plants**", is an alternative to the traditional supply of cylinders or liquefied cryogenic gases. The environmental benefit is that on-site plants have **lower specific energy consumption** than centralised production plants, and emissions due to the road transport of gases are also avoided.



29,755

t CO₂ equivalent avoided thanks to the production of energy from renewable sources



89,963

t CO₂ equivalent recovered from other processes



49,044

t CO₂ equivalent avoided thanks to the creation of on-site plants



OUR PEOPLE

TRAINING AND SKILLS DEVELOPMENT

The SOL Group believes in the continuous training of its people, in the recognition of performance and in the realisation of talent in all its forms.

During 2021, training projects were provided both in presence and remotely, ensuring the continuity of training for employees. In 2021 the first edition of the **SOL YOUTH Academy International** was held, with the participation of young professionals from all the countries in which the SOL Group is present.

INDUSTRIAL RELATIONS

In 2021, a specific survey was conducted on the diffusion of **corporate welfare** among the most relevant foreign Group companies, that stated they had implemented a welfare plan.

PROTECTING DIVERSITY

The Group believes in diversity as a resource to be nurtured, because everyone's original contribution promotes agility, creativity and innovation for everyone.

INTERNAL COMMUNICATIONS

SOLConnect, is the intranet site, which represents the link between the headquarters and the local entities.

SOL News is the corporate house organ which collects articles on the main national and international innovations affecting the Group. The **Editorial Committee** is the appointed body with the aim of giving voice to all major initiatives.

Thematic newsletter provide SOL people the tools they need to deal with new regulations or manage critical situations.

HEALTH AND SAFETY

SOL promotes the commitment to protecting the health and **safety of workers** within all its production processes and in third-party companies. During 2021, the frequency (IF) and severity (IG) rates of Group injuries remained substantially stable.



Over

67,000

training
hours



+5%

increase in the number of
people compared to 2019
(excluding acquisitions)



92%

employees
with permanent
contracts



95%

of the Group companies
achieved the "zero
accidents" goal"

This document is a summary of the 2021 Sustainability Report.

The whole document drawn up according to the GRI Standards and subjected to a limited review by Deloitte & Touche SpA, is available in PDF format on the website www.solgroup.com/en

SOL Spa

Registered Office and Central Management

Via Borgazzi, 27

20900 Monza - Italy

May 2022

Group SOL

Via Borgazzi, 27
20900 Monza · Italy

t +39 039 23961

sustainability@solgroup.com

www.solgroup.com