

2020

SOL GROUP SUSTAINABILITY REPORT

SUMMARY



LETTER TO STAKEHOLDERS



The **Covid-19 emergency** is not yet over. However the **SOL Group reacted** and it did so with great determination, professionalism, spirit of self-sacrifice and willpower.

The Group never stopped growing and looking to the future in 2020. Turnover increased from €904 to 974 million, with a 7.7% increase and positive profitability indices. Our employees increased to 4,613 and also the investments continued to grow: €113 million.

Among such investments, the enhancement of the plant in **Verona** and the launch of the new investment in **Wanze (Belgium)** for the construction of a new plant for the recovery, purification and liquefaction of biogenic carbon dioxide.

In the first months of 2021 was concluded the acquisition of Air Liquide Hellas (and its subsidiary Vitalaire Hellas) in **Greece**, in addition to the **increase (now 86.85%)** in the shareholding of the Parent Company SOL Spa in **SIGILSOL (now SOL INDIA)**. In the Home Care sector, 2020 saw the launch of an interesting project in **Znin (Poland)**, that established the realisation of a new Care Residence for chronically ill patients. In England, **DOLBY VIVISOL** was awarded an **important new home oxygen therapy service contract** and activated 5,000 new patients in the North-east Region in very little time.

The SOL Group has decided to adopt, starting from 2021, the **new Corporate Governance Code** for Italian companies listed on the stock exchange. In 2020, the preparation of the **SOL Group's 2021-2030 Development Plan** continued, broadly based on sustainable growth objectives. It is therefore no coincidence that the Group intends to launch two new projects in 2021:

- the **"safety campaign"**, with continuous initiatives aimed at increasing awareness of everyday risks, and the adoption of measures to address them;
- the **"sustainability campaign"**, addressed all our employees, in an effort to develop ideas and suggestions to improve how we work.

All this testifies to a company that aims to be increasingly **sustainable, dynamic** and **innovative**.


Aldo Fumagalli Romario
SOL Group Chairman


Marco Annoni
SOL Group Deputy Chairman

THE 2020 KEY NUMBERS

	2016	2017	2018	2019	2020
ECONOMIC MEASUREMENTS					
(€ million)					
Group net sales	703.4	756.8	833.5	904.3	973.8
Technical gas area net sales	373.1	369.2	403.2	412.6	438.2
Home care area net sales	360.0	387.6	430.3	491.7	535.6
Gross operating margin	167.6	167.2	186.9	211.3	255.4
Operating result before non-recurring charges	80.9	76.2	90.6	98.8	140.0
Investments	103.7	99.3	99.8	103.3	112.9

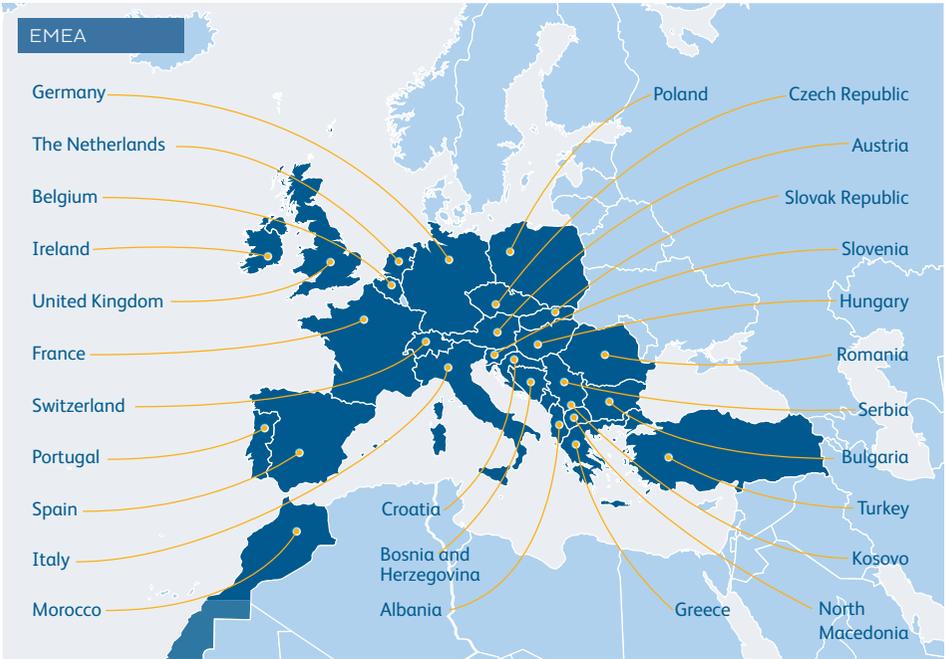
ENVIRONMENTAL MEASUREMENTS

Specific consumption (ASU; base 2016=100)	100	98	100	99	99
Electrical energy generated (GWh)	108	77	101	90	88
Greenhouse gas emissions (tonnes CO ₂ equivalent)					
- Direct emissions	26,383	39,765	45,372	41,792	40,088
- Indirect emissions	229,406	244,910	260,214	272,317	252,279
- Direct emissions from product transportation	50,611	48,951	52,175	52,801	54,403

OUR PEOPLE

Employees as at 31/12	3,127	3,556	3,958	4,320	4,613
- Italy	995	1,136	1,194	1,218	1,248
- Other countries	2,132	2,420	2,764	3,102	3,365
Hours of training	38,700	50,501	64,739	71,821	61,150
Injuries at work					
- Injury rate	4.0	2.9	4.6	3.4	3.6

THE SOL GROUP IN THE WORLD



29

Countries in
4 continents



973.8

million Euro
net sale



4,613

employees



57

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**, SOL Group works on the research and development of tests and analytical services in the field of human and animal research and clinical diagnosis, research and development of biotechnological molecules, genomic and molecular genetic diagnostics, development of bioinformatic pipelines for the management of clinical data, development of tests and analytical services in the food, environmental and industrial fields.

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.

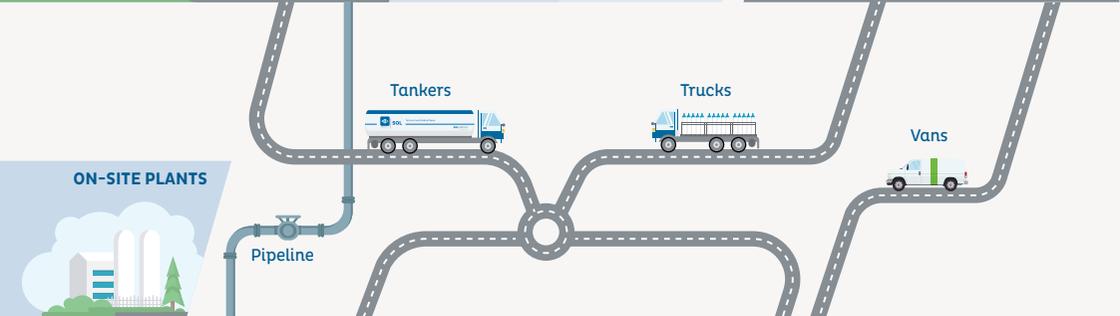
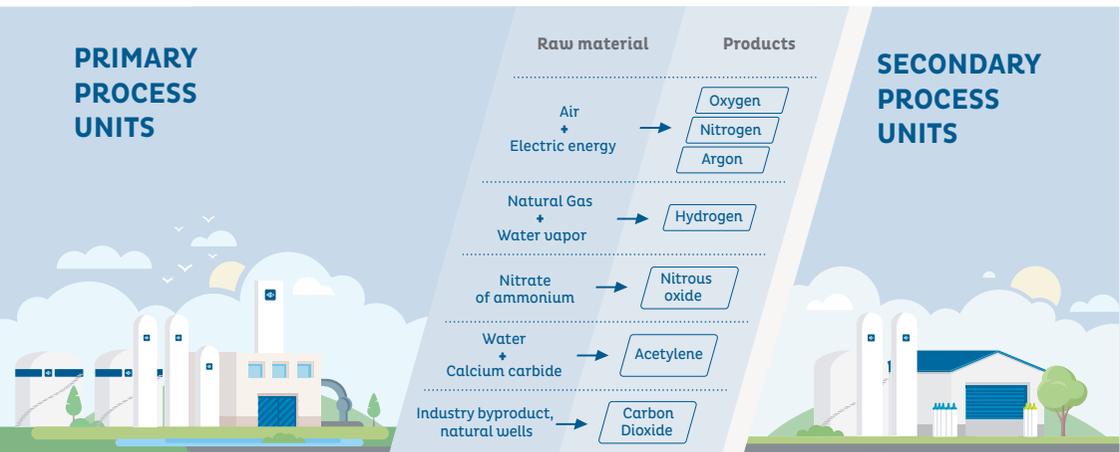


Over
50,000
industrial customers



Over
500,000
patients served

BUSINESS MODEL



INDUSTRY

- Food & Beverage
- Metal Production
- Metal Fabrication
- Chemistry & Pharma
- Oil & Gas
- Energy & Environment

31.8% Technical gases net sales

MEDICAL

- Patient's home
- Elderly Residence
- Hospital
- Nursing homes

68.2% Home Care gases net sales

56.9% Other countries net sales

43.1% Italy net sales

MISSION AND VALUES

The Sol Group seeks to provide its customers with **innovative and technologically advanced solutions** at all times and to offer patients the best possible home care services, contributing to **improving the quality of life** on the planet.

The **values** in which the SOL Group believes and takes daily inspiration are:

- **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 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



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



Development of processes for the purification of water using technical gases

Commitment to reducing water consumption at our sites



Production of energy from renewable sources, through hydroelectric power plants



Promotion of more sustainable transport through projects that promote the use of fuels like hydrogen, biofuels and liquefied natural gas (LNG)



Development of integrated healthcare services

Development of innovative technologies that help industrial customers carry out their activities in a safer, more economical and more environmentally friendly way

143

certified unites ISO 9001

77

certified unites OHSAS 18001/ ISO 45001

26

certified unites ISO 22000

24

certified unites ISO 14001

18

certified unites ISO 13485



THE GROUP DEVELOPMENT

MAIN INVESTMENTS



SOL GAS PRIMARI VERONA

Work continued on the construction of 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.



PALLMED

In Poland, at PALLMED, the modernisation and expansion of Sue Ryder's home, a palliative care facility in Bydgoszcz, has been completed.



BIOWANZE SA

Work has begun on the construction of the new biogenic carbon dioxide production plant at the BIOWANZE plant in the municipality of Wanze.



VIVISOL DEUTSCHLAND

Work began in Arnstadt on the construction of the new VIVISOL DEUTSCHLAND hub, the main storage and distribution point for Home Care facilities.

MAIN CORPORATE OPERATIONS

DN GLOBAL HOME CARE LTDA

The Brazilian subsidiary **PPAR PARTICIPAÇÕES LTDA** acquired a further 5% interest in the share capital of the Brazilian company, thus obtaining an absolute majority of its share capital.

SICGILSOL INDIA Private Ltd

SOL Spa converted the fourth instalment of convertible bonds held with the subsidiary **SICGILSOL INDIA Private Ltd** into capital, attaining an absolute majority of the share capital.



112.9

million Euro
invested



47%

invested in the technical
gas sector



53%

invested in the home
care sector



CUSTOMERS AND PATIENTS

THE SOL GROUP FOR 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 SOL GROUP FOR THE HOSPITAL SECTOR

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.



The main gases produced and distributed by SOL are: 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 and liquefied natural gas (LNG).



HOSPITAL SECTOR SERVICES:

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



THE 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 500,000 patients worldwide.

THE BIOTECHNOLOGY SECTOR

CRYOLAB is a highly specialized laboratory in cryoconservation, 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

ADVANCED HOME CARE
home healthcare and social care services, wound care, palliative care

INFUSION THERAPIES
artificial nutrition, insulin therapy, immunotherapy, treatment of pain

TELEMEDICINE AND DIGITAL SERVICES

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. In light of its highly energy-intensive activities, 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 88 GWh in 2020, corresponding to 16% of the Group's energy consumption.

The actions to reduce energy consumption include **care in the design and operation of production sites, process optimisation and renovation of plants**, to which an important percentage of investment budget is set aside each year.

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) and Germany (Zeitz) 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.



30,440

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



97,240

tonnes CO₂ equivalent recovered from other processes



48,576

tonnes 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: professional growth in the company is based on these three pillars.

During 2020, the difficult period of the health emergency led to redesigned the planned training projects modified to be carried out remotely. Thanks to this, has been possible to carry out the “**Follow-up SOL YOUth Academy**”, the training project dedicated to employees under the age of 35.

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

Firstly **SOLConnect**, a intranet site, which represents the link between the headquarters and the local entities.

Another internal communication tool is **SOL News** the corporate house organ which collects articles on the main national and international innovations affecting the Group. The **Editorial Commit-**

tee was created in 2020 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 2020, the frequency (IF) and severity (IG) rates of Group injuries remained substantially stable.



Over

61,000

training hours



+4%

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



91%

employees with permanent contracts



81%

of the Group companies achieved the “zero accidents” goal”



THE SOL GROUP AND MANAGING THE PANDEMIC

“Out of nowhere, we found ourselves in the heart of the emergency. We went from a daily routine of regular production activity, to a sudden increase in demand; oxygen demands multiplied every day. [...] It was an experience that harrowed and humbled us. It cost us a great deal of effort, but now we can look to the future with greater serenity thanks to what we’ve been through”.

Head of Secondary Production Unit

THE SAFETY OF OUR PEOPLE

In the first days of the Covid-19 pandemic, a **Crisis Management Committee** was activated. The Committee made it possible to respond to the need to promptly implement measures aimed at ensuring the business continuity of all Group companies in a structured and effective manner, in compliance with the specific safety protocols issued.

Energy and resources were directed towards the key elements for managing the health crisis, namely the **protection of the health and safety** of people in the front line, the **facilitation of agile and remote work**, as well as guaranteeing **continuity of activities and services**.





SUPPORT FOR HOSPITAL FACILITIES AND PATIENTS

Faced with an exponential increase in the consumption of **medical oxygen**, the SOL Group intervened to improve the **efficiency of the entire production and distribution chain**, supporting the healthcare facilities that the Group supplies in the countries it operates in.

We designed and implemented numerous **extraordinary interventions** to strengthen medical oxygen storage, oxygen distribution networks, the installation of head beams and pulmonary ventilators.

In Italy, various resources were also used to support the construction of real field hospitals.

VIVISOL played a fundamental role in all the countries, ensuring **continuous and safe management of patients at home**. Many Covid patients were also assisted at their homes, avoiding hospitalisation.

BIOTECHNOLOGIES FOR COVID

The Group's biotech companies have made significant investments and have committed themselves to researching fast and efficient diagnostic methods able to detect the presence of the virus. **Rapid serological tests** and **RT-PCR molecular kits** for the identification of Covid-19 in swabs, have been provided on a vast scale.

“[...] it wasn't simply a matter of oxygen, but of human solidarity. We had lonely people in front of us, who needed help with even the simplest things. It was amazing to see how our outstretched hand could overcome fear.” “We went far beyond our work. We put our hearts into it, to get a smile even from those in despair. This was the real victory for me”.

VIVISOL Delivery Person



This document is a summary of the 2020 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.

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