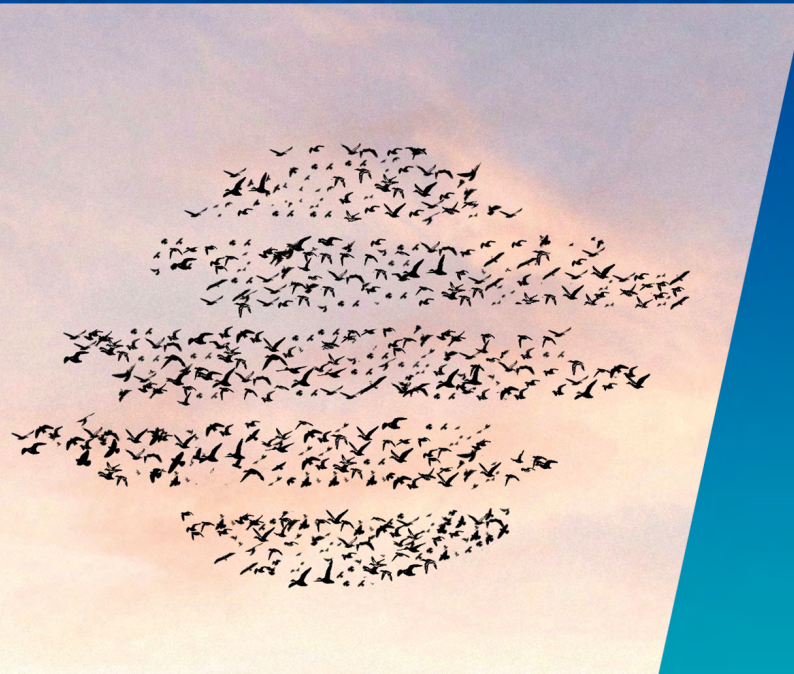




EMPOWERED PERFORMANCE

SUSTAINABILITY REPORT

OMAL 2023



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OMAL 2023



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OMAL'S SUSTAINABILITY STRATEGY: LETTER TO STAKEHOLDERS

Dear Stakeholders,

For the eighth year running, OMAL presents its sustainability report, an account that goes beyond numbers and figures. It is a tale of vision and responsibility towards a path that requires constant commitment. Pioneering this organisational approach in our industry brings with it the stimulating challenge of guaranteeing stakeholders the continuity of programmes and planning consistent with the company's history. This is all the more reason to have embraced the legal form of a Benefit Corporation, a choice that aims to represent us not only as a company, but as a community of people working together for a better future.

As we made clear in the last sustainability report, we are consolidating a corporate culture that reflects our values and strategic sustainability goals through targeted processes and procedures, putting what is OMAL's beating heart at its centre: the employees.

In its second year since its creation, the CSR & HR department has focused on supporting the company in creating an inclusive working environment where everyone can fulfil their potential. Initiatives such as the onboarding process and the "Stop&Go" programme aim to facilitate the induction of new recruits, who then perceive their role as significant in our company history. The aim of the "Sustainability Tour" is to update employees on projects in the field of sustainability in an informal setting and to gather useful proposals to strengthen a corporate identity aligned with strategic sustainability aims. Regular staff meetings, either group or one-to-one, allow the company to assess employee involvement, map training and development needs, receive organisational input and create a direct and effective communication channel.

At all levels, we strive to be an echo of a vision that goes beyond profit, embracing the well-being of people. Projects designed to support the entire company population include the activation of a welfare platform with a credit of €2000 per employee per year, and the valuable collaboration with Cassa Salutissima, which allows employees to benefit from a reimbursement of up to 97% on medical expenses. These choices are not just intended to be a financial benefit but a tangible sign of our commitment to those who make our growth possible.

Moreover, as we have always said, our company is deeply rooted in the local community. Again this year, we actively collaborated with educational institutions, offering in-company orientation opportunities to the young talents of the future. We welcome students on internships, allowing them to experience and grow in the labour market. This synergy between education and business is an investment in our common future.

Internationalisation is another key pillar. After the opening of OMAL USA, Bangkok, Thailand, was identified as the location for the OMAL APAC subsidiary in 2023, showing our will to be global, but without losing our identity. Sustainability is an integral part of this expansion: in these territories we aim to enter market niches related to environmentally committed sectors. We are also pursuing our investigation into the effective integration of artificial intelligence into our processes as a step towards the future. This will enable us to optimise resources, reduce waste and contribute to a more sustainable world. We aim to be a beacon of innovation and an example of how business can be a driver of positive change. In conclusion, we would like to reiterate our ongoing commitment to excellence and responsible innovation. Our sustainable strategy, like our business strategy, abstains from self-referentiality

and has chosen a vision open to change and continuous improvement. Therefore, we always strive to keep the bar of our ambitions high, setting goals that push us beyond our limits while reflecting our values, and always representing a step, however small, towards collective progress.

Amedeo Bonomi
CEO OMAL S.p.A. Società Benefit

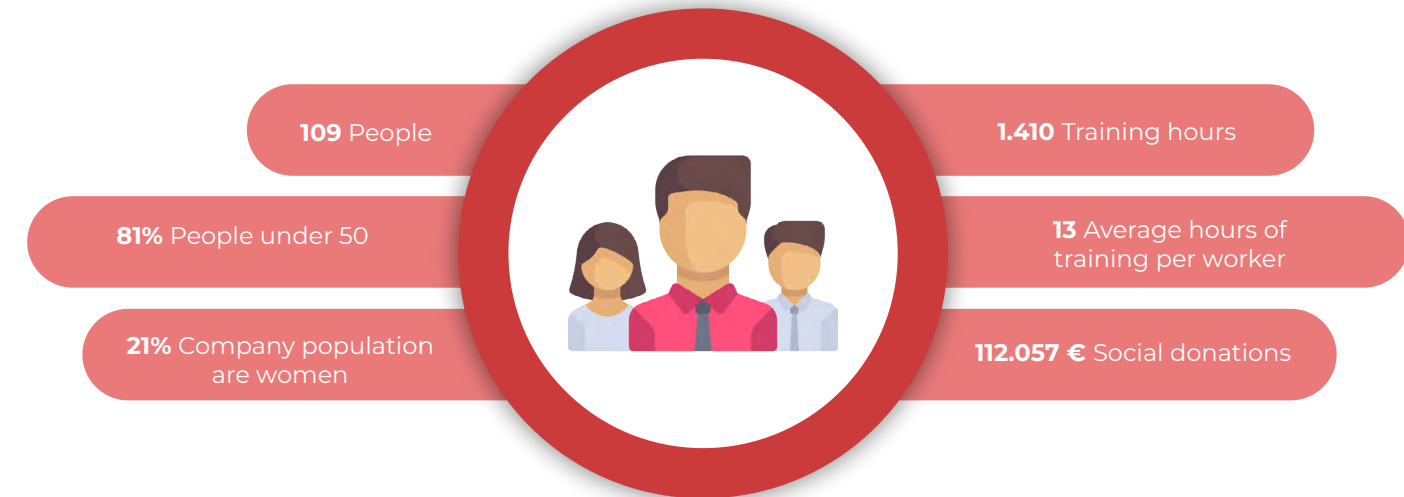



SUSTAINABILITY HIGHLIGHTS 2023

ENVIRONMENTAL



SOCIAL



GOVERNANCE



OMAL S.P.A. BENEFIT CORPORATION

ABOUT US

MANUFACTURERS OF VALVES AND ACTUATORS SINCE 1981 OMAL: A SAFE REFERENCE FOR OUR CUSTOMERS

Our expertise and professionalism can be seen in our purpose-built valves and actuators, in our tailor-made customer service, and in our strong ethical imprint that guarantees absolute quality and results in all the markets in which we operate, such as food, chemical and pharmaceutical, power and energy, marine and many others.

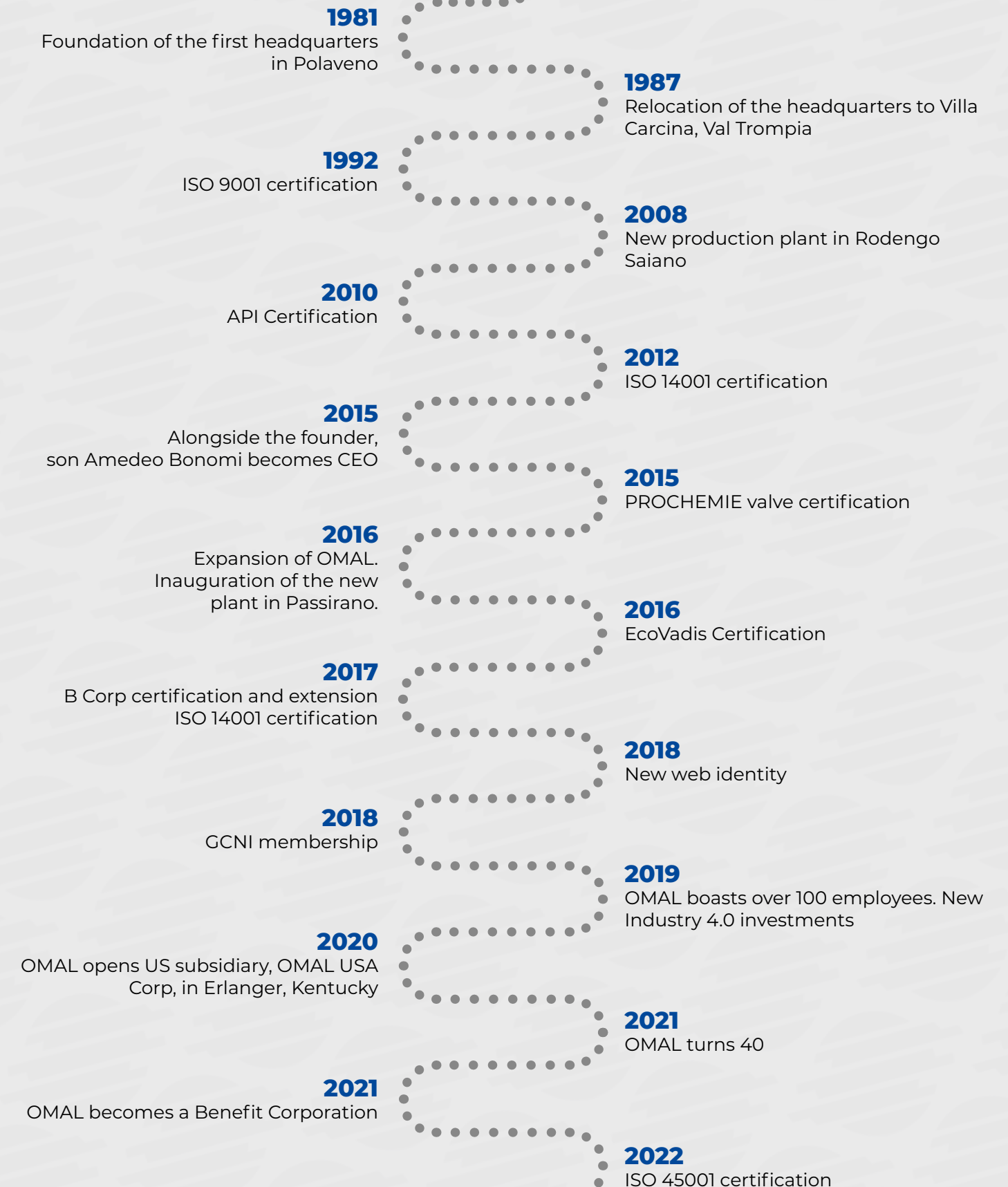
We design valves and actuators with the aim to improve and increase the performance of production facilities. This commitment guides the company from the design phase to the installation of the products in the plant. It is a process, and it is also a precise choice: from the very first creative spark of design to the actual in-plant operation of our products, we want every single moment of the process to be “empowered”.

The “**empowered**” concept can be seen at every stage of the company, and the in-house, Made in Italy production process guarantees high quality. The high technological level of the processes ensures greater attention to detail in the design and production phase and great flexibility with respect to customer requirements and service. This dedication to improvement characterises OMAL at every link of the value chain. This value, offered to customers and purchased by suppliers, must focus not only on economic factors, but also on service, quality, innovation, safety and sustainability. Furthermore, the company is committed to respecting its surroundings by investing in environmental sustainability and corporate social responsibility. This is the meaning of the company motto “**Empowered Performance**”, which is complemented by the company values: respect, passion and a sense of duty.

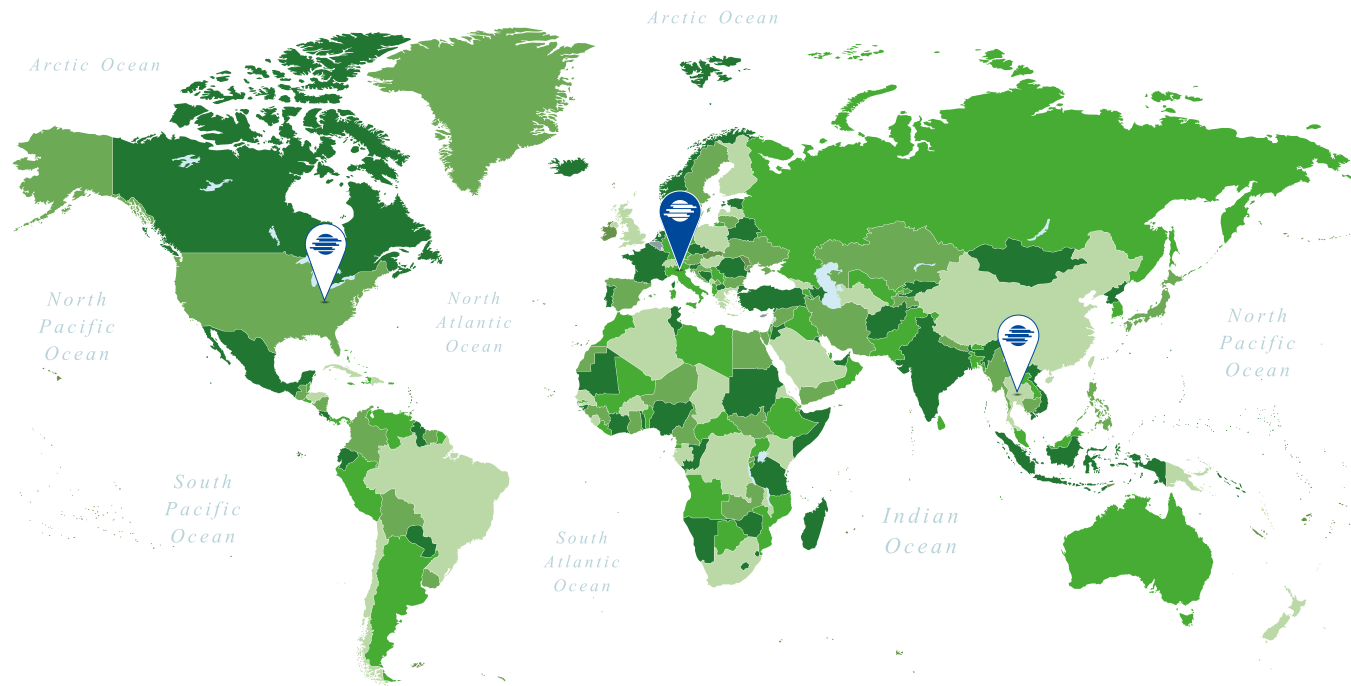
The corporate pay-off summarises the promise we want to make to customers based on the value milestones that support the keystone of our corporate action. Presenting a product on the market is not enough. It must be “empowered” in respect of its competitors.



OUR HISTORY



WHERE WE ARE



WHAT WE DO

Our company produces a complete range of valves, available in free axis, lever or actuated by our actuators. The valves are designed and manufactured to cope with the majority of applications in all industries.

BALL VALVES

BUTTERFLY VALVES

PNEUMATIC VALVES

We also offer a wide range of pneumatic and electric actuators available in different sizes and ISO values for the efficient handling of all types of valves. Our actuator and valve production processes have been internalised for better performance and higher quality, thus involving several steps and processes:

Designing complete solutions



Technical processing



Die-casting



Assembly and testing



Plastic moulding



Quality



MISSION AND VISION



VISION

The right balance between mankind and the environment improves the quality of life, ensuring a better world for future generations.



MISSION

Let us guarantee a better world for our children. With our products, we protect our environment and tangibly improve the quality of life by making installations safer and more reliable.

THE VALUES THAT GUIDE US



PASSION

We commit relentlessly to increasing our performance by striving for continuous improvement of products and processes, without forgetting the growth of people.



RESPECT

This is the ability to grasp the needs and differences of one's interlocutors, respecting everyone's needs and exchanging continuously in order to identify shared and effective solutions for corporate good.



SENSE OF DUTY

This consists, first and foremost, of fulfilling agreements, promises and ambitious targets within the timeframe and conditions agreed with one's partners. When necessary, a sense of duty requires the flexibility to find out-of-the-box, original and courageous solutions.

SUSTAINABILITY MISSION

OMAL shares the vision that any company, when exercising its activity, plays a social role and has a significant impact on people and the environment. It is in our day-to-day activity that we seek to create value for our direct stakeholders and for society: this is true and substantial **Corporate Social Responsibility**.

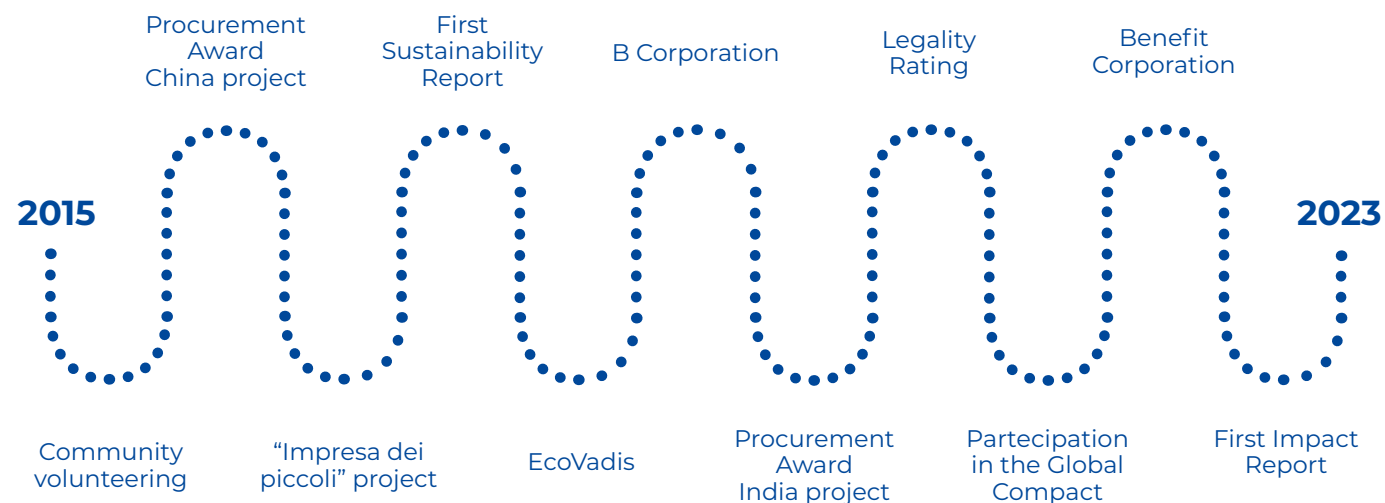
As a Benefit Corporation, we have chosen to pursue specific “Common Benefit” aims in the exercise of economic activity, understood as “one or more positive effects, or the reduction of negative effects, on one or more categories of stakeholders”. In our vision, this does not just mean adding specific social impact actions to the business, but rather seeking positive impact at the core of our business and *raison d’être*.

At the same time, this value creation must be based on the responsible and sustainable management of all the impacts that doing business has on the community and the environment along the entire value chain, respecting the general commitment to respect all people directly and indirectly.

SUSTAINABILITY ROAD MAP

The supervision of our sustainability activities was renewed and strengthened with the introduction of a **CSR Manager** in 2022 and the consolidation of a department dedicated to the pursuit of corporate sustainability goals in 2023, which now has a second resource in-house. The work carried out, thanks to the collaboration of the various functions acting as a link with company management, has enabled the achievement of the objectives set and will facilitate the implementation of future ones.

Below is a graphic representation of our company’s road map to date:



Our company has always collaborated with all stakeholders to combine economic growth, environmental protection and respect for society. With corporate policies that pursue specific objectives in the areas of governance, environment and society, and a systemic, inclusive and transparent approach, we are constantly looking for innovative solutions that meet the needs of the market. All projects and actions undertaken for the specific purposes of the benefit corporation are reported in this document.

Scan the following QR code to find the awards and recognition obtained over the years in the field of sustainability.

OMAL: BENEFIT CORPORATION

We adopted the rules of Benefit Corporations regulated by Law no. 208 paragraphs 376/384 of 28 December 2015 (2016 Stability Law) into our Statutes on 12 July 2021, thus becoming a **Benefit Corporation**. This process merely formalised a *modus operandi* that our corporation has always had in its DNA in legal terms. The company has, in fact, been spreading the culture of quality for decades by focusing on the environment, the well-being of its employees and supporting the social fabric, sports, culture and, more generally, the entire community in which it is rooted, driven by a strong sense of social responsibility which is an integral part of its “**doing business**”.

Benefit corporations voluntarily pursue one or more purposes of common benefit in the exercise of their business activity in addition to profit. Common benefit is defined as the pursuit of one or more positive effects (which can also be achieved by reducing negative effects) on persons, communities, territories and the environment, cultural and social goods and activities, bodies and associations and other stakeholders. These are traditional companies with modified obligations that commit management and shareholders to higher standards of purpose, accountability and transparency.

Three specific common benefit purposes have been identified in the company’s statutes, which we have decided to pursue in the exercise of the company’s economic activity. They were defined with the aim of producing profitability, creating income and generating well-being for people, the community and the local area in which we operate. Our aspiration is to consistently integrate all aspects of sustainability relevant to us in our daily activities, in line with the most virtuous and advanced companies in terms of corporate social responsibility.

COMMON BENEFIT PURPOSES

PURPOSE I

Investing in product and process innovation to ensure the right balance between people and the environment and building a better world for future generations.

PURPOSE II

Promoting training and professional fulfilment, and encouraging socialisation and dialogue within the community by supporting recreational proposals for social, cultural and associative activities and sports practices.

PURPOSE III

Creating an inclusive and purposeful working environment that ensures rights and duties, protects health and safety, and supports corporate welfare measures.

INSIGHTS



We reported on the achievements of the past year and the future goals for each of these purposes in the 2023 Impact Report published on the company website. Scan the QR code to view the full version of the document.

OUR SUSTAINABILITY REPORT

The drafting of this “**Sustainability Report**” was dictated by the decision to continue to share the results we have achieved in the area of sustainability with our stakeholders thanks to the activities we have introduced to monitor and reduce the environmental impacts of processes and products, and to enhance and support our people and the community, which are essential factors for us to be able to continue on the path of responsible growth. This is a path that we are committed to following with continuity and consistency, despite the fact that we are operating in an international context still shaken by the complex geopolitical situation in Europe. This report formalises our commitment to excellence, the promotion of new business paradigms and sustainability, and, last but not least, transparency towards all stakeholders. Each of these principles is an integral part of our “DNA”. Our report also marks another very important step: the first attempt towards the new scenarios required by the European CSRD Directive which, although we are not obliged to report on our sustainability performance, will set us among the companies that will receive increasingly specific and detailed due diligence requests.

RELATIONS FOR SUSTAINABLE DEVELOPMENT

For us, adherence to an evolved business model oriented towards sustainability in all its aspects acquires even greater value through tireless participation in activities promoted by trade associations and organisations committed to regulatory compliance issues. These are valuable opportunities for us to share and promote the values of change and transition to a more sustainable future.

The main associations with which we actively collaborate to promote sustainable business models are:



INSIGHTS

INTERVENTION IN THE BOARD MEETING OF THE YOUNG CONFAPI BRESCIA GROUP

Being a Benefit Corporation also implies supporting others who aim to embark on a sustainable path. As members of Confapi Brescia, we had the pleasure of being invited as guests to the Young Entrepreneur Group’s Board of Directors. The intervention, led by the CSR Manager, aimed to illustrate the initiatives implemented by OMAL and to provide training on self-assessment tools and regulations in the field of sustainability.



GLOBAL COMPACT NETWORK ITALY

The United Nations Global Compact is one of the world’s most relevant sustainability initiatives. It was launched in 2000 and has a mandate to guide companies in pursuing the goals and principles of the United Nations through responsible practices. Membership implies that companies embrace, support, implement and report on, in their strategy and within their sphere of influence, a set of core values identified by the so-called “Ten Principles” concerning human rights, labour standards, the environment and anti-corruption.

Since 2018, OMAL has been a founding member of the **Global Compact Network Italy (GCNI)**, whose primary purpose is to contribute to the development in Italy of the United Nations Global Compact, an initiative for the promotion of the culture of corporate citizenship promoted and managed by the United Nations on a global scale.

SUSTAINABILITY CONTEXT

CONTEXT ANALYSIS

In pursuing our sustainability mission, we take a methodical and comprehensive approach when analysing the internal and external context in which we operate. Within the analysis, we evaluate and understand the various scenarios in which we perform our activities.

We use regularly updated management systems to routinely assess sustainability-related risks and opportunities, as well as the social, economic and environmental dynamics affecting our business operations.

We carry out a specific corporate sustainability assessment each year. This process is dynamic and adapts to both internal and external changes, as well as new challenges and opportunities emerging from the sustainability landscape. The internal and external context analysis is essential to informing our actions and strategies. We are able to identify and address the most relevant issues through rigorous and continuous evaluation, thus contributing to progressive improvement and increasing our positive impact.

OMAL STAKEHOLDERS: DEMANDS AND EXPECTATIONS

Stakeholders play an important role in shaping the future of the company. They are able to determine the success of a project by providing valuable support, information and resources from both inside and outside the organisation. Understanding who they are and what they want is therefore crucial to creating winning strategies.

OUR STAKEHOLDERS: A SUSTAINABLE PARTNERSHIP

Awareness of the impact business processes on the local area and the environment has helped accelerate our transition to a company that is even more attentive to sustainability issues and accountable to stakeholders.

It is crucial for us to establish a constructive, direct and effective relationship with them that can best guide our way of doing business. Understanding the needs of stakeholders and responding to their demands helps us outline our future business goals.

Below is a breakdown of OMAL's stakeholders, which we have divided into primary (all those stakeholders to whom the company is linked for its growth and survival) and secondary (individuals or groups that can influence policies, processes or products).

- **Primary stakeholders:** these include employees, suppliers, customers and all partners, including banks, certification and inspection bodies, and local institutions.
- **Secondary stakeholders:** educational institutions, trade associations to which the company belongs, international institutions, the media, the press and, of course, the local community.

DIALOGUE WITH STAKEHOLDERS

WAYS OF INTERACTING WITH STAKEHOLDERS

The diagram illustrates the map of our stakeholders and the channels of dialogue that allow us to maintain an interaction with each of them. Multi-directionality and transparency guide our company's communication and information strategy. Communication allows the company to make itself available to all stakeholders, preferably via the website and various social media channels.



MATERIALITY ANALYSIS

OMAL's Sustainable Path stems from an impulse of the Management, which has always been aware of the importance of ESG (Environmental, Social, Governance) issues in the development and growth of the company. The acknowledgement by the company of its responsibility in terms of sustainability within its sphere of influence has ensured an investment of commitment and resources to achieve its goals.

We have always involved stakeholders in the process of defining the sustainability strategy, as we are certain that this engagement process:

- increases our risk management capacity;
- increases accuracy in achieving sustainability performance targets;
- ensures a greater capitalisation of resources in terms of know-how, technology, and human and relational capital for problem solving.

The **Materiality Impact Analysis**, which defined a list of relevant issues, was carried out following an initial discussion that began in 2022. It is the result of dialogue with stakeholders and it resulted in the online presentation of a questionnaire.

Governance

- 1 Stakeholder Dialogue
- 2 Brand Reputation
- 3 Business Ethics
- 4 Value Creation
- 5 Product Innovation
- 6 Business Continuity

Environmental

- 1 Renewable Sources
- 2 Energy Efficiency
- 3 Circular Economy
- 4 Environmental Performance
- 5 Supplier Involvement
- 6 Greenhouse effect

Social

- 1 Diversity and Inclusion
- 2 Work and Employment
- 3 Involvement of Local Communities
- 4 Welfare and Well-Being
- 5 Valuing and Developing People
- 6 Occupational Health and Safety

Subsequently, the following criteria were defined in order to decide which aspects had greater significance and importance:

- extent of the impact of the specific issue on stakeholders and sustainable development;
- potential action on the specific issue;
- level of stakeholder concern on the specific issue and identification of the relevant expectations.

The following scale from 1 to 5 was used to determine the significance of the aforementioned topics.

- 1 – Not significant:** the topic has no impact on the organisation or the Stakeholders' decision-making process.
- 2 – Insignificant:** the topic has little impact on the organisation or on the Stakeholders' decision-making process.
- 3 – Significant:** the topic has an impact on the organisation or the Stakeholders' decision-making process.
- 4 – Very significant:** the topic has a significant impact on the organisation or the Stakeholders' decision-making process.
- 5 – Priority:** the topic has a large impact on the organisation or the Stakeholders' decision-making process.

FROM MATERIALITY ANALYSIS TO CORPORATE RESPONSIBILITY

The materiality analysis, i.e. the process of identifying and understanding priorities with respect to the social responsibility context in which the company operates, took shape and was revised based on the collection of survey results. The priorities outlined reflect economic, social and environmental impacts.

In order to identify key issues, we built on the work carried out in the previous report, with an analysis of the industry, the website, the governance documents, the policies, the Code of Ethics, the integrated assessment and the international standards for customers, suppliers, competitors, trade associations and lending institutions. This was combined with an analysis of the press review, thus enabling a targeted assessment of the main issues relevant to the sector, which were prioritised as shown in the impact and risk tables.

The analysis saw the direct, constant and transparent involvement of the Management and internal staff dedicated to the project in order to optimise the validation process for the most significant issues and their impact on the company. The survey led to the identification of the priority areas of greatest "materiality" for the sector, giving the organisation the opportunity to adapt the relevant topics to the current context, which were updated and reported in this document. Key impacts, risks and opportunities were considered, with the aim of mitigating the company's footprint by working hard to improve sustainable performance.

INSIGHTS

Conducting a materiality analysis means identifying the relevant issues and the degree to which they have a significant impact on the company's economic, social and environmental performance, which can substantially affect the appreciation and dispositions of all the stakeholders that participate in the company. Following an inside-out approach, the company assesses materiality by considering the current and potential positive and negative impacts on Stakeholders and the environment, based on the company's management of an ESG issue.

RELEVANCE OF IMPACT AND STAKEHOLDER INVOLVEMENT

In detail, the materiality analysis allowed many themes to be reconfirmed and others to be reviewed in the current context, merging those with common impacts. Our company is committed to integrating the necessary due diligence measures against the main real negative impacts into its business and into the entire value chain.

IMPACTS

For the sake of completeness, a high-level mapping of the positive and negative impacts, grouped by material topic resulting from the external and internal evaluations described above, is given below. At OMAL, the role of responsibility for managing the company's impacts is held by various managers who work together across areas to ensure positive impacts and limit negative ones on the environment, the economy and, above all, people. The flow of communication regarding impacts between the managers and the Board of Directors is constant and takes advantage of the various institutional moments.

| MATERIAL TOPIC | IMPACT | TYPE OF IMPACT | IMPACT MANAGEMENT |
|---|--|--|--|
| CLIMATE CHANGE Energy Efficiency Renewable Sources Greenhouse Effect | Increased CO ₂ concentration in the air due to energy consumption and processes resulting from the organisation's entire value chain. |  REAL | Commitment to reducing energy consumption and consumption involving emissions into the atmosphere. ISO14001 certified. Existing actions: installation and use of renewable energy, adoption of technologies to reduce energy consumption. Offsetting emissions from transport. Monitoring: GRI 305-1, 305-2; GRI 302-1, 302-2. |
| CIRCULAR ECONOMY Environmental Performance | Production of waste from manufacturing processes. The company is committed to production waste recovery processes. |  POTENTIAL | Compliance with regulatory reference for companies, adoption of Environmental Management System. Existing actions: maintenance of ISO 14001 certification, reduction of waste production from all company processes. Monitoring: GRI 306-3, 306-4, 306-5. |
| SUSTAINABLE SUPPLY Supplier Involvement | Selection of suppliers with whom relationships are well established and constant, existence of a structured pre-qualification and qualification system that takes the social and environmental impact into account through a supplier evaluation system. There is no specific ESG rating system that assesses supplier performance over time. |  POTENTIAL | Operational procurement instructions and supplier evaluation. Existing actions: implementation of quality, environmental and social policies. Monitoring: monitoring of suppliers, selection of local suppliers GRI 204-1. |
| OCCUPATIONAL HEALTH AND SAFETY | Workers' accidents and occupational diseases: the company has a health and safety management system that complies with current regulations but is not certified. |  POTENTIAL | Adoption of the Risk Assessment Document (RAD) in which all risks to workers' health and safety are considered; compliance with the requirements for Occupational Health and Safety Management Systems. Existing actions: compliance with regulatory requirements, maintenance of ISO 45001 certification. Monitoring: GRI 403. |
| WORKER EMPOWERMENT AND CORPORATE WELFARE Welfare and Well-being Valuing and Developing People | Professional growth through the continuous organisation of training projects. Improved performance and employee satisfaction through programmes dedicated to the well-being of workers. Ongoing implementation of a more structured HR system that takes the entire human resources life cycle into account. Presence of company welfare policies that go beyond what is provided for in National Collective Labour Agreements. |  POTENTIAL | Presence of a dedicated department in charge of selection management, human resources education and training, dissemination of a culture of well-being. Existing actions: planning of training courses, application of the Code of Ethics; adoption of Organisational Model 231 with a dedicated procedure for whistleblowing management. Monitoring: GRI 404-1. |

| MATERIAL TOPIC | IMPACT | TYPE OF IMPACT | IMPACT MANAGEMENT |
|--|--|--|---|
| DIVERSITY, EQUITY AND INCLUSION Work and Employment | Constant commitment to guaranteeing a decent salary and fair career path for all workers by fostering an inclusive working environment. Inclusion of new workers in impacted communities. |  POTENTIAL | Compliance with the Code of Ethics. Existing actions: monitoring the corporate climate, overseeing compliance with the code of ethics, whistleblowing procedure for anonymous reporting. Monitoring: GRI 405-1 |
| COMMUNITY Involvement of Local Communities Dialogue with Stakeholders | Contribution to the social and economic development of local communities through the support of community projects, collaboration with schools in the area. Dialogue with all stakeholders and their involvement through a continuous stakeholder engagement process. |  POSITIVE | Constant commitment to maintaining relations with the community, respect for relations with the territory and the local community. Existing actions: financial support for local projects, cooperation with local school institutions. Monitoring: free donations and activation of school internships and apprenticeships on the group's premises. |
| RESEARCH AND DEVELOPMENT Product Innovation | Business continuity activities with a specific focus on designing new market solutions with sustainable characteristics. |  POTENTIAL | Continued research and development of new solutions for the target market that take innovative and impact-reducing solutions into account. Existing actions: investment in the research and development of new market solutions. Monitoring: investment in research and development, product test reports. |
| BUSINESS CONTINUITY | Activities aimed at business continuity, implementation of procedures and information systems that allow the constant monitoring of business processes. Activities aimed at product quality control and customer satisfaction by understanding their current and future needs. Relationship-building through continuous dialogue. |  REAL | Implementation and maintenance of the quality management system (QMS) in accordance with ISO 9001 and current regulations. Existing actions: continuous checks and tests on products and processes during both development and production. UNI EN ISO 9001:2015 quality certification. Systems to ensure cybersecurity. Monitoring: GRI 416 - 418, cases of business interruption. |
| RESPONSIBLE GROWTH Brand Reputation Value Creation Business Ethics | Increased investment in business competitiveness and impact mitigation. Growth of the workforce. Pursuit of sustainable development goals. Respect for company policies and principles. |  POTENTIAL | Application of the Code of Ethics, company policies, technological investments to ensure company competitiveness. Existing actions: continuity of the group's development activities. Monitoring: trends in economic and financial performance and commitment to sustainability goals. GRI 201 - GRI 205 - GRI 206. |

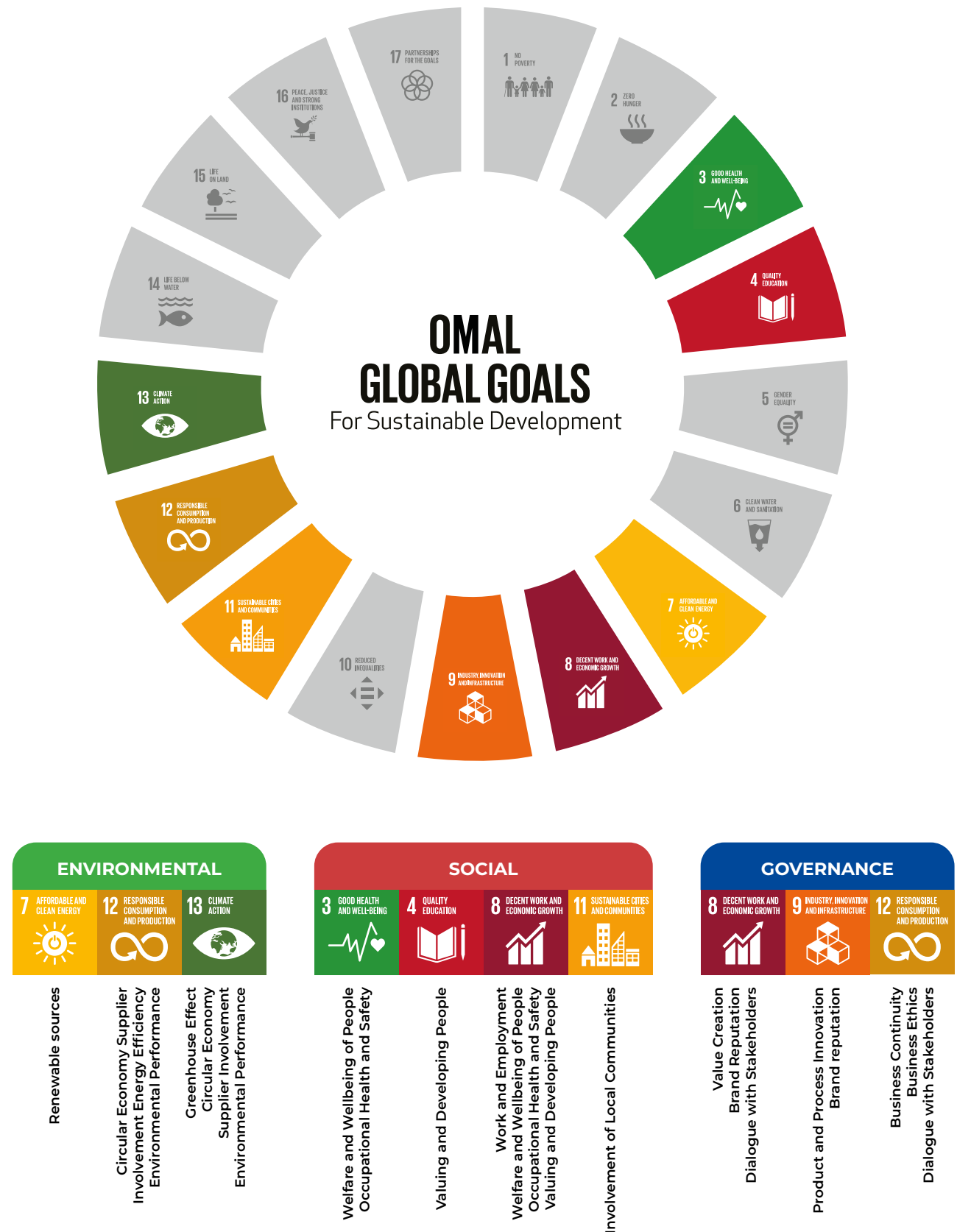
TARGETS FOR SUSTAINABLE GROWTH

The **2030 Agenda** for Sustainable Development is an action programme aimed at the prosperity of people and the planet, signed in 2015 by the governments of the 193 UN member states. It includes 17 Sustainable Development Goals (SDGs) with a total of 169 targets. The goals cover a range of issues which are crucial to the virtuous development of the planet from the fight against poverty and hunger to practices to combat climate change, to name but a few.

We have decided to take up this challenge and support the Agenda 2030 Sustainable Development Goals. Therefore, after an in-depth analysis of the 169 targets, we focused on the material issues that we considered as a priority and identified a **plan** for sustainability goals. We have also embarked on a path of ever closer involvement with suppliers and employees, in the knowledge that sharing sustainability goals and choices with stakeholders is fundamental to achieving results for the common benefit.



The choice of the **eight goals** was guided by an intention to promote a balance of social, economic and environmental objectives that could be pursued in integration with the business, and which were applicable to all parts of the company's value chain.



TARGETS FOR THE 2024 TAX YEAR FOR THE BENEFIT OF ALL

Be the best company for the world, the people and the environment, before wanting to be the best company in the world. This simple, yet fascinating, concept shapes our values and is the driving force behind our becoming a Benefit Corporation. As such, we embrace this legal form naturally, working and investing resources to contribute to the growth of the company and improve the quality of life in society.

We believe in our values and wish to share them in order to grow together and help create a future of opportunity and prosperity for all. We assume responsibility and duties towards our employees, customers, society and the environment.

Our aim is to develop strategies and implement actions that make it possible to transform business for positive change. We are convinced that a better future can be built, where companies thrive to preserve and protect the well-being of the community and the world. Each year we commit to identifying feasible and achievable goals for the common benefit.



The following 2024 objectives, which are based on the common benefit goals and set out in the Impact Report, are summarised below. They refer to the social and environmental goals that companies like OMAL are committed to pursuing:

| | PURPOSE I | PURPOSE II | PURPOSE III |
|------------|--|---|--|
| METRIC I | SUSTAINABILITY INDEX <ul style="list-style-type: none"> Continuing ARES valve testing. EPD certification process started. | INCREASING THE NUMBER OF TRAINING HOURS <ul style="list-style-type: none"> Consolidation of the use of the HR module in Panthera for training. Organisation of internal technical courses for both the parent company and the US subsidiary. Creation of a new role dedicated to sales training. | PROMOTING AWARENESS OF AN INCLUSIVE AND SAFE WORKING ENVIRONMENT <ul style="list-style-type: none"> Sharing of alerts made via the QR code system. Launch of the “BenEssere” programme. Integration of the Organisational Model pursuant to Legislative Decree 231/01. |
| METRIC II | EVALUATION OF THE PRODUCTION PROCESS ENERGY CONSUMPTION % AND REDUCTION <ul style="list-style-type: none"> Photovoltaic system connection. Creation of a sustainability index to obtain a performance index. Installation of a power supply that is constantly connected to the plant’s autoclave. | CHARITABLE AND CULTURAL DONATIONS TO SUPPORT COMMUNITIES <ul style="list-style-type: none"> Continued collaboration with and assistance for local associations. Support for local educational institutions, both through internships and interviews. Initiation of a collaboration with a local institute, if possible. | NUMBER OF NON-COMPULSORY MEETINGS WITH WORKERS HEALTH AND SAFETY REPRESENTATIVES <ul style="list-style-type: none"> Maintaining the number of meetings with workers’ health and safety representatives and plant managers. |
| METRIC III | INVESTMENT DEVELOPMENT FOR A SUSTAINABLE SMART FACTORY <ul style="list-style-type: none"> Start “Chat Bot”. Development of the first phase of the “Production process analysis software”. Development of the first phase of the “Extended CRM” project. | PLENARY MEETINGS WITH ALL COLLABORATORS <ul style="list-style-type: none"> Two plenary meetings. Collaboration with the Università Cattolica del Sacro Cuore through the PON project. Launch of the “Pole Position” project. | SPECIFIC MEETINGS - “OMAL SUSTAINABILITY WORKING GROUP” <ul style="list-style-type: none"> Scheduling of three meetings between the CSR Department and General Management. |

We can say that we have achieved almost all of the objectives that we set ourselves last year, with the exception of a few activities for which a process has begun but which will take time to complete. In terms of impact generated, OMAL's raison d'être as a Benefit Society seems to be working effectively. Likewise, we are aware that the systematisation of certain aspects would improve the impact on our path and the measurement of the value created. In this regard, specific targets for 2024 have been expressed. We are facing an ambitious challenge internally: the current organisation works well, but we want to commit ourselves to ensuring long-term sustainability plans in a more timely manner. The concentration of key competencies in a few people can have an unfavourable impact on overall productivity and thus on this expected outcome. However, we are clear about the goal of moving towards a transformation of the organisational structure into an even more robust business model.

The conclusion we came to through the strategic path is that the organisation itself is the trigger for OMAL's growth in this cycle. Our development will depend on our ability to grow as a company, preserving the balance and synergy between financial results, competitiveness and social impact, without overburdening the organisation. We have already initiated major internal changes, enhancing people's skills and moving in the right direction. We are aware that we are on the right track and we are always driven by a desire for continuous improvement.

In relation to the specific analysis of our impacts, we have reconfirmed our commitment to the following objectives, which align with the specific annual targets for common benefit and are directly linked to the material issues, as illustrated in the table below.

FUTURE OBJECTIVES FOR THE 2024 - 2026 THREE-YEAR PERIOD

| ENVIRONMENTAL | | | |
|----------------------------------|---|---|---|
| Topic | Macro Objectives | Actions in Pursuit of Objectives | 2023-2026 Targets |
| Greenhouse Effect | Application of measures to monitor solutions to reduce atmospheric emissions and environmental impacts | - Creation of a dashboard to monitor plant consumption - Organisational carbon footprint (every two years, except for years in which there are no substantial changes to the business) | - CO ₂ offsetting logistics - Ton. CO ₂ eq impact study per product family - Rationalisation of shipments out of the EU |
| Circular economy | Increase in the use of recycled material and reduction of the amount of production waste by promoting a circular culture | - Waste water treatment, purification system, condensation water recovery, rainwater treatment - Recovery of packaging materials, separate collection - Heat recovery from compressors - Inbound and outbound logistics monitoring | Keeping the circular economy ratio above 90% |
| Supplier involvement | Maintenance of a clear and transparent relationship with the supply chain by particularly monitoring sustainability requirements (labour protection and respect for workers' rights, environmental protection, compliance with laws, ethical conduct, etc.) | Continued sharing of supplier code of conduct and code of ethics | Keeping the supply chain short (within 200km) |
| Energy efficiency | Adopting the best technologies available to reduce energy use | Installation of additional photovoltaic panels and yield control, installation of consumption monitoring software, maintenance of short supply chain | Creation of an energy efficiency index (Ton.CO ₂ eq emissions vs. company turnover) |
| Environmental performance | Contribution to the improvement of environmental performance to ensure the correct balance between work requirements, development and protection of the environment, and quality of life | Implementation of environmental KPI monitoring system | Maintenance of 45001 certification and avoidance of "major" or "serious" non-conformities during audits |
| Renewable sources | Replacement of non-renewable resources with alternative, sustainable and environmentally-friendly sources | Purchasing of electricity solely from renewable sources | Maintenance of the use of energy from 100% renewable sources |

| SOCIAL | | | |
|---|--|---|--|
| Topic | Macro Objectives | Actions in Pursuit of Objectives | 2023-2026 Targets |
| Occupational Health and Safety | Implementation of policies and actions to preserve and protect the health and safety of workers | Activation of anonymous reporting service and obtention of ISO45001 certification | Accident severity monitoring index |
| Valuing and Developing People | Creation of a positive working environment that promotes training and professional fulfilment | Launch of the "informAtion" project and provision of compulsory soft skills training hours, activation of individual growth projects | - Strengthening of the relationship with local institutions - Use of social media to attract talent |
| Diversity and inclusion | Valuing diversity, combating all forms of inequality | Dissemination of code of ethics and evaluation of diversity courses | Organisation of internal training courses |
| Welfare and Well-being of People | Implementation of a set of initiatives aimed at increasing the well-being of workers and their families (e.g. encouraging socialisation and physical and mental well-being by supporting socio-cultural recreational proposals, associative activities and sports) | - Definition of an onboarding process and welcome pack, - Introduction to corporate welfare and activities for the involvement of the corporate population - Project in collaboration with the Catholic University and plenary meetings | Evaluation of new projects aimed at the corporate population |
| Work and Employment | Direct investments in the local area to create new jobs | Support for local associations | Evaluation of the involvement of external companies for social projects (Art. 14) |
| Involvement of Local Communities | Undertaking of initiatives to support the local area and its social causes | Sponsorship of local companies and collaboration with institutes | Continued support for local charities and sports associations |

| GOVERNANCE | | | |
|-----------------------------------|---|--|--|
| Topic | Macro Objectives | Actions in Pursuit of Objectives | 2023-2026 Targets |
| Product Innovation | Investment in product research and development and process digitisation | - New calculation structure in Panthera - X-easy platform - New scheduler - E-commerce creation - Use of artificial intelligence | Research, development and marketing of new products |
| Business Continuity | Identification and assessment of the risks of disruption to business continuity and undertaking of actions for their mitigation and targeted intervention plans | Installation of real-time criticality detection software | Maintenance of economic soundness |
| Company Ethics | Maintenance of consistency with legal and regulatory provisions; compliance with internal and external ethical codes of conduct | Continuous sharing of supplier codes of ethics and codes of conduct | Maintenance of high legality rating and sharing of supplier codes of conduct |
| Dialogue with Stakeholders | Identification of the needs, requirements and expectations of stakeholders to improve production and product quality by strengthening collaboration | Continuation of all existing dialogue activities with stakeholders | Opening of new branches and consolidation of relations with the local area |
| Value Creation | Protecting of the brand image and dissemination of corporate know-how to increase the sense of belonging and develop new opportunities | Product analysis and new market development | Subsidiary development and the Asian market, American subsidiary consolidation |
| Brand Reputation | Protecting of the brand image and dissemination of corporate know-how to increase the sense of belonging and develop new opportunities | - Social use and advertising publications - Publication of tax and voluntary documents and plenary events - Participation in trade fairs and webinars/events | Worldwide brand outreach via LinkedIn |

INSIGHTS

**WE PROMOTE A CULTURE OF SUSTAINABILITY:
FUTURA EXPO 2023**

In 2023, we followed up on an innovative initiative that we had also undertaken the year before and which we believe is one of the key steps to be taken in order to promote and disseminate sustainable business models. We are referring to our participation in Futura Expo, a space that represents a vision of the future in which man, nature and the economy can coexist in mutual respect. By participating in this fair, we wanted to make our contribution to informing, training, disseminating and proposing specific practices and best practices. We met with students, professionals and individuals that we told about our commitment and projects in the hope of multiplying our positive impact through fruitful and beneficial sharing.

We involved 700 people who positively accepted our request to be an active part of our space. We also collected ideas and suggestions related to future projects to be developed in the company. There was a desire to network and listen to the input that can come from any opportunity for discussion.



Use the following QR code to view all the projects initiated by OMAL over the years:



ORGANISATIONAL STRUCTURE AND GOVERNANCE

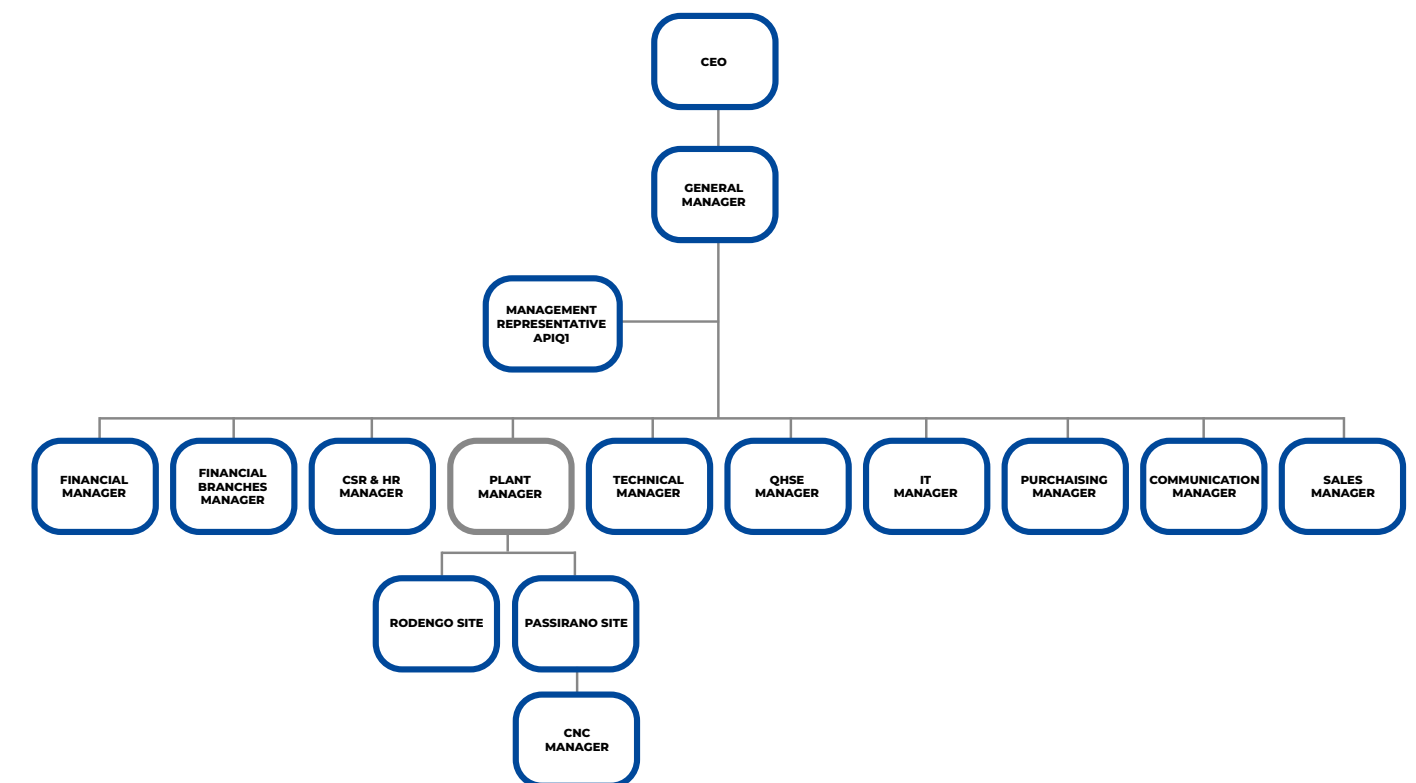


THE GOVERNANCE OF THE ORGANISATION

CORPORATE STRUCTURE AND GOVERNANCE

The company leadership has now reached its second generation with Agostino Bonomi's son, Amedeo, whose leadership is inspired by the same values that have characterised the company's growth so far: creating and sustaining a coherent and transparent business system driven by a clear vision of the role of each employee and a commitment to spreading a culture of legality and fairness. Today, as back then, our company is engaged in constant growth and expansion.

Our business model is the traditional, family model of corporate governance and it consists of:



Thanks to the work, unity and team spirit of all our employees, the organisation has been able to maintain the entrepreneurial values that have characterised its growth. The governance effectively supports an industrial approach geared towards value creation in both the short and long term, enabling it to continue to grow significantly as a major player in the sector.

The company has adopted a traditional corporate governance model which is composed of a Board of Directors entrusted with all powers for the management of the company, an Auditing Company and a Board of Statutory Auditors entrusted with the task of supervising compliance with the law and the articles of association, respect for the principles of correct administration and, in particular, the adequacy of the internal control system.

OMAL's board of directors is 100% male and the company is led by the CEO, who is between 30 and 55 years old. As of 2023, the organisational chart will include a female figure under 35 to coordinate three departments (CSR, HR and communication).

The **Board of Directors** is entrusted with the central strategic and decision-making role of the Group, as detailed above, and it has the ultimate aim of pursuing sustainable success. It carries out all appropriate and necessary actions with this objective in mind. In particular, it examines and approves strategic, industrial and financial plans, defines the nature and level of risk compatible with strategic objectives, assesses the adequacy of the internal control and risk management system, and decides on transactions.

The **Board of Statutory Auditors** is responsible for supervising compliance with the law, the Articles of Association and the Memorandum of Association, compliance with the principles of proper administration, the adequacy and effective functioning of the internal control system, the adequacy and effective functioning of the administrative and accounting system, the correctness of the financial reporting process, internal auditing and risk management, and the independence of the auditing firm. The Board is also responsible for overseeing the process of preparing this consolidated non-financial report.

The commitment of OMAL's governance is always directed towards the following objectives:

- 1 maintaining compliance with all applicable and subscribed to laws and regulations in force;
- 2 periodic analysis of the risks and opportunities associated with each business process;
- 3 periodic evaluation of the organisation in accordance with company changes and developments in the interest of all workers;
- 4 choice of medium- to long-term, periodically measurable objectives on the topics of development and responsible growth;
- 5 orientation towards a progressive increase in quality performance, in behaviour aimed at protecting the environment, in the constant reduction of accident risks during production, and in the construction of a welcoming environmental climate that fosters emotional and occupational well-being;
- 6 involvement of staff in decisions related to sustainability issues.

These goals do not remain merely cosmetic, but are constantly monitored and varied according to new needs and opportunities that arise over time through employee involvement.

We are committed to complying with all applicable laws and regulations in the countries where the company operates. **No penalties were received for environmental, social or economic non-compliance in the 21-22-23 three-year reporting period (GRI 2-27).**

CODE OF ETHICS AND POLICIES

Ethics at OMAL is a manifesto in which we firmly believe; it is a code of conduct that has a positive impact on the whole company. It is a choice and our adherence to clear and shared guiding principles impacts PEOPLE, PARTNERS and the COMMUNITY. We apply a general principle and programme points to each of them. Our awareness begins with a vision of corporate values, which are constantly updated and shared with the entire organisation, where the Sustainability Report, Code of Ethics, Supplier Code of Conduct and Internal Policies share a single goal: **responsible growth**.

With this in mind, we have drawn up the Code of Ethics, which is based on the following principles:

- ethical behaviour of the Company and its employees;
- loyalty of employees and collaborators towards the Company;
- fairness, courtesy and respect in relations between colleagues;
- professionalism and thoroughness;
- respect for the environment and the health of workers.

To disseminate these principles, our company is committed to:

- promoting and strengthening corporate culture around common and shared values;
- disseminating the rules, procedures and practices to be followed correctly;
- broadening acceptance of the principles on which the Code of Ethics is based.

It also pursues:

- recognition of the value of human resources;
- diligence, transparency, honesty, confidentiality and impartiality in the conduct of business activities;
- protection of individuals and the preservation of the environment.



WHISTLEBLOWING POLICY

We have adopted a reporting procedure for any circumstances that involve, or appear to involve, a deviation in our operations or a violation of regulations. Pursuant to the provisions of Legislative Decree no. 24 of 10 March 2023 implementing Directive (EU) 2019/1937, reports of possible wrongdoing may be brought to the attention of the recipient through a dedicated channel made available to everyone who wishes to report possible wrongdoing by the organisation.

COMPANY POLICIES

We have issued and consistently apply our policies to disseminate our mission both inside and outside the company, exercising our sphere of influence throughout the value chain. The policies issued, updated and verified by Management:

- are commensurate with the corporate structure, aligned with the organisation's purpose and appropriate to the context;
- include a commitment to fulfil requirements and improve management systems;
- include definitions of quality, environmental and occupational safety objectives;
- are available in common areas on the company servers, communicated to employees and
- applied in the normal course of business;
- are available to interested parties outside the company;
- are re-examined in the managerial review to ascertain their suitability and relevance.

The Policies are disseminated to all stakeholders through publication on the corporate website www.omal.com.

RELATIONS WITH EXTERNAL SUPERVISORY BODIES

In their relations with supervisory bodies, the persons involved are bound to the utmost transparency, clarity, diligence, professionalism and fairness in order to establish a collaborative relationship, by promptly and punctually executing the prescriptions and any requested fulfilments and providing all the information requested in a clear, exhaustive and objective manner. It is forbidden for the addressees of the Code to promise, offer or pay, directly or through intermediaries, sums of money or other benefits to persons falling within the definition of Public Administration and Supervisory Bodies in order to influence them in the performance of their duties and/or to gain an undue advantage. Gifts and acts of courtesy and hospitality to persons falling within the definition of Public Administration and Supervisory Bodies, or to consultants/intermediaries in charge of interfacing with such persons, are not permitted, unless explicitly authorised by the Directors. Our company has dedicated tools, processes and bodies that receive information flows in order to monitor and measure the risk of corruption and the initiatives taken to counter it.

ANTI-CORRUPTION, ANTI-TRUST AND MONOPOLISTIC PRACTICES

Each addressee of the Code of Ethics is required to know and implement it, and to report any shortcomings or violations.

As a testament to the strong sense of legality and commitment to compliance with applicable regulations and laws, **no cases of unfair competition, antitrust or monopolistic practices were recorded during the 2021-2023 three-year period (GRI 205-1/ GRI 206-1).**

| CASES OF UNFAIR COMPETITION, ANTITRUST AND MONOPOLISTIC PRACTICES | | | |
|---|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| UNFAIR COMPETITION | None | None | None |
| ANTITRUST | None | None | None |
| MONOPOLISTIC PRACTICES | None | None | None |
| TOTAL | None | None | None |

LEGALITY RATING

This indicator reveals the level of compliance with legality standards by assigning a score ranging from one to three stars. The lowest score indicates compliance with legality, while two or three stars indicate that the company complies with further requirements in addition to its legal obligations. In the year 2023, as before, we achieved the score of “**+”, which places us in the ranks of the most virtuous companies among those that have obtained the legality rating to date.



RISK MANAGEMENT AND DUE DILIGENCE

OMAL identifies **risk analysis** as a key prevention element in its model of doing business. We are clear on how to pursue the precautionary principle, which is essential for the growth of the organisation. It is for this reason that we constantly monitor both financial and non-financial risks as outlined below.

FINANCIAL RISKS

There are no significant financial risks considering the high degree of capitalisation of our company and the limited recourse to external financing sources. There are no financial instruments in use that could generate a particular risk or that require risk hedging policies. In the case of orders relating to sales in currencies other than euros, we adopt the policy of entering into fixed-term exchange rate hedging contracts, which are drawn up at the time the order is placed to protect industrial margins.

NON-FINANCIAL RISKS

The main non-financial risks to which our company is exposed are as follows.

A Risks from internal sources

These are not significant because production is diversified across many products. Moreover, the company's strategy is to always seek new leads.

B Risks from external sources

- **Market:** the company suffered from the market downturn as it was subject to the global context. As of today, it is still expected that its order book will slow down in 2024.

- **Product and competition:** reference markets force the company to confront competitors who adopt very aggressive pricing practices, even below production costs, in order to maintain a certain minimum turnover and production requirements. At OMAL, we pursue goals of differentiation and constant research into new market solutions while maintaining a strong focus on efficiency and savings. In addition, equity and financial strength will enable the company to exploit any new market areas generated by the exit of producers who were unable to adequately cope with the difficult economic period.

- **Clients:** at a time of delicate financial crisis such as now, where the risks of insolvency are generally on the rise, the Company is constantly monitoring this aspect thanks to its constant relationship with the clients concerned.

We also consider the expectations of all stakeholders in our annual evaluation. The analysis takes the following aspects into account, so that it is possible to classify the level of risk for each potential threat and assign a possible corrective action and/or improvement plan. The following are therefore considered:

- macro-processes;
- macro-areas;
- business activity;
- events that may impact processes;
- events that may impact business continuity.

Risk assessment is the control and monitoring system that enables us to meet the demands of customers and all stakeholders, as well as to ensure a more effective achievement of results and highlight any room for improvement.

The main business risks related to stakeholders identified, monitored and managed are:

- general economic performance;
- environment and local areas (ESG);
- human rights of workers (ESG);
- integrity of the different operations.

We have identified the following risks with regard to ESG (Environment, Social, Governance), major climate impacts and our supply chain:

- supply;
- greenhouse gas emissions;
- safety and environmental incidents;
- human rights throughout the value chain;
- potential business interruption.

Risks related to the integrity of our various operations and customers are distinguished in the following areas, which we specifically manage with internal procedures and related action plans:

- SALES (offer management, customer complaints, contract review, market analysis);
- PURCHASES (procurement, supplier management);
- PRODUCTION (machining, assembly and testing, shipping and packaging);
- TECHNICAL (design, testing);
- ORGANISATION (quality, IT security, occupational health and safety, environment).

SUSTAINABILITY DUE DILIGENCE

In the face of strong market competition, it is crucial for us to take a preventive approach to the risks associated with our business, especially with regard to corporate sustainability, quality, environmental safety and occupational safety management systems. We make decisions based on "risk-based thinking" by evaluating the possible consequences of our choices. We assess and pursue our goals with a clear overview of risks and opportunities, considering internal and external factors, stakeholder needs and compliance obligations.

The annual analysis aims to increase desired effects and reduce undesired ones, including those resulting from environmental conditions and emergency situations. We periodically update the company's risk assessment in order to facilitate change and mitigate impacts. Our governance system provides for an annual risk assessment on:



PERFORMANCE STRUCTURE

The introduction of new company strategies, the analysis of the context in which the company operates, the relative assessment of risks and the effectiveness of the actions taken to deal with these risks are periodically and thoroughly analysed during the annual management review of the integrated system in order to ensure that the company's operational structures are properly managed.

BUSINESS CONTINUITY

Thanks to a judicious prevention strategy, we ensure that we can carry out our activities smoothly even under the most critical conditions. Business continuity is guaranteed through plant monitoring, which allows preventive interventions, rapid reaction times and the careful scheduling of maintenance in order to minimise downtime and avoid product unavailability.

We have also organised our IT infrastructure by assessing all the causes that could compromise it, therefore striving to ensure business continuity at all times.

No significant service interruptions were reported in 2023.

CYBER SECURITY

Increasing digitisation leads to an increase in the risk of cyber threats. Today, an increasing number of "cyber" threats, resulting from the growing complexity of IT systems and the greater vulnerability of IT applications and infrastructures, requires entities such as ours to equip themselves with systems and procedures able to guarantee high levels of data handling security inside and outside the organisation, as well as prevent the risk of cyber attacks on our systems. The measures we implement are designed to protect the privacy and data security of customers and suppliers, including their employees, and to protect workers' data.

DATA AND INFORMATION PROTECTION AND SECURITY

We guarantee personal data processing compliance with the new European Community GDPR regulation which has been in force since 25/5/2018, ex Legislative Decree 196/2003 Art. 13. We hereby declare that data is collected and processed in full compliance with the provisions of the Privacy Code. Our Code of Ethics also refers to this commitment. The data that we manage concerns three types of stakeholders:

- customers (commercial and administrative information);
- suppliers (commercial and administrative information);
- staff (personal and sensitive information).

In line with the provisions of the GDPR, our company uses procedures for the collection of data processing consent and its proper handling. In addition, all computer systems are adapted to prevent any data leakage. Should this occur, we are able to report the event immediately and correct it. **There were no cases of non-compliance during the 2021-2023 three-year period (GRI 418-1).**

CERTIFICATIONS

PRODUCT AND SYSTEM CERTIFICATIONS

Each year, Management defines environmental targets and sustainability objectives for the organisation or for individual business units. It is the QHSE Manager who is responsible for the following activities:

- supervising the correct application of the environmental management system;
- collecting the information needed to update performance indicators;
- verifying regulatory compliance;
- coordinating audit activities;
- managing relations with the certification body.

INTEGRATED MANAGEMENT SYSTEM CERTIFICATIONS

These represent the end result of a process aimed at introducing evolved organisational models in the company, which are capable of satisfying the needs of stakeholders in an increasingly efficient manner. Our system certifications are issued by third-party and independent bodies. They guarantee transparency and correctness in the communication of information and are related to "Quality and the Environment":



The acquisition of product certifications is managed in synergy by the Management System Manager, the Sales Manager and the General Management, always guaranteeing maximum security and transparency for customers.

Our certifications guaranteeing the quality and safety of our products are as follows:

- Certificate compliance with Directive 2014/68/EU PED;
- Compliance with Directive 2014-34-EU ATEX;
- API6D certified;
- FIRE SAFE certificate API607/ISO10497;
- FUGITIVE EMISSION EN ISO 15848 certified;
- TA-LUFT certificate; IGR approval;
- AD 2000-Merkblatt HP 0 / A4; SIL3 certified IEC 61508;
- ADR approval - EN 14432;
- DIN DVGW certificate for GAS EN 13774; RINA certificate MAC242716CS.

The achievement of certification for the UK market was significant for our internationalisation strategies.

RESPONSIBLE GROWTH: ECONOMIC VALUE GENERATED AND DISTRIBUTED

ECONOMIC VALUE GENERATED

The challenges that we are facing require a paradigm shift in wealth creation and economic resource management. Our role is not just to maximise profit, but to pursue maximum benefit for our stakeholders, starting with our host community. We take up the challenge of **shared value**, committing ourselves to creating and redistributing wealth, i.e. the added value generated after subtracting the economic resources needed to purchase raw materials, goods and services. This wealth rewards the stakeholders who have contributed to our success with labour, investments, loans, goods and social programmes.

To ensure maximum transparency, we have embarked on a process of certifying financial and commercial transactions promoted by the Italian Market Competition Authority (AGCM). Despite a slight drop in turnover in 2023 due to the slowdown in the international market, rising raw material costs and procurement difficulties, we managed to maintain business continuity and continue with our investments and improvement programmes in occupational health and safety.

The following tables illustrate the economic value generated, distributed and retained, as well as our financial situation, thus demonstrating our economic sustainability.

| ADDED VALUE CREATED (€ MILLION) | 2023 | 2022 | 2021 |
|-----------------------------------|-------------|-------------|-------------|
| NET SALES REVENUE | 303 | 32,8 | 34,7 |
| MISCELLANEOUS REVENUES AND INCOME | 0,8 | 0,8 | 0,9 |
| TOTAL ADDED VALUE CREATED | 31,1 | 33,6 | 35,6 |

| DISTRIBUTED ADDED VALUE (€ MILLION) | 2023 | 2022 | 2021 |
|---|-------------|-------------|-------------|
| SUPPLIER REMUNERATION | 13,8 | 17,8 | 18,1 |
| WORKERS' REMUNERATION | 6,6 | 6,9 | 6,5 |
| REMUNERATION OF SHAREHOLDER CAPITAL | 0,5 | 0,5 | 0,5 |
| SOCIAL SYSTEM REMUNERATION (DONATIONS AND SPONSORSHIPS) | 0,11 | 0,09 | 0,06 |
| PUBLIC ADMINISTRATION REMUNERATION (TAXES AND FEES) | 0,08 | 0,09 | 0,1 |
| TOTAL ADDED VALUE DISTRIBUTED | 21,1 | 25,4 | 25,2 |

| ADDED VALUE RETAINED (€ MILLION) | 2023 | 2022 | 2021 |
|-----------------------------------|-------------|-------------|------------|
| AMORTISATION | 1,98 | 2,20 | 2,7 |
| PROVISIONS FOR RISKS | 0,03 | 0,04 | 0,04 |
| FINANCIAL PROFIT AND EXPENSES | 0,28 | 0,12 | 0,1 |
| TOTAL ADDED VALUE RETAINED | 2,29 | 2,36 | 2,7 |

INVESTMENTS FOR SUSTAINABLE GROWTH

The planning ability that sets us apart and the clarity of our next steps project us into the future while always keeping our focus on the changes and impulses of the present. Our guiding principle is common benefit: a goal to which we dedicate economic resources every year. Our daily efforts to improve sustainability indicators consist of:

| | |
|---|--------------|
| CAPITALISED INVESTMENTS | 1.943.537 € |
| ESG INVESTMENTS | 306.387,91 € |
| INFLUENCE OF RESOURCES EMPLOYED IN SUSTAINABILITY ON EBITDA | 7,44% |

Despite the global uncertainty, we are clear about our future path and goals. We aim to consolidate the American market following the opening of the subsidiary in 2020, and to lay the groundwork for the opening of the Asian subsidiary planned for 2024, this making **internationalisation** one of our strengths. Our aim is to combine responsiveness to customers with a lower impact on logistical and organisational costs.

Furthermore, the product remains at the centre of our interests, confirming our willingness to invest in technological innovation and develop valves that will favour the integration of renewable sources and the use of low-emission systems.

MANAGEMENT OF RELATIONSHIPS WITH THE VALUE CHAIN

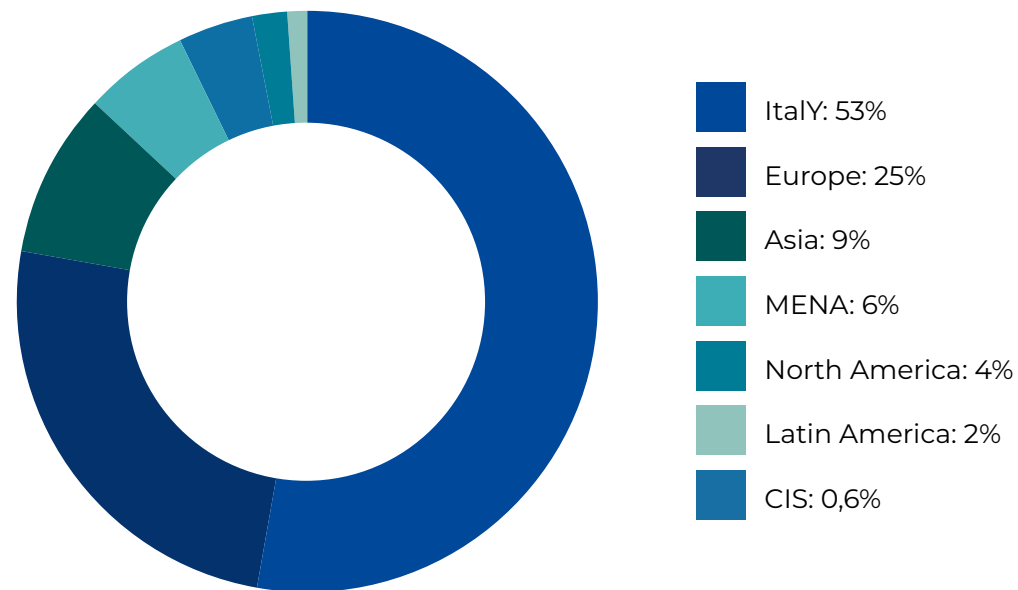
The **value chain** refers to the operational activities carried out by the company during the process of transforming raw materials into finished products. This theory considers the way in which goods and services are delivered to customers and how value accumulates along the series of events that reach that end customer: **value is added at each stage**. A number of players are involved in the value chain, working together to meet market demands for specific products or services. The value stream is a sequence of activities required to design products and deliver a good or service to the market.

OMAL's value chain encompasses all the operational activities required to transform raw materials into finished products, adding value at every stage. We collaborate with various players to meet market demands for specific products and services.

Our process starts with procurement, followed by in-house production, design, machining and quality control. The third-party logistics system ensures the availability of materials and timely deliveries, while in-house logistics ensures the smooth running of work between our two production sites.

CUSTOMERS

OUR CUSTOMERS



Customer care is a vitally important aspect for us and the sales department also has the task of constantly gathering observations and insights. To quantify customer satisfaction, we have set up indicators that measure:

- “lead time”: delivery time expressed in days;
- “on-time” deliveries: percentage of on-time deliveries;
- days of delay: average of days of delay.

CUSTOMER LOYALTY INDICATORS

| | |
|------|-------|
| 2023 | 95,5% |
| 2022 | 94,9% |
| 2021 | 94,4% |

95.50% of customers (with a turnover of more than EUR 10,000) placed orders in both 2022 and 2023. In 2022, the percentage of customers with a turnover of more than EUR 10,000 was 94.9%. In 2023, customer loyalty increased by 0.60%. The number of customers retained in 2023 is 314 out of 329.

Trust and **transparency** are the cornerstones of the relationship that we build with our customers, and they are the essential foundations of long-term loyalty. All of the company’s facilities are also open and available to customers for inspections and visits. “Customer service” efforts are aimed at making the purchasing experience pleasant, safe and effective, while a dedicated team is in charge of responding promptly in the event of returns or complaints.

PRODUCT QUALITY AND CUSTOMER SERVICE

In customer relations, we are committed to:

- developing and maintaining profitable and long-lasting relationships characterised by the utmost professionalism, fairness, efficiency, cooperation and courtesy;
- fulfilling our commitments and obligations;
- providing accurate, complete, truthful and timely information to enable customers to make informed decisions;
- informing customers of the principles of the code of ethics;
- operating within the framework of the regulations in force and requesting compliance;
- not giving gifts or acts of courtesy or hospitality to customers (or possible customers), except to the extent that their modest value does not compromise integrity and independence, and provided that such types of expenditure are authorised and documented.

CUSTOMER SATISFACTION INDEX (CSI)

This index allows us to measure customer satisfaction by considering customer loyalty, turnover implementation, complaints and timeliness of deliveries. The CSI remained above our target of 90%, confirming the trust of customers in our organisation. The 2023 figure (91.2%) is slightly lower than in 2022 due to the decline in turnover as a result of the relative instability on the markets.

SUPPLY CHAIN

At OMAL, we strictly comply with national and international laws relating to products, production processes and business practices. We operate globally and choose our business partners in line with our strategy.

We are able to maintain the credibility and reputation that we have built over time because we know the economic and financial market well and recognise its complexity. We therefore take great care when choosing business partners and building relationships with them, whether they are customers, distributors, suppliers, agents, consultants or anyone acting on behalf of OMAL. Our code of ethics is a demonstration of this.

OUR SUPPLIERS

Our supplier selection protocol is based on our long-standing values, with a focus on sustainability, the principles of the **Code of Ethics** and, in particular, the **Supplier Code of Conduct (SCC)**. We select business partners and organisations that:

- share the company’s values and sensitivity to environmental and social sustainability (by signing our SCC);
- fulfil their environmental protection and CSR obligations (by signing legal supply requirements);
- take steps to prevent pollution and preserve the environment;
- have implemented an environmental management system or intend to do so.

Suppliers enjoy our support in implementing virtuous practices to minimise environmental impacts throughout the supply chain. This can be achieved by monitoring the supply chain itself. Our main shared sustainability goals relate to:

- waste reduction;
- procurement process optimisation;
- promotion of virtuous behaviour inside and outside the organisation;
- monitoring of suppliers' environmental performance;
- sharing company policy with the supply chain.

Below is a list of qualified suppliers who adhere to our Supplier Code of Conduct:

| Year | % SCC | No. of qualified suppliers |
|------|-------|----------------------------|
| 2023 | 95,0% | 297 |
| 2022 | 91,9% | 285 |
| 2021 | 89,5% | 276 |

Breakdown of major supplies in 2023:

| | |
|---------------------------------|---------------|
| CONTRACTED SERVICES | 39,4% |
| RAW MATERIALS | 8,4% |
| COMPONENTS | 25,3% |
| HEAT AND SURFACE TREATMENTS | 6,1% |
| ACCESSORIES AND RESALE PRODUCTS | 9,1% |
| OTHER | 11,8% |
| TOTAL | 100,0% |

CONTROL OF OUR SUPPLY CHAIN

Our company firmly believes in the importance of working closely with the supply chain, establishing relationships based on loyalty, transparency and mutual collaboration, and jointly defining objectives to ensure top performance at all times. The **supply chain** is crucial to best meet customer needs and provide safe products and services. Furthermore, since one of our main objectives is to contribute to the development of the local community in which we operate, we prefer short-range suppliers wherever possible.

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

Our supply chain is predominantly local: 59.35% of the value of purchases is concentrated in the province of Brescia, 16.82% in Lombardy and 9.96% in Italy.

| | 2023 | | 2022 | | 2021 | |
|--------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | Million (€) | Incidence % | Million (€) | Incidence % | Million (€) | Incidence % |
| BRESCIA | 10,83 | 59,35% | 11,80 | 55,03% | 12,70 | 56,47% |
| LOMBARDY (1) | 3,10 | 16,82% | 4,12 | 19,59% | 4,19 | 18,6% |
| ITALY (2) | 1,82 | 9,96% | 1,83 | 8,55% | 1,81 | 8,07% |
| EU (3) | 0,18 | 1,01% | 0,21 | 1,01% | 0,14 | 0,63% |
| OUTSIDE EU | 2,35 | 12,86% | 3,39 | 15,83% | 3,64 | 16,20% |
| TOTAL | 18,25 | 100% | 21,44 | 100% | 22,50 | 100% |

| SUPPLIERS 2023 - DISTANCE IN KM FROM OMAL | <100 Km | <200 Km | <300 Km | >300 Km | Total |
|---|---------|---------|---------|---------|--------|
| GRAND TOTAL SUPPLIERS 2023 | 223 | 44 | 16 | 14 | 297 |
| INCIDENCE % | 75,1% | 14,8% | 5,4% | 4,7% | 100,0% |

CAREFUL AND ACCURATE SELECTION OF RAW MATERIALS

Our company's primary goal is to provide valves that meet the highest quality standards and generate the least environmental impact. That is why raw materials are an aspect that requires our utmost attention. Raw material suppliers account for 8.4% of our total number of suppliers, and the main ones are brass, steel, aluminium and bronze.

The following table shows the raw materials purchased with specific quantities (expressed in tonnes) by type, with reference to the 2021-2023 three-year period:

| TYPE OF MATERIAL | 2023 | 2022 | 2021 |
|------------------|--------------|--------------|----------------|
| BRASS | 279,2 | 455,6 | 644,2 |
| STEEL | 363,4 | 397,9 | 481,3 |
| ALUMINIUM | 3,7 | 5,2 | 17,1 |
| BRONZE | 12,7 | 12,1 | 16,2 |
| TOTAL | 659,1 | 870,9 | 1.158,9 |

SUPPLY CHAIN RELATIONSHIP, MANAGEMENT AND LOYALTY

The selection of suppliers and contractors for the purchase of goods and services is based on qualitative, economic, technical, organisational, environmental and financial criteria. We evaluate these parameters without discrimination and over a significant period of time. In our relations with suppliers, we aim to achieve the best relationship between quality, cost and delivery time and try to:

- establish efficient, transparent and collaborative relations, maintaining an open dialogue;
- request compliance with contractual conditions and the principles of the Code of Ethics;
- operate in compliance with the regulations in force and request their strict observance;
- objectively evaluate supplier performance, highlighting problems and strengths;
- avoid gifts or acts of courtesy that compromise integrity and independence, unless they are of modest value and authorised.

In general, our suppliers must comply with the Code of Ethics and Conduct, as required by the General Terms and Conditions of Purchase. We carry out regular audits to monitor the entire supply chain and ensure safe and traceable products for customers. Our approach to sustainability is reflected in our supply chain management as we develop lasting relationships based on fairness, transparency and mutual cooperation. We have been raising awareness of corporate social responsibility issues in our supply chain since 2016. The fundamental themes of the relationship with our suppliers are:

- active responsibility;
- pursuit of excellence;
- innovation;
- ethics;
- commercial principles.

We are aware that a relationship that takes these aspects into account is the fruit of a long-term process that involves everyone.

INTANGIBLES AND ACHIEVEMENTS

TECHNOLOGICAL INNOVATION TO REDUCE OUR IMPACTS

We are committed to researching and implementing innovative technological solutions, approaches and working methods that help minimise the environmental impacts of our organisation.

One of our company's strengths is our ability to manage the entire production process from the purchase of raw materials to the distribution of finished products. We are able to guarantee the reliability of a single point of contact and the traceability of our products.

Know-how and state-of-the-art technologies allow us to achieve economies of scale on time and be among the highest profile players in the industry.

This approach has driven the company towards the desire to consolidate a Digital Driven strategy, which is organised into several projects detailed in our Impact Reports (2021- 2023).

- Artificial intelligence software enables the simulation of the impact of strategic decisions on business results.
- The production scheduler takes the real availability and workload of resources into account.
- New calculation structure in the Panthera management software used by the new Management Control department to analyse cost on sales.
- E-commerce to meet new market requirements.
- X Easy platform to collect predictive and actual data from the Rackon X intelligent actuator.

MONITORING SYSTEM

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

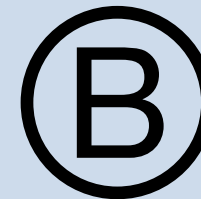
More and more often we hear about **ESG performance ratings and assessment** tools as a tool to support companies in contextualising their sustainability journey and implementing a series of strategic choices that will result in a company's sustainable development plan.

At OMAL, we monitor our performance using only and exclusively national and international tools that can help us understand where and how we can improve our sustainability approach and performance.

We use **international evaluation systems** that allow us to measure our performance against sustainability and social responsibility criteria each year, comparing us with an ever-widening panorama of companies. Through the tools that we have chosen to use, we monitor: the measurement of the company's impact on the environment, including aspects such as energy efficiency and natural resource management; and social impact, which focuses on practices that have a direct impact on people (such as diversity, occupational safety, supplier relations and everything related to aspects such as transparency, business ethics, regulatory compliance and our financial reliability).

B IMPACT ASSESSMENT (BIA)

Certified



Corporation

Even before it became a Benefit Corporation, OMAL adhered to the international external "Benefit Impact Assessment (BIA)" standard in 2017. This standard, published by B CORP (the world's leading industry organisation) and recognised by Law no. 208 of 28 December 2015 paragraphs 376/384 ("2016 Stability Law"), includes the measurement of environmental, economic and social impact.

We obtained the prestigious recognition of our company among the B Corp Best for the World™ for the third time in 2021 by scoring among the top 5% in the environment category.

Benefit Societies use the B Impact Assessment (BIA), a technology platform released by the non-profit organisation B Lab, when measuring their impacts. This assessment tool, available free online, allows a rigorous, comprehensive and transparent measurement of whether a company is regenerative, and it assesses all economic, social and environmental impacts across the board. Companies that exceed the threshold of 80 out of 200 points in the BIA can apply for certified B Corp® status.

We set up a sales subsidiary in America in 2020 and requested the integration of data from the US hub into the BIA. This resulted in the updating of the entire assessment and a delay in the validation of the final report, which was not provided until early 2024. The score achieved stands at 86.1, taking into account that it was during our recertification process that the parameters by which the body was to assess the goodness of our



actions in each area described above changed. In addition to the requirement to enter additional data referring to different years, this clearly led to considerable difficulty on the part of the institution in assigning the final score.

Below are details of the scores received for each section of the BIA:

| SECTION | SCORE AS OF 31.12.2023 |
|-------------|------------------------|
| GOVERNANCE | 14.4 |
| WORKERS | 20.7 |
| COMMUNITY | 12.6 |
| ENVIRONMENT | 34.6 |
| CUSTOMERS | 3.6 |

Please refer to the body in charge of B – Lab verification and validation at: italy@bcorporation.eu for any specifications.

ECOVADIS

The measurement of our path towards sustainable growth is also assessed using the **EcoVadis® rating**, one of the most important international sustainability rating platforms that assigns a score. The assessment model—which is based on globally recognised standards such as GRI (Global Reporting Initiative), UNGC (United Nations Global Compact), ISO 26000 and is overseen by an international scientific committee—consists of verifying the organisation’s performance in relation to four macro-environments by means of a questionnaire:

- environment;
- labour practices and human rights;
- ethics;
- sustainable procurement;

Each area is assessed with a score from 0 to 100. During the process of filling out the questionnaire, documents are requested to prove the statements made by our organisation for the aforementioned areas.

The questionnaire consists of a more or less extensive set of questions, divided into the four areas mentioned above plus a first general part. The questions are created directly by the platform according to the size of the company, sector and geographical area.

Our company was awarded the “Gold” medal, with a score of 77/100.



ECONOMIC AND FINANCIAL RELIABILITY

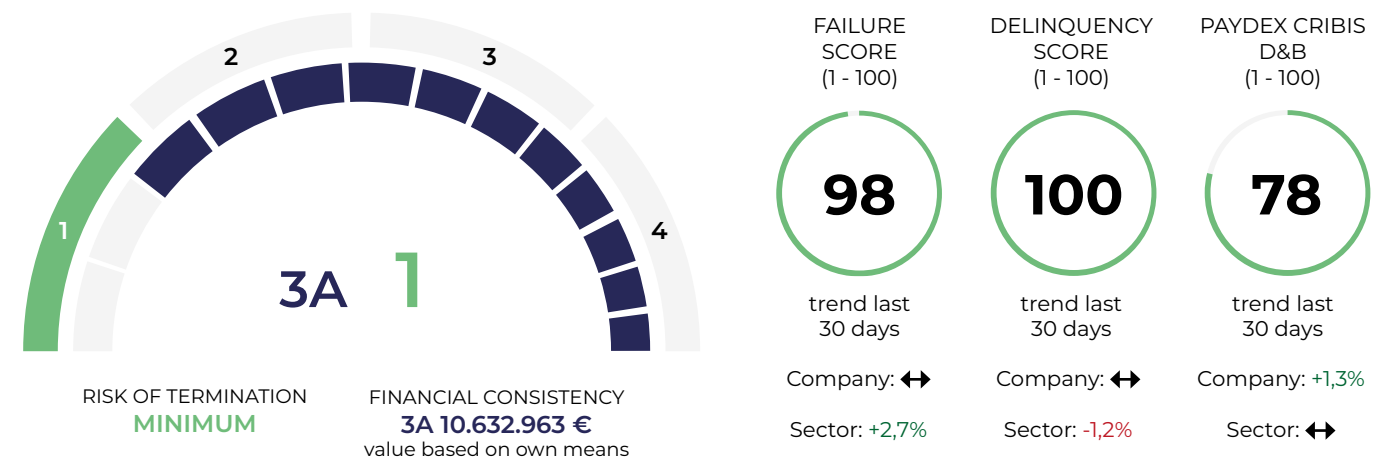
The **CRIBIS rating** is an important standard for assessing the reliability of an organisation. It is issued to companies that consistently maintain a high level of financial reliability and are virtuous in their payments to suppliers.

Our company relies on the expertise of CRIBIS to report to customers and suppliers on the absolute reliability of its business. Being recognised as a “Prime Company” confirms our corporate credibility. The certification for the year 2023 is as follows.



The rating shown in the figure below summarises the consistency and level of risk of the company. Financial strength is calculated on the basis of shareholder equity (from the balance sheet or estimated) and on the basis of share capital, while the level of risk is derived from the “Failure Score”, which expresses the probability that the company will cease operations in the next 12 months. The indicator ranges from 1 (lowest risk) to 4 (highest risk).

Another important index is the “Delinquency Score”, which predicts the likelihood that a company will pay too late compared to the agreed terms. The score assigned ranges from 1 to 100, where the lowest values are given to the company with the highest probability of defaulting on its payments.



OMAL AND THE ENVIRONMENT



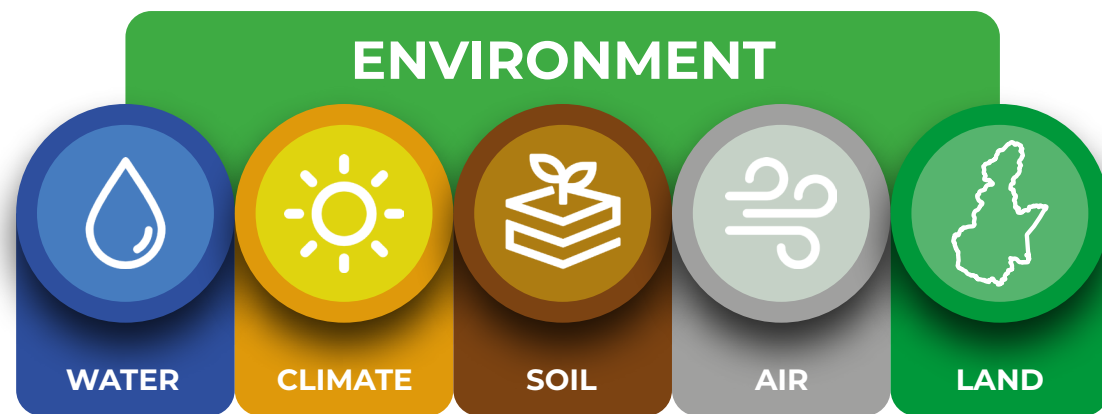
ENVIRONMENTAL POLICY AND OBJECTIVES OF THE ORGANISATION

One of our most heartfelt goals is to use natural resources in a cycle that respects the environment and promotes the principle of circularity. It is for this reason that the process of updating internal environmental procedures and regulations is constant. The study and development of increasingly innovative technologies also responds to the need to prevent possible negative impacts from our processes.

The Environmental Management System has been implemented and certified in accordance with UNI EN ISO 14001 since 2012 and it demonstrates our commitment to managing and reducing the environmental impacts generated by our production activities. The aim is to prevent pollution of the area in which we operate and that resulting from the use and disposal of our products. This commitment is a further contribution to building a sustainable environment by pursuing energy efficiency and reducing and/or optimising resource consumption. We achieved the transition to the new 2015 version of the UNI EN ISO 14001 standard in 2017

“The environment that surrounds us is at the centre of our choices”

FOR OMAL, THE ENVIRONMENT IS:



OMAL'S ENVIRONMENTAL POLICY

We have implemented and maintained an Environmental Management System in accordance with UNI EN ISO 14001 for years in order to pursue the continuous improvement of our environmental performance through the following tangible actions:

- compliance with environmental protection laws and regulations and other applicable requirements, including those entered into in the contractual relationship with our customers;
- the identification of environmental aspects and the management of related impacts over which we can exercise control;
- the analysis of risks and opportunities for improvement in order to prevent undesirable effects on the Environmental Management System and ensure the fulfilment of stakeholders' needs;
- research and development of solutions that guarantee quality, reliable products with a long service life and which have been manufactured in accordance with the principles of sustainability.

INSIGHTS

During the current year, we have updated our Environmental Policy to include “Mitigating the effect of climate change through the reduction of greenhouse gas (GHG) emissions.” This decision stems from the consideration that the national, international and local contexts expect that we, as a company, act in order to maintain the best possible balance between technological progress, human development and protection of the environment and quality of life for all and for future generations (as we state in our Vision and Mission). With this in mind, we have embarked on a path in which energy efficiency and waste reduction are two of the main directions in which we are moving in pursuit of the above goal.



ENVIRONMENTAL ASPECTS AND IMPACTS

In this chapter, we will report on the environmental impact indicators related to CO₂ emissions and the initiatives implemented by our company to manage this issue.

OUR CARBON FOOTPRINT

Our commitment to limiting GHG emissions from our business activities has enabled us to certify our **Carbon Footprint** in accordance with ISO 14064. This two-yearly study was carried out in 2016, and repeated in 2018 and 2021.

With regard to the calculation of emissions for the year 2023, it should be noted that the analysis process will be published after the publication of this report through the company's institutional communication channels, as the data collection and analysis process is not yet complete.

In accordance with the standard and the GHG Protocol, we consider emissions in the following categories:

- **CATEGORY 1 - DIRECT EMISSIONS:** direct GHG emissions from installations within the organisation's boundaries;
- **CATEGORY 2 - INDIRECT EMISSIONS FROM ENERGY CONSUMPTION:** indirect GHG emissions from the generation of electricity, heat and steam imported and consumed by the organisation;
- **CATEGORIES 3, 4 AND 5 - OTHER INDIRECT EMISSIONS:** emissions associated with the manufacture of products and the provision of services used by the organisation such as emissions generated by the production and transport of raw materials, packaging, ancillary materials, waste treatment, the distribution of finished products and the end of life of products and their packaging.

The latest CFO evaluation made in 2021 certifies a 39% reduction in CO₂ emissions compared to 2018 as a result of the reorganisation and streamlining of business processes.

- Year 2016 = 10.231,48 tCO₂eq
- Year 2018 = 10.437,85 tCO₂eq
- Year 2021 = 6.377,91 tCO₂eq

Using the **LCA (Life Cycle Assessment) methodology**, we decided to calculate the Carbon Footprint for the new version of the "Pneumatic Interception Valve - PIV". This study aimed to calculate the potential life cycle environmental impact of PIV valves by comparing the results of the new version with the standard one.

The results of the analysis showed that, on average, the new PIV valve emits about 1.09 kg CO₂eq less than the standard valve. This improvement, projected on annual sales, results in an impact of approximately 6.74E+0.4 kg CO₂eq.

GREEN IN

Reducing atmospheric CO₂ emissions generated during distribution processes is crucial for us, as we are aware of the need and responsibility to leave a sustainable planet to future generations. Our approach to sustainability practices is systemic, and it therefore also involves **logistics** management, expressed in the choice of logistics operators with state-of-the-art and environmentally friendly vehicles, and then in offsetting.

We calculated and offset the following greenhouse gas emissions from input and output logistics for 2023.

- We offset 44 metric tons of CO₂ deriving from the courier **Aprile S.p.A.** through AzzeroCO₂, and we participated in the hydroelectric power generation project in India, which is certified according to the VCS (Verified Carbon Standard), by purchasing 44 credits.
- We offset 26.11 metric tons of CO₂ from the courier company **Schenker Italia** through AzzeroCO₂, and we participated in the Gold Standard certified solar energy production project in China (promoted by the WWF) by purchasing 27 credits.
- We offset the emissions of 49.63 metric tons of CO₂ resulting from petrol and diesel consumption through the purchase of fuel under the **DKV Climate** contract, which, through the Myclimate certification, guarantees the offsetting of CO₂ emissions into the atmosphere.
- **DHL** offset 0.022 metric tons of CO₂ through climate protection projects managed by GoGreen Climate Neutral. Projects audited in accordance with the "Greenhouse Gas Protocol - Product Life Cycle Accounting and Reporting Standard".
- **GLS** confirms the offsetting of 4,630.372 metric tons of CO₂ through the "Madre de Dios" forest protection project in Peru and the "Pacajá" forests in Brazil, certified according to the VCS (Verified Carbon Standard).



INSIGHTS

CO₂WEB

mediante sostegno al Progetto
«Solar Photovoltaic Power Project at Jalgaon, Maharashtra» in India
con annullamento di crediti di carbonio per neutralizzare
563 kgCO₂eq

codice attestato: 1080116504M data scadenza attestato: 31/12/2024

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USE OF RESOURCES

ENERGY CONSUMPTION

Our energy consumption relates to production activities, the heating of spaces and air conditioning, and fuel for the company's vehicles and forklift trucks. We have dedicated control stations for measurement and data collection in the production departments and quality control areas. This allows constant (wireless or direct) monitoring of product quality and process effectiveness parameters. The data is available to production staff in real time. The trends in energy, methane and gas consumption over the last three years can be summarised as follows.

SUMMARY OF ELECTRICITY CONSUMPTION 2023

| Site | Consumption KWh 2023 | Consumption KWh 2022 | Consumption KWh 2021 | Difference 2023/2022% | Difference 2022/2021% |
|-------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| RODENGO SAIANO | 291.930 | 325.562 | 404.553 | -10% | -20% |
| PASSIRANO | 1.347.949 | 1.741.979 | 1.647.611 | -23% | 6% |
| OMAL TOTAL | 1.639.879 | 2.067.541 | 2.052.164 | -21% | 1% |

ENERGY DASHBOARD

The data measured appears in real time on a dashboard displaying indicators and operational statuses in a clear and simple way. Thanks to this graphical interface, the production situation is constantly under control, even remotely. The data collected concerns consumption for:

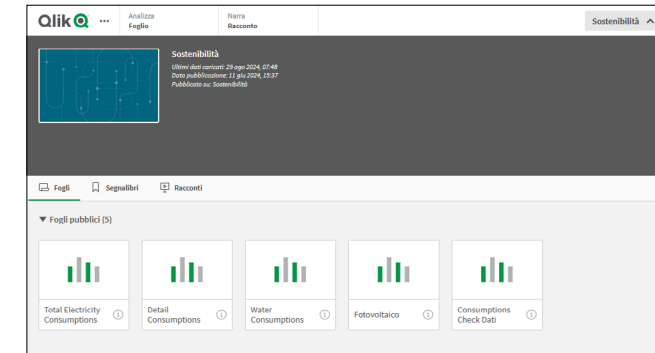
- work islands;
- electrical cabins;
- compressor rooms;
- lighting systems;
- central heating and air conditioning systems;
- photovoltaic system (survey in completion phase);
- water and electricity meters (completion phase).

PHOTOVOLTAIC SYSTEM

Thanks to the supply of electricity from renewable sources, we boast a CO₂ saving of 59% compared to conventional supply. A **photovoltaic system** was also put into operation at the new Passirano site in 2017, and this self-production of energy gives us CO₂ savings of up to 81%. The photovoltaic system consists of 400 250W panels arranged in 16 rows of 25 panels and connected to five 20 kW inverters for an installed power of 100 kWp. The system insures a potential output of 100,000 Kwh/year.

We finished the installation of the new photovoltaic plant at the Rodengo Saiano plant in 2023 with a power output of 600kWp (thus, upon completion, the total installed power at OMAL will be equal to 700kWp, including the 100kWp from at the Passirano site).

This also finalised the creation of a dashboard for internal use, in which energy and water consumption for the Passirano plant can be viewed in real time in order to be able to intervene in the event of anomalies and take preventive action to make consumption more efficient, where possible.



tCO₂eq NOT EMITTED THROUGH THE PURCHASE OF ENERGY FROM RENEWABLE SOURCES

| Year | Unit | Energy produced by photovoltaics | Energy acquired from renewable sources | Electricity from conventional sources | Difference |
|------|---------------------|----------------------------------|--|---------------------------------------|------------|
| 2023 | tCO ₂ eq | 1.639.879 | 268,0 | 650,1 | 59% |
| 2022 | tCO ₂ eq | 1.901.000 | 310,0 | 753,6 | 59% |

Energy production was 128,367 kWh in 2023, 91% of which was for self-consumption. The energy produced by the company's photovoltaic system and self-consumed in 2023 contributes to 7.1% of the energy supply from the grid.

ELECTRICITY PRODUCED BY THE PHOTOVOLTAIC SYSTEM (REF. 100,000 KWH/A)

| Passirano site | KWh 2023 | KWh 2022 | KWh 2021 | Difference prev. year % |
|----------------|----------|----------|----------|-------------------------|
| PRODUCED | 128.367 | 88.333 | 115.926 | 45% |
| CONSUMED | 117.136 | 82.757 | 109.859 | 42% |
| SOLD | 11.231 | 5.577 | 6.068 | 101% |
| YIELD | 128% | 88%* | 116% | 45% |

* We report that electricity production was less efficient than expected in 2022 due to a malfunction of some inverters at the photovoltaic plant. Repairing the damage and replacing the damaged components took longer than expected.

tCO₂eq NOT EMITTED WITH THE PHOTOVOLTAIC SYSTEM

| Year | KWh/year | Electricity produced by the photovoltaic system | Electricity from conventional sources | Difference |
|------|----------|---|---------------------------------------|------------|
| 2023 | 117.136 | 8,8 | 46,4 | 81% |

PURCHASE OF CLEAN ENERGY

The remaining energy requirements were met by purchasing energy from 100% renewable sources, in particular solar energy produced in Italy by the supplier A2A Energia S.p.A.

| Year | No. of EECS certificates cancelled | Development of renewable sources | Technology |
|------|------------------------------------|----------------------------------|---------------------------------------|
| 2023 | 1.640 | 100% | Renewable solar - geothermal |
| 2022 | 1.901 | 100% | Renewable solar - hydraulic and ocean |
| 2021 | 2.020 | 100% | Thermal - solar |

FUELS

SUMMARY OF METHANE CONSUMPTION

| Site | Consumption Smc 2023 | Consumption Smc 2022 | Consumption Smc 2021 | Difference 2023/2022 | Difference 2022/2021 |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| RODENGO SAIANO (*) | 62240 | 65217 | 76639 | -5% | -15% |

(*) Referring only to the plant mentioned as this is not present on the Passirano site

SUMMARY OF DIESEL CONSUMPTION

| Site | Fuel consumption litres 2023 | Fuel consumption litres 2022 | Fuel consumption litres 2021 | Difference 2023/2022% | Difference 2022/2021% |
|-------------------|------------------------------|------------------------------|------------------------------|-----------------------|-----------------------|
| RODENGO SAIANO | 12.882 | 13.360 | 12.668 | -4% | 5% |
| PASSIRANO | 251 | 336 | 83 | -25% | 304% |
| OMAL TOTAL | 13.133 | 13.696 | 12.751 | -4% | 7% |

SUMMARY OF PETROL CONSUMPTION

| Site | Fuel consumption litres 2023 | Fuel consumption litres 2022 | Fuel consumption litres 2021 | Difference last year | Difference 2022/2021% |
|--------------------|------------------------------|------------------------------|------------------------------|----------------------|-----------------------|
| RODENGO SAIANO (*) | 5.189 | 2.556 | 1.248 | 316% | 5% |

(*) Referring only to the plant mentioned as this is not present on the Passirano site

WATER: A RESOURCE RETURNED TO THE ENVIRONMENT

Our production activities do not require any particular **water consumption**, the main use of which is for civil purposes and for irrigation of the green spaces surrounding the two factories. Consumption has been reduced thanks to the resolution of problems with the irrigation system and automation systems installed in previous years. The numerical summary can be found below:

| Sito | consumo mc 2023 | consumo mc 2022 | consumo mc 2021 | Differenza 2023/2022 |
|------------------|-----------------|-----------------|-----------------|----------------------|
| RODENGO SAIANO | 9.689* | 7.418 | 12.229 | 31% |
| PASSIRANO | 733 | 2.232 | 1.844 | -67% |
| OMAL TOT. | 10.422 | 9.651 | 14.073 | 8% |

* We report that we recorded losses during the months of October, November and December for the current year at the Rodengo Saiano plant. This situation prompted us to set ourselves the goal of installing a constant power supply connected to the plant's autoclave, which connects the plant's consumption reading devices (water, electricity and gas) to the company's computer network. The aim is to be able to be informed via an alert service if there are anomalies in the system and to be able to intervene in good time to prevent any losses. In addition, it will be possible to monitor consumption and make analyses.

COMPRESSOR HEAT RECOVERY SYSTEM

The recovery of heat generated by the compressors, which produce **compressed air** during their normal daily operation, also ensures the heating of the Passirano plant or is used for the production of domestic hot water.

CONDENSED WATER RECOVERY SYSTEM AND COMPRESSED AIR CIRCUIT

We have implemented several water recovery and treatment initiatives which contribute significantly to environmental sustainability.

- We completed the project to recover and reuse condensed water generated by the compressed air plant at the Passirano site in 2019. This plant purifies and reuses 30,000 litres of water annually, reducing withdrawals from the water network by more than 20%. The actual production of recovered water is 27.4 m³.
- We have been using a phyto-purification system for waste water at our Passirano site since 2016, using specific plants to purify the water of heavy metals and other pollutants. This plant treats 100% of wastewater, ensuring effective chemical and bacteriological purification.
- We use the Meteotank® MP/SD 6000 oil separator for the treatment of rainwater. This system collects and filters rainwater, separating oily substances such as petrol and diesel and returning the purified water to nature for the irrigation of fields.

We have improved water efficiency and reduced the environmental impact of our production processes thanks to these initiatives.

POLLUTION PREVENTION

WASTE MANAGEMENT AND RECOVERY

Effective and intelligent waste management can only begin with the effort to limit waste production. Data from the last three years shows that our efforts in this regard have allowed for good management.

| Waste | Total 2023 OMAL | | Passirano Site | | Rodengo Saiano Site | |
|--------------------------|-----------------|-------------|----------------|-------------|---------------------|-------------|
| NON-HAZARDOUS WASTE (KG) | 552.355 | 97,4% | 423.508 | 96,7% | 128.847 | 99% |
| HAZARDOUS WASTE (KG) | 14.995 | 2,6% | 14.245 | 3,3% | 750 | 1% |
| TOTAL WASTE (KG) | 567.350 | 100% | 437.753 | 100% | 129.597 | 100% |

WASTE FOR DISPOSAL/RECOVERY

| Type | 2023 kg | 2023 % | 2022 kg | 2022 % | 2021 kg | 2021 % | Difference 2023/2022% |
|-------------------------|----------------|-------------|----------------|-------------|----------------|-------------|-----------------------|
| DISPOSAL | 9.975 | 1,8% | 1.880 | 0,3% | 5.308 | 0,8% | 431% |
| RECOVERY | 557.375 | 98,2% | 542.512 | 99,7% | 634.181 | 99,2% | 3% |
| TOTAL WASTE (KG) | 567.350 | 100% | 544.392 | 100% | 639.489 | 100% | 4% |

WASTE FOR CIRCULAR RECOVERY

| Type | 2023 kg | 2023 % | 2022 kg | 2022 % | 2021 kg | 2021 % | Difference 2023/2022% |
|-------------------------|----------------|-------------|----------------|-------------|----------------|-------------|-----------------------|
| CIRCULAR RECOVERY | 539.619 | 95,1% | 517.527 | 95,1% | 618.409 | 96,7% | 4% |
| OTHER | 27.731 | 4,9% | 26.865 | 4,9% | 21.080 | 3% | 3% |
| TOTAL WASTE (KG) | 567.350 | 100% | 544.392 | 100% | 639.489 | 100% | 4% |



POLICY, RESOURCES AND GOALS FOR THE CIRCULAR ECONOMY

RECOVERY OF PACKAGING MATERIALS

Our company is committed to the recovery and reuse of every material in order to limit our impact on the environment and the local area as much as possible. This is why it carries out separate collection for the recovery of paper and cardboard, plastic, aluminium, glass and wet waste from the canteen service, refreshment areas and offices. The recovery of packaging waste from production activities is ensured by delivering these materials to companies specialising in the recovery of paper, plastic and timber.

PACKAGING RECOVERED (TONNES)

| Year | 2023 | 2022 | 2021 |
|---------|------|------|------|
| PLASTIC | 2 | 0 | 1 |
| PAPER | 22 | 20 | 23 |
| TIMBER | 35 | 36 | 49 |

“ZERO PAPER” PROJECT: DIGITISATION FOR SUSTAINABILITY

The “Zero Paper” plan relates to all the digitisation projects for our business processes and documents undertaken since June 2012. In 2023, we consolidated the activities that we had defined the previous year:

- product quality monitoring system (Measurlink and Q-Das). There are 10 measurement, data collection and control stations distributed across the two company sites between production departments and quality control;
- OMAL app (digital catalogue);
- corporate website;
- waste management document management system;
- the Prometeo software for waste document management, master data, VIVIFIR management and MUD processing is in place;
- new e-sphere production scheduler;
- digitisation of certificates accompanying incoming goods.

LEGISLATIVE AND REGULATORY COMPLIANCE

Environmental requirements are constantly updated in accordance with legislative developments. The evolution of the legislative and regulatory framework is constantly monitored by means of bulletins issued by trade associations and information received from consultancy companies with which OMAL has established a relationship of assistance and collaboration. As a result of changes in the legislative and regulatory framework, appropriate actions are taken in order to achieve the requirements within the timeframe foreseen by the legislation. It is reported that **there were no violations or economic sanctions for non-compliance with environmental legislation during the reporting period.**

OMAL AND PEOPLE



We want to contribute to building a healthy and sustainable society for future generations that offers equal opportunities to all. Invest in business process innovation so as to ensure the right balance between man and the environment and build a better world. Create an inclusive and purposeful working environment that ensures rights and duties, protects health and safety by eliminating hazards and reducing risks, and supports corporate welfare measures. Promote training and professional fulfilment, encouraging socialisation and discussion within the community by supporting socio-cultural recreational proposals, associative activities and sports practices.

“The right work-life balance promotes people’s personal and professional fulfilment”

People, whatever role they play at OMAL, are the focus of governance and the element from which our production activity cannot be separated. It is only through a relationship based on mutual trust that it is possible to maintain stable, strong and lasting relationships with employees. We also recognise the importance of having a qualified workforce to successfully meet market challenges, basing collaboration on principles such as transparency, loyalty and trust, in accordance with the Code of Ethics. We emphasise that the success of the strategic objectives derives from teamwork, with the adoption of a human resources management policy oriented towards respect for workers’ rights and their fulfilment.

The HR department plays the fundamental role of managing the company’s human resources: it mainly carries out the search for, selection of and induction of new talents, as well as staff management and development with training and development plans.

POLICY AND OBJECTIVES OF THE ORGANISATION FOR THE DIGNITY AND RESPECT OF PEOPLE

Social sustainability has become increasingly central to our business management over the years. We value our human capital, as people are essential to achieving business objectives. Each employee represents the true value of the company, and the relationship with our workers is a cornerstone of our identity and development. We strive to create a serene and stimulating work environment daily, fostering the growth and training of employees so that everyone can express their skills and talents to the full.

Our commitment to respecting people starts with the selection of staff, which is open to candidates of all genders, ethnicities, religious and political orientations, and people with disabilities. We require our staff to act with integrity and responsibility, respecting the opinions and beliefs of others. We respect the freedom of our employees to express their ideas, as only by sharing different opinions can we work in an enriching environment that enhances professional skills.

OUR PEOPLE AT THE CENTRE

Teamwork, sharing and communication are the three fundamental pillars upon which relations with our employees are based. A relationship of mutual trust has been built up between management and employees over time. This is one of the cornerstones of the company’s identity and one of the crucial factors in its growth as a social asset.

Each employee represents the real value of the company, which is committed on a daily basis to creating a serene and stimulating workplace that is attentive to the well-being of its employees. We offer a workplace where everyone can best express their skills and talents. 81% of people are under 50 years of age (40% up to 35, 41% from 35 to 50, 19% over 50), which indicates a prevalence of young people. This figure remains unchanged from the previous year. 23.6% of the staff have been with OMAL for more than 10 years and 18.9% for more than 20 years, denoting a strong bond with the company. 1% of the staff have fixed-term contracts, while 99% have permanent contracts, which guarantees stability and company loyalty. Three workers were hired with supply contracts in 2023. Our company population is 58% white-collar, 41% blue-collar and 1% management.

We relentlessly pursue the policy of putting the corporate population at the centre of our interests.

We are going through a period of growth that confronts us with the need, even more than at other times, to focus on our resources in order to consolidate the company as a single community in which each person can feel listened to, valued and involved in internal dynamics. The HR department was set up in 2022 in order to ensure greater internal communication and so that these words can be reflected in tangible and real actions.

ORGANISATION STAFF

Below are the figures for the number of employees in 2023. There was a variation of +0.93% compared to 2022.

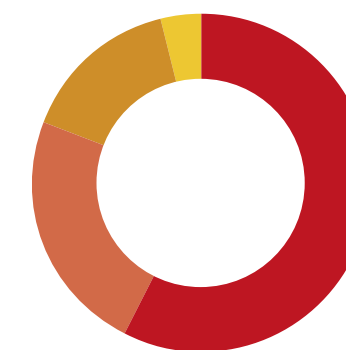
| Year | No. of employees | Variation |
|------|------------------|-----------|
| 2023 | 109 | + 0,93% |
| 2022 | 108 | + 3,85% |
| 2021 | 104 | - 0,96% |

AGE BANDS



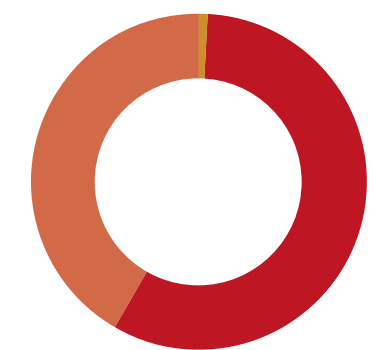
- < 35 years: 40%
- 35-50 years: 41%
- > 50 years: 19%

SENIORITY OF SERVICE



- < 10 years: 57,5%
- 11-20 years: 23,6%
- 21-30 years: 15,1%
- > 30 years: 3,8%

TYPE OF CLASSIFICATION



- Managers: 1%
- Office Workers: 58%
- Manual Workers: 42%

The total hours worked in 2023 stood at 191,778 hours. Below are the figures for the hours worked in the 2021-2023 three-year period:

| Year | Employees | Supply | Total |
|-------------|-------------------|------------------|----------------|
| 2023 | 178.485,50 | 13.292,50 | 191.778 |
| 2022 | 188.066 | 13.751 | 201.817 |
| 2021 | 199.712 | 13.472 | 213.184 |

REMUNERATION POLICY

The company fully respects the Workers' Statute and the National Collective Metalworkers' Agreement. All our workers are covered by collective bargaining, except for those in the US office, where local regulations are followed.

In order to attract and retain key figures, special treatment can be given to specific figures both during recruitment and employment. These treatments include bonuses linked to the achievement of specific results, benefits of various kinds and rewards for personal development.

EMPLOYEE INVOLVEMENT AND WELFARE CREATION

The following initiatives were implemented in order to involve workers:

ONBOARDING PROCESS

Day 1:

- welcome by the HR department at the Rodengo Headquarters;
- delivery of the "Welcome kit" (company gadgets);
- overview of history, values and corporate culture;
- meeting with the Manager or Officer of the Prevention and Protection Service to present the OSH rules.

Week 1:

- welcome message posted on all digital notice boards in the establishments.

Regular meetings:

- with HR upon reaching 3, 6 and 12 months of seniority with the aim of gathering impressions, insights, reflections and feedback on induction and life in the company;
- with their supervisor in order to assess technical learning.

"Stop&Go" appointment:

- organised by the HR department with the participation of Ownership and Management. The aim is to enable new colleagues to gain an in-depth understanding of the company's history, culture, vision and mission.

CAREER PATHS AND MERITOCRACY

Objectives:

- define the potential growth trajectory of an employee within the organisation;
- promote the acquisition of new skills;
- consolidate a corporate culture focused on the employee.

Periodic evaluations:

- by the various managers of their own staff to be followed up with management.

Percorso di crescita:

- identification of potential future managers;
- accompaniment along the vertical growth path;
- periodic individual meetings with HR.

CORPORATE EVENTS

Two meetings were attended by the entire company population in 2023: **Empowered Night** in July, with the intention of combining an update on the company's future developments and the celebration of Brescia as the capital of culture, thanks to the possibility of visiting the historic Mille Miglia Museum; and the **Company Dinner** in December to conclude the current year together with OMAL employees and retirees.



WORK AND FAMILY LIFE CONDITIONS

At OMAL, we consider the respect and well-being of people and workers to be fundamental aspects in the conduct and development of our business. Each employee represents the true value of our company. For this reason, we apply human resources and employee policies on a daily basis, with the aim of creating a stimulating environment in which everyone can express their skills and creativity to the full, without neglecting well-being. Our **corporate welfare** programme provides a monthly quota of up to EUR 2000 per year, as well as tools and services to improve conditions for our employees and their family.

WELFARE COUNTERS

With a view to supporting the corporate population in using the new welfare platform, four meetings were organised with the provider to provide concrete and operational help to employees in sifting through the options available and active services. During those days and working hours, every employee who needed could request a one-to-one meeting where they could bring their doubts, concerns or difficulties and receive immediate support.

DIVERSITY AND INCLUSION

Our company promotes the respect and protection of people in their moral, cultural, physical and professional integrity and is committed to the continuous development and support of professionalism and the involvement of staff at all levels. The recognition of people and their diversity as a value and an asset is translated into four actions.

- Commitment to considering the requests of local communities;
- Protection of equal opportunities, motherhood and fatherhood and a fair work-life balance;
- Entry of the younger generation into the world of work;
- Exchange and sharing of professionalism and experience between colleagues from different companies.

It also promotes **integration** between the different members of staff and the professional development of each. To this end, it safeguards and encourages the dissemination of values such as meritocracy, loyalty, seriousness, dedication and collaborative spirit. The company aims to achieve excellence in its field through the continuous improvement of its professionalism and the involvement of staff at all levels.

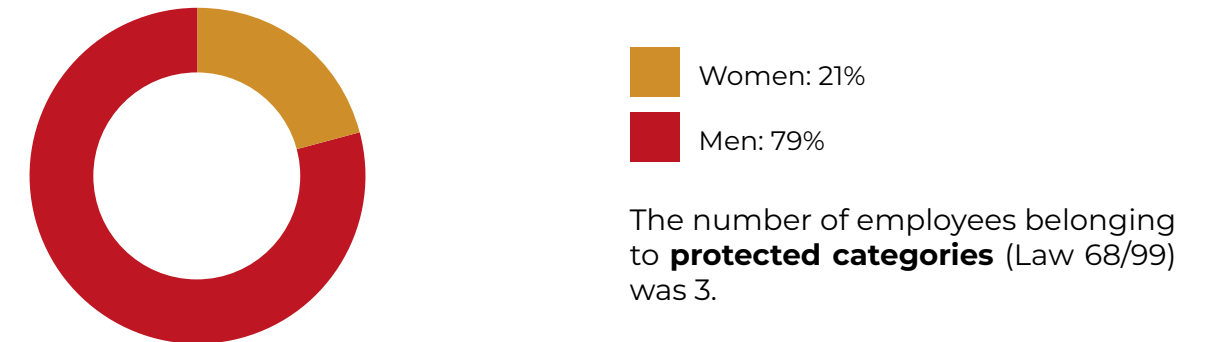
The people and collaborators involved in the activities are a strategic and valuable resource. We promote complete respect for and protection of individuals in order to foster the growth of each employee's professional assets and consequently increase the company's competitiveness and impact. **No discrimination incidents were reported in the 2022-2023 two-year period** (GRI 406-1).

INSIGHTS

In support of this statement, the HR Manager made herself available during the current year to take part in the "DIVERSITY CHARTER IN COMPANIES" research, giving an individual interview and then participating in focus groups on the topic. The research, conducted in collaboration with the Università Cattolica del Sacro Cuore in Verona, aims to analyse and understand diversity management in the workplace within SMEs in Northern Italy.

Regarding the gender of staff, there were more men than women in the workforce in 2023. Male employees represented 79% and female employees represented 21%, a figure that has remained constant and aligned since 2022.

GENDER OF STAFF



TRAINING AND SKILLS DEVELOPMENT

PROFESSIONAL GROWTH OF EMPLOYEES

We are convinced that **training** is the first step in integrating and then enhancing human resources in the company. The training proposal that we offer our employees accounts for individual needs and professional roles, combining them to the ever-changing market requirements with due attention.

Every year, we provide "hard" and "soft" training plans, as well as mandatory training for safety and certification purposes. Internal training focuses on the transfer of know-how in the event of staff turnover, while technical training aims to enhance individual workers and support them in adapting to the company's technological innovations. 75% of the corporate population participated in the training programmes. The following training hours have been provided over the past three years:

TOTAL TRAINING HOURS PROVIDED



The total training hours provided during 2023 equal an average of 13 hours per employee. It is our intention to continue to monitor and ensure adequate training for every resource in the company population.

- Compulsory training: **480**
- Non-compulsory training: **930**
- Quality: **66%**
- Environment: **1%**
- Security: **33%**

A “Strategic Alignment” project aimed at the front line was initiated with the training and coaching company Helmut Rauch. The training course included:

- individual interviews with participants;
- personality assessment (MBTI);
- introductory seminar;
- a strategic alignment workshop and a final workshop.

The aim was to ground a strategy in which everyone would find an active part, to do team building activities and to develop a culture of feedback and coaching. In the 24 hours divided over 3 days, company managers identified 12 areas for improvement and self-assigned targets. The objectives were translated into projects to be developed in 2024 under the supervision of the Director General, who also participated in the training.

HEALTH, SAFETY AND HUMAN RIGHTS

OCCUPATIONAL HEALTH AND SAFETY POLICY

We strongly believe that the pursuit of continuous improvement in all fields, and in particular in OSH, is a critical success factor for the organisation, and we intend to pursue it in accordance with the following commitments.

- Determine the stakeholders relevant to the management system, analyse and respond to their present and future OSH needs and expectations.
- Maintain safe and healthy working conditions to ensure the prevention of work-related injuries and illnesses of workers.
- Comply with the applicable national laws on health and safety at work. Seek continuous improvement of the organisation in the field of health and safety at work by planning objectives and providing adequate resources and means for their achievement, ensuring constant monitoring of processes.
- Create and maintain an internal environment that involves staff in the pursuit of the organisation’s OSH objectives, by fostering consultation and participation of workers and the Workers’ Safety Representative.
- Identify and eliminate hazards and manage potential risks, evaluate opportunities for continuous improvement of occupational health and safety.
- Promote the information and training of personnel at all levels in order to foster the growth of individual skills and the dissemination of a work culture oriented towards the protection of health and safety in the workplace.
- Share this policy with the supply chain in order to ensure compliance with the laws and OSH requirements for their own workers and collaborators.

Occupational health and safety, legality, environmental protection and sustainability are the cornerstones of our social responsibility strategy. We intend to achieve our growth and development goals in accordance with our corporate mission, which is **“to protect the environment and the community around us by tangibly improving the quality of life”**.

The health and safety management system is subject to the Consolidated Occupational Health and Safety Act (Legislative Decree 81/2008) and certified according to UNI ISO 45001. We are proud to have obtained **ISO 45001:2018 certification**, which allows us to better manage health and safety within the workplace, with potential benefits in terms of cost reduction as a result of fewer accidents, injuries and occupational diseases.

Our commitment for the coming years is to maintain the certification, with the aim of also using this new management system in the pursuit of continuous improvement.

AN ONGOING COMMITMENT TO IMPROVING WORKING CONDITIONS

Prevention is the main tool for safeguarding the health and safety of workers, whether internal or external to the company. A key aspect of this approach is the specific training that we provide to workers and technological development, aiming to constantly improve our performance in terms of health and safety at work.

The strategies adopted to mitigate health and safety risks are a sign of our company’s strong commitment to ensuring:

- compliance with occupational health and safety laws;
- risk analysis and the adoption of appropriate prevention and protection measures;
- the maintenance of the efficiency and safety of plants and equipment;
- ongoing OSH training for workers;
- monitoring compliance with health and safety rules at work;
- the collection of reports and requests from workers concerning health and safety at work.

With this in mind, we have always pursued two objectives:

- raising awareness and disseminating a culture of prevention, ensuring constant training of all the people who work with, in and for the company on a daily basis;
- improving technologies and facilities, which are increasingly designed and prepared to protect their operators.

We have appointed **workers’ health and safety representatives** who, together with the Competent Doctor and the Manager of the Prevention and Protection Service, carry out periodic checks to verify compliance with the Legislative Decree 81/2008. There are also several people in the company responsible for supervising and checking that all operations are carried out in accordance with safety regulations.

To pursue its objectives, the company has set up emergency teams trained in first aid and the use of defibrillators, as well as an emergency response team trained to handle emergencies. That is why we are committed to facilitating the availability of educational content to workers by providing specific training.

We confirmed our will to keep the protection of the company workforce at the centre in 2023, as we ensured that the workers’ health and safety representatives would be involved and participate in the Occupational Health and Safety Management System activities, in order to identify and plan any possible improvements together.

In addition, the “**100% Safe**” group, which includes Management and Plant Managers, continued its work to ensure the implementation of the improvement objectives defined by the company, and to ensure the alignment of company processes with the requirements of the Occupational Health and Safety Management System.

- No. of meetings with workers’ health and safety representatives: 4.
- No. of “100% safe” meetings: 6.
- No. of health and safety alerts/proposals: 4 (3 reports + 1 near miss).
- No. of activities planned and implemented: 24 (20 closed and 4 open as of 31.12.2023).

| Indicator | Calculation | 2023 | Previous three-year average | 2022 | 2021 | 2020 | |
|-----------|-----------------------------|-----------------------|-----------------------------|------|------|------|------|
| A | SEVERITY INDEX INF. | $IG=Kt/L \times 10^3$ | 0,1 | 0,3 | 0,03 | 0,3 | 0,3 |
| B | FREQUENCY INDEX INF. | $IF=d/L \times 10^6$ | 10,8 | 15,8 | 5,0 | 14,1 | 16,6 |
| C | AVERAGE DURATION INDEX INF. | $DM = d/kt$ | 10,0 | 17,3 | 7,0 | 23,7 | 15,3 |

KEY:
 L = number of hours worked per year by employees
 d = number of accidents
 Kt = number of days of temporary inability related to accidents

During 2023, we continued to handle alerts and proposals submitted by company staff via QR CODE on occupational health and safety, environment and sustainability, HR issues, team building proposals and charitable or social activities.

- No. of health and safety alerts: 4.
- No. of sustainability alerts: 10.
- No. of generic alerts: 13.

COMMITMENT TO TRANSPARENCY AND COMMUNITY

COMMUNITY POLICY

We want to live in a society capable of sharing knowledge and good practices between all the different actors working with a focus on ethical values. That is why we are more than happy to communicate our actions in a transparent way, in the hope that it will prove that combining fairness and business is not just a slogan.

COMMUNITY SUPPORT

The principle of sustainability also embraces relations with **local communities**, fostering social and cultural growth through various initiatives. We are committed to enhancing community education and promoting an ongoing dialogue with communities so as to return some of the value and wealth that we produce to the local area.

Economic Support Project: We have allocated a total of EUR 270,886 to supporting local communities over the past three years.

| Type of support | 2023 | 2022 | 2021 | Total support |
|-----------------|---------|--------|--------|---------------|
| DONATIONS | 11.060 | 6.000 | 6.000 | 71.152 |
| SPONSORSHIPS | 100.997 | 92.418 | 54.411 | 227.157 |

In 2023, the company identified a partner with whom to establish an ongoing collaboration, “**La Casa delle Donne**” in Brescia, demonstrating a tangible commitment to sustainability and attention to the most fragile individuals. This organisation is an anti-violence centre that offers support to victims of domestic violence, helping them to free themselves from abusive situations and re-enter the labour market. This collaboration is a tangible example of corporate social responsibility. The donations, which are not only financial, demonstrate a constant and concrete commitment to supporting vulnerable women and promoting their well-being. By promoting collaboration within the company, our intention is to invite employees to support the association in a personal way through volunteering initiatives, with the aim of strengthening the link between the company and the local community. The significant impact on the lives of the people involved contributes to a more empathetic and supportive working environment. We are still supporting the association “**I Bambini delle Fate**”, a social undertaking that provides financial support to social inclusion projects run by local partners and associations, and which benefits families with autism and other disabilities. Here again, the company wishes to positively influence the inclusive approach of the corporate workforce, which has always responded actively and sensitively to these issues.

It is our intention to continue to support local associations, not merely in response to external input, but as actors directly involved in the development of at least one ad hoc project based on the interests expressed by our internal stakeholders. Our objective is to establish a planning process which ensures a transparent structure involving the entire organisation.

TOWARDS NEW GENERATIONS: COLLABORATION WITH EDUCATIONAL INSTITUTIONS

In order to maintain constant dialogue with the community and to offer our contribution to the dissemination of culture, we are open to any requests for support from research institutes or universities. We maintained the following collaborations in 2023:

IMPRESA APERTA 2023

We decided to continue the “Impresa Aperta” initiative in 2023 in cooperation with the Istituto Comprensivo di Passirano.

We worked with eighth-grade classes and contributed to a job orientation project which helps students with the important choice of a high school. The project involved around 90 students who, divided into two groups, participated in an initial training session at our Passirano plant with the CSR & HR department, followed by a tour of the production department with the plant manager.

This allowed for a discussion and an exchange of views on the future of work for the new generations, and for us to be present at such a special moment for these young talents so as to continue the social and community support in which the company has always believed.

SCHOOL INTERNSHIPS

Another important aspect is our openness to the community, which is achieved by welcoming young interns or students for internship periods, with the aim of offering them work experience and training and transmitting our corporate values: passion for work, respect for the rules and others, and a sense of duty. With this in mind, we are always open to cooperation with educational institutions, and this year we have received 6 curricular trainees (three in production, two in the communication office and one in the quality and safety office), and supported 10 thesis projects by answering questionnaires or online interviews, two of which were based on the “OMAL case”.

In past years, we have been able to support young people with some collaborations:

- the “Warm Up” project, which involved orientation meetings by our managers and employees;
- the UNIBS career day (in the engineering department), with the participation of HR, Management Control and Technical Office representatives;
- a meeting with the Department of Mechanical and Industrial Engineering in charge of some internal functions, with the aim of explaining the transition from the world of academia to the labour market.

Please refer to last year’s sustainability report for more details.

TRANSPARENCY AND COMMUNICATION

Transparency in business means establishing an honest means of communication between all stakeholders. A transparent company is open to sharing information on performance, strategy and internal processes, including deficits, and it likewise welcomes feedback from employees at all levels.

Multi-directionality and transparency drive our company’s communication and information strategy. This communication allows us to be available to all our stakeholders via the website and the various social communication channels. We consider it essential to preserve direct relations, even though we are aware that technology can foster the dialogue with all stakeholders.

Corporate Social Responsibility is also expressed in communication with our stakeholders in order to ensure compliance with the rules and to facilitate mutual involvement and trust. That is precisely why we have also adopted sustainable communication on our social media pages, in line with our corporate values. Various topics are covered and we will give some examples below. They focus on employee growth and training, sustainable internal projects and other environmental issues.

SUSTAINABLE COMMUNICATION

Commitment to sustainability requires a cross-cutting approach, encompassing not only environmental issues, but also social, economic and organisational ones, making people and stakeholders an active part of the process of change. Communication must also be implemented with continuity and consistency, reinforced by the tangibility of robust data and indicators: the only elements ultimately able to generate a positive brand reputation and foster the engagement of all stakeholders. As we have already stated, transparency and multi-directionality are the cardinal principles of our communication strategy, both within our company and externally.

As proof of this, we followed up on the “Sustainability Pills” initiative started last year aimed at the internal promotion of sustainability which follows the plan to involve the corporate workforce in sustainability at all levels. This also includes making information about our activities, our results and the goals we aim for more immediate, simple and user-friendly. That is why the “Sustainability Pills” project is still on our notice board, which summarises the information contained in the sustainability reports through clear and attractive graphics.



INTERNAL COMMUNICATION

We established the CSR department in 2022 in order to consolidate a qualitative and transparent process, which enables us to operate as a proactive and not just a reactive party in defining sustainability objectives and projects to be grounded. This innovation has allowed us to report on our activities precisely and carefully. We therefore created the “Sustainability Team”, coordinated by CSR/HR. The managers involved may change during the year to give all departments the opportunity to bring their experience and bring new insights and projects related to the responsible growth of our company.

In addition, collaboration with the Università Cattolica continued through the “PON Project”: this year’s focus group was again composed of representatives from the various departments. The researcher from the Università Cattolica del Sacro Cuore presented the results, highlighting the strengths and areas for improvement identified in OMAL, starting with the answers to the questions:

1. what do people look for in their organisation?
2. what does it mean to create sustainable working conditions?

The project then shifted the focus to managers with one-to-one interviews: those who had first-hand experience of the beginning of OMAL’s sustainable journey retraced the development steps; while others discussed a shared view of the meaning of green and its level of alignment with existing practices. In addition, the following tools are in place in order to streamline and speed up internal communication:

- email newsletter;
- multimedia information points located within the plants on topics such as quality, the environment, occupational health and safety, sustainability, news and corporate welfare;
- communication system via QR code for alerts or proposals on occupational health and safety, the environment and sustainability, ethical misconduct, team building or charitable or social activity proposals.

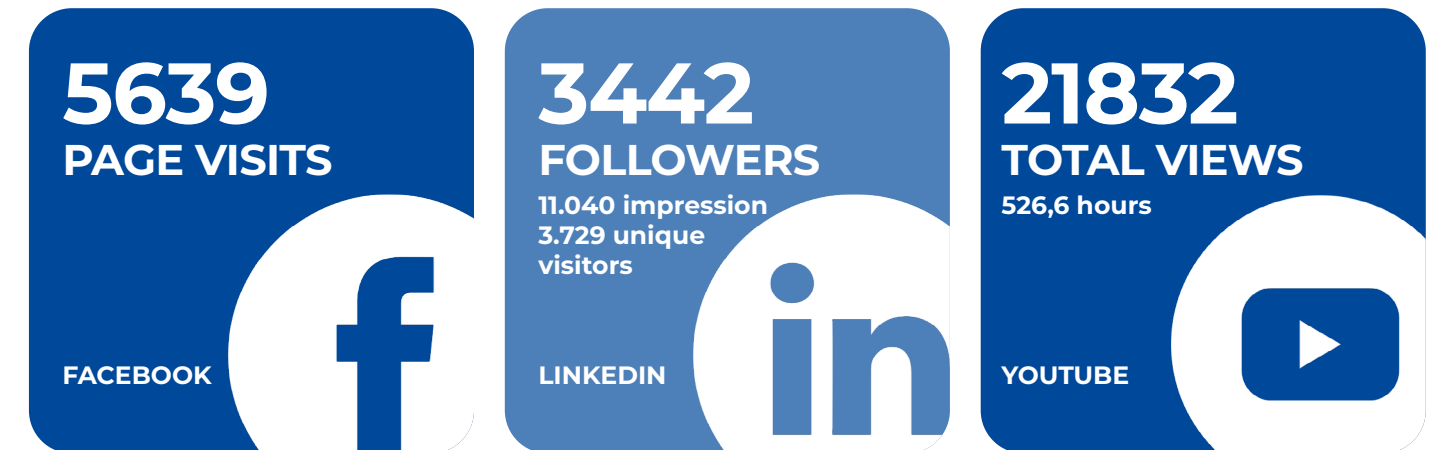
EXTERNAL COMMUNICATION

We believe that it is crucial for the dissemination of a sustainability culture to start within the company, but we are also committed to the outside world, first and foremost by promoting information on sustainability issues to our stakeholders.

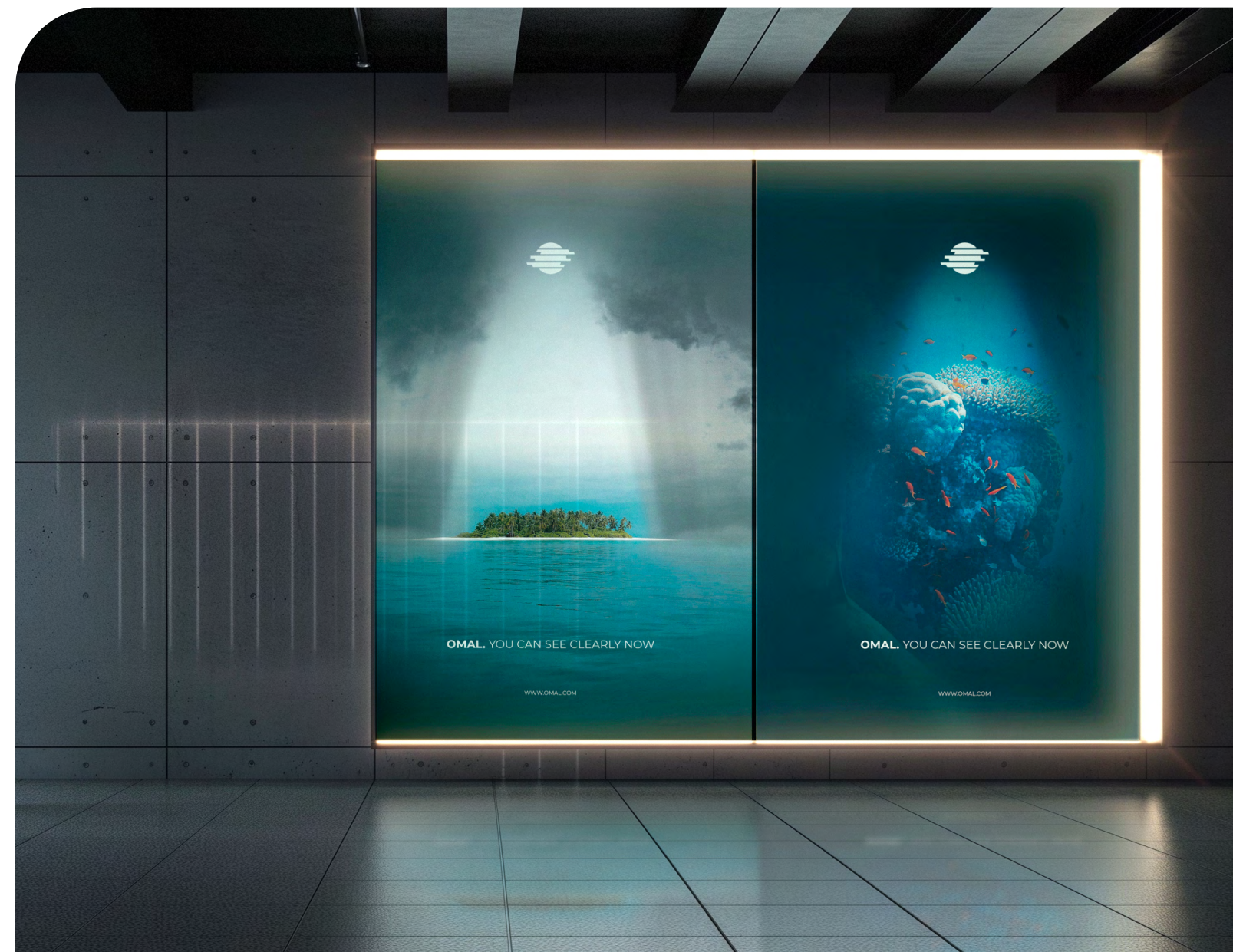
Social and mass media

As was the case last year, it is not possible to indicate the data on visitors to our company website, as data mining with Google Analytics 3 is no longer aligned with the European GDPR policy.

Here is some data on our social media interactions:



We also made 10 publications in industry magazines: **5 ValveWorld + 5 Americas.**



METHODOLOGICAL NOTE

OMAL's **Sustainability Report** is addressed to all our stakeholders and aims to provide a balanced and reasonable representation of the Group's approach to sustainability, taking into account both the positive and negative impacts generated by the company's operations.

This document:

- is the result of the internal data collection process shared between the various corporate functions;
- was drafted with the support of an internal team in collaboration with an external consultancy group specialising in sustainability;
- was supervised and approved by the Board of Directors.

The report will be disseminated both within and outside the company in order to communicate the initiatives aimed at achieving the goals of greater efficiency and sustainability to employees and stakeholders. With reference to economic, social and environmental data and information, the scope of accountability is specified below for each GRI indicator with distinction to the sector to which it belongs.

SCOPE OF THE REPORT

The scope of accountability and its relationship to the material issues, the GRIs identified, is outlined below.

| Techniques Materials | GRI Standard | Scope |
|---|--|------------------------------|
| CLIMATE CHANGE Energy Efficiency Renewable Sources Greenhouse Effect | 305-1, 305-2; 302-1, 302-2 | OMAL SPA BENEFIT CORPORATION |
| CIRCULAR ECONOMY Environmental Performance | 306-3, 306-4, 306-5 | OMAL SPA BENEFIT CORPORATION |
| SUSTAINABLE SUPPLY Supplier Involvement | 204-1 | OMAL SPA BENEFIT CORPORATION |
| OCCUPATIONAL HEALTH AND SAFETY | 403 | OMAL SPA BENEFIT CORPORATION |
| WORKER EMPOWERMENT AND CORPORATE WELFARE Welfare and Well-being Valuing and Developing People | 404-1 | OMAL SPA BENEFIT CORPORATION |
| DIVERSITY, EQUITY AND INCLUSION Work and Employment | 405-1, 406 | OMAL SPA BENEFIT CORPORATION |
| COMMUNITY Involvement of Local Communities Dialogue with Stakeholders | Extra GRI KPIs: charitable donations and activation of internships and school placements at group sites. | OMAL SPA BENEFIT CORPORATION |
| RESEARCH AND DEVELOPMENT Product Innovation | Extra GRI KPI: investment in research and development | OMAL SPA BENEFIT CORPORATION |
| BUSINESS CONTINUITY | GRI 416 - 418 Extra GRI KPI: cases of business interruption. | OMAL SPA BENEFIT CORPORATION |
| RESPONSIBLE GROWTH Brand Reputation Value Creation Business Ethics | 201, 205, 206 | OMAL SPA BENEFIT CORPORATION |

REPORTING CRITERIA, STANDARDS AND TARGETS

In order to ensure data reliability, the use of estimates has been limited as much as possible and, if used, these are appropriately reported and based on the best available methodologies.

This report has been prepared on the basis of the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) in 2016, taking into account the new GRI 1, 2 and 3 which came into force on 1 January 2023. All GRI indicators reported refer to this version, except for indicators 303 and 403, which refer to the 2018 version, and indicator 306, which refers to the 2020 version.

In accordance with GRI and taking the "With Reference" option into account, OMAL's Sustainability Report was prepared with the intention of pursuing continuous improvement in this regard over time and was approved by the Board of Directors.

This document is the tool for reporting on the company's commitment to ESG (Environmental, Social and Governance) criteria. The data herein is up to date as of 31.12.2023 and is correlated and compared with the previous years of 2021 and 2022.

There are no revisions to the information reported in the previous Annual Report. The figures reported are not estimates, but extracted from the company's management and control system and reported in a timely manner.



CONTENT INDEX GRI

OMAL reported the information mentioned in the following GRI content index for the period 1 January 2023 – 31 December 2023 with reference to the GRI standards.

| | |
|--------------------------------------|---|
| Declaration of use | OMAL SPA SB reports in accordance with the GRI Standard for the period 01.01.2023 – 31.12.2023. |
| GRI 1 used | GRI 1 – Fundamental Principles – Version 2021 |
| Relevant GRI sector standards | GRI sector standards have not been published for the current reporting period |

| GRI Standard | Information | Page | |
|-----------------------------------|-------------|---|---|
| GRI 2: General disclosures (2021) | 2-1 | Organisational details | OMAL SPA BENEFIT CORPORATION |
| | 2-2 | Entities included in the organisation's sustainability reporting | OMAL SPA BENEFIT CORPORATION |
| | 2-3 | Reporting period, frequency and contact point | OMAL SPA BENEFIT CORPORATION |
| | 2-4 | Restatements of information | METHODOLOGICAL NOTE |
| | 2-5 | External assurance | It is observed that this report has not been certified by a third party |
| | 2-6 | Activities, value chain and other business relationships | OMAL SPA BENEFIT CORPORATION |
| | 2-7 | Employees | OMAL AND THE PEOPLE |
| | 2-8 | Workers who are not employees | OMAL AND THE PEOPLE |
| | 2-9 | Governance structure and composition | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-10 | Nomination and selection of the highest governance body | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-11 | Chair of the highest governance body | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-13 | Delegation of responsibility for managing impacts | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-14 | Role of the highest governance body in sustainability reporting | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-15 | Conflicts of interest | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-16 | Communication of critical concerns | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-17 | Collective knowledge of the highest governance body | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-18 | Evaluation of the performance of the highest governance body | N/A |
| | 2-19 | Remuneration policies | OMAL AND THE PEOPLE |
| | 2-20 | Process to determine remuneration | OMAL AND THE PEOPLE |
| | 2-21 | Annual total compensation ratio | Unaccounted for |
| | 2-22 | Statement on sustainable development strategy | LETTER TO STAKEHOLDERS |
| | 2-23 | Policy commitments | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-24 | Policy commitments | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-25 | Processes to remediate negative impacts | THE CONTEXT OF SUSTAINABILITY |
| | 2-26 | Mechanisms for seeking advice and raising concerns | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| | 2-27 | Compliance with laws and regulations | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |

| GRI Standard | Information | Page | |
|---|-------------|--|---|
| GRI 2: General disclosures (2021) | 2-28 | Membership of associations | OMAL SPA BENEFIT CORPORATION |
| | 2-29 | Entities included in the organisation's sustainability reporting | OMAL SPA BENEFIT CORPORATION |
| | 2-30 | Stakeholder engagement approach | THE CONTEXT OF SUSTAINABILITY |
| Material issues | | | |
| GRI 3: Material issues (2021) | 3-1 | Process for determining material issues | THE CONTEXT OF SUSTAINABILITY |
| | 3-2 | List of material issues | THE CONTEXT OF SUSTAINABILITY |
| Sustainable procurement | | | |
| GRI 204: Procurement practice (2016) | 2-28 | Proportion of expenditure made to local suppliers | PERFORMANCE STRUCTURE |
| Climate change | | | |
| GRI 3: Material issues (2021) | 302-1 | Company's internal energy consumption | OMAL AND THE ENVIRONMENT |
| | 305-1 | Direct greenhouse gas (GHG) emissions (Scope 1) | OMAL AND THE ENVIRONMENT |
| | 305-2 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | OMAL AND THE ENVIRONMENT |
| Circular economy | | | |
| GRI 306: Waste (2020) | 306-3 | Waste generated | OMAL AND THE ENVIRONMENT |
| | 306-4 | Waste diverted from disposal | OMAL AND THE ENVIRONMENT |
| | 306-5 | Waste directed to disposal | OMAL AND THE ENVIRONMENT |
| Occupational health and safety | | | |
| GRI 403: Occupational health and safety (2018) | 403-9 | Work-related injuries | OMAL AND THE PEOPLE |
| | 403-10 | Work-related ill health | OMAL AND THE PEOPLE |
| Worker empowerment and corporate welfare | | | |
| GRI 404: Training and education (2016) | 404-1 | Average hours of training per year per employee | OMAL AND THE PEOPLE |
| Diversity, equity and inclusion | | | |
| GRI 405: Diversity and equal opportunity (2016) | 405-1 | Diversity of governance bodies and employees | OMAL AND THE PEOPLE |
| GRI 406: Non-discrimination (2016) | 406-1 | Incidents of discrimination and corrective actions taken | OMAL AND THE PEOPLE |
| Business continuity | | | |
| GRI 416: Customer health and safety (2016) | 416-1 | Assessment of the health and safety impacts of product and service categories | PERFORMANCE STRUCTURE |
| GRI 418: Customer privacy (2016) | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | PERFORMANCE STRUCTURE |
| Business continuity | | | |
| GRI 201: Economic performance (2016) | 201-1 | Direct economic value generated and distributed | PERFORMANCE STRUCTURE |
| GRI 2: General disclosures | 2-27 | Compliance with laws and regulations | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| GRI 2: General disclosures | 205-3 | Confirmed incidents of corruption and actions taken | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |
| GRI 205: Anti-corruption behaviour (2016) | 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | THE ORGANISATIONAL STRUCTURE AND ITS GOVERNANCE |

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| Worker empowerment and corporate welfare | | |
| Donations | KPI Economic appreciation of donations and sponsorships | COMMITMENT TO TRANSPARENCY IN THE COMMUNITY |
| Diversity, equity and inclusion | | |
| Investment in new product and process solutions | Economic Investments | PERFORMANCE STRUCTURE |

For further information and details, please refer to the company website www.omal.com

For any comments, requests and proposals for improvement to the content presented, please send an email to csr@omal.it.

“We would like to thank all employees who participated in drawing up our 2023 Sustainability Report.”

OMAL S.p.A. Società Benefit

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