



EMPOWERED PERFORMANCE

SUSTAINABILITY REPORT

OMAL 2022



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LETTER TO STAKEHOLDERS

OMAL's long and fulfilling sustainability journey has proceeded according to the well-known strategy of the **'Three Ps of Sustainability - Profit, People, Planet'**, a litmus test that fundamentally supports us in building our Corporate Social Responsibility. Its influence is evident even in our common benefit goals, which are a part of our articles of association and show OMAL's willingness to invest in business innovation, with concern for human capital and respect for the environment.

There is no doubt that every modern organisation aims and aspires to integrate its sustainability and economic-financial goals. Although this requires effort, strategic business skills, capital to invest and, obviously, time, it has always been an exciting challenge for OMAL. Our total commitment fuelled the required creativity for continuously and urgently developing many new ideas and good resolutions. However, we realised that this enthusiastic approach concealed a potential pitfall: losing focus on internal processes, on day-to-day activities at all levels of the company, where the technical ability for our 'grand plans' must be reflected. Here is the new challenge, a pitfall turned into an opportunity: applying a strategy that focuses on analytical assessment of the level of sustainable culture at the company.

The first step in assessing the current and desired situations, consolidating good habits and developing our Goals, is to monitor and measure. As a starting point, the new **GRI standards** certainly answered our need for objective and accurate self-assessment: already punctual and transparent reporting acquired an even more qualitative and comparative angle, effective in identifying ambitious targets. But the official creation of the **CSR Department** was to play an important role for our requirements.

Now in our seventh year as a BCorp and second year as a Società Benefit (Benefit Corporation), we felt that a dedicated reference point was needed, which would act on the one hand as catalyst and coordinator of the many ideas for projects, and on the other a constant stimulus for internal and external stakeholders. This role was deliberately placed alongside the role of **HR**, thus having a direct impact on corporate procedures and culture. Thanks to the department's twin functions, OMAL works on employees' sense of belonging and shared values, setting itself the challenging objective of creating a **corporate ecosystem** in which everyone has, and feels that they have, an active role.

Finally, the **digital** sphere is the last area in our adjustment phase. Investment in this field is nothing new for OMAL; on the contrary, it is the common thread that has always linked our aims. The heavy impacts of the conflict in Ukraine, the constantly increasing cost of raw materials and the rising price of energy have put us in the position of having to make quick assessments and take bold decisions. Integrating business intelligence into the IT infrastructure has frequently allowed us to estimate the ROI, assisting us in significant investment choices such as the installation of a new and upgraded photovoltaic system to increase energy independence, and the development of an innovative 'smart' product to seize further market share.

Consolidation, Involvement and Awareness.

Revisiting the name of the theory that has accompanied us over the years, OMAL's 2022 can be summed up in these three words. The maturity we have reached and our constant desire to improve are intended as the cornerstones that, along with product quality, guarantee our reliability to our stakeholders.

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

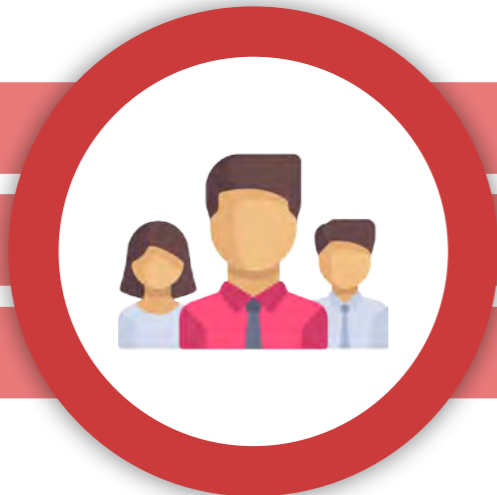


SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL



SOCIAL



GOVERNANCE



OMAL BENEFIT CORPORATION: SUSTAINABILITY STRATEGY

ABOUT US: A CORPORATION FOR COMMON BENEFIT

On 12 July 2021, we adopted in our Articles of Association the Benefit Corporations regulations governed by paragraphs 376/384 of Law No 208 of 28 December 2015 (2016 Stability Law), thus becoming a **Benefit Corporation**. Essentially, this process legally formalised a modus operandi that has always formed part of OMAL's DNA. Indeed, for decades the company has disseminated a culture of quality by focusing on the environment, on the well-being of its employees and by supporting the social fabric, sport, culture, and more generally the entire community in which it is rooted, driven by a strong sense of social responsibility that is inherent to its way of **'doing business'**.

The keys to our success are research and innovation, for the purpose, on the one hand, of responding to market needs with 'tailor-made' solutions for each customer and, on the other, of ensuring we

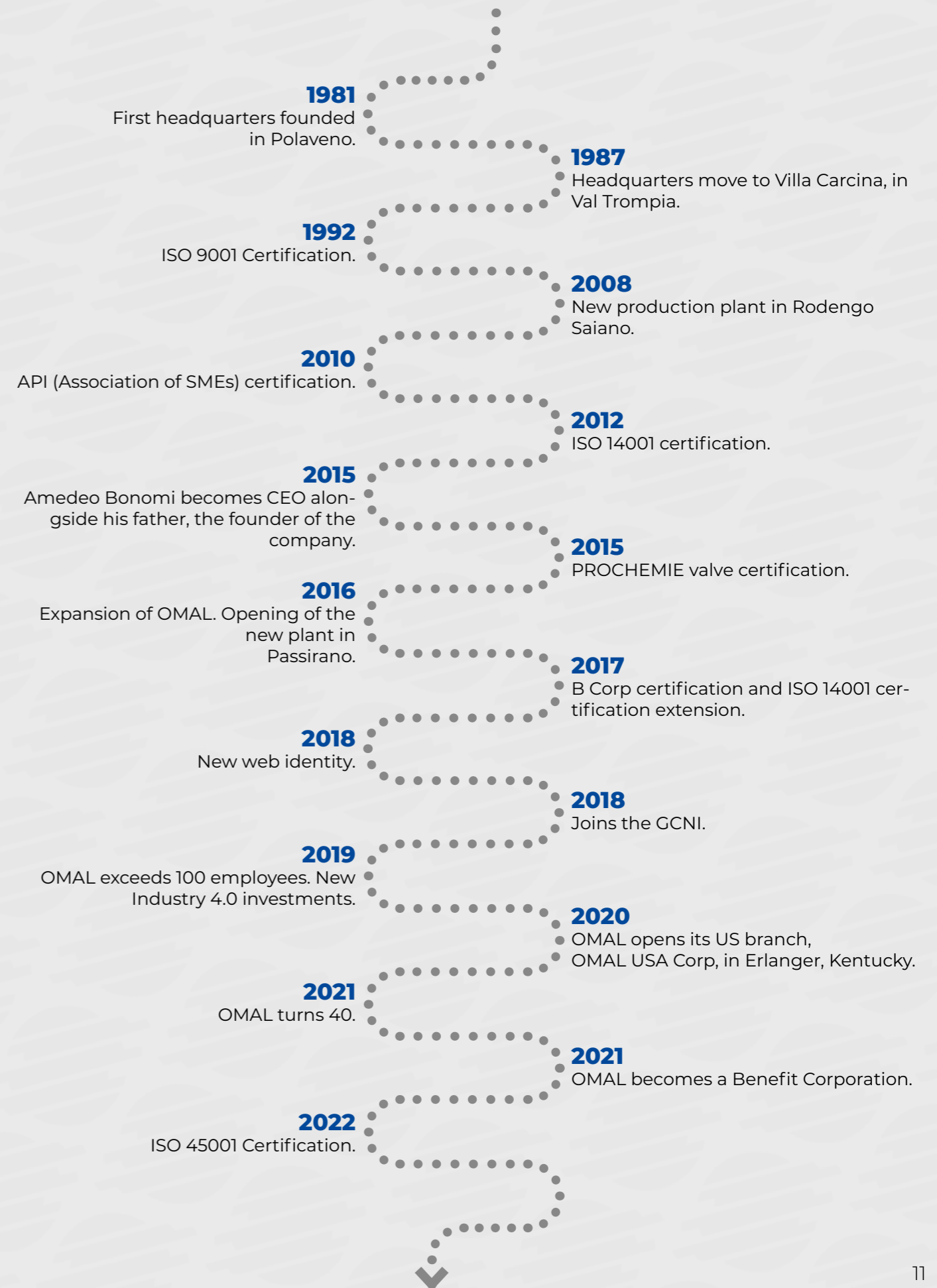
are in a condition of constant risk protection and precautionary readiness to respond to the needs and criticalities of the market.

OMAL was founded in Polaveno, Val Trompia, in 1981 by Agostino Bonomi, the son of a dynasty of entrepreneurs specialising in ball valves and convinced of the prospects for success in automation and customisation of products for industrial use.

The company achieved national and international success within a few years, thanks to a team of specialised technicians and engineers who created an innovative product that responded effectively to the most complex technical needs, with high performance and suitable for various applications.



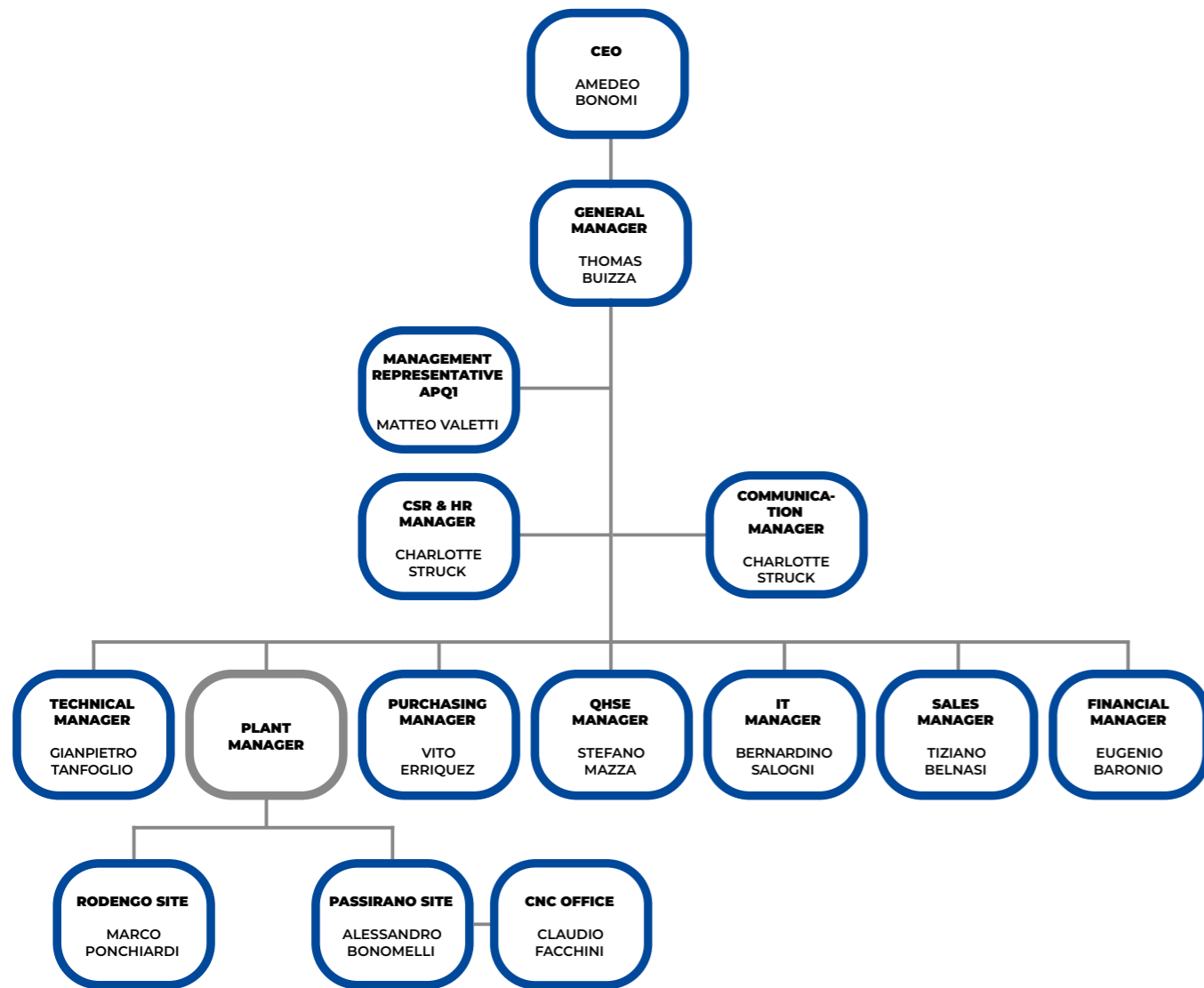
OUR HISTORY



CORPORATE STRUCTURE AND GOVERNANCE

Today, the company leadership is in its second generation with Agostino Bonomi's son, Amedeo, whose leadership is inspired by the same values that have characterised the company's growth: to create and sustain a consistent and transparent entrepreneurial system, driven by a clear vision of the role of each employee and a commitment to spreading the culture of legality and fairness. Today, as then, our company is committed to maintaining continuous growth and expansion. The business model is the traditional, family model of corporate governance and consists of:

- **Board of Directors (B.o.D.):** manages the powers of the company and evaluates management positions exclusively according to merit;
- **Board of Statutory Auditors:** monitors compliance with the law and the Articles of Association, compliance with the principles of proper administration, in particular, the adequacy of the internal control system, and the good performance of the persons in charge of the organisational chart.



The governance approach adopted by OMAL has created value for the company, in particular through medium- and long-term action planning. Today, our company is one of the leading players in the industry, holding top positions in Italy. We would like to point out that a new female under-35 role was added to management in 2022, with the task

of coordinating the HR, CSR and Communication departments. This decision is in line with the strategy advocated by the owners to keep these three functions interconnected: the aim is to value the role of the company workforce and to foster the company's growth in a sustainable and inclusive manner



VISION

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



MISSION

We guarantee a better world for our children. Thanks to our products, we protect the environment that surrounds us and concretely improve quality of life by making plants more secure and reliable.

OUR GUIDING VALUES



PASSION

We strive relentlessly to improve our performance through continuous advances in products and processes, without ever overlooking the growth of our people.



RESPECT

This is the ability to understand and take on board the needs and differences of stakeholders, respecting everyone involved and engaging in continuous dialogue to identify shared and effective solutions for the good of the company.



SENSE OF DUTY

This involves first and foremost the respect of agreements, promises and more ambitious objectives within the set time and in the manner agreed with our partners. Where necessary, the sense of duty requires the flexibility to find out-of-the-box, original and bold solutions.

Empowered Performance

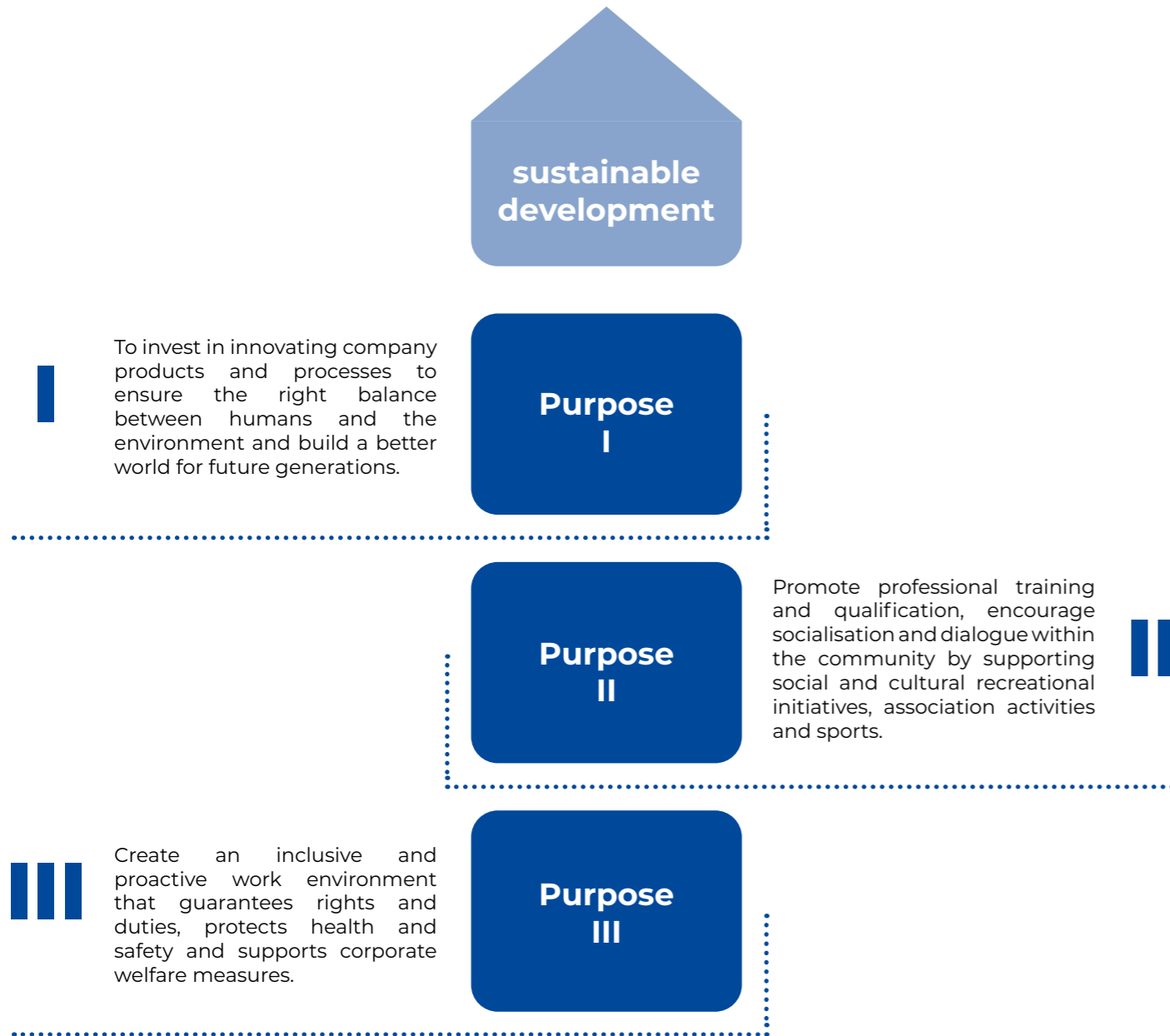
The corporate pay-off summarises the promise we make to our customers based on the value milestones that underpin our way of doing business. It is not enough to present a product on the market; it must be empowered in relation to the competition.

ORIENTATION TOWARDS COMMON BENEFIT


Our Articles of Association identify **three specific purposes of common benefit** that we have chosen to pursue in the exercise of our economic activity. They have been defined with the aim of generating profitability, creating profit and generating well-

being for the people, the community and the territory in which we operate.

Our aspiration is to integrate consistently all aspects of sustainability that are relevant to us in our daily activities, in line with the most virtuous and advanced companies in terms of Corporate Social Responsibility.



In the Impact Report 2022, published on the company website, we have reported on the achievements of the past year and the future targets for each of these purposes. To view the full version of the document, scan the QR code.



OMAL B CORP®

In 2017, even before becoming a Benefit Corporation, OMAL adopted the international external assessment standard '**Benefit Impact Assessment (BIA)***', the first company in the valve industry to do so worldwide.

This standard, published by B CORP (the world's leading industry organisation) and recognised by paragraphs 376/384 of Law No 208 of 28 December 2015 ('2016 Stability Law'), includes the measurement of environmental, economic and social impact.

In 2021, we were awarded prestigious recognition, for the third time, as one of the **Best for the World™** B Corps, achieved by ranking among the top 5% for **Environment**.



In 2020, OMAL decided to consolidate its presence abroad by setting up a sales branch in America. The request to include data from the US hub in the BIA has entailed the entire assessment being updated and a subsequent delay by the certifying body in validating the final report, which is still being assessed for both 2021 and 2022. For any specifications, please refer to the B-Lab, the body in charge of verification and validation, at italy@bcorporation.eu

WHAT IS B IMPACT ASSESSMENT (BIA)?

To measure their impact, Benefit Corporations use a measurement technology platform, the B Impact Assessment (BIA), issued by the non-profit organisation B Lab. This assessment tool, available for free online, enables a rigorous, comprehensive and transparent measurement of whether a company is regenerative - in other words, whether it creates more value than it destroys - by evaluating comprehensively all economic, social and environmental impacts.

Companies that obtain at least 80 out of 200 points in the BIA can apply for certified B Corp® status.

Our latest available rating is 106.7



OUR STAKEHOLDERS: A SUSTAINABLE PARTNERSHIP

Awareness of the impact of business processes on the land and the environment has helped accelerate our transition to a company that is even more attentive to sustainability issues and even more accountable to our stakeholders. For us, it is crucial to establish a relationship that is **constructive**, direct and effective and best

directs our way of doing business. Understanding the needs of stakeholders and responding to their requirements helps us to outline our future business goals. The chart illustrates the map of our stakeholders and the channels through which we interact with each of them.



Again in 2022, various channels of communication were used with stakeholders – already familiar to us – in order to give further input to their involvement, which we aspire to make as broad as possible.

These channels include:

- website;
- social media;
- newsletters;
- Sustainability Report;
- Policy Paper;
- media;
- organization of online events.

Our company's communication and information strategy is guided by multi-directionality and transparency, making ourselves available to all stakeholders, using in the first instance the website

and the various social communication channels.

RELATIONS FOR THE DEVELOPMENT OF NEW BUSINESS MODELS

For us, following an evolved business model whose every aspect is oriented towards sustainability acquires even greater value in conjunction with assiduous participation in the activities promoted by trade associations and regulatory compliance organisations. 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:



GLOBAL COMPACT NETWORK ITALIA

In 2018, our company joined the UN Global Compact, the most important international initiative for promoting a culture of corporate citizenship. We thus joined, as founding members, the **Global Compact Network Italia**.

The principles of the GCNI are inspired by:

- Declaration of Human Rights;
- International Labour Organisation Declaration on Fundamental Principles and Rights at Work;
- Rio Declaration on Environment and Development;
- United Nations Convention Against Corruption.

RELEVANT ISSUES AND OUR GOALS



AGENDA 2030

Endorsed on 25 September 2015 by the governments of the 193 member states of the United Nations and approved by the UN General Assembly, the **2030 Agenda** consists of 17 Sustainable Development Goals (SDGs) that are part of a broader action programme consisting of 169 associated environmental, economic, social and institutional targets or goals to be achieved by 2030. This is a global challenge, as these objectives involve all countries: from civil society to information and cultural operators, from private companies to public administrations.



We have chosen to take up this challenge by focusing our attention on the material issues we prioritise and identifying an initial plan of sustainability goals. At the same time, we have embarked on a path of increasingly close engagement with suppliers and employees to achieve results of common benefit.

The initial phase of identifying the material topics in relation to the 2030 Agenda Goals first involved a benchmark analysis in relation to the main national and international competitors, customers, suppliers and key industry bodies.

This context analysis was followed by a stringent assessment of the positive and negative impacts of the main business processes, namely:

- actual or potential impacts;
- direct or indirect impacts
- Material Topics and Material Sub-topics;
- Material Impact.

These analyses were shared through the involvement of project contact persons, as well as some department managers.

The discussion led to the confirmation and definition of the following material topics again for 2022:



IMPACT MATERIALITY ANALYSIS

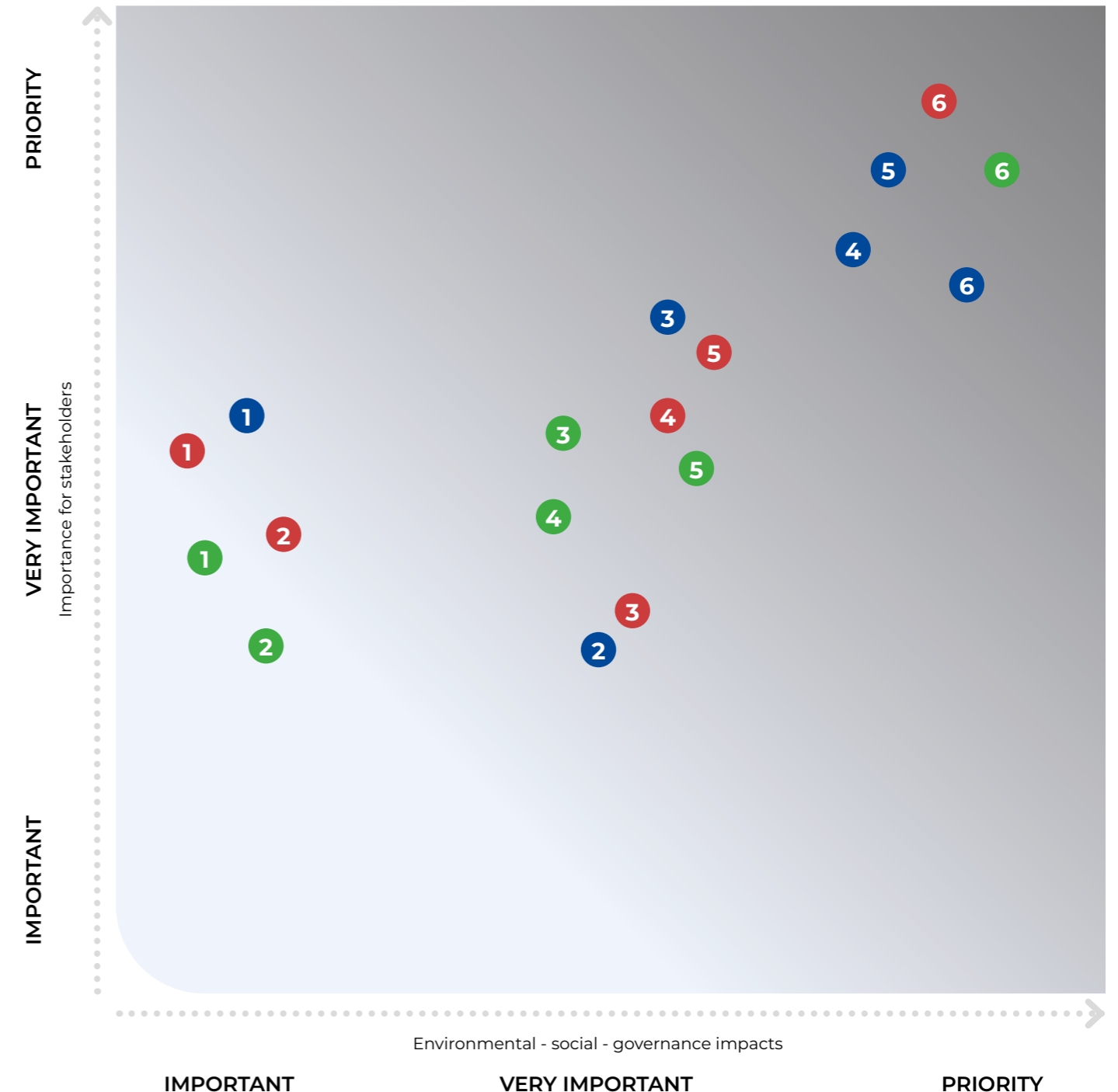
In 2022, we engaged in an update of the materiality analysis with a view to 'Impact Materiality', in light of a number of changes to regulations and standards that have occurred in recent years, including:

- new GRI (Global Reporting Initiative) Universal Standards (October 2021) and in particular the introduction of GRI Standard 3 – Material Topics, which revises the designation of 'material topics', now defined as topics representing the most significant impacts of an organisation on the economy, environment and people, including human rights;
- the European Commission's Corporate Sustainability Reporting Directive (CSRD) published in the Official Journal of the European Union on 16 December 2022, which introduces the principle of double-materiality, according to which the risk a company faces and the impact it has are both considered important information.

In accordance with the new GRI requirements, materiality analysis envisages a progressive path towards a future update from the perspective of 'Double Materiality'. This will require our company to re-contextualise the first analysis in the light of the company's evolution, which sees the engagement of stakeholders and contemplates adaptation to the new ESRS.

Internal discussions revealed the following preliminary elements:

- the impact generated by the topic, understood as our ability to generate actual or potential positive or negative impacts on the economy, the environment and/or people, including human rights;
- the monitoring of the issue, in order to assess the actions already in place and the importance of the topic, including by our stakeholders.



Governance

- 1 Stakeholder dialogue;
- 2 Brand reputation;
- 3 Business ethics;
- 4 Value creation;
- 5 Product innovation;
- 6 Business continuity;

Environmental

- 1 Renewables;
- 2 Energy efficiency;
- 3 Circular economy;
- 4 Environmental performance;
- 5 Supplier engagement;
- 6 Greenhouse effect;

Social

- 1 Diversity and inclusion;
- 2 Work and employment;
- 3 Engaging local communities;
- 4 Welfare and well being;
- 5 Valuing people and fostering individual growth;
- 6 Occupational health and safety;

The materiality analysis process further structured our commitment to mitigating the negative impacts of our activities, and:

- provided the Board of Directors (hereafter BoD) with a tool of guidance towards a more evolved concept of doing business that targets the responsible growth of the company and the mitigation of impacts;
- provided useful information for the definition of a future, better-structured sustainability strategy with the definition of medium- and long-term objectives;
- enabled us to align the annual report with inter-

national standards and added more detailed and precise information on material topics and our main impacts;

- nabled analysis of possible ESG risks and related opportunities;
- enabled us to incorporate ESG issues into risk mapping and risk assessment.

RISK MANAGEMENT: MITIGATION OF ESG RISKS

Faced with a highly competitive market, which is becoming more and more technologically advanced and demanding, it is crucial that we adopt a preventive approach to the risks associated with our business, with regard to all aspects of corporate sustainability, in particular quality, environmental and occupational safety management systems.

assessments, and the definition of any actions to be taken. Our governance system includes an annual risk assessment of:

- quality;
- health;
- safety;
- environment

Prevention is implemented on the basis of **Risk-Based Thinking**, i.e. decisions and takes actions are taken as a result of the assessment of the possible consequences – positive or negative – of its choices.

We also consider the expectations of all stakeholders in our annual assessment.

The analysis takes into account the following aspects, so that for each potential threat it is possible to classify the level of risk and assign a possible corrective action and/or improvement plan:

- macro-processes;
- macro-areas;
- business activity;
- events that may have an impact on processes;
- events that may have an impact on operational continuity.

In order to eliminate and reduce the negative effects of its actions, our company evaluates and pursues its objectives in the context of a clear overview of risks and opportunities. The annual **risk and opportunity assessment** takes into account external and internal factors, stakeholder needs and expectations, the scope of the Integrated Management System, environmental aspects, hazards and risks to worker health and safety, and to the organisation, always bearing in mind **obligations and compliance**.

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 more effective achievement of results and to highlight any room for improvement.

The objective of the analysis is to **increase the desired impacts** and prevent or reduce unwanted impacts, including those caused by environmental conditions and the external environment that may affect the organisation, as well as potential emergency situations that may generate environmental impacts or health and safety risks.

The main business risks identified, monitored and managed are:

- eneral economic performance;
- financial requirements;
- environment and territories (ESG);
- human rights of workers (ESG);
- integrity of different operations.

To facilitate the path of change and mitigation of impacts, corporate risk assessment is based on schemes subject to regular updates.

Corporate governance is carried out by the BoD, with the support of company management, for the operational management of processes and risk

The first two, economic and financial, are constantly monitored by the Management with the support of the Finance Department and the Management Control Department.

With regard to ESG (Environment, Social, Governance) risks and major climate impacts, as well as our supply chain, we have identified the following main risks:

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

following areas that are managed on an ad hoc basis via internal procedures and related action plans.

- 1) SALES** (offer management, customer complaints, contract reviews, market analysis);
- 2) PURCHASES** (procurement, supplier management);
- 3) PRODUCTION** (machining, assembly and testing, shipping and packaging);
- 4) TECHNICAL** (design, testing);
- 5) ORGANISATION** (quality, cyber security, occupational health and safety, environment).

On the other hand, we divide the risks related to the integrity of the different operations into the

SUSTAINABILITY ROAD MAP

ESG criteria are the benchmark that guides our company's choices and commitments. We believe that the overall performance of a company and the effectiveness of its actions are closely related to the well-being of the social context in which it operates and the impact it has on the environment. For these reasons, Corporate Social Responsibility and the ESG criteria are an integral part of our business. The main objective is to integrate 'sustainability'

into the daily operations of all company activities. In 2022, the supervision of our activities with a view to sustainability was renewed and strengthened with the assignment of a **CSR Manager**. Thanks to the collaboration of the various departments, this figure helped us to achieve the 2022 targets and will monitor the implementation of future goals. Below is a graphic representation of our company's roadmap to date:



By scanning the QR CODE below, you can find the sustainability awards and certifications obtained over the years.



FUTURE OBJECTIVES

Our company has always collaborated with all stakeholders to combine economic growth, environmental protection and respect for society. With corporate policies that pursue concrete governance, environmental and social objectives and a systemic, inclusive and transparent approach, we are constantly searching for innovative solutions

to meet market needs.

All projects and actions undertaken for the purpose of achieving specific ESG objectives are presented in this Sustainability Report.



SOCIAL			
Area	Macro objectives	Actions in pursuit of the objectives	2023-2025 objectives
Occupational health and safety	Implement policies and actions to preserve and protect the health and safety of workers.	Activate anonymous whistleblowing service and obtain ISO45001 certification	Monitor accident severity index
Valuing people and fostering individual growth	Create a positive working environment that promotes training and professional fulfilment.	Launch the 'informAtion' project and provide compulsory and cross-board hours of training, activate individual growth projects	- Strengthen the relationship with local institutions - Implement the use of social media to attract talent
Diversity and inclusion	Value diversity, combat all forms of inequality	Disseminate code of ethics and evaluate courses on diversity	Organise internal training courses
Individual welfare and well-being	Implement a set of initiatives aimed at increasing the well-being of workers and their families (e.g. encouraging socialisation and mental and physical well-being by supporting socio-cultural recreational initiatives, association activities and sports)	- Define onboarding process and welcome pack, - Introduce corporate welfare and launch activities engaging the corporate population - Project in collaboration with the Catholic University and plenary meetings	Evaluate new projects intended for the corporate population
Work and employment	Make direct local investments to create new jobs.	Support for local associations	Evaluate involvement of external companies in social projects (Art. 14)
Engaging local communities	Undertake initiatives to support the local area and its social causes.	Sponsor local companies and partner with institutions	Continued support for local charities and sports associations

ENVIRONMENT			
Area	Macro objectives	Actions in pursuit of the objectives	2023-2025 objectives
Greenhouse effect	Apply measures to monitor useful solutions to reduce atmospheric emissions and environmental impact	- Create dashboard for monitoring site consumption - Organisation Carbon Footprint (every two years, except in years when there are no substantial changes in the business)	- Logistics CO2 offsetting - Impact study on tCO2eq per product family - Rationalise shipments outside the EU
Circular economy	Increase the use of recycled material, reduce the amount of production waste by promoting a culture of circularity	-Waste water treatment, purification system, condensation water recovery, rainwater treatment - Recover packaging materials, separate waste for recycling - Heat recovery from compressors - Monitor inbound and outbound logistics	Keep the circular economy ratio above 90%
Supplier engagement	Maintain a clear and transparent relationship with the supply chain by monitoring in particular 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	Keep a short supply chain (within 200 km)
Energy efficiency	Adopt the best available technologies to reduce energy use	Install additional photovoltaic panels and yield control, install consumption monitoring software, keep a short supply chain	Create an energy efficiency index (tCO2eq emissions vs. company turnover)
Environmental performance	Help to the improve environmental performance to ensure the right balance between work and development needs and the protection of the environment and quality of life	Implement environmental KPI monitoring system	Maintain 45001 certification and avoid 'major' or 'serious' non-conformities during audits
Renewables	Replace non-renewables with alternative, sustainable and greener sources.	Purchase only renewable electricity	Maintain the use of 100% renewable energy

GOVERNANCE			
Area	Macro objectives	Actions in pursuit of the objectives	2023-2025 objectives
Product innovation	Invest in product research and development and process digitisation	- New calculation structure in Panthera - X-Easy platform - New scheduler - Create e-commerce - Use artificial intelligence	Research, develop and market new products
Business continuity	Identify and assess risks of disruption to business continuity and undertake actions of mitigation and plans of targeted action.	Install real-time criticality detection software	Maintain economic soundness
Business ethics	Maintain consistency with legal and regulatory provisions, comply with internal and external codes of conduct	Continuous sharing of code of ethics and supplier code of conduct	Maintain high legality rating and share suppliers' code of conduct
Dialogue with stakeholders	Identify stakeholders' needs, requirements and expectations to improve production and product quality by strengthening collaboration ties	Continue all existing dialogue activities with stakeholders	Open new branches and consolidate relations with the local area
Value creation	Contribute to the continuous growth of the organisation through investments that generate benefits for all stakeholders	Product analysis and developing new markets	Develop Asian branch and market, strengthen American branch
Brand Reputation	Protect the brand image and disseminate corporate know-how to improve the sense of belonging and develop new opportunities	- Use social networks and publish ADV - Publish tax and voluntary documents and plenary events - Participate in trade fairs and webinars / events	Disseminate brand worldwide via LinkedIn

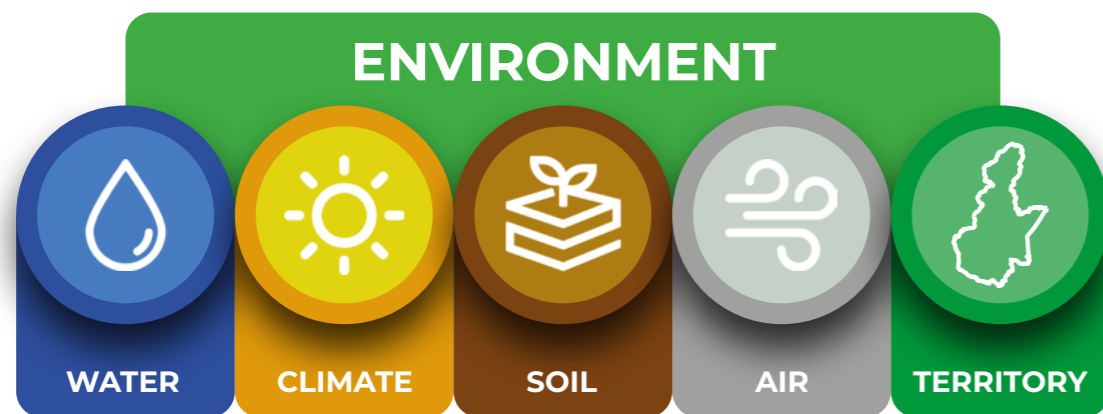
ENVIRONMENTAL: COMMITMENT TO PROTECTING THE ENVIRONMENT



One of the goals closest to our hearts is to use natural resources in a cycle that respects the environment and promotes the principle of circularity. This is why we update our internal procedures and rules on environment continuously. The study and development of increasingly innovative technologies also responds to the need to prevent any negative impacts of our processes.

THE SURROUNDING ENVIRONMENT IS A CENTRAL CONSIDERATION IN OUR CHOICES

THE ENVIRONMENT FOR OMAL IS:



We are aware that the irrational exploitation of natural resources, pollution and environmental degradation have a negative effect on quality of life, and that a correct approach to safeguarding resources and protecting the environment can ensure that they can also be enjoyed by future generations.

It is therefore important that we promote actions aimed at mitigating the effects of, adapting to and offsetting climate change.

Our commitment is primarily expressed through:

- compliance with existing regulations
- investing in research and development to ensure greater product innovation and sustainability;
- adopting an approach that reduces the waste of resources as far as possible.
- obtaining environmental certifications.

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

ENVIRONMENTAL MANAGEMENT SYSTEM

Each year, the Management defines the environmental targets and sustainability objectives for the organisation or for individual business units.

The QHSE Manager's is responsible for:

- supervising the correct implementation 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.

TECHNOLOGICAL INNOVATION TO REDUCE OUR IMPACT

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

One of our company's strengths is our **ability to manage the entire production process**, from the purchase of the raw material to the distribution of the finished product, thus guaranteeing 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 in terms of time and make us one of the highest profile players in the industry.

“PAPER-FREE” PROJECT: DIGITISATION FOR SUSTAINABILITY

The “Paper-Free” (Zero Carta) plan covers all the projects to digitise business processes and documents have been launched since June 2012.

In 2022, we consolidated the activities that we had outlined the previous year:

- Product quality monitoring system (Measurlink and Q-Das) - the company has 10 measuring, data collection and control stations distributed across the two company sites in the production and quality control departments;

- OMAL App (digital catalogue);
- Company website;
- Waste Documentation Management System;
- We have Prometeo software for managing waste documentation, master data, VIVIFIR management and MUD processing;
- New e-sphere production scheduler.

PHOTOVOLTAIC SYSTEM

Thanks to the supply of renewable electricity, we boast CO2 savings of 59% compared to conventional supply. In 2017, an innovative photovoltaic system was also put into operation at the new Passirano site, which enables the internal production of energy and generates CO2 savings of up to 81%. The photovoltaic system consists of 400 x 250W panels arranged in 16 rows of 25 panels and connected to 5 x 20 kW inverters, for 100 kWp of installed power. The installation guarantees a potential contribution of 100,000 kWh/year..

tCO2eq EMISSIONS SAVED WITH THE PURCHASE OF RENEWABLE ENERGY

Year	Unit	Renewable energy purchased	Conventional electricity	Difference
2021	tCO ₂ eq	330,1*	800,8*	-59%*
2022	tCO ₂ eq	310,7	753,6	-59%

*The data for 2021 are also shown in the table, as they are corrected in this document as compared to the Budget published in 2022 for the year 2021.

In 2022, we produced 82,757 kWh of energy, of which 93.7% used for self-consumption.

The energy produced by the company's photovoltaic system and self-consumed in 2022 covers 4% of the energy supply from the grid.

ELECTRICAL ENERGY PRODUCED BY THE PHOTOVOLTAIC SYSTEM (ref. 100,000 kWh/year)

Passirano site	KWh 2020	KWh 2021	KWh 2022	Difference prev. year %
Produced	99.191	115.926	88.333	-24%
Consumed	92.364	109.859	82.757	-25%
Sold	6.827	6.068	5.577	-8%
Yield	99%	116%	88%*	-24%

* We report that, for the year 2022, due to a malfunction of some inverters on the photovoltaic installation, electricity production was less efficient than expected, also due to the fact that repairing the damage and replacing the damaged components took longer than expected.

This situation prompted us to reflect on the need to intervene more quickly in the face of problems, and led to the installation of the **Fronius Solar.web system**, which allows us to view the yield of photovoltaic panels in real time, detect and report any anomalies in order to take prompt action in the event of problems or inefficiencies and maximise yield. This system also quantifies the CO2 emissions (tons) saved.

Fronius Solar.web is integrated into **Movicon 11**, a software application for supervision, operator interfacing, control and process data acquisition, which via the Pro-Energy module can be connected to meters, PLCs, sensors or other devices to collect information on energy consumption, enabling monitoring in the following macro-areas:

- Infrastructure (remote reading of water and

electricity utility meters);

- General equipment (heating system, compressors, lighting system, electric cabinets, etc.);
- Production plants (detection of energy consumption of machines used in the manufacturing process).

It can also monitor water consumption (recording irrigation system consumption, etc.).

Movicon 11 also ensures analytical management of events and production stoppages, communicated via an email alert system, and provides an accurate and updated snapshot of the plant status.

The data analysis makes it possible to quickly identify critical points in the production process, in order to make system operations more efficient with a view to saving energy and improving productivity.

tCO2eq EMISSIONS SAVED BY USING THE PHOTOVOLTAIC SYSTEM

Year	KWh/year	Electricity produced by the photovoltaic system	Electricity from conventional sources	Difference
2021	109.859*	8,2	43,5	-81%
2022	82.757	6,2	32,8	-81%

* Data for 2021 are also shown in the table, as the kWh/year figures are corrected in this document as compared to the Budget published in 2022 for the year 2021.

PURCHASE OF CLEAN ENERGY

The remaining energy needs are met by **purchasing 100% renewable energy**, in particular hydropower produced in Italy by the supplier A2A Energia S.p.A.

Year	No EEC certificates withdrawn	Development of renewables	Technology
2020	1.737	100%	Hydropower
2021	2.020	100%	Thermal - solar
2022	1.901	100 %	Renewable solar Hydraulic and oceanic

GSE CERTIFICATO DI ANNULLAMENTO GARANZIE D'ORIGINE

Società: A2A ENERGIA SPA
 Indirizzo: CORSO DI PORTA VITTORIA 4
 Numero conto: 06XC00831N
 Registro di annullamento: ITALIA - IT - 06 - GSE

Certificato di annullamento numero: F792D900C0AE004EE0530AA00091004E
 Data annullamento: 23/03/2023
 Numero di Certificati Annullati: 1.901
 Energia (MWh): 1901

Dettagli del beneficiario / Motivazione: IT00645720988 OMAL SPA SOCIETA' BENEFIT

Tipo certificato	Numero certificati	Energia (MWh)	Periodo di produzione (da-a)	Fonte rinnovabile
GO	10	10	luglio 2022 - luglio 2022	Rinnovabile-Solare-
GO	1891	1891	maggio 2022 - maggio 2022	Rinnovabile-Idrantica e Oceanica-

The use of **renewables** (wind, solar, aerothermal, geothermal, hydrothermal and oceanic, hydraulic, biomass, landfill gas, gas) and the commitment to the environment are awarded a certificate by the EECS (European

Energy Certificate System), which is subsequently cancelled when the certificate is 'used' and withdrawn from the market. We are also able to pay a positive delta compared to the price of conventional electricity.



DETAILS OF EECS CERTIFICATES CANCELLED, GO SYSTEMS AND CERTIFICATES

Codice EAN	Paese origine	Tipo supporto	Tecnologia	Fonte rinnovabile	Certificato (da)	Certificato (a)	Numero certificati	MWh certificati	Periodo di produzione (da-a)	Data emissione
56060900000001957		Nessuno	IDROELETTRICA	Rinnovabile-Ikraulica e Oceanica	5606090000000000000008 7922114	5606090000000000000008 7924004	1891	1891	maggio 2022 - maggio 2022	16/09/2022
803255132000640384	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 8755089	8032551320000000000008 8755089	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001858504	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 8755062	8032551320000000000008 8755062	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001485144	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 5062783	8032551320000000000008 5062783	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132000188404	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 8754375	8032551320000000000008 8754375	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001748928	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 8755047	8032551320000000000008 8755047	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001502489	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 5064944	8032551320000000000008 5064944	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001689382	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 5052151	8032551320000000000008 5052151	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001378620	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 5054195	8032551320000000000008 5054195	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132001755773	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 5063366	8032551320000000000008 5063366	1	1	luglio 2022 - luglio 2022	10/10/2022
803255132000591112	ITALIA	Non disponibile	SOLARE	Rinnovabile-Solare	8032551320000000000008 5016628	8032551320000000000008 5016628	1	1	luglio 2022 - luglio 2022	10/10/2022

Periodo di consumo dell'energia associata alle GO da/a	01-01-2022 – 31-12-2022
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SYSTEM OF HEAT RECOVERY FROM COMPRESSORS

The heat generated by the compressors, which produce compressed air during their normal daily operation, is recovered and used to heat the Passirano plant or to produce domestic hot water.

COMPRESSED AIR CIRCUIT CONDENSATE RECOVERY SYSTEM

In 2019, we completed the project for the recovery and reuse of condensate generated by the compressed air system at the Passirano site. The recovery system separates the water from the condensate oil and reduces the bacterial load using specific substances and UV rays. Every year, the system treats and reuses in production as much as 30,000 litres of water. In addition to water recovery, this system also treats the wastewater from the compressed air system, which can contain variable quantities of oil and particularly polluting impurities.

- Condensate recovery from compressed air circuit – actual production: 20.1 m3

PHYTODEPURATION OF WASTE WATER

At the Passirano plant, we adopted a waste water phytodepuration system back in 2016. Thanks to special plants that absorb heavy metals such as lead and nickel, we return the to the environment water that has been purified naturally to remove chemicals and bacteria. These plants protect the purification system from cold winter temperatures, ensure a greater spectrum of activity for the bacterial micro fauna and absorb the mineral substances released during the purification process. This system ensures the recovery of waste water similar to domestic discharges.

- Sewage treatment = 100% waste water treatment.

TREATMENT OF FIRST RAIN WATER

The Meteotank® MP/SD 6000 oil separator, consisting of a single-unit, watertight, reinforced concrete tank, treats first rain water through the following stages:

- water accumulation;
- separation of first and subsequent rain water;
- lifting;
- gravimetric oil separation.

In detail, rain water is collected in a mechanical filtering system, which separates the water from oil that was added as a result of contact with the ground and related substances, such as petrol, diesel and other surface waste. The water

purified of these substances is then returned to the environment via irrigation of fields.

WATER: A RESOURCE RETURNED TO THE ENVIRONMENT

Our production activities do not require any particular consumption of water, which we use predominantly for civil purposes and to water the green spaces surrounding the two factories.

In recent years, we have significantly reduced our water consumption by resolving problems with the irrigation system and installing a domotics system. Below is the summary in figures:

SUMMARY OF WATER CONSUMPTION

Site	Consumption m ³ 2020	Consumption m ³ 2021	Consumption m ³ 2022	Difference 2022 / 2021	Difference 2022 / 2020
Rodengo Saiano	12.294	12.229	7.418	-39%	-40%
Passirano	4.602	1.844	2.232	21%	-51%
OMAL Tot.	16.896	14.073	9.651	-31%	-43%



GREEN IN

We are conscious of the need and responsibility to pass on a sustainable planet to future generations, which means that reducing the atmospheric emissions of CO2 generated by our distribution processes is essential.

Our approach to sustainability is systemic and therefore also involves logistics, which in the first instance means choosing logistics operators with

state-of-the-art, green vehicles and, secondly, carbon offsetting.

Data from the 2021 Carbon Footprint analysis shows that we offset 373 tCO2 generated by logistics. This offset was achieved in partnership with AzzeroCO2, a company specialising in sustainability and energy consulting, through the **wind power project** in India (UN scheme).

For the year 2022, we **calculated and offset the following greenhouse gas emissions** from inbound and outbound logistics.

- Through AzzeroCO2, we offset 60 tCO2 generated by the courier company Aprile S.p.A. Thanks to the purchase of 60 credits, we participated in the **hydropower production project** in India (VCS certificate - Verified Carbon Standard). The credits are VER (Verified Emission Reductions), i.e. credits verified by an independent third party.
- Through the purchase of fuel with the DKV Cli-

mate contract, which, through **Myclimate certification**, ensures the offsetting of atmospheric emissions of CO2, we have offset 45.2 tCO2 in emissions from diesel and petrol consumption.

- DHL offset 0.019 tCO2 through climate protection projects managed by **GoGreen Climate Neutral**. Projects verified according to the 'Greenhouse Gas Protocol - Product Life Cycle Accounting and Reporting Standard'.
- GLS confirms the offsetting of 4,405 tCO2 through the 'Madre de Dios' **forest protection project in Peru**.



In addition, we also offset the CO2 emissions generated in one year by approximately 1,106,209.50 views on the company website (due to new privacy directives, we can no longer obtain exact figures).

The **CO2web project** by Reteclima planted trees to neutralise the website's greenhouse gas emissions.

'INALBERIAMOCI' PROJECT AT FUTURA

At Futura Expo, OMAL joined the '**Inalberiamoci**' project. The aim of this initiative, which is associated with the Pact for Sustainability, is a direct and tangible impact on the Brescia area, urging the transformation of the city into a greener place. Our company contributed to the donation of 1,000 trees to the city of Brescia. The funds raised go towards:

- feasibility studies of the areas to be redeveloped;
- purchasing the trees and plants needed to improve the selected green areas of the city;
- ensuring proper maintenance;
- monitoring to ensure the real impact of the initiative on the city.

EFFICIENT USE OF RESOURCES

ENERGY CONSUMPTION

Our energy consumption can be attributed to production activities, heating and air conditioning and fuel for the company's vehicles and forklifts. Within the production departments and quality control areas, there are special control stations

for measurement and data collection. This allows constant (wireless or direct) monitoring of product quality and process efficiency parameters. The data is available to production staff in real time. The trend in energy, methane and gas consumption over the last three years can be summarised as follows:

Site	Consumption KWh 2020	Consumption KWh 2021	Consumption KWh 2022	% Difference 2022/2021	% Difference 2022/2020
RODENGO SAIANO	333.494	404.553	325.562	-20%	-2%
PASSIRANO	1.403.870	1.647.611	1.741.979	6%	24%
OMAL Tot.	1.737.364	2.052.164	2.067.541	1%	19%

ENERGY 'DASHBOARD'

The measured data appear in real time on a 'dashboard' displaying indicators and operational statuses in a clear and simple manner. This graphical interface ensures the production situation is constantly under control, even remotely.

The data collected concern the consumption of:

- **work islands;**
- **electric cabinet;**
- **compressor room;**
- **lighting system;**
- **central heating and air-conditioning system;**
- **photovoltaic system (data recording under completion);**
- **water and electricity meters (under completion).**



FUEL

SUMMARY OF METHANE CONSUMPTION

Site	Consumption KWh 2020	Consumption KWh 2021	Consumption KWh 2022	% Difference 2022/2021	% Difference 2022/2020
OMAL Tot.(*)	64.094	76.639	65.217	-15%	2%

(*) Referring only to the Rodengo Saiano plant, as not found at the Passirano site

SUMMARY OF DIESEL CONSUMPTION

Site	Litres of fuel consumed in 2020	Litres of fuel consumed in 2021	Litres of fuel consumed in 2022	% Difference 2022/2021 %	% Difference 2022/2020
RODENGO SAIANO	12.915	12.668	13.360	5%	3%
PASSIRANO	-	83	336	304%	-
OMAL Tot.	12.915	12.751	13.696	7%	6%

OUR CARBON FOOTPRINT

Our commitment to limiting GHG emissions from our business activities has earned us ISO 14064 certification for our Carbon Footprint. We initiated this two-year study in 2016, and repeated it in 2018 and 2021. In accordance with the standard and the GHG Protocol, emissions are accounted for in the following categories:

CATEGORY 1 - DIRECT EMISSIONS: direct GHG emissions from installations within the organisation's perimeter.

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, auxiliary materials, treatment

of waste, the distribution of finished products and the end-of-life of those products and their packaging. The most recent CFO determination in 2021 certifies a 39% reduction in CO2 emissions compared to 2018 as a result of the reorganisation and streamlining of business processes.

2016 = 10,231.48 tCO2eq
 2018 = 10,437.85 tCO2eq
 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 Interceptor Valve (VIP). This study aimed to calculate the potential environmental impact of the life cycle of VIP valves by comparing the results of the new version with the standard one.

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

WASTE MANAGEMENT AND RECOVERY

Effective and intelligent waste management can only begin with efforts to limit the waste produced.

WASTE PRODUCED

Waste	Total 2022 OMAL		Passirano site		Rodengo Saiano Site	
Non-hazardous waste (kg)	522.537	96%	444.034	96%	78.503	97%
Hazardous waste (kg)	21.855	4%	19.515	4%	2.340	3%
Total Waste (kg)	544.392	100%	463.549	100%	80.843	100%

OMAL is committed to an effective waste recycling policy and we sent only 0.3% of the waste produced to landfill. 99.7% of the waste produced was recovered, while

95.1% of waste was sent for circular recovery to produce new raw material.

WASTE FOR DISPOSAL/RECOVERY

Type	2020 Kg	2020 %	2021 Kg	2021 %	2022 Kg	2022 %	% Difference 2022/2021	% Difference 2022/2020
Disposal	1.559	0,3%	5.308	0,8%	1.880	0,3 %	-65%	21%
Recovery	518.229	99,7%	634.181	99,2%	542.512	99,7 %	-14%	4,7%
Tot. Waste (kg)	519.788	100%	639.489	100%	544.392	100 %	15%	5%

WASTER FOR CIRCULAR RECOVERY

Type	2020 Kg	2020 %	2021 Kg	2021 %	2022 Kg	2022 %	% Difference 2022/2021	% Difference 2022/2020
Circular recovery	491.985	95%	618.409	97%	517.527	95%	-16%	5%
Others	27.803	5%	21.080	3%	26.865	5%	27%	-3%
Tot. Waste (kg)	519.788	100%	639.489	100%	544.392	100%	-15%	5%

RECOVERY OF PACKAGING MATERIALS

Our company is committed to the recovery and reuse of every material, in order to limit the impact on the environment and the territory as much as possible. That's why it separates waste

recycling and recovering paper and cardboard, plastic, aluminium, glass and organic waste from the canteen, break areas and offices.

We ensure the recovery of packaging waste from production by delivering it to companies specialised in the recovery of waste paper, plastic and wood.

PACKAGING RECOVERED (TONS)

Year	2020	2021	2022
Plastic	2	1	0
Paper	21	23	20
Wood	31	49	36



SOCIAL: CARE FOR PEOPLE AND THE COMMUNITY



PUTTING PEOPLE FIRST

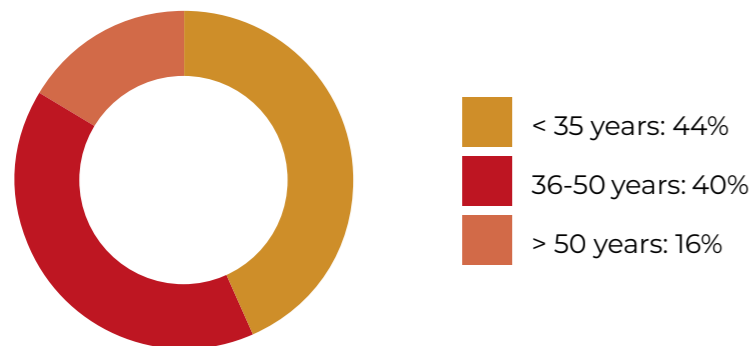
Teamwork, sharing and communication are the three fundamental pillars of our relations with employees. Over time, we have built a relationship of mutual trust between management and employees, one of the cornerstones of the company's identity and one of the crucial factors in its growth as a social asset. Each employee represents the real value of the company, which is committed daily to creating a peaceful and stimulating workplace that is attentive to the well-being of its employees. A workplace that allows everyone to implement their skills and talent to the best of their ability.

We pursue consistently the policy of putting our corporate population first. We are going through a period of growth that confronts us with the need – now more than ever – to focus on our resources, in order to consolidate the company as a **single community** in which each individual feels heard, valued and involved in the internal dynamics. In order to ensure greater internal communication, we established an **HR Department** in 2022, with the aim of putting these words into concrete and real actions.

PROTECTION AND WELL-BEING

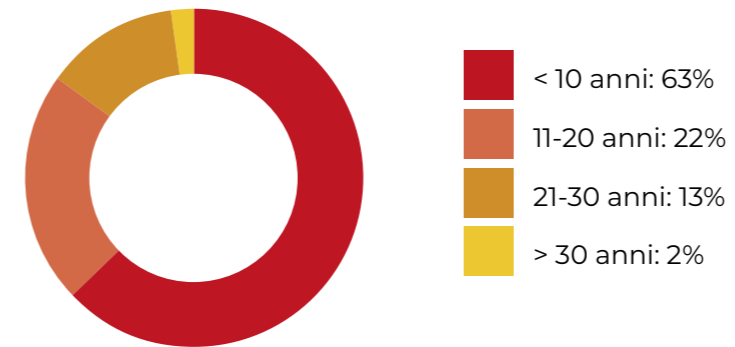
Year	No of employees	Change
2020	105	+2,00%
2021	104	-0,96%
2022	108	+3,85%

AGE BRACKETS



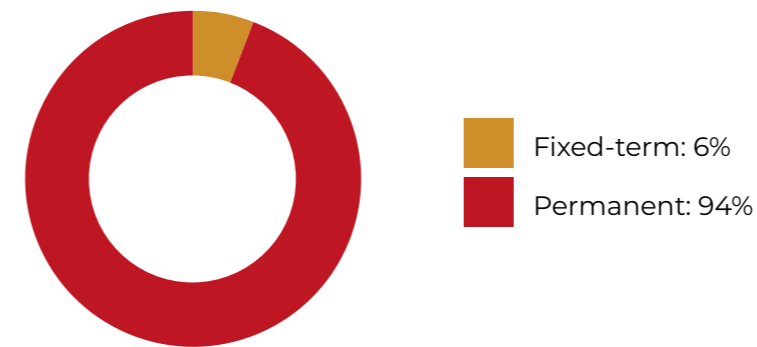
83% of people are **under 50 years old** (44% under 35, 40% 35 to 50, 16% over 50), indicating a **prevalence of young people**, a figure unchanged from the previous year.

SENIORITY OF SERVICE



37% of our employees have been with OMAL for **more than 10 years** and **13%** for **more than 20 years**, denoting a **strong bond with the company**.

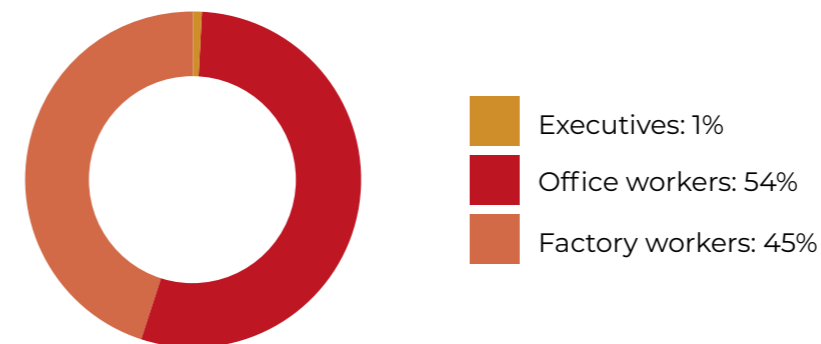
CONTRACTUAL STABILITY



6% of employees are on a fixed-term contract, while **94%** have a permanent contract, which guarantees **stability** and loyalty to the company.

In 2022, 6 workers were hired on **supply contracts**.

PROFESSIONAL CATEGORY



Our company population consists of **54% office workers**, **45% factory workers** and **1% executives**.

HOURS WORKED

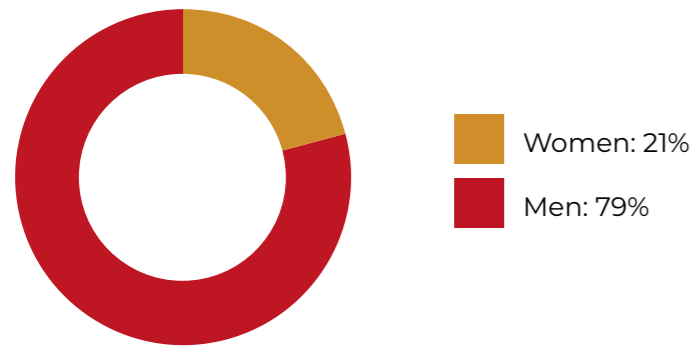
Year	Employees	Supply contracts	Total
2020	180.700	8.553	189.253
2021	199.712	13.472	213.184
2022	188.066	13.751	201.817

DIVERSITY AND INCLUSION

Our company promotes respect for and protection of the individual and his or her moral, cultural, physical and professional integrity and is committed to promoting the professional growth of its employees at all levels. The approach aims to ensure equal opportunities for professional growth for all, and promotes the dissemination of values such as meritocracy, loyalty, dedication and a spirit

of cooperation. For us, people are an essential value and strategic resource in the pursuit of our goals of excellence in the industry. Training is fundamental for the professional and, more importantly, human growth of workers. **In 2021-2022, no incidents of discrimination are reported (GRI 406-1).**

GENDER OF THE WORKFORCE



Our workforce is predominantly **male**: 79% of employees are men and **21% women**, though the number of women has increased compared to 2021.

In 2022, we had 3 employees belonging to protected categories (Law 68/99).

PROFESSIONAL GROWTH OF EMPLOYEES

At OMAL, training is considered the essential first step to ensure the initial integration and subsequent growth of employees. The training we offer our employees takes due account of individual needs and professional roles, combining them with due attention to the ever-changing market requirements.

Every year, we provide 'hard' and 'soft' training plans, as well as mandatory training for safety and certification purposes. Internal training is aimed at the transfer of know-how in the event of staff

turnover, while technical training aims to enhance the skills of the individual worker and support them in adapting to the company's technological innovations.

100% of the company population was involved in the training programmes.

Over the past three years, we have provided the following hours of training:

Year	Totale hours provided
2020	531
2021	1.205
2022	2.620

The total training hours provided in 2022 averages at 23 hours per employee.

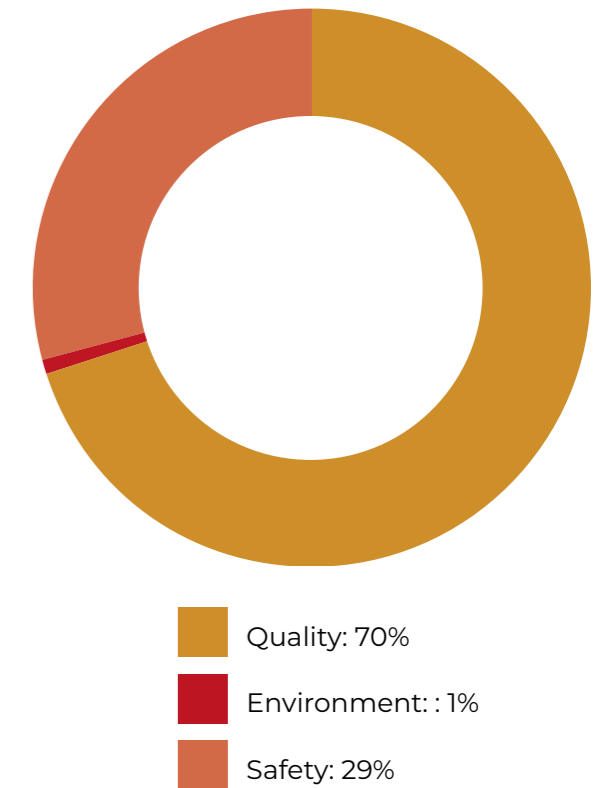
Of the total 2,620 hours provided in 2022, 771 were for mandatory training and implementation of the new Integrated Management System (ISO 45001:2018) aimed at increasing the level of staff engagement in the project. The remaining 1,849

hours were devoted to training for professional and personal development. It is our intention to continue to monitor and ensure adequate training for every resource in the company population.

HOURS OF TRAINING



TRAINING MACRO-THEMES



STOP&GO INITIATIVE FOR NEW HIRES

The **onboarding** process is a very important stage at OMAL. A few weeks after starting in their new job, employees take part in a 'Stop&Go' meeting: an opportunity for them to talk about their first impressions, listen to the company's history and get to know the top management better through questions, anecdotes and insights. The meeting is attended by the owners and top management in order to convey in full our business philosophy and values.

CAREER PATHS AND MERITOCRACY

We have always preferred to select future managers from within. The meritocratic process includes periodic assessments of employees by their managers, which are then discussed with top management. Having identified potential future managers, the project supports them along their path of vertical growth, with periodic individual meetings with HR.



OCCUPATIONAL HEALTH AND SAFETY

Prevention is the main tool for safeguarding the health and safety of workers, whether internal or external to the company. Key elements of this approach include the specific training provided to workers and technological development, with the aim of **constantly improving** personal performance and ensuring health and safety in the workplace. The strategies adopted to mitigate health and safety risks are emblematic of our company's strong commitment to ensure:

- compliance with occupational health and safety laws;
- risk analysis and the adoption of appropriate prevention and protection measures;
- maintaining the efficiency and safety of production facilities and equipment;
- continuous OSH training for workers;
- monitoring compliance with the rules on occupational health and safety;
- gathering reports and requests from workers concerning occupational health and safety.

the opportunities for involvement by the workers' health and safety representative (RLS) in the activities of the Occupational Health and Safety Management System, in order to identify and plan together possible actions for improvement.

We also set up the **'100% Safe'** working group, composed of top management and plant managers, 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 RLS: 4
- No of '100% Safe' meetings: 3
- No of Health and Safety reports/proposals: 46
- No of actions planned and implemented: 41

Confirming our policy of putting the welfare of the company population first, in 2022, we increased

ISSL ACCIDENT INDEX TRENDS

Indicator	Calculation	2019	2020	2021	Average for prev. 3 years	2022
A	Injury severity score $IG=Kt/L \times 10^3$	0,2	0,3	0,3	0,3	0,03
B	Injury frequency rating $IF=d/L \times 10^6$	16,6	16,6	14,1	15,8	5,0
C	Average injury duration $DM = d/kt$	13,0	15,3	23,7*	17,3	7,0

*The figure for 2021 is corrected as compared to the previous year's publication.

LEGENDA:

L = number of hours per year worked by employees
d = number of injuries
Kt = number of days of short-term incapacity due to injury

The injury data for 2022 (100%) shows an improvement over previous years, which was 80% in 2021 and 81.2% in 2020.

In 2022, we handled the first reports or proposals on Occupational Health and Safety, environment and sustainability, ethical misconduct, team building or charitable or social activity, submitted by company staff via **QR CODE**.

- No of reports on health and safety: 2
- No of reports on sustainability: 1
- No of reports on other topics: 1

The health and safety management system is subject to the Consolidated Law on Occupational Health and Safety (Leg. Decree 81/2008) according to the UNI ISO 45001 standard.

We are proud to say that we have obtained the **ISO45001:2018** certification, which attests to our improved management and prevention in the area of occupational health and safety, with potential benefits in terms of cost reduction, as a result of fewer accidents, injuries and cases of occupational disease.

Our commitment for the coming years is to maintain the certification obtained, with the aim of also using this new Management System to pursue

continuous improvement and to ensure a healthy and safe working environment.

SUPPORTING THE COMMUNITY

The principle of sustainability also encompasses the relations we maintain with the local communities in which we operate; on the one hand by fostering their social and cultural growth through the promotion of various initiatives, and on the other by our commitment to enhancing education and training for the benefit of the community. At OMAL, we are conscious of the value of fostering a continuous **relationship of dialogue and partnership with local communities**, supporting

them on their path of growth and economic social and civil development, while at the same time returning some of the value and wealth we produce to the local area.

Our company has always felt very connected to the area in which it operates, which is why it has pursued a project of economic support over the years that, for the three-year period in question, totalled **€298,309**.

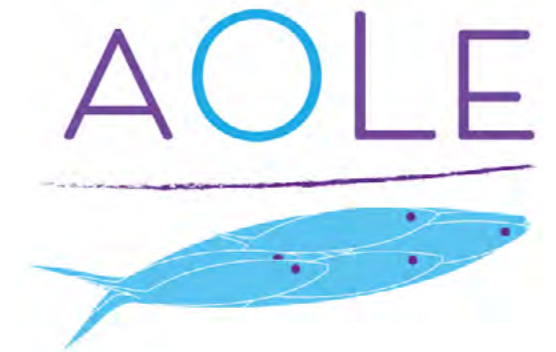
Type of support	2020	2021	2022	Total support
Donations	59.152	6.000	6.000	71.152
Sponsorships	80.328	54.411	92.418	227.157

In particular, we highlight the projects we have undertaken with the following associations:

- AOLE, an Amateur Sports Association that promotes and develops projects for the autonomy, integration, and social and cultural inclusion of people with intellectual disabilities;
- GAIM, a non-profit organisation that has been supporting the independence of disadvantaged people – described as 'invisible' – for 20 years.

plan, ensuring a transparent structure that involves the entire organisation.

Motivated by the same drive for inclusion and professional fulfilment, we organised a joint **company Christmas dinner**. We held the event at the Rodengo Saiano production facility, which was transformed for the evening into a lovely restaurant with Christmas decorations. The GAIM association provided the set-up and valuable support in preparing the area used for the event. The group from AOLE, consisting of seven young people with intellectual disabilities, helped the department managers with the mise-en-place and service throughout the dinner.



This project is part of the subsequent billing year, which is why that stated in the 2022 Impact Report on the event will be corrected in 2023 with regard to the relevant year and the amount disbursed.

It is our clear intention to continue to support local associations not merely in response to external input, but also as actors directly involved in the development of at least one ad hoc project based on the interests expressed by our internal stakeholders. The target is to establish a **process**



LOOKING TO THE NEW GENERATIONS: PARTNERSHIPS WITH EDUCATIONAL INSTITUTION

In order to maintain a constant dialogue with the local community and to contribute to the dissemination of culture, we are open to any requests for support from research institutes or universities.

In 2022, we launched the following projects:

Project 'WARM UP' – Preparing young people for the challenges of work

Managers and employees offer to take part in orientation meetings with students, in which they talk about the world of work, professional opportunities, technological innovations to support the business and sustainability as a driver of the company vision. The idea is to build a tailor-made project jointly with the school concerned, laying the foundations for a partnership that truly serves the needs of young students, who are our bridge to the future.

'IMPRESAPERTA' in memory of Piermatteo Ghitti.

We took part in the initiative of the municipality of Passirano, playing host to three middle school classes. The aim was to demonstrate to the students – who were all in their final year – the possible career opportunities depending on their choice of high school. Following a short presentation of our company and the labour market, the classes were given a tour of our production site. The event ended with refreshments and the students all received a gadget to take away.

CAREER DAY – UNIBS (at the Department of Engineering).

We participated in the event with our stand and welcomed numerous students. The following departments attended: HR, Management Control and Design. Four people requested individual interviews and it was a good opportunity to pass on some tips on how to conduct an effective job interview or prepare a CV.

Department of Mechanical and Industrial Engineering.

Thanks to the availability and cooperation of a lecturer from the Brescia Faculty of Engineering, we organised a meeting at the university with around 50 students studying Mechanical Engineering, Automation and Computer Science. Three colleagues from the HR, Design and IT Departments participated and talked about their role in the company, the transition from university to the world of work, and how an educational background in Engineering can be useful in the different areas of our company. The idea is to continue these joint events with different departments each year, sometimes at the university, sometimes directly at OMAL.

Research call of the University of Verona 'DIVERSITY CHARTER IN COMPANIES'.

The HR Manager offered to take part in the research by 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, aims to analyse and understand diversity management in the workplace within SMEs in northern Italy.

PON RESEARCH CALL – Università Cattolica del Sacro Cuore.

For the second year, our company was featured in the research 'Green organisation: the processes that generate it' by the Faculty of Psychology of the Università Cattolica del Sacro Cuore. The starting point of the project is that the term 'green' does not only refer to the result achieved by an organisation but, above all, to the process that led to this result, which is based on a deep interconnection between productivity, added value, protection and the reduction of waste of natural and human resources. For us, this was an excellent opportunity for self-analysis and consolidation of the culture of sustainability; in fact, cooperation and the inclination to listen to the needs of our employees led to the idea of management coaching on 'strategic alignment'.

Scan the QR CODE to see the projects implemented in previous years.



SUSTAINABLE COMMUNICATION

Commitment to sustainability requires a cross-sectoral approach, encompassing not only environmental issues, but also social and economic-organisational issues, rendering its people and stakeholders an active part of the change process.

Communication must also be implemented with continuity and consistency, reinforced by the concreteness of demonstrable data and indicators, which, ultimately, are the sole elements capable of generating a positive brand reputation and fostering 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.

INTERNAL COMMUNICATION

In 2022, we established our **CSR Department** for the purpose of consolidating a **qualitative and transparent** process that enables us to operate as a proactive, and not just a reactive, party in defining sustainability objectives and projects to be implemented. This innovation has allowed us to operate a precise and careful reporting of the activities carried out, with a view to an ever-greater awareness of the paths we need to follow. We then created the **Sustainability Team**, coordinated by the CSR/HR departments. The managers involved may change during the year, in order to give all departments the opportunity to offer their experience and new ideas for projects relating to the responsible growth of the company.

One notable example is the three-year project with the Psychology Research Department at the **Università Cattolica del Sacro Cuore**, with which we set up three **Focus Groups** involving a sample of 30% of employees, for the purpose of encouraging discussion on sustainability. They provided excellent opportunities to raise awareness on the topic and allowed employees to highlight any critical areas for improvement.

In addition, in order to make internal communication smoother and faster, we use the following tools:

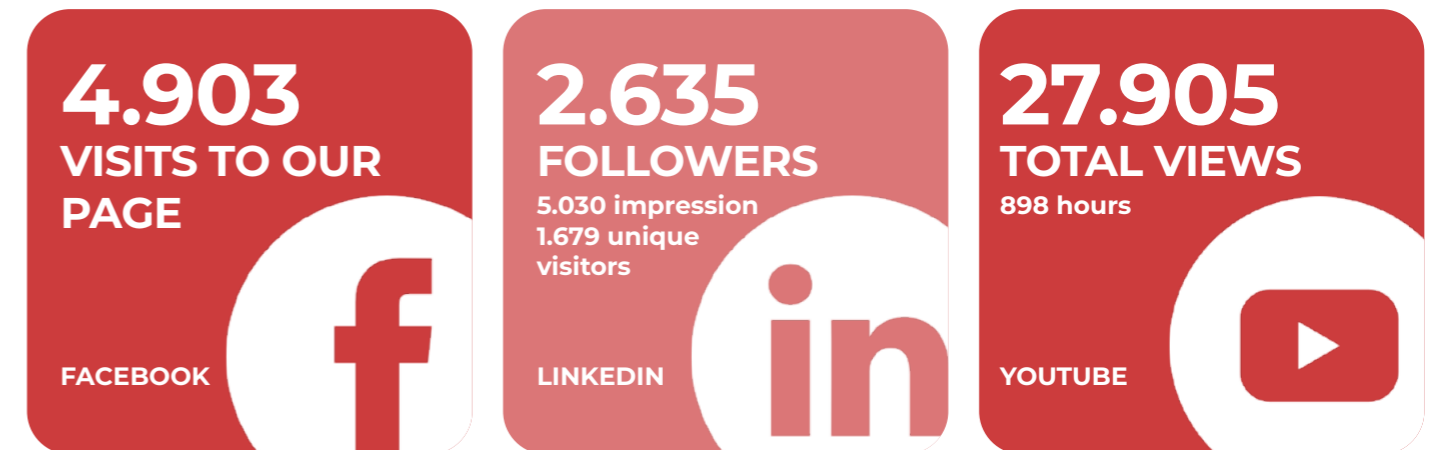
- **newsletter** via e-mail;
- **multimedia information points** located within the plants on topics such as Quality, Environment, Occupational Health and Safety and Sustainability;
- communication system via **QR CODE** for reports on Occupational Health and Safety, environment and sustainability, ethical misconduct, or proposals for team building or charitable or social activities.

COMUNICAZIONE ESTERNA

Riteniamo sia fondamentale che la diffusione di una cultura della sostenibilità prenda avvio all'interno dell'azienda, ma siamo impegnati anche verso l'esterno, innanzitutto promuovendo l'informazione sui temi della sostenibilità presso i nostri stakeholder.

Social e mass media

Here are some data on our social media interactions:



We would like to point out that, as of 2022, it is no longer possible to provide the data on visitors to our company website, as data mining with Google Analytics is no longer aligned with the European GDPR policy.

We have also published in the following journals:

- Valve World: 10 OMAL adv;
- Valve World Americas: 10 OMAL USA adv;
- Giornale di Brescia (article);
- Sole24Ore (article 'Il modello OMAL: fare network, fare sostenibilità, fare impresa' in the special issue on 'Società Benefit e B-Corp – Realtà eccellenti').

Futura Expo 2022

In 2022, we took part in an innovative event, which we believe is one of the key steps to be taken in order to promote and disseminate sustainable business models. This event is **Futura**, a space that represents a vision of the future in which man, nature and the economy can coexist in mutual respect. Participating in this event contributed to informing, training, dissemination and proposal of concrete practices and best practices.

We met with students, professionals and individuals to whom we illustrated our commitment and projects in the hope of compounding the positive impact through fruitful and beneficial contamination. On this occasion, we also countersigned the **'Pact for Brescia 2050'**, a project promoted by local entrepreneurs who are active and proactive players in the ecological transition of Brescia through low carbon emissions, a green and circular economy and resilient ecosystems.

Sustainability snippets

Driven by the desire to better communicate our commitment to sustainability within our organisation, we launched the project entitled **"Did you know that...?"** to disseminate snippets of information through multimedia information points located within the plants, on the following topics:

- using the Fronius Solar.web application for monitoring the photovoltaic system;
- plant consumption control using Movicon Pro-Energy software;
- activation of anonymous whistleblowing system via QR Code for areas of health and safety, sustainability, general reporting;
- creation of a 'Sustainability Team' working group; investments in health and safety;
- partnerships with local associations;
- creation of more environmentally friendly products;
- investments in IT infrastructure.



GOVERNANCE: BUSINESS DEVELOPMENT



ETHICS AND INTEGRITY

Compliance with the law, in all countries where we operate, is the foundation of our activity.

The 'Organisation, Management and Control Model' (pursuant to Leg. Decree 231/2001), guides OMAL on the administrative liability of legal persons. The company has chosen to identify and put into practice a whole series of regulations and rules useful for creating virtuous behaviours and habits, as an internal management and organisational strategy that generates a positive impact on various levels. With this in mind, we have drawn up the **Code of Ethics**, which is based on the following principles:

- ethically correct behaviour of the company and its employees;
- loyalty of employees and associates 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 undertakes to promote and strengthen corporate culture around common and shared values; disseminate the rules, procedures and practices to be followed correctly; broaden acceptance of the basic principles of the Code of Ethics.

It also pursues:

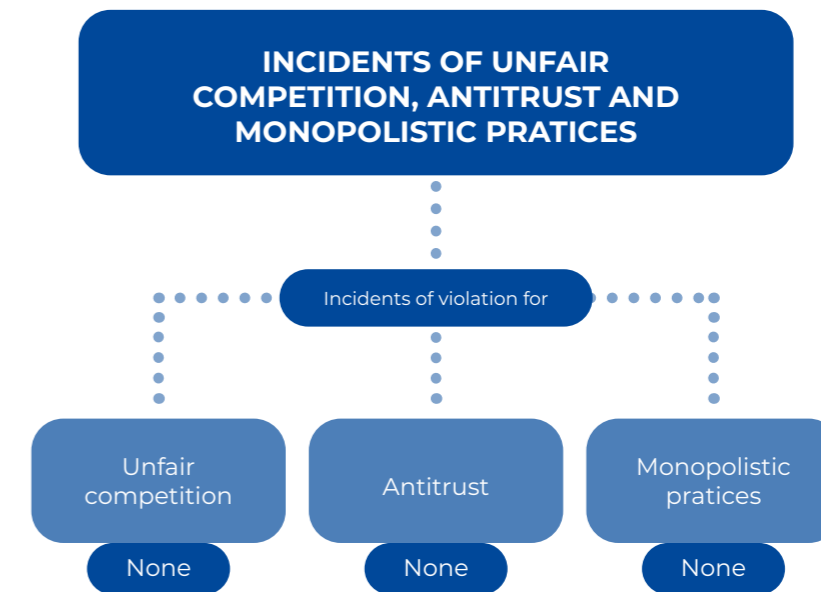
- recognition of the value of human resources;
- diligence, transparency, honesty, confidentiality and impartiality in the conduct of business activities;
- the protection of the individual and the preservation of the environment.

ANTI-CORRUPTION, ANTI-TRUST AND MONOPOLY PRACTICES

Behaviour inspired by the principles of legality, loyalty, honesty, fairness and transparency constitutes a fundamental driver of virtuous economic and social development. Our corruption risk assessment practices meet the highest international standards, which also mean we continue to be a trusted and credible partner to our clients. In order to monitor the risk of corruption and implement the most appropriate initiatives to counter it, we have equipped ourselves with **tools and processes** for performing specific and regular self-audits.

It is forbidden for the addressees of the Code of Ethics 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 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. Each addressee of the Code of Ethics is required to be familiar with its content 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 incidents of unfair competition, antitrust or monopolistic practices were recorded during the three-year period 2020-2022 (GRI 205-1/ GRI 206-1).**



DATA AND INFORMATION PROTECTION AND SECURITY

We guarantee the respect of **personal data** in accordance with the new GDPR of the European Community in force since 25/5/2018, pursuant to Art. 13 of Leg. Decree 196/2003. We hereby declare that the data is collected and processed in full compliance with the provisions of the **Privacy Code**. Our Code of Ethics also mentions our commitment in this area.

The data we process concern three types of stakeholders:

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

In line with the provisions of the GDPR, our company uses procedures for obtaining consent for the processing of data and its proper handling. In addition, all computer systems are adapted to prevent any data leaks. Should this occur, we are able to report the event immediately and remedy it. During the three-year period 2020-2022, there were no breaches of privacy (GRI 418-1).

CYBERSECURITY

Increasing digitisation, which has also accelerated as a result of the pandemic, leads to an increased risk from cyber threats. Today, an increasing number of cyber threats, resulting from the growing complexity of information systems and the increased vulnerability of ICT applications and

infrastructures, also requires organisations such as ours to adopt systems and procedures that guarantee high levels of security in the handling of data inside and outside the organisation, as well as preventing the risk of cyber attacks on our systems. The measures we implement are designed, on the one hand, to protect the privacy and data security of customers and suppliers, including their employees, and, on the other hand, to protect the data of our workforce.

BUSINESS CONTINUITY

Thanks to our prudent prevention strategy, we ensure that our activities are carried out smoothly even under the most critical conditions. Operational continuity is guaranteed through system monitoring, which allows preventive actions or, in any case, 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 possible causes of compromise and, therefore, striving to ensure business continuity at all times. **No significant business interruptions are reported in 2022.**

ECONOMIC VALUE GENERATED

The challenges we face require a profound paradigm shift, including in the creation of wealth and the management of economic resources. In fact, our role today cannot be limited to maximising profit, but must pursue the maximum benefit for our stakeholders, starting with our host community. Never before has the principle of shared value been so relevant. We at OMAL embrace this challenge and are committed to **creating and redistributing wealth**. This is what is called **value added**, i.e. the residual value generated after subtracting the economic resources needed to purchase raw materials, goods and services.

This wealth **rewards the stakeholders** who have had economic relations with us and who have contributed to the success of our company with resources such as labour, investments, loans, utilities and social benefit programmes. In order to guarantee maximum transparency to all our stakeholders, we have undertaken an important certification process for the financial and commercial operations of the organisation, promoted by the Italian Competition Authority

(AGCM).

After a 2021 that saw results beyond all expectations, the 2022 turnover shows a slight decline due to the slowdown in the international market, the considerable uncertainty linked to the increase in the cost of raw materials, high energy prices and difficulties in the procurement of materials. Nevertheless, OMAL successfully maintained business continuity, ensuring the continuation of all ongoing activities including investments and improvement programmes in the area of Occupational Health and Safety.

The following tables detail the economic value generated, distributed and retained (an indicator of our company's responsible growth), as well as the financial situation, which highlights our economic sustainability.

Value added created (million €)	2020	2021	2022
Net sales revenue	27,7	34,7	32,8
Miscellaneous revenues and income	0,6	0,9	0,8
Total value added created	28,3	35,6	33,6

Value added distributed (million €)	2020	2021	2022
Remuneration of suppliers	13	18,1	17,8
Remuneration of workers	6,0	6,5	6,9
Remuneration of shareholders' capital	0,4	0,5	0,5
Social system remuneration (donations and sponsorships)	1,1	0,06	0,09
Public administration remuneration (taxes and fees)	0,1	0,1	0,09
Total value added distributed	20,9	25,2	25,4

Value added retained (million €)	2020	2021	2022
Depreciation and amortisation	2,1	2,7	2,20
Provisions for risks	0,03	0,04	0,04
Financial income and expenses	-0,1	0,1	0,12
Total value added retained	2,0	2,7	2,36

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. The rating is valid for two years, so we report the rating for the year 2021, when we achieved a score of: **“**+”**, which ranks us among the most virtuous companies that have obtained the legality rating to date.



ECONOMIC AND FINANCIAL RELIABILITY: THE CRIBIS RATING

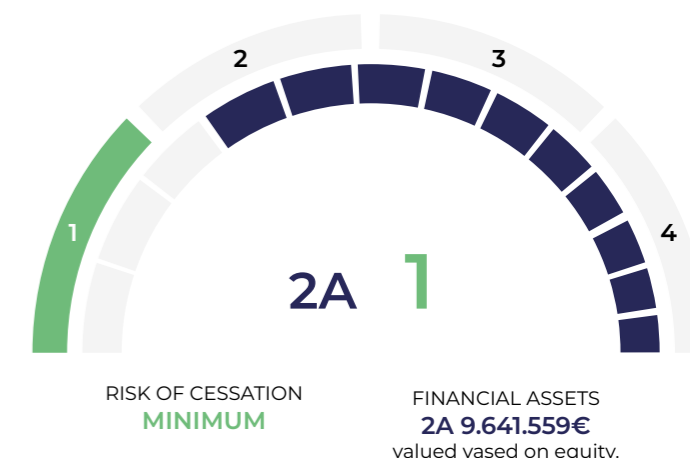
The CRIBIS rating is an important yardstick for assessing the reliability of an organisation and is issued to companies that consistently maintain a high level of financial reliability and are virtuous in their payments to suppliers.

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 business credibility. The scores below are for 2022.



The rating shown in the figure below summarises the assets and risk levels of the company. Financial strength is calculated on the basis of equity (from the balance sheet or estimated) and on the basis of share capital, while 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 (minimum risk) to 4 (maximum risk). For the last 12 months, the company rating is 1.



Another important indicator is the Delinquency Score, which predicts the likelihood that a company will default on payments with serious delays. The assigned score ranges from 1 to 100, where the lowest values are given to the company with the highest probability of defaulting on its payments.



ECOVADIS

We are on one of the most important platforms for assessing business sustainability according to criteria of ethical and social responsibility: EcoVadis. The platform's 100 indicators assess the company's impact on the environment, its ethical principles, responsible sourcing, labour and human rights: Our company was awarded the 'Platinum' medal, with a score of '77/100'.



INVESTMENTS FOR SUSTAINABLE GROWTH

Our careful planning and very clear idea of the **next steps to be taken** keep our sights **firmly on tomorrow**, at the same time never overlooking the changes and urgencies of today. Our choices are guided by the objective of common benefit, to which we allocate economic resources every year.

Our daily efforts to improve sustainability indicators consist of:

Capitalised investments	1.237.290 €
ESG investments	259.864 €
Resources used in sustainability as a percentage of EBITDA	5,27%

Despite the global uncertainty, OMAL is clear about its future path and goals. In this sense, the company is looking abroad, aiming to consolidate the US market and, in 2023, also the Asian market, with physical branches in the territory, making **internationalisation** one of its strengths. The aim is to combine responsiveness to customers with a lower impact on logistical and organisational costs.

In addition to this, the product also remains at the centre of our interests, confirming our willingness to invest in technological innovation, developing valves that will favour the **integration of renewable sources and the use of low-emission systems**.



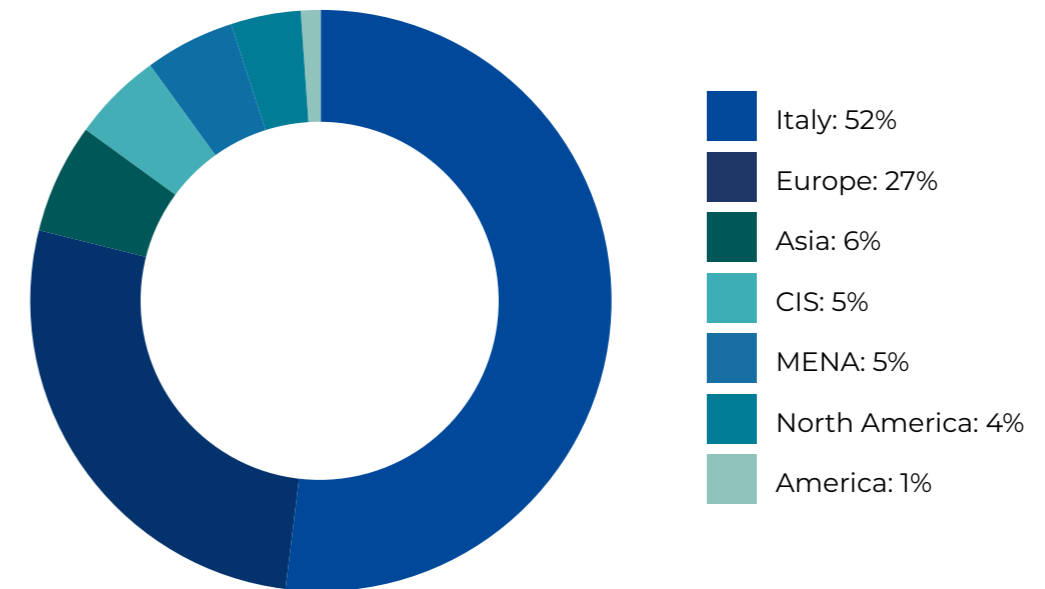
MARKET PRESENCE

Our market covers European countries thanks to a sales team of multi-firm agents and sub-agents, but our intention is to expand into new markets. Our customers are divided into geographic areas, each of which is managed by an Area Manager, while direct customers are managed directly by the Sales Department.

Today OMAL is present in around 90 countries, either directly or through distributors and agents that serve the different industrial sectors.

In 2022, the customer base is geographically distributed as shown in the graph below:

CUSTOMERS - GEOGRAPHICAL DISTRIBUTION



CUSTOMERS FIRST

At OMAL, customer care is vitally important and the Sales Department also has the task of constantly gathering observations and insights.

€10,000) placed orders in both 2021 and 2022. In 2021, the 94.4% of customers had a turnover of more than €10,000. Customer loyalty increased by 0.5%. In 2022, the number of retained customers is 319 out of 336

To quantify customer satisfaction, we have set up indicators that measure:

- 'lead time': delivery times expressed in days;
- 'on time' deliveries: proportion of deliveries made on time;
- days of delay: average number of days of delay.

Trust and transparency are key to the relationship we build with our customers, indispensable foundations for long-term loyalty. All of the company's facilities are also open and available to customers for inspections and visits.

CUSTOMER LOYALTY INDEX

2020	93,6%
2021	94,4%
2022	94,9%

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 case of returns or complaints. We interact with customers through:

- regular meetings;
- market research and surveys/questionnaires;
- customer service.

94.9% of customers (with turnover of more than

CUSTOMER SATISFACTION INDEX (CSI)

This index measures customer satisfaction by taking into account the following parameters: customer loyalty, growth in turnover, complaints, punctuality of deliveries.

The CSI remained above the target of 90%, confirming the confidence of customers in our organisation. The figure for 2022 (92.8%) is slightly down on 2021 as a result of the drop in turnover due to the relative instability of the markets caused by the international situation (Russia-Ukraine war, tensions between China and the US).

PRODUCT QUALITY AND CUSTOMER SERVICE

In customer relations, we strive to:

- develop and maintain profitable and long-lasting relationships, marked by the highest professionalism,
- fairness, efficiency, cooperation and courtesy; respect our commitments and obligations;
- provide accurate, complete, truthful and timely information to enable customers to make an informed decision;
- inform customers of the principles of the Code of Ethics; operate within the framework of current legislation and require careful compliance;
- not to offer gifts or acts of courtesy or hospitality to customers (or prospective customers), except of modest value that does not compromise integrity and independence, and provided that such expenditure is authorised and documented.

SAFE AND HIGH-QUALITY VALVES

Our company produces a complete range of valves, available with axis, lever or actuator control. The valves are designed and manufactured to cover the majority of applications in all industries.

QUALITY MANAGEMENT SYSTEM

Our Quality Management System has been certified in accordance with UNI EN ISO 9001 since 1992. The adoption of a Quality Management System has proven to be strategic, as it helps us to improve our performance and provides a solid basis

for sustainable development initiatives. We firmly believe that quality is dependent on offering customers a product or service that meets the highest international standards. Quality is also the result of proper risk management beyond the scope of the product or service offered. This integrated and systemic approach is consistent with our corporate philosophy: to consider and evaluate even unprecedented elements of management and organisation, which go beyond the individual areas in which the regulations require improvement efforts.

PRODUCT AND SYSTEM CERTIFICATIONS

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

We hold the following certifications guaranteeing the quality and safety of our products:

- Certificate of conformity with Directive 2014/68/EU/ PED
- Compliance with Directive 2014-34-EU ATEX
- API6D Certificate
- EAC Certificate TR CU 010/2011
- EAC Certificate TR CU 032/2011
- EAC Certificate Ex TR CU 012/2011
- FUGITIVE EMISSION Certificate EN ISO 15848
- TA-LUFT Certificate IGR approval

- AD 2000-Merkblatt HP 0 / A4
- SIL3 Certificate IEC 61508
- ADR approval - EN 14432
- DIN DVGW Certificate for GAS EN 13774
- RINA Certificate MAC242716CS

The award of certification for the UK market is significant for our internationalisation strategies.



INTEGRATED QUALITY SYSTEM CERTIFICATIONS

These are the end result of a process to introduce evolved organisational models in the company, which successfully meet the needs of the



stakeholders in an increasingly efficient manner. We hold Quality and Environmental System certifications, issued by independent third-party bodies and guaranteeing transparency and correctness in the communication of information:

SUPERVISION OF THE SUPPLY CHAIN

Our company firmly believes in the importance of working closely with the supply chain, establishing **relationships based on loyalty, transparency and mutual cooperation**, and jointly defining **objectives to ensure optimum performance at all times**. The supply chain is fundamental to best respond to the needs of customers and to 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 prioritise short-range suppliers wherever possible.

SUPPLY CHAIN RELATIONSHIP, MANAGEMENT AND LOYALTY

The selection of suppliers and contractors for the purchase of goods and services takes into account not only qualitative and economic criteria, but also technical and organisational capacity, suitability to perform the required activities, environmental friendliness and financial soundness. The evaluation of this set of parameters is conducted without any discrimination or bias and over a significant period of time.

In relations with suppliers, it is certainly important for us to achieve the most convenient ratio between quality, costs and delivery time, but also:

- establish efficient, transparent and collaborative relations, maintaining an open and frank dialogue in line with the best business practices;
- demand the application of the contractually agreed terms and principles of the Code of Ethics; operate within the framework of the regulations in force and require careful compliance;
- objectively evaluate the performance of suppliers and contractors, highlighting problems and strengths in the performance of the work;
- not to offer gifts or acts of courtesy or hospitality to suppliers and contractors (existing or pro-

spective), except of modest value that does not compromise integrity and independence, and provided that such expenditure is authorised and documented.

As a general rule, from the first order, our suppliers are obliged to comply with the **Code of Ethics** (and **Code of Conduct**), as expressly required by the General Terms and Conditions of Purchase. **Regular audits** are also carried out to **monitor** the entire chain. In order to guarantee customers the supply of safe and traceable products in their every component, we develop standards even stricter than those required by law. That is why it is crucial to work closely with the supply chain and jointly define the minimum requirements applicable to each product.

Our integrated approach to sustainability is also reflected in our supply chain management, with the development of long-lasting relationships based on fairness, transparency and mutual cooperation.

Since 2016, we have been engaged in raising awareness of Corporate Social Responsibility (CSR) throughout the supply chain.

- innovation;
- ethics;
- commercial principles.

The fundamental features of our relationship with suppliers are:

- active responsibility;
- pursuit of excellence;

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

SUPPLIER SELECTION

Our supplier selection protocol is based on our long-standing and distinguishing values, with a focus on sustainability, the principles of the Code of Ethics and, in particular, the Supplier Code of Conduct (CCF).

We select business partners and organizations that:

- share our company values and our sensitivity towards environmental and social sustainability (subscribe to our CCF);
- fulfil their environmental and CSR obligations (subscribe to legal supplier requirements);
- adopt measures to prevent pollution and preserve the environment;
- have implemented an environmental management system or intend to do so.

Our suppliers benefit from our support in implementing virtuous practices to minimise environmental impact along the whole supply chain. This is achieved by monitoring the supply chain.

The main shared sustainability goals concern:

- reducing waste;
- optimising procurement processes; promotion of virtuous behaviour inside and outside the organisation;
- monitoring suppliers' environmental performance;
- sharing our policy with the supply chain.

Qualified suppliers who have shared the 'Supplier Code of Conduct':

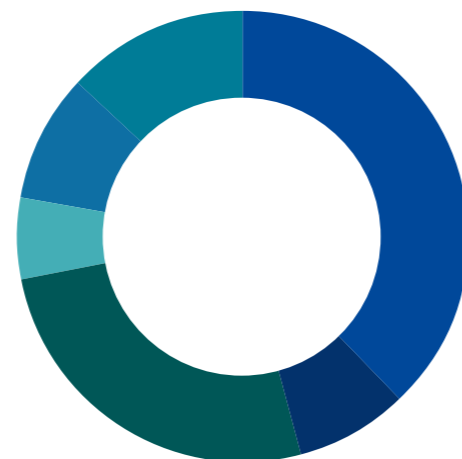
Year	% CCF	No of qualified suppliers
2020	86,8%	273
2021	89,5%	276
2022	91,9%	285

DISTRIBUTION OF TYPE OF SUPPLY

The main supplies consist of the following categories:

- contracted services;
- raw materials;
- components;
- heat and surface treatments;
- accessories and resale products.

In 2022, the breakdown is as follows:



- Contracted services: 38%
- Raw materials: 8%
- Components: 26%
- Heat and surface treatments: 6%
- Accessories and resale products: 9%
- Other: 13%

CREATING VALUE IN THE LOCAL AREA

in the province of Brescia, 75% in Lombardy and over 83% in Italy.

Our supply chain is predominantly local: 55% of purchases are concentrated.

SUPPLIERS 2022 - Distance in km from OMAL	<100 Km	<200 Km	<300 Km	>300 Km	Total
Total Suppliers 2022	216	39	16	14	285
% Incidence	75,8%	13,7%	5,6%	4,9%	100,0%

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS

Origin	2020		2021		2022	
	Million €	% Incidence	Million €	% Incidence	Million €	% Incidence
Brescia	9,15	34%	12,70	56,47%	11,80	55,03%
Lombardy (1)	4,08	24,10%	4,19	18,6%	4,12	19,59%
Italy (2)	1,32	7,81%	1,81	8,07%	1,83	8,55%
EU (3)	0,13	0,77%	0,14	0,63%	0,21	1,01%
Non-UE	2,25	13,32%	3,64	16,20%	3,39	15,83%
Total	16,94	100%	22,50	100%	21,44	100%

(1) excluding Brescia; (2) excluding Lombardy; (3) excluding Italy;

SELECTION OF RAW MATERIALS

Our company's primary goal is to supply valves that meet the highest quality standards and generate the least environmental impact. This is why the raw material is an element that requires the utmost attention. Raw material suppliers account for 7.7% of our total suppliers. The main raw materials are

brass, steel, aluminium and bronze. The following table shows the raw materials purchased with the specific quantities (expressed in tonnes) per type, with reference to the three-year period 2020-2022:

Type of material	2020	2021	2022
Brass	414,1	644,2	455,6
Steel	421,3	481,3	397,9
Aluminium	32,8	17,1	5,2
Bronze	7,3	16,2	12,1
Total	875,5	1.158,9	870,9

Figures show that, in 2022, brass will again be the raw material with the highest purchasing volume

(52.4%), followed by steel. Aluminium and bronze are instead a minority item.

METHODOLOGICAL NOTE

The Sustainability Report is the tool through which we communicate our progress in sustainability to our stakeholders.

Details of the content within the scope of the Sustainability Report 2022 can be found in the section **Scope of reporting and period analysed**.

OMAL's **Corporate Social Responsibility** division coordinated the drafting of the Sustainability Report, referring to external consultants and involving the various area specialists across the board in the collection of quantitative and qualitative data.

This report is prepared according to the **Sustainability Reporting Standards** published in 2021 by the **Global Reporting Initiative – GRI** (with

application level **'with reference to'**).

It should be noted that all GRI indicators reported refer to the version published in 2016, except for GRI indicators 1-2-3 adopted as of 1/1/2023, GRI 303 and GRI 403, which refer to the 2018 version, and GRI 306, which refers to the 2020 version.

The references to the GRI Standards are given in the final table of indicators. Finally, this report is the tool for reporting on the company's commitment to **ESG criteria**.

This Annual Report was approved by the Board of Directors, which validated all its contents.

SCOPE OF THE REPORTING AND PERIOD ANALYSED

The data included in this document refer to OMAL S.p.A. as at 31.12.2022 and report the relative data in relation to the previous two-year period 2020-2022.

The economic data presented in this document relate to OMAL and refer to the Profit and Loss Account.

Material Techniques	GRI Standard	Scope of the indicators
Economic Value	201	OMAL
Supply chain	204	OMAL
Anti-corruption	205	OMAL
Anti-competitive behaviour	206	OMAL
Materials	301	OMAL
Energy Intensity	302	OMAL
Water Resources	303	OMAL
Atmospheric emissions	305	OMAL
Waste	306	OMAL
People	401 405 406	OMAL
Health and Safety	403	OMAL
Training	404	OMAL
Privacy	418	OMAL

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

For further information and suggestions regarding the Sustainability Report, please contact the company at CSR@omal.it. This document is also available on the OMAL website: www.omal.com

We point out that in 2022 there were no significant changes in the size, ownership structure and supply chain of OMAL, which is represented as a whole.



CONTENT INDEX

The following table shows the list of indicators reported in this Sustainability Report. Alongside each GRI indicator, we give the page or section reference or, where the data or information is not found in the text, we give a description of the indicator itself.

GRI Standard	Privacy Statement	Page	Notes and Omissions
Declaration of Use	OMAL reported the information mentioned in this Table of Contents for the period from 1 January to 31 December 2022 with reference to the GRI Standards with comparison to the years 2020-2021.		
GRI 1: used	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 10 to 12	
	2-2 Entities included in the organization's sustainability reporting	Page 56	
	2-3 Reporting period, frequency and contact point	Page 56	
	2-4 Restatements of information	No restatement noted	
	2-6 Activities, value chain and other business relationships	Page 46	
	2-7 Employees	Page 36 to 38	
	2-9 Governance structure and composition	Page 12	
	2-10 Nomination and selection of the highest governance body	Page 12	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 12	
	2-13 Delegation of responsibility for managing impacts	Page 23	
	2-14 Role of the highest governance body in sustainability reporting	Page 56	
	2-15 Conflicts of interest	No situations of conflicts of interest are reported	
	2-16 Communication of critical concerns	No critical concerns are reported	
	2-17 Collective knowledge of the highest governance body	Page 12	
	2-22 Statement on sustainable development strategy	Pages 6, 14, 24	
	2-23 Policy commitments	Page 13	
	2-25 Processes to remediate negative impacts	Page 24	
	2-27 Compliance with laws and regulations	Page 46 and 47 No cases of non-compliance found	
	2-28 Membership associations	Page 17	
	2-29 Approach to stakeholder engagement	Pages 16 and 17	
2-30 Collective bargaining agreements	Collective bargaining agreements for all employees		

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pages 18, 19 and 20 to 22	
	3-2 List of material topics	Pages 18, 19 and 20 to 22	
	3-3 Management of material topics	Referring to all the topics mentioned below	
GRI 201: Economic Performance 2021	201-1 Direct economic value generated and distributed	Page 48	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 55	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Pages 46 and 47	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anticompetitive behaviour, anti-trust and monopoly practices	Pages 46 and 47	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 55	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 33 and 34	
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 31	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 34	
	305-2 Energy indirect (Scope 2) GHG emissions	Page 34	
	305-3 Other indirect (Scope 3) GHG emissions	Page 34	
GRI 306: Waste 2020	306-3 Waste generated	Pages 34 and 35	
	306-4 Waste diverted from disposal	Pages 34 and 35	
	306-5 Waste directed to disposal	Pages 34 and 35	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 36	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Page 38	
	403-8 Workers covered by an occupational health and safety management system	Page 40	
	403-9 Work-related injuries	Page 40	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 38	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 38	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination were recorded during 2022	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 46 and 47	

"We would like to thank all employees who participated in the realisation of our Sustainability Report 2022."

OMAL S.p.A. Società Benefit

OMAL internal support:
QHSE, Design, CSR&HR, Administration and Communication.

Graphic design and layout:
OMAL Communication Department

Technical methodology support:





OMAL S.p.A. Società Benefit



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