SUSTAINABILITY REPORT 2020-2021

valsir

SUSTAINABILITY REPORT 2020-2021

"THE SEA IS MADE UP
OF DROPS OF WATER"
Silvestro Niboli

Dear Reader,

We've now arrived at the fourth edition of the Sustainability Report, which describes the activities for the two-year period 2020-2021.

This document was able to be prepared thanks to the synergy between the various working groups that carry out the environmental, social, and economic projects.

Continuous engagement in corporate social responsibility activities allows us to undertake new projects aimed at ensuring continuous improvement and enhance our standards in terms of efficiency and innovation.

Everyone's approach to the issue of "sustainability" has changed in recent years.

While just a few years ago it was a topic that was only mentioned occasionally, it has now become a pivotal aspect of many decisions in the business world, as well as in our private and social life.

We embarked on this journey consistently 10 years ago and we are just now beginning to see the first results, while maintaining the same values and principles that our father established over 50 years ago.

Our business activities have always been based on the principles of entrepreneurial foresight, and awareness of people and the environment, and these same principles are now the foundations of our corporate social responsibility journey.

We're aware that there is still a long way to go, and that there are still many activities to be promoted.

Sustainable development can only be achieved if we all work together and move in this direction.

The first person to walk to both poles of the Earth, Robert Swan, once stated that: "The biggest threat to our planet is the belief that someone else will save it."

The climatic changes under way are plain for everyone to see. Examples include the drought of this past summer, and the recent floods that our country has suffered. Such events clearly show that we're running out of time, and that we all have to make changes in our daily lives if we want to guarantee our future, and that of the generations to come.

We're aware that sustainability isn't easy, because it implies cultural change, and altering our habits. The purpose of this document is to describe what has been achieved up until now, as well as the goals that we intend to achieve in the future.

The conception, implementation, and monitoring of all the sustainability projects carried out in recent years have required perseverance, commitment, and dedication on the part of our companies' teams.

With this letter, I want to thank everyone for the determination they've shown during the course of the various projects, and in their daily work activities.

Happy reading!

The Chairman,

Pier Andreino Niboli

Managing Director,

Federica Niboli

1. INTRODUCTION TO THE REPORT

OUR SUSTAINABILITY REPORT: CONFIRMATIONS AND NEW DEVELOPMENTS

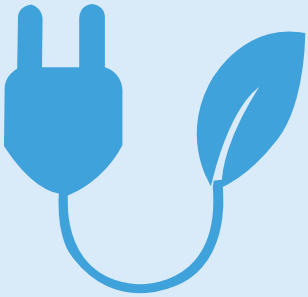
The fourth edition of the Sustainability Report, for 2020-2021, uses the same format as that used in the previous edition.

This document focuses upon the goals achieved, the indicators, the management approach to our material topics, which supports our activities, and what we intend to achieve in the future.

The report is therefore structured around the topics that were deemed to be relevant following the materiality analysis. The content, on the other hand, is represented by the evolution of these topics: in fact, over the years the field of sustainability has become increasingly well outlined, and has been populated with specific aspects indicating the pathway to be taken. This allows us and requires us to reflect on the topics upon which our report focuses, and we adjust our sustainability strategy accordingly, renewing them to better reflect the changing internal and external context.

The challenges of sustainability

PROMOTING THE ENERGY TRANSITION



Energy is both a strategic starting point, and an important lever for the ecological transition being pursued by every institution worldwide.
The keywords are:

- Energy efficiency - by ensuring an in-depth knowledge of our activities' energy profiles in terms of upgrading and maintenance.
- Renewable energy - by increasing the percentage of energy generated in-house.
- Sustainable mobility - by promoting carpooling and creating the infrastructure to facilitate electric mobility.

FOCUSING ON RESOURCES AND RAW MATERIALS: STRIVING FOR CIRCULARITY

In keeping with the pathway undertaken ten years ago, all the company's personnel remain highly committed to thinking in terms of life cycles when designing, producing and marketing the company's products and systems.

The key concepts are the reduction of production waste, the smart use of raw materials, and the use of secondary raw materials, all while maintaining high levels of quality and performance.

Circularity, however, goes beyond the sphere of the company's own in-house production processes, and is strengthened through the creation of industrial symbioses with the other Silmar Group companies.

It is applied through the regeneration of the plastic materials with the Valsir Recycling project, and through the development of life cycle analysis (LCA) tools for environmental product declarations (EPD), with the goal of these becoming practical tools in support of the design process and circularity.

Tackling the challenges posed by climate change: analysing the risks and adapting accordingly

The World Economic Forum has included climate change among the greatest risks that our planet will be facing in the years to come. The evaluation of the risks and opportunities associated with climate change allows us to determine the short and long-term structural, organisational and strategic measures that we believe need to be taken in order to improve our ability to adapt to the changes already under way in terms of extreme weather phenomena, as well as in terms of regulatory and market changes.

Balancing technological, professional, and personal development

The technological advancement of the business processes and tools requires us to pay greater attention to supporting and encouraging the development of our employees' skills and knowledge. In order to meet this challenge, we combine the development of technical skills with personal growth pathways for specific roles. This is because having an in-depth knowledge of the plants themselves provides for the optimisation of the processes.

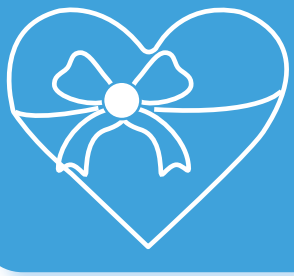
Considerable attention is also paid to external training for professionals in our sector, as well as for the new generations. The company has always been dedicated to establishing and maintaining partnerships with educational institutions. Over the years, in fact, we have developed increasingly strong synergies in order to ensure a mutual exchange of knowledge between the company and the schools themselves.

Guaranteeing well-being at the company

More than ever before, the past two years have shown the importance of "feeling good", and supporting personal health from an emotional, physical, and even social perspective. Ensuring a high level of personal wellness for the company's personnel, despite the pressures of the outside world, has become a major challenge.

That's why we've strengthened a welfare system focused to meet our employees' most important needs, and periodically use satisfaction questionnaires and surveys to verify that the services made available, and the benefits provided are sufficient. We're attentive to the mood at the company and share the details about what we've observed with everyone. We create the structures and areas to encourage everyone's involvement in the company life and the long-term sustainability project.

Being present and supporting the local community

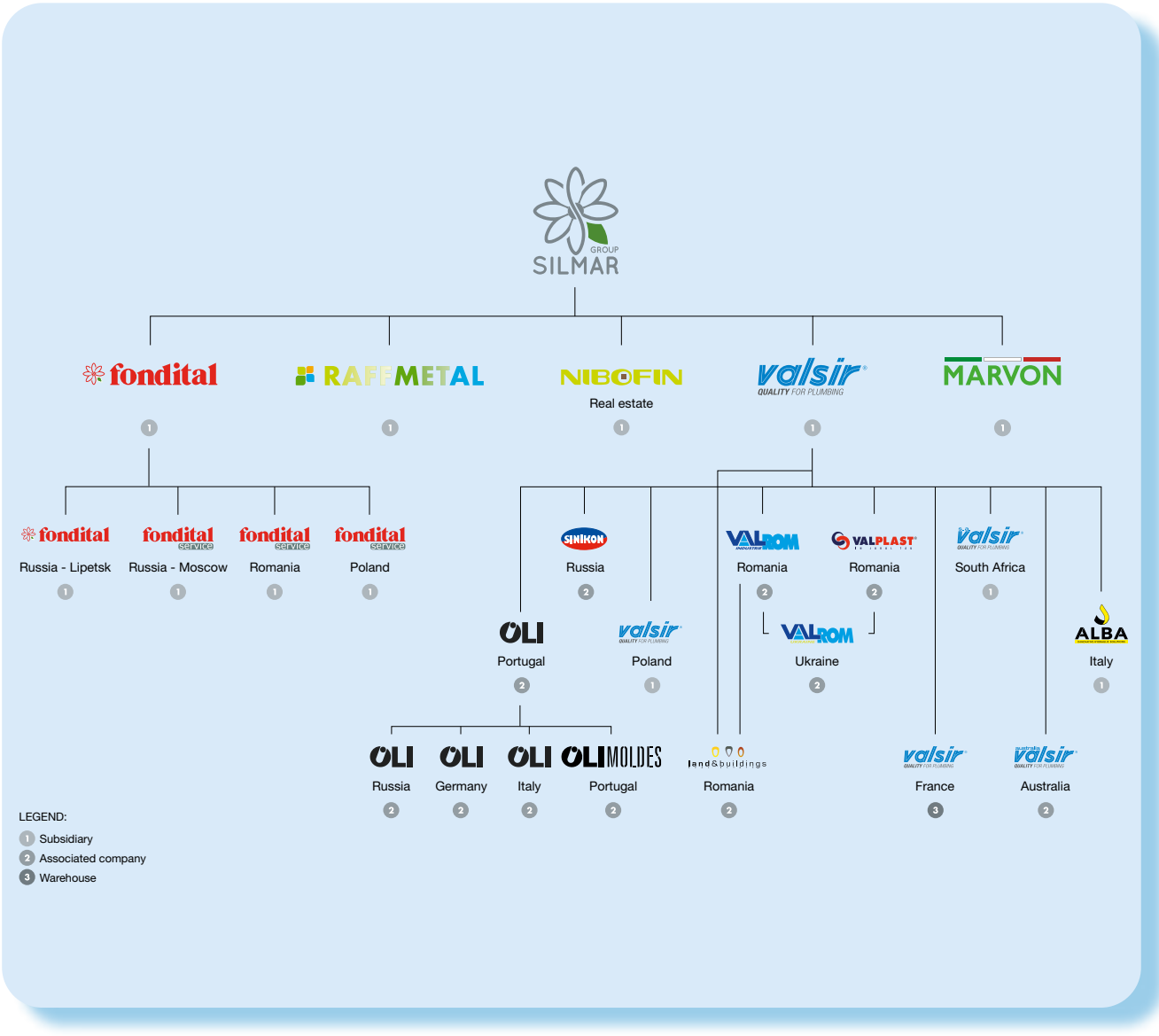


We're convinced that territorial development is made possible through synergies and collaboration between the economic, social, and public sectors. Being an active part of the territorial fabric is both a duty and a source of pride. Support for the territory takes on the form of redistributing the economic value within it, fostering the younger generations' professional development through training and donations, and reconciling the company's growth with its desire to maintain a presence within the territory that has always hosted it.

2. SILMAR GROUP, VALSIR AND SUSTAINABILITY

ABOUT US - SILMAR GROUP

Silmar Group was established in 1963 based on an ambitious business project by Silvestro Niboli. Today, it has grown into a group of companies with an integrated production chain and a heart and soul based 100% in Italy.



2020	
Turnover	877,446,000 €
Investments	57,843,000 €
Employees	3,334

2021	
Turnover	1,217,250,000 €
Investments	62,973,000 €
Employees	3,548

WHO WE ARE - OUR COMPANIES

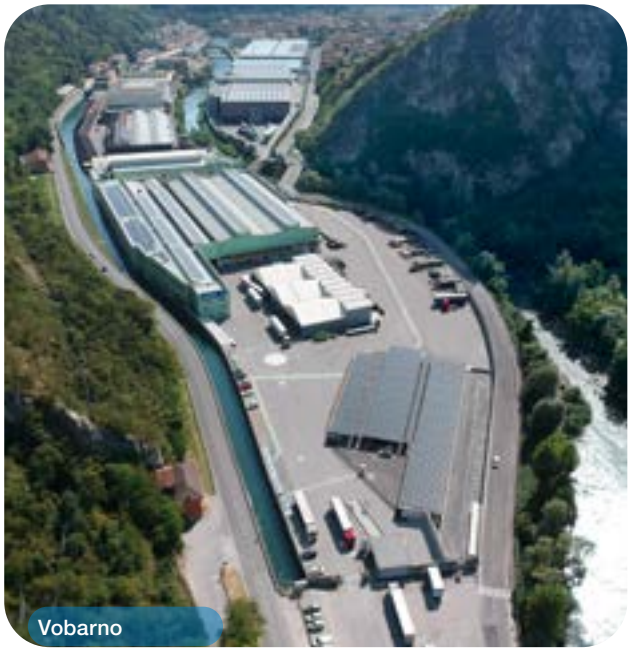
Valsir S.p.A., active in the plumbing and heating sector, is today a solid and expanding company within a Group that, through the synergies activated within it and the specific skills contributed by each individual component, expresses its true points of cohesion and strength.

Valsir currently has 5 factories:


Vestone

Valsir Vestone - The Headquarters

- **Location**: Vestone (BS) Italy
- **Surface area**: 48,309 m², of which 29,933 m² indoors
- **Number of employees**: 324
- **Production**: external and concealed flush cisterns, control plates, fittings for drainage systems, fittings for water supply systems, heating and gas supply, underfloor heating systems, siphonic rainwater drainage systems, flush with the floor shower systems, MFV systems (technical walls for bathroom prefabrication), and HRV (heat recovery ventilation).


Vobarno

Valsir Vobarno

- **Location**: Vobarno (BS) Italy
- **Surface area**: 107,550 m², of which 64,190 m² indoors
- **Number of employees**: 213
- **Production**: HDPE, Blackfire, PP3, Triplus and Silere soundproofing pipes, multilayer pipes and multilayer insulated pipes for water supply, heating, and gas conveyance systems.

Valsir Recycling - Carpeneda 1

- **Location**: Carpeneda, Vobarno (BS) Italy
- **Surface area**: 34,104 m², of which 10,243 m² indoors
- **Number of employees**: 30
- **Production**: creation of secondary raw materials from recyclable material.


Carpeneda 1

Valsir Carpeneda 2

- **Location**: Carpeneda, Vobarno (BS) Italy
- **Surface area**: 50,713 m², of which 4,454 m² indoors
- **Number of employees**: 9
- **Production**: recycled plastic pallets.


Carpeneda 2

Valsir Roè Volciano

- **Location**: Roè Volciano (BS) Italy
- **Surface area**: 21,020 m², of which 8,520 m² indoors
- **Number of employees**: 9
- **Activity**: warehouse.


Roè Volciano

OLI - Sistemas Sanitários, S.A.

- **Location**: Travessa do Milão Esgueira 3800-314, Aveiro (Portugal)
- **Surface area**: 156,720 m^2, of which 32,579 m^2 indoors
- **Number of employees**: 621
- **Production**: external and built-in flush cisterns, mechanisms, valves and floats for ceramic cisterns and design plates.

OLI - ITALY

- **Location**: Piani di Mura, Casto (BS) Italy
- **Surface area**: 17,070 m^2, of which 11,300 m^2 indoors
- **Number of employees**: 42
- **Production**: drain traps, plastic polymer and steel exhaust systems, flush with the floor shower systems and design plates.

OLI - RUSSIA

- **Location**: Str. Promyshlennaya 11, 108841 Troitsk, Moscow (Russia)
- **Surface area**: 2,247 m^2 indoors
- **Number of employees**: 44
- **Production**: production of mechanisms for ceramic cisterns and logistics hub.

OLI - GERMANY

- **Location**: Agria-Industrie Park, Bittelbronner Straße 42-46, 74219 Möckmül (Germany)
- **Surface area**: 1,290 m² indoors
- **Number of employees**: 5
- **Activity**: commercial-logistic facility.

Germany

OLI MOLDES

- **Location**: Aveiro (Portugal)
- **Surface area**: 3,200 m², of which 2,400 m² indoors
- **Number of employees**: 34
- **Production**: moulds.

Portugal

Alba

- **Location**: Rodengo Saiano (BS) Italy
- **Surface area**: 18,696 m², of which 13,363 m² indoors
- **N. addetti**: 65
- **Production**: drains and traps for kitchen sinks.


Italy

Vestone

Marvon 1

- **Location**: Vestone (BS) Italy
- **Surface area**: 15,240 m², of which 4,838 m² indoors
- **Number of employees**: 50
- **Production**: electroplating.


Carpeneda

Marvon 2

- **Location**: Carpeneda, Vobarno (BS) Italy
- **Surface area**: 7,807 m² , of which 4,526 m² indoors
- **Number of employees**: 22
- **Production**: passive fire protection and plastic mouldings.

Valsir also has subsidiaries abroad, which consist of separate companies located in:

Valsir - Montagny warehouse

- **Location**: Zac du Baconnet, 69700 Montagny (France)
- **Surface area**: 10,970 m², of which 2,990 m² indoors
- **Number of employees**: 14
- **Activity**: warehouse.


France

Valsir Polska

- **Location**: ul. Przemysłowa 7A, Skawina (Poland)
- **Surface area**: 19,895 m² , of which 5,424 m² indoors
- **Number of employees**: 25
- **Production**: pipes and fittings for drains
- in polypropylene up to Ø 160 mm, pipes and fittings for drains in high density polyethylene up to Ø 315 mm.


Poland

Valsir Australia

- **Location**: Perth - Western (Australia)
- **Surface area**: 1,300 m² indoors
- **Number of employees**: 7
- **Activity:** logistic-commercial facility and production of MFV assemblies.

Australia

South Africa

Valsir S.A.

- **Location**: Founder view south, 49 Brunton St, Founders Hill, 1609, Johannesburg (South Africa)
- **Surface area**: 1,800 m², of which 1,390 m² indoors
- **Number of employees**: 8
- **Activity**: commercial-logistic facility.

- **Location**: 22 Montague Drive, 7441 Montague Gardens, Cape Town (South Africa)
- **Surface area**: 1,600 m² indoors
- **Number of employees**: 4
- **Activity**: commercial-logistic facility.

Romania

Valrom Industrie

- **Location**: Bdul. Preciziei, nr 28, sector 6, Bucharest (Romania)
- **Surface area**: 861,318 m², of which 119,248 m² indoors
- **Number of employees**: 407
- **Production**: PP drainage and water supplysystems, HDPE pipes up to Ø 630 mm, water treatment and storage systems and corrugated pipes for high voltage cables.

Romania

Valplast Industrie

- **Location**: Bdul. Preciziei, nr 9 sector 6, Bucharest (Romania)
- **Surface area**: 35,000 m², of which 8,200 m² indoors
- **Number of employees**: 140
- **Production**: sewage PVC pipes and fittings foup to Ø 630 mm, drainage and filtration systems, systems for protecting electrical cables and pipes and filters for wells.

Valrom Ukraine

- **Location**: Vinnitsa obl., 23320 Sutiski, 49, Vinnitsa Ul. (Ucraina)
- **Surface area**: 140,700 m², of which 29,900 m² indoors
- **Number of employees**: 69
- **Production**: HDPE pipes for water and gas supply up to Ø 315 mm, PP pipes for drainage up to Ø 160 mm, and PVC pipes for drainage up to Ø 500 mm.

Sinikon

- **Location**: Promyshlennaya street nr 11, 142190, Troitzk-Moscovskaya obl. (Russia)
- **Surface area**: 48,000 m², of which 19,950 m² indoors
- **Number of employees**: 134
- **Production**: polypropylene (PP) pipes and fittings for indoor drainage systems and soundproofing pipes.

MISSION

Our mission is to excel in the creation of innovative, environmentally sustainable and quality solutions, while at the same time guaranteeing a meticulous and prompt service. Boasting deep roots within our territory and a strong commitment to internationalisation, we have adopted processes that are respectful of both people and the environment.

VALUES

Passion, work, people, reliability, innovation, dynamism, sustainability and the environment.

Valsir's 2021 figures

Total surface area of
261,696 m²
of which 117,334 m² indoors

585
employees

197,393,953 €
turnover

15,751,488 €
investments

25
patents filed

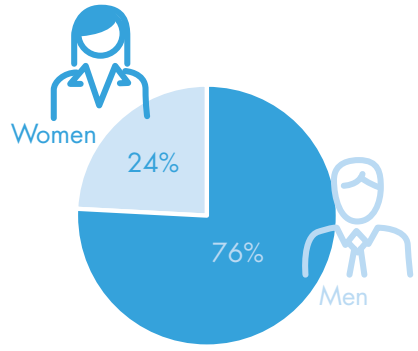
227
type approvals

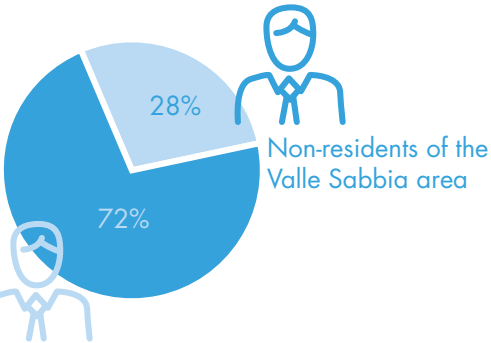
28
product lines

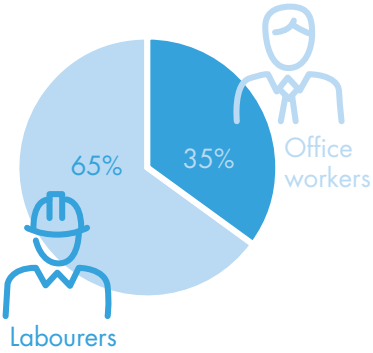
7,000
items

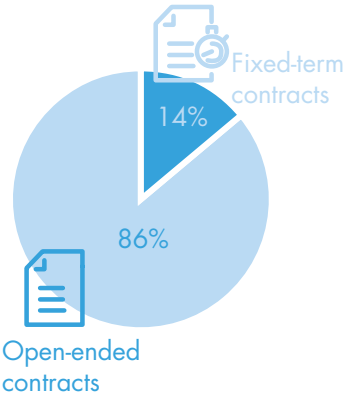
Valsir's 2021 workforce

585
employees









HOURS	full-time	577
	part-time	8
TEMPORARY WORKERS	men	9
	women	3
CONTRACT WORKERS	men	1
	women	-

*coordinated and continuous collaboration

Management system and certifications

ISO 9001:2015

Quality management system
(in place since 2001)

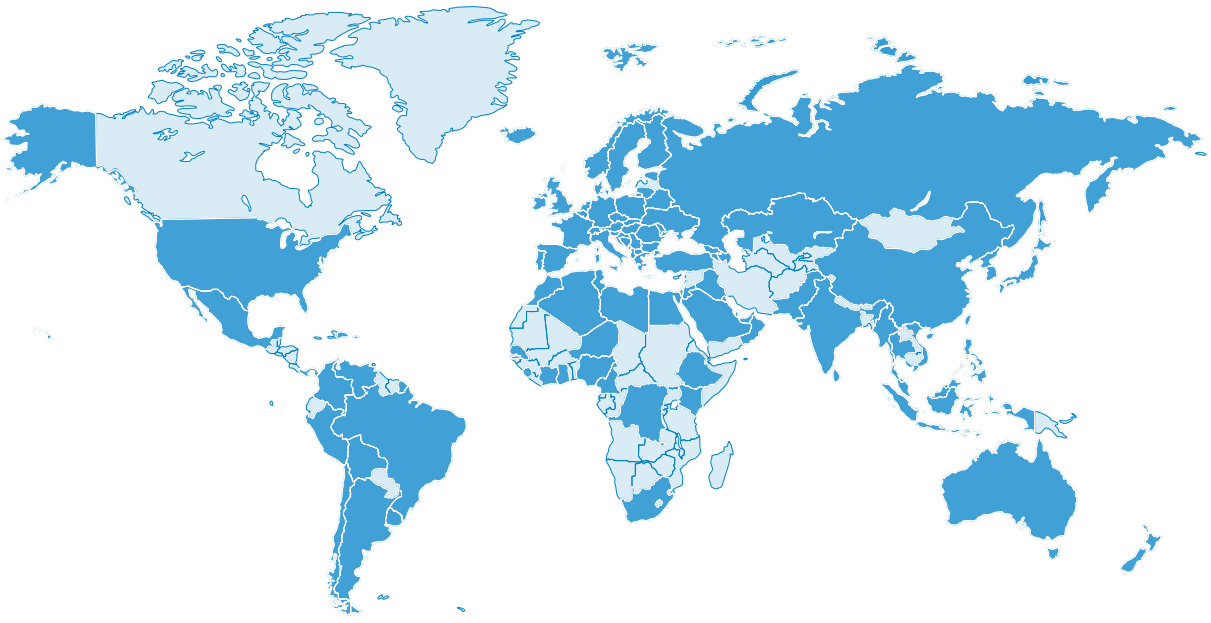
ISO 50001:2018

Energy management system
(in place since 2017)

ISO 14001:2015

Environmental management system
(in place since 2018
for the plant in Vestone)

Markets served by Valsir



Valsir's presence in the markets

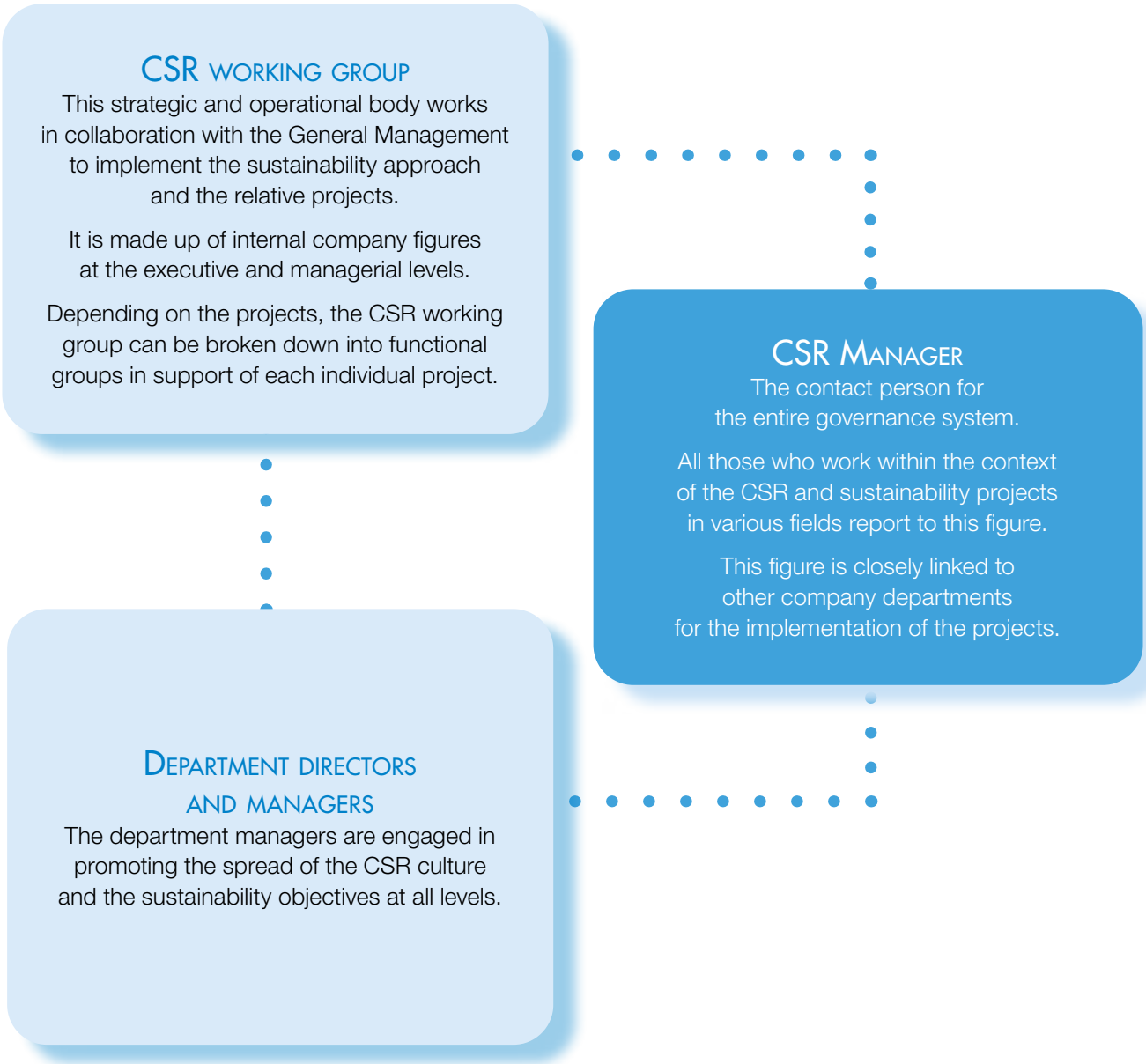
SUSTAINABILITY MANAGEMENT

Sustainability according to Valsir

For us, sustainability means working, reducing waste, increasing sorted waste collection, and improving energy efficiency, all with maximum respect for people and the environment, in order to safeguard our future in the most ethical and efficient manner possible, while at the same time generating profit in a sustainable manner.

We want to be seen as an example of integration between companies, people, and the local area. We also aspire to become a leader on sustainability issues, and to be recognised as a point of reference for our industry.

Corporate sustainability governance:



Materiality analysis and engagement of external stakeholders

The materiality analysis is a fundamental process for validating the topics that need to be more prominently highlighted within our sustainability reporting, and upon which greater attention must be focused within our global strategy.

In fact, in this context, the term material means “relevant”: a material topic is a topic that is able to accurately describe the company’s impacts, as well as its environmental, social, and governance profile.

In preparation for this document’s publication, and in support of our development reasoning, we analysed the material topics that have been part of our journey thus far, and compared them with the developments under way in the sustainability context, and in light of the latest scientific and technical evidence. The latter allows us to have an increasingly accurate idea of the significance of the environmental and social impacts (whether positive or negative) and their interrelationships.

These were the starting point for the context analysis (legislative and market development, physical and transition risks associated with the economic transition and the climate crisis) that led to the determination (together with the central working group) of the following topics, identified as potentially material.

1. Energy transition

Energy efficiency, renewable energy, and sustainable mobility.

2. Circularity

Design for disassembly, recycling, material recovery, hazardous substances, EPD, LCA, and sustainable design.

3. Climate change management

Adaptation, assessment and management of the risks and opportunities associated with climate change (transitional and physical risks and opportunities).

4. Protection of the local environment

Local emissions, water resources.

5. Process safety management

Human/automation balance, safety, staff growth, and new technologies.

6. Workplace wellness

Welfare, continuous dialogue.

7. People and development

Internal and external training and professional development.

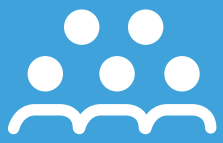
8. The new generations

In-school projects, sports projects, school/work projects, professional development activities geared towards the new generations, education activities on sustainability issues, university/company relations.

9. Support for the local community

Redistribution of economic value throughout the local territory, generated and induced wealth, donations, non-delocalisation.

10. Sustainability governance



Partnerships, internal and external communication.

The topics were subjected to a materiality analysis, which, on the one hand, entailed engagement with the company's external stakeholders and, on the other, in-depth work with the company's in-house central working group. The external stakeholders engaged consisted of territorial representatives, customers, and suppliers. The decision was made to establish a small panel of stakeholders, and to engage with them through a semi-structured questionnaire, which, on the one hand, asked them to evaluate the individual topics, and on the other, asked for their specific qualitative opinions on development issues of relevance for the company.

The results are provided below.

Territorial representatives - Associations, trade unions, schools

Goals

- Validation and evaluation of the material topics.
- Determination of the schools' needs that the companies are able to meet.

Results

- In terms of the materiality assessment, the topics that received the highest scores were the following: the new generations, support for the local community, and environmental and territorial protection.
- The topics cited as important development needs in the school environment included the following: circularity, advanced technologies, climate and environmental protection, health and wellness at the workplace, business sustainability.

Customers

Goals

- Validation and evaluation of the material topics.
- Determination of the importance attributed to secondary raw materials and to sustainability criteria and certifications when making purchasing decisions.

Results

- In terms of the materiality assessment, the topics that received the highest scores were the following: circularity, sustainability governance, people and development.
- 60% of the customers who responded indicated that, over the next two years, whether a supplier offers products made from recycled and recovered secondary material would be a very important, if not essential, factor. However, one customer indicated that this factor shouldn't compromise the price, while two customers indicated that it shouldn't compromise the quality. The publication of a new ISO standard for this sector would help support the transition.
- In 55% of the answers collected, the customers saw sustainability certification as relevant to their purchase decision. The certifications mentioned included ReMade in Italy, EPD, LCA, Green Star, ISSP, ACCO, and C2C.
- In general, the importance of the topic was spontaneously indicated, and the engagement and discussion initiative on these topics was greatly appreciated.

Suppliers

Goals

- Validation and evaluation of the material topics.
- Determination of the key topics in the customer/supplier relationship and the industry's efforts in terms of sustainability.

Results

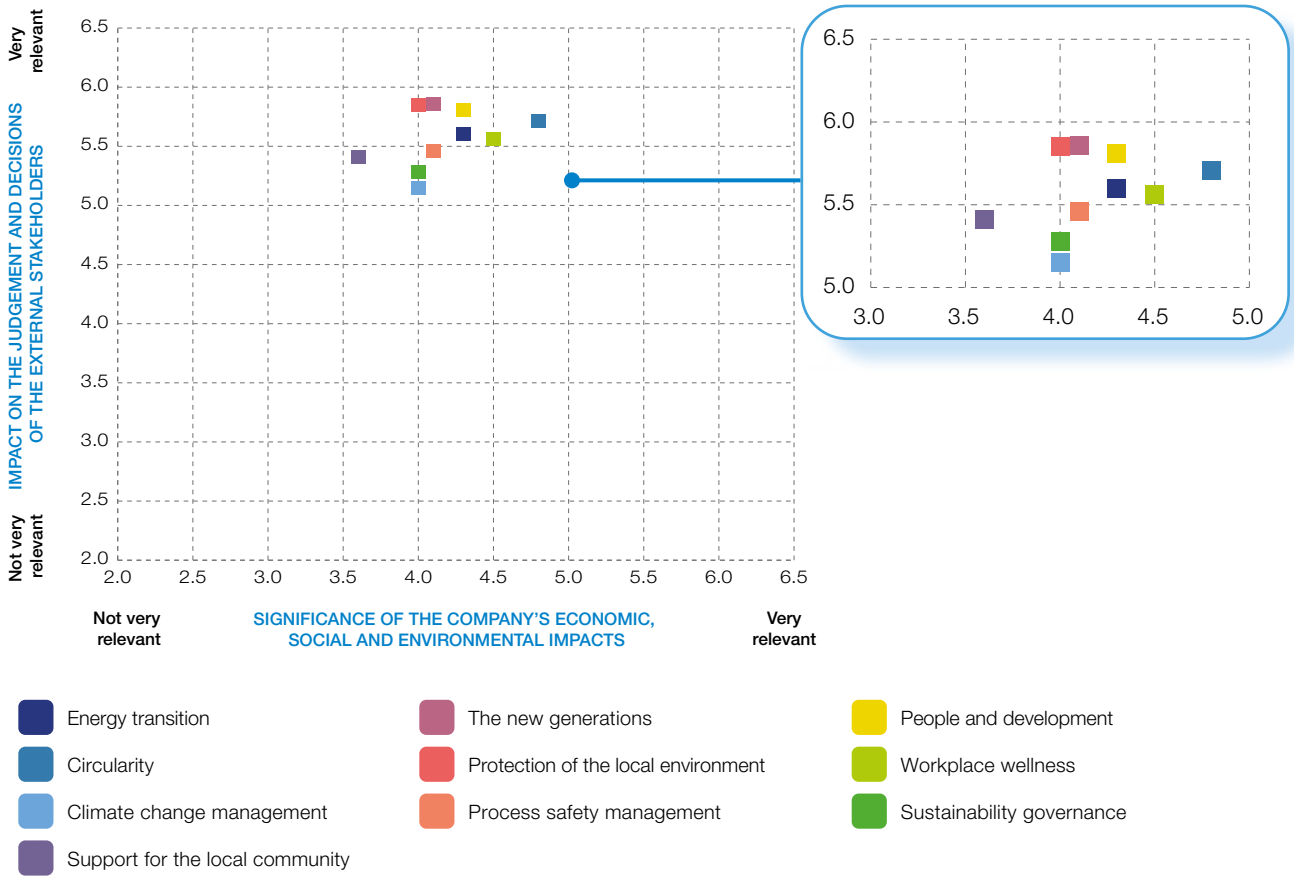
- In terms of the materiality assessment, the topics that received the highest scores were the following: people and development, management of process changes, and workplace wellness.
- The topics cited as relevant in the customer/supplier relationship included collaboration (to be understood as partnership), transparency, the analysis of product life cycles and product sustainability, occupational safety, environmental protection, and continuous process innovation.
- In general, all the suppliers interviewed had implemented sustainability initiatives and acknowledged their strategic importance.

The company's in-house central working group, on the other hand, focused on analysing the severity of the impacts associated with the identified topics.

To do so, each topic was subjected to an evaluation based on three factors:

- **Significance**: the scale and probability of actual or potential effects that the company's activities and value chains could have upon people and the environment.
- **Urgency**: in terms of public social or environmental policy objectives and global boundaries.
- **Risks and opportunities for the company**: what happens if we do nothing in this area? What strategic development possibilities does this topic offer us (in terms of market opportunities, cost reduction, new products, positioning, etc.)?

The cross-referencing of the results collected from the external stakeholders and the internal assessment resulted in the following materiality matrix:



The material topics are discussed to varying degrees within the financial statements based on the relevance attributed. The vision, the management approach, the key performance indicators, the United Nations SDGs (sustainable development goals) relevant to the topic, the processes and projects carried out during the past two years, and the targets for the next two years, are expressed for each individual topic. The topic of sustainability governance is explored in the first few pages of this report, where we outline the context in which our sustainability commitment has taken shape.

Methodological note

This report has been prepared and drafted in accordance with the GRI Standards: Core Option of the Global Reporting Initiative (GRI). Unless otherwise indicated, the information and data contained herein refer to the company Valsir S.p.A., located in Vestone (BS) Italy, for the period from January 1st 2020 to December 31st 2021. The corporate perimeter is established by Valsir S.p.A. The document, which is prepared on a biannual basis, represents the fourth edition of the company's Sustainability Report.

3. TRANSIZIONE ENERGETICA

RELATED TARGET SDGs

REF. 7.1 - 7.2 - 7.3

REF. 13.3

VISION

Our goal is to ensure continuous improvement in terms of the **energy performance** of the company's production activities and plants, and consequently to reduce their greenhouse gas emissions.

To this end, we also encourage the use of **energy from renewable sources**.

We want to make the commute **to and from the workplace** more sustainable for our employees, while at the same time reducing the number of vehicles on the road, decreasing atmospheric emissions, and promoting socialisation. We also want to support the transition to electric mobility by providing services for its spread.

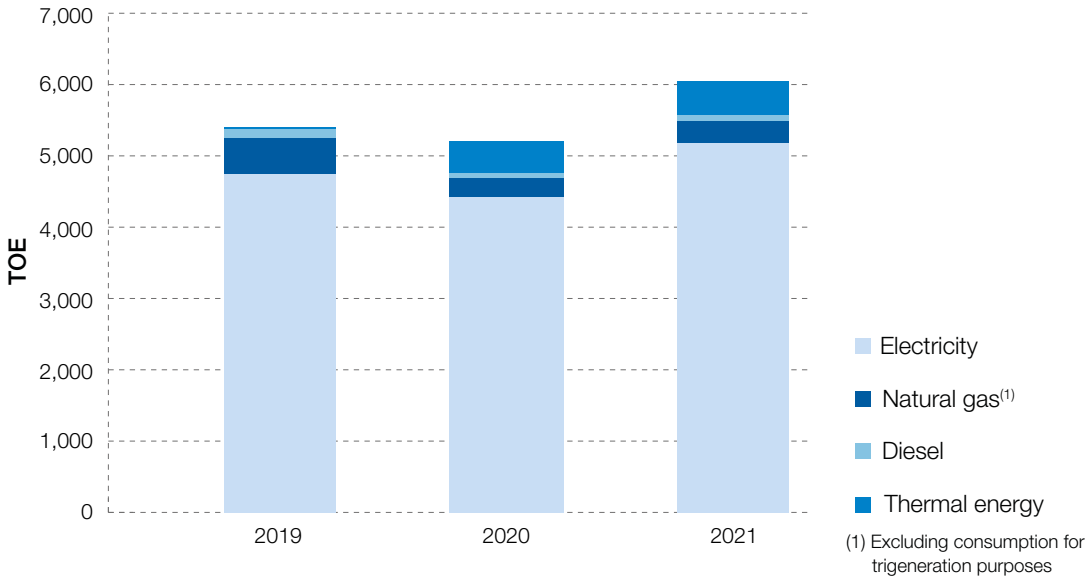
MANAGEMENT APPROACH

- ISO 50001 management system to help guide continuous process improvement.
- Constant expansion of the monitoring system in order to determine how to effectively intervene for the purposes of energy savings, maintenance, and plant innovation.
- Expansion of the production and consumption of renewable energy generated in-house, in order to contribute to the energy transition and increase our independence and resilience.
- Evaluation of purchases in terms of Life Cycle Costing, in order to allow for purchasing decisions that go beyond the sale price and also take into account the products' costs throughout the entire life cycles.
- Management of corporate mobility via a carpooling platform, which organises shared mobility, and is supported and expanded through a system of incentives aimed at stimulating the employees' participation.

REPORTING

Energy requirements

The following graph shows the trend in Valsir's total annual energy requirements, broken down by source and expressed in TOE (Tonnes of Oil Equivalent). The energy vectors utilised are the following: electrical power, methane gas, thermal energy generated by the trigeneration plant, and diesel for transport.

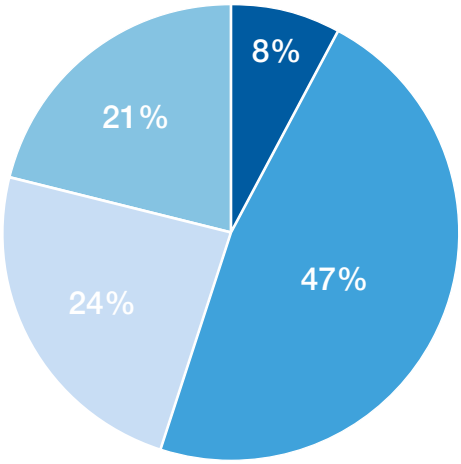


Solar and trigeneration

As shown in the following graphs, 29% of the total electricity needs of the plants in Vestone, Vobarno and Carpeneda (Recycling and Pallets) were met during the course of 2021 thanks to the in-house energy generation plants, or rather the solar power plant (8%) and the trigeneration plant (21%).

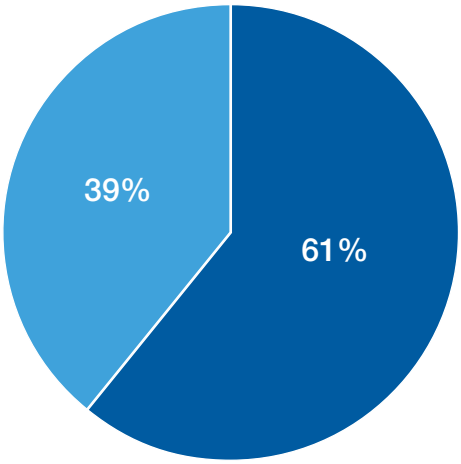
The trigeneration plant also met 61% of the same facilities' total thermal energy needs.

Electrical energy mix



- Electrical energy purchased from fossil fuel sources
- Electrical energy purchased from renewable sources
- Electrical energy from trigeneration generated in-house
- Electrical energy from solar generated in-house

Thermal energy mix



- Natural gas(1)
- Thermal energy (from trigeneration)

(1) Excluding consumption for trigeneration purposes

Thanks to the installation of four new solar power systems (+1.7 MWp), it is estimated that the percentage of energy from renewable sources generated and consumed in-house (with the same overall needs) could increase from 8% to 10% in 2022.

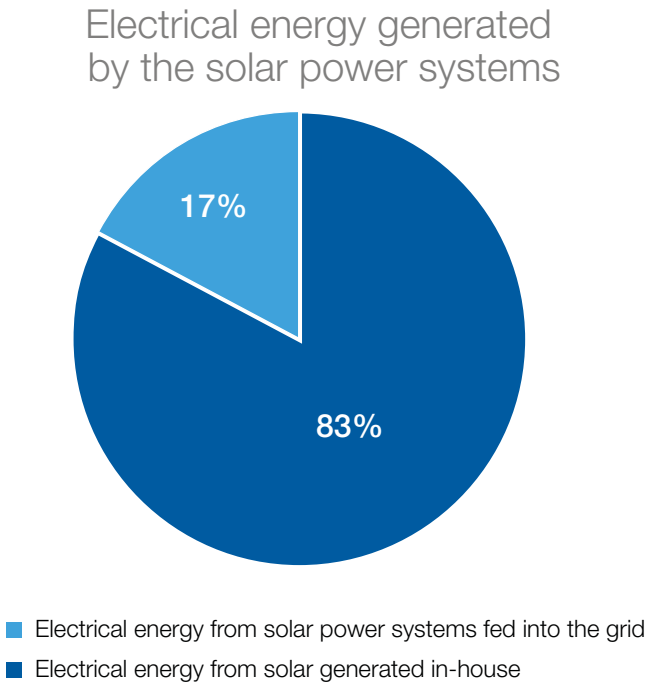
It should be noted that two of the solar power systems installed, or rather those on the roofs of the Roè Volciano and Sabbio Chiese facilities, are covered by the FER1 incentive plan, which provides for the payment for solar energy fed into the grid. Since these two plants are mainly used as warehouses, it is expected that a large part of the energy generated by the solar power systems will be fed into the grid, and will therefore help increase the percentage of energy from renewable sources in the national energy mix, thus helping achieve the EU 2030 and 2050 targets.

Unlike the two new solar power systems installed at the Vobarno production facility (one on the roof, and the other on the canopy), which will increase the amount of energy generated and consumed in-house by Valsir, thus reducing the amount of energy taken from the grid (and indirectly that generated by the Italy's domestic thermoelectric plants).


Vobarno - solar power installation on the roof

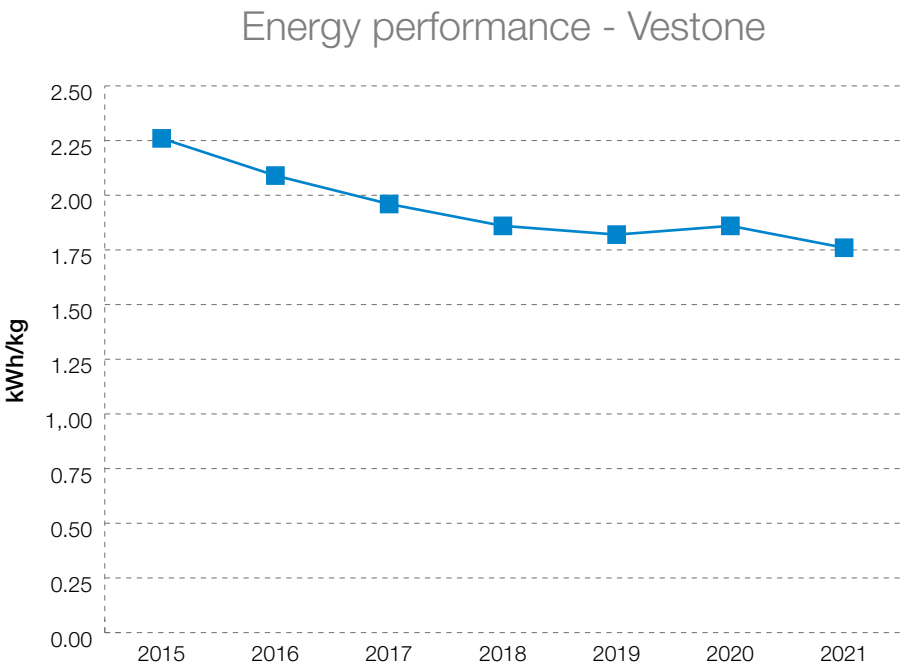

Vobarno - solar power installation on the canopy

The following graph shows how, in 2021 (before the four new systems were commissioned), 83% of the total energy generated by the solar power systems was used to meet the company's needs, and just 17% was fed into the grid (typically during weekends or scheduled production stops).

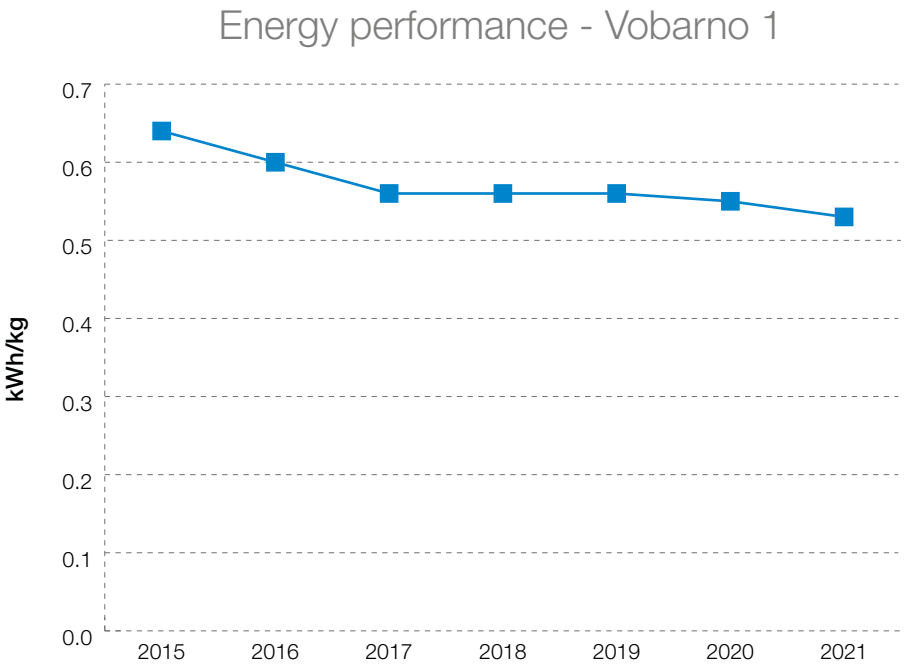


Energy performance

In terms of improving energy performance, the general indicator concerning the four primary production plants, which is calculated as the ratio between the electrical energy consumed and the kg processed, shows a continuous reduction trend, thus clearly indicating the effectiveness of the improvement measures implemented over the years.

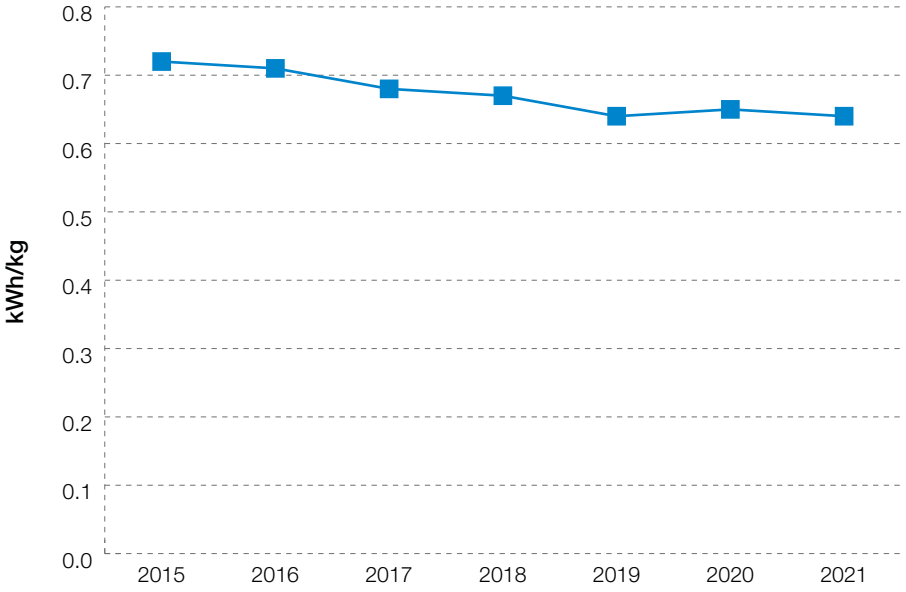


2021 vs 2015
-22.1%
general plant performance (kWh/kg)



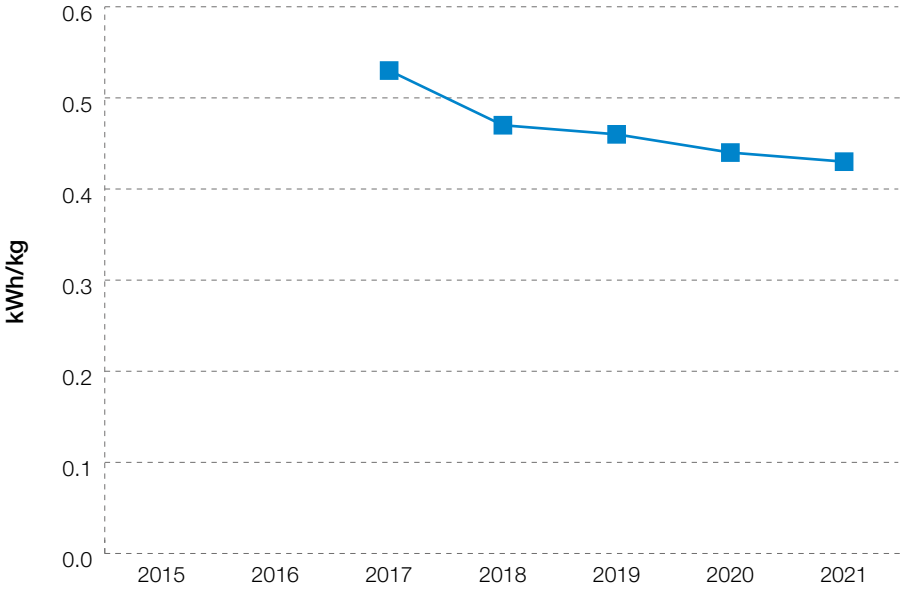
2021 vs 2015
-17.1%
general plant performance (kWh/kg)

Energy performance - Vobarno 2



2021 vs 2015
-11.1%
general plant performance (kWh/kg)

Energy performance - Carpeneda

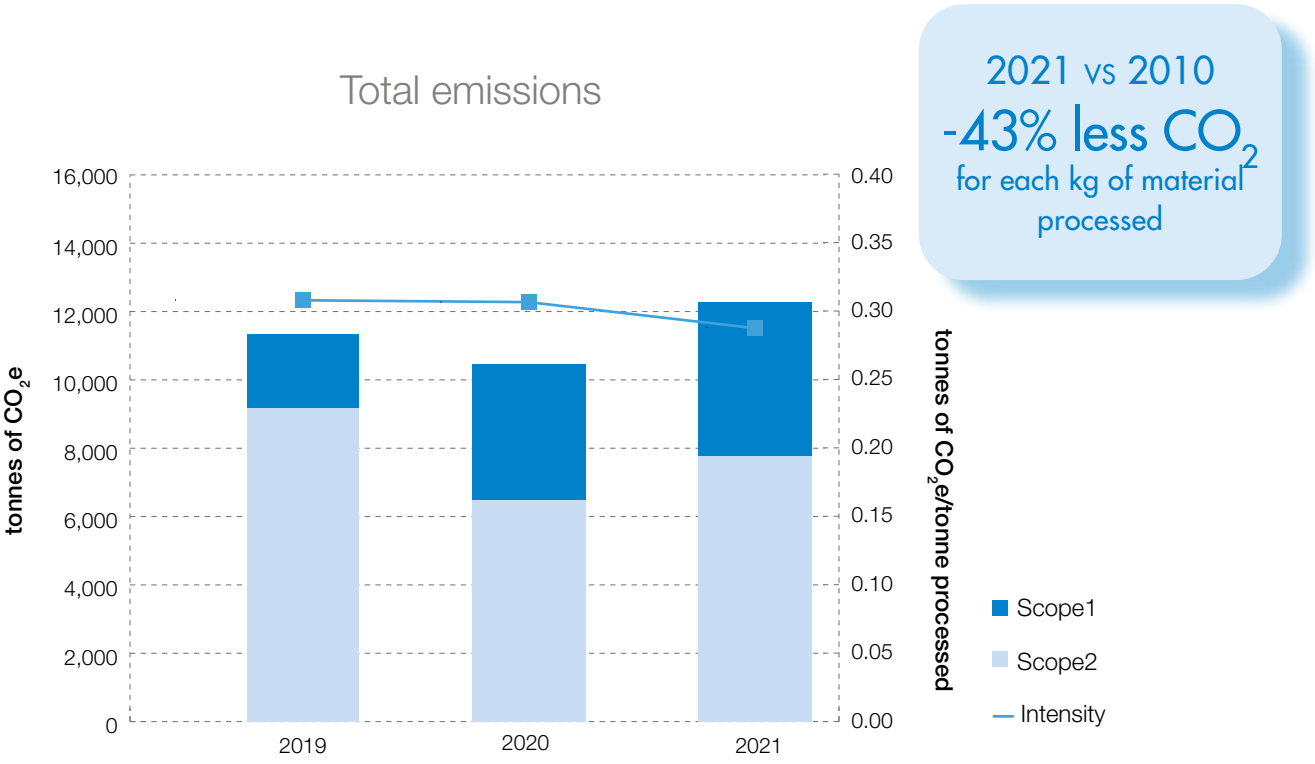


2021 vs 2017
-18.9%
general plant performance (kWh/kg)

Greenhouse gas emissions

The graph shows the trends of the company's direct emissions (scope1), due to energy taken from the grid, and indirect emissions (scope2), due to the consumption of methane gas and diesel fuel used for transport.

The sum of the scope1 and scope2 emissions is evaluated in relation to the amount of raw material processed through the emission intensity index (tonnes of CO_2e/tonnes processed), which, on the graph, shows a decrease of 7% with respect to 2019.



In 2021, the emission intensity decreased from 0.506 to 0.288 tonnes of CO_2e/tonnes processed with respect to 2010. In other words, each kg of material processed generated 43% less CO_2 compared to 2010.

CO_2 emissions avoided

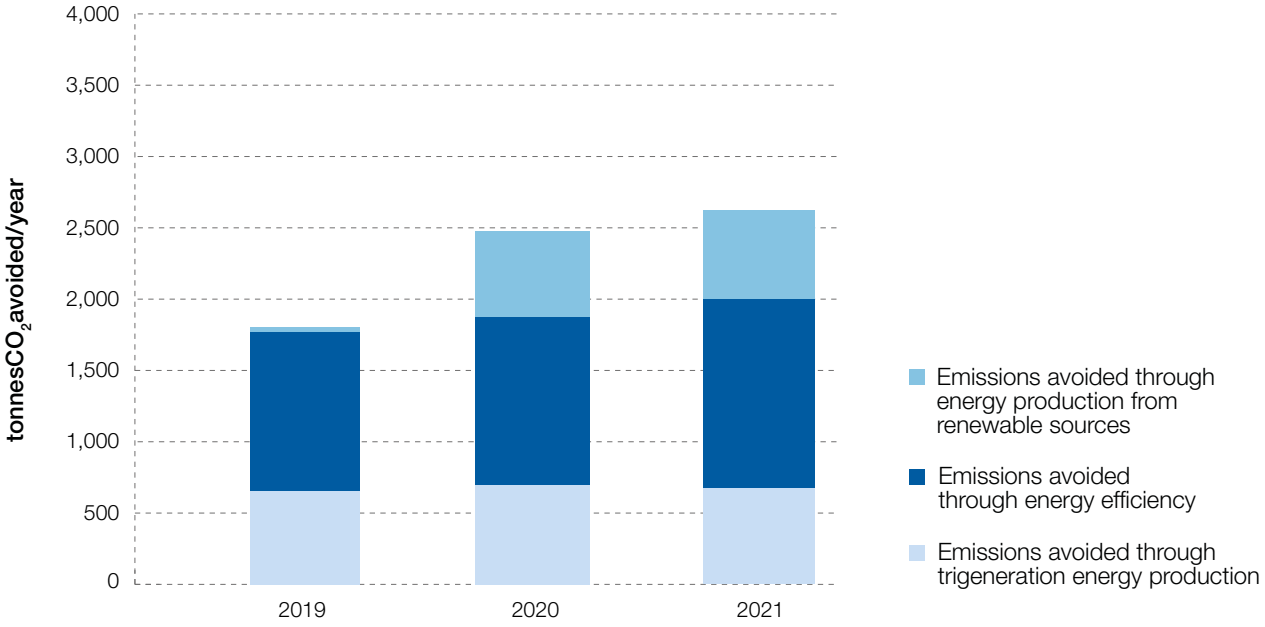
Over the years, numerous interventions have led to a significant decrease in CO_2 emissions from Valsir's production processes.

Those aimed at improving energy efficiency include the following:

- Installation of energy efficient electric presses, compressors, condensing boilers, heat pumps, and cooling systems.
- Insulation of the plants and production facilities.
- Installation of inverters and regulation and control systems.
- Continuous elimination of any compressed air leaks and reduction of waste.
- Monitoring of energy use and consumption.
- Staff training and education activities aimed at raising awareness of the importance of the responsible use of energy and resources.

Those aimed at increasing energy production in-house, on the other hand, include the following: the installation of new solar power systems and a trigeneration system capable of simultaneously providing electricity, heating (hot water and steam) and cooling energy.

Thanks to these interventions, and the measurement and verification models that we've implemented, we've been able to estimate the total emissions avoided, which are shown in the following graph:



2021 vs 2010

-16,434 tonnes of CO_2

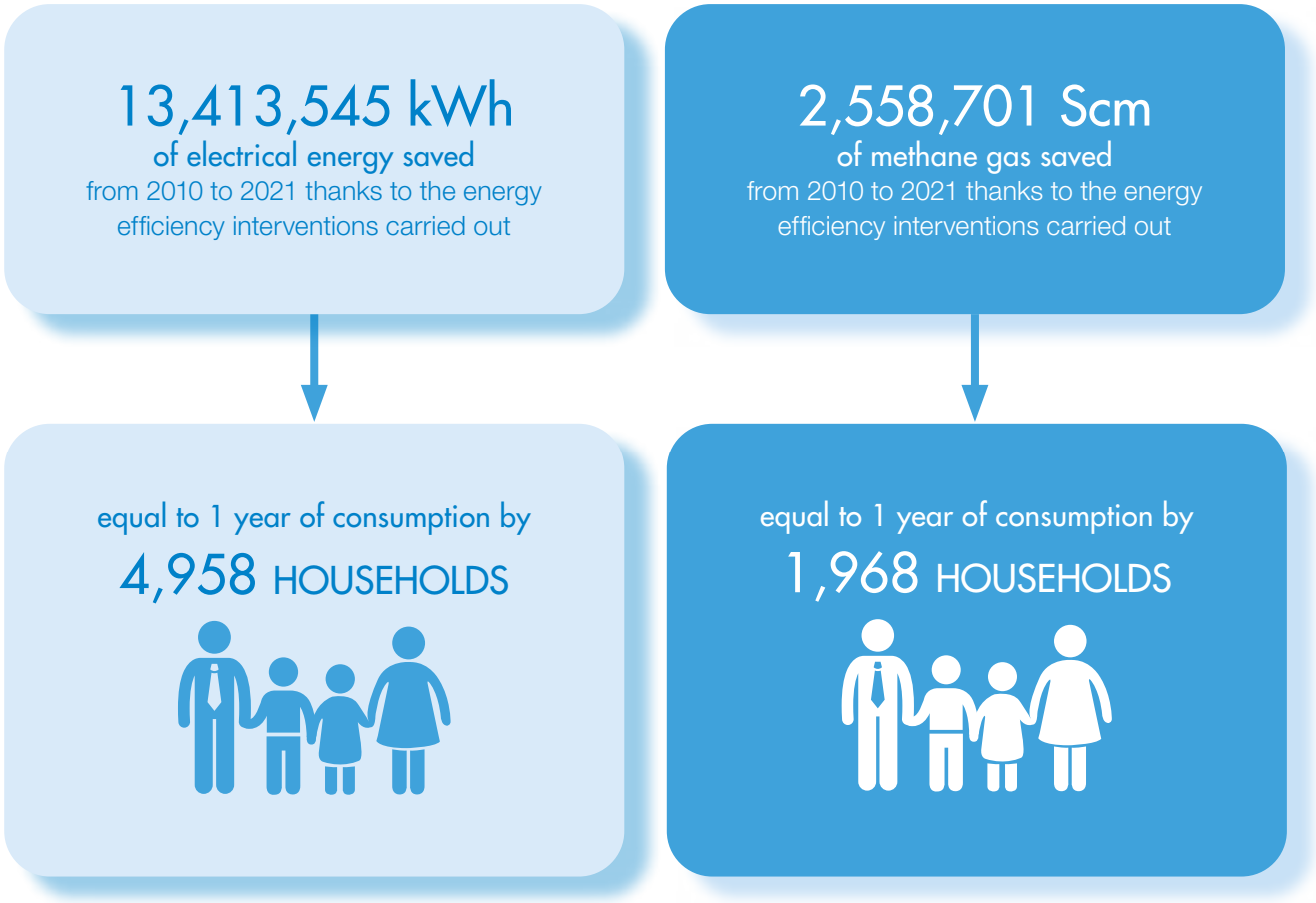
that Valsir avoided emitting into the atmosphere thanks to all the interventions indicated above

Process efficiency

Numerous interventions aimed at improving energy efficiency have been implemented over the years. During the 2020-2021 period:

- We installed 4 new electric presses, in addition to the 13 already installed since 2017, which have allowed the fitting and box moulding department to reduce its specific consumption (kWh/kg) by 18% compared to the previous situation.
- We established a unified log of compressed air leaks, and laid out specific procedures for intercepting, quantifying, and repairing the air leaks identified. In fact, the production of compressed air remains one of the most energy-intensive activities that a manufacturing company can face, and working on these aspects is therefore fundamental for further improving our energy performance, and reducing our consumption values and energy costs. During the 2020-2021 period, the campaigns carried out aimed at repairing compressed air leaks made it possible to save the equivalent of approximately 300,000 kWh of electricity, equal to the annual energy needs of 111 households.
- At the end of 2020, following the increase in the Pexal department's production lines, we installed a new inverter screw compressor at the Vobarno 1 plant, which, thanks to its greater efficiency, was able to improve the compressor room's energy performance by 8.3%.
- For all new interventions that modify the procedures or the corporate energy structure, specific indicators are established, which are capable of measuring and verifying the actual improvement of the energy performance following the energy efficiency intervention.

The system of monitoring, measuring and verifying the improvements made has shown that the following estimated cumulative and overall savings have been achieved from 2010 up until today:



Energy production

During the course of 2021, 4 new solar power systems were installed, for a total power of approximately 1.7 MWp. This increased the company's installed power by 61%, to a total of 4.4 MWp. The four new plants, which will come into operation in 2022, will be able to produce approximately 1,800,000 kWh of electricity, equivalent of the annual consumption of 667 households.

The 860 kW electric trigeneration plant in Vobarno came into operation in January of 2020. In addition to generating electricity, the plant also allows the thermal energy recovered from the thermodynamic transformation to be used to heat the production departments and to generate steam for the production processes. During the summer, on the other hand, the thermal energy is transformed into cooling energy via an absorption system, and is used for production processes that require cooling. **The plant is capable of meeting 50% of the entire facility's electricity needs**, and almost all of the steam and cooling energy needs of the Vobarno 1 plant. The trigeneration plant also meets the heating needs of the production departments and offices during the wintertime.

4 new solar power systems installed.
61% power increase.

2022 GOAL

to produce approximately **1,800,000 kWh** of electrical energy, which is equivalent to the annual electricity consumption of **667 households**.

Valsir Vobarno facility

Plant energy maintenance

In accordance with the principle of continuous improvement inherent in its ISO 50001 management system, an initiative was launched within several departments of the Vestone facility, with the aim of identifying a series of maintenance variables that affect energy consumption. One of our goals was to work on the maintenance of the plants, with a particular focus on the energy aspects: in order to do this, we have identified several factors that need to be monitored, and can have direct effects on energy consumption.

For example, the verification of the cleanliness of the air, water, and oil filters, which, if clogged, can increase the electrical consumption of the motors connected to the fans, blowers, compressors, and hydraulic and oil-pressure pumps.

Performing checks during maintenance activities
allows us to improve the level of energy performance
by reducing energy consumption within the department.

Monitoring

The monitoring and data management plan has always been constantly evolving and expanding, as knowledge and data management are essential for improving efficiency and reducing consumption. In fact, one of the goals stated in the previous edition of the company's Sustainability Report was precisely to expand the ISO 50001 management system to cover the Carpeneda facility as well. In this context, through a process of consolidating the process asset, a stage of maturity was reached, which allowed us to implement a system for **monitoring the consumption** and the production variables upon which the energy depends, in order to keep the facility's energy performance in check, which is necessary to raise awareness of energy use and consumption, and therefore to obtain the ISO 50001 certification.

Another goal that we set for ourselves was to create a measurement and verification system (shared with the General Management) that would allow us to monitor all the energy efficiency improvement interventions, and to generate a report highlighting the results obtained from an energy, environmental, and economic perspective. Thanks to this system, we are able to monitor and verify all the results obtained year after year, starting from when the company actively began investing in energy efficiency measures, and to **fully understand the improvement that each intervention brought about compared to the expected results**.

This monitoring system has been complemented with the creation of a report for recording the specific data of each of the company's energy production plants (solar power, co/trigeneration).

Efficiency through training

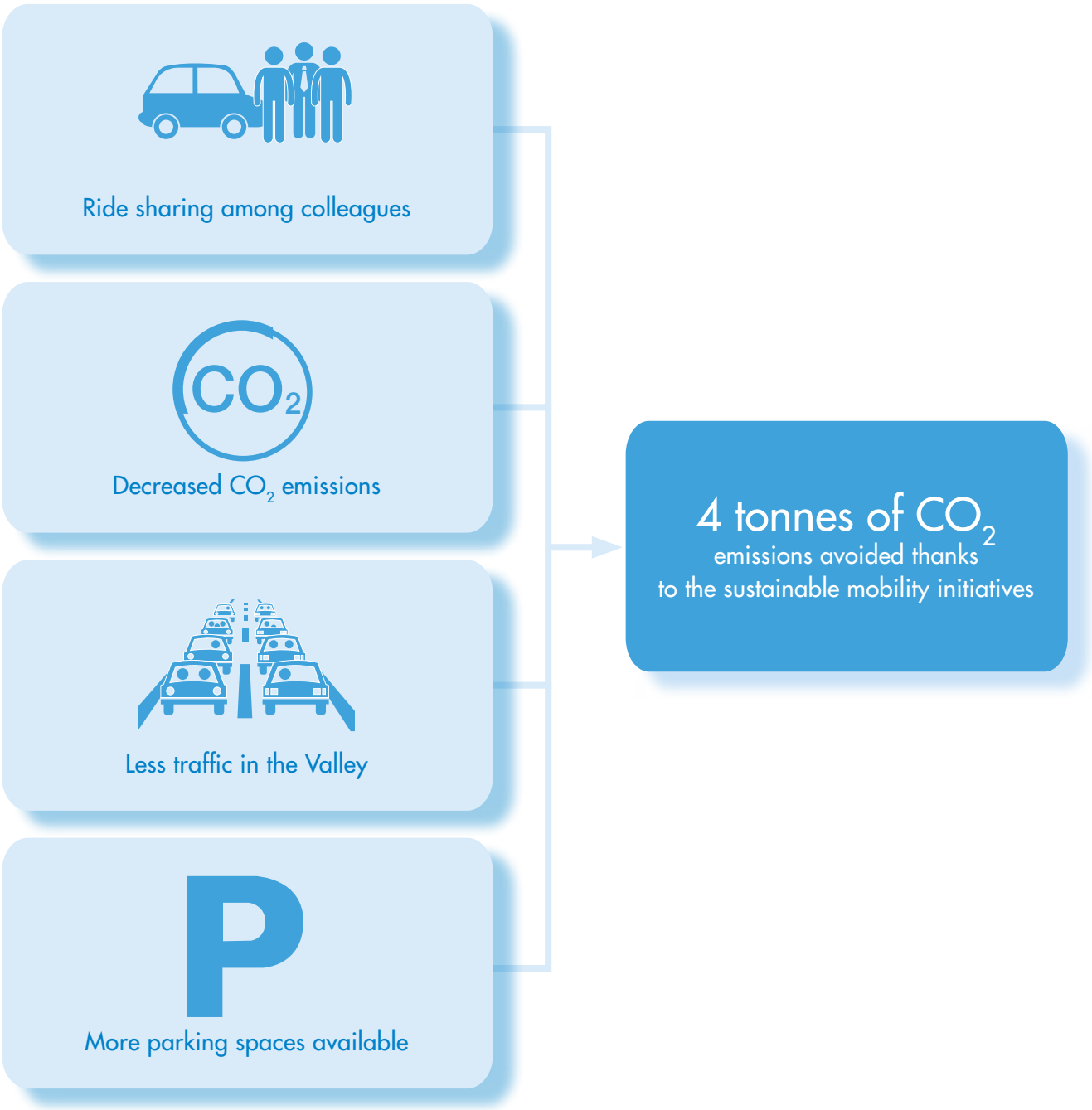
One important aspect of our sustainability strategy is co-responsibility. This can only be achieved through engagement and training courses specifically designed around our material topics. In 2021, an energy management questionnaire was sent out to all the department heads and managers, with the aim of determining their average level of knowledge and awareness of the significant energy uses and the most relevant issues concerning the reasonable use of energy and natural resources.

This survey was important for determining which information and concepts were already being handled, and which, on the other hand, could benefit from in-depth courses aimed at providing the tools necessary to seize upon opportunities for improving energy efficiency. The results and observations were presented to all those who took part in the survey, and became the basis for creating **training courses for the company's employees on the topic of the energy transition**.

Employee training session in the conference room

Sustainable mobility

As an evolution of the **"Sustainable Mobility Week"** initiative, which began in 2018 and engaged 170 employees over 2 years' time, a sustainable mobility service was launched within the company to manage carpooling among Valsir, OLI, Marvon and Alba employees. The company also established an incentive plan aimed at increasing participation in the service, with the following goals:



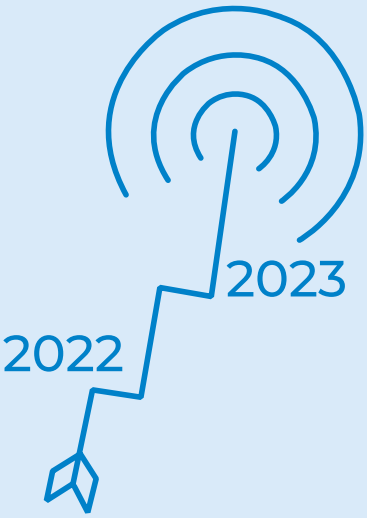
The system was unfortunately suspended in March of 2020 due to the pandemic, but during the short time for which it remained active many employees participated, resulting in multiple positive effects. From an environmental standpoint, **4 tonnes of atmospheric CO_2 emissions were avoided**. From a logistical standpoint, on the other hand, in addition to reducing the number of cars in circulation on the roads, a large number of parking spaces were also freed up, above all at the Vestone facility. Not to mention, of course, the economic and social benefits for all the participants.

The service will be reactivated as soon as the pandemic subsides.

In order to render the sustainable mobility activities more organic and structured, a **Mobility Manager** figure was appointed, who is jointly responsible for Valsir, OLI, Marvon and Alba. A draft Employee Commute Plan was also drawn up.

In order to encourage the purchase and dissemination of 100% electric vehicles, **a 22+22 kW electric car charging station** was installed at the Vobarno plant, and a relative information campaign was launched. **All employees can request the free recharge service for the home/work commute for a period of 2 years.**

Charging station - Vobarno plant

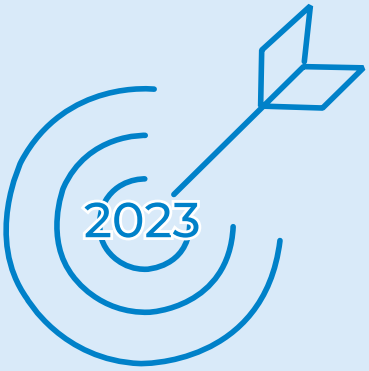


PROJECTS FOR THE NEXT TWO YEARS

- Employee training broken down by department on the topics that they have indicated they would like to learn more about.
- Energy efficiency improvement interventions.
- Renewable energy production plants.
- Expansion of the monitoring plan.
- “In-house” energy efficiency.

GOALS FOR 2023

- To evaluate the installation of a trigeneration plant for the Vestone plant, where the heat generated will be used to heat the premises and to dry part of the raw material, while the cooling will be used to cool the production plants.
- To install new solar power systems to further increase the percentage of energy from renewable sources.
- To replace any remaining light bulbs that are not yet LED.
- Systematically implement and extend the plant energy maintenance process to all the departments and associated companies.
- To extend the ISO 50001 management system to the Carpeneda plant.



4. CIRCULARITY

RELATED TARGET SDGs

REF. 7.3

REF. 9.4 - 9.5

REF. 12.2 - 12.5

VISION

We strive to promote circular economy processes, by integrating their principles within the intrinsic structures of our production cycles. In order to fully achieve this vision, we believe that, during the design phase, it is essential to combine performance, quality and cost assessments with an increasingly systematic evaluation of our products' impacts throughout their life cycles.

These impacts can be understood in terms of the use of resources during production, energy consumption during use, and end-of-life management. The separability and recoverability of the components must become guiding concepts during this final phase of the product's life cycle.

MANAGEMENT APPROACH

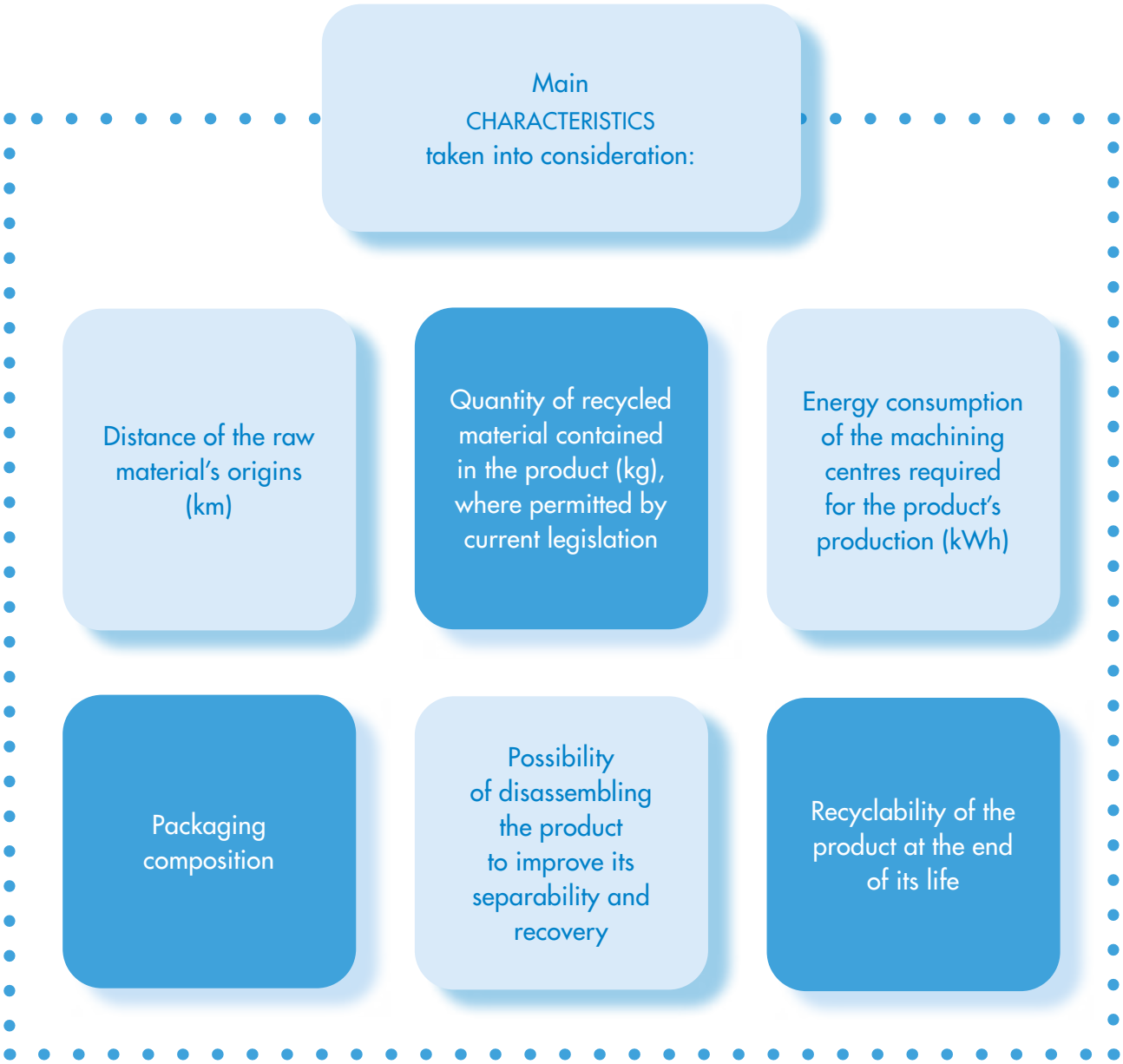
- Optimisation of the use of raw materials in order to offer solutions that are both environmentally and economically sustainable.
- Continuous improvement of production performance, with the aim of minimising production waste and downtime by maximising the efficiency of the systems and resources.
- Reuse of the waste materials resulting from the moulding and extrusion process by reintroducing them directly into the production cycle, in order to make the most of the raw material utilised.
- Assessment of our products' environmental impacts through the analysis of the production cycle.
- Intra-group industrial symbiosis in terms of processes, design, and the reuse of by-products, in order to bolster the interaction between our various facilities. These resources can include materials, services, and skills.
- Optimisation of all the Valsir Recycling Division's plastic recovery processes, with the aim of ensuring maximum efficiency in terms of production, energy savings, and environmental protection.
- Offering our stakeholders the opportunity to transform their plastic waste into pallets, thus promoting their own circular economies.

REPORTING

Sustainable design

The identification of characteristics that will allow us to assess our products' environmental impacts is the first step in establishing guidelines for sustainable design and production.

Starting with the identified criteria, a checklist is now being created to support the work of the Research and Development team.

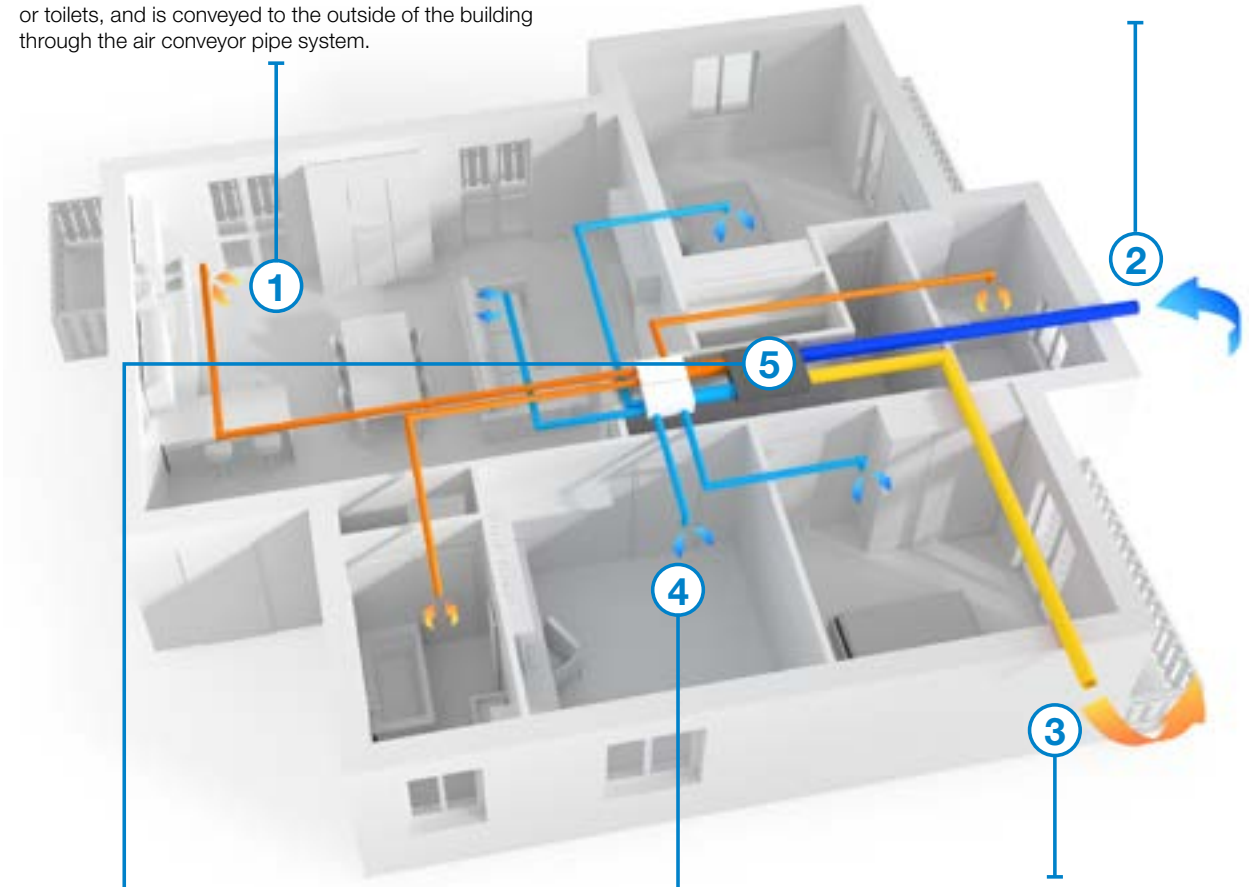


This approach was used for the development of the design for the **Valsir AriaSilent Heat Recovery Ventilation System**.

Heat recovery ventilation (or HRV) is a system designed for the continuous and constant exchange of air inside buildings in order to improve air quality. Ventilation units are equipped with two fans to supply and extract air at the same time. A cross-flow counterflow heat exchanger recovers the energy contained in the extracted air and transfers it to the supplied air, even guaranteeing efficiencies of over 90%. This reduces the building's energy consumption, while at the same time purifying the air of any pollutants and excess moisture. This system allows improving the energy characteristics of the buildings, complying with current regulations, while maintaining a high level of living comfort.

Oxygen-rich outside air is drawn in through intake grilles and led to the HRV unit, where it is filtered to remove dust, pollen and impurities. Even in this case there is an exchange of thermal energy with the expulsion flow before air is supplied.

Air that is rich in pollutants - including CO_2, humidity and foul odours - is taken from humid areas, such as kitchens or toilets, and is conveyed to the outside of the building through the air conveyor pipe system.



Inside the HRV unit, both air flows are filtered, eliminating airborne substances and improving living comfort. From an energy point of view, the heat exchanger enables the transfer of thermal energy from the flow with the higher temperature to the one with the lower temperature, with a substantial reduction in the building's energy consumption.

The air is then introduced into the so-called "noble" rooms, i.e. where people prolonged stay requires fresh, oxygen-rich air.

The air extracted from the building is expelled to the outside after passing through the HRV unit, where the transfer of thermal energy through the heat exchanger takes place.

Starting with the very first analyses and product studies, the Valsir AriaSilent design was developed in consideration of the impact it would have at the production level within the company and on the current market.

The main aspects of the new product range that emerged from the sustainability analysis carried out during the design phase were the following:

- The significant decrease in the components needed to produce the systems.
- The optimisation of the air flows generated inside the distribution boxes to improve the system's energy efficiency.
- The identification of all materials to facilitate their disposal at the end of their life.

The AriaSilent figures

The optimisation process carried out during the development of the AriaSilent made it possible to drastically reduce the number of items required to produce each distribution system.

Thanks to the AriaSilent system's versatility, the number of fittings was **reduced by 70%** compared to the traditional systems on the market.

Reduction of the number of distribution boxes. With the AriaSilent distribution system, the number of boxes was **reduced by 75%** compared to the traditional systems on the market. This optimisation is mainly attributable to the development of components with a universal coupling system, which allow the same fittings to be utilised throughout the various parts of the system, thus minimising the different types of items needed to produce the ventilation system itself.

Distribution box

4 AriaSilent by Valsir vs 16 other HRVs

-75%

Fittings and accessories

7 AriaSilent by Valsir vs 24 other HRVs

-70%

Grille holder adapters

7 AriaSilent by Valsir vs 32 other HRVs

-80%

Valsir AriaSilent Heat Recovery Ventilation System

Environmental Product Declaration

The Environmental Product Declaration (EPD) is a document prepared on a voluntary basis that describes a specific product's environmental impacts.

The EPD is based on the product's Life Cycle Assessment (LCA), according to the ISO 14040 standard, and the Product Category Rules (PCRs - if applicable), which establish the principles and requirements for preparing EPDs for specific categories of products/services.

EPDs can concern a product's environmental impacts considering various horizons, from the briefest (cradle-to-gate), to the longest (cradle-to-grave).

The results of the EPDs are presented using a series of environmental indicators, such as Global Warming Potential (GWP), as functional units. The choice of the functional unit for the product category is indicated in the specific PCR.

In preparing these environmental declarations, we opted to use the EPD Tools, or rather parametric tools that, once certified, allow us to independently manage both the variation of the functional unit and the primary input data in order to generate new EPDs.

To obtain this certification, a specific procedure must be followed:

1. Carry out the LCA study for the product/service
2. Generate a descriptive report on the LCA study carried out
3. Prepare the environmental product declaration
4. Submit the documents prepared for verification and validation by an independent third party

In order to prepare the EPD Tools, we collaborated with a specialised partner, who helped us model the products' life cycle using a software application based on an extensive and comprehensive industrial database. Our EPDs are "cradle-to-grave".

Once the EPD Tools had been prepared, they were validated and audited for certification by a qualified certification body.

Results

In November of 2021, three of the EPD Tools were certified, and the EPDs for the following product ranges were prepared:

Triplus

Pexal + Bravopress

Tropea S Block

Goals

During the first few months of 2022, the EPD tools for the following product ranges will also be certified:

Blackfire, PP3

Pexal, Pexal Easy, Pexal Brass

during the course of 2023, on the other hand, the goal will be to expand the existing EPD Tools in order to prepare the EPDs for the following product ranges:

HDPE

Rainplus

Winner S - Cubik S

Valsir Recycling Division material recovery

With the aim of improving the development of a circular economy, thanks to the continuous streamlining of the production lines, in 2021 the Valsir Recycling Division reached and exceeded the goal of re-purposing 10 million kg of plastic waste.

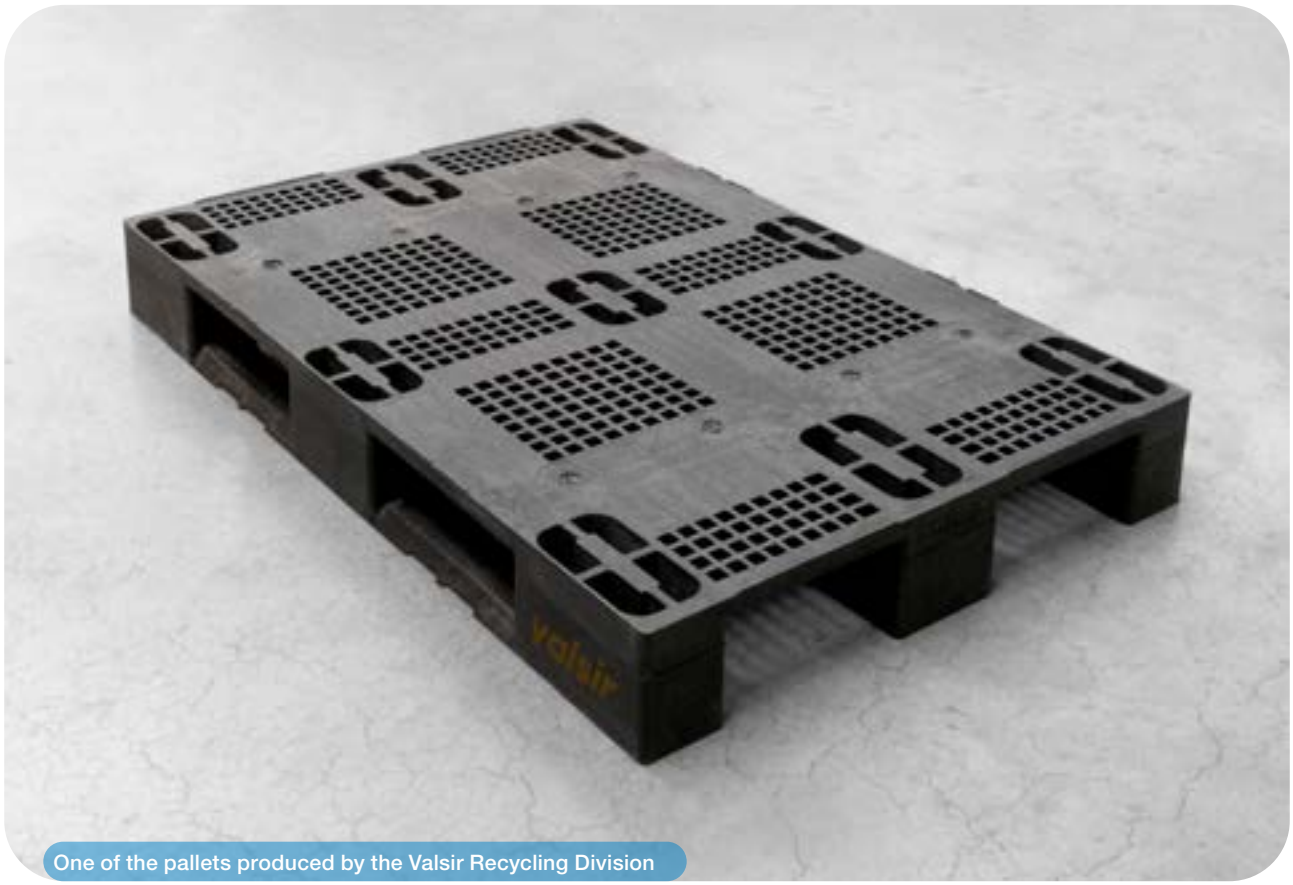
re-purposing achieved for
10 MILLION kg of plastic waste

The Valsir Recycling Division facility

Over the past two years, we've worked to maintain Remade in Italy certification for the secondary raw materials that we produce, which guarantees accreditation for the verified recycled content within our compounds, as well as the relative traceability scheme. This certification complies with the Procurement Code and the Minimum Environmental Criteria (MEC).

In addition to the recovery of plastic materials, even for the purpose of reducing the consumption of virgin raw material, the Valsir Recycling Division also designs and manufactures pallets from 100% recycled and recyclable material that has reached the end of its life cycle. This is called the "Green Pallet" project, and its range of products is expected to increase during the 2022-2023 period with new models to meet the growing market demand. The sizes currently available are the following: 1200x800x126 mm, 1200x800x140 mm and 1200x800x160 mm.

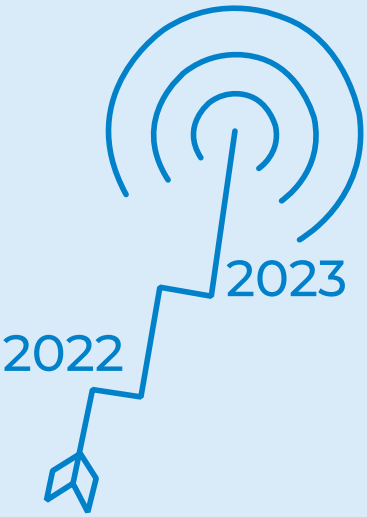
We decided to adopt the criteria established by the UNI EN ISO 8611-1:2022 standard, which generally applies to wooden pallets. However, in addition to being able to be fully cleaned and sanitised, our pallets also don't absorb moisture, don't undergo weight variations, don't require fumigation, as they are resistant to moulds and bacteria, don't require any maintenance, and, above all, are entirely eco-sustainable, as they are made from recycled material and can be recycled countless times.



One of the pallets produced by the Valsir Recycling Division

Thanks to their robustness, reliability, sustainability, and customisation possibilities, our 100% recycled plastic pallets have been selected by Bayer S.p.A. for the digitalisation of its supply chain.

Find out how by scanning the QR Code:

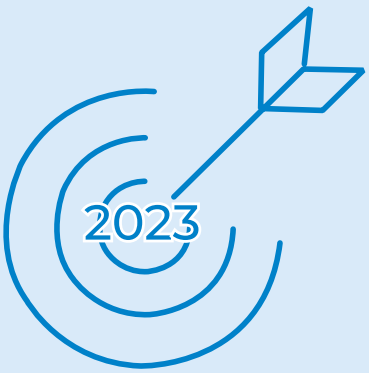


PROJECTS FOR THE NEXT TWO YEARS

- Evaluation of a system designed to use recovered heat, which would otherwise be dissipated, for compacting and dewatering the sludge from the Valsir Recycling Division's closed-cycle water purification plant.
- Training for the technical and quality staff on a list of chemical substances which, although not prohibited by law, we believe require particular caution and should be eliminated wherever possible. This knowledge and training allows us to make product and process design choices that take this business objective into account.

GOALS FOR 2023

- To make the circular design checklist and characteristics a strategic tool for sustainable product design.
- To complete the EPD certifications for all the product ranges.
- To increase the number of environmental product certifications and to improve the traceability of recycled material content within our compounds in order to meet all of our customers' demands.



5. PROTECTION OF THE LOCAL ENVIRONMENT

RELATED TARGET SDGs

REF. 6.3 - 6.4

REF. 9.4 - 9.5

REF. 12.4 - 12.5

REF. 15.1

VISION

The local territory is our home, and, as such, it is extremely important to us.

In order to protect every aspect of it, we must first gain a better understanding of the extent of our atmospheric emissions, in order to take further containment and reduction measures. We want to achieve a process efficiency level that, on the one hand, allows us to streamline the use of our water resources as much as possible, and, on the other hand, ensures the quality of our wastewater, in order to avoid impacting the receiving water bodies. We aim to minimise the waste elements of our production activities, and to maintain the high percentages of packaging recycling that we have achieved.

MANAGEMENT APPROACH

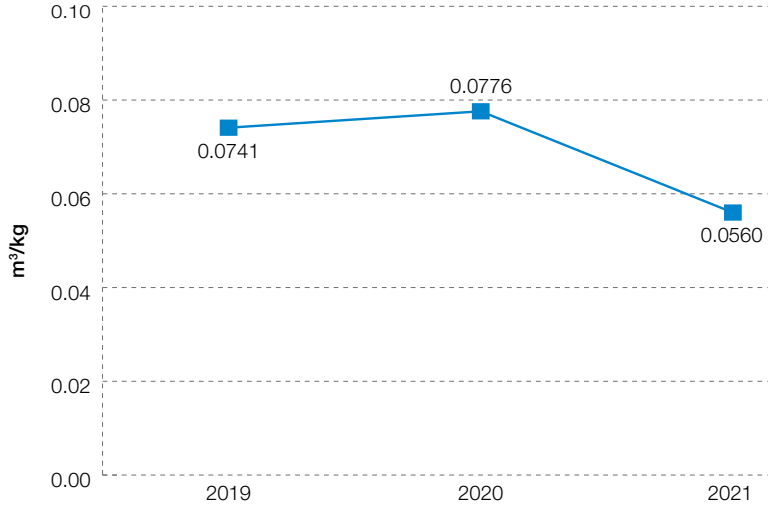
- Maintenance of the ISO 14001 management system for the Vestone facility, in order to ensure the continuous improvement of the processes. The same approach is also applied at the other facilities, even if they're not yet certified.
- The systems' design phase entails an initial evaluation phase regarding the containment and reduction of any emissions. This is followed by the sizing phase to ensure efficient and effective interception, as well as the sizing of any extraction and abatement systems deemed necessary.
- Adoption of systems for intercepting, measuring, and eliminating emissions in order to better protect the health of the personnel within the departments and the environment outside the facilities.
- Accurate monitoring of the use of water resources in order to promptly identify any uses that are not commensurate with the company's actual needs, and to promote efficient water use as much as possible.
- Accurate monitoring of wastewater in order to constantly ensure the safe quality of the discharged water.
- Creation and dissemination of clear and accurate instructions regarding the sorting and recycling of waste materials, in order to raise awareness among the operators and maximise the efficiency and effectiveness of the sorted waste collection procedures promoted at our facilities.
- Specification of the product cataloguing of the plastic materials in order to determine what percentages can be reused directly or recovered by our recovery plants or by other plants, with disposal being left as a residual option.

REPORTING

Annual water consumption

The company's highest water consumption levels are recorded during the production lines' cooling phases. In order to reduce the quantities of water consumed, each plant is equipped with recirculation systems, which use different cooling sources depending on the season, favouring those that consume less energy and have a lower environmental impact. The following graphs show the specific well water consumption values broken down by facility, comparing the well water consumption to the raw material processed. The company's total specific water consumption remained stable in 2020 and 2021, even despite an increase in production.

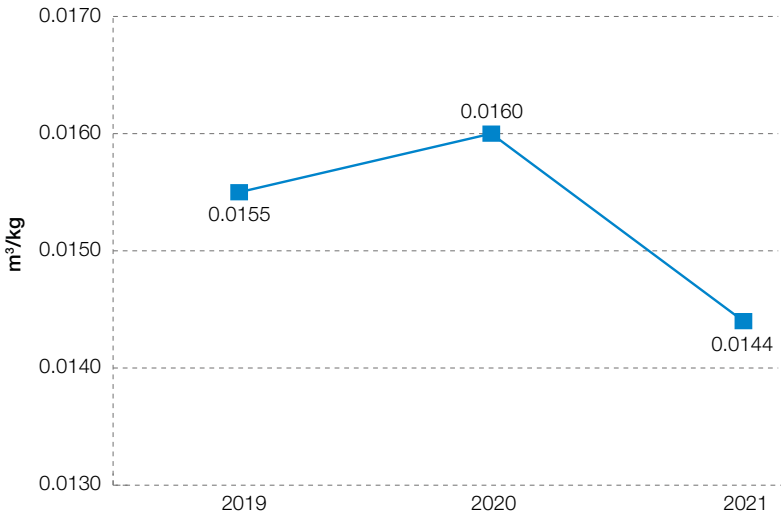
Specific water consumption - Vestone



Annual water consumption - Vestone:

2019	314,885 m³
2020	289,100 m³
2021	234,400 m³

Specific water consumption - Vobarno



Annual water consumption - Vobarno:

2019	343,280 m³
2020	335,416 m³
2021	358,357 m³

2020	624,516 m³
2021	592,757 m³

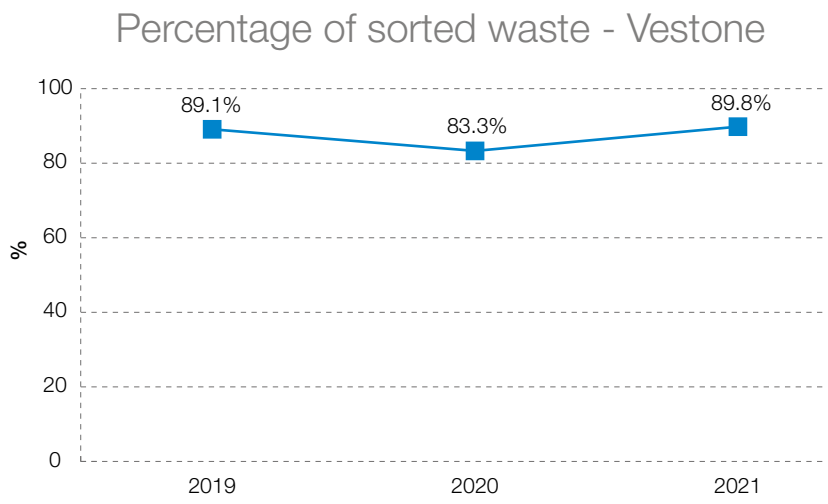
total annual water consumption

0.023 m³/kg RM
(processed Raw Material)
total specific water consumption
in both 2020 and 2021

Quantity of sorted waste collected

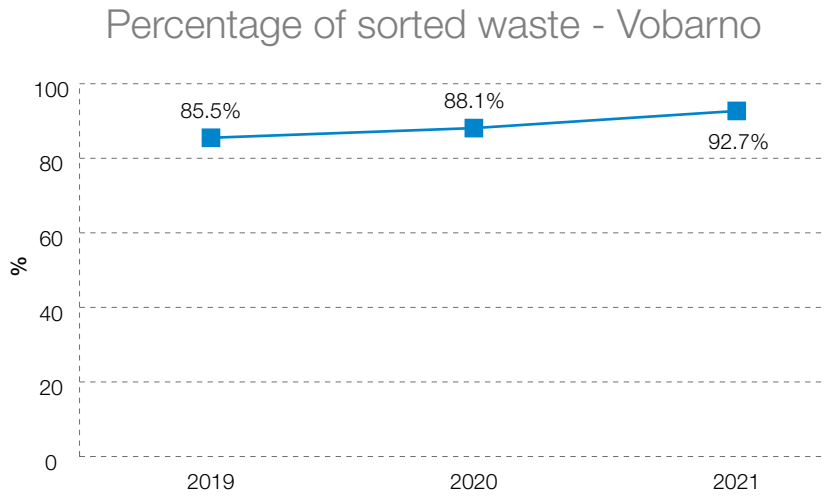
The following graphs show the sorted waste collection percentages for the packaging waste at the Vestone and Vobarno plants.

The values show an improving trend, and are the result of the staff's considerable awareness of this issue.



Annual sorted waste collection - Vestone:

2019	119,339 kg
2020	103,102 kg
2021	105,468 kg



Annual sorted waste collection - Vobarno:

2019	252,616 kg
2020	230,974 kg
2021	342,131 kg

2020	334,076 kg
2021	447,599 kg

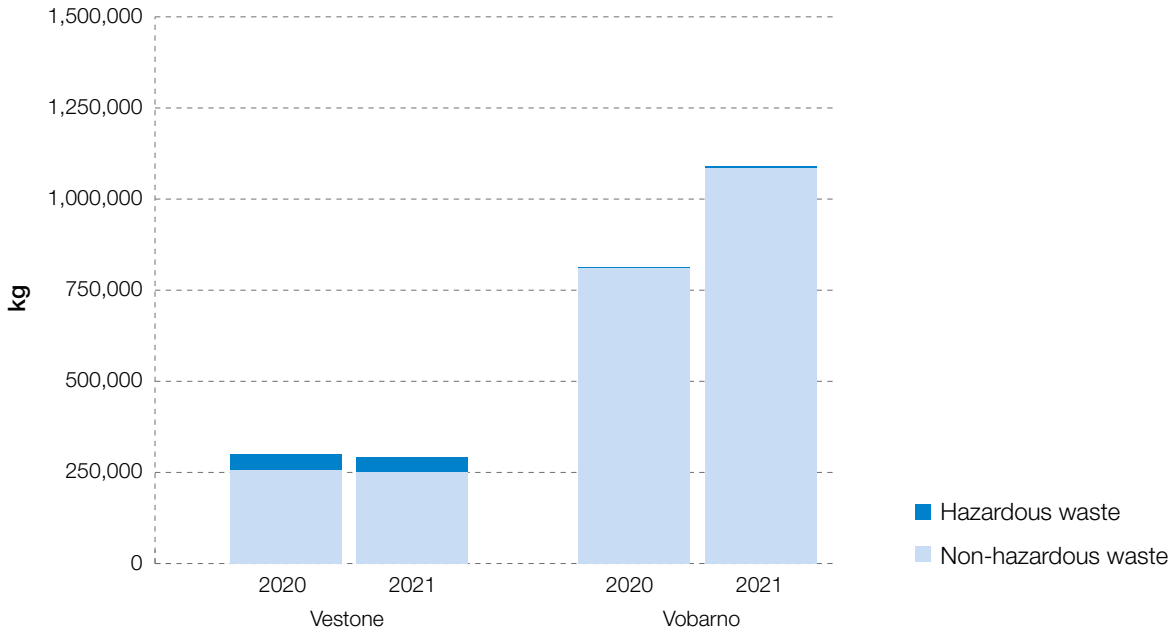
quantity of sorted waste collected

2020	86.6%
2021	92%

sorted waste collection

Hazardous and non-hazardous waste

The following graph shows the total waste produced by the two facilities in Vestone and Vobarno, broken down by hazardous and non-hazardous waste.



The aggregate data is provided below.

Total
1,106,851 kg
2020 waste production

In 2020
45,471 kg
hazardous waste
1,061,380 kg
non-hazardous waste

Total
1,392,101 kg
2021 waste production

In 2021
50,666 kg
hazardous waste
1,341,435 kg
non-hazardous waste

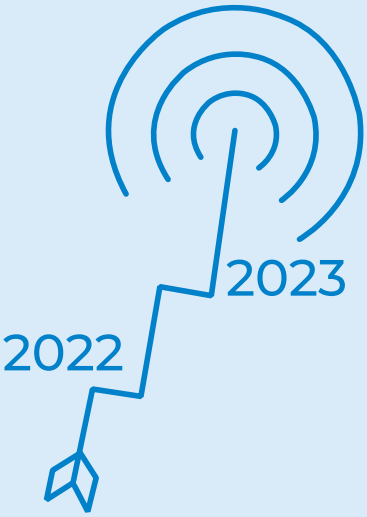
Water resources at the Vestone production facility

During the 2020-2021 period, the open chain cooling circuit of the extrusion line that produces the compound was transformed into a closed cycle. This change, which makes use of an existing cooling tower for almost the entire year, has resulted in a considerable decrease in the consumption of water for cooling.

Waste management

In addition to maintaining all the measures introduced over the years for waste reduction and management, the company has also introduced a container equipped with a compacting press to improve its management of paper waste storage.

Valsir Vestone facility - sorted waste collection area

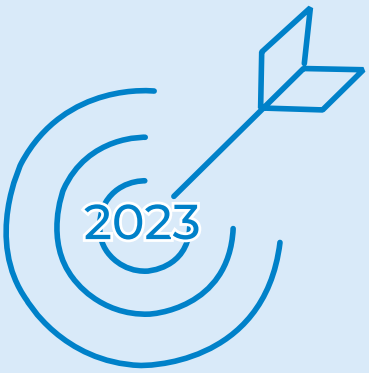


PROJECTS FOR THE NEXT TWO YEARS

- Over the years, the work that Valsir has carried out for the protection of the territory has been extremely demanding and effective. We are therefore quite satisfied with the results achieved, and, for the next two years, we'll strive to maintain these results and to seek out any areas of potential improvement, even making use of the latest technologies available on the market.

GOALS FOR 2023

- Process of extending the ISO 14001 certification to the Vobarno and Carpeneda facilities.
- Installation of a cooling system in the cistern department.



6. ADAPTATION TO CLIMATE CHANGE

RELATED TARGET SDGs

REF. 7.1 - 7.2 - 7.3

REF. 13.1 - 13.3

VISION

Climate change is part of our daily lives, and we want to play an active role in this major global challenge.

In addition to taking every possible measure to mitigate its effect, we also intend to draw up short and long-term adaptation strategies in order to be prepared to tackle the challenges and seize upon the opportunities posed by climate change.

MANAGEMENT APPROACH

- In-house instruction and training to raise awareness of the physical and transitional risks associated with climate change, as well as the business development opportunities generated by the topic.
- Regular analysis of the risks and opportunities associated with climate change, in order to identify and monitor any risks that need to be mitigated and opportunities to be seized upon.
- Preparation of an action plan for managing the risks and opportunities arising from the analysis, monitoring of the implementation and the actual benefits resulting from our adaptation strategy based on the set goals.

REPORTING

Assessment of the risks and opportunities posed by climate change

The World Economic Forum has included climate change among the greatest risks that our planet will be facing in the years to come.

Our company considers it essential to take this topic into consideration, and to work towards the establishment of a climate mitigation and adaptation strategy.

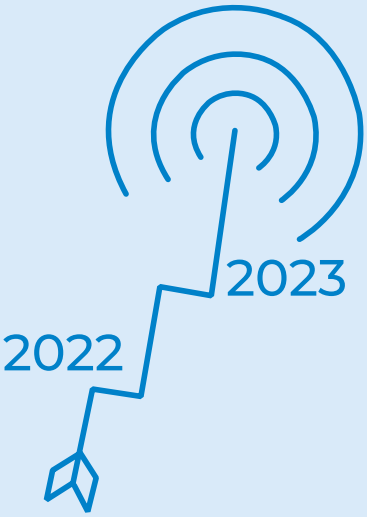
In order to establish this strategy, it is important to study how the climate could evolve in the coming years, in order to understand the possible effects on our business activities and our value creation chain, both upstream and downstream.

For this purpose, the climate scenarios proposed by the Euro-Mediterranean Centre on climate change were analysed and evaluated with respect to the company's activities.

By assessing the risks and opportunities associated with climate change, our company has determined the short and long-term, structural, organisational, and strategic interventions necessary to establish a solid adaptation approach and to support its mitigation efforts (also described in the chapters on the energy transition and circularity).

The risk analysis conducted shows that the company is properly controlling and managing most of the priority risks and opportunities identified. The risks for which further measures could be taken have been included in an action plan, and mainly concern the management of the supply chain and technological advancement, especially in the field of renewable energies.

The involvement of various company departments is also fundamental for seizing upon the opportunities for product and market development.

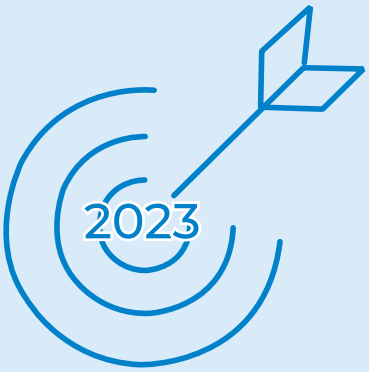


PROJECTS FOR THE NEXT TWO YEARS

- Training days for R&D personnel, product managers, and sales representatives aimed at providing information on the global climate context, the legislative context, and the market response; to gather feedback on the extent to which they already take these developments into account in their daily work activities; to jointly determine the potential criteria for the circular product development checklist. Training sessions are also an opportunity to engage in dialogue with those who work closely with customers, in order to identify any markets that require product sustainability conditions that the company is able to satisfy.
- Calculation of the carbon footprint at the company and product level, in order to determine the goals for mitigating the company's contribution to global warming.
- Evaluation of any areas still exposed to extreme climatic phenomena (flooding, hail, strong winds, etc.), in order to prevent material damage and to take the necessary precautionary measures.

GOALS FOR 2023

- To lower the global risk index resulting from the analysis conducted, and to create the conditions necessary to pursue the opportunities highlighted.



7. PROCESS SAFETY MANAGEMENT

RELATED TARGET SDGs

REF. 8.8

REF. 9.4

VISION

We want technological advancement not to be seen as a threat to human work, but rather as a supplement to be accompanied by skill development, without leaving anyone behind. Everything must go hand-in-hand: plant development incorporates the concepts of personal safety and professionalism protection.

MANAGEMENT APPROACH

- Raising awareness among the employees of their roles and their contributions to the "near misses" project, which is aimed at gathering and analysing data concerning verified or potential events. The goal is to create a solid database in support of the prevention process, through measures aimed at ensuring the continuous improvement of the safety standards. The project is aimed at reporting any situations that could have led to an injury, but that fortunately did not result in any negative consequences.
- Promotion of individual awareness, and work teams dedicated to promoting behavioural change, in order to eliminate risky actions by individuals, in particular by intervening upon the possible key factors of injury associated with individual behaviours.
- Training, education and communication of safety-related aspects to improve knowledge and the sense of individual and team responsibility.
- Continuous innovation and optimisation of the work environments in order to further improve the health conditions within the departments, offices, and common areas, with the aim of preventing any potential risks.
- Proactive involvement of the safety managers, expert technicians, and production managers in the process of designing the facilities, machines, and processes, integrating risk prevention starting with the very first stages of each business development project. This is to guarantee constant improvement in terms of the harmonisation and joint development of the topics of safety and production process planning.
- Ongoing assessment of the potential impacts that automation processes might have on the company's staff. The measures adopted are aimed at introducing new technologies to support and supplement the work activities.
- Ongoing skill development and provision of the growth pathways necessary to adapt the personnel to the use of new technologies.

REPORTING

How we managed to deal with Covid-19 pandemic at the company during these two years

650,000
masks distributed

24
temperature detection systems

6
company-wide swab test campaigns

OVER 4,000
swab tests performed on all the employees

The day the health crisis began, we found ourselves faced with something we knew nothing about: nobody could have guessed the magnitude of what was about to happen. There was no information about the virus or the actual risks associated with infection.

Our goal was to ensure that everyone would be able to continue working safely. We had to procure the necessary personal protective equipment (masks, gloves, etc.) and adopt appropriate health protocols throughout the company. But in just a few days, there suddenly seemed to be nationwide shortage of everything we needed.

In order to deal with the situation, we quickly organised ourselves and enacted all the measures necessary to ensure the continuity of the company's operations in maximum safety for all the employees, in compliance with the government health protocols: from the reorganisation of the offices and production departments, to the distribution of personal protective equipment like masks, gloves, visors, and sanitising gels, and the regular sanitisation of the work environments.

Shortly thereafter, the news became more worrisome, with health facilities being overwhelmed: at that point, we also wanted to offer support to the local institutions that needed it, such as hospitals, emergency response associations, Catholic associations, and nursing home facilities.

For this reason, we even set up two mask production lines (for surgical and FFP2 masks) at the Vobarno facility in record time.

While 2020 was difficult, thanks to the precautions taken and the vaccination campaign, the spread of the virus among our facilities was able to be contained in 2021.

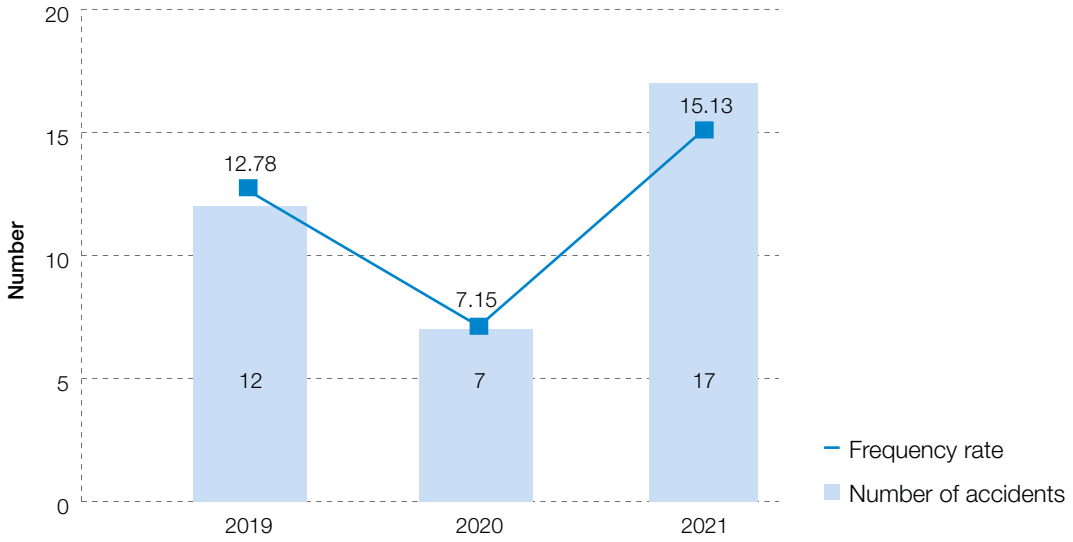
Prevention and safety

The awareness-raising activities conducted among the employees led to an increase in reported near-misses using various tools, such as evaluation forms, specific forms filled out directly by the employees, and reports collected by area managers. During the 2020-2021 period, the company continued investing in systems and technologies aimed at improving the health and safety conditions of its employees.

28 IN 2020 - 39 IN 2021
reported near-misses

845,739 €
in safety investments
during the 2020-2021 period

The following graph shows the number of injuries and the frequency index during the two-year period. It should be noted that injuries suffered during the commute are also considered in the calculation.



Personalised training

In order to render the health and safety and emergency management training increasingly effective, we've created training courses that are more integrated within the company context, replacing the traditional approach with a more interactive and proactive approach.

In order to address the specific needs of the individual company figures and departments, we've created a more flexible and customisable format (which remains compliant with the regulatory obligations) through the use of micro-learning processes, or rather training snippets that are more practical in nature and are rationed out over time. The initial approach to this new method has resulted in a series of short and practical personalised meetings for the emergency response staff.

The same training methodology was also applied to other issues, namely the "refresher" courses for the blue collar workers, for whom specific courses were developed for each individual category. These courses were provided by internal resources, as well as through external partnerships. This new method has received positive feedback from the employees, as was the case with the project developed for the office employees in collaboration with the University of Padua spin off GymHub, in which the classroom component was combined with a highly effective practical component. The techniques covered by this course can be applied at the workplace to prevent musculoskeletal disorders, and can also be applied in daily life.

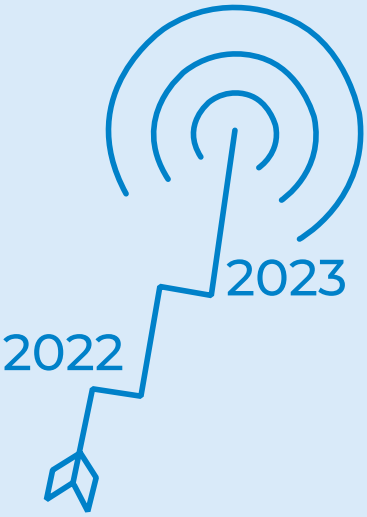
Industry 4.0

Valsir has always been highly attentive to, and invested considerable resources in, the improvement of its processes' efficiency and performance. In addition to analysing and optimising the production and logistics flows, another pathway pursued was that of implementing increasingly sophisticated automated systems. On today's industrial landscape, it has become essential for companies to make use of automation and technological improvements to improve process efficiency, to the point that this idea has become embodied within the Industry 4.0 concept (the knowledge of which has significantly increased in Italy since 2017, thanks to the incentive system established by the Government to stimulate this virtuous process of industrial development).

As previously mentioned, Valsir has been automating its processes for a long time (well before 2017), not only to remain competitive on the market and in step with the times, but also to eliminate any activities that are excessively risky or difficult for its employees, wherever possible. Valsir's application of automation is a clear example of a virtuous circle: in fact, switching the activities in question from manual to automatic did not result in a reduction of the company's staff, as the sceptics predicted would happen, but rather the modification of the employees' duties and the development of new skills. Activities that require strenuous physical exertion are becoming less frequently necessary, and are being replaced with the supervision of the processes and the resolution of any problems that might arise during the processing phases.

Examples of automated systems introduced at the company include the system for unloading the bars from the Pexal lines, and the automated packaging system for wrapping and palletising the multilayer rolls (both machines were already mentioned in the previous report, and their installation was completed in 2020). In both cases, the objectives of reducing the physical exertion of the employees involved in these activities and speeding up the relative operations were achieved. The operators therefore made the transition from a purely physical job to managing the new systems at the supervisory level, intervening whenever needed. Another example is the automated assembly and packaging system for the brass fittings, which was introduced to the turning department in 2020 and further reduced the manual assembly operations to be carried out by the operators, thus eliminating a number of repetitive activities. Once again in this case, some of the employees who previously assembled fittings manually were trained to operate this new machine.

Valsir Vobarno - detailed view of the production lines in the Pexal department

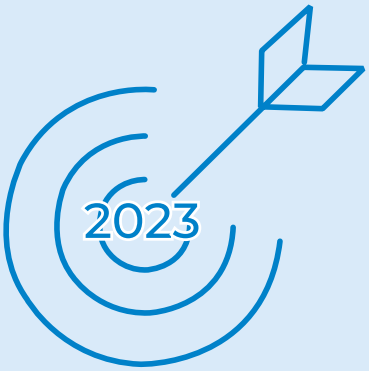


PROJECTS FOR THE NEXT TWO YEARS

- Expansion of the micro-learning approach to include health and safety issues, even by carrying out “one point lessons” on specific “near misses”, for example.
- Introduction of experience-based training courses: safety courses where the concepts are conveyed through experiences, group work, and role play, in order to engage individuals and reduce the use of the traditional classroom approach.
- Continuous staff coaching for the development of new skills following the introduction of automations for industry 4.0 Purposes.

GOALS FOR 2023

- To obtain ISO 45001:2018 certification for the facilities.
- Pipe packaging plant.
- New HRV pipes department.
- New multilayer pipe coating department.

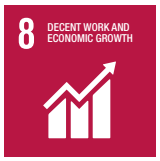


8. WORKPLACE WELLNESS

RELATED TARGET SDGs

REF. 3.5 - 3.8

REF. 4.4 - 4.7



REF. 8.5

VISION

Our objective is to meet the needs of our employees and to ensure their well-being at the company. We are committed to ensuring that all employees are involved in the long-term Sustainability project.

We strive to increase their involvement and promote a sense of belonging; we are ultimately committed to creating the appropriate conditions for each employee to feel like they are an active and satisfied member of the company.

MANAGEMENT APPROACH

- Offering a portfolio of welfare services, managed through a clear and shared policy, which grows and adapts to the employees' needs.
- Department meetings at various levels and with different objectives, in order to stimulate dialogue, accountability, and exchange of ideas.
- Engagement of the managers and, through them, all the employees, prompting them to work together to achieve the company's objectives.
- Continuous manager training to improve role-specific skills and to ensure that they are conveyed to all the employees.
- Dissemination of information regarding company developments through "sustainability pills", in order to promote the corporate culture, continuous improvement, and engagement.
- Invitation to proactively take part in the continuous improvement of the company through the "opportunity box" programme: containers in which employees can submit ideas for improvement, which are analysed on a monthly basis by a dedicated work team.

REPORTING

Tax assistance

2020	2021
158 employees	179 employees

Economic value	
2020	2021
6,463 €	7,431 €

Scholarships

2020	2021
15 students	12 students

Economic value	
2020	2021
24,800 €	16,200 €

Shopping vouchers

2020	2021
487 vouchers issued	459 vouchers issued

Economic value	
2020	2021
114,190 €	181,780 €

Canteen service

2020	2021
61,736 meals provided	71,353 meals provided

Economic value	
2020	2021
47,783 €	55,210 €

Health vouchers

2020	2021
440 vouchers issued	440 vouchers issued

Economic value	
2020	2021
78,776 €	78,399 €

Kindergarten bonus

2020	2021
12 employees	17 employees

Economic value	
2020	2021
5,840 €	18,078 €

27 IN 2020 - **25** IN 2021
ideas collected through the ideas for improvement box initiative

6 IN 2020 - **5** IN 2021
ideas implemented through the ideas for improvement box initiative

Company climate and welfare

Being able to meet our employees' needs means, first and foremost, creating a space where we can understand how people are doing at our company, what their perceptions are, and how they interpret the business development processes. The three-year company climate assessment questionnaire, which is distributed to all employees, was particularly important in 2021, as it came after a year (2020) in which the "usual" work routine was disrupted by the major changes introduced by the pandemic. It was precisely for this reason that, in addition to the typical categories that we examine in every edition of the questionnaire (satisfaction and sense of belonging, strengths and areas for improvement, sustainability, corporate strategy and departmental objectives, corporate communication and culture and service evaluation), we decided to also include the topic of **"change management"** in this edition.

54%
tasso di ritorno sul questionario di clima

In this section, we explored what the company's personnel thought about the various adaptations to the pandemic situation, and what new needs have emerged.

The results

The results revealed considerable appreciation for the company's responsiveness and success at maintaining its stability.

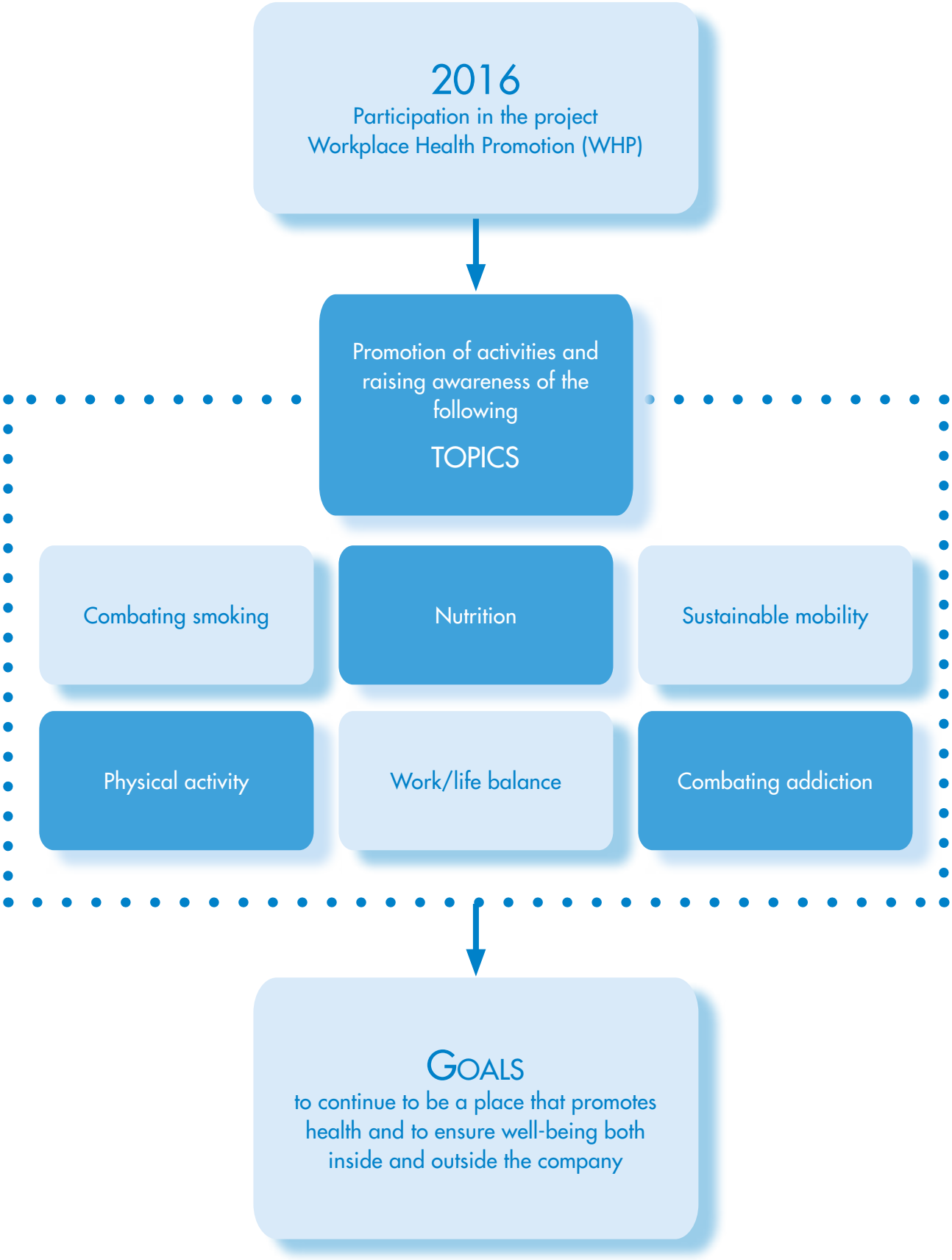
We will therefore continue to dedicate energy and attention to increasing engagement and collaboration among the various corporate bodies. The first step from the standpoint of engagement was precisely the moment at which the results were shown to and discussed with the employees, during the department meetings, which were transformed from **"informative" events**, as they had been for previous editions, into **opportunities for "dialogue"**.

In order to determine whether our range of welfare services was in line with the employees' needs, we analysed the satisfaction rate of the services offered. After examining the results, we expanded the welfare package to include:

TAX ASSISTANCE

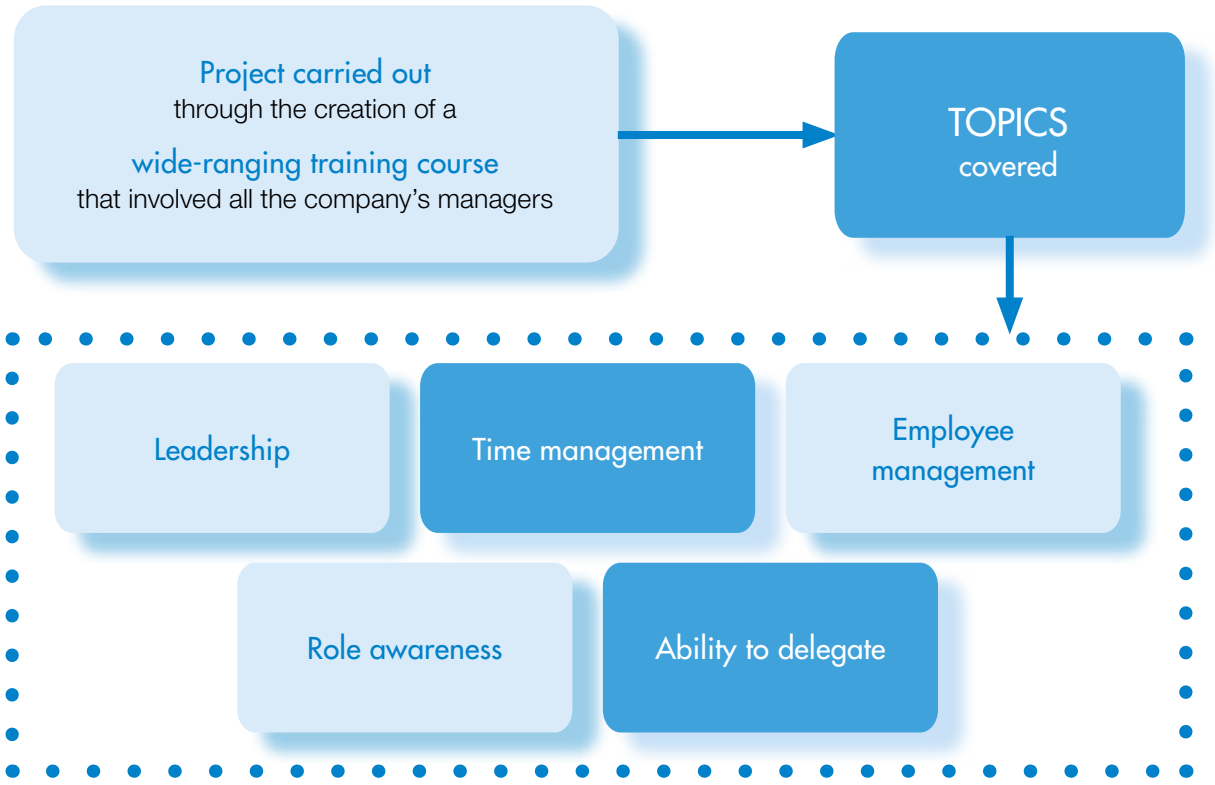
MEDICAL CHECK-UPS

Ever since we joined the Workplace Health Promotion (WHP) project in 2016, along with many other companies in the Brescia area, we have been promoting activities and raising awareness of the **topics of nutrition, combating smoking, physical activity, sustainable mobility, combating addiction, and work/life balance**. At this stage, our task is to work on maintaining everything that has been introduced, in order to continue being a "place that promotes health", as recognised by the Brescia ATS.



Involvement of the managers

One of the objectives that we identified as important for bolstering skills, generating a sense of belonging and, last but not least, involving everyone in the achievement of the company objectives, was to **launch a development project for the company's managers**. These figures play a central role in the company's development, and it is therefore extremely important that they continue to acquire role-specific skills, which, in turn, they can pass on to their employees.



During these two years, we further developed the company's meeting system. The goal was to **improve the exchange and development of knowledge** on the one hand, and the ability to dialogue and share information on the other.

Periodic meetings

between the CSR/human resources managers and all the other company managers, with the aim of engaging with and informing the employees about initiatives, procedures, and objectives to be achieved in the **field of sustainability**.

Objective
To increasingly integrate sustainability within the departments' existing objectives.

Change management

The past two years have been characterised by further company development, with the opening of the logistics centre in Roè Volciano, and the start of the bureaucratic process to begin work on the hub in Ghedi. The launch of the new Ghedi project was backed by an information and engagement initiative, which was created specifically for the employees.

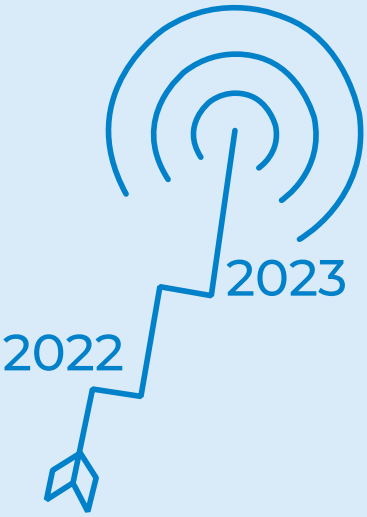
Presentation of the new Ghedi project

Having received excellent feedback, the initiative will be adapted for use with future changes as well. In fact, ensuring the care of the communication and engagement system is one of the focal points of our management approach to the topic of **"workplace wellness"**.

Employee engagement events

We believe that events and opportunities to get together outside the workplace are special moments in which employees can feel like they're part of a company environment that **doesn't end as soon as you leave the premises**. And while the pandemic put an abrupt halt to all this, we do not want to put our development of this area on hold any longer. One small sign of recovery was marked by our participation in the Giro-E event. In fact, already an official partner of the Giro d'Italia, in 2020 Valsir decided to take part in this initiative as well: a cycling event that takes place on the same roads as the official Giro d'Italia. We have established a team made up of employees and various partners, in order to underscore our position on the social issues for which the Giro-E raises awareness: **the responsible use of energy and environmental sustainability**.

A leg of the 2021 Giro-E with Igor Astarloa of the Valsir team

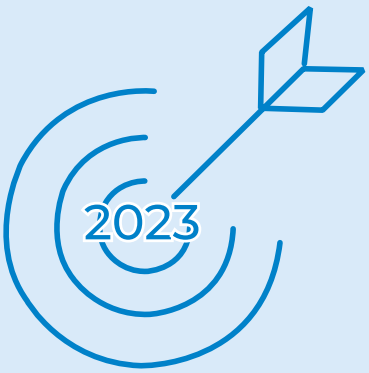


PROJECTS FOR THE NEXT TWO YEARS

- Initiatives with plant managers coaching the various department managers.
- Digitisation of the sustainability snippets, in order to render the communication more fluid and interactive.
- Thorough evaluation of the employee services introduced or modified.

GOALS FOR 2023

- To maintain all the existing activities, and to continue monitoring their progress and satisfaction levels.
- To increase the engagement of the managers and all the employees, and to render the periodic meetings increasingly strategic.



9. PEOPLE AND DEVELOPMENT

RELATED TARGET SDGs

REF. 4.4 - 4.7

VISION

We intend to continue devoting our attention to the topic of training, both internal and external. We are committed to ensuring that all the personnel are able to receive personal and professional development training.

MANAGEMENT APPROACH

- An onboarding pathway for new hires that provides for a clear introductory and development process, in order to facilitate their kick-start in the company and to ensure that their training needs are met through the establishment of specific professional development courses.
- Management of the professional development pathways of the company's personnel through the use of training files: tools aimed at uniformly and comprehensively establishing the training requirements for the various company roles, consisting of field coaching, monitoring, and acquisition of autonomy in the role.
- A structured and continuous process of determining the in-house training needs: managers are asked to periodically communicate the employees' training needs. Combined with the information gathered during personal interviews, these indications are used as a basis for creating personalised professional development plans.
- Evaluation and development of professional training courses to meet the needs of the various external stakeholders (schools and professionals), in order to provide practical solutions to each party's development needs.

REPORTING

In-house training

The goal that we set for ourselves in the previous edition of the Sustainability Report was to remain focused on training, thereby ensuring the possibility of developing all our employees' skills and abilities. The pandemic that began during the first few months of 2020 required us to rethink our course delivery methods, or rather the ways in which the personnel could be reached in order to continue cultivating their professional development journeys. The step that was taken was that of digitalising the courses, wherever possible. When the pandemic loosed its grasp and face-to-face courses could be held once again, we decided to pause for a moment and determine whether it made more sense to continue providing certain courses in digital format. In fact, we had noticed that this approach led to greater participation among employees for certain training areas. This resulted in a hybrid system of in-person and digital training, which we intend to maintain and continue to develop.

2020	
19,247	TOTAL HOURS OF TRAINING
391	PEOPLE TRAINED
49	AVERAGE HOURS OF TRAINING PROVIDED PER PERSON

2021	
17,793	TOTAL HOURS OF TRAINING
560	PEOPLE TRAINED
32	AVERAGE HOURS OF TRAINING PROVIDED PER PERSON

During the two-year period that has just ended, we created focused training courses for employees that go well beyond the traditional training package, and are capable of providing skills for personal development, as well as stimuli for professional growth. For example, we touched upon issues concerning leadership and communication, as well as the reading and analysis of data, and continuous improvement processes.

Finally, we set ourselves the goal of completing all the training files, which indicate the skills and development needs/possibilities for each company role. Now that this milestone has been reached, the next step is to keep the system updated and monitored, in line with company's evolution.

Types of courses and hours of professional training during the 2020-2021 period

13,886 HOURS
OF OPERATIONAL TECHNICAL TRAINING

1,050 HOURS
OF TECHNICAL TRAINING

5,096 HOURS
OF HEALTH AND SAFETY TRAINING

1,298 HOURS
OF QUALITY TRAINING

417 HOURS
OF PRIVACY TRAINING

1,327 HOURS
OF OPERATIONAL TRAINING

4,475 HOURS
OF FOREIGN LANGUAGE TRAINING

120 HOURS
OF LEAN ORGANISATION TRAINING

911 HOURS
OF COMPUTER TRAINING

421 HOURS
OF HR - CSR TRAINING

607 HOURS
OF ENVIRONMENT
AND ENERGY TRAINING

7,435 HOURS
OF COMMUNICATION - NLP TRAINING

Development of a reception programme for new hires

Over the past two years, we've worked on expanding and structuring the onboarding process for new hires, in order to place a greater focus on their reception.

The process includes an introduction to the company, the management systems, the safety and quality procedures, and the company's strategic vision. This introduction process is followed up by a monitoring phase with the white collar staff, which takes on the form of an interview with the employee and the manager in order to analyse the progress of the onboarding process, evaluate any needs, and jointly determine the training and professional development requirements.

"Striving for growth"

We believe that it's extremely important to ensure transparency with respect to the ambitions and growth opportunities available at the company, in order to lay out a pathway that is sensible, desirable, and practicable by all parties involved.

In order to support this process, we analyse each individual's desire for personal growth within the questionnaire and during the annual evaluation interview, and jointly determine the most appropriate steps for them to take.

With the aim of promoting new job and professional development opportunities, the company has also created an **"opportunity bulletin board"**, where all the roles and positions available at any given time, and for which anyone can apply, are shared with the employees.

External training for professionals (engineers, architects, surveyors, expert consultants, etc.)

The Valsir Academy is one of the pillars of our company. Because we've always been convinced that sharing our knowledge with industry professionals is beneficial to everyone, and is an essential requirement for growth on the market.

The "Infoprogetto" Workshop in Rome

For this reason the training activities have never stopped, even despite the pandemic.

The seminars were transformed into webinars, which allowed more professionals to participate, thus allowing the company to reach an even greater number of people. The spirit remains that of creating a mutually useful place of dialogue, where professionals can acquire specific expertise with products and their functionality, and learn more about how they interact with the various disciplines of building design. The company can therefore collect direct experiences and feedback from the market in order to increase its range of products and services and improve its ability to provide solutions to actual needs, in a co-creation process.

2020
173 Total events
13,626 Participants
3,920 Hours
27,620 Professional training credits issued

2021
228 Total events
20,580 Participants
5,000 Hours
36,520 Professional training credits issued

Academy activities and technical tools for professionals

Technical manuals

Valsir considers sharing its background to be a core value. For this reason, in order to better support professionals in the sector, it has developed a series of technical volumes, which contain thirty years worth of know-how from a company that has always been committed to maximum quality. These technical manuals provide the company's partners with a selection of complete, rigorous, and exhaustive thematic publications, and can therefore serve as extremely useful work tools for professionals. The manuals contain simplified summaries of the reference standards, design solutions, practical installation examples, and case studies based on actual experiences. The following volumes were produced during the 2020-2021 period.

Exhaust systems

Entire sections of the manual are dedicated to the topic of acoustics, complete with an in-depth analysis of the way in which noise is propagated through vibrations. Considerable focus is placed on design and sizing according to the main international reference standards, with numerous examples taken from actual case studies. The installation processes for all the Valsir drain systems are naturally included, even for the more complex configurations, such as those that use the ventilation branch.

Water supply systems

This volume deals with multilayer systems for water distribution, and features lots of dedicated contents, ranging from the pipe and fitting production processes to important design and installation information. In this case an updated overview of the main international standards is also provided, complete with examples, installation procedures, and notions of calculation. There are plenty of examples supported by diagrams and illustrations, with a detailed focus on all the most important aspects of the multilayer technologies, including their installation.

Gas systems

Although only introduced relatively recently in our country, these technologies have been commonly installed abroad for nearly 20 years. The purpose of this manual is therefore to update the gas network's designer with the latest directives of the UNI 7128 and UNI 11528 standards (including calculation examples), and to inform the installer about the fields of use, the correct installation, commissioning and testing procedures, and the advantages of multilayer solutions for domestic gas distribution.

Siphonic drainage systems

One topic that's finally receiving due attention, even outside the construction sector, is that of rainfall, which in Italy is becoming less and less frequent, but considerably more intense. The directives for the design and sizing of rainwater systems must be reviewed in the light of both the latest concrete needs, and the technologies introduced in this sector, such as siphonic drainage systems. The manual contains all the useful information for the design and installation of these drainage systems, and clearly describes their differences and advantages.

Manuals on the following topics will be published in 2022: sewage systems, water treatment systems, heat recovery ventilation systems, and radiant air conditioning systems.

BIM design tools

The Academy is also increasingly focusing on BIM design. While Valsir launched this project in 2015 with the creation of all the Revit families of its products, over the years applications and plugins were developed for use within the BIM design software, in order to facilitate the designer's daily work activities. Some of the latest developments include the following:

The Product Line Calculator (PLC)

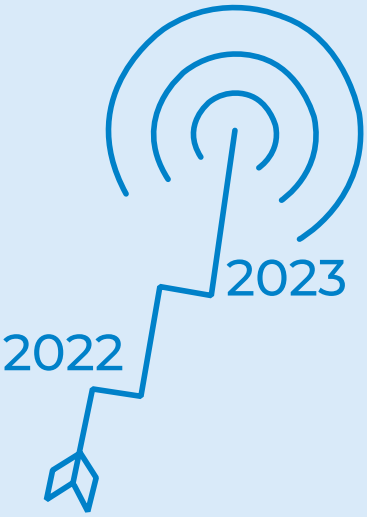
Valsir's free Product Line Calculator App for Revit allows MEP engineers to configure and design Valsir drainage and water supply systems in half the time. Using content that is always up-to-date and suitable for each country. Thanks to the autorouting function, the appropriate fittings are automatically added to the system, while the system itself is sized in accordance with the regulations directly within the BIM environment.

In addition to providing a dimensioned 3D BIM drawing, the app also provides all the lists of the products to be installed.

The Valsir Clip Tool App

When creating drainage systems within the Revit environment, the insertion of clamping collars is a very time-consuming activity for the designer. This led to the creation of systems which, although complete with all the pipes and fittings, were floating in space without any real connection to the building's structure. For this reason, in collaboration with its trusted design studios, Valsir has developed this completely free tool that allows users to complete what was previously incomplete in just a few easy steps.

In fact, thanks to the Valsir Clip Tool App, the system designer can select the parameters for the type of collar he/she wants, such as a standard collar or one with an anti-vibration insert for greater acoustic performance, and, with just a few clicks, can automatically insert all the clamping collars around the pipes. The Valsir Clip Tool App is just one of the many examples that show how the company is always striving to develop tools designed to facilitate the activities of designers who use Valsir products, often free of charge, thanks to its long-standing partnerships with stakeholders in the construction industry.

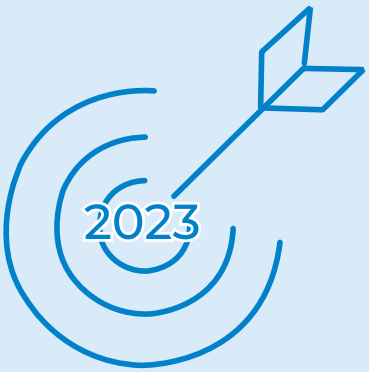


PROJECTS FOR THE NEXT TWO YEARS

- The establishment of internal training courses on specific issues contained in the corporate strategy in order to engage the company's employees in the pursuit of its ambitious objectives.
- The maintenance and development of the Valsir Academy, in order to increase the availability of training initiatives through the creation of new classrooms and training and multimedia courses.

GOALS FOR 2023

- To extend the monitoring interviews to cover all company figures.
- To continue offering personal development courses to all the employees.
- To formally establish quality training courses and render them an ongoing process.
- To expand the number of outside recipients by diversifying the training initiatives using different training methods and tools.



10. THE NEW GENERATIONS

RELATED TARGET SDGs

REF. 4.4 - 4.7

VISION

Our aim is to be a meeting point between the worlds of work and education, in order to help students orient themselves on their own growth and development pathways.

MANAGEMENT APPROACH

- Support for local excellence through the issuance of scholarships to the children of employees who have distinguished themselves in school.
- Internships and soft skills and professional orientation courses to help bridge the gap between the workplace and the world of education, and to promote the development of new talents.
- Establishment of a fixed meeting point with the world of education, through the sharing of experiences and technical skills, in order to support and expand scholastic programmes.

REPORTING

First level apprenticeship

During the past two years, a first-level apprenticeship programme was established at the company, in collaboration with a local school.

The course is aimed at creating a joint and coordinated experience between school and the workplace, offering motivated students the chance to learn in a practical manner, not just in the classroom. It's an opportunity to spend their last year of secondary school doing something different, or rather alternating between school and the workplace. In particular, the course consists of two days a week in the classroom, and three days a week of applied work at the company.

We welcomed the first student who opted for this course in 2021, and are currently organising our in-house operations to allow us to welcome an ever-increasing number of students in the future.

Valsir meets schools

Over the years, we've carried out multiple activities within the context of the "Valsir meets schools" project. The company intends to use this project to create increasingly strong synergies with the world of education, with the aim of promoting an exchange of knowledge and experience.

STUDENTS TRAINED IN SCHOOLS AND/OR VISITING THE COMPANY

2020	2021
195 students	326 students

Valsir meets schools - a classroom training lesson

The various activities include:

Visits to the company

We believe that opening the company's doors is the best way for people to understand how we operate and the care with which we manufacture our products.

Over the years, various students have had the opportunity to see first-hand the work we do within our offices and departments, how we approach it, and how we organise the various operational, organisational and strategic aspects.

Training sessions at technical/ professional institutes

Holding training sessions at technical/ professional institutes is an important way for the company to get in touch with future installers.

It's also a great opportunity for those who are still studying to associate what they've learned with the reality of the industrial environment.

The lessons are centred around the topics that the students studied during the school year.

Valsir meets schools - a practical installation lesson

University courses

Our presence on over 100 markets has allowed us to acquire new techniques and design skills. We wanted to share this experience with the faculties of Engineering and Architecture, through training courses. During these lessons, which are held in collaboration with the university professors, the design and installation issues are addressed, with a particular focus upon practical implications and design techniques aimed at solving the daily problems that can arise on construction sites. For this purpose, actual case studies were carried out using BIM tools.

Donation of Valsir products for practical tests

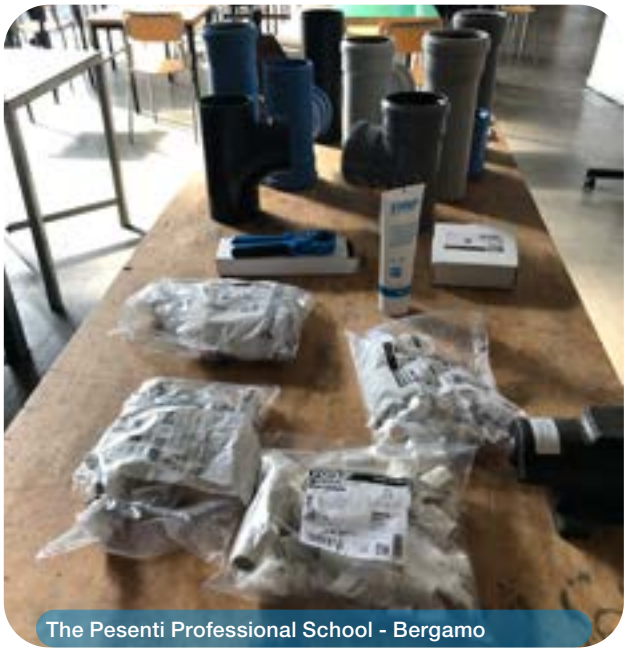
At professional institutes, practice is fundamental. That's why it's important for future technicians and installers to familiarise themselves with the products, as they can gain confidence with their use, and explore how to use them in the real world.

For this reason, over the years we have donated various materials and equipment to professional institutes, in order to provide a concrete support for their training activities.

Donation of teaching material

Having a knowledge of the products' technical characteristics is fundamental to understanding their nature and performance.

To date, 4 technical manuals focusing on the various installation topics have been produced, and we have donated over 1,400 copies to professional institutes and universities.



The Pesenti Professional School - Bergamo

Internships and soft skills and professional orientation courses

The company's collaboration with the world of education also continues through these important tools, which represent opportunities for students to approach the workplace.

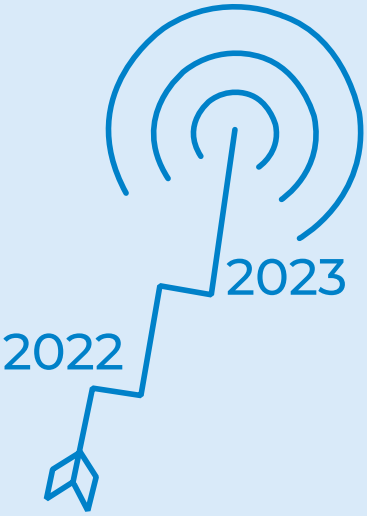
Thesis projects

We welcome the requests of students who want to use our company as a case history, as we consider it a useful tool for creating shared knowledge.

Internships and dual education

2020		2021	
2,336 hours	8 students	1,467 hours	8 students

The cisterns department in Vestone - dual education

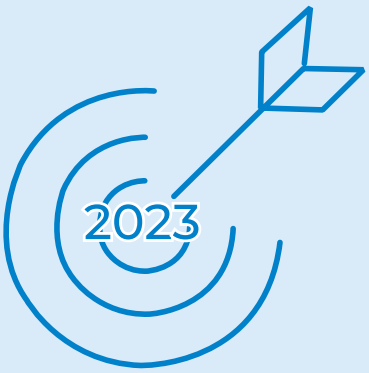


PROJECTS FOR THE NEXT TWO YEARS

- To organise training courses focused on the new topics relating to the ecological transition, in terms of both products (water saving, energy saving) and in production and management processes.

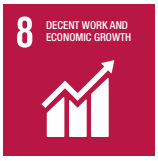
GOALS FOR 2023

- To formally establish a process of transferring knowledge and expertise from people who are leaving the workforce to those remaining at the company and/or new hires, in order to maintain the wealth of experience built up over years of working together at the company.
- To organise and increase the number of opportunities to frequent schools, in order to share the topic of “managing sustainability and the ecological transition at the company” with students, and to establish a more profound and ongoing dialogue with them, and stimulate their interest in this important topic for the future.



11. SUPPORT FOR THE LOCAL COMMUNITY

RELATED TARGET SDGs



REF. 8.5

VISION

We aim to consolidate our status as a local reference point for job opportunities and a resource for the new generations. We want to help keep the fabric of the local territory alive through the cultural dissemination of a new, circular, and more sustainable economic model.

MANAGEMENT APPROACH

- Investments in the development of companies and factories, with the aim of bringing greater value to different parts of our community in terms of the availability of quality employment opportunities.
- Support for a widespread and effective dialogue with the local community, in order to understand its needs and the points of interaction most beneficial to our joint development.
- Monitoring of the induced activities created and of the wealth distributed throughout the area, in order to evaluate where and how our company is effectively sustaining and improving the level of well-being and the socio-economic conditions of the local area.

REPORTING

New production hubs and redevelopment

Following an industrial redevelopment project, during the course of the past two years we inaugurated our logistics hub in Roè Volciano, which was purchased in 2018. All of the previous facility's systems (electrical, plumbing and fire prevention) were rebuilt, the roof and the external façade of the building were renovated, the structures were adapted to include anti-seismic systems, in accordance with the law, and a complete energy efficiency overhaul was carried out. This included the installation of a new 700 kW solar power system, which allowed the new facility to obtain an A1 energy class rating.

From an architectural standpoint, the building was aesthetically improved with the installation of new Shed windows, which provide for about 8,000 m^2 of uniform, diffused and indirect natural lighting, thus reducing electricity consumption and rendering the work environments brighter and more pleasant.

It was an extremely important process for the company's development, one which allowed it to establish itself within the local community, while at the same time creating job opportunities and revitalising the local economy.

Another major development project consisted of the redevelopment of two abandoned industrial hubs, one in Ghedi and the other in Verolanuova. These projects are part of a development plan that the company has committed to carrying out over the next 10 years. Neither municipality is in Valle Sabbia, but both are nevertheless located in the Brescia area. They were chosen because there wasn't enough space for the planned expansion in Valle Sabbia.

We believe that redeveloping existing factories and buildings is the right way to go, in order to avoid encroaching on natural areas still untouched by human development. On the contrary, fragmenting, using and developing pristine land from scratch has a negative impact on soil conservation, and impoverishes the territory and its natural resources.

Logistics hub in Roè Volciano

Economic support for the local area

We want to pay tribute to the vision, awareness, and commitment to our territory that always inspired Silmar Group's founders, Silvestro and Margherita Niboli, thus carrying on their legacy. Supporting and growing the local area to which we belong is an important part of who we are as a company. Bolstered by the desire to reinforce this approach, in 2020 we created the "Silvestro and Margherita Niboli Fund", and joined the Comunità Bresciana Onlus Foundation. The purpose of the fund is to channel funds and organise activities in support of numerous entities and initiatives in the Brescia area, and Valle Sabbia in particular, with a special focus on the needy, entities worthy of support, and cultural associations.

Over the past two years, the Fund has supported numerous health, education, and sports-related initiatives.

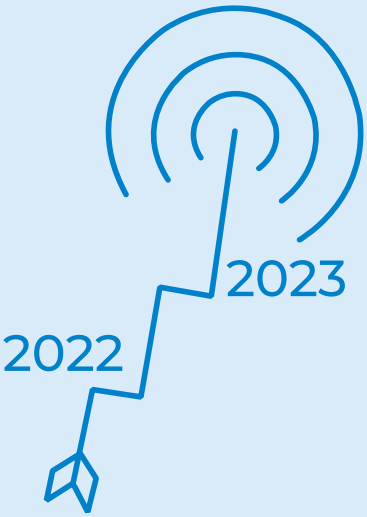
The new garden at the Carpeneda kindergarten, donated by the "Silvestro and Margherita Niboli Fund"

Total values (€)	2020	2021
Taxes	7,050,000	11,602,000
Labour costs	55,795,000	68,879,000
Donations	203,000	441,000
Value of goods and services purchased	53,792,000	76,546,000

Total wealth distributed (€)	
2020	2021
116,840,000	157,468,000

Focus on the province of Brescia (€)	2020	2021
Taxes	562,000	605,000
Labour costs	29,201,000	34,345,000
Donations	183,000	418,000
Value of goods and services purchased	21,805,000	33,334,000

Total wealth distributed (€)	
2020	2021
51,751,000	68,702,000

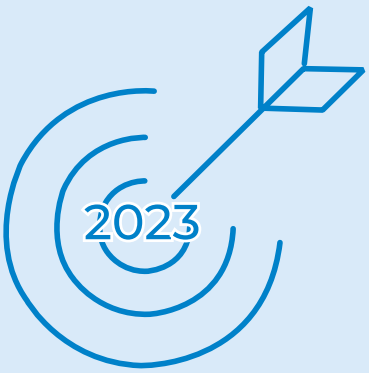


PROJECTS FOR THE NEXT TWO YEARS

- To continue providing support and focusing on the needs of the local area.

GOALS FOR 2023

- To establish new factories in strategic areas, renovating existing buildings wherever possible, like in the case of the redevelopment of the industrial areas in Ghedi and Verolanuova.



12. GRI REFERENCES

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13. GLOSSARY

Term	Definition
ACCO - Association of Climate Change Officers	For professional careers in climate change. The Certified Climate Change Professional® (CC-P®) credential provides distinction on the job market and increases credibility as a leader in climate preparedness and climate action initiatives.
Atmospheric emissions	Emission of air contaminants. These can be classified as either primary, released into the environment unaltered, or secondary, subsequently formed in the atmosphere as a result of chemical-physical reactions.
C2C - Cradle to Cradle Certified®	The international standard for safe, circular, and responsibly manufactured products. Cradle to Cradle Certification assesses the safety, circularity and responsibility of materials and products across five categories of sustainability performance: material health, circular design, clean air and climate protection, water and soil stewardship, and social responsibility.
CO_2e	A unit of measurement used to measure the warming potential of greenhouse gases, or their GWP (Global Warming Potential). CO_2 is the reference gas against which all the other gases are measured, and therefore the GWP of CO_2 is 1.
CSR	Acronym for Corporate Social Responsibility. In economic and financial jargon, it is the field that concerns the implications of an ethical (environmental, social and economic) nature within the strategic vision of a business: it is a manifestation of the company's desire to effectively manage its social and ethical impact, both internally and in relation to all of its stakeholders.
Energy efficiency	Reduced energy consumption and waste prevention.
Energy intensity	A measurement designed to calculate the level of energy efficiency. Calculated as a unit of energy divided by a relevant indicator for the business activities taken into consideration, such as the quantities of finished product, the turnover, the sales volume, etc.
EPD - Environmental Product Declaration	This is a document that describes the environmental impacts associated with the production of a specific quantity of a product or service: for example, energy consumption, raw material consumption, waste production, atmospheric emissions, and water discharges.
Extrusion	Extrusion is the technology used to transform a plastic polymer into an object. Through the combined application of heat and pressure, the heated and homogenised polymer introduced into the extruder is pressed through a die to give it the desired shape.

Term	Definition
GHG - Greenhouse gas	Acronym for Greenhouse Gas. The term greenhouse gas refers to the gases present in the atmosphere that are transparent to the solar radiation entering the Earth's atmosphere, but greatly retain the infrared radiation emitted by the Earth's surface, atmosphere, and clouds. Greenhouse gases can be both natural or man-made, and they are absorbed and emitted at specific wavelengths within the infrared radiation spectrum. This characteristic results in the phenomenon known as the greenhouse effect. Water vapour (H_2O), carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4) and sulphur hexafluoride (SF_6) are the main greenhouse gases present in the Earth's atmosphere.
Green Star	Green Star is the largest voluntary and holistic sustainability assessment system for buildings, set-ups, and communities. Originating in Australia, the Green Star rating system can be applied to any type of commercial building, including schools, hospitals, office buildings, shopping malls, and industrial warehouses.
GRI	An acronym for Global Reporting Initiative, or rather the international guidelines for preparing a Sustainability Report. They provide economic, social and environmental indicators designed to systematise how the company reports its performance.
Inverter	An electronic device capable of converting a flow of direct current into alternating current.
ISSP - International Society of Sustainability Professionals	The main global professional association for sustainability professionals. An organisation led by its members that's dedicated to advancing the sustainability profession by allowing them to empower themselves reciprocally and by setting the standards of professional excellence.
LCA - Life Cycle Assessment	An objective method of evaluating and quantifying energy and environmental loads and potential impacts associated with a product/ process/activity throughout its entire life cycle, from the acquisition of the raw materials to end-of-life.
Materiality	A concept introduced in the G4 version of the GRI that indicates the relevance of specific topics for the purposes of preparing the report.
MEC - Minimum environmental criteria	The requirements established by the Ministry of Ecological Transition for the various phases of the public procurement process, aimed at identifying the products, services, and works that are most environmentally friendly throughout their life cycles.
Meteoric water	Atmospheric precipitation.
Near miss	A "near miss" or "near accident" can be understood as any work-related event that would have caused injury, illness (disease), or even death, but did not do so by mere chance. It is an event, therefore, that has the potential to cause an injury.
ReMade in Italy	Accredited certification of the verified content of recycled materials and by-products within a material or product (including multi-material). It entails a traceability scheme compliant with the Procurement Code and the MEC (Minimum Environmental Criteria).

Term	Definition
Scm	Standard cubic metre. A unit of measurement used for substances that are found in a gaseous state under “standard” conditions, or rather at atmospheric pressure and at a temperature of 15°C.
Scope1	Classification drawn up by the GHG Protocol which indicates all the direct greenhouse gas emissions, i.e. caused by sources owned or controlled by the reporting body.
Scope2	Classification drawn up by the GHG Protocol which indicates all the indirect greenhouse gas emissions resulting from energy consumption taken from the network/grid.
Specific consumption	Within the context of this Sustainability Report, specific consumption indicates the relationship between the consumption of a given resource (such as water, electricity, natural gas, etc.) with a unit of measure (such as the total number of finished products, the average walkable surface, sales, the number of employees, etc.). It serves to convey an accurate picture of the company’s energy consumption, taking into account the indicators relevant to the company’s business, by excluding any fluctuations that might be caused by extrinsic factors.
Stakeholder engagement	Engaging and listening to the company’s stakeholders. The stakeholders with whom the company has initiated a dialogue in this Sustainability Report include employees, customers, the territory, and public institutions.
TOE	An acronym for Tonne of Oil Equivalent. A unit for measuring energy.
Trigeneration	The combined production of electricity, thermal energy, and cooling energy using a natural gas-powered engine connected to an electric generator. Through the inclusion of an absorption refrigeration unit, it is possible to generate cooling energy, thus exploiting part or all of the thermal energy generated by the engine.
Waste water	Any water discharged from buildings or installations where business activities or manufacturing processes are carried out.

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